



# Powering resilient growth

SSE plc Annual Report 2026





## Who we are

We are a leading UK-listed electricity company that invests in, develops, builds and operates electricity infrastructure and businesses needed for a clean, secure and affordable energy system. Our diversified portfolio includes onshore and offshore wind farms, hydro-electric power and batteries, flexible thermal generation and electricity transmission and distribution networks. We also provide energy and services for businesses and other customers.

## Our purpose

To be restless every day until we make electricity clean, affordable and available for all.

## Our strategy

To create value for shareholders and society in a sustainable way by investing in, developing, building and operating electricity infrastructure and businesses needed in the clean energy transition.

### Inside:

**SSE's response to a year of international unrest and uncertainty**

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**Chief Executive Martin Pibworth reflects on his first year in the job**

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**Making good on our bold and ambitious £33bn investment plan**

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**Our new Chief Sustainability Officer reviews SSE's year**

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**How we manage risk in a fast-paced operating environment**

Page 57

**Explaining the Board's key role in guiding our growth agenda**

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## Our year at a glance

In the face of a complex operating environment we met our financial objectives for 2025/26 and made good progress on our ambitious investment plans.

Group operating profit

**£2,236.6m**

Adjusted

**£1,888.9m**

Reported

Earnings Per Share

**153.5p**

Adjusted

**105.5p**

Reported

Dividend

**68.7p**

Adjusted investment and capex

**£3.6bn**

Safety (TRIR) per 100,000 hours worked

**0.17**

Economic contribution UK/ROI

**£9.66bn/  
€1.36bn**

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### About our reporting

The Annual Report is the centrepiece of SSE's communications to shareholders and wider stakeholders. It aims to give a fair, balanced and understandable overview of progress during the year, meeting the spirit as well as the letter of all our reporting requirements.

We support evolving sustainability reporting standards that encourage a more integrated view of impacts. Our disclosures reflect the issues most significant to our businesses and relevant to our stakeholders. SSE's required sustainability disclosures are included here, with additional detail in the separate Sustainability Report, published at the same time.

### APM Alternative Performance Measures

SSE assesses the performance of the Group using a variety of performance measures. These measures are not all defined under IFRS and are therefore termed 'non-GAAP' measures.

A reconciliation from these non-GAAP measures to the nearest prepared measure in accordance with IFRS is presented and described from [page 144](#). The Alternative Performance Measures SSE uses might not be directly comparable with similarly titled measures used by other companies.

All our corporate reports can be found on [sse.com](https://sse.com)



Sustainability Report



## Meet the people powering SSE towards a clean energy future

Our people are at the heart of all that we do – enabling us to make electricity clean, affordable and available for all. In this report we've asked them to explain their role in the energy transition.

► Look out for 'People Powering SSE' at the start of each section





## Our story

# A once-in-a-generation growth opportunity

In the transition to a more secure and more affordable energy system, SSE is leading the way through the work it does in Networks, Renewables and system Flexibility.

## Our resilient portfolio of assets and businesses

Our unique combination of Networks, Renewables and Flexibility businesses and assets is aligned to the strategic themes which underpin the energy transition in this decade and the next.

Our index-linked earnings provide financial resilience and our mix of businesses and premium assets mean the SSE Group can succeed in most market scenarios. We are creating a new type of power system driven by clean renewable energy, connected by modernised electricity networks and backed up by dispatchable generation plant.

Offshore, we develop huge wind farms like Dogger Bank and Berwick Bank while onshore our flexible thermal assets like Keadby complement renewables by keeping the lights on when the wind doesn't blow.

Our customer-facing businesses provide a valuable route to market and a direct relationship with energy users. We also trade and sell energy to maximise value for our assets.



## Networks

Building the grid of the future means we can transport renewables generation to where it's most needed.



## Renewables

Harnessing the natural power of wind and water to provide clean and homegrown power.



## Flexibility

Keeping the lights on when the wind doesn't blow is a key role for our thermal plant and gas storage sites.



# Delivering the energy transition on land and sea



## Transforming the grid for tomorrow

Our £33bn fully-funded five-year investment plan will transform the UK's electricity infrastructure and deliver long-term benefits for society.

Of that, we plan to invest around £22bn in the electricity transmission network in the north of Scotland. This will help move the clean homegrown energy being generated in the north to densely populated areas in the south, where it is most needed.

Our grid investment programme comprises 11 major projects, six of which are onshore and five offshore, all of which continue to make good progress. More than 75% of the associated consents are now approved with the remainder going through their respective processes, see map and [page 33](#).

Around £5bn will be also invested in SSE's distribution networks in the north of Scotland and central southern England to support growing demand from homes, businesses and communities.

### Key:

- Consented
- Awaiting consent
- Under construction
- Scottish Power Infrastructure



## Pioneering plant for greater security

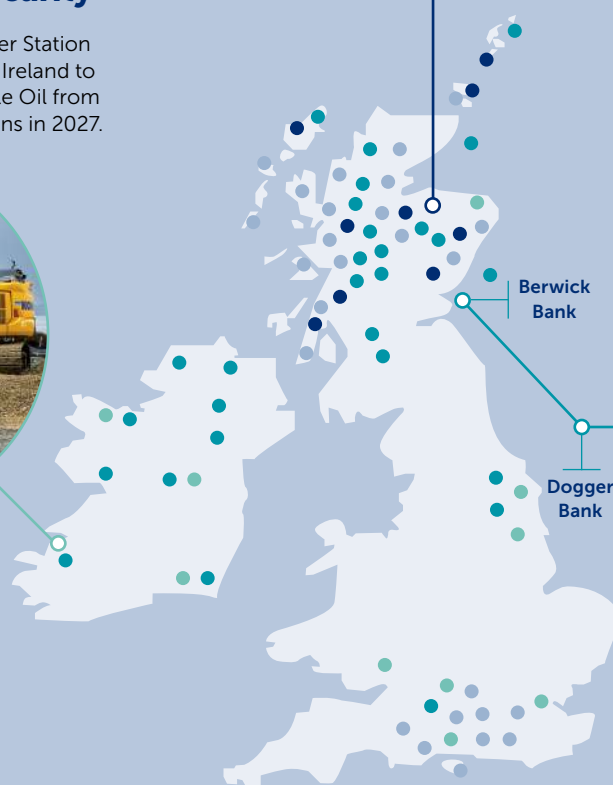
Tarbert Next Generation Power Station in Co. Kerry will be the first in Ireland to run on Hydrotreated Vegetable Oil from waste feedstocks when it opens in 2027.



### Spread of SSE's key assets:\*

- Transmission
- Distribution
- Renewables
- Flexibility

\* Indicative locations.  
For details, see [sse.com](#)



## Building the world's largest wind farms

Out in the North Sea, SSE is developing offshore wind farms that will provide clean energy for millions of homes. The turbine installation stage on phase one of Dogger Bank wind farm is complete and further north we are looking to progress the consented 4.1GW Berwick Bank wind farm off the Scottish coastline.

## Energy market review

# Navigating global volatility

The energy sector is a highly complex operating environment with geopolitical, climate and supply chain challenges all a feature of 2025/26. Managing such risks is key to SSE's success.

## Geopolitical unrest



▲ Conflict in the Middle East had an impact on energy prices

### Key issues impacting our industry

- Conflict in the Middle East damaged key energy facilities in the Gulf, restricted movement in the Strait of Hormuz and disrupted the global supply of oil and gas. This had an immediate, sharp impact on commodity prices and knock-on implications for energy bills.
- The recent turmoil underlines the need to accelerate electrification, strengthen homegrown energy independence and protect consumers from price volatility. Countries further down the energy transition road have generally been better able to cope with the effects of global instability.
- Prior to the conflict US-led trade tariffs had been another source of economic uncertainty. The war in Ukraine, which caused a more severe spike in UK gas prices than recent events in the Middle East, entered its fifth year in February 2026 with little immediate sign of resolution in sight.

## £100bn

Estimated cost of UK achieving net zero by 2050 – similar to energy-related costs from Russia's 2022 invasion of Ukraine

### What we are doing about it

- By investing £33bn in electricity Networks, Renewables and Flexibility, SSE is helping to build a secure, homegrown energy system that is less dependent on imported fossil fuels. This, in turn, offers better energy affordability for customers over the long-term.
- The Climate Change Committee (CCC) said in March 2026 that achieving the UK's net zero target by 2050 would cost less than a single oil shock. The CCC estimates the cost of delivering the energy transition will be about £4bn a year, or close to £100bn by 2050, which is roughly equivalent to the energy-related costs related to Russia's 2022 invasion of Ukraine.
- SSE's strategy is broadly aligned to the direction of UK and European governments, whilst our portfolio remains resilient and agile enough to cope with global volatility and policy shifts that might arise.

**Risk conclusion:** Macro-geopolitical environment remains highly volatile with ongoing conflicts and their consequences on UK billpayers is a concern see [page 59](#) ➔

## Politics and regulation

### Key issues impacting our industry

- Over the past 12 months the UK Government has acted to protect consumers with incremental measures to improve short-term energy affordability. In Autumn 2025 it announced plans to cut an average of £150 off household energy bills via the removal of various green levies.
- Then in April 2026, in response to the conflict in the Middle East, the UK Government announced an extension and increase of the Electricity Generator Levy and the introduction of voluntary CfDs for older assets operating under Renewables Obligation contracts.
- The National Energy System Operator (NESO) introduced measures to tackle the backlog of generation projects seeking connections which had become four times what was needed to meet 2030 climate targets. New plans will prioritise projects that are actually required.
- The UK Government is clear on its Clean Power 2030 goals, but there has been a weakening of political and public consensus. A 2025 YouGov survey found 68% of the UK public said they believed reducing household energy costs was a higher priority than achieving net zero.
- Local, Welsh and Scottish Elections took place on 7 May reshaping the UK's political landscape at a regional level and exposing deeper divisions within central government at Westminster.

## 68%

Of the UK public said lower bills mattered more than net zero

### What we are doing about it

- We are committed to a strategy that is aligned to the clean energy mission, but mindful of the cost of the transition to the billpayer. We see homegrown clean power as the best antidote to Britain's exposure to fossil fuel volatility. We will continue to advocate for increased budgets for renewables auctions and the speeding up of consenting times for grid upgrades. We have adjusted our battery storage pipeline to align with NESO's connection reform changes.
- Evolution in fair market design will also enable us to continue investing in the UK's energy future. For example we are keen to progress with our pumped storage project at Coire Glas in Scotland if viable to do so.
- May's local and national elections proved successful for the challenger parties and underlined the structural fragmentation of UK politics. We remain committed to our political neutrality and our engagement with representatives of all parties in all the jurisdictions we operate in.
- **Risk conclusion:** Implications of increased concern over the cost of the energy transition need to be managed see [page 62](#) ➔



▲ NESO's intervention will prioritise grid connections for 2030

## Climate change



▲ Changing weather patterns require planning and adaptation

### Key issues impacting our industry

- 2025 was the warmest year on record for the UK, surpassing the previous record set in 2022. Four of the UK's last five years all appear in the top-five warmest years since 1884 and the Met Office stated that human-induced climate change made this 260 times more likely.
- Storms were another meteorological feature of 2025-26. Storm Floris in early August was not unprecedented for a storm but was one of the most severe to affect Scotland during the summer.
- Storm Amy in early October hit north-western parts of the UK, with heavy rain falling widely, resulting in the wettest day of the year for the UK overall. It caused 750 faults across our network in Scotland.
- UK output from renewable technologies in 2025 increased 6% to a record 152.5TWh, and a record share of 52.5% of electricity generation. Wind and solar generation also broke previous records contributing 30% and 6.9% of overall output respectively.

# 52.5%

Amount of energy generated by renewable technologies in 2025 – a record share for the UK

### What we are doing about it

- Strategically, SSE's 2030 Goals align with national climate ambitions while operationally we are focused on managing the immediate impact of changing weather patterns on our assets.
- In response to Storm Amy SSEN Distribution engineers battled storm force conditions to restore over 82% of supplies within 48 hours. The Priority Services team handled escalations from 311 customers in vulnerable situations. More than 30,000 free meals were also served to the most affected communities from mobile food vans and local cafés.
- We manage the risk of our changing weather affecting our renewables output and our assets directly, using modelling and forecasting measures. We also input into UK national adaptation frameworks to help legislators plan for climate change and our individual Business Units have their own climate resilience plans.

**Risk conclusion:** Increasingly changeable weather patterns can affect our network customers as well as make renewable output more unpredictable see [page 60](#) 📌

### Looking ahead

Conflict in the Middle East had and will continue to have a direct impact on consumers in terms of prices they pay for oil and gas. Governments need to respond with measures designed to accelerate electrification, strengthen homegrown energy independence and protect consumers from price volatility.

SSE sees the road ahead clearly for the UK. We need to speed up the pace of the clean energy transition to become energy secure and independent. Our investment plan, backed by the efficient operation of our existing assets, delivers on all these fronts.

The biggest upgrade to Britain's electricity network in decades will allow energy projects to connect, electrifying the economy

## Operational and supply chain challenges

### Key issues impacting our industry

- Rising costs and scarcity of supply chain materials for large capital projects remained a challenge for the energy sector across 2025/26. The 2026 Thomson Reuters Global Trade Report revealed that tariff volatility had also fundamentally reshaped the trade landscape, with supply chain concerns doubling year-on-year as companies tried to adapt to increased regulatory complexity and cost pressures.
- The clean energy transition is now a global effort meaning that SSE is effectively in competition with other nations for finite supply chain raw materials and the talent needed to deliver those projects.
- Regulatory scrutiny on broader energy resilience also intensified following major power failure incidents at Heathrow, as well as in Spain and Portugal. In 2025/26 we saw a number of high profile and costly cyber crime incidents in the UK with data theft disrupting parts of the retail and manufacturing sectors.

# 100%

Year-on-year increase in companies' supply chain concerns

### What we are doing about it

- We work closely with our project partners to ensure supply chains can deliver against future commitments. Some markets are experiencing higher prices and longer lead times but our projects with longer term commitments do provide greater certainty on availability of materials.
- Ofgem's strategic approach to regulation has provided welcome visibility on investment to 2030 via the ASTI and LOTI programmes. We also have an investable and deliverable RIIO-T3 settlement with supply chain secured, and resources and people in place.
- Conflict in the Middle East did adversely affect input costs and supplier terms. But our experienced global supply chain combines its operations with a strong local presence. This is backed by a structured relationship management programme, which ensures co-ordination between all parts of the supply chain.
- A review of cyber and physical security guardrails was conducted for project partnerships in higher risk jurisdictions. Our employees underwent mandatory training and scenario planning exercises.

**Risk conclusion:** SSE has measures in place to mitigate supply chain and commodity cost challenges see [page 63](#) 📌



▲ We work closely with our partners to aid smooth project delivery

by enabling connection for data centres, EVs, heat pumps and other technologies. Renewables-led investments are the quickest and most affordable route to generating homegrown power in the UK and Ireland, decoupling the countries from commodity volatility.

But we are also mindful that we must listen to and address legitimate concerns over affordability. We will continue to argue that investment in green energy brings long-term dividends for all parts of society. Whatever the short-term volatility ahead we will keep making the case for change with the best interests of our stakeholders in mind.

## Our strategy

# Transforming for growth

Our £33bn fully-funded five-year investment programme will help transform the UK's electricity infrastructure.

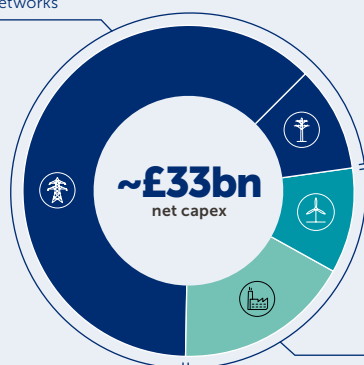
## Our investment plan

A well-defined funding route offers long-term value creation with clear visibility over earnings growth and a sustainable and progressive dividend policy.

### Optimal capital allocation to 2030

**80%**

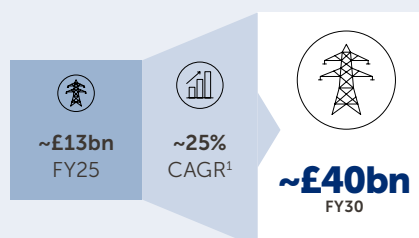
Networks



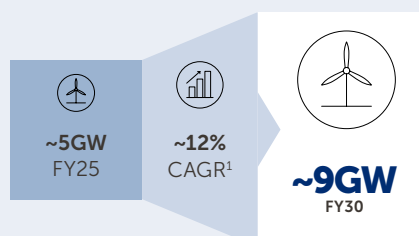
**20%**

Renewables and Flexibility

### Value-adding growth



Market-leading Networks Regulated Asset Value (RAV) growth



Selective and disciplined Renewables growth

1. Compound Annual Growth Rate.

### High quality earnings

**~80%**

Index-linked EBITDA

**225-250p**

Adjusted EPS

**10-13%**

Adjusted EPS CAGR<sup>1</sup>  
FY26-FY30

**5-10%**

Dividend per share growth  
p.a. FY25-FY30

**Maintains our strong balance sheet, backed by capital discipline and investment-grade credit ratings**

## Our 2030 goals

We work to deliver social and environmental benefits that are recognised and supported by our stakeholders. This is measured by four business goals aligned to the UN Sustainable Development Goals.



**Cut carbon intensity by 80%**



**Increase renewable energy output fivefold**



**Enable low-carbon generation and demand**



**Champion a fair and just energy transition**

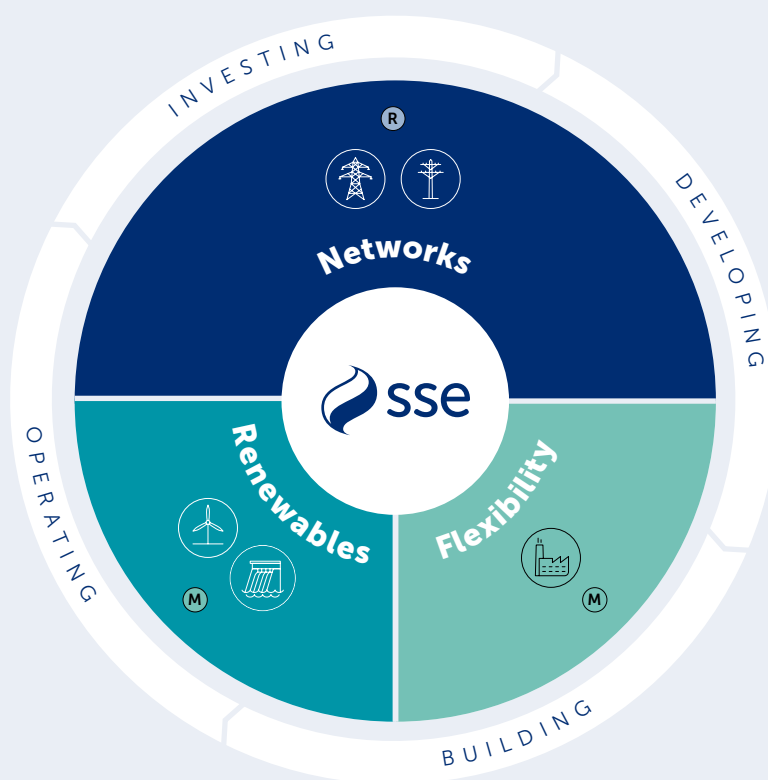
## Our business model

# Delivering on our purpose

We are aligning people, assets and capital to pursue growth ambitions and secure long-term benefit for all stakeholders.

### What we do

We generate, back up and transport the electricity needed in everyday life. We do this by investing, developing, building, and operating in three key areas of the energy value chain, through a balanced portfolio of regulated and market businesses:



Key: Market-focused businesses

Economically regulated businesses

### What we rely on

- **People** to deliver our strategy, invest in our projects, buy our products and provide our licence to operate.
- **Assets** to generate revenue and drive the energy transition.
- **Pipelines** of development for sustainable growth.
- **Funding** to finance our investment plans.
- **Policy** and regulatory frameworks that support investment.
- **Supply chain** partners to support delivery of major projects.
- **Natural resources** to produce electricity.
- **Innovation** to maintain our competitive advantage and drive the business forward.

### Why it matters

The efficient operation of our business model, and the competitive advantage it gives us, supports the creation of a future energy system that is **cleaner**, more **affordable**, and more **secure**. Through it, we make a significant economic contribution to society, support the supply chain, create quality jobs, remunerate shareholders and deliver positive outcomes for energy users.

### Who we do it for

- Employees
- Shareholders and debt providers
- Energy customers
- Governments and regulators
- NGOs, communities and society
- Suppliers, contractors and partners

### What guides us

Everything we do at SSE is informed by two fundamental values that guide our behaviours and ensure we look after people and the planet.



**Safety**



**Sustainability**

- ▶ The value we create for stakeholders is described in detail on **pages 10-11**
- ▶ Read more on Group performance in the year on **page 17**
- ▶ For more on the competitive advantage of the SSE's business mix, see **page 26**

## Chair's statement

# Powering the energy transition

The solution to market shocks is to stay the course on a homegrown future energy system built on Networks, Renewables and back-up Flexibility.



The pages of this report reflect an eventful year for SSE. Under new leadership and a strengthened management team, we have significantly raised our ambitions and repositioned the Company to seize a once-in-a-generation growth opportunity as the energy transition gathers pace.

I am particularly pleased that, in the face of a highly challenging operating environment, we have met our financial performance expectations and made good progress on building the nationally important electricity assets that are necessary for a cleaner, more secure and more affordable energy system.

## The world we operate in

The clean energy transition is an achievable but highly complex task, particularly given the fracturing of international consensus on the case for decarbonisation. There are political challenges and policy trade-offs amid stubbornly low economic growth; there are significant funding requirements that will only be met if investors are fairly rewarded for the risk they take; and energy users need reassurance that the long-term benefits will outweigh any short-term costs.

All of this was brought into even sharper relief by the outbreak of conflict in the Middle East which, like the war in Ukraine before it, highlighted just how sensitive the global economy is to energy shocks. But we are steadfast in our pursuit of a transition-aligned purpose and in practice that means focusing our efforts on efficient operation of our assets and execution of our investment plans. In the meantime, our thoughts are with those affected by the devastating effects of war, and we continue to monitor the situation closely and assess our risk profile accordingly, but the immediate impact has been limited given the resilience of our business mix.

Industry has a responsibility to help government navigate the systemic, structural changes that will be needed for electrification of the economy. As a clean energy champion, SSE stands ready to play its part as a critical delivery partner, providing Networks, Renewables and back-up Flexibility infrastructure.

We recognise that government must manage the inevitable tension between short-term affordability pressures and the need for long-term thinking to attract investment in a new energy system, but ambitious policy and regulatory frameworks are undoubtedly needed. It has therefore been heartening to see positive developments in market design, investable regulatory price controls, planning reform and competitive auction frameworks.

## Doubling down on clean energy

All future energy scenarios assume a dramatic ramping up of electricity demand out to 2050 and successfully meeting that challenge will be contingent on three things: an upgrade of the transmission network on a scale not seen since the Second World War; a rapid expansion of clean, homegrown energy supply; and more policy and investment focus on energy storage and flexibility technologies to balance the system.

SSE's response has been clear and consistent. By maintaining a strategic focus on Networks, Renewables and Flexibility, and by pivoting capital to where the immediate need is most pressing and the

potential to create value is greatest, we have positioned ourselves as a leading player in the world's leading clean energy market.

The five-year £33bn investment plan we announced in November 2025, and the upweighting of capital allocation to regulated electricity networks, is a doubling down on our commitment to the clean energy transition. The market response to this plan, and the success of the associated £2bn equity placing, adds weight to our conviction that we have the right strategy and the right team to deliver it. As we execute our ambitious growth strategy we are creating lasting value thanks to proven capability, world-class assets backed by an enviable development pipeline, and a business mix that is resilient to volatile market conditions.

And our delivery can be measured by progress on major projects in the north of Scotland and the North Sea over the past year. In transmission, construction is well under way on six of 11 onshore grid reinforcement projects and excellent progress is being made on the 505km subsea Eastern Green Link 2. The turbine installation stage is complete on the first phase of Dogger Bank, turbine installation continues at pace on the second and foundations are being laid on the third. Meanwhile, Berwick Bank, which will overtake Dogger Bank as the world's largest offshore wind farm when it is complete, is working towards Final Investment Decision having secured consent and a competitive contract for future output from Phase B.

**"The five-year £33bn investment programme we announced in November 2025... is a doubling down on our commitment to the clean energy transition."**

## “We are a purpose-led organisation. That purpose continues to be about long-term delivery for the greater good of all stakeholders.”

### A more stable energy future

Energy market volatility has a pervasive effect on us all. It curtails economic growth and places inflationary pressure on hard-pressed consumers. This is particularly acute in markets – like the UK and Ireland – that rely, in part, on imported gas to generate electricity. The solution is energy independence founded on a secure, renewables-led system that puts us in a stronger position with less reliance on imported gas and less exposure to market volatility. Energy prices will of course be subject to external pressures while the transition takes place, but the long-term goal is clear and resilience is improving steadily as new renewables capacity comes on line and enabling networks are strengthened.

This transition is as much about everyday economics as climate science. Government and industry must work together as ageing gas generation plant and the closure of nuclear facilities add urgency to the task. And delays merely exacerbate the cost of the transition, as competition for resources and talent grows, with other parts of the world pursuing transitions of their own energy systems.

For the required investment to be delivered successfully, planning consent processes must be smooth and efficient, policy structures must accommodate both renewables and flexible back-up technologies, and those structures need to be clear, consistent and long-term.

### A purpose to match our ambition

We are a purpose-led organisation. That purpose continues to be about long-term delivery for the greater good of all stakeholders. We do, however, see the need to adapt to an evolving energy landscape. With that in mind, we have updated the way we describe what we do: “to be restless every day until we make electricity clean, affordable and available for all”. We feel this accurately reflects our increasing ambition in a competitive world and our determination to continually seek out ways to create better value for all our stakeholders.

At the same time, how we deliver on that purpose needs to adapt to a changing world too, with a greater emphasis on commerciality and the competitive advantage SSE has as a cohesive group of businesses. The broad principles of safety and sustainability are foundational values and these will continue to foster a performance culture that encourages doing the right thing for people and the planet.

The science-based 2030 Goals that we set in 2019 continue to provide a measure of SSE's role in addressing climate change. In the context of geopolitical, market and policy factors we continue to monitor the challenges we might face in meeting our goals – particularly those on carbon intensity and renewables output – within the ambitious timescales we have set ourselves.

### The people powering SSE

I've been delighted by the start made by our new Chief Executive, Martin Pibworth, who brings a healthy restlessness to the role. Martin has quickly established a strong and effective leadership partnership with Chief Financial Officer Barry O'Regan. Barry's capital discipline complements Martin's commercial focus and together they have significantly raised our growth ambitions. They are ably supported by a strengthened executive team that plays to the collective strength of the Group and the 15,000 employees who are delivering on our purpose and strategy every day.

On behalf of the Board, I thank the whole SSE team for their commitment and resilience through a period of change both inside and outside of the Company. It's all the more pleasing to see safety performance remain stable through a period of sharply accelerating construction activity in which so much has been achieved.

And while employees are on the front line of the effort to transform the energy system, they are just one part of the story. Over the past year we have engaged with investors, retail shareholders, governments, regulators, suppliers and customers and that work continues as we strive for greater energy security and do what we can to address the cost pressures felt by consumers.

### Looking ahead

We are facing into a multi-decade opportunity to consolidate our position as one of the world's foremost electricity companies. The north of Scotland transmission grid is being rewired to ease constraints on the system and unlock renewables; our distribution networks are being modernised at pace to accelerate electrification; our renewables development pipeline is key to national climate and energy security ambitions; and we are investing in new and existing flexibility assets to provide resilience against system intermittence and market turmoil. In delivering all of this we are driving economic growth and supporting quality, long-term jobs as we help provide the energy security that is so important in an increasingly uncertain world.

SSE is set up for unprecedented growth, with the right businesses, assets and people to deliver on a fully-funded investment programme that will create value for all. The Board has full confidence in SSE's ability to deliver on an ambitious, future-focused strategy and we look forward to working with the executive team to promote the success of SSE for the benefit of all our stakeholders.

**Sir John Manzoni**  
Chair, SSE plc

27 May 2026



▲ Sir John with colleagues at Peterhead power station in Scotland

## Our stakeholders

# Our contract with society

As a responsible company, we carefully consider the impact of our decisions and actions on the many people who have a stake in what we do.

### Our social contract

Everything we do as SSE has an impact on those around us. Whether that's building energy infrastructure or serving our customers. So we must always ensure our strategy considers the views of communities and organisations affected by our actions.

Our unwritten contract with society is there to make sure both sides benefit from what we do. SSE builds and maintains energy projects. In doing so we support the economy, create jobs, pay taxes and deliver community funds. In return society and

shareholders provide us with skilled labour and financial backing. Our right to operate as a profitable business depends on this being a fair exchange.

### Who are our stakeholders?

Our stakeholders include employees, shareholders, customers, regulators and legislators, communities and partners. They are divided into six groups, as per the table below, and we interact with them in a range of ways such as ongoing dialogue, consultations, roadshows and events.

Externally this means anything from responding to government consultations on energy market design, to engaging with communities adjacent to our operations and conducting workplace surveys to ensure employees have a say in what we do. This helps us take better strategic decisions and ensures we meet our legal and regulatory requirements to consider all stakeholder views.

► For more on stakeholders' priorities and our Section 172 Statement see [page 95](#)

## Reciprocal, value-creating relationships



## Employees

Around 15,000 people are directly employed by us in the UK, Ireland and selected overseas markets.

### Why we engage

Engagement helps us attract, retain and develop a talented workforce now and for the future.

### How we engaged

- Conducted annual survey to gauge employee sentiment on strategy and culture – with key issues addressed through an action plan
- Embedded safety culture through industry-leading immersive safety training for our employees and partners
- Provided leadership visibility and engagement via roadshows and virtual events followed up with Group-wide and Business Unit specific communications
- Consultations with recognised trade unions on employee issues including impact of 2025 efficiency programme

**15,197**

Direct SSE employees

► Read more on page 49

## Shareholders and debt providers

We have a broad range of shareholders and debt providers who expect returns on their investments.

### Why we engage

To ensure confidence and support from those that invest in and lend capital to us.

### How we engaged

- Hosted results presentations and investor roadshows as well as published regular trading updates
- Responded to shareholder enquiries and held face-to-face interactions with retail shareholders at our Annual General Meeting
- Engaged with credit rating agencies and debt providers to explain our strategy and highlight ESG credentials of our plans

**£31bn**

Market capitalisation as at 31 March 2026

► Read more on page 93

## Energy customers

We directly serve energy supply customers in GB and the island of Ireland. We also provide grid connection to networks customers in our distribution and transmission operating licence areas.

### Why we engage

To provide a reliable energy service to all our customers and support them as we enable the clean energy transition.

### How we engaged

- Engaged proactively with affected networks customers during storms
- Promoted benefits of SSE's existing and proposed business plans for electricity network price control settlements
- Provided supportive measures for energy supply customers and advice on energy efficiency

**4.96m**

Networks and supply customers

► Read more on pages 34 and 46

## Governments and regulators

We engage with legislators to influence market design in support of our role in the energy transition. We remain politically neutral across all our engagement.

### Why we engage

To ensure policy supports our investment in critical national infrastructure that benefits customers and society.

### How we engaged

- Contributed to government consultations and responded to calls for evidence and parliamentary enquiries
- Liaised with UK and Irish governments to support growth, deliver energy security and meet climate goals whilst mindful of the affordability challenge
- Hosted 'Business of Leading the Energy Transition' event in London and attended global conferences such as COP30 and New York Climate Week

**£3.6bn**

Capital expenditure invested in infrastructure in 2025/26

► Read more on page 4

## NGOs, communities and civil society

Meaningful engagement with those affected by our actions ensures our projects bring both social and environmental benefits.

### Why we engage

We rely on the support of the communities we work in and the broader backing of society as we seek to deliver a clean energy transition.

### How we engaged

- Delivered record amount of community investment funding in 2025/26.
- Listened and responded to concerns from communities in the north of Scotland as we took forward our plans to transform SSEN Transmission's overland network
- Delivered community investment programmes across our technologies and first of the 1,000 new homes adjacent to transmission projects in the Highlands
- Partnered with local authorities and NGOs to ensure communities receive societal and environmental benefits e.g. signing the Highland Social Value Charter

**£24.9m**

Investment in communities in 2025/26

► Read more on page 53

## Suppliers, contractors and partners

We depend on our supply chain and the shared expertise of partners to deliver projects safely, on time and on budget.

### Why we engage

Healthy reciprocal relationships with those we work with ensure we can maximise shared value from our activities.

### How we engaged

- A further 4,500 employees and contract partners completed our immersive safety training in 2025/26; taking the overall total to over 14,000 since it started in 2022
- Communicated socioeconomic value of our projects in the north of Scotland, and benefits they bring for local supply chain
- Facilitated industry-government engagement on circular economy through SSE's Powering Net Zero Pact
- Direct interaction through SSE's long-running Supplier Relationship Management initiative
- Promotion of sustainability best practice through EcoVadis supply chain management tool

**c.5,600**

Active suppliers

► Read more on page 48

## Chief Executive's review

# A purpose to be proud of

Martin Pibworth looks back on the progress made by SSE in a year of exceptional events that have only added urgency to the clean energy transition.



Recent world events have laid bare the high cost of over-reliance on imported fuels. In March 2026, when conflict broke out in the Middle East, gas prices doubled as traders assessed the market impact. But UK power prices remained broadly in line with the previous year, held down by increased renewable energy production delivered to markets by enhanced electricity networks.

As the world took stock of that first month of fighting in March, we were busy generating 1.7TWh of power from wind and hydro sources, transmitting 1.56TWh of clean homegrown energy through the system and dispatching the most efficient flexible thermal plant in Europe to provide vital system back-up. There is no greater demonstration of the economic benefits of the energy transition: clean power offering improved energy independence and reducing the national exposure to volatility in commodity markets.

I am very proud of SSE's contribution to this, and excited about the progress we have made in accelerating these positive dynamics through my first year as Chief Executive.

### Delivering world-class assets

Right now, the most critical piece in the energy transition jigsaw is the transmission network in the north of Scotland. Last summer I took a helicopter ride tracking the routes of the overhead lines that we will build through the ASTI and LOTI investments over the next few years; I also visited the construction sites at Netherton and the planned location of

Fanellan substation, both key strategic points on the new network we are preparing. The scale of the investment is vast, and the need to bring communities with us is significant, but progress continues to be on track.

Back in November we talked about achieving consents and starting immediately on the work of building out infrastructure that will ease system constraints and send more low-cost clean energy into markets that would otherwise be supplied by expensive imported gas.

Since then, visiting sites and watching how drawings are becoming buildings and assets has been quite incredible; all done to the highest standards and, of course, with the utmost consideration of our team's safety and the impact we are having on the environment around us.

And the progress we're making with world-class renewables infrastructure is equally impressive. I'm pleased with the progress on Dogger Bank offshore wind farm. These are complex projects undertaken in difficult conditions and the first phase had its challenges. Dogger Bank A is now delivering into the national grid as commissioning works continue. At the same time, we are rapidly installing turbines on Dogger Bank B and immediately generating into the market.

By the time we complete the full wind farm, it will be producing 6% of the UK's current demand at a CfD price well below the current market price. Dogger Bank offers outstanding value to bill payers and if we end up building all three phases of Berwick Bank, the volumes we will produce will be even greater.

The renewables industry has been through a tough time thanks to supply chain challenges and planning blockages but we have held our capital discipline and restructured for optimal efficiency while continuing to invest in both our engineering and operational skillsets. We believe that our response will not only benefit investors, but will have a significant positive impact on consumers and society as a whole.

### Committed to excellence

Every business we operate has increased relevance as a result of the geopolitical context. We have known for some time that the growing need for electrification offers increasing capex possibilities for our distribution licences as consumer demand for power connections and usage increases.

We have seen this accelerate over the second half of the last financial year; and whilst we have been careful not to overstate the possibilities for data centres, opportunities are emerging in our southern region.

**"Right now, the most critical piece in the energy transition jigsaw is the transmission network in the north of Scotland."**

## “All our businesses are positioned positively behind a commercial purpose of providing clean, homegrown, reliable energy supply.”

In the summer of 2025, I spent time with some of our engineers looking after low-voltage networks and observed first-hand real skill backed by an exemplary safety culture.

Later I watched the same teams deal with the impacts of Storm Floris with the highest levels of customer empathy and professionalism. During this event we experienced record 82mph wind gusts for August which knocked out supply for 72,000 of our customers. It is testimony to the team that 98% of customers had been restored within 48 hours despite the very difficult working conditions. Again, it speaks of a level of operational excellence that extends across every business in the SSE Group.

And that has been the outstanding takeaway from my first year as Chief Executive; all our businesses are positioned positively behind a commercial purpose of providing clean, homegrown, reliable energy supply. My message to everyone at SSE has been that delighting our customers and our stakeholders as we provide our part of the energy transition is a key measure of success.

Our people are rightly proud of the 14,506GWh of renewable energy we produced last year; the 10.8GW of electricity (mostly clean) we moved through our networks and delivered to end users; and the promise of delivering the substantial national benefit of the £33bn investment plan that we outlined to investors in November last year and remain fully on track to deliver.

### Change for the better

That does not mean we haven't embraced change over the last few months. My best wishes and thanks go to a number of well-regarded senior colleagues who have left SSE, some after long periods of exceptional service.

Naturally, this has created opportunities and I'm excited by the arrival of executive hires in the areas of IT, Procurement, Legal, Sustainability and Business Development. The fresh experience and insights our new colleagues bring to the organisation, and a deepening of our management pools, will enable our continued growth and success.

The Group Executive Committee and I have spent significant time evolving our culture into something that everyone at SSE can get behind as we focus on strategic delivery and sector-leading performance.

This has led to a new purpose statement: “Be restless every day until we make electricity clean, affordable and available for all.” And the way we execute that purpose will be guided by behaviours that emphasise accountability, ambition, honesty and commerciality right across SSE.

### The case for electrification

There is real impetus behind electrification of the economy, driven by consumer behaviour as much as anything else. We need look no further than the recent surge in EV demand in response to energy cost concerns. But the energy transition that is needed to support electrification will require industry and governments to work in tandem.

While maintaining our strict political neutrality, over the past year we have taken a more robust position on what we believe the correct policy responses should be to the cycles and contexts that continually emerge. On that basis I am pleased to report that we have enjoyed good access to, and constructive engagement with, all governments and regulators and we've used that to advocate for the mutual best interests of investors and consumers.

It has also been pleasing to see that the UK Government's response to recent events has been to double down on its clean power agenda, increasing budget for renewables auctions and taking steps to speed up consenting times for grid infrastructure.

This broadly aligns with our strong view that Networks, Renewables and Flexibility offer the best value for energy users. And

tangible benefits from our investments are already coming through, with the network system operator confirming in May that SSEN Transmission's work to reduce constraint costs delivered almost £300m of savings for consumers in the last year alone.

### The value of resilience

Above all, my first year as Chief Executive has provided me with a stark reminder that in a world of ever increasing uncertainty, our carefully integrated portfolio offers resilience in most market scenarios and the opportunity for long-term growth and enduring value creation.

As markets have fallen and spiked; as global politicians have debated and contested, as new events have surprised and amazed; what is evident is that SSE continues to have an important part to play in a transformative shift to an energy system that is not only secure, but cleaner and more affordable too.

Backed by an astonishing depth of capability and a striking employee commitment to achieving our purpose, we are strongly placed to deliver against the plans we set out last November, and pivot to further growth as policy converges with the energy transition. It makes me feel proud and indeed privileged to have the opportunity to lead SSE at this time.

**Martin Pibworth**  
Chief Executive

27 May 2026



Martin gets an update on the Eastern Green Link 2 project at Peterhead

## Our KPIs

# How we performed

We use a number of key measures to track our financial, non-financial and operational performance, and we keep them under review to ensure they align with our strategy.

## Financial performance

|                                                                           |                                                          |  |                                                                                                                                                                                              |
|---------------------------------------------------------------------------|----------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Dividend per share</b><br>(pence)                                      | <b>68.7</b>                                              |  | The recommended full-year dividend is in line with the dividend plan to 2030 that balances income for shareholders with the appropriate funding for growth.                                  |
| <b>Earnings Per Share*</b><br>(pence) <b>APM</b> <b>R</b>                 | <b>153.5</b><br>Adjusted<br><b>105.5</b><br>Reported     |  | We have delivered on the earnings commitments we made for the year in the face of mixed weather conditions and a complex operating environment.                                              |
| <b>Profit before tax*</b><br>(£m) <b>APM</b>                              | <b>2,024.8</b><br>Adjusted<br><b>1,837.3</b><br>Reported |  | Performance was consistent with expectations and benefited from an increased contribution from SSE Transmission.                                                                             |
| <b>Adjusted EBITDA</b><br>(£m) <b>APM</b> <b>R</b>                        | <b>3,207.9</b>                                           |  | We extract interest, tax, depreciation and amortisation from earnings to provide an optimal measure of operational performance.                                                              |
| <b>Adjusted net debt and hybrid capital*</b><br>(£bn) <b>APM</b> <b>R</b> | <b>10.1</b>                                              |  | Adjusted net debt and hybrid capital is consistent with expectations given increasing investment, with leverage stable at 3.3x net debt / EBITDA.                                            |
| <b>Combined networks Regulated Asset Value (RAV)</b><br>(£bn) <b>R</b>    | <b>15.6</b>                                              |  | The acceleration of work to reinforce SSE's three economically-regulated electricity networks contributed to higher RAV values in the year.                                                  |
| <b>Adjusted investment, capital and acquisitions</b><br>(£m)              | <b>3,585.6</b>                                           |  | Another record year of investment was driven by spending in our regulated electricity networks divisions, with lower deployment of capital across the other businesses, and no acquisitions. |

\* We have refined our adjusted net debt and hybrid capital measure by removing a proportionate share of SSE plc's external debt invested in subsidiaries with a non-controlling interest, along with related net finance costs from adjusted net finance costs, adjusted profit before tax and adjusted Earnings Per Share measures.

## Safety performance

|                                                                                                            |             |  |                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------|-------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Total Recordable Injury Rate per 100,000 hours worked</b> (employees and contractors combined) <b>R</b> | <b>0.17</b> |  | Combined TRIR remained broadly stable. While TRIR improved for SSE employees, TRIR performance for contract partners worsened compared to the previous year. |
|------------------------------------------------------------------------------------------------------------|-------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Linking performance to pay

SSE's Remuneration Policy is linked to both operational and financial performance. The individual targets and measures used by the Remuneration Committee to inform decisions on Directors' pay have been indicated on these pages with the symbol shown here on the right. See the Remuneration Report in full from [page 116](#).

Key **R** KPI linked to remuneration

## Performance against 2030 Goals



### Cut carbon intensity by 80%

UNSDG 13



**Scope 1 GHG intensity**  
(gCO<sub>2</sub>e/kWh) <sup>1</sup>

**194**



SSE recorded its lowest carbon intensity, falling below 200gCO<sub>2</sub>e/kWh for the first time. This was driven by increased renewables output alongside lower thermal generation output due to maintenance outages.

This KPI is on target but with risk – see [pages 43 to 44](#)



### Increase renewable energy output fivefold

UNSDG 7



**Renewable generation output**  
(TWh) <sup>1</sup>

**14.5**



Renewables output was up 9% due to increased capacity from initial turbine commissioning at Dogger Bank A and Yellow River, which was partially offset by mixed weather conditions.

This KPI is behind target – see [page 45](#)



### Enable low-carbon generation and demand

UNSDG 9



**Renewable capacity connected within SSEN Transmission network area**  
(GW) <sup>2</sup>

**10.8**



Connected renewables in SSEN Transmission's network area remained stable. SSEN Transmission has exceeded its goal to accommodate 10GW of renewable generation by 2026.

This KPI is on target – see [page 47](#)

**Pure electric or plug-in hybrid vehicles registered in SSEN Distribution's licence areas** <sup>3</sup>

**c.589,000**



SSEN Distribution is progressing key innovation projects with partners to support flexible markets and future infrastructure provision for the mass adoption of electric vehicles.



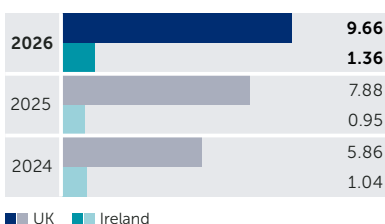
### Champion a fair and just energy transition

UNSDG 8



**Contribution to GDP UK/Ireland**  
(£bn/€bn)

**9.66/1.36**



We contributed £10.84bn to UK and Ireland GDP – our highest contribution since 2018/19 (adjusted for current prices). This largely reflects increased activity linked to delivery of our investment plan.

See [page 47](#)

**Jobs supported in UK and Ireland**

**88,350**



SSE saw an increase in total jobs supported in 2025/26, with 83,360 and 4,990 jobs supported in the UK and Ireland respectively.

See [page 47](#)

1 Includes pumped storage, battery energy storage systems, biomass and constrained-off wind in GB.

2 Prior period comparators restated to reflect data refinement. Transmission and distribution connected capacity within the SSEN Transmission network area, includes pumped storage and battery storage.

3 Estimated using the UK Government's vehicle licensing statistics data which have gone through a programme of data refinement. As a result, prior period comparators are restated.

# Review of the year

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## People Powering SSE

Isobel Green, Project Engineer, SSEN Transmission, Glasgow, Scotland

"I have a dual role as a substation engineer and technical specialist. So, I'm always busy helping to build the grid we need in the north of Scotland or doing industry leading research. What we're doing is going to matter for generations to come, which is really exciting."



## Chief Financial Officer's review

# Making good on a £33bn plan

The early progress made in delivery of an ambitious investment programme is creating real value and setting us up for further growth to come.



After a 2025/26 dominated by volatility and uncertainty it's pleasing to be able to report a good set of financial results in line with what we told the market through the course of the year.

What we have achieved speaks to SSE's strategic alignment with prevailing policy on the energy transition and our ability to create shareholder value in most market conditions.

A breakdown of the segmental contribution made across the Group in the face of mixed weather and macro uncertainty is detailed in the Financial review across the following pages.

But in summary, an increased contribution from our combined networks businesses – which accounted for 40% of adjusted operating profit – and the addition of new renewables capacity helped us to meet our projection of 153.5 Earnings Per Share for the year.

## A record capex year

A 20% rise in capital expenditure to £3.6bn marks another record year for SSE spending on critical national infrastructure and highlights the good progress we are making on the £33bn investment plan we announced last autumn.

That plan upweights our exposure to regulated networks, particularly transmission, which delivered an 80% increase in investment year-on-year as our construction of mega projects in the north of Scotland gathers pace.

This is a bold and ambitious plan that will treble our investment over the five years to 2030. It breaks down to around 80% or £27bn to be spent on regulated electricity networks and the remainder allocated selectively across renewables and system flexibility projects.

Given the market support we received for the plan in November, and the associated £2bn equity placing, it is particularly pleasing to be able to report such good early progress and the value it is creating, see [pages 21 and 87](#) ➤

The pressing need to reinforce the grid to unlock renewables is the single biggest growth opportunity right now, and accordingly SSEN Transmission accounts for £22bn, or around 67%, of our spending plans.

The visibility we have over grid reinforcement projects in the north of Scotland gives us every confidence that they will deliver a compound annual growth rate of 30% and take our RAV growth in SSEN Transmission to around £30bn.

This growth is out to FY30 but we see potential for more to come beyond that as the system operator reassesses reinforcement needs in the next decade.

## Aligned and agile

Our balanced mix of businesses and premium options drives immediate value today and promises growth for the future. SSE's strategic focus on Networks, Renewables and Flexibility not only plays

into the energy transition that is under way in our home markets; it also gives us resilience against macro-economic, political or regulatory uncertainty thanks to our unique mix of regulated and market-based earnings.

We have deliberately positioned ourselves as a clean energy champion by aligning our strategy to the direction of government policy.

At the same time, we have retained the optionality and agility to pivot to where the value is – as can be seen in our regulatory networks focus – but also to adjust to any shifts in policy direction on the energy transition.

## Fit for the future

We have every confidence in our plan but recognise that its execution requires a relentless focus on delivery and operational excellence.

Over the course of the year we have been realigning the Group behind our investment priorities and part of that has been keeping momentum behind the operational improvements that came through an efficiency review launched in 2025.

This has meant some tough but necessary resourcing decisions and a cultural shift to a more commercially-minded SSE that is fit for the growth opportunities in front of us.

The efficiency review is now largely complete, with the exception of an ongoing transformative change programme in SSEN Distribution. Actions taken as a result of the

**"Given the market support we received for the plan ... it is particularly pleasing to be able to report such good early progress and the value it is creating"**

## Chief Financial Officer's review continued

Group review are expected to deliver recurring efficiency and cost control savings across SSE.

As detailed in the accounts, reported operating profit for the year reflects one-off exceptional charges associated with restructuring costs alongside impairment reversals and an asset impairment charge related to UK onshore wind projects that have been impacted by grid connection delays.

### Disciplined delivery

Financial discipline guides everything we do, from the investment decisions we make to our commitment to maintaining a strong balance sheet.

Our debt levels remain low with 92% secured at fixed rates and leverage is stable at 3.3x net debt to EBITDA – well within the thresholds of our strong investment grade credit ratings which were reaffirmed by ratings agencies after we announced our investment programme last year. Our investment plan includes a range of funding levers, including asset rotation options across the portfolio that will mainly be delivered towards the end of the plan as required.

As set out in the plan, we are also committed to a progressive dividend policy targeting annual growth between 5-10%. Consistent with that commitment, and in line with the returns achieved in the past year, we are recommending a 7% increase in dividends for the year.

### Looking ahead

The robustness of our planning can be seen in the earnings forecast we have for FY27 which is unchanged since 2023. We expect to meet an adjusted EPS target of 168 to 193p, consistent with the 175 to 200p range we had prior to the equity raise in November. Over the same period, we anticipate our record-breaking run for capital expenditure to continue at over £5bn for the year.

Looking further out to FY30 our guidance is also unchanged at 225 to 250p, underpinned by around 80% of EBITDA being index linked in 2029/30 due to the upweighting of our investment in regulated networks.

**Barry O'Regan**

Chief Financial Officer, SSE plc

27 May 2026

### Key Performance Indicators

| Financial Performance                                        | Adjusted       |                         | Reported       |                         |
|--------------------------------------------------------------|----------------|-------------------------|----------------|-------------------------|
|                                                              | March 2026     | March 2025 <sup>1</sup> | March 2026     | March 2025 <sup>1</sup> |
| <b>EBITDA £m</b>                                             | <b>3,207.9</b> | 3,349.3                 | <b>2,768.2</b> | 2,738.3                 |
| <b>Operating profit £m</b>                                   | <b>2,236.6</b> | 2,419.2                 | <b>1,888.9</b> | 1,962.2                 |
| <b>Profit before tax £m</b>                                  | <b>2,024.8</b> | 2,144.5                 | <b>1,837.3</b> | 1,850.9                 |
| <b>Earnings per share (EPS) pence</b>                        | <b>153.5</b>   | 161.3                   | <b>105.5</b>   | 108.2                   |
| <b>Full year dividend per share (DPS) pence</b>              | <b>68.7</b>    | 64.2                    | <b>68.7</b>    | 64.2                    |
| <b>Investment and capital expenditure £m</b>                 | <b>3,585.6</b> | 2,910.4                 | <b>4,780.7</b> | 3,837.0                 |
| <b>Net debt and hybrid capital £bn</b>                       | <b>10.1</b>    | 10.1                    | <b>8.6</b>     | 9.5                     |
| SSEN Transmission RAV – £bn (100% basis)                     |                |                         | 9.0            | 7.2                     |
| SSEN Distribution RAV – £bn                                  |                |                         | 6.6            | 5.7                     |
| <b>SSE Total Electricity Networks RAV - £bn (100% basis)</b> |                |                         | <b>15.6</b>    | <b>12.9</b>             |

<sup>1</sup> Comparative financial information has been restated, please see note 1.2 to the Financial Statements.

| Performance against 2030 Goals                                             | March 2026   | March 2025   |
|----------------------------------------------------------------------------|--------------|--------------|
| <b>Cut carbon intensity by 80%</b>                                         |              |              |
| – Scope 1 GHG intensity (gCO <sub>2</sub> e/kWh)                           | 194          | 218          |
| <b>Increase renewable energy output fivefold</b>                           |              |              |
| – Renewable generation output (TWh) <sup>1</sup>                           | 14.5         | 13.3         |
| <b>Enable low-carbon generation and demand</b>                             |              |              |
| – Renewables connected in SSEN Transmission network area (GW) <sup>2</sup> | 10.8         | 10.6         |
| <b>Champion a fair and just energy transition</b>                          |              |              |
| – Contribution to GDP UK and Ireland (£bn / €bn) <sup>3</sup>              | 9.66/1.36    | 7.88/0.95    |
| – Jobs supported in UK and Ireland <sup>3</sup>                            | 83,360/4,990 | 62,000/5,190 |

<sup>1</sup> Includes pumped storage, battery energy storage systems, biomass and constrained-off wind in GB.

<sup>2</sup> Prior period comparators restated to reflect data refinement. Transmission and distribution connected capacity within the SSEN Transmission network area, includes pumped storage and battery storage.

<sup>3</sup> Direct, indirect and induced Gross Value Added and jobs supported, from third party economic impact assessment.

| Safety Performance                                                               | March 2026  | March 2025 |
|----------------------------------------------------------------------------------|-------------|------------|
| <b>Total Recordable Injury Rate per 100k hours (SSE &amp; contract partners)</b> | <b>0.17</b> | 0.16       |



▲ Barry O'Regan engages with colleagues after SSE's AGM in Perth

## Financial Review

### Group Financial Review

#### For year ended 31 March 2026

In order to present the financial results and performance of the Group in a consistent and meaningful way, we apply a number of adjusted accounting measures throughout this financial report. The definitions we use for adjusted measures are explained in the Alternative Performance Measures section.

#### Group operating profit

The Group delivered strong operating performance over the course of the year. This included an increased profit contribution from SSEN Transmission which grew by around 75% on the prior year reflecting the strong growth in investment across the transmission network. Elsewhere within Networks, profitability in SSEN Distribution was significantly lower as expected given the previous year included a large non-recurring inflation adjustment to revenues.

For Renewables, profitability increased by around 4% reflecting increased output from new capacity partially offset by mixed weather conditions and lower hedged prices.

Across Flexibility, SSE Thermal saw modestly lower profits than prior year which reflected market conditions and outage programmes across the fleet. And Energy Customer Solutions profits decreased, reflecting lower wind-related revenues combined with lower volumes sold.

Reported operating profit, in addition to the movements above, includes both the net re-measurement on forward energy derivatives which are unrelated to underlying operating performance, as well as items which are excluded from adjusted results on the basis they are materially non-recurring, uncontrollable or exceptional. Reported operating profit decreased by 4% compared to the prior year, reflecting a lower net asset impairment charge partially offset by a higher net-remeasurement charge on forward energy derivatives and Group restructuring charges. These movements include an increase in profitability of SSEN Transmission, which is fully consolidated within reported metrics.

#### Key Financial Metrics (£m)

|                                                               | Adjusted       |                         | Reported       |                         |
|---------------------------------------------------------------|----------------|-------------------------|----------------|-------------------------|
|                                                               | March 2026     | March 2025 <sup>1</sup> | March 2026     | March 2025 <sup>1</sup> |
| <b>Networks operating profit</b>                              |                |                         |                |                         |
| – SSEN Transmission                                           | 562.6          | 322.5                   | 750.1          | 430.0                   |
| – SSEN Distribution                                           | 335.3          | 736.0                   | 296.9          | 736.0                   |
|                                                               | <b>897.9</b>   | <b>1,058.5</b>          | <b>1,047.0</b> | <b>1,166.0</b>          |
| <b>Renewables operating profit</b>                            |                |                         |                |                         |
| – SSE Renewables                                              | 1,076.4        | 1,038.8                 | 725.3          | 617.6                   |
|                                                               | <b>1,076.4</b> | <b>1,038.8</b>          | <b>725.3</b>   | <b>617.6</b>            |
| <b>Flexibility operating profit</b>                           |                |                         |                |                         |
| – SSE Thermal                                                 | 195.4          | 211.4                   | 243.0          | 195.3                   |
| – Energy Customer Solutions                                   | 136.9          | 192.1                   | 136.2          | 189.2                   |
| – SSE Energy Markets                                          | 43.2           | 30.0                    | (145.8)        | (42.9)                  |
|                                                               | <b>375.5</b>   | <b>433.5</b>            | <b>233.4</b>   | <b>341.6</b>            |
| – Corporate unallocated                                       | (113.2)        | (111.6)                 | (116.8)        | (163.0)                 |
|                                                               |                |                         |                |                         |
| <b>Total operating profit</b>                                 | <b>2,236.6</b> | <b>2,419.2</b>          | <b>1,888.9</b> | <b>1,962.2</b>          |
|                                                               |                |                         |                |                         |
| Net finance costs                                             | (211.8)        | (274.7)                 | (51.6)         | (111.3)                 |
| <b>Profit before tax</b>                                      | <b>2,024.8</b> | <b>2,144.5</b>          | <b>1,837.3</b> | <b>1,850.9</b>          |
| Tax charge                                                    | (193.4)        | (297.9)                 | (425.7)        | (518.0)                 |
| <i>Effective tax rate (%)</i>                                 | 9.6            | 13.9                    | 24.3           | 29.4                    |
| <b>Profit after tax</b>                                       | <b>1,831.4</b> | <b>1,846.61</b>         | <b>1,411.6</b> | <b>1,332.9</b>          |
|                                                               |                |                         |                |                         |
| Less: hybrid equity coupon payments                           | (72.9)         | (73.7)                  | (72.9)         | (73.7)                  |
| Less: profits attributable to non-controlling interests       | –              | –                       | (130.0)        | (69.8)                  |
| <b>Profit after tax attributable to ordinary shareholders</b> | <b>1,758.5</b> | <b>1,772.91</b>         | <b>1,208.7</b> | <b>1,189.4</b>          |
|                                                               |                |                         |                |                         |
| <b>Earnings Per Share (pence)</b>                             | <b>153.5</b>   | <b>161.31</b>           | <b>105.5</b>   | <b>108.2</b>            |
|                                                               |                |                         |                |                         |
| Weighted avg. number of shares for EPS (million)              | 1,145.4        | 1,099.2                 | 1,145.4        | 1,099.2                 |
| Shares in issue at 31 March (million) <sup>2</sup>            | 1,212.2        | 1,106.3                 | 1,212.2        | 1,106.3                 |

1 Comparative financial information has been restated, please see note 1.2 to the Financial Statements.

2 Excludes Treasury shares of 3.3m in March 2026 and 4.9m in March 2025.

Segmental EBITDA results are included in [note 5](#) to the Financial Statements. For detailed Business Unit financial performance commentary, please refer to the Business Operating Review.

#### Net finance costs

Our adjusted net finance costs – which exclude coupons on hybrid bonds classified as equity – were lower this year. The year-on-year increase in the cost of debt, as lower cost maturing debt has been replaced by more expensive newly issued debt, has been more than offset by an increase in capitalised interest resulting from increased capital expenditure activity in the year.

Reported net finance costs, which excludes our share of interest in Joint Ventures and Associates, were £(51.6)m compared to £(111.3)m in the previous period reflecting the increased capitalisation as noted.

#### Taxation

SSE is one of the UK's biggest taxpayers, and in the Total Tax Contribution survey published in November 2025 was ranked 16th out of the 100 Group of Companies in 2025 in terms of taxes borne (those which represent a cost to the company, and which are reflected in its financial results).

We consider being a responsible taxpayer to be a core element of our social contract with the societies in which we operate and we seek to pay the right amount of tax, in the right place, at the right time. While we have an obligation to shareholders, customers and other stakeholders to efficiently manage our total tax liability, we do not seek to use the tax system in a way it is not meant to operate or use tax havens to reduce tax liabilities.



## Financial review continued

SSE was the first FTSE 100 company to be Fair Tax Mark accredited and we have now been accredited for 11 years.

In December 2025, we published our "Talking Tax 2025: fair tax for a clean energy transition" report. We did this because building trust with stakeholders on issues relating to tax is important to the long-term sustainability of the business. We won PwC's Building Public Trust Award for Tax Reporting in the FTSE 350 for the fourth consecutive year in November 2025 for the quality of our tax reporting.

In the year, SSE paid £424.9m of profit taxes, property taxes, environmental taxes and employment taxes in the UK, compared with £592.1m in the previous year. The decrease in total taxes paid was primarily due to less corporation tax being paid on UK profits. This was because of higher capital allowances on the Group's record level of capital expenditure. In addition, less Electricity Generator Levy was paid due to lower electricity generation prices.

As with other key financial indicators, our focus is on adjusted profit before tax and, in line with that, we believe that the adjusted current tax charge on that profit is the tax measure that best reflects underlying performance. SSE's adjusted current tax rate, based on adjusted profit before tax, was 9.6%, compared with 13.9% in 2024/25 on the same basis. The decrease in rate is primarily due to higher UK capital allowances under full expensing on the Group's capital investment programme.

### Profit after tax and EPS

Adjusted profit after tax was (0.8)% lower relative to the prior year, reflecting the movements in adjusted operating profit, partly offset by the lower adjusted current tax rate and lower adjusted net finance costs.

Reported profit after tax reflects the movements in reported operating profit and net finance costs outlined above in addition to a reported current tax rate of 24.3%. The higher reported current tax rate reflects an increase in deferred tax arising as a result of differences in accounting and tax bases that give rise to potential future accounting credits or charges. Within the reported tax charge, deferred tax increased by 15% on prior year, mainly due to the increase in our capital investment programme.

Reflecting the movements above, and the increased number of shares following the November 2025 equity issuance, adjusted Earnings Per Share was (5)% lower relative to the prior year at 153.5 pence with reported Earnings Per Share decreasing by (2)% to 105.5 pence.

### Final dividend

| Dividend per Share (pence) | March 2026  | March 2025  |
|----------------------------|-------------|-------------|
| Interim Dividend           | 21.4        | 21.2        |
| Final Dividend             | <b>47.3</b> | 43.0        |
| <b>Full Year Dividend</b>  | <b>68.7</b> | <b>64.2</b> |

### Capital expenditure programme

| Adjusted Investment and Capex Summary                   | March 2026 Share % | March 2026 £m  | March 2025 <sup>1</sup> £m |
|---------------------------------------------------------|--------------------|----------------|----------------------------|
| SSEN Transmission (net of 25% non-controlling interest) | 48%                | 1,717.6        | 953.5                      |
| SSEN Distribution                                       | 24%                | 851.8          | 635.8                      |
| <b>Regulated electricity networks total</b>             | <b>72%</b>         | <b>2,569.4</b> | <b>1,589.3</b>             |
| SSE Renewables                                          | 21%                | 739.0          | 1,001.8                    |
| SSE Thermal                                             | 5%                 | 197.5          | 183.8                      |
| Energy Customer Solutions                               | 1%                 | 34.8           | 80.0                       |
| SSE Energy Markets                                      | –                  | 10.2           | 8.7                        |
| Corporate unallocated                                   | 1%                 | 34.7           | 46.8                       |
| <b>Adjusted investment and capital expenditure</b>      | <b>100%</b>        | <b>3,585.6</b> | <b>2,910.4</b>             |

1 Comparative financial information has been restated, please see note 1.2 to the Financial Statements.

### Final dividend

We believe that dividends should be sustainable and based on earnings performance, while also enabling the longer-term growth prospects of our assets and operations. To that end, the dividend plan to 2029/30 is designed to balance income to shareholders with the appropriate funding for a transformational growth plan that will ultimately create greater value and total return for shareholders over the long term.

In line with that dividend plan and reflecting the strategic progress made to deliver sustainable earnings growth, we have announced a final dividend of 47.3 pence for payment on 17 September 2026. This amounts to a 2025/26 full year dividend of 68.7 pence, representing an increase of 7% on the prior year.

### Capital expenditure programme

During the year ended 31 March 2026, adjusted investment, capital and acquisitions expenditure totalled £3,585.6m, compared to £2,910.4m in the prior year. The increased investment was driven mainly by our regulated electricity networks divisions, with lower overall deployment of capital across the other businesses, and no acquisitions expenditure.

Further detail on the capital expenditure in the year can be found in the Business Unit operating review.

## Financial Outlook

### Financial outlook for 2026/27

SSE's unique mix of assets across Networks, Renewables and Flexibility has been carefully selected to provide a diverse and resilient business mix that will perform in periods of significant macro-economic, political or regulatory uncertainty. With increasing investment into assets underpinned by regulated and index-linked earnings, our financial resilience is expected to grow as the long-term strategic investment plan is delivered.

Given this resilience, we confirm the individual performance expectations for each Business Unit for the 2026/27 financial year as follows:

- **SSEN Transmission** – It is expected that adjusted operating profit will be significantly higher than 2025/26, reflecting increased allowed revenue generated by continued acceleration of investment.
- **SSEN Distribution** – We anticipate that adjusted operating profit will be at similar levels to 2025/26.
- **SSE Renewables** – The business is expected to deliver similar levels of adjusted operating profit as 2025/26 as increases in capacity offset lower merchant power prices.
- **SSE Thermal** – It is expected that adjusted operating profit will be significantly higher than 2025/26, reflecting the step up in contracted Capacity Market payments.



- **Energy Customer Solutions** – We anticipate that the adjusted operating profit for these businesses will be lower than 2025/26, reflecting the continuing unwind of related wind income.

These expectations remain subject to normal weather conditions, current market conditions and plant availability.

Given the strong strategic progress made in the year, and after considering the impact of current and forecast market conditions, we continue to reiterate our 168 – 193 pence adjusted Earnings Per Share guidance range (being the original 175 – 200p target, adjusted for the dilutive impact of the £2bn equity raise completed in November 2025 resulting in an increased number of shares).

With capital expenditure and investment continuing to ramp up in line with the long term investment plan, full year capex is expected to significantly increase to over £5bn, in line with the phasing of the £33bn investment plan announced in November 2025, with net debt continuing to be comfortably within our recently reaffirmed strong investment grade credit ratings.

## Outlook to 2029/30

### Five-year investment programme

In November 2025, we announced a transformational £33bn five-year investment plan to 2029/30, significantly increasing exposure to UK electricity Networks and driving long-term value creation with attractive regulatory asset value and earnings growth.

This plan represents a trebling of investment over the five-year period, with around 80% or £27bn to be invested in regulated UK electricity Networks and around 20% or £6bn selectively in Renewables and system Flexibility projects:

- **SSEN Transmission (~67% or ~£22bn)** delivering the RIIO-T3 investment programme which is critical to connecting renewables and alleviating existing constraints within the electricity transmission network. This investment, together with that from our 25% partner, is expected to increase gross RAV to around £30bn by the end of 2029/30 representing an ~30% CAGR.
- **SSEN Distribution (~15% or ~£5bn)** delivering the remaining RIIO-ED2 investment programme in addition to anticipated strategic investment in ED3. This investment is expected to increase gross RAV to between £9 – 10bn by the end of 2029/30 representing a ~10% CAGR.
- **SSE Renewables (~12% or ~£4bn)** delivering its existing construction programme together with highly disciplined investment into exciting growth options. This focus on financial discipline and selective growth is expected to result in a targeted ~9GW of installed capacity by the end of 2029/30.

- **SSE Thermal and other businesses (~6% or ~£2bn)** predominantly focused on flexible generation technologies and serving key customers.

The investment plan includes around £3bn of currently uncommitted capex across the SSE Renewables and SSE Thermal businesses. In allocating this capital, we continue to apply strict returns criteria for new energy projects to ensure attractive shareholder returns whilst ensuring strategic alignment with our clean electricity focus.

### Industry-leading capital growth

The record programme of investment outlined above is expected to deliver industry-leading capital growth. In the Networks businesses, gross RAV is expected to more than treble to around £40bn and, with selective and disciplined investment, Renewables installed capacity is set to almost double to around 9GW by the end of the plan. This material capital growth will create significant long-term value for shareholders whilst unlocking wider economic benefits for society.

### Resilient funding strategy

This programme is backed by a comprehensive funding strategy that maintains our strong balance sheet alongside a continued commitment to strong investment grade credit ratings with net debt / EBITDA expected to remain below 4.5x throughout the course of the plan. In addition to expected operational cashflow generation an increase in adjusted net debt and hybrid capital and a £2bn equity placing which was completed in November 2025, around £2bn of targeted asset rotations are expected across the portfolio, aligned with investment needs across the five-year plan.

### Outlook to 2029/30

Investments made in Networks and selective Renewables and system Flexibility projects are expected to drive a significant uplift in earnings, with an adjusted Earnings Per Share CAGR of between 10-13% from 2025/26, delivering 225 – 250 pence in 2029/30. This growth is underpinned by ~80% of EBITDA being index linked in 2029/30, due to the upweighting in Networks investment, providing consistent, predictable and highly visible earnings as the business grows materially.

## A sustainable and progressive dividend policy

We are also committed to continuing our existing sustainable and progressive dividend policy to 2029/30. This policy targets annual dividend per share growth of between 5 – 10% from an unaltered 64.2 pence 2024/25 baseline. We have continued to retain the existing scrip dividend option for shareholders whilst also restricting earnings dilution from the scrip by capping take-up at 25% through a share buyback if necessary.

## Supplemental Financial Information

### Exceptionals and re-measurements

#### Exceptional items

We recognised an exceptional charge within continuing operations of £162.6m before tax in the current period. £84.7m of this relates to Group restructuring costs (including £21.8m of asset impairments) with a further £77.9m charge for UK onshore wind projects affected by grid connection delays, partially offset by valuation uplifts across Gas Storage and Triton Power.

Further detail on exceptional items can be found within [note 7](#) and the definition of exceptional items can be found in [note 3.2](#) of the Financial Statements.

### Group-wide Operating Model and Efficiency Review

During 2025, in line with SSE's commitment to capital and operational discipline, we commenced an Operating Model and Efficiency Review, intended to ensure that SSE has the right structures, resourcing and accountabilities to maximise the growth opportunities ahead.

This review is now largely complete, with the exception of the ongoing SSEN Distribution transformative change programme. Actions taken as a result of the review are expected to deliver recurring efficiency and cost control savings across the Group.

### Operating derivatives

SSE enters into forward purchase contracts (for power, gas and other commodities) to meet the future demands of the energy supply businesses and to optimise the value of its generation assets. Some of these contracts are determined to be derivative financial instruments under IFRS 9 and as such are required to be recorded at their fair value as at the date of the

### Exceptional items

| Exceptional items               | £m           |
|---------------------------------|--------------|
| Group restructuring charges     | 84.7         |
| Net asset impairments           | 77.9         |
| <b>Total exceptional charge</b> | <b>162.6</b> |



## Financial review continued

### Certain re-measurements

Certain re-measurements within continuing operations

|                                                                                     | £m             |
|-------------------------------------------------------------------------------------|----------------|
| Operating derivatives (including share from jointly controlled entities net of tax) | (168.1)        |
| Commodity stocks held at fair value                                                 | 10.4           |
| Financing derivatives                                                               | 17.9           |
| <b>Total net re-measurement charge</b>                                              | <b>(139.8)</b> |

financial statements. We report the change in the fair value of these forward energy derivatives separately as this mark-to-market movement does not reflect the realised operating performance of the businesses in the year. The underlying value of these contracts is recognised as the relevant commodity is delivered, which for the majority of the position at 31 March 2026 is expected to be within the next 18 months.

The change in the operating derivative mark-to-market valuation was an £(168.1)m negative movement from the start of the period, reflecting a £(152.0)m negative movement on fully consolidated operating derivatives including affiliate and commercial Contracts for Difference (CfDs) combined with a £(16.1)m negative share of movement on derivatives in jointly controlled entities, net of tax.

As in prior years, the reported result does not include re-measurement of 'own use' hedging agreements which do not meet the definition of a derivative financial instrument under IFRS 9.

### Commodity stocks held at fair value

Gas inventory purchased for secondary trading opportunities is held at fair value with reference to the forward month market price. Given the low level of gas storage held at year end, combined with trading churn, the book value of commodity stocks were broadly in line with fair value.

### Financing derivatives

In addition to the movements above, a positive movement of £17.9m was recognised on financing derivatives in the year, including mark-to-market movements on cross-currency swaps and floating rate swaps that are classed as hedges under IAS 39. These hedges ensure that any fair value movement in net debt is predominantly offset by a movement in the derivative position. The positive movement was primarily driven by Sterling weakness on cross-currency swap contracts.

These re-measurements are presented separately as they do not represent underlying business performance in the year. The result on financing derivatives will be recognised in adjusted profit before tax when the derivatives are settled.

### Hedging position

Our long-established approach to hedging looks to generally reduce broad exposure to commodity price variation in advance of delivery. We continue to monitor market developments and conditions and periodically alter our hedging approach in response to changes in exposure profile.

### SSE Renewables

Energy output hedges are progressively established through the forward sale of either:

- **Electricity** – where market depth and liquidity allow;
- **Gas and carbon equivalents** – recognising that spark spread exposures remain; or
- **Gas equivalents only** – recognising that carbon and spark spread exposures remain.

This approach reflects that certain energy products have lower available forward market depth and liquidity. Whilst some basis risk or commodity exposure will remain, it facilitates the reduction of SSE Renewables' overall exposure to potentially volatile spot market outcomes.

The table below notes both the proportion of hedges and prices of those hedges for electricity and for gas alone. Due to market liquidity in later periods, there are no gas and carbon equivalent hedges in place.

The table below excludes any volumes and income under separate contracts such as CfDs, Renewables Obligation Certificates (ROCs) and Balancing Mechanism activity. No hedging activity is undertaken for assets in early-stage construction, with hedging activity gradually built up over the construction period as greater certainty over operational dates is received.

Our established approach seeks to minimise the volumetric downside risk for renewable energy output by targeting a hedge of less than 100% of its anticipated wind energy output for the coming 12 months. The targeted hedge percentage is reviewed and adjusted as necessary to reflect any changes in market and wind capture insights. Forward hedges for both wind and hydro are progressively established over a 36-month period, although the extent of hedging activity will depend on the available market depth and liquidity.

Target hedge levels are achieved through the forward sale of either electricity or a combination of gas or carbon equivalents as outlined above. Any non-electricity forward contracts will be converted into electricity hedges ahead of delivery, which may lead to increases or decreases in the average hedge price achieved.

### SSE Thermal

Hedging for the flexible thermal fleet is by its nature dynamic, changing as market values vary with a constant process of re-optimisation to accrue future value for SSE Thermal assets. At negative spark spreads this hedge volume is therefore likely to be very low; and at higher prices the hedge will be much larger.

At all times the thermal portfolio offers the wider Group protection from price spikes, renewables shortfall or asset availability issues and therefore provides material risk management value to the Company.

### SSE Energy Markets

This business provides the route to market and manages the execution for all of SSE's commodity trading outlined above (spark spread, power, gas and carbon). This includes monitoring market conditions and liquidity and reporting net Group exposures. The business operates under strict position limits and VAR controls.

There is some scope for position-taking to permit this business to manage around shape and liquidity and providing market insight whilst taking optimisation opportunities. This is contained within a total daily Value at Risk (VAR) limit of £9m.

| GB offshore wind, onshore wind and hydro        | 2025/26     | 2026/27     | 2027/28     | 2028/29    |
|-------------------------------------------------|-------------|-------------|-------------|------------|
| <b>Total energy output volumes hedged – TWh</b> | <b>11.8</b> | <b>10.5</b> | <b>11.6</b> | <b>2.4</b> |
| – Hedge in electricity & equivalents – TWh      | 6.2         | 8.4         | 4.2         | 0.2        |
| – Electricity hedge price – £MWh                | £87         | £76         | £70         | £73        |
| – Hedge in Gas – TWh                            | 5.6         | 2.1         | 7.4         | 2.2        |
| – Gas hedge price – £MWh                        | £78         | £67         | £72         | £45        |

Note: where gas and carbon trades have been used as a proxy for electricity, a constant 1MWh:69.444 th and 1MWh:0.3815 te/MWh conversion ratio between commodities has been applied. These same ratios have been used to convert underlying commodity prices into electricity £MWh and therefore no assumptions have been made on either spark or carbon.



## Financial management and balance sheet

| Key metrics                                                               | March 2026<br>£m | March 2025 <sup>1</sup><br>£m |
|---------------------------------------------------------------------------|------------------|-------------------------------|
| <b>Net Debt / EBITDA<sup>2</sup></b>                                      | <b>3.3</b>       | <b>3.1</b>                    |
| <b>Adjusted net debt and hybrid capital (£m)</b>                          | <b>10,095.0</b>  | <b>10,066.7</b>               |
| Average debt maturity (years) <sup>3</sup>                                | 5.7              | 5.6                           |
| Average cost of debt at period end (including all hybrid coupon payments) | 4.1%             | 4.0%                          |
| <b>Adjusted net finance costs</b>                                         | <b>211.8</b>     | <b>274.7</b>                  |

- 1 Comparative financial information restated, please see note 1.2 to the Financial Statements.
- 2 Net debt represents the Group adjusted net debt and hybrid capital. EBITDA represents the full year Group adjusted EBITDA, less £157.4m at March 2026 for the proportion of adjusted EBITDA from equity-accounted Joint Ventures relating to project financed debt.
- 3 The average debt maturity assumes hybrids are refinanced on their first call date.

| Principal sources of debt funding                  | March 2026 | March 2025 |
|----------------------------------------------------|------------|------------|
| Bonds                                              | 56%        | 60%        |
| Hybrid debt and equity securities                  | 24%        | 16%        |
| European investment bank loans                     | 6%         | 4%         |
| US private placement                               | 7%         | 7%         |
| Short-term funding                                 | 4%         | 10%        |
| Index-linked debt                                  | 3%         | 3%         |
| <b>% of which has been secured at a fixed rate</b> | <b>92%</b> | <b>91%</b> |

| Rating Agency       | Rating                | Criteria                                 | Date of Issue    |
|---------------------|-----------------------|------------------------------------------|------------------|
| Moody's             | Baa1 'stable outlook' | 'Low teens' Retained Cash Flow/Net Debt  | 13 February 2026 |
| Standard and Poor's | BBB+ 'stable outlook' | About 18% Funds from Operations/Net Debt | 13 November 2025 |
| Fitch               | BBB+ 'stable outlook' |                                          | 23 February 2026 |

### Maintaining a strong balance sheet

A key objective of our long-term approach to balancing capital investment, debt issuance and securing value and proceeds from disposals is to maintain a strong net debt/EBITDA ratio. We calculate this ratio based on a methodology that best reflects our activities and commercial structure, in particular to securing value and protecting our balance sheet through prudent risk sharing by using Joint Ventures and non-recourse project financing.

We have the capacity (if required) to exceed a 4.5x net debt/EBITDA ratio, whilst remaining above the equivalent ratios required for a strong investment grade credit rating. Reflecting the strength of the Group's balance sheet, the net debt/EBITDA ratio at 31 March 2026 was 3.3x and it is expected that this ratio will trend upwards as our significant investment programme is delivered.

### Adjusted net debt and hybrid capital

SSE's adjusted net debt and hybrid capital was £10.1bn at 31 March 2026 which is consistent with the £10.1bn at 31 March 2025. Cash inflows from the £2bn equity placing in November 2025 and strong operating cashflows have been offset by our capital investment programme, dividend and interest payments.

### Debt summary

SSE plc together with its subsidiary, Scottish Hydro Electric Transmission (SHET) plc, issued £2.5bn of new long-term debt and hybrid capital in the year to March 2026 whilst also continuing to roll short-term Commercial Paper at similar levels to March 2025. The debt issues include:

- In June 2025, SSE plc issued €1.3bn (£1.1bn) dual tranche equity accounted hybrid bonds being a €800m (£0.7bn) hybrid bond at 4.00% and a €500m (£0.4bn) hybrid bond at 4.50%, both of which remain denominated in Euro.
- In September 2025 Scottish Hydro Electric Transmission plc issued a €750m (£647m) eight-year Eurobond maturing November 2033 with a coupon of 3.375% and an all-in GBP cost of 5.20% once swapped back to Sterling.
- In September 2025 Scottish Hydro Electric Transmission plc raised €100m (£86m) by increasing the size of its existing Eurobond repayable on September 2032, with a coupon of 3.375% and an all-in GBP cost of 5.06% once swapped back to Sterling.
- In October 2025 Scottish Hydro Electric Transmission plc executed a £250m 5-year term loan with a 1-year extension option at a cost of SONIA +75bps.
- In February 2026 Scottish Hydro Electric Transmission plc issued a 1.5bn NOK (£113m) 10-year private placement maturing 11 February 2036 with a coupon of 4.98% and an all-in GBP cost of SONIA +125bps once swapped back to Sterling.
- On 27 March 2026, SSE plc executed a €400m (£346m) 2-year Floating Rate Note at a cost of EURIBOR + 47bps which has been swapped to Sterling at a cost of SONIA +75bps. Proceeds from the Floating Rate Note were received on 7 April 2026.

Over the next 12 months there is £1.2bn of medium- to long-term debt and £0.5bn of short-term debt maturing. SSE had access to £6.5bn (gross of the Minority Interest in SHET plc) of committed bank facilities at 31 March 2026.

## Financial review continued

### Hybrid bonds summary

Hybrid bonds are a core part of our capital structure, helping to diversify the investor base, supporting credit ratings and providers of senior debt, as their 50% equity treatment by the rating agencies is positive for credit metrics. A summary of SSE's hybrid bonds as at 31 March 2026 can be found opposite.

### Summarising cash and cash equivalents

At 31 March 2026, we had cash and cash equivalents of £1.5bn, which is higher than the £1.1bn at March 2025 due to timing of new debt issues and the £2bn equity raise which has resulted in a higher surplus cash position being held during the second half of the financial year.

Cash collateral is only required for forward commodity contracts traded through commodity exchanges, with the level of cash collateral either provided or received depending on the volume of trading through the exchanges, the periods being traded and the associated price volatility.

At 31 March 2026 the collateral balance and other deposits were a net liability (i.e. collateral received) of £246m (2025: £63m net liability). The collateral movement in the current year reflects an increase in the variation margin on 'in the money' positions due to higher commodity prices partially offset by increase in initial margins following an increase in volatility.

| Issued     | Hybrid Bond Value <sup>1</sup> | All-in rate <sup>2</sup> | First Call Date | Accounting Treatment |
|------------|--------------------------------|--------------------------|-----------------|----------------------|
| July 2020  | £600m                          | 3.74%                    | Apr 2026        | Equity               |
| July 2020  | €500m (£453m)                  | 3.68%                    | Jul 2027        | Equity               |
| April 2022 | €1bn (£831m)                   | 4.00%                    | Apr 2028        | Equity               |
| June 2025  | €800m (£679m)                  | 4.00%                    | Sep 2030        | Equity               |
| June 2025  | €500m (£425m)                  | 4.50%                    | Jun 2033        | Equity               |

1 Sterling equivalents shown reflect the fixed exchange rate on date of receipt of proceeds and is not subsequently revalued.

2 All-in rate reflects coupon on bonds plus any cost of swap into sterling which currently only applies to July 2020 Hybrid.

A table detailing coupon payments on existing hybrids is shown below:

|                                                                | 2025/26     |             | 2026/27      |              | 2027/28     |             |
|----------------------------------------------------------------|-------------|-------------|--------------|--------------|-------------|-------------|
| Hybrid coupon payments                                         | HYa         | FYa         | HYa          | FYe          | HYe         | FYe         |
| <b>Total equity hybrid coupon (cash accounted)<sup>1</sup></b> | <b>£73m</b> | <b>£73m</b> | <b>£127m</b> | <b>£127m</b> | <b>£97m</b> | <b>£97m</b> |

1 Coupon payments on €2.8bn of hybrid bonds remain denominated in Euros and are therefore subject to foreign exchange adjustments.

### Short-term funding

We had £6.5bn (gross of the Minority Interest in SHET plc) of committed bank facilities in place at 31 March 2026 to ensure the Group has sufficient liquidity to allow day-to-day operations and investment programmes to continue in the event of disruption to Capital Markets preventing the issuance of new debt for a period of time. The below table sets out the facilities that have been entered as at 31 March 2026:

| Date   | Issuer   | Debt type                                                       | Term | Value  |
|--------|----------|-----------------------------------------------------------------|------|--------|
| Oct 24 | SSE plc  | Syndicated Revolving Credit Facility with 15 Relationship Banks | 2030 | £1.5bn |
| Oct 24 | SHET plc | Syndicated Revolving Credit Facility with 15 Relationship Banks | 2030 | £1.5bn |
| Dec 25 | SHET plc | Bank facility guaranteed by National Wealth Fund                | 2029 | £1.0bn |
| Dec 25 | SHET plc | Export Credit Facility guaranteed by EKN                        | 2029 | £0.5bn |
| Mar 26 | SHET plc | Export Credit Facility guaranteed by SACE                       | 2030 | £0.5bn |

In addition to the facilities set out in the table above, SSE plc signed a commitment letter on 31 March 2026 which gives us the right to enter a £1.5bn committed facility between 31 March 2026 and 30 June 2026.

The revolving credit facilities can also be utilised to cover short-term funding requirements. There were no drawings on any of the committed facilities at 31 March 2026. Both the Syndicated Revolving Credit Facilities have one-year extension options and are classified as sustainability linked with interest rate and fees paid dependant on various ESG-related metrics being achieved.

### Maintaining a prudent treasury policy

Our treasury policy is designed to maintain a prudent and flexible funding position. Cash from operations is first used to finance regulatory and maintenance capital expenditure and then dividend payments, with investment and capital expenditure for growth financed by a combination of cash from operations, bank borrowings, and bond issuance.

SSE borrows as required on different interest bases with financial instruments being used to achieve the desired out-turn interest rate profile. At 31 March 2026, 92% of borrowings were at fixed rates.



Borrowings are mainly in Sterling and Euros to reflect the underlying currency denomination of assets and cash flows within SSE. All other foreign currency borrowings are swapped back into either Sterling or Euros.

Transactional foreign exchange risk arises in respect of procurement contracts, fuel and carbon purchasing, commodity hedging and energy portfolio management operations, and long-term service agreements for plant. Our policy is to hedge

any material transactional foreign exchange risks using forward currency purchases and/or financial instruments. Translational foreign exchange risk arises in respect of overseas investments; hedging in respect of such exposures is considered on a case-by-case basis.

#### Operating a Scrip Dividend Scheme

As part of the Group's dividend plan to 2029/30, take-up from the Scrip Dividend Scheme is capped at 25%. This cap is implemented by means of a share

repurchase programme, or 'buyback', following payment of the final dividend. The scale of any share repurchase programme would be determined by subscription to the Scrip Dividend Scheme across the full year, taking into account the interim and final dividend elections.

Overall Scrip Dividend take-up for the 2024/25 financial year was 9.7%, and therefore no buyback was required.

#### Joint Venture and associate non-recourse project financing

SSE's financial results include contributions from equity interests in Joint Ventures ("JVs") and associates, all of which are equity accounted. The details of the most significant of these are included in the table below. This table also highlights the non-recourse project finance debt within each Joint Venture, in proportion to SSE's equity ownership. The total proportion of external non-recourse project finance debt was around £3.8bn at 31 March 2026.

| JVs and associates <sup>1</sup> | Asset type                   | SSE holding | Proportional non-recourse external debt | SSE Shareholder loans |
|---------------------------------|------------------------------|-------------|-----------------------------------------|-----------------------|
| Marchwood Power                 | 920MW CCGT                   | 50%         | No external debt                        | No loans outstanding  |
| Seabank Power                   | 1,234MW CCGT                 | 50%         | No external debt                        | No loans outstanding  |
| Slough Multifuel                | 55MW energy-from-waste       | 50%         | No external debt                        | £173m                 |
| Triton Power Holdings           | 1,200MW CCGT / 140MW OCGT    | 50%         | No external debt                        | No loans outstanding  |
| Beatrice Offshore Windfarm      | 588MW offshore wind farm     | 40%         | £512m                                   | Project financed      |
| Dogger Bank A Wind Farm         | 1,200MW offshore wind farm   | 40%         | £974m                                   | £313m                 |
| Dogger Bank B Wind Farm         | 1,200MW offshore wind farm   | 40%         | £1,002m                                 | £16m                  |
| Dogger Bank C Wind Farm         | 1,200MW offshore wind farm   | 40%         | £931m                                   | Project financed      |
| Ossian Offshore Windfarm        | ScotWind seabed              | 40%         | No external debt                        | No loans outstanding  |
| Seagreen Wind Energy            | 1,075MW offshore wind farm   | 49%         | £386m                                   | 972m <sup>2</sup>     |
| Seagreen 1A                     | Offshore wind farm extension | 49%         | No external debt                        | £33m                  |
| Clyde Windfarm                  | 522MW onshore wind farm      | 50.1%       | No external debt                        | £127m                 |
| Dunmaglass Wind Farm            | 94MW onshore wind farm       | 50.1%       | No external debt                        | £47m                  |
| Stronelaig Wind Farm            | 228MW onshore wind farm      | 50.1%       | No external debt                        | £89m                  |
| Cloosh Valley Wind Farm         | 105MW onshore wind farm      | 25%         | No external debt                        | £23m                  |
| Neos Networks                   | Private telecoms network     | 50%         | No external debt                        | £87m                  |

1 Greater Gabbard, a 504MW offshore wind farm, is proportionally consolidated and reported as a Joint Operation with no loans outstanding.

2 For accounting purposes, £324m of the £972m of SSE shareholder loans advanced to Seagreen Wind Energy are classified as equity.

#### Pensions

| Contributing to employees' pension schemes – IAS 19            | March 2026<br>£m | March 2025<br>£m |
|----------------------------------------------------------------|------------------|------------------|
| <b>Net pension scheme asset recognised before deferred tax</b> | <b>459.8</b>     | <b>501.8</b>     |
| Employer cash contributions Scottish Hydro Electric scheme     | 0.9              | 0.9              |
| Employer cash contributions SSE Southern scheme                | 25.6             | 25.5             |
| Deficit repair contribution included above                     | 16.0             | 15.5             |

In the year to 31 March 2026, the Group's pension surplus decreased by £42.0m, from £501.8m to £459.8m, primarily due to actuarial loss of £80.7m offset by the contributions to the schemes.

The SSE Southern scheme's surplus decreased by £52.6m in the year due primarily to a £78.6m actuarial loss, offset by contributions to the scheme of £25.6m. The Scottish Hydro Electric scheme is partially insured against volatility in its pensioner members through the purchase of 'buy-in' contracts meaning a significant portion of scheme liabilities are protected from volatility. During the year the Scottish Hydro Electric scheme's surplus increased by £10.6m.

Additional information on employee pension schemes can be found in [note 23](#) to the Financial Statements.

## Business Unit operating review

# How our businesses fit together

SSE has a very deliberately diversified business mix that spans the clean energy value chain. These businesses operate alongside each other to optimise growth and create lasting value.

| <b>SSE Renewables</b> <span>M</span>                                                                                                                                                                                                                                                                                                                                                                          | <b>SSE Thermal</b> <span>M</span>                                                                                                                                                                                                                                                                                                      | <b>SSEN Transmission</b> <span>R</span>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Who SSE Renewables serves</b><br>Wholesale electricity customers across GB, Ireland and selected overseas markets which are increasingly seeking lower-carbon sources of energy.                                                                                                                                                                                                                           | <b>Who SSE Thermal serves</b><br>Electricity suppliers, traders and other generators through the energy market; the national grid, and ultimately electricity customers.                                                                                                                                                               | <b>Who SSEN Transmission serves</b><br>Electricity generators, large electricity demand customers and ultimately all electricity customers across the north of Scotland and the rest of GB.                                                                                                                                                                                                                                                                                                                |
| <b>How it supports SSE's strategy</b><br>SSE Renewables is driving the clean energy transition through the development, financing, construction and operation of world-class renewables in domestic and selected international markets. It also operates and develops pumped hydro storage that provides flexible and dispatchable electricity needed for a smooth transition to a more secure energy system. | <b>How it supports SSE's strategy</b><br>SSE Thermal is providing critical flexibility to offset renewables variability as the energy system transitions to clean energy. The strategic importance of its Gas Storage assets has been highlighted by recent world events and the increasing focus on national energy self-sufficiency. | <b>How it supports SSE's strategy</b><br>SSEN Transmission invests in the critical infrastructure needed to connect sources of clean power to the GB electricity transmission network and transport it to areas of demand. The business is 75% owned by SSE plc and 25% by investment partner the Ontario Teachers' Pension Plan Board.                                                                                                                                                                    |
| <b>How it is remunerated</b><br>Through wholesale electricity markets, ancillary services markets, capacity markets, balancing markets, power purchase agreements, and government schemes for renewable energy.                                                                                                                                                                                               | <b>How it is remunerated</b><br>The wholesale energy market, Capacity Market and ancillary services market provide the core revenue streams. The fleet also responds to forward market volatility and within day demand, providing flexible generation and storage.                                                                    | <b>How it is remunerated</b><br>Through economically regulated returns and incentives that are recovered from users of the GB transmission system. In addition to baseline total expenditure agreed with Ofgem as part of the regulator's determination of business plans, Uncertainty Mechanisms permit recovery of additional revenue in a given price control period to reflect additional investment requirements. These Uncertainty Mechanisms fund network upgrades during the price control period. |



## Corporate functions

### Who the Corporate functions serve

The Corporate functions comprise areas such as HR, IT, Legal, Finance, Procurement & Commercial, Corporate Affairs, Sustainability, and Risk, Governance & Assurance. These functions provide the SSE Business Units with efficient, continuously improving shared services, as well directly aligned partnering teams to enable informed decision making and delivery of strategic priorities.

## SSEN Distribution R

### Who SSEN Distribution serves

Around 4m homes and businesses in two large, diverse network areas in southern central England and the north of Scotland.

### How it supports SSE's strategy

SSEN Distribution drives the decarbonisation of communities and supports the economies in the areas it serves. It does this through a combination of strategic, future-proofed network investment and the targeted deployment of flexible solutions. Together, these support the provision of more capacity to meet the demand from low-carbon technologies connecting to the network in ever-increasing numbers.

### How it is remunerated

Through economically regulated returns recovered from customers and connecting parties. Additional earnings come through efficient delivery of investment and performance-related incentives.

## Energy Customer Solutions M

### Who Energy Customer Solutions serves

720,000 domestic and business customers in the all-island Ireland energy market, and around 240,000 non-domestic accounts in Great Britain.

### How it supports SSE's strategy

Energy Customer Solutions is responding to the energy transition as a route to market for SSE's low-carbon energy generation and through the provision of a suite of energy solutions to customers.

### How it is remunerated

By competing for customers and direct billing them or third party intermediaries, through state-supported schemes and through income from legacy wind farms contracted to SSE Airtricity.

## SSE Energy Markets M

### Who SSE Energy Market serves

SSE's individual Business Units and the SSE Group.

### How it supports SSE's strategy

The work SSE Energy Markets does is key to managing risk associated with the operations behind the delivery of the Group's strategy. It trades the principal commodities to which SSE's asset portfolios are exposed, as well as the spreads between two or more commodity prices (e.g. spark spreads); power (baseload and other products); gas; and carbon (emissions allowances). Each commodity has different risk and liquidity characteristics, which impacts the quantum of hedging possible.

### How it is remunerated

It receives fees for providing energy trading services to the constituent parts of SSE and has a growing portfolio of third party assets and external Power Price Agreements that bring independent value to the Group.



### How they support SSE's strategy

The Corporate functions develop and maintain SSE's strategic framework, set functional and ESG goals, provide capital funding, ensure compliance with regulatory requirements and offer policy insight relevant to, and in support of, the delivery of Business Unit objectives.

### How they are remunerated

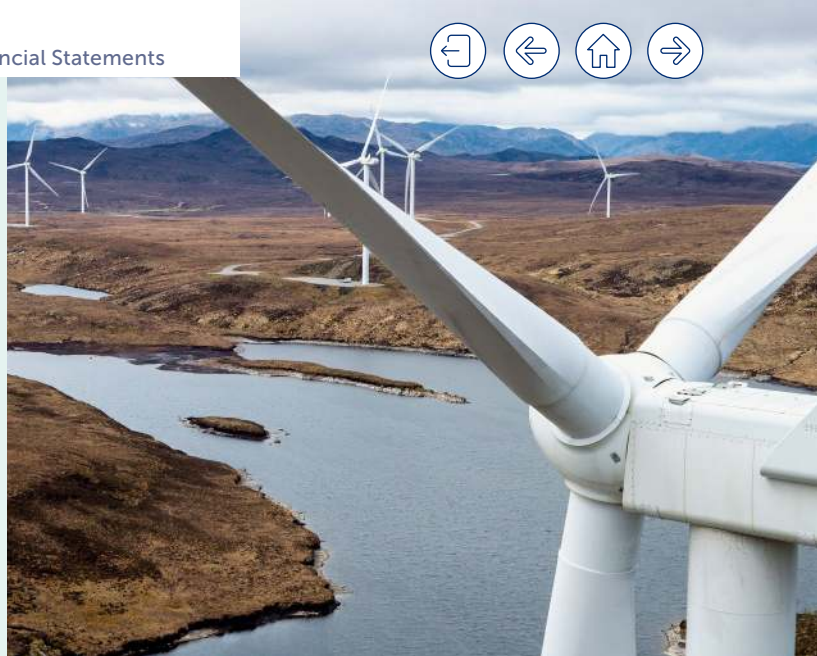
They are funded by the Business Units through a recharge model and corporate unallocated costs which are set out in the Financial Statements.

► See Our business model on **page 7** for more on how SSE creates value

## Business Unit operating review continued

## SSE Renewables

SSE Renewables is a leading developer and operator of renewable energy generation, focusing on onshore and offshore wind, hydro and battery storage across the UK and Ireland, and in carefully selected international markets.



### SSE Renewables Key Performance Indicators

|                                                                            | March 2026     | March 2025 |
|----------------------------------------------------------------------------|----------------|------------|
| Adjusted operating profit – £m                                             | <b>1,076.4</b> | 1,038.8    |
| Reported operating profit – £m                                             | <b>725.3</b>   | 617.6      |
| Adjusted investment & capital expenditure – £m                             | <b>739.0</b>   | 1,001.8    |
| <b>GENERATION CAPACITY – MW<sup>1</sup></b>                                |                |            |
| Onshore wind capacity – MW                                                 | <b>2,570</b>   | 2,454      |
| Offshore wind capacity – MW                                                | <b>1,014</b>   | 1,014      |
| Conventional hydro capacity – MW                                           | <b>1,164</b>   | 1,164      |
| Pumped storage capacity – MW                                               | <b>300</b>     | 300        |
| Solar & Battery capacity – MW                                              | <b>231</b>     | 50         |
| <b>Total renewable generation capacity (inc. storage) – MW<sup>2</sup></b> | <b>5,279</b>   | 4,982      |
| Contracted capacity <sup>3</sup>                                           | <b>3,293</b>   | 3,189      |
| <b>GENERATION OUTPUT – GWH<br/>(INCLUDING COMPENSATED CONSTRAINTS)</b>     |                |            |
| Onshore wind output – GWh <sup>4</sup>                                     | <b>6,813</b>   | 6,012      |
| Offshore wind output – GWh <sup>4</sup>                                    | <b>4,573</b>   | 3,878      |
| Conventional hydro output – GWh                                            | <b>2,795</b>   | 2,946      |
| Pumped storage output – GWh                                                | <b>280</b>     | 324        |
| Solar & Battery output – GWh                                               | <b>46</b>      | 46         |
| <b>Total renewable generation (inc. storage) – GWh</b>                     | <b>14,507</b>  | 13,206     |

- Capacity and output based on 100% of wholly owned sites and share of Joint Ventures.
- Total renewable generation capacity is increased by 297MW. This principally reflects 101MW from Yellow River wind farm, Littleton solar farm 31MW and Ferrybridge BESS 150MW.
- Contracted capacity includes sites with a CfD, RESS contract, eligible for ROCs, or contracted under REFIT (CfD contracts may be still to commence).
- Onshore wind output includes 1.7TWh of compensated constrained-off generation in 2025/26 and 1.3TWh in 2024/25. Offshore wind output includes 1.4TWh of compensated constrained-off generation in 2025/26 and 1.7TWh in 2024/25.
- Biomass capacity of 15MW and output of 78GWh in 2025/26 and 69GWh 2024/25 is excluded, with the associated operating profit or loss reported within SSE Thermal.

“Our capability as a leading builder and operator of onshore and offshore wind, hydro and battery storage assets, our diverse pipeline of nationally-significant development projects and our focus on disciplined delivery put us at the heart of the clean energy transition.”

**Stephen Wheeler**

Managing Director, SSE Renewables



### Financial performance

Adjusted operating profit increased by 4% to £1,076.4m from £1,038.8m in the prior year. Earnings reflected higher output delivered into a lower hedged price environment, with 2025/26 hedge prices around 20% lower than the prior year. Output was supported by generation from initial commissioning at Dogger Bank A (1.2GW, SSE share 40%) and the delivery of Yellow River (101MW), partially offset by mixed weather conditions particularly in hydro.

Reported operating profit increased by 17% to £725.3m from £617.6m in the prior year. This reflects the above and other movements including restructuring costs associated with the Group's Operating Model and Efficiency Review and a non-cash impairment of £155.8m relating to Aberarder (50MW) and Strathy South (208MW) onshore wind farms in Scotland, reflecting construction programmes impacted by delayed grid access.

Capex of £739.0m was invested during the period, including £157m of equity for Dogger Bank. Meanwhile £146m was invested in onshore wind in Scotland and Ireland. £48m of capex was delivered in Southern Europe, with progress made at onshore wind projects across Spain and Italy. On Battery Energy Storage System (BESS) projects, £96m was incurred in progressing the delivery of Derrymeen, Ferrybridge, Fiddlers Ferry and Monk Fryston.

### Operational delivery

Onshore wind volumes increased by 13% from 6.0TWh to 6.8TWh, reflecting increased capacity including the addition of Yellow River. This was partially offset by variable weather conditions and increased levels of system-driven curtailment in Ireland alongside planned and unplanned maintenance including an ongoing outage at Hadyard Hill.

In offshore wind, output increased by 18% from 3.9TWh to 4.6TWh driven by ongoing turbine commissioning work at Dogger Bank A. Hydro production decreased by 5% from 2.9TWh to 2.8TWh reflecting mixed precipitation across the year.

In the GB T-4 Capacity Market auction (2029/30 delivery year) SSE Renewables secured one-year agreements for 935MW of de-rated capacity across hydro (925MW) including 137MW for Sloy hydro scheme and 10MW of onshore wind at a clearing price of £27.10/kW.

In Ireland's T-4 auction, a one-year agreement for 20MW of de-rated onshore wind capacity for delivery year 2029/30 was secured at a clearing price of €135.5/kW.

### Strategic progress

SSE Renewables continues to progress the delivery of Dogger Bank wind farm (3.6GW, SSE share 40%). Following the completion of turbine installation at Dogger Bank A in February 2026, commissioning continues and is expected to be substantially complete by the end of calendar year 2026. Turbine installation is progressing strongly at Dogger Bank B (1.2GW, SSE share 40%) with the installation run-rate far exceeding that achieved on the first phase, resulting in 20 turbines currently installed and first power achieved in early March. On Dogger Bank C (1.2GW, SSE share 40%) installation of transition pieces was completed in November 2025, marking the successful installation of foundations across all three phases. When fully complete, Dogger Bank will be capable of producing 6% of UK current demand, delivering substantial value for consumers from this nationally significant infrastructure.

Berwick Bank wind farm, consented in July 2025 for up to 4.1GW of offshore capacity, represents the potential of further critical infrastructure delivery by SSE for the UK, contributing to long-term energy security and clean power targets. If built to its full potential capacity, Berwick Bank could become the world's largest offshore wind farm on completion. In January 2026, Berwick Bank B secured a valuable route to market via a 20-year contract for 1.4GW of offshore capacity at a competitive strike price for consumers of £89.49/MWh through CfD Allocation Round 7. A final investment decision is expected in 2027.

The UK's intention to run Allocation Round 8 in the second half of 2026 is a positive step for the energy transition. As with AR7, ambition on capacity will be critical to sustaining offshore delivery and value for consumers. In April 2026, further information on the offshore planning consent application for Arklow Bank Wind Park 2 (800MW) was submitted to Ireland's statutory planning body and a determination is anticipated by the end of the year. In May 2026, North Falls (up to 900MW, SSE share 50%) was granted development consent for its offshore array.

Onshore wind construction at Aberarder and Strathy South in Scotland has been impacted by delayed grid access, resulting in the reported non-cash impairment. Construction continues at the RESS4-contracted Drumnahough wind farm in Ireland (58MW, SSE share 50%).

In England, Ferrybridge BESS (150MW) and Littleton solar (31MW) entered commercial operations in March 2026. Battery installation continues at the Monk Fryston (320MW) and Fiddlers Ferry (150MW) BESS projects. In Northern Ireland, following a final investment decision in December 2025, construction has started on the Derrymeen BESS (100MW) project.

In Southern Europe, Jubera wind farm (64MW) in Spain entered commercial operations in May 2026 and construction of a further 72MW of onshore wind capacity is under way at sites in Spain and Italy.

In hydro, repowering of Lochay power station (45MW) to extend its useful life by at least 40 years continues. The first of the two new turbine generating units is currently being installed and is expected to be commissioned later this year. The Coire Glas pumped storage hydro project (1.4GW) has progressed to the Project Assessment stage of Ofgem's Cap and Floor scheme for long-duration electricity storage, with the minded-to decision on successful projects expected in summer 2026.

## Unlocking the power of battery storage at Ferrybridge

SSE's Ferrybridge station once powered the nation by burning coal, but the opening of a new battery storage facility at the West Yorkshire site marks a new era for clean energy.

Located where the 2GW Ferrybridge coal power station stood before being decommissioned in 2016, the new 150MW/300MWh battery project signals the site's transformation as an enabler of the transition to cleaner, more flexible energy.

Designed to store electricity and release it back to the grid when demand is highest, Ferrybridge's battery storage facility can operate at full output for up to two hours.

At peak times, it's capable of meeting the equivalent electricity demand of almost a quarter of a million homes.

By providing rapid response energy storage, the site will play a key role in balancing supply and demand and strengthening the resilience of the UK's electricity network.

Ferrybridge battery storage can provide flexible power to the equivalent of

# 250,000

homes for a two-hour period at times of exceptional demand



From coal to battery storage – Ferrybridge is providing the flexible power of the future



## Business Unit operating review continued

## SSE Thermal

SSE Thermal owns and operates conventional flexible thermal generation in GB and Ireland and gas storage in GB. It is developing options for lower carbon power generation and hydrogen storage, while maintaining its existing flexible and efficient fleet which continues to play a critical role in the energy transition.



### SSE Thermal key performance indicators

|                                                  | March 2026                  | March 2025 <sup>1</sup> |
|--------------------------------------------------|-----------------------------|-------------------------|
| Adjusted operating profit – £m                   | <b>195.4</b>                | 211.4                   |
| Reported operating profit – £m                   | <b>243.0</b>                | 195.3                   |
| Adjusted investment and capital expenditure – £m | <b>197.5</b>                | 183.8                   |
| <b>GENERATION CAPACITY<sup>2</sup> – MW</b>      |                             |                         |
| Gas-fired generation capacity – MW               | <b>6,210</b>                | 6,210                   |
| Energy from waste capacity & Biomass – MW        | <b>43</b>                   | 43                      |
| <b>Total thermal generation capacity – MW</b>    | <b>6,253</b>                | 6,253                   |
| <b>GENERATION OUTPUT<sup>3</sup> – GWh</b>       |                             |                         |
| Gas-fired output – GWh                           | <b>14,829.9<sup>4</sup></b> | 17,641.6                |
| Energy from waste & Biomass output – GWh         | <b>186.2</b>                | 182.4                   |
| <b>Total thermal generation – GWh</b>            | <b>15,016.1</b>             | 17,824.0                |
| Gas storage level at year end – mTh              | <b>33.1</b>                 | 79.3                    |
| Gas storage level at year end – %                | <b>18</b>                   | 47                      |

- 2025/26 reporting merges SSE Thermal and Gas Storage segments. Comparative performance has been restated.
- Capacity is wholly owned and share of joint ventures, and reflects Transmission Entry Capacity.
- Output is based on SSE 100% share of wholly owned sites and 100% share of Marchwood PPAs due to the contractual arrangement.
- Gas-fired Output includes 56GWh oil-fired output.

**“Against a backdrop of increasing system intermittency and market uncertainty, we have a critical role to play in supporting security of supply through the efficient operation of flexible thermal generation and development of new low-carbon technologies.”**

**Finlay McCutcheon**

Managing Director, SSE Thermal



### Financial performance

The net adjusted operating profit for SSE Thermal fell slightly to £195.4m compared to £211.4m in the prior year. This decrease was largely driven by lower market performance, due to lower plant availability and periods of low volatility.

Reported operating profitability increased to £243.0m compared to £195.3m in the prior year. This reflects the movements above including restructuring costs associated with the Group's Operating Model and Efficiency Review, non-cash impairment reversals of £48.5m relating to operational Gas Storage assets and £29.4m relating to the carrying value of the Group's investment in Triton Power.

### Operational delivery

SSE Thermal's overriding objective is to maintain commercial availability of its existing fleet and develop investment options to support security of supply into the 2030s and beyond. Flexible power stations continue to secure value through a diversified stack of revenues, including the Capacity Market, intrinsic forward spark spread, the Balancing Mechanism and other ancillary contracts.

SSE applies rigorous commercial discipline through any auctions and remains confident that the value of SSE Thermal assets will be realised through this approach. Keadby 1 Power Station secured a provisional Capacity Market agreement for 686MW de-rated electricity generation capacity, running from 1 October 2029 to 30 September 2030.

Agreements were not taken for Peterhead, Medway, Burghfield and Chickerell power stations due to the non-commerciality of the clearing price. These assets remain contracted to 30 September 2029, with options to secure agreements in future auctions.

SSE Thermal assets in Ireland secured agreements for 543MW of de-rated capacity, valued at a total of around €288m, including a five-year agreement for Great Island.

SSE Thermal delivered a successful summer outage programme across the flexible generation fleet. However, unplanned outages at Keadby 2, Medway and Great Island impacted availability outside of the summer period.

SSE Thermal's gas storage assets remain an important risk management tool for the Group's generation portfolio, with fast-cycle assets an important part of a resilient energy system.

Favourable summer/winter spreads enabled injection and withdrawal in the first half of the year. Cavern Eight at Atwick returned to service at the beginning of October 2025, delivering additional value.

### Strategic progress

Construction is under way at the 300MW Tarbert Next Generation power station, targeting full commercial operation from October 2027.

The station has secured €335m of revenues through a 10-year capacity agreement. Final investment decision was taken on Platin, a 170MW power station in County Meath, in July 2025, and preparatory works are under way with full site mobilisation expected in the coming months, targeting full commercial operation from October 2028.

This project is also underpinned by a 10-year capacity agreement, with a total value of around €250m. An amendment to the planning consent was since secured to enable Platin to run on natural gas as well as sustainable biofuels. A further 10-year capacity agreement was secured to support this at a value of around €20m.

SSE Thermal has developed shovel-ready programmes to extend the lives of its existing, wholly-owned Combined Cycle Gas Turbines (CCGTs) in GB. Subject to securing multi-year Capacity Market agreements, these investments would help ensure that existing generation assets remain ready to respond to system need, providing the enduring flexibility which is critical to enabling a renewables-led system.

In the UK, further detail is pending on the mechanisms to procure new-build dispatchable capacity, including the Hydrogen to Power Business Model, any adaptations to the Capacity Market and further allocation of Dispatchable Power Agreements for Carbon Capture and Storage (CCS) projects.

These options could support investment in SSE Thermal's flexible generation pipeline, including Keadby Next Generation and Ferrybridge Next Generation, Keadby CCS and Peterhead CCS. For Peterhead CCS, SSE is continuing to work with Scottish Cluster partners and UK Government to agree a programme of funded development work.

During the course of 2025, SSE reviewed its hydrogen development strategy and, in response to material policy delays to the roll-out of low-carbon hydrogen, took the decision to pause its standalone hydrogen production projects. Near-term efforts are focused on enabling hydrogen in the Humber region, and SSE Thermal's role as an offtaker or low-carbon hydrogen for future hydrogen-to-power projects.

### Construction under way at Tarbert Next Generation power station

SSE's Tarbert Next Generation power station in Co. Kerry has entered full construction, with foundations and civil works under way following completion of early enabling works.

The up to €300m project will be the first of its kind in Ireland to run on Hydrotreated Vegetable Oil (HVO), a sustainable biofuel sourced entirely from waste feedstocks.

The 300MW 'peaker' plant will provide flexible, reliable power to strengthen Ireland's security of supply and support a renewables led electricity system, with potential for future hydrogen conversion.

The project marks the next chapter for the iconic Tarbert site following the decommissioning of the original oil fired station in 2023, after more than 50 years of operation. At peak delivery, the new station is expected to support around 200 full-time construction jobs ahead of its completion in 2027.

Tarbert will support

# 200

jobs ahead of completion in 2027



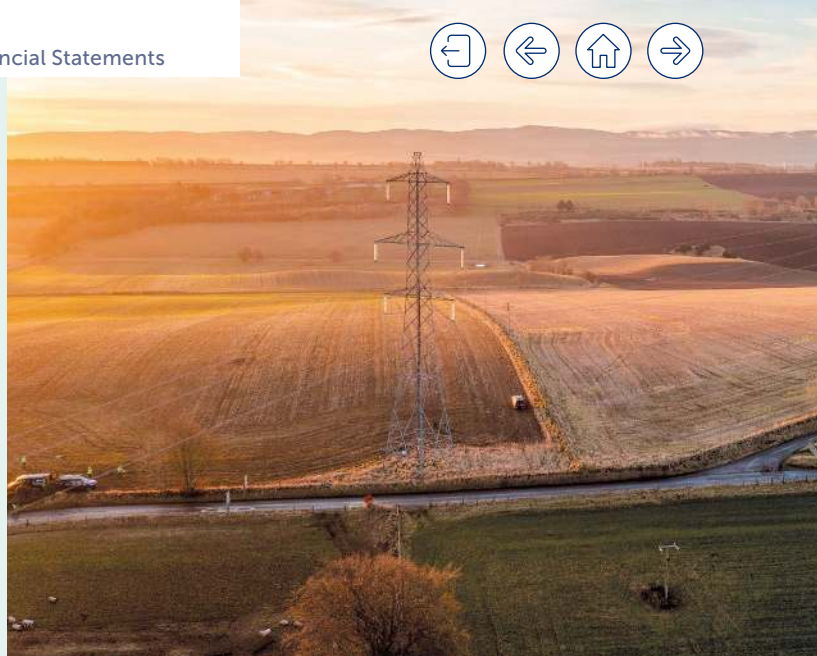
▲ Tarbert's next generation station will run on vegetable oil instead of traditional oil



## Business Unit operating review continued

## SSEN Transmission

SSEN Transmission operates one of the fastest growing regulated electricity networks in Europe. It owns, operates and develops the high voltage electricity transmission system in the north of Scotland and its islands and is owned 75% by SSE plc and 25% by Ontario Teachers' Pension Plan Board. All references to performance indicators relate to 100% of the business unless otherwise stated.



### SSEN Transmission key performance indicators

|                                                                              | March 2026     | March 2025 |
|------------------------------------------------------------------------------|----------------|------------|
| Adjusted operating profit <sup>1</sup> – £m                                  | <b>562.6</b>   | 322.5      |
| Reported operating profit – £m                                               | <b>750.1</b>   | 430.0      |
| Adjusted investment and capital expenditure <sup>1</sup> – £m                | <b>1,717.6</b> | 953.5      |
| Gross Regulated Asset Value (RAV) – £m <sup>2</sup>                          | <b>8,955</b>   | 7,171      |
| SSE Share Regulated Asset Value (RAV) <sup>1,2</sup> – £m                    | <b>6,716</b>   | 5,378      |
| Renewable Capacity connected within SSEN Transmission area – GW <sup>3</sup> | <b>10.8</b>    | 10.6       |

1 Excludes 25% minority interest.

2 Estimated and subject to outcome of annual regulatory process.

3 Prior period comparator restated to reflect data refinement. Transmission and distribution connected capacity within the SSEN Transmission Network area, includes pumped storage and battery storage.

**“Through delivery of the 11 major projects in our investment programme we are creating a resilient, efficient, and future-ready transmission network that is capable of meeting ambitious energy security and clean power targets.”**

**Rob McDonald**

Managing Director, SSEN Transmission



### Financial performance

Adjusted operating profit, which is presented net of the business's 25% non-controlling interest, increased by 74% to £562.6m from £322.5m in the prior year. Revenue growth is driven by allowances agreed with the regulator to fund increasing investment, a proportion of which is returned in the corresponding financial year. This investment has been funded by SSEN Transmission and its shareholders and is quoted before debt interest and tax payments are deducted. In addition, the prior year included a one-off negative timing adjustment relating to tax relief.

Reported operating profit increased to £750.1m compared to £430.0m as a result of the movements above but reflecting that non-controlling interests are fully consolidated for all profit metrics under IFRS.

Net capex totalled £1,717.6m, an increase of 80% on the comparative year, supporting the UK's grid upgrade, and included £219m on the Orkney link project where major substation progress has been made, and £212m on the Argyll and Kintyre upgrade where substation and overhead line work has progressed. Capex of £137m was invested at the Eastern Green Link 2 (EGL2) project where Peterhead converter station work has advanced and the manufacturing of the submarine cable is under way. Remaining capex was delivered primarily across the other large capital projects.

### Operational delivery

SSEN Transmission continues to deliver sector-leading operational performance, securing the full reward through Ofgem's 'Energy Not Supplied' incentive, the third year the business has achieved this throughout the RIIO-T2 price control, underpinning its goal of zero interruptions to homes and businesses.

Delivery of the capital investment programme has continued at pace during the year. With progress on the 11 major projects detailed below, other progress in the year included the Kergord to Gremista 132kV connection and Gremista Grid Supply

Point, which was completed in April 2026. Full energisation will follow completion of SSSEN Distribution's 'Shetland Standby Project', anticipated later in 2026.

The East Coast 400kV upgrade between Kintore and Kincardine also continues to make good progress. Several sections will be replaced with higher capacity conductors than initially planned, with completion and full energisation of this programme now expected in 2027.

In March 2026, SSSEN Transmission confirmed its acceptance of Ofgem's Final Determination for the RIIO-T3 period, which commenced on 1 April 2026, recognising it as an investable and deliverable settlement overall.

### Delivering on key consents

SSSEN Transmission's 11 major projects, six of which are onshore and five offshore, continue to make good progress.

The business is sensitive to the views of the communities hosting its major projects, which is why, based on one of the largest public consultation exercises Scotland has ever seen, substations have been relocated and routes have been altered. The business is also providing new community benefit funding – projected to be over £100m – alongside supporting the delivery of 1,000 new homes.

With all regulatory approvals of need secured and supply chain frameworks for delivery in place, securing all necessary planning consents remains a top priority. Of the 34 major consents required, 25 have been secured. These includes five substation sites, two overhead lines and two marine licence consents achieved during 2025/26.

All outstanding consent decisions are expected within the next 12 months. This includes four substation consents that have been appealed to the Scottish Government following refusal by local Planning Authorities, decisions that went against the independent expert advice of Planning Authority planning officers.

Cambushinnie substation was previously approved by Perth and Kinross Council, but following legal challenge that decision was rescinded. The Cambushinnie consent is expected to be re-determined by Perth and Kinross Council this Summer.

### Delivering on construction

Timely delivery on all 11 major projects remains a priority – including those which are classed as ASTI projects. These remain on track to be delivered in line with their regulatory licence output dates, starting with EGL2 in 2029.

In Argyll, the first steel lattice tower on the 9km Creag Dhubh-Inveraray overhead line has been erected, with all earthworks and the main substation buildings at Creag Dhubh also complete ahead of the electrical installation works.

The Orkney link has also made strong progress, with major earthworks and steelworks complete at Dounreay and Finstown substations.

Early construction works have progressed on the Skye Reinforcement.

The EGL2 project, the first subsea link to be jointly delivered with National Grid Electricity Transmission, marked 18 months in construction in March 2026, with significant progress at both the Peterhead and Wren Hall sites.

Following receipt of its marine licence in November 2025, the Spittal-Peterhead HVDC link became the fifth major project to enter construction.

On the Eastern Green Link 3 (EGL3) project, contracts have been signed with key supply

chain partners including Hitachi Energy for the HVDC converter stations and NKT for manufacture and installation of the 690km cable.

### Longer-term opportunities

In summer 2026, NESO is expected to update its second transition Centralised Strategic Network Plan (tCSNP), Beyond 2030. This is expected to identify and progress further onshore reinforcements and subsea links for delivery during the next decade.

## Building the UK's biggest electricity transmission project

A year into its five-year construction programme, the Eastern Green Link 2 (EGL2) project has made impressive progress. EGL2 is a 2GW high voltage direct current (HVDC) electrical 'superhighway' cable link between Peterhead in Aberdeenshire, Scotland and Drax in North Yorkshire, England.

At the Peterhead converter station site in Aberdeenshire, transformer container units are now in place as is a visitor centre for the community.

Last winter the Peterhead team even responded to calls from NHS Grampian to help healthcare workers reach patients when the local roads became impassable due to snowfall.

Similar progress has been made across the 64km land cable route in Yorkshire from Bridlington to Drax, with horizontal directional drilling progressing ahead of cable installation.

The 505km HVDC link will transport renewable energy south to around two million homes when it opens in 2029.

# 505km

of subsea and underground cable – the UK's biggest ever electricity transmission project

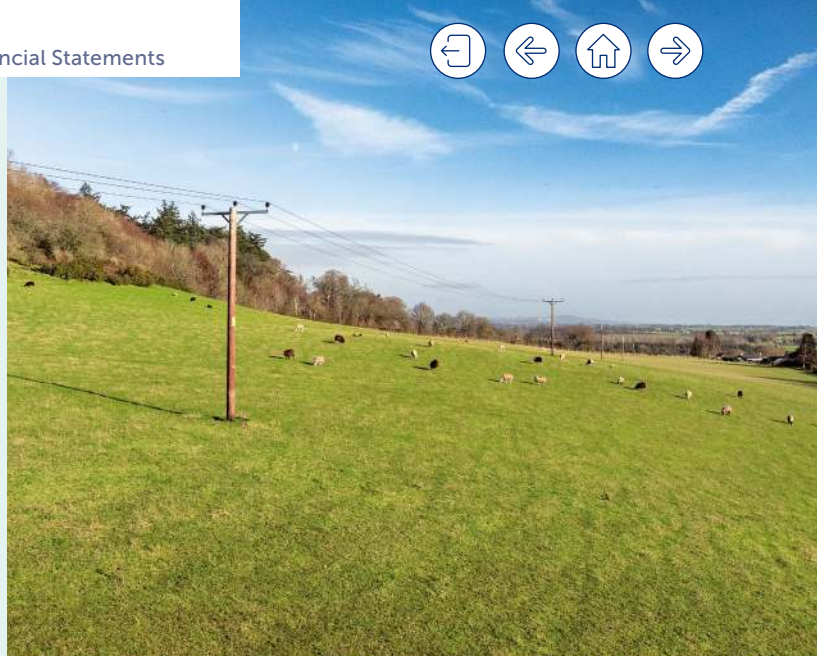


SSSEN Transmission is partnering with National Grid to bring energy to 2m homes

## Business Unit operating review continued

## SSEN Distribution

SSEN Distribution, operating under licence as Southern Electric Power Distribution plc (SEPD) and Scottish Hydro Electric Power Distribution plc (SHEPD), serves around 4m homes and businesses across two licence areas in central southern England and the north of Scotland.



### SSEN Distribution key performance indicators

|                                                    | March 2026     | March 2025 |
|----------------------------------------------------|----------------|------------|
| Adjusted operating profit – £m                     | <b>335.3</b>   | 736.0      |
| Reported operating profit – £m                     | <b>296.9</b>   | 736.0      |
| Adjusted investment and capital expenditure – £m   | <b>851.8</b>   | 635.8      |
| Regulated Asset Value (RAV) – £m                   | <b>6,611</b>   | 5,737      |
| Customer Satisfaction score                        | <b>9.05/10</b> | 8.81/10    |
| Customer Minutes Lost (SHEPD) average per customer | <b>79</b>      | 69         |
| Customer Minutes Lost (SEPD) average per customer  | <b>54</b>      | 51         |
| Customer Interruptions (SHEPD) per 100 customers   | <b>71</b>      | 59         |
| Customer Interruptions (SEPD) per 100 customers    | <b>47</b>      | 42         |

RAV, Customer minutes lost and Customer interruptions figures estimated and subject to outturn of annual regulatory process.

**“We’re helping deliver economic growth and greater customer choice in the communities we serve, by enabling the uptake of low-carbon technologies and the electrification of industry.”**

**Chris Burchell**

Managing Director, SSEN Distribution



### Financial performance

Adjusted operating profit decreased by 54% to £335.3m compared to £736.0m in the prior year. This large decrease was expected and driven by a non-recurring timing effect in the prior year, predominantly for cost inflation from 2022 to 2024, which significantly increased prior year allowed revenues.

Reported operating profit decreased to £296.9m compared to £736.0m in the prior year, reflecting the movements above in addition to £(38.4)m of exceptional restructuring costs.

Capex investment of £851.8m increased by 34% compared with the prior year, reflecting the continued delivery aligning with the RIIO-ED2 investment plan. In the north, £288m was invested, including commencement of major subsea cable works at Loch A'Choire and Skye-Uist, pole-mounted transformer replacements, and other network reinforcement work. In the south, £520m of investment supported pole-mounted transformer replacements and key network reinforcement schemes at Iver (West London), Fleet-Aldershot (Hampshire) and Bramley-Thatcham (near Reading).

### Operational delivery

SSEN Distribution has completed the third year of the RIIO ED2 price control period, which runs to March 2028 and includes £3.6bn of baseline expenditure (2020/21 prices), while more than £157m in additional funding has been secured through Uncertainty Mechanisms so far.

Overall customer satisfaction scores have increased compared with 2024/25 to a reward position in 2025/26 with a score of 9.05/10. This represents SSEN Distribution's strongest performance since Ofgem introduced the Broad Measure Incentive in 2015. Improvements in Time to Connect and Time to Quote also exceeded Ofgem targets. However, storms in the north of Scotland affected Customer Interruptions and Customer Minutes Lost.

Storm Floris was the most significant summer storm the business has ever faced and was classed as a Category Two exceptional event, affecting almost 85,000 customers. Power was restored to 98% of customers within 48 hours. October's Storm Amy was an exceptional "1-in-20" event, making it the third-most damaging named storm in the north of Scotland on record. Supplies were restored within six days, a day earlier than Storm Eowyn in January 2025, despite Amy causing around 100 more faults.

SSEN Distribution gained £1m in reward through the Consumer Vulnerability Incentive. Almost 400,000 tailored Power Cut Plans have been sent to customers and – in an industry first – the business has delivered the first of 20,000 home battery packs to medically-dependent Priority Services customers most in need.

The business's Distribution System Operator function earned an over £5m return through Ofgem's DSO Incentive in 2024/25, up from £2m the previous year, reflecting better stakeholder feedback and panel assessment.

### Strategic progress

SSEN Distribution continues to make strong progress against its RIIO ED2 plan while laying the foundations for ED3. The capital delivery programme has accelerated, including completion of a £38m project to install and energise five new subsea cables connecting Scotland's islands.

A new £950m framework has been established to support long-term subsea upgrades, complementing £1.4bn of existing Capital Delivery agreements for on-land infrastructure. These are enabling major upgrades such as £155m in Southampton, £100m in Swindon and £20m in south-west Dorset.

More than £150m of additional funding has been secured in 2025/26 through Uncertainty Mechanisms, including £77m for the Hebrides and Orkney (HOWSUM) re-opener to support economic growth and increase capacity. A further £80m relates to subsea infrastructure and cyber security. Ofgem is assessing an additional ~£770m of UM requests, including ~£725m in Load-Related Expenditure to support network development through the remainder of ED2 and early ED3 mobilisation.

Connections remain a priority, with ramped offers giving a proportion of requested capacity to customers to help manage increasing demand over time. The business continues to support NESO's Connections Reform programme, meeting all deadlines and guiding customers through the process. For domestic customers seeking to connect, a new 'self-serve' tool has already generated initial cost estimates in as little as two minutes for 2,928 customers, while the advent of smartphone video surveys is further improving customer experience.

SSEN Distribution plays a leading role in developing the Electricity Networks Sector Growth Plan, which focuses on maximising the benefits to the wider economy of ongoing electrification and decarbonisation, through the creation of more sustainable UK-based supply chains and new skilled jobs.

### RIIO-ED3 Price Control

Strategic Development Plans, now published for the entirety of SSEN Distribution's licence areas, underpin long-term planning to 2050 and will inform the ED3 business plan, which is due for submission in December 2026. A period of extensive engagement is currently under way as the ED3 plan is formed.

Ofgem's Sector Specific Methodology Decision sets out the important role for DNOs in enabling the benefits of increased electrification and supporting economic growth, through a combination of increased network investment supported by flexibility.

It further outlines a number of financial considerations which will require detailed assessment, development and decision, including potential adjustments to the Totex Incentive Mechanism (TIM) and options to reduce gearing to address inflation impacts, alongside confirmation of the "enhanced coordinator" role for DNOs in the rollout of low-carbon technologies.

Through ED3 and beyond, SSEN Distribution is facing into a multi-decade growth opportunity. To optimise the business for delivery, work continues on a transformative change programme that is taking cost out of the business and putting it into the systems, tools and processes needed to excel over the long term.

### Keeping motorway traffic flowing above while working below

As part of its £9.6m investment programme to upgrade electricity infrastructure in Hampshire SSEN Distribution has been thinking outside the box to avoid traffic chaos. Faced with the challenge of how to lay cable across a busy section of the M27 the team developed an innovative solution to route the cables well beneath the carriageways.

By adopting a more complex underground approach the project deployed a 260m Horizontal Directional Drill to avoid unnecessary disruption to motorway traffic. The drill reached depths of 45 metres using a mixture of water and naturally-occurring clay to keep the drilled space clear, prevent collapse and remove debris.

SSEN Distribution's underground drilling at Rownhams also helped to minimise impact on local wildlife and will help provide new EV charge hubs on one of England's busiest motorways.

## £9.6m

of capital works will strengthen electricity supplies for local customers and support the transition to EVs



Our underground cables are keeping motorists moving on the M27 motorway

## Business Unit operating review continued

## Energy Customer Solutions

Energy Customer Solutions delivers a range of energy products and services to the non-domestic market in GB and both the domestic and non-domestic markets in the island of Ireland. It creates routes to market including Corporate Power Purchase Agreements and green supply contracts and offers energy solutions and distributed energy products that stabilise costs, provide speed to power and reduce carbon emissions.



### SSE Energy Customer Solutions Key Performance Indicators<sup>1</sup>

|                                                      | March 2026    | March 2025 |
|------------------------------------------------------|---------------|------------|
| Adjusted operating profit – £m                       | <b>136.9</b>  | 192.1      |
| Reported operating profit – £m                       | <b>136.2</b>  | 189.2      |
| Adjusted investment and capital expenditure – £m     | <b>34.8</b>   | 80.0       |
| Aged debt (60 days past due) – £m                    | <b>289.8</b>  | 298.6      |
| Bad debt expense £m                                  | <b>27.3</b>   | 42.5       |
| <b>Electricity and Gas sold</b>                      |               |            |
| Electricity Sold – Airtricity – GWh                  | <b>10,577</b> | 6,704      |
| Electricity Sold – Business Energy – GWh             | <b>8,394</b>  | 9,840      |
| Gas Sold – Airtricity – mtherms                      | <b>232</b>    | 237        |
| Gas Sold – Business Energy – mtherms                 | <b>85</b>     | 120        |
| <b>Customer numbers</b>                              |               |            |
| All Ireland energy market customers – Airtricity – m | <b>0.72</b>   | 0.77       |
| Energy customers' accounts – Business Energy – m     | <b>0.24</b>   | 0.31       |

<sup>1</sup> Segmental reporting for SSE Airtricity and Business Energy have been merged for 2025/26. Comparative performance has been restated.

**“In a highly dynamic trading environment, we remain focused on supporting customers facing renewed cost pressures from energy market shocks, whilst enabling the growing demand driven by electrification and the rise of AI.”**

**Nikki Flanders**

Managing Director, Energy Customer Solutions



### Financial performance

Adjusted operating profit declined by 29% to £136.9m from £192.1m in the prior year primarily driven by lower wind related revenues and lower supply volumes. This was partially offset by improved debt performance and operational efficiencies. The year saw lower customer numbers, reflecting tighter market competition and a decision to focus on stabilisation of the new billing system in GB.

Reported operating profit decreased to £136.2m compared to £189.2m in the previous year, reflecting the movements above.

### Operational delivery

In the last 12 months an acceleration in the development of data centres has created opportunities for Energy Customer Solutions. In Ireland, where the sector is well established, energy sold to the data centres increased by 4TWh to 6TWh, taking the total power supplied to domestic and non-domestic customers on the island to 10.6TWh. SSE Airtricity now supplies around 80% of the energy to data centres in Ireland.

In GB, where data centre build-out is less advanced, the focus has been on building strategic relationships with key market players, for example through the delivery of a private network solution to a Microsoft data centre development in South Wales and the expansion of network capacity to Europe's largest data centre conurbation in Slough.

ECS's supply businesses have faced difficult market conditions over the last year. SSE Airtricity saw modest customer losses after reluctantly deciding to increase tariffs by an average of 9.5% from October (4% Northern Ireland), balanced with customer support initiatives. Business Energy saw a reduction in customer numbers due to market competition and the knock-on impact of previously paused sales.

Energy affordability remains a key concern in both GB and Ireland with governments implementing policy measures to support customers. ECS continues to engage with governments and other stakeholders to influence policy direction, as well as providing a range of support to customers.

ECS has supported customers to electrify and decarbonise their homes and businesses in the last year. Notable achievements include installing solar panels on 400 homes of medically vulnerable people in Ireland at no cost; and in GB, an agreement with Transport for London to partner on delivery of solar developments that will partially power the London Underground, with potential for future expansion.

### Strategic progress

The growing data centre sector will be an area of focus for ECS over the coming year both in Ireland, where a long-awaited Large Energy Users policy has essentially lifted a de facto moratorium on new facilities, and in GB, where strong growth of the sector is expected in the UK Government's AI Growth Zones.

Energy Customer Solutions is exploring "speed to power" opportunities with data centre hyperscalers and large data centre developers that face challenges securing grid connections, including bridging solutions, private networks and behind-the-meter generation.

SSE's existing and future pipeline of assets across SSE Renewables and SSE Thermal, as well as existing relationships held by ECS, are strategic strengths as the sector looks for partners to help develop large-scale energy solutions.

With global energy cost volatility potentially continuing, SSE Airtricity and SSE Business Energy are prepared for some challenges in the first few months of the financial year. Experience of previous global energy volatility has informed planning, and engagement with governments and regulators continues to help shape consumer support measures. ECS seeks to support all customers, particularly those that are vulnerable, and will continue to offer tariff options that provide customers with choices to suit their circumstances.

## Powering the Tube with solar through a new partnership with TFL

Transport for London (TfL) has appointed SSE Energy Customer Solutions as its partner to deliver a first-of-its-kind private wire solar project for a major urban transport network, connecting rooftop and ground-mounted solar installations directly to the Tube.

Once operational, it could generate up to 65,000MWh each year, providing clean electricity for millions of journeys and covering around

two-thirds of the Victoria line's annual electricity demand. As London's largest electricity consumer, this partnership represents a major step in TfL's ambition to operate on 100% renewable electricity by 2030.

TfL uses around 1.6 TWh of electricity each year to power trains, stations and operational infrastructure across London. By generating power locally and supplying it directly, the scheme is expected to save more than 27,000 tonnes of carbon over 25 years – equivalent to almost 32,900 flights between London and New York.

# 27,000

tonnes of carbon could be saved by TfL over the course of 25 years

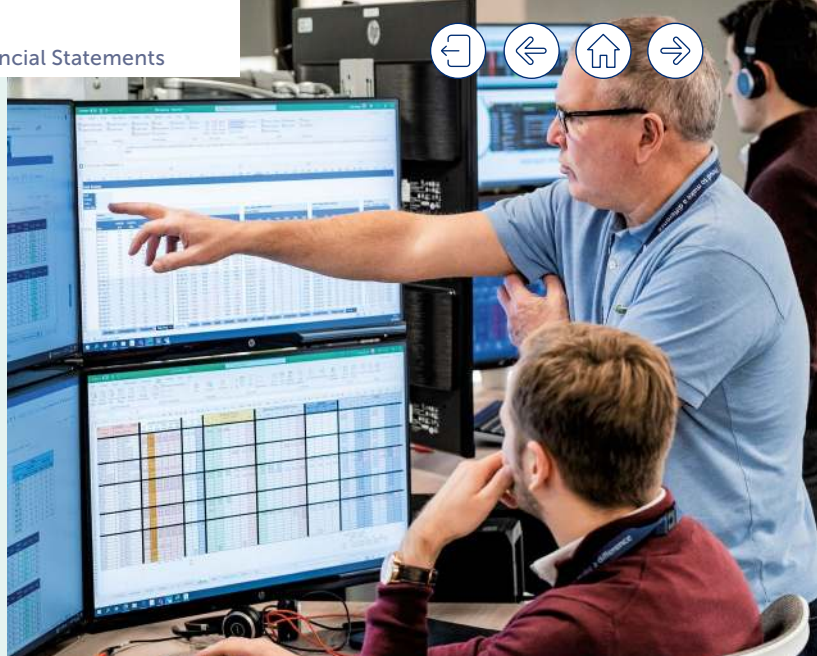


TfL is partnering with SSE's customer business to harness solar power for the Tube

## Business Unit operating review continued

## SSE Energy Markets

SSE Energy Markets optimises all of SSE's market based assets by trading across key commodity markets – power, gas and carbon – and manages associated market risks to secure and enhance long term value.



### SSE Energy Markets key performance indicators

|                                       | March 2026 | March 2025 |
|---------------------------------------|------------|------------|
| Adjusted operating profit – £m        | 43.2       | 30.0       |
| Reported operating profit/(loss) – £m | (145.8)    | (42.9)     |

“The trading expertise and deep analytics offered by SSE Energy Markets have never been more important. Against a backdrop of heightened market volatility, we have continued to help the Group's integrated asset portfolio create value through all scenarios.”

**Gordon Bell**

Managing Director, SSE Energy Markets



### Financial performance

Adjusted operating profit increased by 44% to £43.2m from £30.0m in the prior year. In addition to this relatively low level of baseline operating earnings, SSE Energy Markets' trading activities also drive significant value for the energy-exposed businesses. The increase in profitability is mainly driven by optimisation trading on commodity positions and an increase in volume and margin achieved on green certificate sales.

Reported operating loss increased to £(145.8)m compared to a loss of £(42.9)m in the prior year. Despite favourable movements noted above, reported operating results include a higher value of net remeasurement losses on forward commodity derivatives relative to the previous year. These IFRS 9 re-measurements exclude any re-measurement of 'own use' contracts and are unrelated to underlying operating performance.

### Operational delivery

SSE Energy Markets has remained central to managing market volatility, mitigating risk and maximising value for the Group's market-based Business Units. Operating as a single centre of excellence across all trading periods, it secures value for SSE's asset portfolio, which continues to be reported within individual Business Units.

### Strategic progress

The business has continued to focus on optimisation activities and position taking, all within SSE's strict position limit and Value at Risk (VAR) controls, while also contracting third party Power Purchase Agreements and wider route to market services.

At the full-year, SSE Energy Markets held 2.9GW of CfD-backed route-to-market contracts, of which 2.4GW were third party including 15-year agreements with two low-carbon solar farms. It also added 1.3GW of Combined Heat and Power (CHP) and Open Cycle Gas Turbine (OCGT) sites from Triton Power to its portfolio this year.

The business continues to originate contracts and execute structured products to optimise the SSE portfolio.

Trading activity in European power and gas markets continued to grow steadily, deepening insight into the global energy complex. This capability is increasingly important as the Group develops, constructs and operates assets in carefully selected international markets. SSE Energy Markets will continue to add value to the Group by providing a long-term view on market fundamentals to inform SSE's strategic and investment decision making.

Immediate priorities for the business include the commencement of third-party, large-scale battery energy storage systems (BESS) contracts in 2026, and development of systematic trading functionality, using deep analytics to maximise value for the Group's portfolio.



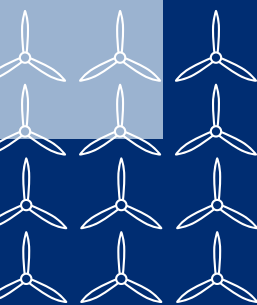
# Sustainability

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## People Powering SSE

Gillian O'Reilly, Head of Heritage (left) and Holly Cammidge, Heritage Development Officer, Pitlochry, Scotland

"SSE can trace its Scottish roots back to the hydro pioneers of the 1940s and has powered the Highlands and the UK for over a century. We are stewards of SSE's heritage and we want to showcase our role as energy custodians of the future, through our visitor centre, our events and even our Highland Grid book."



## Chief Sustainability Officer's review

# Creating value through the transition

While navigating an increasingly complex environment, we have continued to make progress against our sustainability ambitions – delivering on our climate goals while supporting wider value for communities, customers and the economy.



It's been a year of good performance for SSE. We reached an important milestone with our carbon intensity falling below 200gCO<sub>2</sub>e/kWh for the first time, and we remain on track to enabling the connection of over 20GW of renewable energy to the grid in the north of Scotland by 2030.

We're pleased with this progress but recognise we are delivering this against an increasingly volatile and complex global backdrop. The clean energy transition is not a linear journey – something we're seeing reflected in our progress towards our 2030 renewables output goal, which we have been clear we are unlikely to meet.

**"The transition must be delivered in a way that works for people, for the energy system and for the wider economy as a whole."**

External dependencies, evolving policy frameworks and wider economic pressures – including affordability – continue to shape both the pace and pathway of change. Ultimately, delivery of our long-term ambitions will depend not only on our actions, but also on the broader system in which we operate. We remain focused on making steady, meaningful progress – and being open and honest about the challenges and trade-offs we're navigating along the way.

The transition must also work for people. Supporting customers with affordable and reliable energy, investing in communities and delivering a fair and inclusive transition are central to how we operate. This year, we awarded a record £25m through our community investment funds, creating tangible long-term benefits.

More broadly, the energy transition can play an important role in supporting the economies in which we operate. Last year, our activity contributed £10.84bn to GDP and supported over 88,350 jobs across the UK and Ireland.

Around 95% of our £33bn investment plan is expected to be taxonomy-aligned, meaning it is invested in infrastructure that supports the transition to clean energy. Sustainability is not separate from our business strategy – it underpins it. It ensures we deliver a secure energy system in a way that creates long-term value and builds lasting trust with communities. That trust is essential if we are to deliver the infrastructure needed at pace.

As we look ahead, we are under no illusion about the scale of the challenge – but also the opportunity. The transition must be delivered in a way that works for people, for the energy system and for the wider economy as a whole. Our focus is on doing this well – building the infrastructure needed while creating lasting value and maintaining trust along the way.

**Rhian Kelly**

Chief Sustainability Officer, SSE plc

27 May 2026

## Sustainability highlights

Our lowest recorded scope 1 GHG intensity

**194gCO<sub>2</sub>e/kWh**

**c. 95%**

of our investment plan to 2030 will be taxonomy aligned

Through our activities we contributed

**£10.84bn**  
to UK and Ireland GDP

A record year for community investment with

**£24.9m**

awarded through our community funds

## Sustainability

# Our approach to sustainability

Sustainability is central to how we do things and deliver on our strategy, driving long-term value as we support the clean energy transition.

## Sustainability in our strategy

Sustainability is a fundamental value underpinning SSE's strategy. Our approach is centred on four 2030 Goals, focused on addressing climate change while ensuring the benefits of the clean energy transition are shared with customers and communities. These Goals are aligned with the UN Sustainable Development Goals (SDGs) and provide a clear framework for delivering progress over the short to medium term.

This approach ensures that in delivering our £33bn investment plan to 2030, we do this in a way that delivers broader value, including supporting jobs, developing skills and benefiting the communities in which we operate.

## Focusing on what matters

SSE's 2030 Goals are aligned to the four SDGs most relevant to our business, supported by additional environment-related SDGs that guide our approach to nature. This framework enables us to focus on the most material environmental and social issues linked to our activities.

We further identify and prioritise these through a double materiality assessment (DMA), informed by stakeholder engagement. This considers both our impacts on the environment and society, and how sustainability issues may affect our financial performance. Our most recent review confirmed continued alignment with key priorities, and a comprehensive refresh is under way in line with evolving best practice.

Read more about our approach to materiality in our Sustainability Report 2026 at [sse.com/sustainability](https://sse.com/sustainability).

## How sustainability is governed

Oversight of sustainability is embedded within SSE's governance framework, with accountability held across the Board, Group Executive Committee and sub-committees, supported by the Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC). The Chief Sustainability Officer reports to the Chief Executive and advises across the business. Strengthening accountability, executive remuneration is partly linked to ESG ratings performance and delivery of the 2030 Goals. More detail on governance arrangements can be found in the Governance section, [pages 78 to 142](#).

## Our 2030 Goals

We've made considerable progress against some of our 2030 Goals since they were first set in 2019, for example towards our ambition to connect more renewables to the electricity grid in the north of Scotland. However, over this time the context has evolved, and a number of external factors have shaped delivery of the Goals. There are increasing challenges in meeting our carbon intensity goal and we do not expect to meet our ambitious goal to increase renewables output fivefold by 2030. We discuss our progress in these areas over the following pages.

### Cut carbon intensity by 80%



Reduce scope 1 carbon intensity by 80% by 2030 to 61gCO<sub>2</sub>e/kWh, compared to 2017/18 base year of 307gCO<sub>2</sub>e/kWh.

|             |  |                           |
|-------------|--|---------------------------|
| 2026        |  | 194gCO <sub>2</sub> e/kWh |
| 2030 target |  | 61gCO <sub>2</sub> e/kWh  |

Progress: On target but with risk

See [page 43](#)

### Enable low-carbon generation and demand



Enable the connection of at least 20GW of renewable generation capacity within SSEN Transmission's licence area.

|             |  |        |
|-------------|--|--------|
| 2026        |  | 10.8GW |
| 2030 target |  | 20GW   |

Progress: On target

See [page 47](#)

### Increase renewable energy output fivefold



Build a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030.

|             |  |          |
|-------------|--|----------|
| 2026        |  | 14.5TWh* |
| 2030 target |  | 50TWh    |

Progress: Behind target

See [page 45](#)

### Champion a fair and just energy transition



Be a global leader for the just transition to net zero, with a guarantee of fair work and commitment to paying fair tax and sharing economic value.

**£10.84bn**

contribution to UK and Ireland GDP

**88,350**

jobs supported in the UK and Ireland

See [page 47](#)

\* Includes pumped storage, battery energy storage systems, biomass and constrained-off wind in GB.

## Sustainability continued

## Driving the climate transition

With increasing global volatility and record temperatures, the need to accelerate the delivery of clean, homegrown energy is clear. We are at the forefront of the energy transition, providing practical solutions needed for a clean power system. At the same time, we're making sure our assets are more resilient to climate change.

13



### A strategy for net zero

Our strategy is tackling climate change head-on by delivering the electricity infrastructure required for the clean energy transition. Our Net Zero Transition Plan and accompanying science-based targets, set out our pathway to net zero.

#### Our Net Zero Transition Plan

We are providing the practical solutions for a clean power system and have committed to reach net zero across scope 1 and 2 greenhouse gas (GHG) emissions by 2040, and across scope 3 GHG emissions by 2050 at the latest, subject to security of supply.

Our Net Zero Transition Plan sets out the action required to reach our longer-term climate ambitions and make progress against our four near-term targets, verified by the Science Based Targets Initiative (SBTi). See the graphic below for more details.

Last year we updated our Net Zero Transition Plan to align with best practice by confirming three-yearly review cycles and introduced two emission scenarios following the publication of the UK Government's Clean Power 2030 Plan.

While we continue to make progress against our targets this year and the overall direction of the energy transition is clear, these scenarios remain relevant, as achievement of our 2030 targets is dependent on system-wide factors. These include the pace of renewable deployment, the timing of the transition of unabated gas generation to a back-up role, alongside policy and market support for low-carbon flexible generation such as carbon capture and storage and hydrogen, to maintain system balance and security.

Our role in the transition also goes beyond reducing our own emissions, with around 80% of our £33bn Transformation for Growth investment plan directed towards grid upgrades over the next five years. Through our network businesses, we play a critical role in enabling clean power to reach more homes, businesses and communities, supporting the decarbonisation of the wider economy.

### Our progress

This year marked a milestone in our carbon intensity performance, with emissions falling below 200gCO<sub>2</sub>e/kWh for the first time. This reflects increased renewables output from new assets alongside lower thermal generation due to maintenance outages. Overall, our carbon intensity of electricity generated has reduced by 37% since 2017/18. However, as outlined last year, in the context of the current market and policy environment, SSE's carbon intensity goal is on target but with risk.

# 194gCO<sub>2</sub>e/kWh

Scope 1 GHG intensity  
(2024/25: 218gCO<sub>2</sub>e/kWh)

# 4.93MtCO<sub>2</sub>e

Scope 1 and 2 absolute emissions  
(2024/25: 5.7MtCO<sub>2</sub>e)

## SSE's Net Zero Transition Plan pathway

This graphic shows SSE's near- and long-term carbon targets.

S1 Scope 1 S2 Scope 2 S3 Scope 3

|         | Near term (2025 – 2035)                                                                        |                                                                                        |                                                                             |                                                                                                  | Long term (2035 – 2050)                             |                                                                 |
|---------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|
| TARGETS | Carbon intensity                                                                               | Absolute emissions                                                                     | Supplier engagement                                                         | Gas sold                                                                                         | Scope 1 and 2                                       | Scope 3                                                         |
|         | Reduce the carbon intensity of scope 1 GHG emissions by 80% by 2030, from a 2017/18 base year. | Reduce absolute scope 1 and 2 GHG emissions by 72.5% by 2030 from a 2017/18 base year. | Engage with 90% of suppliers by spend to set science-based targets by 2030. | Reduce absolute GHG emissions from use of products sold by 50% by 2034 from a 2017/18 base year. | Net zero for SSE's scope 1 and 2 emissions by 2040. | Net zero for all SSE's remaining scope 3 GHG emissions by 2050. |
|         | S1                                                                                             | S1 S2                                                                                  | S3                                                                          | S3                                                                                               | S1 S2                                               | S3                                                              |

Note: for definitions of scopes 1, 2 and 3 SSE follows the GHG Protocol.

For further information on SSE's Sustainability Reporting Criteria 2026 see [sse.com/sustainability](https://www.sse.com/sustainability)

## SSE's total reported emissions

SSE's total reported emissions decreased by 14% between 2024/25 and 2025/26, mainly due to a decrease in scope 1 emissions from thermal generation, as well as a decrease in scope 3 emissions from thermal generation investments and gas sold to customers. Overall, SSE's reported emissions have decreased by 42% versus the 2017/18 base year, falling from 15.2MtCO<sub>2</sub>e to 8.8MtCO<sub>2</sub>e in 2025/26. SSE's total reported emissions in 2025/26 consisted of 51% scope 1 emissions, 5% scope 2 emissions and 44% scope 3 emissions. For more detail see carbon performance disclosures [page 73](#).

**Figure 1: SSE's GHG emissions by scopes between 2017/18 and 2025/26** (million tonnes CO<sub>2</sub>e)

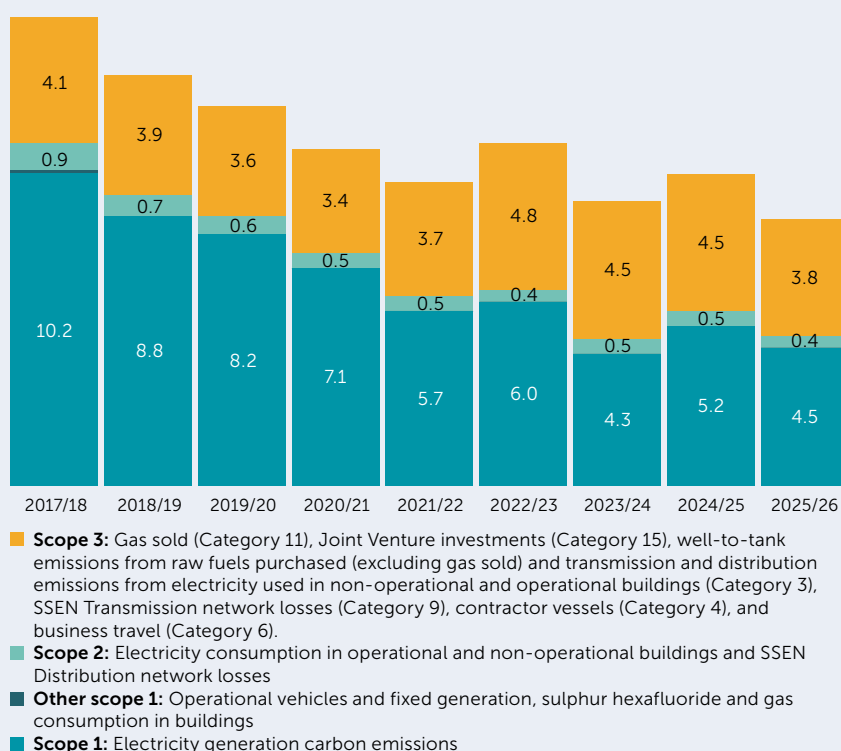


**Figure 2: 2025/26 progress against SSE's science-based targets from a 2017/18 base year**

### Scopes 1 and 2

Reduce the carbon intensity of scope 1 GHG emissions by 80% by 2030

46% progress

2025/26: 194gCO<sub>2</sub>e/kWh (37% reduction from base year)

Reduce absolute scope 1 and 2 GHG emissions by 72.5% by 2030

76% progress

2025/26: 4.93MtCO<sub>2</sub>e (55% reduction from base year)

### Scope 3

Reduce absolute GHG emissions from use of products sold by 50% by 2034

64% progress

2025/26: 1.73MtCO<sub>2</sub>e (32% reduction from base year)

Engage with 90% of suppliers by spend to set science-based targets by 2030

68% progress

2025/26: 61% of our suppliers by spend have set, or committed to set science-based targets

## Updated 'say on climate' resolution

Since introducing the shareholder 'say on climate' resolution in 2021, we have seen strong shareholder support for our Net Zero Transition Report, consistently receiving over 97% of votes cast in favour each year.

At the 2025 Annual General Meeting (AGM), the shareholder 'say on climate' resolution was approved, with 97.85% of votes cast in favour. Shareholders also approved an update to the framework introducing a three-year voting cycle, aligning with the UK Government's Transition Plan Taskforce guidance to review transition plans every three years.

## Science-based targets five-year review

SSE was one of the first power sector companies to have climate targets validated by the Science Based Targets Initiative (SBTi) in 2020. Consequently, the five-year review of our targets is required by the end of 2026, and we will work closely with the SBTi to complete the review. We will also continue to engage constructively with the SBTi to support the development of the Power Sector Net Zero Standard, helping to ensure it is credible, pragmatic and appropriately reflects the practical realities of the transition.

## Net Zero Transition Plan progress

As we move past the midpoint of the 2020s, we continue to make progress towards our near-term science-based targets as outlined in Figure 2.

This year represented a milestone in carbon intensity performance, with emissions falling below 200gCO<sub>2</sub>e/kWh for the first time. We are now nearly halfway towards our scope 1 carbon intensity reduction target and three quarters of the way towards our absolute scope 1 and 2 reduction target. On scope 3, we are around two thirds towards our gas sold target and supplier engagement target.

While progress towards net zero continues, our transition plan recognises that emissions are not linear, and that performance can fluctuate due to weather conditions, market demand, asset availability and policy progress.

## Scope 1 and 2 emissions performance

This year, SSE's scope 1 GHG intensity of electricity generated was 194gCO<sub>2</sub>e/kWh (2024/25: 218gCO<sub>2</sub>e/kWh). This represents a 37% reduction against the 2017/18 base year. Meanwhile, SSE's scope 1 and 2 absolute emissions were 4.93MtCO<sub>2</sub>e (2024/25: 5.70MtCO<sub>2</sub>e), representing a 55% reduction against the 2017/18 base year.

## Sustainability continued

Both SSE's scope 1 carbon intensity and absolute scope 1 and 2 emissions decreased compared to last year due to increased renewables output from initial commissioning at Dogger Bank and the delivery of Yellow River, alongside lower thermal generation output due to maintenance outages.

SSE's scope 2 GHG emissions were 0.41MtCO<sub>2</sub>e in 2025/26. This represents a 15% decrease from the previous year (2024/25: 0.48MtCO<sub>2</sub>e). This was due to lower electricity consumption at our thermal power stations, and a significant decrease in the grid electricity emissions intensity for distribution losses between 2024/25 and 2025/26.

Our other operational emissions are less material and accounted for 2% of scope 1 and 2 emissions in 2025/26. We are involved in a range of activities to reduce these emissions such as exploring hydrotreated vegetable oil (HVO) as an alternative fuel at our Scottish island diesel generation facilities, switching SSE's fleet to electric and tackling sulphur hexafluoride (SF<sub>6</sub>) leaks. For more information see [page 55](#).

**Scope 3 emissions performance**

SSE's largest scope 3 emissions categories are gas sold to customers (45%), emissions from joint venture thermal generation (32%) and upstream well-to-tank emissions from fuels purchased for thermal generation (19%).

Our total scope 3 emissions in 2025/26 decreased by 16% to 3.83MtCO<sub>2</sub>e (2024/25: 4.54MtCO<sub>2</sub>e). This was due to a decrease in emissions from gas sold to customers, reduced output at thermal generation investments and less upstream well-to-tank emissions from reduced generation at SSE-operated sites.

Scope 3 emissions from gas sold to customers in 2025/26 were 1.73MtCO<sub>2</sub>e (2024/25: 1.95MtCO<sub>2</sub>e). This represents a 32% reduction against the 2017/18 base year. Emissions associated with joint venture thermal generation decreased to 1.24MtCO<sub>2</sub>e in 2025/26. As set out in our transition plan, we continue to work with customers to help them reduce gas consumption and with joint venture partners to develop their transition plans.

Tackling scope 3 emissions embedded in the goods and services we buy is challenging so our focus is to engage our supply chain to help them set their own science-based targets and consider low-carbon materials in our projects. Over half of our suppliers by spend have set science-based targets.

**Adapting to climate change**

Last year the UK Climate Change Committee (CCC) advised the UK Government to be prepared for 2°C of warming by 2050 at a minimum. The physical impacts of climate change have the potential to adversely affect our operations and interrupt energy supply to homes and businesses. It's therefore more important than ever that we ensure our operations and networks are both prepared and resilient.

A key climate risk for SSE is the impact from extreme weather events such as high winds or intense storms. We have made investments to manage this risk and help teams respond to problems as quickly as possible. For example, we monitor short- and long-term weather patterns, have robust business continuity plans, and are investing to improve the resilience of our infrastructure.

Over 2025/26, SSEN Distribution responded to four named storms, which saw it restore power to over 221,000 customers. See [page 46](#) for more detail.

In 2025/26, SSE joined the Green Alliance Adaptation Taskforce alongside other partners such as Aviva, Zurich and National Trust to inform climate adaptation and resilience policy development in the UK. SSEN Distribution is also preparing its adaptation plans for its next five-year price control period, RIIO-ED3, from April 2028.

**Figure 3: Summary of SSE's key climate-related risks and opportunities**

As part of meeting our climate-related financial disclosure requirements set out by the Financial Conduct Authority, SSE has identified the material climate-related risks and opportunities related to the Company's strategy. We review these every two years, with the next review planned for 2026/27.

This table provides a summary of our material climate-related risks and opportunities, alongside time horizon assessed and the scenario sensitivity. For more detail on the risks, opportunities, time horizons and scenario sensitivities see [pages 67 to 72](#).

**Time horizon of opportunity or risk:**

SSE considered different warming scenarios over three time horizons to assess the financial impact in each time period.

**Scenario sensitivity:**

Scenario sensitivity indicates the financial significance of different warming scenarios as indicated by the scenario modelling.

|                                 |                                     | Time horizon |      |      | Scenario sensitivity |       |      |
|---------------------------------|-------------------------------------|--------------|------|------|----------------------|-------|------|
|                                 |                                     | 2035         | 2050 | 2080 | 1.5°C                | 2.5°C | 4°C  |
| <b>Transition risk</b>          | Wind generation price               | ■            | ●    |      | ●●●                  | ●●    | ▨    |
|                                 | Variable renewable generation risk  |              | ■    | ●    | ●●●                  | ▨     | ●●●● |
|                                 | Extreme weather network damage      |              | ■    | ●    | ●●                   | ▨     | ●●   |
| <b>Transition opportunities</b> | Accelerated transmission growth     | ■            | ●    |      | ●●●●                 | ●●●●  | ▨    |
|                                 | Accelerated wind investment         | ■            | ●    |      | ●●●●                 | ●●●●  | ▨    |
|                                 | Valuable flexible hydro             | ■            | ●    |      | ●                    | ●     | ▨    |
|                                 | Valuable flexible thermal           | ■            | ●    |      | ●●●                  | ●     | ▨    |
|                                 | Driving distribution transformation | ■            | ●    |      | ●●                   | ●●    | ▨    |

## Providing clean, secure and affordable energy

With affordability an ongoing concern for households, the best way SSE can help is by developing and connecting renewable generation that reduces exposure to volatile gas prices. Alongside this, we continue to provide secure, reliable energy for our customers and support those in vulnerable circumstances to stay connected.



### Delivering clean energy

Developing new sources of renewable generation is a key way we can support with energy affordability. There is now clear evidence that the UK's investment in renewables has provided a buffer to households and businesses from the worst of the recent global price shock, and the transition to a cleaner energy system offers a credible path to lower bills over time.

SSE's renewable generation output during the year increased by 9% to 14.5TWh (2024/25: 13.3TWh). Output was supported by generation from initial commissioning at Dogger Bank A (1.2GW, SSE share 40%) and the delivery of Yellow River (101MW), partially offset by mixed weather conditions particularly in hydro.

Work continues to progress on delivery of all three phases of Dogger Bank wind farm, with turbine installation progressing strongly on Phase B. Berwick Bank wind

farm received consent in July 2025 for up to 4.1GW of offshore capacity, and Phase B of that project subsequently secured a contract through CfD Allocation Round 7 in January 2026. Full detail of SSE Renewables' progress across its projects and technologies can be found in the SSE Renewables business operating review on [pages 28 and 29](#).

We remain committed to leading the way in the transition to a cleaner, more secure and more affordable energy system however the slowdown across renewables markets in previous years mean that we are unlikely to meet our ambitious goal of 50TWh of renewable generation output by 2030. We welcome the steps taken over the year by the UK Government to accelerate the energy transition, including the announcement of the intention to run CfD Allocation Round 8 in the second half of 2026.

### Our progress

Renewable output increased by 9% compared to the previous year to 14.5TWh\*. This was driven by contributions from Dogger Bank A and Yellow River, which is supporting the delivery of home-grown, clean energy. We continued to ensure secure and reliable energy for customers, providing targeted support for vulnerable customers and initiatives to strengthen resilience during supply interruptions.

## 14.5TWh\*

Renewable generation output

## 1.3 million

Customers on SSEN Distribution's Priority Services Register

## 221,000

Customers who SSEN Distribution restored power to in response to storms over 2025/26

\* Includes pumped storage, battery energy storage systems, biomass and constrained-off wind in GB.



Onshore wind has a role in a more affordable, renewables-led energy system

## Sustainability continued

## Supporting customers

Through our electricity distribution business, we provide network connections to homes and businesses across central southern England and the north of Scotland. We also provide energy products and services to non-domestic customers in GB and both domestic and non-domestic customers in the island of Ireland.

Our aim is to make electricity clean, affordable and available for all. You can find example of how we work to do this for domestic customers on this page. More information about our non-domestic customers can be found in the Energy Customer Solutions Business Unit operating review on [pages 36 and 37](#).

## Energy price changes for households in Ireland

Following a three-year period of price reductions and market-leading customer supports, SSE Airtricity introduced a price increase of 10.5% for electricity and 8.4% for gas in April 2025, with a subsequent 9.5% increase for electricity in October.

These price changes were largely in response to rises in external costs including network charges and wholesale energy costs, with such regulatory charges outside of the supplier's control. For customers in Northern Ireland, regulated gas prices reduced by 8.47% in September 2025, with a 4% increase in electricity prices introduced from in November 2025 due to rising network and operator charges, market volatility and higher cost of doing business.

SSE Airtricity has a longstanding commitment to supporting customers with the cost of energy. For winter 2025/2026, a dedicated fund was established to help those in need, supplementing existing supports like repayment plans, energy efficiency programmes and charity partnerships.

## Supporting medically vulnerable customers through Solar PV

SSE Airtricity supports the delivery of the Sustainable Energy Authority of Ireland (SEAI) Solar PV Scheme for Medically Vulnerable Customers, a Government funded programme that strengthens energy resilience for households reliant on life-supporting medical equipment.

Delivered in partnership with the SEAI, the scheme provides fully funded Solar PV systems to eligible customers identified through the Priority Services Register (PSR). These installations help lower electricity costs and carbon emissions while improving security of supply for essential medical equipment in the home.

SSE Airtricity was proud to be the first energy company to participate, having delivered over 80% of installations, and following a contract extension will continue supporting the programme.

## Additional support for vulnerable customers

SSEN Distribution's Priority Services Register (PSR) identifies customers who may be in vulnerable situations and who can be particularly affected in the event of supply interruptions. With nearly 1.3 million customers on the PSR, it enables the business to provide tailored services and additional support to those who need them most.

Over 2025/26, SSEN Distribution has been taking a proactive approach to supporting those on the PSR. More than 150,000 PSR customers have now been issued with dedicated Power Cut Plans, tailored to individual needs and developed with input from healthcare experts, charities and people living with long term conditions. In an industry first, a programme of free home battery packs for customers who are medically dependent on electricity has also begun – see case study on this page.

## Keeping customers connected during storms

Increasingly frequent and severe extreme weather events continue to test the resilience of electricity networks. SSEN Distribution plays a critical role in preparing for and responding to these events, scaling its operational response and deploying additional resources to restore supplies safely and as quickly as possible. Alongside network restoration, SSEN Distribution provides practical support to communities, including proactive engagement with customers on the PSR, enhanced customer contact centre capacity and the provision of support such as hot meals where needed.

During 2025/26, SSEN Distribution responded to four named storms, restoring power to approximately 221,000 customers, handling nearly 100,000 queries from customers over the phone and via social media channels, and providing 37,500 free meals in the most affected communities.

## Powering essential care at home

In an industry first in GB, SSEN Distribution has delivered the first of 20,000 free home battery packs to customers signed up for Priority Services who are dependent on electricity to power medical equipment at home.

The portable battery pack provides added support and peace of mind by giving them the capability to power some devices for a period of time if there's a power cut.

The packs can also be used with devices providing light, heat and communications, making it easier for people to keep in touch with carers, family or friends, and to get information they need, if the electricity goes off.

20,000

Free battery packs provided to our networks customers



▲ SSEN Distribution's emergency battery packs mark an industry first in GB

# Delivering sustainable infrastructure

We are delivering a major programme of infrastructure investment to support the clean energy transition. To ensure this delivers lasting benefits for communities, the economy and the wider energy system, sustainability is embedded across our investment decisions, supply chains and how we use resources.



## Creating lasting value

SSE's investment in low-carbon infrastructure generates strong economic and social value across the UK and Ireland.

Around 80% of our £33bn investment plan will be directed towards regulated electricity networks. This will enable the connection of clean, homegrown energy and its transportation to the areas where it's most needed, whilst supporting national climate ambitions.

In 2025/26, 10.8GW of renewable generation was connected in SSEN Transmission's network area, surpassing its target of 10GW by 2026, and putting us over half-way towards our 2030 ambition of 20GW.

This investment is about more than upgrading electricity infrastructure – delivered at scale and over the long term, it creates value across communities, supply chains and the wider economy.

In 2025/26, we contributed an estimated £10.84bn to GDP in the UK and Ireland – up from £8.68bn last year and our highest contribution since 2018/19 (adjusted for current prices). We also supported 88,350 jobs, up significantly from 67,190 in 2024/25. This largely reflects increased activity as we progress with delivery of our £33bn investment plan.

## Financing the energy transition

Green- and sustainability-linked finance is essential to unlock the scale of investment required to deliver the clean energy transition.

### Measuring green economic activity

Green taxonomy frameworks are useful tools for helping stakeholders understand the scale of a company's green economic activities.

Following the UK Government's decision not to proceed with a UK Green Taxonomy framework, we continue to voluntarily work towards aligning our reporting with the EU Taxonomy. The high-level results of this assessment are outlined in Figure 4.

In 2025/26, 92% of our adjusted investment and capital expenditure was EU Taxonomy-aligned. Looking ahead, around 95% of our five-year, £33bn investment plan is expected to be taxonomy-aligned.

A detailed breakdown of our economic activities assessed under the principles of the EU Taxonomy, together with the key assumptions applied, is provided in the Disclosure Statements on [page 74](#).

## Our progress

As we progressed our £33bn investment plan, we delivered another record year for capital investment and saw a 16% increase in supply chain spend. Over 92% of this capital investment was EU Taxonomy aligned, invested in infrastructure that supports the transition to clean energy. We also reached 10.8GW of renewable generation capacity connected in SSEN Transmission's network area, surpassing its RIIO-T2 target of 10GW by 2026.

# 10.8GW

Renewable generation connected in SSEN Transmission network area

# £6.5bn

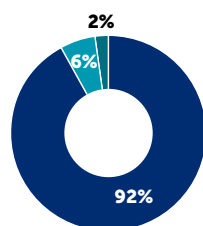
Total procurement spend

# 92%

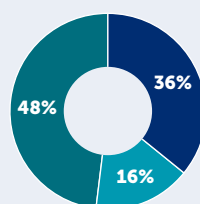
Of SSE's adjusted investment and capital expenditure is taxonomy aligned

Figure 4: SSE's Taxonomy Assessment 2025/26

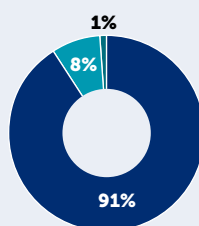
Adjusted investment and capital expenditure  
£3,585.6m



Revenue  
£10,186.5m



Adjusted operating profit  
£2,236.6m



■ Taxonomy-aligned ■ Taxonomy-eligible, non-aligned ■ Taxonomy non-eligible

## SSE's tenth Green Bond issued

In August 2025, SSEN Transmission issued a €750m, eight-year Green Bond to support investment in critical energy infrastructure. The proceeds will finance and/or refinance electricity transmission projects as part of SSEN Transmission's £22bn investment programme to upgrade networks in the north of Scotland.

At the time of publication, the total outstanding Green Bonds issued by SSE plc and its subsidiaries is £5.1bn, and SSE remains the largest UK corporate issuer of Green Bonds.

## Sustainability continued

**Building sustainable supply chains**

In 2025/26, our supply chain spend increased by 16% to £6.5bn, from £5.6bn the previous year. To manage this scale of investment we build long-term, collaborative relationships with suppliers that support the delivery of our strategy.

A sustainable supply chain is critical for SSE, enabling the timely delivery of major infrastructure projects, supporting innovation, managing risk and ensuring long-term value creation. As the clean energy transition accelerates globally, we face increasing competition for critical materials and the skilled workforce required to deliver major infrastructure projects.

**Engaging suppliers on sustainability**

Through our Sustainable Procurement Code and Supplier Relationship Management programme, we set clear expectations on ethical behaviour, environmental performance, safety and social value, and work with suppliers to improve sustainability outcomes across the supply chain. This includes addressing risks such as human rights, modern slavery and carbon emissions, while strengthening capability through training and knowledge sharing initiatives. We also measure supplier performance in key environmental, social and governance areas through EcoVadis. At 31 March 2026, 74% of our suppliers by spend had a valid EcoVadis scorecard.

**Supporting supply chain growth**

The delivery of SSEN Transmission's £22bn investment programme in the electricity networks in the north of Scotland creates a wide range of opportunities and is supporting growth for our supply chain partners.

Over 2025/26, a number of key contract partners expanded operations to support the delivery of SSEN Transmission's investment programme. This included: BAM opening a new shared office space in Inverness, creating a dedicated Highland hub for more than 200 people for its engineering and energy operations in the north of Scotland; NKT expanding its office presence in Perth; and, Balfour Beatty opening a new operational depot in Angus which will support up to 70 local jobs.

**Working with contract partners to limit community impact**

SSEN Transmission worked with its principal contractor, Balfour Beatty, to secure a dedicated freight vessel, the MV Arrow, to handle construction materials for the Lewis Hub and Western Isles High Voltage Direct Current (HVDC) Link. This means logistics can be managed without disrupting public ferry operations used by residents, businesses and visitors.

A release mechanism will allow the vessel to be used by others when not required for project delivery, boosting resilience across the islands' essential ferry network.

Alongside measures to manage workforce travel and accommodation, it helps safeguard transport, housing and local services, ensuring infrastructure investment delivers benefits for communities as well as the energy system.



On top of project work, the MV Arrow will support wider island transport needs

**Innovating for the energy transition**

SSE invests in innovation to accelerate the deployment of low carbon technologies and demonstrate their practical application. In 2025/26, research and innovation costs totalled £17.7m (2024/25: £17.2m).

Our central Partnership Funding team helps secure government funding to trial new technologies and market models. SSE also works collaboratively with our suppliers, peers and leading academic institutions to accelerate learning and delivery across the energy system. More information on our approach to innovation can be found in our Sustainability Report 2026, available at [sse.com/sustainability](https://sse.com/sustainability).

**Using resources responsibly**

Scaling investment brings increased responsibility for how resources are used across the lifecycle of projects. Embedding circular principles helps minimise environmental impacts while supporting cost efficiency and supply chain resilience.

By focusing on efficient material use, waste reduction and extended asset life, we can reduce pressure on finite resources and manage construction impacts responsibly. This approach ensures circularity is embedded into sustainable infrastructure delivery, rather than a standalone issue.

**Managing our waste**

Guided by the waste hierarchy, we focus on preventing waste where possible and prioritising reuse and recycling. We set two annual waste targets for 2025/26 – to divert 97% of waste by volume from landfill and recycle or reuse 65% of waste by volume. SSE exceeded both targets this year, reaching 99.2% and 72.5% respectively.

# Championing a fair transition

Our long-term strategy is to support a clean energy transition that creates value for society and shareholders. Guided by our Just Transition Strategy, we focus on good jobs, community partnerships and investment-led economic growth, taking a place-based approach that targets the areas where we can make the biggest difference.



## Ensuring a safe workforce

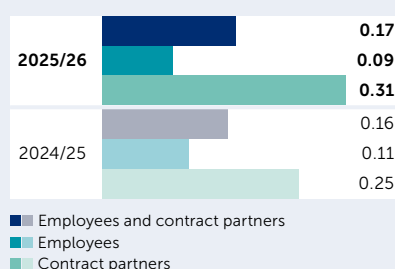
Safety is a fundamental value guiding behaviour at SSE and our priority is that everyone gets home safe. In a period of accelerating construction activity, we met our overriding safety goal of no life-changing injuries and our Total Recordable Injury Rate (TRIR) for SSE and contract partners combined was stable, at 0.17 per 100,000 hours worked (2024/25: 0.16).

The TRIR improved for SSE employees to 0.09 (2024/25: 0.11) and exceeded the expectation we set for the year of 0.12. We also exceeded the expectation of 0.35 we set for our contract partner TRIR, however performance worsened compared to the previous year at 0.31 (2024/25: 0.25).

Our contract partners are as much a part of our Safety Family as our employees, and we'll continue to work closely with them to ensure that, as we look ahead to a period of increased workhours, this does not result in an increased incident rate.

Last year we celebrated the first anniversary of the Faskally Safety Leadership Centre in Perth, where we host immersive training, marked by a visit from Scotland's First Minister. Over 2025/26, around 4,500 employees and contract partners took part in the training, taking the total number who have completed it to over 14,000 since it was introduced. The positive impact the training is having is increasingly important as we continue to deliver projects at pace.

**Figure 5: SSE's total recordable injury rates**  
(per 100,000 hours worked)



## Shaping our workforce

### Creating good jobs

At 31 March 2026, our total headcount was 15,197<sup>1</sup>, down from 15,819 the previous year. This follows a period of sustained headcount growth of nearly 50% between 2021/22 and 2024/25.

Most recruitment activity over 2025/26 was in our networks businesses and we anticipate continued growth in those workforces in the coming years as we deliver our £33bn capital investment plan. We expect overall headcount to remain broadly stable across the Group, reflecting different growth rates across our Business Units.

Our focus remains on embedding new talent, supporting internal mobility and assessing long-term skills demands.

### Building future skills capability

We support the UK Government's Clean Energy Jobs Plan for 2030 by continuing to invest in our workforce, building future talent pipelines and collaborating with industry partners.

In 2025/26, we invested £36.9m in learning and development and launched a Leading Leaders programme, equipping our senior leaders with the skills and behaviours to lead their teams. Through our wider digital skills programme, we are embedding responsible AI use through learning that combines Group level coordination with business specific training, tailored to different roles.

Our early careers programmes remain a key focus, with £22.8m invested in graduates, apprentices, trainees and partnerships that promote social mobility.

We also centralised external skills and early careers activity into one team, helping us to align priorities, maintain our focus on impact and forge stronger partnerships as a Group.

## Our progress

Over 2025/26, we continued to share value with the communities we work in, contributing an estimated £10.84bn to UK and Ireland GDP and delivering a record year for our community investment funds. Supporting our commitment to creating a safe and secure workplace we strengthened human rights standards across our workforce and supply chain, and saw a further 4,500 employees and contract partners complete our immersive safety training.

# 0.17

**Total recordable injury rate**  
(employees and contractors combined)/100,000 hours worked<sup>1</sup>  
(2024/25: 0.16)

# £10.84bn

**Contribution to UK and Ireland GDP<sup>2</sup>** (2024/25: £8.68bn)

# £24.9m

**Awarded through our community investment funds** (2024/25: £16.3m)

Beyond our direct workforce, we invest in research with skills bodies and other groups to understand how workforce needs are evolving. Across SSEN Transmission and SSEN Distribution, we are also working with supply chain and industry partners to assess workforce requirements and improve the availability of sector-wide skills data.

## Sustainability continued

## Creating good jobs: Highlights in 2025/26

Total SSE headcount at 31 March<sup>1</sup>

**15,197**

(2024/25: 15,819)

**35%**

(2024/25: 34%)

of SSE new joiners have transitioned from high- to low-carbon roles

**88,350**

(2024/25: 67,190)

Jobs supported across the UK and Ireland<sup>2</sup>

## Developing our people

**96.3%**

(2024/25: 96.3%)

of employees received training or development

**£36.9m**

(2024/25: £41.0m)

invested by SSE in training and development

**23.2**

(2024/25: 27.5)

average number of full-time equivalent employee training hours

## Championing fair working conditions

We are committed to fair pay and tackling in-work poverty, paying a Living Wage in the UK and Ireland. In the UK, we are real Living Wage, Living Hours and Living Pension accredited and have begun rolling the Living Wage out in our supply chain in Ireland.

We are engaging with UK suppliers in higher-risk categories, including catering, cleaning and security, to discuss introducing a Living Hours clause. We also continue to support the Living Wage Foundation and sit on a number of their forums and leadership groups.

## Respecting human rights

In 2025/26, we updated our Human Rights Strategy to strengthen alignment with the UN Guiding Principles on Business and Human Rights and ensure our commitments remain long term and forward looking.

A new action plan for 2026/27 focuses on identifying and managing human rights risks across our operations and supply chain, with closer alignment to UK Transparency in Supply Chains guidance.

During the year, we delivered targeted human rights training to procurement colleagues and quality auditors, helping them identify potential risks during supplier and site visits. This training will continue and expand to vessel-related roles.

We also launched a Human Rights Incident Procedure, setting out how we investigate, remediate and report impacts, with a clear focus on victim-centred remediation.

Further detail is available in our Human Rights Report and Modern Slavery Statement at [sse.com](https://www.sse.com).

## Engaging with employees

### Learnings from our all-employee survey

Our annual employee engagement survey provides important insights into employee sentiment and the health of our culture, gathering employee views on a range of topics including inclusion, safety, strategy, ethics and trust in senior leaders.

The 2025 survey saw a strong response rate, with 85% of employees sharing their views. Feedback showed positive views towards our safety culture, wellbeing and flexible working. The results also highlighted the impact of organisational change during the year, as we progressed the Group Operating Model and Efficiency Review. While participation was high, the sustainable engagement index fell to 78% (2024: 86%) and we saw a relative decline across all scores compared to last year, with employees citing uncertainty caused by efficiency measures as a key concern.

We are using the insights from the survey to inform targeted action plans to strengthen engagement and enhance the employee experience.

## Fostering a performance-led culture

A healthy corporate culture is one that gives equal weight to doing the right thing and delivery of business objectives that create both commercial and social value.

Over the course of 2025/26 there was an increased focus on enhancing our culture to ensure it aligns with our strategy, reflects our operating environment and supports the delivery of our ambitious growth plans. As part of this we have updated the way we describe our purpose (to be restless every day until we make electricity clean, affordable and available for all) and refined our values.

We have also begun a Group-wide programme to give managers and employees greater clarity about the accountability, ambition, honesty and commerciality behaviours expected of them, and to reinforce the guiding role that our fundamental values of Safety and Sustainability have in a more performance-led culture.

## Working with employee representatives

Everyone at SSE has the right to freedom of association and to join a trade union. We work with our four recognised trade union partners through the Joint Negotiating and Consultative Committee (JNCC) and through ongoing collaboration in other forums. In 2025/26, 48.5% of our direct workforce in the UK and Ireland was covered by collective bargaining agreements (2024/25: 46.4%).

During 2025/26, we worked with the JNCC and sub-forums to support engagement on efficiency-related restructures, including extended collective consultation with more than 1,200 employees. As part of these restructures, we appointed over 700 potentially affected employees into roles within the new structures, or redeployed them into alternative roles, retaining valuable skills across the Group. Where employees left due to redundancy, we were able to accommodate most preferences and requests, resulting in more than 90% of redundancies made on a voluntary basis.

## Building an inclusive team

### Our approach to inclusion and diversity

Our Inclusion and Diversity Strategy IN, ON, UP drives change – bringing talent into SSE, building a culture where people choose to stay and ensuring fair progression.

## The four pillars of our Inclusion and Diversity Strategy:



### Ambition

#### Setting measurable goals

Setting ambitions and KPIs, and using external benchmarking



### Inclusive processes

#### Embedding best practice

Ensuring policies and processes are inclusive to support everyone



### Education and development

#### Focusing on behaviours

Building leadership confidence and raising awareness for all to create an inclusive workplace



### Employee voice

#### Actively listening

Understanding what matters to employees to inform and shape the improvements needed

- 1 SSE's 2025/26 safety data and total headcount includes Enerveo Ltd. SSE's headcount excluding Enerveo Ltd is 14,722 (2024/25: 14,880). All other data in this section, including prior year comparators and proportions of total headcount, excludes Enerveo Ltd.
- 2 Direct, indirect and induced Gross Value Added and full-time equivalent jobs supported, from third-party economic impact assessment. Find the full analysis and methodology at [sse.com/sustainability](https://www.sse.com/sustainability).

**Table 1: Workforce diversity ambitions and progress drivers**

|                                                             | Women                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Ethnic minority                                                                                                                                                                | LGBTQIA+                                                                                                                                       | Disability                                                                                                                                                                     |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2030 Ambitions<br>                                          | 33%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 15%                                                                                                                                                                            | 8%                                                                                                                                             | 16% <sup>2</sup>                                                                                                                                                               |
| Performance <sup>1</sup>                                    | 31 March 2026: 31.4%<br>31 March 2025: 31.6%                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 31 March 2026: 11.4%<br>31 March 2025: 11.2%                                                                                                                                   | 31 March 2026: 4.2%<br>31 March 2025: 4.3%                                                                                                     | 31 March 2026: 15.6%<br>31 March 2025: 14.5%                                                                                                                                   |
| Key initiatives and outcomes for 2025/26 (by ambition)      | <b>Hiring for difference:</b><br>Continued to embed Leadership Group gender hiring KPIs to ensure fairness in recruitment. In 2025/26 64% of roles used diverse shortlists, 94% used diverse panels and 89% of job adverts promoted flexible working (69%, 90% and 86% in 2024/25).<br>                                                                                                                                                                                                             | <b>Building faith inclusion:</b><br>Launched a faith-focused plan, created a Ramadan Support Guide and hosted an Iftar with cross-faith and senior leadership involvement.<br> | <b>Creating safe listening spaces:</b><br>Launched closed forums through the LGBTQIA+ Belonging Community, creating safe listening spaces.<br> | <b>Improving accessibility:</b><br>Refreshed Disability, Neurodiversity and Chronic Health e-cards, making it easier for employees to share adjustments and support needs.<br> |
| Future actions/ priorities (by ambition)                    | Integrate gender-related safety considerations into travel, lone working and offshore working guidance for employees.<br>                                                                                                                                                                                                                                                                                                                                                                           | Continue to equip leaders with the knowledge and skills to lead effectively and inclusively.<br>                                                                               | Expand partnerships with local LGBTQIA+ social enterprises, ensuring our work represents the communities we are part of.<br>                   | Roll out an Individual Support Plan framework, to support discussions around necessary adjustments; set up an independent panel to review adjustments.<br>                     |
| Key initiatives and outcomes 2025/26 (across all ambitions) | – Refreshed Belonging in SSE Community action plans; set out priorities and measurable outcomes, identifying cross-cutting and intersectional actions for 2026/27.<br>– Delivered range of allyship initiatives to all employees across the Group.<br>– Embedded inclusive decision making into the leadership programme 'Leading Leaders'.<br>– Launched the Career Aspirations Framework to strengthen career conversations, empowering employees to take greater ownership of their progression. |                                                                                                                                                                                |                                                                                                                                                |                                                                                                                                                                                |
| Future actions / priorities (across all ambitions)          | – Deliver on Belonging in SSE Community action plans and our strategic Inclusion and Diversity priorities.<br>– Improve accessible facilities, including quiet rooms, rest areas and PPE.<br>– Prepare for upcoming employment law developments.<br>– Strengthen leadership accountability for inclusive behaviours and outcomes.                                                                                                                                                                   |                                                                                                                                                                                |                                                                                                                                                |                                                                                                                                                                                |

1 Data is collected on SSE's HR data reporting system. Gender information is captured from legal documentation at employee onboarding and recorded in SSE's HR data system, which maintains a 100% completion rate. In instances where employees transitioned after joining, the gender field on the HR data system is changed upon receipt of a formal employee request. Wider diversity data is based on an overall employee diversity disclosure rate of 2025/26: 77.5% and 2024/25: 76.7%.

2 Our disability ambition has been increased from 8% in previous years.

#### Key: Alignment to our Inclusion and Diversity Strategy pillars

All of the activities listed in the table support progress towards our inclusion and diversity ambitions. The icons signpost how the activities align with the three other pillars of our Inclusion and Diversity Strategy.



**Ambition**  
Setting measurable goals



**Inclusive processes**  
Embedding best practice



**Education and development**  
Focusing on behaviours



**Employee voice**  
Active listening

## Sustainability continued

Inclusion and diversity are embedded in our purpose and strategy, including our 2030 Goal to champion a fair and just energy transition. They are reflected throughout the talent life cycle at SSE, in employee engagement, leadership expectations and decision making.

As we navigate a changing external environment in a sector shaped by historical underrepresentation, this commitment remains resolute. We will continue to take action to widen access and strengthen capability, helping to address the continued challenges that the energy sector has in attracting diverse candidates.

### Progress against workforce inclusion and diversity ambitions

SSE's all-workforce diversity ambitions enable us to monitor workforce composition across a broad range of metrics. As shown in Table 1, representation remained broadly stable across all groups measured in 2025/26.

While representation has improved consistently across all groups in recent years, this year's more varied data reflects less overall recruitment, a higher proportion of internal appointments, and increased turnover.

Following a period of sustained growth, total hires fell from 3,315 in 2024/25 to 2,953 in 2025/26. Over the same period, the proportion of internal recruitment increased from 31% to 43%, largely reflecting internal mobility linked to efficiency related organisational restructures. This enabled over 700 potentially affected employees to move into new roles and helped us to retain valuable skills. However, it also reduced opportunities to bring in new, diverse talent. In addition, while voluntary turnover remained broadly stable at 5.7% (5.2% in 2024/25), overall turnover increased from 8.9% in 2024/25 to 12% in 2025/26, mostly due to the organisational restructures.

### Raising the bar on disability

Disability representation increased from 14.5% in 2024/25 to 15.6% in 2025/26, surpassing our original 2030 target of 8%. To reflect this progress we have reset our ambition to 16%, guided by external benchmarking and an Inclusion and Diversity maturity assessment.

At 31 March 2026, women represented 31.6% of our workforce. During 2025/26, 32.4% of leavers and 29.5% of joiners were women. As a result, the proportion of women in our workforce held steady at 31.4% at 31 March 2026.

Looking ahead, we continue to drive progress by embedding inclusive behaviours across core business activities through the

**Table 2: Progress against SSE's senior leadership diversity ambitions**

| Diversity category                                               | Ambition                  | Ambition year             | 31 March 2026                                     | 31 March 2025                                     |
|------------------------------------------------------------------|---------------------------|---------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>Proportion of women represented on:</b>                       |                           |                           |                                                   |                                                   |
| Board Group                                                      | 50% with no less than 40% | Ongoing                   | 45.5%<br>(6 men/<br>5 women)                      | 46.2%<br>(7 men/<br>6 women)                      |
| Group Executive Committee (GEC) <sup>1</sup>                     | –                         | –                         | 25.0%<br>(9 men/<br>3 women)                      | 9.1%<br>(10 men/<br>1 woman)                      |
| GEC and direct reports (excl. administrative roles) <sup>2</sup> | 40%                       | Ongoing (previously 2025) | 40.9%<br>(55 men/<br>38 women)                    | 38.6%<br>(51 men/<br>32 women)                    |
| Leadership Group <sup>3</sup>                                    | 40%                       | 2030                      | 27.3% <sup>(a)</sup><br>(1,033 men/<br>388 women) | 27.7% <sup>(b)</sup><br>(1,002 men/<br>383 women) |
| <b>Proportion of ethnic minorities represented on:</b>           |                           |                           |                                                   |                                                   |
| GEC and direct reports (UK only, excl. administrative roles)     | 6%                        | 2027                      | 3.6%                                              | 2.4%                                              |

1 The GEC comprises all Committee members and the Committee secretary. As at 27 May 2026, representation of women on the GEC is 23.1% following the appointment of Thomas Broström as Managing Director for Business Development on 1 April 2026.

2 In line with FTSE Women Leaders Review recommendations, SSE's ambition for this cohort includes direct reports, not GEC only.

3 Employees in SSE's senior level pay grades.

(a) This data is subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://sse.com/sustainability).

(b) This data was subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2025 on [sse.com/sustainability](https://sse.com/sustainability).

delivery of policies, intersectional action plans, and continuous improvements aligned to the four pillars of our Inclusion and Diversity Strategy.

Through our eight Belonging in SSE communities, we listen to and engage with employees on a range of diversity issues<sup>3</sup>. We remain focused on increased diversity disclosure to help us better understand representation across our workforce.

Table 1 shows our performance against workforce ambitions, examples of key initiatives and outcomes delivered over the year, alongside priorities for 2026/27. Read more about our inclusion and diversity initiatives at [sse.com/inclusion](https://sse.com/inclusion).

### Senior leadership inclusion and diversity

Performance against stretching diversity ambitions for senior leadership, aligned with best practice, is outlined in Table 2.

Over 2025/26, the proportion of women in the GEC and GEC and direct reports cohorts increased from 9.1% to 25.0% and from 38.6% to 40.9% respectively.

The proportion of women on the Board reduced from 46.2% to 45.5%, reflecting the departure of Helen Mahy and Alistair Phillips-Davies at the Annual General Meeting in July 2025. Their respective roles of Senior Independent Director and Chief Executive were filled by existing Board members.

Turnover in the Leadership Group, influenced by the efficiency review, contributed to a marginal reduction in the representation of women from 27.7% to 27.3% in 2025/26. We recognise that progress at this level is not always linear and we remain focused on inclusive, accessible recruitment and succession planning to build a diverse leadership pipeline.

Aligned with the Parker Review, SSE's ambition is to reach 6% ethnic minority representation for GEC and direct reports by 2027. At 31 March 2026, representation was 3.6% (2024/25: 2.4%).

Details on Board and GEC membership changes, senior leadership targets, and the Nomination Committee's priorities are provided on [pages 98 to 101](https://sse.com/sustainability).

### Our pay gaps

In 2025/26, our median gender pay gap remained broadly stable at 11.9% (11.5% in 2024/25). This follows a reduction from 18% in 2022, reflecting sustained action to improve gender balance, particularly at senior levels.

Our 2025/26 UK gender and ethnicity pay gaps are reported in full at [sse.com/inclusion](https://sse.com/inclusion). We will publish our Ireland Gender Pay Gap Report 2026 later in the year, in line with the Irish Government requirements.

3 SSE's eight Belonging Communities are: Ethnicity and culture, Gender balance, Working families, LGBTQIA+, Menopause, Armed forces, Disability, neurodiversity and chronic health, and Health and wellbeing. Overall membership at 31 March 2026 was 4,842 (2024/25: 4,450).

## Empowering communities

We work with communities to build local capacity and create long-term social and economic value in the areas where we operate. Alongside our community investment funds, we use our experience and scale to advocate for better policy and practice across the energy sector.

### Building a housing legacy

In 2024/25, SSEN Transmission committed to support the delivery of more than 1,000 new homes across the north of Scotland. These homes will accommodate our workforce and the majority will become affordable and social housing. During 2025/26, agreements were signed for nearly 100 homes in the Western Isles, 47 in Angus and almost 300 across Aberdeenshire, the Highlands and Moray. We also announced a partnership with Highland Council to refurbish 18 vacant properties in Wick into energy-efficient homes.

### Delivering impact through community investment

Our community investment funds have operated for nearly three decades and now support over 300 communities across the UK and Ireland. Total community investment increased from £16.3m in 2024/25 to £24.9m in 2025/26, largely driven by the first awards from the new Generation Green and Yellow River funds in Ireland, alongside significant growth in established funds such as the Viking Community Fund. This exceeds the ambition of awarding £10m per year set

## Leading the way on the Highland Social Value Charter

In November 2025, SSEN Transmission became the first company to sign the Highland Social Value Charter. Through this commitment, and subject to planning consent, our £22bn investment programme will deliver key social benefits for Highland

communities. These include £1.8bn of contracts for local businesses, £200m of spending on roads and bridges, and support for 500 permanent homes.

Our commitment to the Charter supports our place-based approach to a fair transition, helping ensure that the Highlands share in the opportunities the energy transition brings.

# £1.8bn

of contracts for local businesses through the Highland Social Value Charter



Members of the SSEN Transmission team and officials at a housing project on Lewis

### SSE's community investment fund awards in 2025/26

Total awarded through SSE's community investment funds

# £24.9m<sup>4</sup>

SSE Renewables

# £17.1m

SSEN Transmission

# £3.0m

SSEN Distribution

# £0.7m

SSE Airtricity

# £4.0m

SSE Thermal

# £0.1m

in 2024. From 2026, we are doubling that ambition to at least £20m a year to reflect the scale of growth in our programme.

Across the Group, our funds supported a wide range of local priorities, including climate resilience, clean energy transition and education.

### Supporting communities through advocacy and capacity building

We use our knowledge and scale to influence policy on community benefit, working with UK and Scottish Governments to help support clearer national guidance, community-led decision making and investment in capacity building.

We see community capacity and wealth building as essential to a fair transition.

Capacity building strengthens governance and supports more inclusive decision making, ensuring long-term social and economic benefit to communities. Initiatives this year included a networking event for 24 south of Scotland communities, peer learning for 15 community development agencies and a community wealth building collaboration in South Lanarkshire. Through our funds, we also supported 214 new or retained community jobs, including seven apprenticeship schemes.

<sup>4</sup> A narrower definition of community investment has been externally assured for the purposes of sustainable finance. In 2025/26, SSE awarded £20.8m<sup>(a)</sup> through its voluntary community investment funds. This excludes community investment funds required by regulation or in SSE's regulated businesses.

(a) This data is subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://www.sse.com/sustainability).

Sustainability continued

## Protecting our natural environment

The scale of our activities means we interact with the environment in many ways, often in remote and precious habitats. We work to minimise our impacts, ensuring that we use resources responsibly and support the restoration of nature around our operations.



### Our approach to environment

We actively manage our environmental footprint, aiming to mitigate any negative environmental consequences arising from our activities and to ultimately have a positive overall impact.

This means protecting and restoring the natural environment and ensuring we use resources responsibly and sustainably.

Collaboration is central to our approach – we work with regulators, research organisations, local communities and others to manage impacts responsibly and strengthen evidence-based decision making across our activities.

This approach is embedded across our operations and supported by clear governance, standards and performance monitoring, and underpinned by nature-related targets designed to protect biodiversity and native woodland.

### Peatland restoration at Strathy South

Alongside the 1,132ha of peatland restoration SSE Renewables has committed to deliver within the boundary of Strathy South wind farm, it is also supporting offsite peatland restoration to deliver wider landscape benefits. This includes funding 160ha of peatland restoration at Armadale Farm which borders the wind farm site.

Armadale Farm is a 2,290ha traditional hill farm in Sutherland which has a lot of damaged peatland, including up to 210km of hill drains. The support from SSE Renewables has contributed to the farm's work to restore around half of its peatland.

Restoration activity has focused on re-wetting degraded peat and blocking historic drainage ditches to restore natural hydrology across extensive areas of the farm.

This has stabilised water table heights, improved habitat quality and supported land management practices that are more resilient over the long term.

By investing in peatland restoration beyond the project footprint, SSE Renewables is supporting habitat recovery at scale and strengthening relationships with local communities, demonstrating how infrastructure delivery can contribute to wider nature recovery across the landscape.

### Our progress

During the year we continued to strengthen our approach, expanding restoration activity, deepening partnerships and improving how we measure nature-related outcomes. All in-scope projects met our ambition of having biodiversity net gain incorporated into design. We saw a slight increase in the number of environmental incidents, which we continue to monitor as we note increasing levels of activity to deliver our investment programme.

## 28

All in scope projects have designed in biodiversity net gain

## 2.32 million m<sup>3</sup>

Total water consumed (2024/25: 2.51\* million m<sup>3</sup>)



We are funding

## 160ha

of peatland restoration beyond the boundary of Strathy South wind farm

### Targeting biodiversity net gain

This year marks the first active year of our Group biodiversity net gain target. Our target is for all in-scope, onshore large capital projects in the UK and Ireland, consented from April 2025, to incorporate 'net gain' in biodiversity into design. Over 2025/26, all 28 in-scope projects achieved this.

You can find more information on our nature-related targets in our Sustainability Report 2026 at [sse.com/sustainability](https://sse.com/sustainability).

▲ SSE Renewables is supporting peatland restoration on Armadale Farm

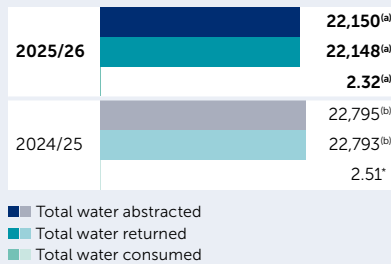
## Managing environmental impact

To reduce our impact, we monitor and manage environmental performance across emissions to air, water use and environmental incidents. This section outlines our performance in these areas, with further detail available in our Sustainability Report 2026, which can be found at [sse.com/sustainability](https://sse.com/sustainability).

### Water use

Water is an essential resource for our operations, particularly as a source for power generation in hydroelectric plant and as a coolant in thermal power stations. As a shared resource, water must be used responsibly and sustainably for our business, local communities and ecosystems. None of our generation assets are located in water-stressed areas<sup>1</sup>.

**Figure 6: Water performance**  
(in million cubic metres)



In 2025/26, our total water abstraction slightly reduced to 22,150 million m<sup>3</sup>, compared to 22,795 million m<sup>3</sup> in 2024/25. The vast majority, 98%, of the water we abstracted in the past year was used in our hydro generation operations.

The volume of water passing through our hydro plants fell by 3% compared to the previous year. Although this water is technically recorded as abstracted, it is channelled through turbines to generate electricity and is returned to the environment almost immediately, resulting in minimal environmental impact.

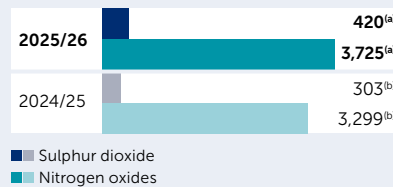
Excluding hydro operations, our total water abstraction decreased by 7%. This was driven by a drop in water abstracted for electricity generation from our thermal assets to 505 million m<sup>3</sup> (2024/25: 545 million m<sup>3</sup>). Total water consumption remained stable year-on-year.

Our Peterhead power station in Scotland is one of the main contributors to water abstraction from our thermal assets due to its 'once through' cooling system. A reduction in output of around 23% from Peterhead, compared to 2024/25, was a significant driver in the downward trend for water abstraction.

### Air emissions

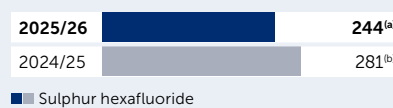
Our operations result in emissions to air, including nitrogen oxides (NO<sub>x</sub>) and sulphur oxides (SO<sub>x</sub>), which are by-products of thermal generation, and sulphur hexafluoride (SF<sub>6</sub>), which is vital for electrical insulation and safety but is a potent greenhouse gas.

**Figure 7: Air emissions performance**  
(in tonnes)



Our diesel-fired Lerwick power station on Shetland, accounts for the majority of our NO<sub>x</sub> and SO<sub>2</sub> emissions. In 2025/26, we saw an increase in these emissions, driven by several factors, including a 31% increase in output from Lerwick compared to the previous year.

**Figure 8: SF<sub>6</sub> emissions performance**  
(in kgs)



Sulphur hexafluoride (SF<sub>6</sub>) is a highly potent greenhouse gas which is widely used in the electrical industry due to its outstanding insulating and interruption properties. In 2025/26, our reported SF<sub>6</sub> emissions fell to 244kg, down from 281kg in 2024/25.

Within SSE Distribution, we achieved a 14% reduction in SF<sub>6</sub> leakage volumes compared to the prior year, and SSE Thermal recorded just one SF<sub>6</sub> leakage incident in 2025/26, resulting in a substantial decrease versus the previous year.

After having its best year to date in managing SF<sub>6</sub> in 2024/25, SSE Transmission's leakage volumes remained steady last year. Notably, the first leakage incident at a site using an SF<sub>6</sub> alternative occurred during 2025/26, which led to a significant emissions saving when compared to what would have occurred if the leak had involved SF<sub>6</sub>.

In previous years, SSE disclosed data for particulate matter (PM10) and mercury emissions from thermal generation plant, above a de-minimis threshold of 10 tonnes and 1kg respectively. In 2025/26, no plant produced emissions above those thresholds, and therefore were considered immaterial in terms of impact.

### Environmental incidents

While we work to reduce the risk of environmental incidents, they can still occur. When they do, we act promptly to contain impacts, investigate causes and put measures in place to prevent recurrence, working constructively with environmental regulators where needed.

In 2025/26 we had 15 permit breaches up from nine the previous year. We recorded a total of 102 environmental incidents compared to 115 the previous year. This consisted of one major, 29 serious and 72 minor incidents (2024/25: 0, 27 and 88 respectively).

We remain focused on reducing environmental incidents, particularly as activity increases in line with our investment plan. Over the past year we improved environmental guidance and governance controls across our contracts and have developed enhanced environmental training for roll out over 2026/27.

<sup>1</sup> As defined by the relevant environmental regulators in the jurisdictions where SSE's assets are located.

(a) This data is subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://sse.com/sustainability).

(b) This data is subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2025 on [sse.com/sustainability](https://sse.com/sustainability).

\* The 2024/25 data for the 'Total water consumed' metric has been restated by 0.14 million m<sup>3</sup>, for further details see SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://sse.com/sustainability).

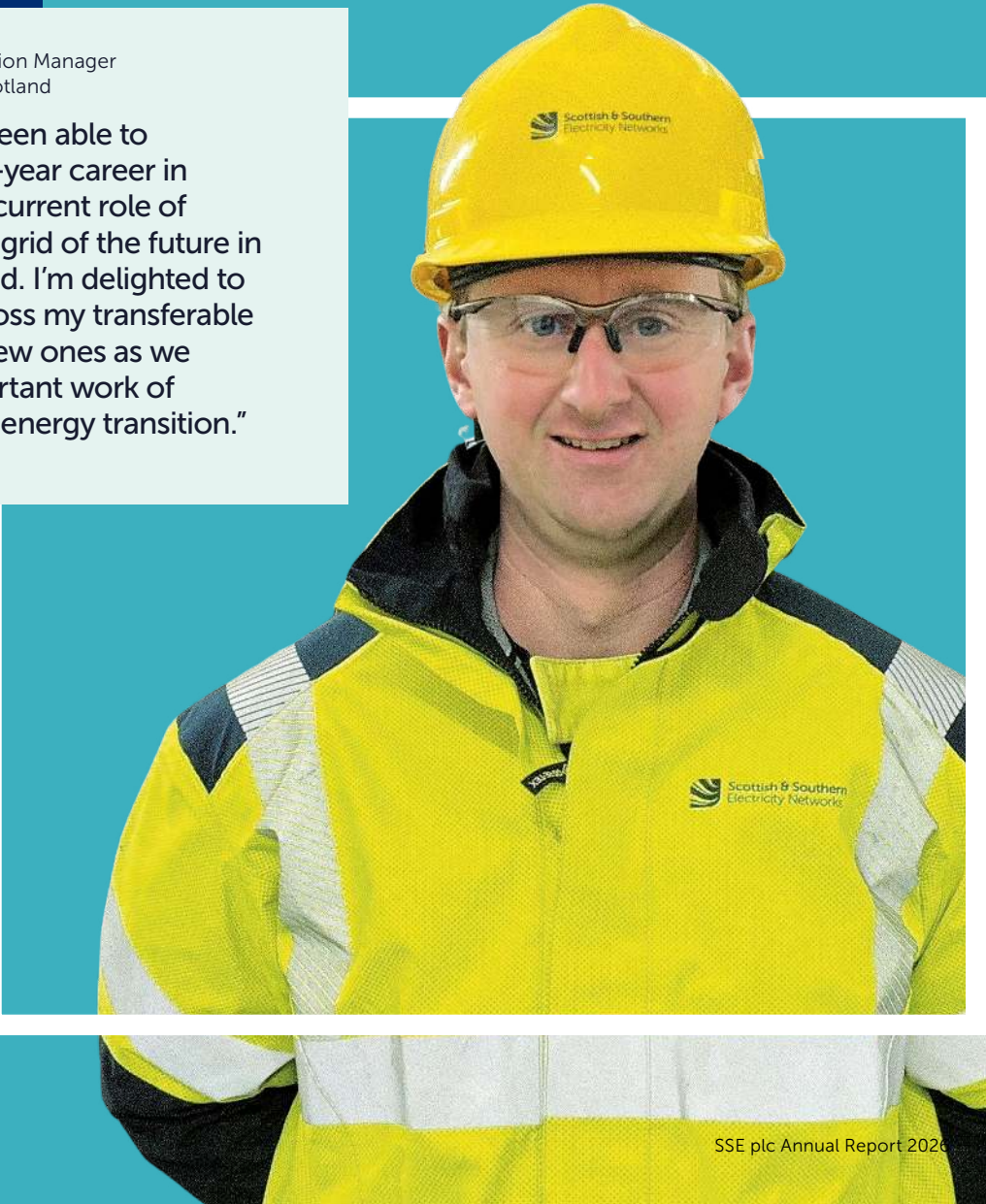
# Risk

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## People Powering SSE

Jonathan Marshall, Construction Manager  
SSEN Transmission, Perth, Scotland

“Thanks to SSE I’ve been able to transition from a 13-year career in agriculture into my current role of helping to build the grid of the future in the north of Scotland. I’m delighted to be able to bring across my transferable skills and develop new ones as we undertake the important work of delivering the clean energy transition.”



## Introduction to risk

# Managing risk in a fast-paced environment

Through our diversified business mix that spans the clean energy value chain, SSE is well placed to navigate the complexity of the energy market.

A dynamic risk management framework that supports efficient decision making and allows us to keep pace with shifts in the sector and operating environment is essential. At the core of our risk management approach is a strong culture. Everyone is responsible for managing risk and are empowered to make considered decisions when realising opportunities or minimising risk exposures. For more about SSE's risk management framework, see [pages 58 to 59](#) 📄.

### Assessing Principal Risks

The operating environment has remained volatile with a number of challenges continuing to influence the markets in which we operate. For more details about this, see the Energy Market Review on [pages 4 to 5](#) 📄.

In response to the current conflict in the Middle East and to ensure all relevant risk considerations were made, an additional assessment of the Principal Risks was carried out by the Group Risk Committee and approved by the Board ahead of publication of this report.

As stated in our Chair's Statement on [pages 8 to 9](#) 📄 while the immediate impacts on the Group are limited these have been incorporated into the key developments of the following Group Principal Risks: Cyber Security and Resilience, Energy Affordability, Portfolio Exposure, Political and Regulatory Change and Supply Chain. Consideration was also given to our preparedness to manage these factors. The Group Executive Committee and key risk sponsors consider the materiality of all but one of the Principal Risks to have remained stable (please see [page 59](#) 📄 for further details).

### Decarbonisation and energy independence

Although net zero sentiment has become increasingly fragmented politically, both within the UK and internationally, our long-term strategy remains closely aligned with the direction established by the UK Government and its Clean Power 2030 Plan. Recent geopolitical events, including the conflict in the Middle East and the ongoing war in Ukraine, have resulted in significant disruptions to the energy market, creating broader economic and inflationary pressures on consumers. At SSE, we remain committed to facilitating the transition to a cleaner, more secure, and affordable energy system.

We acknowledge the importance of supporting consumers in managing the effects of current market conditions in the short term. Accordingly, we actively collaborate with regulators and legislators to address these challenges—particularly in regions where we supply energy to households in Ireland and to business customers across both the UK and Ireland.

### Cyber defence

Cyber Security and Resilience remains one of our most material risk exposures, driven in part by the continued increase in geopolitical volatility. Over the past year, several high-profile cyber incidents affecting major UK companies reiterated the importance of sustaining robust focus on our control environment.

We have increased investment in our security improvement programmes and implemented initiatives to strengthen our technology maturity and supply chain risk management. In addition, a programme of increased proactive testing of business continuity and disaster recovery plans commenced, offering further valuable insights into the resilience of our most critical systems.

### Understanding emerging risks and opportunities

A key priority for us is to continue to monitor both the risks and opportunities that the use of AI brings. Recent studies indicate that young adults consider the future impact of AI when career planning.

This shift provides an opportunity for us to continue to offer purpose-driven career pathways that align with our £33bn investment plan. It also helps us address the risk of not attracting, developing, or retaining the necessary talent and skills needed to achieve this. We also recognise the opportunities that AI provides, such as increased process automation and monitoring through improved data driven insights.

Remaining prepared and adaptable to upcoming technological advances, especially those involving AI, must also remain central in our ongoing risk management discussions. For more details on how AI is currently being deployed across the Group please see [page 89](#) 📄.

### Risk in action

Following the outbreak of the conflict in the Middle East, we have continuously assessed potential impacts to our strategy and operations. Highlighting the dynamic nature of our risk management framework, an additional assessment of the Group Principal Risks was completed by the Group Risk Committee and approved by the Board in May.

The pace of the energy transition was also a factor considered as part of the longer-term future risk discussions. SSE continues to monitor long-term energy demand profiles so it can adapt to future market opportunities. No new emerging Principal Risks have been identified this year.

**“In a dynamic and ever-changing world the ability to make decisions with full awareness of the risks and opportunities, while acting at pace, is integral to SSE's risk culture.”**

### Barry O'Regan

Chief Financial Officer  
and Chair of Group Risk Committee

## How we manage risk

At SSE, we strive to maintain a strong and dynamic risk culture that mitigates risk, and fosters sound, commercial decision making when taking opportunities.

Our enterprise risk management framework gives Business Units the ability to manage risk exposures against their strategic objectives and operations while also enabling us to maintain a holistic view of the Group risk profile. The risk management framework is part of SSE's system of internal control (for more details, see [page 109](#)) and sets the standard for how risks are managed across the Group, providing a consistent approach embedded across Business Units and Corporate functions.

Following a four-stage risk management process, we:

- Identify potential risks that could threaten the Group and/or Business Unit in achieving our objectives.
- Assess risks by analysing and evaluating each one. The likelihood and impact of the risk occurring are considered against financial and non-financial criteria, both before and after applying mitigations.
- Respond by deciding on the most appropriate risk treatment plans, making sure the relevant processes and controls are in place to manage the risks.
- Monitor the risks through ongoing evaluations and frequent reporting through the Group Governance Framework. The table overleaf shows in more detail how this applies for the Principal Risks.

### Assessing Principal Risks

It's vital that we continue to evolve our risk management framework. This year, following a comprehensive update to the process in 2024/25, we continued to

improve our methodology for assessing the Principal Risks, focusing on more efficiently enabling risk-based discussions across the Governance Framework and senior management teams. Dedicated risk workshops were carried out with newly appointed key risk sponsors and one-to-one stakeholder interviews conducted with all members of the Group Executive Committee and Subject Matter Experts (SMEs).

While our Principal Risks have not changed, this collaborative way of working has continued to provide valuable input and diversity of thought, and an improved, holistic output. The Board-approved outcome of the Principal Risk assessment is on [pages 60 to 63](#).

### Identifying emerging risks

To maintain a dynamic risk profile, we consider emerging risks continuously in response to changes in the operating environment or events that could affect SSE.

Teams consider emerging risks which have the potential to become Principal Risks in the medium to long term. Common themes that emerge are presented as part of the assessment of the Group Principal Risks. Complementing this, regular horizon scanning exercises enable a more forward-looking view of risk trends and an assessment of their potential impact, both positive and negative, on SSE's strategy.

While a number of emerging themes were identified and assessed, no new emerging Principal Risks were identified this year.

### Climate-related assessment

A climate assessment, in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework, identifies and assesses climate-related opportunities and risks relevant to SSE. For details of the process, see the table overleaf. This year, the assessment resulted in a minor update to the material climate-related opportunities and risks relevant to SSE (see [pages 65 to 72](#)).

### Maturing risk management

Embedding and maturing our enterprise risk management framework remained a focus during the year, with several improvements introduced to support more dynamic internal risk reporting and greater individual accountability. Work to more clearly articulate our risk appetite internally is evolving through input from our Group Governance Framework. This will further enhance the maturity of managing risks and opportunities.

Work to continue to prepare for compliance with Provision 29 of the Corporate Governance Code 2024, which came into effect on April 1 2026, was also undertaken during the course of the year. Full details on how we have prepared for compliance with Provision 29 can be found on [page 108](#).

Details of each Principal Risk and key mitigations for this year are on [pages 60 to 63](#).

## Risk Appetite Statement

SSE's risk appetite is aligned with achieving the Group's strategic objectives. We will only accept risk where it can be managed effectively, and where it's well understood and consistent with our purpose, strategy and values. Risk should also be in line with stakeholders' expectations, as well as offering commensurate reward.

The basis for setting our risk appetite is that we have:

- A clear strategy to create value for shareholders and society in a sustainable way. This consists of developing, building, operating and investing in electricity infrastructure and businesses needed in the clean energy transition.
- A good understanding of the risks and opportunities in the Great Britain and Ireland energy markets and, through our acquisitions, extensive knowledge of European and other international markets. We scrutinise any opportunity to expand into new markets to make sure they are consistent with our strategic goals and values.
- No appetite for risks that could undermine safety and security – including cyber security. In areas where SSE is exposed to risks for which we have little or no appetite, the nature of these risks means even the most effective controls and mitigations would not eliminate them completely.

Three principles guide the Board in deciding its appetite for specific risks:

1. Risks should be consistent with SSE's core purpose, financial objectives, strategy and values.
2. Risks are only acceptable where we can achieve the right reward, based on objective evidence, and in a way that is consistent with SSE's purpose, strategy and values.
3. Risks should be controlled and monitored by allocating the right level of management and other resources and maintaining a healthy business culture.

The Board sets the tone for determining the nature and extent of the risk it is willing to take to achieve strategic objectives, and for making sure risks are managed effectively across the Group.

## Group Principal Risks

### Collaboration through risk workshops and interviews has continued to strengthen the assessment of the Principal Risks.

Following an increase in materiality for several Principal Risks last year, our risk exposures have remained relatively stable. Following the outbreak of conflict in the Middle East, and to ensure all relevant risk considerations were made, an additional assessment of the Principal Risks was carried out by the Group Risk Committee and approved by the Board ahead of publication. As set out in our Energy Market Review on [pages 4 to 5](#) while the immediate impacts to the Group are limited, these have been incorporated into the key developments of the following Group Principal Risks: Cyber Security and Resilience, Energy Affordability, Portfolio Exposure, Political and Regulatory Change and Supply Chain.

As a result of this year's assessment the risk descriptions of four of the Principal Risks – Energy Infrastructure Failure, Financial Liabilities, Large Capital Projects Management and Supply Chain – have been updated to reflect a clearer articulation of the current risk exposures to the Group. Each risk has also been updated to reflect key changes in the risk environment over the course of the year that, while not

impacting the materiality of the exposures to the Group, may require changes in how these are managed or monitored.

Following this year's assessment the materiality of the Energy Affordability Principal Risk has increased slightly, and the Political and Regulatory Change Principal Risk remains heightened, both impacted by the current conflict in the Middle East.

While our £33bn five-year capex plan aligns well with the UK Government's commitment to the clean energy transition, we acknowledge that broader political sentiment towards net zero is becoming increasingly fragmented. Energy Affordability remains closely linked to this risk and while consumers need protection from fluctuating energy prices in the short term, in the longer term accelerating affordable, clean and reliable energy will likely remain a key concern for governments and consumers.

For details of SSE's Principal Risks including the developments throughout this year that have driven risk materiality, and their key mitigations see [pages 60 to 63](#).

#### Principal Risks:

|    |                                   |   |
|----|-----------------------------------|---|
| 1  | Climate Change                    | ■ |
| 2  | Cyber Security and Resilience     | ■ |
| 3  | Energy Affordability              | ▲ |
| 4  | Energy Infrastructure Failure     | ■ |
| 5  | Financial Liabilities             | ■ |
| 6  | Large Capital Projects Management | ■ |
| 7  | People and Culture                | ■ |
| 8  | Political and Regulatory Change   | ■ |
| 9  | Portfolio Exposure                | ■ |
| 10 | Safety and the Environment        | ■ |
| 11 | Speed of Change                   | ■ |
| 12 | Supply Chain                      | ■ |

#### Risk trend key:

- ▲ Increased in materiality
- Not changed significantly
- ▼ Reduced in materiality

### Risk Management Process

| Stage           | Principal Risk Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Climate-related risks and opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Identify</b> | We consider risks over three time horizons: 1, 3 and 10 years. Bottom-up risk data from Business Units is combined with top-down analysis from oversight forums which consider both risks and opportunities. This analysis is then complemented by relevant external information.                                                                                                                                                                                                                                                                                                                                                                                                      | A specialist TCFD climate assessment identifies risks and opportunities over the short (to 2035), medium (to 2050) and long term (to 2080). This involves senior business leader interviews, Business Unit risk assessments and a materiality test to capture climate-related opportunities and risks.                                                                                                                                                                                                                                                                                                                                |
| <b>Assess</b>   | <p>For each Principal Risk, risk workshops and interviews provide a forum to discuss the risk environment, ultimately informing updated risk assessments for approval. The key risk sponsors and SMEs provide commentary on:</p> <ul style="list-style-type: none"> <li>– the adequacy of the risk description;</li> <li>– contextual changes to the risks;</li> <li>– whether the risks have increased or decreased in materiality during the year; and</li> <li>– the adequacy of the control environment.</li> </ul> <p>The outputs of these risk discussions are then collated into assessment reports and presented back to each oversight forum for discussion and approval.</p> | <p>SSE assesses the climate impact on its operations over the:</p> <ul style="list-style-type: none"> <li>– short and medium term from the perspective of market, policy or regulatory transition opportunities and risks; and</li> <li>– over the medium and long term from the perspective of the physical risks of climate change.</li> </ul> <p>Materiality is tested for each climate-related opportunity or risk, based on its:</p> <ul style="list-style-type: none"> <li>– ability to have a substantive potential financial impact on SSE's strategy; or</li> <li>– its significant impact on SSE's stakeholders.</li> </ul> |
| <b>Respond</b>  | <p>Following completion of the assessment activities the oversight forums confirm:</p> <ul style="list-style-type: none"> <li>– the risk trend (more, less or equally material);</li> <li>– overall effectiveness of the risk, control and monitoring environment; and</li> <li>– whether further actions are required to improve the control environment.</li> </ul> <p>The Group Executive Committee approves the assessments, with final endorsement from the Board.</p>                                                                                                                                                                                                            | <p>Critical controls are in place to manage risk including climate-related risk, these include:</p> <ul style="list-style-type: none"> <li>– business continuity plans;</li> <li>– crisis management and incident response, large capital project governance; and</li> <li>– internal and external assurance.</li> </ul> <p>The climate-related opportunities and risks (see <a href="#">pages 69 to 72</a>), combined with SSE's Sustainability Report 2026 and CDP Climate Change response, provide further information on these actions and controls.</p>                                                                          |
| <b>Monitor</b>  | Risks are reviewed quarterly within the Business Units and Corporate Functions, with clear pathways in place for escalation. The Group Risk Committee receive regular bottom-up risk reporting information and frequently reviews and monitors the Group Principal Risks, ensuring appropriate actions are taken to manage changes in risk exposures.                                                                                                                                                                                                                                                                                                                                  | Climate Change is a Group Principal Risk to SSE, and has the ability to affect the achievement of its strategic objectives and long-term success (see <a href="#">page 60</a> ). Scenarios related to the physical risks associated with climate change form part of SSE's viability assessment (see <a href="#">page 76</a> ). Climate-related key developments are also considered against all relevant Group Principal Risks.                                                                                                                                                                                                      |

## Group Principal Risks continued

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>1 Climate Change</b></p> <p>The risk that SSE's strategy is misaligned to national and international decarbonisation pathways and is insufficiently resilient to a climate-changed world.</p> <p><b>Key risk sponsor:</b> Chief Sustainability Officer</p> <p><b>Residual likelihood:</b> Medium</p> <p><b>Residual impact:</b> Medium</p> <p><b>Risk trend:</b> </p>                                                                                                                                | <p><b>Developments this year</b></p> <p>SSE remains well aligned to the UK Government's commitment to support the transition to clean energy, therefore the risk exposure to the Group has not changed materially over the course of the year. Other developments include:</p> <ul style="list-style-type: none"> <li>– Recognition that confidence in reaching the 1.5°C target by 2050 is reducing.</li> <li>– Increasingly fragmented political sentiment around net zero.</li> <li>– Increased intensity of named storms and extreme weather events, risks causing damage to critical national infrastructure.</li> <li>– The UK experienced its warmest year on record in 2025.</li> <li>– Delay in EU regulations (such as implementation of CSRD) creates reporting simplification for now.</li> <li>– £33bn capex investment plan announced with 80% networks and 20% renewables/flexibility focus.</li> <li>– Successful AR7 results.</li> </ul>                                                                                                                                 | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>– Leadership, governance and oversight through multiple forums including Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) and the Group Executive Committee (GEC).</li> <li>– Group Climate Change Policy and Group Sustainability Policy.</li> <li>– Monitoring of UN Sustainable Development Goals (UNSDG) impacts.</li> <li>– Lobbying and stakeholder engagement.</li> <li>– External reporting around compliance with submissions such as sustainability reporting and TCFD.</li> <li>– Group Adaptation Steering Committee and Business Unit adaptation plans.</li> <li>– Large Capital Projects Framework.</li> </ul> |
| <p><b>2 Cyber Security and Resilience</b></p> <p>The risk that key infrastructure, networks or core systems are compromised or are otherwise rendered unavailable.</p> <p><b>Key risk sponsor:</b> Chief Information Officer</p> <p><b>Residual likelihood:</b> High</p> <p><b>Residual impact:</b> High</p> <p><b>Risk trend:</b> </p>                                                                                                                                                                    | <p><b>Developments this year</b></p> <p>While there has been no increase in the materiality of this risk, it remains a key focus for the Group, due to the continued potential threat of a malicious cyber-attack. Other developments include:</p> <ul style="list-style-type: none"> <li>– Several high-profile cyber-attacks on UK companies resulting in significant financial losses.</li> <li>– Geopolitical volatility resulting in a continued heightened threat level and an increased risk of nation state attacks.</li> <li>– Increased sophistication of social engineering and vulnerability threats via the use of technologies such as AI.</li> <li>– Increased regulatory and reporting obligations.</li> <li>– Continued investment in our security improvement programme to strengthen the resilience of our systems.</li> <li>– Ongoing modernisation of our IT estate.</li> <li>– Improved collaboration between IT and Operational Technology (OT) on cyber security risk management.</li> <li>– The introduction of Zero Trust Network Access technology.</li> </ul> | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>– Group Cyber Security Policy and Group Data and Information Management Policy.</li> <li>– Incorporating key technology and infrastructure risks into system designs.</li> <li>– Regular internal and third party testing of IT and OT networks and systems.</li> <li>– Continued strengthening and embedding of the cyber risks and controls framework to identify threats and reduce exposures.</li> <li>– Service level agreements for business-critical IT services.</li> <li>– Reviewing and testing business continuity plans in response to changes in the threat to the Group.</li> </ul>                                                      |
| <p><b>3 Energy Affordability</b></p> <p>The risk that energy customers' ability to meet the costs of providing energy, or their ability to access energy services, is limited, giving rise to negative political or regulatory intervention that has an impact on SSE's regulated networks and energy businesses.</p> <p><b>Key risk sponsor:</b> MD Corporate Affairs, Regulation and Strategy</p> <p><b>Residual likelihood:</b> High</p> <p><b>Residual impact:</b> High</p> <p><b>Risk trend:</b> </p> | <p><b>Developments this year</b></p> <p>There has been a slight increase in the materiality of this risk during the year. While the energy price cap reduced by 7% in April 2026, due to the conflict in the Middle East and the subsequent impact on fuel prices, it is likely that the overall costs to consumers will rise during the year. Other developments include:</p> <ul style="list-style-type: none"> <li>– The UK Government's decision to retain a single national GB-wide wholesale market.</li> <li>– Continued pressure on consumers from high energy costs and inflation rates.</li> <li>– Ongoing geopolitical volatility, including the conflict in the Middle East, impacting fuel costs and increasing focus on ensuring energy security and independence.</li> <li>– The UK Government November 2025 Budget confirmed plans to remove £150 from household energy bills from April 2026.</li> <li>– Consumer energy debt rose by 20% over 2025.</li> <li>– Increase in the Electricity Generator Levy (EGL) from 45% to 55%.</li> </ul>                             | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>– Affordability schemes to support financially vulnerable customers.</li> <li>– Engaging with governments, regulators, customers and relevant counterparties.</li> <li>– Regular review of aged debt and bad debt management.</li> <li>– Long-term price forecasting.</li> <li>– Operational processes for pricing, billing and collections.</li> <li>– Adopting and implementing government support mechanisms across multiple jurisdictions.</li> </ul>                                                                                                                                                                                              |

Risk trend key:



Increased in materiality



Not changed significantly



Reduced in materiality

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>4 Energy Infrastructure Failure</b></p> <p>The risk of critical energy infrastructure failure, whether in respect of assets owned by SSE or those owned by others which SSE relies on, that prevents the Group from meeting its obligations.</p> <p><b>Key risk sponsors:</b> MD Transmission, MD Distribution, MD Renewables and MD Thermal</p> <p><b>Residual likelihood:</b> Medium<br/> </p> <p><b>Residual impact:</b> Medium<br/> </p> <p><b>Risk trend:</b> </p>                                   | <p><b>Developments this year</b></p> <p>This risk has not materially changed this year, although major incidents at Heathrow as well as in Spain and Portugal, have prompted an expediated increase in regulatory requirements. Other developments include:</p> <ul style="list-style-type: none"> <li>Continued volatile and extreme weather, including wild fires, impacting assets and generation outputs.</li> <li>Further increased strategic investment, including our £33bn investment plan, to ensure capacity and resilience in the energy system.</li> <li>Geopolitical unrest leading to a continued heightened physical and cyber security threat level and supply chain challenges.</li> <li>Improved cyber security controls to further strengthen resilience.</li> <li>Proactive, regular engagement with communities during storm events and the planning and development stages of major projects.</li> </ul>                                                                                                                                                                                                                            | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>Asset management policies and frameworks.</li> <li>Engineering Centres of Excellence review and development of plans to ensure the ongoing integrity of generation assets including crisis management and business continuity plans.</li> <li>Proactive testing of business continuity and resilience plans.</li> <li>Capital investment plans to ensure the ongoing health and integrity of network assets.</li> <li>Stakeholder engagement strategies.</li> <li>Dedicated cyber security programmes.</li> <li>Maintaining physical security of critical national infrastructure and key assets.</li> </ul>                                                               |
| <p><b>5 Financial Liabilities</b></p> <p>The risk that funding is not available to meet financial liabilities as these fall due under normal and stressed conditions without incurring unacceptable costs or risking damage to our reputation.</p> <p><b>Key risk sponsor:</b> Group Treasurer</p> <p><b>Residual likelihood:</b> Medium<br/> </p> <p><b>Residual impact:</b> Medium<br/> </p> <p><b>Risk trend:</b> </p>                                                                                       | <p><b>Developments this year</b></p> <p>The risk remains stable with the execution of the planned funding strategy to accommodate the new £33bn investment plan. Other developments include:</p> <ul style="list-style-type: none"> <li>New capex plan with 80% Networks and 20% Renewables/Flexibility focus.</li> <li>Continued positive engagement with funding markets including the generation of £2bn of funding from an equity placing (see our Financial Review for further details).</li> <li>The Group Treasury Policy was enhanced with improved monitoring of metrics and reporting.</li> <li>Continued volatility in gilt rates, impacting UK borrowing costs.</li> <li>UK inflation rate rose to 3.3%.</li> <li>Operational improvements including greater automation and IT system upgrades.</li> </ul>                                                                                                                                                                                                                                                                                                                                    | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>Financial management policies and frameworks.</li> <li>Regular oversight and governance through the Board and Committees.</li> <li>Committed borrowings and facilities always available in line with policy.</li> <li>Approval of all material counterparty credit limits is a matter reserved for the Board.</li> <li>Detailed and continuous financial modelling and forecasting on a Group and Business Unit basis.</li> </ul>                                                                                                                                                                                                                                          |
| <p><b>6 Large Capital Projects Management</b></p> <p>The risk that SSE develops and builds major assets that do not realise intended benefits or meet the quality standards required to support the Group's Transformation for Growth objectives within forecast timescales and budgets.</p> <p><b>Key risk sponsors:</b> MD Transmission, MD Distribution, MD Renewables and MD Thermal</p> <p><b>Residual likelihood:</b> High<br/> </p> <p><b>Residual impact:</b> High<br/> </p> <p><b>Risk trend:</b> </p> | <p><b>Developments this year</b></p> <p>The materiality of this risk remains stable due to the improved certainty in key future project pipelines following the publication of critical regulatory decisions. Other key developments include:</p> <ul style="list-style-type: none"> <li>Key strategic delivery partners appointed to deliver the majority of planned transmission projects.</li> <li>RIIO-T3 determination issued by Ofgem and successful AR7 results for Berwick Bank providing regulatory certainty for project pipelines.</li> <li>Consenting secured for the majority of planned transmission projects.</li> <li>The volume, size and complexity of large capital projects continues to increase.</li> <li>Potential supply chain challenges resulting from the conflict in the Middle East.</li> <li>Increased competition for capacity in key supply chains.</li> <li>Northern European capacity mechanisms remain unclear, resulting in delays to deployment.</li> <li>US decision not to deploy additional offshore wind capacity for at least five years, opening up supply chain availability in the UK and Europe.</li> </ul> | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>Large Capital Projects Governance Framework to govern, develop, approve and execute major capital investment projects consistently and effectively.</li> <li>In-depth quality reviews by Large Capital Projects quality and assurance teams.</li> <li>Ongoing interaction with key suppliers through SSE's supplier relationship management programme.</li> <li>SSE generally manages insurance placement by organising owner-controlled insurance for major projects, allowing greater control over, and flexibility of, the provisions in place.</li> <li>Appropriate governance arrangements, including those for joint venture (JV) and partner management.</li> </ul> |

Risk trend key:



Increased in materiality



Not changed significantly



Reduced in materiality

## Group Principal Risks continued

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>7 People and Culture</b></p> <p>The risk that SSE is unable to attract, develop and retain an appropriately skilled, diverse and responsible workforce to deliver strategic objectives, and maintain a healthy business culture which encourages and supports doing the right thing.</p> <p><b>Key risk sponsor:</b> Director of HR</p> <p><b>Residual likelihood:</b> Medium<br/></p> <p><b>Residual impact:</b> Medium<br/></p> <p><b>Risk trend:</b> </p> | <p><b>Developments this year</b></p> <p>The materiality of the risk remains unchanged as the Group continues to implement an organisational strategic change. Other developments include:</p> <ul style="list-style-type: none"> <li>Executive leadership changes including new Chief Executive, Chief Sustainability Officer and Chief Information Officer.</li> <li>Group Operating model review successfully implemented 2025/26 efficiency savings.</li> <li>All-employee survey participation was high in 2025/26, with a relative decline across scores versus internal benchmarks due to the uncertainty caused by the efficiency review.</li> <li>Continued strengthening of our approach to employee engagement, for further details please see <a href="#">pages 91 to 92</a>.</li> <li>Changes in UK policy around security clearance and immigration.</li> <li>Technological changes, such as the ongoing introduction of AI within SSE, and the impacts on ways of working.</li> <li>Continued focus on ensuring onboarding of new recruits is consistent with cultural expectations.</li> </ul> | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>Employment Policy and Whistleblowing Policy.</li> <li>Inclusion and Diversity plan, see <a href="#">pages 50 to 52</a>.</li> <li>SSE governance arrangements, including those relating to JV and partner management.</li> <li>Our employee guide to good business ethics, 'Doing the right thing'.</li> <li>Internal mechanisms, including our independent Speak Up service, for employees to report wrongdoing.</li> <li>Regular succession planning reviews by our business leaders.</li> <li>Continued development of our approach to managing talent.</li> <li>Performance Edge is our approach to supporting employees to develop their careers and manage their performance.</li> </ul>                                                                                |
| <p><b>8 Political and Regulatory Change</b></p> <p>The risk associated with operating in a fast-paced, highly regulated environment which is subject to constantly changing political, regulatory and legislative expectations and interventions.</p> <p><b>Key risk sponsor:</b> MD Corporate Affairs, Regulation and Strategy</p> <p><b>Residual likelihood:</b> High<br/></p> <p><b>Residual impact:</b> High<br/></p> <p><b>Risk trend:</b> </p>               | <p><b>Developments this year</b></p> <p>The risk exposure remains elevated given the continued fragmentation of the political environment in the UK and internationally. This is compounded by ongoing geopolitical conflicts, including in the Middle East. Other developments include:</p> <ul style="list-style-type: none"> <li>RIO-T3 determination issued by Ofgem and successful AR7 results for Berwick Bank providing regulatory certainty for project pipelines.</li> <li>Although net zero sentiment has become increasingly fragmented politically, our long-term strategy remains closely aligned with the direction established by the UK Government's Clean Power 2030 Plan.</li> <li>Alignment with measures introduced by the National System Operator (NESO) to reduce the backlog of projects seeking connections.</li> <li>Recent UK Government proposals to introduce voluntary Wholesale CfDs.</li> <li>Increase in the EGL from 45% to 55%.</li> </ul>                                                                                                                                 | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>Political and Regulatory Engagement Policy.</li> <li>Advice, guidance and assurance for business areas from Corporate Affairs, Regulation and Legal teams on interpreting political, regulatory and legislative change.</li> <li>Engagement with regulators, politicians, officials and other stakeholders, led by the Corporate Affairs and Regulation teams. For details of SSE's Stakeholder Engagement, see <a href="#">pages 10 to 11</a>.</li> <li>SSE Governance arrangements including regular engagement with the Board and Group Executive Committee on political and regulatory developments which may affect our operations or strategy.</li> <li>Change management processes to manage all aspects of significant regulatory and legislative change.</li> </ul> |
| <p><b>9 Portfolio Exposure</b></p> <p>The risk to the Group's portfolio value associated with fluctuations in both the price and physical liquidity of key energy market indices or drivers – primarily gas, carbon and electricity.</p> <p><b>Key risk sponsor:</b> MD Energy Markets</p> <p><b>Residual likelihood:</b> High<br/></p> <p><b>Residual impact:</b> High<br/></p> <p><b>Risk trend:</b> </p>                                                        | <p><b>Developments this year</b></p> <p>While the conflict in the Middle East has had an impact on fuel costs, the materiality of this risk to us has not changed significantly during the year. Strengthened controls have enabled us to keep pace with the inherent exposures. Other developments include:</p> <ul style="list-style-type: none"> <li>Increase in short-term weather-related volatility due to the volume of renewable generation on the UK energy system.</li> <li>Overall lower demand growth, but highest demand peak seen this winter.</li> <li>UKA carbon price increase.</li> <li>UK Government decision not to progress with zonal pricing and retain single national GB-wide wholesale market.</li> <li>Ongoing geopolitical volatility continues but currently has limited impact on SSE's asset base.</li> <li>The establishment of new route to market contracts and Power Purchase Agreements.</li> </ul>                                                                                                                                                                       | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>Operational oversight of commodity positions by the Group Energy Markets Exposure Risk Committee (GEMRC), and monitoring Group hedging arrangements by the Board Energy Markets Risk Committee (EMRC). For more details see <a href="#">pages 110 to 111</a>.</li> <li>Trading controls including VaR and PaR measures to monitor and control exposures. Trading limits are reviewed regularly by the Energy Markets Risk Committee and approved by the Board.</li> <li>Treasury policy and procedures.</li> <li>The use of hedging instruments to minimise exposures to fluctuations in foreign exchange markets. For details see Financial Statements <a href="#">page 236</a>.</li> </ul>                                                                                 |

Risk trend key: Increased in materiality

Not changed significantly

Reduced in materiality

|                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>10 Safety and the Environment</b></p> <p>The risk of harm to people, property or the environment from SSE's operations.</p> <p><b>Key risk sponsor:</b> Director of SHE</p> <p><b>Residual likelihood:</b> Medium<br/></p> <p><b>Residual impact:</b> Medium<br/></p> <p><b>Risk trend:</b> </p>                                                                                           | <p><b>Developments this year</b></p> <p>Safety is our number one priority. While the risk has not materially changed, we continue to adapt our control environment to keep pace with inherent exposures. Other developments include:</p> <ul style="list-style-type: none"> <li>– Improved safety performance among direct employees with a Total Recordable Injury Rate (TRIR) of 0.09.</li> <li>– Higher demand for contractor skills and capabilities resulting in increased competition.</li> <li>– More volatile and extreme weather, a increase in named storms and the risk of wildfires, affected assets and working conditions.</li> <li>– There has been a continued focus on the health and wellbeing of our employees. More details of how we have strengthened our approach to this can be found in the Sustainability Report.</li> </ul>                                                                                                                                                                                                                   | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>– Board oversight provided by SSHEAC.</li> <li>– Group Safety and Health Policy and Group Environment Policy.</li> <li>– Safety, Health and Environment (SHE) Management System.</li> <li>– LCP Framework.</li> <li>– Safety training and awareness, including through our industry-leading immersive safety training centre.</li> <li>– Regular SHE assurance reviews by each Business Unit.</li> </ul>                                                                                                                                                                                                                                                                                         |
| <p><b>11 Speed of Change</b></p> <p>The risk that SSE is not able to respond with agility to the evolving systems and energy markets within which it operates, in a fast-paced, ever-growing technological world.</p> <p><b>Key risk sponsor:</b> Chief Executive</p> <p><b>Residual likelihood:</b> High<br/></p> <p><b>Residual impact:</b> High<br/></p> <p><b>Risk trend:</b> </p>           | <p><b>Developments this year</b></p> <p>There has been no material change in this risk during the year as the Group continues to keep pace with changes in the operating environment, as required. Other developments include:</p> <ul style="list-style-type: none"> <li>– New executive leadership and ongoing review of our organisational strategy and culture.</li> <li>– £33bn investment plan announced.</li> <li>– Growing demand for specialist skills leading to increasing workforce competition.</li> <li>– Political sentiment around net zero is becoming increasingly fragmented.</li> <li>– Ongoing geopolitical volatility.</li> <li>– The impact of climate change and extreme weather events is increasing our need for agility.</li> <li>– Acceleration of the regulatory environment and market reform.</li> <li>– Global pace of change for digital enablement (including AI) is increasing.</li> <li>– The introduction of a new Transformation function, focusing on opportunities for continuous improvement across the Group.</li> </ul>       | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>– Group Operating Model Policy.</li> <li>– The Board ensures alignment of risk appetite and strategic objectives by regularly reviewing the Group's commercial strategy, business development initiatives and long-term options.</li> <li>– The Group Executive Committee is responsible for making sure that Business Unit strategies are consistent and compatible with the overarching Group strategy.</li> <li>– Continued investment in technology advancements to build SSE's ability to make proactive decisions in response to rapid change.</li> <li>– Regular analysis of the energy sector, current market and opportunities to anticipate potential change affecting SSE.</li> </ul> |
| <p><b>12 Supply Chain</b></p> <p>The risk that SSE is unable to secure a viable, competent and sustainable supply chain to meet existing operational needs and the growth required to deliver the Group strategy.</p> <p><b>Key risk sponsor:</b> Chief Procurement Officer</p> <p><b>Residual likelihood:</b> High<br/></p> <p><b>Residual impact:</b> High<br/></p> <p><b>Risk trend:</b> </p> | <p><b>Developments this year</b></p> <p>The context of the risk has evolved over the year, to focus on building confidence in the ability of supply chains to deliver reliably against its commitments. There has, however, been no significant change in the materiality. Other developments include:</p> <ul style="list-style-type: none"> <li>– Ongoing geopolitical volatility, including the conflict in the Middle East and the war in Ukraine, has the potential to impact supply chains and create increased commercial exposures.</li> <li>– Key strategic delivery partners appointed to deliver the majority of planned transmission projects.</li> <li>– RIIO-T3 determination issued by Ofgem and successful AR7 results for Berwick Bank providing regulatory certainty for project pipelines.</li> <li>– Increased competition for specialist skills and capabilities.</li> <li>– Datacentre growth has increased the demand for supply chains associated with flexible generation.</li> <li>– Ongoing implementation of legislative changes.</li> </ul> | <p><b>Key mitigations</b></p> <ul style="list-style-type: none"> <li>– Group Procurement Policy.</li> <li>– Strategic supplier relationship management tailored for each Business Unit.</li> <li>– Robust commercial terms in place and ongoing contract management.</li> <li>– Procurement and Commercial teams ensure effective demand management via dedicated business partners.</li> <li>– Third party due diligence.</li> <li>– Category management surveillance of markets and environments to anticipate and develop proactive response to constraints.</li> <li>– Large Capital Projects Framework.</li> </ul>                                                                                                                                               |

Risk trend key:



Increased in materiality



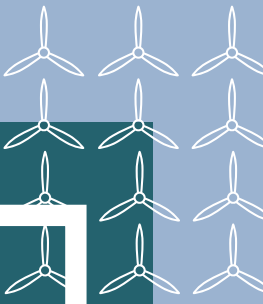
Not changed significantly



Reduced in materiality

# Disclosure statements

|                                                        |    |
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| Climate-related financial disclosures                  | 65 |
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| Viability statement                                    | 76 |
| Going Concern                                          | 76 |



## People Powering SSE

John O’Sullivan, Nature Strategy Manager, SSE Renewables, Galway, Ireland:

“I’m fortunate to be responsible for ensuring we protect nature across our sites including Galway Wind Park, which is our flagship asset in Ireland. Living locally makes me feel connected to the site. We are always developing new ways to minimise our impact on the environment, so we generate clean energy and leave a lasting legacy.”



## Climate-related financial disclosures

### An integrated approach to climate disclosures

This statement summarises how we fulfil our requirements under relevant mandatory UK climate-related financial disclosures. We are at the heart of the energy transition, and our business strategy is tackling climate change head-on, by focusing on delivering the electricity infrastructure needed for the clean energy transition. The consideration of climate-related risks and opportunities is, therefore, naturally embedded into our policies and practices. Considering this, we have integrated our climate-related disclosures throughout this Annual Report providing a holistic understanding of how climate-related impacts are managed.

### Mandated UK climate disclosures

SSE is compliant with the Financial Conduct Authority (FCA) UK Listing Rule UKLR 6.6.6R(8). This rule requires organisations to include climate-related financial disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, recommended disclosures and associated guidance (including the TCFD Annex) in their annual reports. These disclosures also satisfy UK mandatory climate-related financial disclosure requirements under the sections 414CA and 414CB of the Companies Act 2006.

Climate change has been considered in preparing the Group's consolidated financial statements for the year ended 31 March 2026 on [pages 151 to 243](#) . Further information has been included in [note 4.1\(v\)](#) 'Impact of climate change and the transition to net zero – financial judgement and estimation uncertainty' on [page 160](#) .

### Approach to UK SRS

The UK Sustainability Reporting Standards (SRS) S1 and S2 were published in February 2026. We welcome the introduction of UK SRS S2 as a pragmatic, internationally aligned framework for climate-related financial disclosures.

For the year ended 31 March 2026, we continue to report in line with the UK mandatory climate-related financial disclosure requirements. We have also undertaken a high-level assessment of our existing TCFD aligned disclosures against the requirements of UK SRS S2. This disclosure statement presents progress towards alignment with S2 Climate-related disclosures, with further alignment planned over future reporting cycles.

## Navigating SSE's climate-related disclosures

| TCFD recommendations                                                                                                                | SSE's current disclosure position                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Additional information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governance</b>                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| a) Describe the Board's oversight of climate-related risks and opportunities                                                        | Responding to climate change is integral to SSE's strategy. SSE's Board provides oversight of climate-related risks and opportunities through its consideration of the Group's purpose, strategic priorities and long-term value creation, including decisions on business model evolution, capital investment and resilience in the energy transition.                                                                                                                                                                                                                                                                                                                                                          | <b>Governance Report</b> <ul style="list-style-type: none"> <li>– Governance of climate-related matters <a href="#">page 84</a> </li> <li>– More on climate-related work in the year <a href="#">page 84</a> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| b) Describe management's role in assessing and managing climate-related risks and opportunities.                                    | Clear climate-related responsibilities are assigned to SSE committees and senior management, including the Chief Executive and Chief Sustainability Officer. Management is responsible for assessing and managing climate-related risks and opportunities, embedding these considerations into strategic planning, capital allocation, risk management processes and delivery of the Transformation for Growth plan.                                                                                                                                                                                                                                                                                             | <b>Governance Report</b> <ul style="list-style-type: none"> <li>– Governance of climate-related matters <a href="#">page 84</a> </li> <li>– More on climate-related work in the year <a href="#">page 84</a> </li> </ul> <b>Strategic Report</b> <ul style="list-style-type: none"> <li>– How sustainability is governed <a href="#">page 41</a> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Strategy</b>                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.      | <p>SSE's material climate-related risks include physical risks arising from extreme or changing weather conditions and a transition risk associated with market, policy and pricing dynamics in a low-carbon electricity system.</p> <p>SSE's material climate-related opportunities arise from the Group's role across regulated networks, renewables and flexible generation in supporting the transition to a low-carbon energy system.</p> <p>SSE assesses climate-related risks and opportunities over defined short, medium and long-term time horizons aligned to its business planning, capital investment and Net Zero Transition Plan.</p>                                                             | <b>Disclosure statement</b> <ul style="list-style-type: none"> <li>– Assessing SSE's climate-related opportunities and risks <a href="#">pages 67 to 68</a> </li> <li>– Detailed climate-related opportunities and risks tables <a href="#">pages 69 to 72</a> </li> <li>– Time horizons for scenario analysis <a href="#">page 67</a> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning. | <p>SSE's strategy and Transformation for Growth plan places climate-related risks and opportunities at the centre of how the Group evolves its business model and allocates capital. Transition opportunities drive growth in regulated networks, renewables and flexible generation, while physical and market-related transition risks are considered in asset design, portfolio diversification and resilience planning.</p> <p>In the year ended 31 March 2026, SSE's assessment primarily focuses on the anticipated financial effects of material climate-related risks and opportunities, within its own operations and assets, along with qualitative consideration of selected value-chain impacts.</p> | <b>Strategic Report</b> <ul style="list-style-type: none"> <li>– Our strategy, investment plan, 2030 Goals and business model <a href="#">pages 6 to 7</a> </li> <li>– Performance against 2030 Goals <a href="#">page 15</a> </li> </ul> <b>Disclosure statement</b> <ul style="list-style-type: none"> <li>– Assessing SSE's climate-related opportunities and risks <a href="#">pages 67 to 68</a> </li> <li>– Detailed climate-related opportunities and risks tables <a href="#">pages 69 to 72</a> </li> <li>– EU Taxonomy assessment <a href="#">page 74</a> </li> </ul> <b>Financial review</b> <ul style="list-style-type: none"> <li>– Note 4.1(v) Impact of climate change and the transition to net zero – financial judgement and estimation uncertainty <a href="#">page 160</a> </li> </ul> |

## Climate-related financial disclosures continued

| TCFD recommendations                                                                                                                                         | SSE's current disclosure position                                                                                                                                                                                                                                                                                                                                                                                                                       | Additional information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | SSE conducts scenario analysis on an annual basis to assess the resilience of its strategy and financial plans under a range of plausible climate-related futures, including scenarios aligned to lower emissions pathways and higher-warming outcomes, reflecting a range of potential transition and physical conditions.                                                                                                                             | <b>Disclosure statement</b> <ul style="list-style-type: none"> <li>– Approach to climate scenario analysis <a href="#">page 67</a> ➤</li> <li>– Detailed climate-related opportunities and risks tables <a href="#">pages 69 to 72</a> ➤</li> <li>– Viability statement <a href="#">page 76</a> ➤</li> </ul>                                                                                                                                                                                                                                                                                                          |
| <b>Risk management</b>                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| a) Describe the organisation's processes for identifying and assessing climate-related risks.                                                                | <p>SSE identifies climate-related risks and opportunities through its established risk identification process, consolidated from business-unit risk assessments, senior management oversight forums and relevant external information.</p> <p>Climate-related risks are assessed across short-, medium- and long-term horizons, tested for materiality, and prioritised within the Group Risk Management Framework alongside other principal risks.</p> | <b>Strategic Report</b> <ul style="list-style-type: none"> <li>– Summary of SSE's key climate-related opportunities and risks <a href="#">page 44</a> ➤</li> <li>– Climate-related assessment <a href="#">page 58</a> ➤</li> <li>– Risk management process <a href="#">page 59</a> ➤</li> </ul> <b>Governance Report</b> <ul style="list-style-type: none"> <li>– Governance of climate-related matters <a href="#">page 84</a> ➤</li> </ul> <b>Disclosure statement</b> <ul style="list-style-type: none"> <li>– Assessing SSE's climate-related opportunities and risks <a href="#">pages 67 to 68</a> ➤</li> </ul> |
| b) Describe the organisation's processes for managing climate-related risks.                                                                                 | SSE's system of internal control establishes the policy framework, standards and governance arrangements for managing risks across the Group, including those related to climate change.                                                                                                                                                                                                                                                                | <b>Strategic Report</b> <ul style="list-style-type: none"> <li>– How we manage risk <a href="#">page 58</a> ➤</li> </ul> <b>Disclosure statement</b> <ul style="list-style-type: none"> <li>– Assessing SSE's climate-related opportunities and risks <a href="#">pages 67 to 68</a> ➤</li> </ul> <b>Governance Report</b> <ul style="list-style-type: none"> <li>– Governance of climate-related matters <a href="#">page 84</a> ➤</li> <li>– System of internal control <a href="#">page 109</a> ➤</li> </ul>                                                                                                       |
| c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.     | <p>Climate change is a Group Principal Risk, with climate-related risks identified, assessed and managed through SSE's Group Risk Management Framework.</p> <p>Climate-related risks are currently embedded within the Group Risk Management Framework, while integration of climate-related opportunities is in development.</p>                                                                                                                       | <b>Strategic Report</b> <ul style="list-style-type: none"> <li>– How we manage risk <a href="#">page 58</a> ➤</li> </ul> <b>Disclosure statement</b> <ul style="list-style-type: none"> <li>– Viability statement <a href="#">page 76</a> ➤</li> </ul> <b>Governance Report</b> <ul style="list-style-type: none"> <li>– Governance of climate-related matters <a href="#">page 84</a> ➤</li> </ul>                                                                                                                                                                                                                   |
| <b>Metrics and targets</b>                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.    | SSE uses a combination of targets, metrics and management incentives, including its 2030 Goals and Net Zero Transition Plan, to monitor progress against climate-related objectives.                                                                                                                                                                                                                                                                    | <b>Strategic Report</b> <ul style="list-style-type: none"> <li>– Performance against 2030 Goals <a href="#">page 15</a> ➤</li> <li>– SSE's Net Zero Transition Plan pathway <a href="#">page 42</a> ➤</li> <li>– SSE's Net Zero Transition Plan Progress <a href="#">pages 43 to 44</a> ➤</li> <li>– Reporting on our impacts <a href="#">pages 53 to 55</a> ➤</li> <li>– Carbon pricing <a href="#">page 67</a> ➤</li> </ul> <b>Governance Report</b> <ul style="list-style-type: none"> <li>– Annual report on remuneration <a href="#">pages 120 to 133</a> ➤</li> </ul>                                           |
| b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.                                            | SSE measures and discloses year-on-year carbon performance and progress against its Net Zero Transition Plan, with emissions data informing capital allocation decisions and linking to climate-related remuneration metrics.                                                                                                                                                                                                                           | <b>Strategic Report</b> <ul style="list-style-type: none"> <li>– SSE's Net Zero Transition Plan Progress <a href="#">pages 43 to 44</a> ➤</li> </ul> <b>Disclosure statement</b> <ul style="list-style-type: none"> <li>– Carbon performance disclosures <a href="#">page 73</a> ➤</li> </ul> <b>Governance Report</b> <ul style="list-style-type: none"> <li>– Annual Report on Remuneration <a href="#">pages 120 to 133</a> ➤</li> </ul>                                                                                                                                                                           |
| c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.                          | SSE has long-term net zero ambitions supported by near-term science-based emissions reduction targets. Performance against these targets is monitored and is used to inform strategic planning, capital allocation decisions and the management of climate-related transition risks and opportunities.                                                                                                                                                  | <b>Strategic Report</b> <ul style="list-style-type: none"> <li>– Performance against 2030 Goals <a href="#">page 15</a> ➤</li> <li>– Figure 2: 2025/26 progress against SSE's science-based targets from a 2017/18 base year <a href="#">page 43</a> ➤</li> </ul>                                                                                                                                                                                                                                                                                                                                                     |

### Useful information

- Further information is presented in SSE's Net Zero Transition Plan and SSE's Sustainability Report
- Information on SSE's GHG emissions data and how it is produced is available in SSE's Sustainability Reporting Criteria 2026
- Detailed information can be found in SSE's CDP submission

All of this information can be found at [sse.com/sustainability](https://sse.com/sustainability) ➤.

## Assessing SSE's climate-related risks and opportunities

We have a well-established approach to identifying material climate-related risks and opportunities (CRROs), which is informed by climate scenario analysis. The results of this exercise are provided in the detailed CRRO tables on [pages 69 to 72](#).

### Approach to climate scenario analysis

We identify material CRROs on a biennial basis, or sooner if a material business change occurs. Scenario analysis based on the outcome of that assessment is performed annually.

The most recent biennial review was completed during 2024/25 and confirmed the material CRROs which could have the potential to impact our prospects. No material business changes have been identified in the period to 31 March 2026 that would require an update to that assessment. Our material CRROs continue to be monitored through SSE's established risk identification, assessment and management processes.

Each year, we review and update our climate scenario analysis, incorporating information from external scenario providers and considering relevant economic, policy and political developments affecting our own operations and assets. We assess a range of scenarios with temperature outcomes of 1.5°C, 2.5°C and 4°C over time horizons to 2035, 2050 and 2080.

This annual scenario analysis supports our assessment of the potential financial implications of CRROs, informs the integrated Group Risk Management Framework, and provides strategic insight into how climate-related factors may influence our long-term strategy and investment decisions.

### Time horizons for scenario analysis

We have defined time horizons for assessing CRROs that are aligned to our business planning and strategic objectives. The short-term time horizon is aligned to our financial, operational and capital investment plans. Medium- and long-term time horizons are aligned to the period over which climate-related impacts are more likely to emerge.

Figure 1 sets out the relationship between our climate-related scenario analysis time horizons and the time horizons applied in the Group's Going Concern and Viability statements.

### Assessing financial impacts of CRROs

We assess the potential financial impacts of CRROs relative to an operating profit measure. Scenario analysis uses defined financial quantification pathways, together with internal and external data sources, to assess the potential impact of each material CRRO under a range of scenarios. Additional sensitivity analysis is performed to provide further insight into the potential variability of outcomes and the implications for the Group's business operations and financial performance.

### Carbon pricing

As a generator of electricity, we are exposed to policies that influence the price of carbon and take carbon pricing into consideration in its investment and operational decision-making. In Great Britain two carbon pricing schemes apply: the UK Emissions Trading Scheme (UK ETS), a cap-and-trade mechanism for emissions permits, and (until April 2028) the GB Carbon Price Support (CPS) mechanism, an additional administratively set carbon price top-up. In Ireland, the EU Emissions Trading Scheme (EU ETS) applies. Thermal generators over a threshold size are exposed to carbon costs under all of these schemes.

### Approach to scenario analysis

#### Material CRROs

Identified through an assessment and prioritisation process



#### Impact pathways

Developed for each CRRO, considering the business and financial impacts of possible climate-related events



#### Financial quantification pathways

Developed for each CRRO, with identification of data points and external scenarios



#### Scenario selection

Relevant scenarios selected for each CRRO, considering temperature outcomes, time horizons and other factors



#### Quantification

Using internal data and publicly available data from TCFD recommended providers

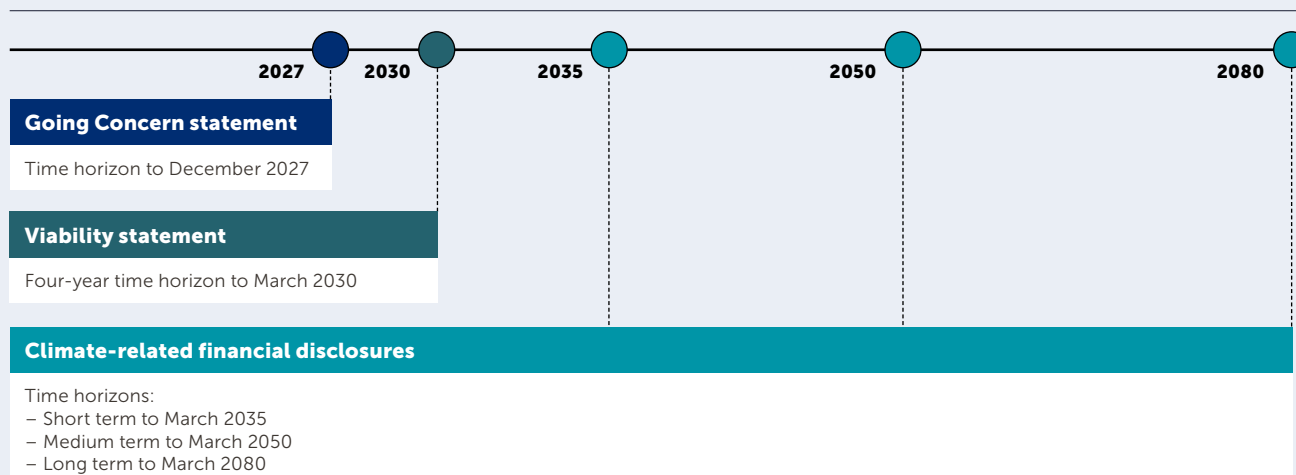


#### Resilience assessment

Quantification output assessed, considering resilience of business model and strategy to the CRROs across the time horizons and warming scenarios



**Figure 1: SSE's Going Concern statement, Viability statement and climate-related financial disclosures time horizons**



## Climate-related financial disclosures continued

As part of our capital investment planning and scenario analysis, we consider a range of carbon price assumptions to assess the potential financial impacts of climate-related transition risks. In Great Britain, carbon prices in the range of £75 to £140 per tonne of CO<sub>2</sub> are considered, while in Ireland a range of €94 to €184 per tonne of CO<sub>2</sub> is considered. These assumptions include low, central and high carbon price pathways and are used to inform the assessment of investment resilience and the potential impact of climate-related policies on our generation portfolio.

SSE monitors policy developments related to carbon pricing and Carbon Border Adjustment Mechanisms (CBAM). While CBAM does not directly apply to SSE's generation activities, it may influence market dynamics, procurement costs and cross-border electricity trade through its interaction with existing carbon pricing regimes. Carbon pricing related risks and opportunities are overseen through SSE's established governance and risk management frameworks, including the Group's Large Capital Projects governance framework.

### Scenario selection and assumptions

Climate scenarios are used to assess the potential impacts of the identified CRROs under different warming pathways. These climate scenarios are not forecasts or predictions of future outcomes. The analysis is subject to inherent uncertainty, particularly over longer time horizons, and is intended to support strategic decision making rather than estimate precise financial impacts. In addition, the climate scenarios we have applied extend beyond normal business planning and forecasting cycles and, in some cases, beyond the expected operating life of a significant proportion of the Group's assets.

We select external scenario datasets based on the characteristics of each material CRRO, including the nature of the transition or physical risk or transition opportunity being assessed, and the geographic scope of the Group's operations. This approach supports the assessment of both transition and physical climate-related risks across a range of temperature outcomes, consistent with our broader risk and opportunities management and strategic planning processes.

For the 2025/26 climate scenario analysis, we have used external scenarios from the following sources:

- International Energy Agency (IEA) *World Energy Outlook 2025*,
- National Energy System Operator (NESO) *Future Energy Scenario (FES) Pathways framework 2025*, and
- Intergovernmental Panel on Climate Change (IPCC) models and Met Office UK Climate projections

The specific scenarios within these datasets, and the warming pathways to which they relate, are set out in Table 1. External scenarios applied are consistent with those used in the prior year, with updated data sourced from the relevant providers.

### Assessment of impacts

This year's scenario analysis indicates that our overall climate-related opportunity outlook remains positive. Several opportunity sensitivity ranges increased year-on-year, reflecting updated external scenario inputs and changes to underlying financial and operational assumptions in line with our strategy and Transformation for Growth investment plan.

Climate-related risks remain broadly consistent with the prior year. Year-on-year movements in disclosure ranges reflect updated external scenario data and refinements to key assumptions.

Our material CRROs continue to be considered within our Net Zero Transition Plan and inform decisions on business model evolution, capital investment and long-term value creation. Detailed scenario outcomes and supporting assumptions are set out in the tables on [pages 69 to 72](#).

**Table 1: External models and scenarios used in SSE's climate scenario analysis 2025/26**

| Warming scenario | Transition scenarios                                                                                                                                                   | Physical scenarios                                                                                         |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>1.5°C</b>     | IEA <i>World Energy Outlook 2025</i> Net Zero Emissions (NZE) by 2050<br><br>NESO FES Pathways framework 2025 – <i>Holistic Transformation and Electric Engagement</i> | IPCC Representative Concentration Pathway – RCP 2.6<br><br>UK Met Office Climate projections (UKCP18) tool |
| <b>2.5°C</b>     | IEA <i>World Energy Outlook 2025</i> Stated Policies (STEPS)<br><br>NESO FES Pathways framework 2025 – <i>Falling Behind</i>                                           |                                                                                                            |
| <b>4°C</b>       |                                                                                                                                                                        | IPCC Representative Concentration Pathway – RCP 8.5<br><br>UK Met Office Climate projections (UKCP18) tool |

## Detailed climate-related risks and opportunities tables

The following tables describe: the key scenario and assumptions applied; the potential financial impact; the geographical and asset impact within our operations; the impact on the business strategy and mitigation; and the related 2030 Goal for each of the material CRROs.

### Transition risk

The potential financial impact of the wind generation price transition risk is stated in GBP billion (£bn), based on one-year annualised earnings before interest and tax (EBIT), and presented as a range to reflect the sensitivities applied to the scenario.

Financial impact change from prior period:



Growth



Stable



Decline

| <h2>Wind generation price</h2> <div></div> <p>As wind generation capacity increases, the average market electricity price for wind power is expected to be lower than the average price for electricity.</p> <h3>Geographical and asset impact</h3> <p>UK, Irish and European wind farm assets with no revenue support contracts (e.g. Contracts for Difference).</p> | <h3>Scenario inputs</h3> <ul style="list-style-type: none"><li>– 2025 IEA NZE and STEPS scenarios for wind generation.</li><li>– SSE’s projected merchant wind output from existing and pipeline wind portfolio.</li><li>– Internal projections of price adjustments arising in a renewables-dominated electricity system.</li></ul> | <h3>Financial impact</h3> <p>Increased wind generation capacity and changing consumer demand may result in power prices being lower for non-contracted wind assets.</p> <p>The outcomes of both scenarios continue to indicate considerable growth in total wind generation and a subsequent impact on the achievable price for wind assets. This is most evident in the 1.5°C 2050 scenario, where total wind generation growth is forecast to be greatest.</p> <table><tr><th>Scenario</th><th>2035 (Ebn)</th><th>2050 (Ebn)</th></tr><tr><td>1.5°C</td><td>up to (0.2)</td><td>(0.7) to (0.9)</td></tr><tr><td>2.5°C</td><td>up to (0.1)</td><td>(0.2) to (0.3)</td></tr></table> | Scenario | 2035 (Ebn) | 2050 (Ebn) | 1.5°C | up to (0.2) | (0.7) to (0.9) | 2.5°C | up to (0.1) | (0.2) to (0.3) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------------|-------|-------------|----------------|-------|-------------|----------------|
| Scenario                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2035 (Ebn)                                                                                                                                                                                                                                                                                                                           | 2050 (Ebn)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |            |            |       |             |                |       |             |                |
| 1.5°C                                                                                                                                                                                                                                                                                                                                                                                                                                                  | up to (0.2)                                                                                                                                                                                                                                                                                                                          | (0.7) to (0.9)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |          |            |            |       |             |                |       |             |                |
| 2.5°C                                                                                                                                                                                                                                                                                                                                                                                                                                                  | up to (0.1)                                                                                                                                                                                                                                                                                                                          | (0.2) to (0.3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |          |            |            |       |             |                |       |             |                |
| <h3>Mitigations</h3> <p>Our balanced portfolio of generation capacity (across wind, hydro, solar, battery and thermal), power hedging strategies, revenue stabilisation agreements and long-term offtake agreements are key to mitigating future low wind prices.</p>                                                                                                                                                                                  | <h3>Related 2030 Goal</h3> <p>Increase renewable energy output fivefold.</p> <div></div>                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |            |            |       |             |                |       |             |                |

### Physical risks

The potential financial impact of all scenarios for physical risks stated in GBP billion (£bn), based on one-year annualised earnings before interest and tax (EBIT), and presented as a range to reflect the sensitivities applied to each scenario.

Financial impact change from prior period:



Growth



Stable



Decline

| <div><div><div>Variable renewable generation</div><div></div></div><div><p>Climate change models predict sustained higher temperatures that cause greater extremes in weather patterns, including variable wind and rainfall patterns. These scenarios could result in reduced renewable electricity generation and a fall in earnings.</p><p><b>Geographical and asset impact</b></p><p>Wind farm portfolios in the UK, Ireland and Europe, and hydro assets in the north of Scotland.</p></div></div> | <div><div><div>Scenario inputs</div><div><ul style="list-style-type: none"><li>– 2025 IEA NZE scenario for wind generation.</li><li>– UK Met Office climate projections (UK CP18) tool aligned to IPCC RCPs 2.6 &amp; 8.5 for average wind speeds.</li><li>– Projected output of SSE's existing and pipeline wind portfolio.</li></ul></div></div></div> | <div><div><div>Financial impact</div><div><p>Predicted lower wind speeds and variable rainfall levels have the potential to reduce renewable electricity generation and related EBIT.</p><p>The outcomes of both scenarios continue to indicate a marginal decline in wind speeds, offset by significant growth in wind generation.</p><table><tr><th>Scenario</th><th>2050 (Ebn)</th><th>2080 (Ebn)</th></tr><tr><td>1.5°C</td><td>up to (0.1)</td><td>(0.2) to (0.3)</td></tr><tr><td>4°C</td><td>up to (0.1)</td><td>(0.2) to (0.3)</td></tr></table></div></div></div> | Scenario | 2050 (Ebn) | 2080 (Ebn) | 1.5°C | up to (0.1) | (0.2) to (0.3) | 4°C | up to (0.1) | (0.2) to (0.3) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------------|-------|-------------|----------------|-----|-------------|----------------|
| Scenario                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2050 (Ebn)                                                                                                                                                                                                                                                                                                                                               | 2080 (Ebn)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          |            |            |       |             |                |     |             |                |
| 1.5°C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | up to (0.1)                                                                                                                                                                                                                                                                                                                                              | (0.2) to (0.3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |          |            |            |       |             |                |     |             |                |
| 4°C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | up to (0.1)                                                                                                                                                                                                                                                                                                                                              | (0.2) to (0.3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |          |            |            |       |             |                |     |             |                |
| <div><div><div>Mitigations</div><div><p>We continue to review climate projections using the Met Office UK Climate Projection (UKCP18) to understand the potential impact on renewable generation assets and infrastructure. The technical and geographical nature of SSE's renewable capacity, alongside meteorological monitoring, crisis management and business continuity plans are some of the ways that we manage and mitigate this risk.</p></div></div></div>                                                                                                                      | <div><div><div>Related 2030 Goal</div><div><p>Increase renewable energy output fivefold.</p><div></div></div></div></div>                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |            |            |       |             |                |     |             |                |

## Climate-related financial disclosures continued

## Extreme weather network damage

More extreme weather events, including disruptive flooding events, heat waves and extreme winds, may cause greater damage to electricity distribution network assets, resulting in faults and outages.

### Geographical and asset impact

SSEN Distribution network assets in the north of Scotland and central southern England.

### Scenario inputs

- 2025 NESO FES Electric Engagement and Falling Behind pathways for consumer demand.
- UK Met Office climate projections (UK CP18) tool aligned to IPCC RCPs 2.6 & 8.5 for average winter wind speeds and mean summer temperature.
- Storm and heat costs to SSE's existing and pipeline network assets.

### Financial impact

This risk has the potential to cause physical damage to network assets, increasing repair and maintenance costs, and to disrupt supply to customers, increasing exposure to regulator penalties and reputational issues, negatively affecting EBIT.

The outcomes of both scenarios continue to indicate a marginal decline in wind speeds and an increase in average temperatures. The financial impact assessed under the 1.5°C 2080 scenario is greater due to faster network asset growth and overall physical exposure of the network. However there could be more frequent and intense extreme weather events in the future.

Storms continue to pose a material risk to SSE, particularly in relation to customers. In the financial year to 31 March 2026, SSE experienced four UK Met Office-named storms that had an impact on customers and network assets.

| Scenario | 2050<br>(Ebn) | 2080<br>(Ebn)  |
|----------|---------------|----------------|
| 1.5°C    | up to (0.1)   | (0.2) to (0.3) |
| 4°C      | up to (0.1)   | up to (0.2)    |

### Mitigations

We have mitigation methods in place, such as monitoring short- and long-term weather patterns, crisis management and business continuity plans and investment programmes to improve infrastructure resilience. SSEN Distribution has set out a resilience strategy, with defined climate adaptation actions, including flood risk mitigation, within its current price control Business Plan and is developing its adaptation plan for the next price control period, RIIO-ED3.

### Related 2030 Goal

Enable low-carbon generation and demand.



▲ In addition to providing practical support for customers in severe weather, SSEN Distribution has a clear resilience strategy in its business plan

## Transition opportunities

The potential financial impact of all scenarios for transition opportunities is stated in GBP billion (Ebn), based on one-year annualised earnings before interest and tax (EBIT), and presented as a range to reflect the sensitivities applied to each scenario.

Financial impact change from prior period:



Growth



Stable



Decline

|                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          |            |            |       |            |            |       |            |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------------|-------|------------|------------|-------|------------|------------|
| <div>Accelerated transmission growth</div> <div>Electrification of the UK economy presents an opportunity to accelerate returns from required investment in SSEN's electricity transmission network.</div> <div>Geographical and asset impact</div> <div>SSEN Transmission network assets in the north of Scotland.</div> | <div>Scenario inputs</div> <div><div>– 2025 NESO FES <i>Holistic Transition and Falling Behind</i> pathways;</div><div>– The projected share of renewable capacity connected to SSEN's network.</div></div> | <div>Financial impact</div> <div>Based on scenarios, the opportunity to invest in an accelerated expansion of SSEN's transmission network presents a potentially significant increase to EBIT.</div> <div>The outcomes continue to indicate a growth opportunity in connected renewable capacity, which is more considerable in the 1.5°C scenarios.</div> <div><table><tr><td>Scenario</td><td>2035 (Ebn)</td><td>2050 (Ebn)</td></tr><tr><td>1.5°C</td><td>1.0 to 1.3</td><td>1.4 to 1.9</td></tr><tr><td>2.5°C</td><td>0.6 to 0.8</td><td>1.0 to 1.3</td></tr></table></div> | Scenario | 2035 (Ebn) | 2050 (Ebn) | 1.5°C | 1.0 to 1.3 | 1.4 to 1.9 | 2.5°C | 0.6 to 0.8 | 1.0 to 1.3 |
| Scenario                                                                                                                                                                                                                                                                                                                  | 2035 (Ebn)                                                                                                                                                                                                  | 2050 (Ebn)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |            |            |       |            |            |       |            |            |
| 1.5°C                                                                                                                                                                                                                                                                                                                     | 1.0 to 1.3                                                                                                                                                                                                  | 1.4 to 1.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |            |            |       |            |            |       |            |            |
| 2.5°C                                                                                                                                                                                                                                                                                                                     | 0.6 to 0.8                                                                                                                                                                                                  | 1.0 to 1.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |            |            |       |            |            |       |            |            |
| <div>Strategy</div> <div>SSEN Transmission owns, operates and develops the high voltage electricity transmission system in the north of Scotland. Its RIIO-T3 plan is centred on the delivery of 11 major projects across the price control period, from 2026 to 2031.</div>                                              |                                                                                                                                                                                                             | <div>Related 2030 Goal</div> <div>Enable low-carbon generation and demand.</div> <div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |          |            |            |       |            |            |       |            |            |

|                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          |            |            |       |            |            |       |            |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------------|-------|------------|------------|-------|------------|------------|
| <div>Accelerated wind investment</div> <div>The transition to clean power presents an opportunity to accelerate investment in installed onshore and offshore wind generation capacity.</div> <div>Geographical and asset impact</div> <div>UK, Irish and European wind farm portfolios.</div> | <div>Scenario inputs</div> <div><div>– 2025 IEA NZE and STEPS scenarios for wind capacity.</div><div>– Electricity capacity projections for SSE's existing and pipeline wind portfolio.</div><div>– Internal projections of price adjustments arising in a renewables-dominated electricity system.</div></div> | <div>Financial impact</div> <div>Based on the scenarios, investment in wind assets at scale could result in significant increases to EBIT under both warming scenarios and timeframes.</div> <div>The outcomes continue to indicate the growth opportunity from SSE's strong pipeline of options focused on offshore and onshore wind.</div> <div><table><tr><td>Scenario</td><td>2035 (Ebn)</td><td>2050 (Ebn)</td></tr><tr><td>1.5°C</td><td>1.1 to 1.5</td><td>2.0 to 2.7</td></tr><tr><td>2.5°C</td><td>0.6 to 0.8</td><td>1.0 to 1.4</td></tr></table></div> | Scenario | 2035 (Ebn) | 2050 (Ebn) | 1.5°C | 1.1 to 1.5 | 2.0 to 2.7 | 2.5°C | 0.6 to 0.8 | 1.0 to 1.4 |
| Scenario                                                                                                                                                                                                                                                                                      | 2035 (Ebn)                                                                                                                                                                                                                                                                                                      | 2050 (Ebn)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |            |            |       |            |            |       |            |            |
| 1.5°C                                                                                                                                                                                                                                                                                         | 1.1 to 1.5                                                                                                                                                                                                                                                                                                      | 2.0 to 2.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |            |            |       |            |            |       |            |            |
| 2.5°C                                                                                                                                                                                                                                                                                         | 0.6 to 0.8                                                                                                                                                                                                                                                                                                      | 1.0 to 1.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |            |            |       |            |            |       |            |            |
| <div>Strategy</div> <div>SSE Renewables has a strong pipeline of development options focussed on offshore and onshore wind. Our Transformation for Growth plan is targeting ~9GW of installed capacity by the end of 2029/30.</div>                                                           |                                                                                                                                                                                                                                                                                                                 | <div>Related 2030 Goal</div> <div>Increase renewable energy output fivefold.</div> <div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |          |            |            |       |            |            |       |            |            |

|                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |          |            |            |       |           |            |       |           |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------------|-------|-----------|------------|-------|-----------|-----------|
| <div>Valuable flexible hydro</div> <div>An increasing reliance on intermittent electricity generation sources presents an opportunity to invest in new low-carbon hydro assets that earn returns from flexible balancing of the electricity system.</div> <div>Geographical and asset impact</div> <div>Hydro assets in the north of Scotland.</div> | <div>Scenario inputs</div> <div><div>– 2025 IEA NZE and STEPS scenarios for hydro generation.</div><div>– SSE's projected output from existing and pipeline hydro portfolio.</div><div>– Internal projections of price adjustments arising in a renewables-dominated electricity system.</div></div> | <div>Financial impact</div> <div>Based on scenarios, the opportunity to provide flexible low-carbon hydro generation that balances intermittent electricity generation from wind assets has the potential to increase EBIT in the longer term.</div> <div>The outcomes indicate a similar level of growth in both temperature scenarios as modelling shows new assets being operational in both the 2035 and 2050 time horizons.</div> <div><table><tr><td>Scenario</td><td>2035 (Ebn)</td><td>2050 (Ebn)</td></tr><tr><td>1.5°C</td><td>up to 0.1</td><td>0.2 to 0.3</td></tr><tr><td>2.5°C</td><td>up to 0.1</td><td>up to 0.2</td></tr></table></div> | Scenario | 2035 (Ebn) | 2050 (Ebn) | 1.5°C | up to 0.1 | 0.2 to 0.3 | 2.5°C | up to 0.1 | up to 0.2 |
| Scenario                                                                                                                                                                                                                                                                                                                                             | 2035 (Ebn)                                                                                                                                                                                                                                                                                           | 2050 (Ebn)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |            |            |       |           |            |       |           |           |
| 1.5°C                                                                                                                                                                                                                                                                                                                                                | up to 0.1                                                                                                                                                                                                                                                                                            | 0.2 to 0.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |            |            |       |           |            |       |           |           |
| 2.5°C                                                                                                                                                                                                                                                                                                                                                | up to 0.1                                                                                                                                                                                                                                                                                            | up to 0.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |            |            |       |           |            |       |           |           |
| <div>Strategy</div> <div>SSE Renewables operates and develops conventional hydro and pumped storage that provides flexible and dispatchable electricity. We continue to develop opportunities to expand our flexible low-carbon hydro generation, which could include new assets such as Coire Glas.</div>                                           |                                                                                                                                                                                                                                                                                                      | <div>Related 2030 Goal</div> <div>Increase renewable energy output fivefold.</div> <div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |            |            |       |           |            |       |           |           |

## Climate-related financial disclosures continued

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |          |            |            |       |            |            |       |           |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------------|-------|------------|------------|-------|-----------|-----------|
| <div>Valuable flexible thermal</div> <div>Intermittent weather patterns present an opportunity to invest in low-carbon thermal assets that will generate returns from providing flexible capacity, security of supply, and price stability to the electricity system.</div> <div>Geographical and asset impact</div> <div>GB carbon capture and storage (CCS) power stations (including investments in joint ventures), and sustainable biofuel power stations in Ireland.</div> | <div>Scenario inputs</div> <div><div>– 2025 IEA NZE and STEPS scenarios for CCUS and Bioenergy generation;</div><div>– SSE’s projected output from pipeline low-carbon thermal generation assets.</div></div> | <div>Financial impact</div> <div>The opportunity to invest in new low-carbon thermal generation assets has the potential to increase EBIT in the longer term.</div> <div>The outcomes continue to indicate more growth in low-carbon thermal generation in the 1.5°C scenarios.</div> <div><table><tr><td>Scenario</td><td>2035 (Ebn)</td><td>2050 (Ebn)</td></tr><tr><td>1.5°C</td><td>0.2 to 0.3</td><td>0.4 to 0.7</td></tr><tr><td>2.5°C</td><td>up to 0.1</td><td>up to 0.1</td></tr></table></div> | Scenario | 2035 (Ebn) | 2050 (Ebn) | 1.5°C | 0.2 to 0.3 | 0.4 to 0.7 | 2.5°C | up to 0.1 | up to 0.1 |
| Scenario                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2035 (Ebn)                                                                                                                                                                                                    | 2050 (Ebn)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |            |            |       |            |            |       |           |           |
| 1.5°C                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0.2 to 0.3                                                                                                                                                                                                    | 0.4 to 0.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |            |            |       |            |            |       |           |           |
| 2.5°C                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | up to 0.1                                                                                                                                                                                                     | up to 0.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |            |            |       |            |            |       |           |           |
| <div>Strategy</div> <div>SSE Thermal is continuing to develop a pipeline of options for new low-carbon thermal assets across a range of technologies from CCS to biofuels and hydrogen.</div>                                                                                                                                                                                                                                                                                    | <div>Related 2030 Goal</div> <div>Cut carbon intensity by 80%.</div> <div></div>                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |          |            |            |       |            |            |       |           |           |

|                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |            |            |       |           |            |       |           |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------------|-------|-----------|------------|-------|-----------|------------|
| <div>Driving distribution transformation</div> <div>UK climate policy presents an opportunity to transform SSEN Distribution’s networks to meet the potential five- to ten-fold increase in consumer demand.</div> <div>Geographical and asset impact</div> <div>SSEN Distribution network assets in the north of Scotland and central southern England.</div>                                   | <div>Scenario inputs</div> <div><div>– 2025 NESO FES <i>Electric Engagement and Falling Behind</i> pathways for electricity consumer demand.</div><div>– SSE’s projected electricity distributed on the existing and pipeline network.</div></div> | <div>Financial impact</div> <div>Increased expansion of SSEN Distribution’s network has the potential to increase EBIT in the longer term.</div> <div>The outcomes continue to indicate considerable growth in consumer demand in the UK as consumers adopt low-carbon technologies and energy efficiency measures. More significant growth is projected in the 1.5°C scenarios.</div> <div><table><tr><td>Scenario</td><td>2035 (Ebn)</td><td>2050 (Ebn)</td></tr><tr><td>1.5°C</td><td>up to 0.2</td><td>0.5 to 0.7</td></tr><tr><td>2.5°C</td><td>up to 0.1</td><td>0.3 to 0.4</td></tr></table></div> | Scenario | 2035 (Ebn) | 2050 (Ebn) | 1.5°C | up to 0.2 | 0.5 to 0.7 | 2.5°C | up to 0.1 | 0.3 to 0.4 |
| Scenario                                                                                                                                                                                                                                                                                                                                                                                         | 2035 (Ebn)                                                                                                                                                                                                                                         | 2050 (Ebn)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |            |            |       |           |            |       |           |            |
| 1.5°C                                                                                                                                                                                                                                                                                                                                                                                            | up to 0.2                                                                                                                                                                                                                                          | 0.5 to 0.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |            |            |       |           |            |       |           |            |
| 2.5°C                                                                                                                                                                                                                                                                                                                                                                                            | up to 0.1                                                                                                                                                                                                                                          | 0.3 to 0.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |            |            |       |           |            |       |           |            |
| <div>Strategy</div> <div>SSEN Distribution serves around 4m homes and businesses across two licence areas in central southern England and the north of Scotland. Its RIIO-ED2 Business Plan 2023 to 2028 sets out the flexibility and network investment required to accelerate net zero. SSEN Distribution is now preparing its next Business Plan for the RIIO-ED3 price control period.</div> | <div>Related 2030 Goal</div> <div>Enable low-carbon generation and demand.</div> <div></div>                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |            |            |       |           |            |       |           |            |



▲ Cable laying in the Ardnamurchan Peninsula is part of the expansion of SSEN Distribution's network that will increase earnings over the long term

## Carbon performance disclosures

The tables on this page represent our disclosures in line with the UK Government Streamlined Energy and Carbon Reporting requirements. SSE takes an operational control consolidation approach to define its organisational boundary for GHG emissions.

SSE's inventory details its direct and indirect GHG emissions performance (scopes 1, 2 and 3). This is shown as total emissions, as well as split out by geographical location. We also provide a carbon intensity measure based on scope 1 GHG emissions released for each unit of electricity we generate.

Our GHG inventory is prepared in accordance with the UK Government's environmental reporting guidelines (BEIS, March 2019); aligned to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition) developed by the World Resources Institute and the World Business Council for Sustainable Development (2004); and ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

For more information on SSE's GHG emissions data and how it is produced, see our Sustainability Reporting Criteria 2026 available at [sse.com/sustainability](https://sse.com/sustainability).

**Table 2: SSE's carbon performance**

|                                                                            |           | Unit                     | 2025/26                   | 2024/25                    |
|----------------------------------------------------------------------------|-----------|--------------------------|---------------------------|----------------------------|
| <b>Total reported GHG emissions</b>                                        |           | <b>MtCO<sub>2</sub>e</b> | <b>8.77<sup>(a)</sup></b> | <b>10.24<sup>(b)</sup></b> |
| Scope 1 GHG emissions                                                      | Total     | MtCO <sub>2</sub> e      | 4.52 <sup>(a)</sup>       | 5.22 <sup>(b)</sup>        |
|                                                                            | UK/Non UK | MtCO <sub>2</sub> e      | (4.02/0.50)               | (4.58/0.64)                |
| Scope 2 GHG emissions <sup>1</sup>                                         | Total     | MtCO <sub>2</sub> e      | 0.41 <sup>(a)</sup>       | 0.48 <sup>(b)</sup>        |
|                                                                            | UK/Non UK | MtCO <sub>2</sub> e      | (0.41/<0.01)              | (0.48/<0.01)               |
| Scope 3 GHG emissions <sup>2</sup><br>(Categories 3, 4, 9, 11 and 15 only) | Total     | MtCO <sub>2</sub> e      | 3.83 <sup>(a)</sup>       | 4.54 <sup>(b)</sup>        |
|                                                                            | UK/Non UK | MtCO <sub>2</sub> e      | (3.00/0.83)               | (3.65/0.89)                |
| Scope 1 GHG emissions intensity                                            | Total     | gCO <sub>2</sub> e/kWh   | 194 <sup>(a)</sup>        | 218 <sup>(b)</sup>         |
| Renewable generation output <sup>3</sup>                                   | Total     | GWh                      | 11,467                    | 10,237                     |
|                                                                            | UK/Non UK | GWh                      | (9,892/1,575)             | (8,897/1,324)              |
| Non-renewable generation output <sup>4</sup>                               | Total     | GWh                      | 11,901                    | 13,740                     |
|                                                                            | UK/Non UK | GWh                      | (10,733/1,168)            | (12,335/1,405)             |
| Generation output                                                          | Total     | GWh                      | 23,367                    | 23,977                     |
|                                                                            | UK/Non UK | GWh                      | (20,624/2,743)            | (21,231/2,729)             |

(a) This data is subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://sse.com/sustainability).

(b) This data was previously reported in the SSE plc Annual Report 2025 where it was subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2025 on [sse.com/sustainability](https://sse.com/sustainability).

1 SSE Scope 2 emissions are calculated using the location-based method described in the Greenhouse Gas Protocol.

2 SSE Scope 3 GHG emissions reported consist of Category 11 – Use of Sold Products (Gas Sold) of 1.73 MtCO<sub>2</sub>e<sup>(a)</sup>; Category 15 – Investments (Joint Venture investments); Category 3 – Fuel- and Energy-Related Activities (excluding upstream emissions associated with gas sold); Category 9 – Downstream Transportation and Distribution; Category 4 – Upstream Transportation and Distribution; and Category 6 – Business Travel. Category 1 – Purchased Goods & Services and Category 2 – Capital Goods are excluded as SSE continues to develop and refine its accounting approach to calculate these figures to an acceptable level of accuracy. The upstream emissions associated with gas products sold is also excluded from Category 3.

3 Total includes pumped storage, battery energy storage systems and biomass output and excludes constrained-off wind.

4 Total excludes output from joint venture power stations where SSE does not have operational control (Seabank Power Limited, Triton Power Limited and Slough Multi-Fuel Limited), and includes 100% of output from joint venture power stations where SSE has full operational control under Power Purchase Agreements (Marchwood Power Limited).

### Our energy consumption

Between 2024/25 and 2025/26, the electricity we purchased for use in our assets (thermal power stations, gas storage facilities and non-operational buildings such as offices, depots and data centres) decreased by 3%. Electricity consumption in our gas storage assets increased by 1% and made up 75% of the total electricity we used from renewable sources. Our total fuel consumption used to power our thermal power stations, fleet, vessels and non-operational buildings reduced by 14% this year, primarily due to a decrease in generation at our operated power stations.

In 2025/26, around 50% of the electricity we purchased for our assets (offices, depots, thermal power stations, gas storage facilities, and data centres) was from renewable sources, consistent with the previous year. Within this, we purchased 100% of the electricity used in our directly managed offices from renewable sources, backed by renewable guarantees.

We submitted our most recent Energy Opportunity Scheme (ESOS) assessment in 2025, which identifies cost-effective, energy-saving measures across our operations, with the phase 4 assessment due next year. We are also a member of the Climate Group's EP100 initiative, which encourages businesses to double the energy productivity associated with office and depot buildings by 2030 from a 2011 base year.

**Table 3: Energy use (in GWh):**

|                                                  |           | 2025/26          | 2024/25          |
|--------------------------------------------------|-----------|------------------|------------------|
| Purchased fuel from non-renewable sources        | UK/Non UK | 21,613.3/2,649.9 | 24,680.3/3,386.1 |
| Purchased electricity from renewable sources     | UK/Non UK | 104.8/0.9        | 103.5/0.9        |
| Purchased electricity from non-renewable sources | UK/Non UK | 105.0/0          | 112.1/0          |



## EU Taxonomy assessment

### We continue to voluntarily work towards aligning our reporting with the EU Taxonomy Regulation to provide stakeholders with an understanding of our green economic activities.

Since 2021/22, SSE has voluntarily assessed its economic activities against the EU Taxonomy criteria for climate change mitigation, in accordance with the principles of the EU Taxonomy. Metrics are assessed by taxonomy-eligible activity and disclosed at the SSE Reported Segment level. The results of this assessment for 2025/26 are summarised in Table 4.

SSE's taxonomy-aligned activities in 2025/26 include SSE's transmission and distribution networks, as well as onshore and offshore wind generation, solar PV, battery storage, and hydro generation (run-of-river and pumped storage) activities. These are economic activities covered by the EU Taxonomy that meet the EU Taxonomy's technical screening criteria, do no significant harm to other environmental objectives, and meet minimum social safeguards.

Taxonomy-eligible, non-aligned, activities are economic activities that are covered by the EU Taxonomy, but do not meet one or more of the EU Taxonomy's technical screening criteria, do no significant harm requirements, or minimum social safeguards requirements. For SSE, these activities are associated with SSE Thermal's generation business. As these activities continue along their decarbonisation pathways, it is expected that emerging activities, such as low-carbon flexible generation, may qualify as taxonomy-aligned in future reporting periods.

The remainder of SSE's economic activities are considered taxonomy non-eligible, as they are not identified in the EU Taxonomy Regulation as contributing to climate change mitigation. These activities comprise of SSE's Energy Customer Solutions, Energy Markets and Corporate businesses.

#### Assumptions

SSE's policies governing these disclosures have been developed in accordance with the principles of the EU Taxonomy Regulation.

#### Linkage principle

SSE has applied a 'linkage principle' while calculating taxonomy metrics. This stipulates that any capital expenditure, revenue, or operating profit/loss that can be justifiably linked to an identified taxonomy economic activity can be classified as taxonomy-eligible or taxonomy-aligned. Applying this principle, revenue and operating profits from SSE's balancing activities, hedging and trading can be included in the calculation when they directly support taxonomy-eligible or taxonomy-aligned activities, reflecting the integrated nature of SSE's operating and commercial arrangements.

#### Proxies

Where financial metrics are not disaggregated by taxonomy-eligible activity, proxies have been applied to allocate amounts on a reasonable and consistent basis. This primarily relates to Energy Markets trading and power sales activities. In these cases, revenue has been allocated based on the proportion of purchased power volumes sourced from renewable versus non-renewable assets. Operating profit or loss has been apportioned using internal contractual trading arrangements that reflect the underlying economic substance of the activities.

#### Materiality

SSE has adopted a top-down approach to assess the alignment between its existing segmental reporting and the EU Taxonomy criteria. In line with the simplifications introduced by Delegated Regulation (EU) 2026/73, SSE has applied a materiality threshold when screening emerging activities. This approach enables SSE to focus its taxonomy assessment on activities that are strategically significant and material to the Group.

**Table 4: Assessment of SSE's economic activities against the EU Taxonomy**

| Economic activities                                                                                               | SSE's reported segments <sup>(i)</sup> | Adjusted investment and capital expenditure <sup>(ii)</sup> |      | Revenue <sup>(iii)</sup> |      | Adjusted operating profit/(loss) <sup>(iv)</sup> |       |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------|------|--------------------------|------|--------------------------------------------------|-------|
|                                                                                                                   |                                        | £m                                                          | %    | £m                       | %    | £m                                               | %     |
| A. Taxonomy-eligible activities (v)                                                                               |                                        |                                                             |      |                          |      |                                                  |       |
| A.1 Environmentally sustainable activities (Taxonomy-aligned)                                                     |                                        |                                                             |      |                          |      |                                                  |       |
| 4.9 Transmission and distribution of electricity                                                                  | SSEN Transmission                      | 1,717.6                                                     | 47.8 | 1,210.3                  | 11.9 | 562.6                                            | 25.2  |
| 4.9 Transmission and distribution of electricity                                                                  | SSEN Distribution                      | 851.8                                                       | 23.8 | 1,116.5                  | 11.0 | 335.3                                            | 15.0  |
| 4.1 Electricity generation using solar photovoltaic technology                                                    | SSE Renewables                         | 739.0                                                       | 20.6 | 412.0                    | 4.0  | 1,076.4                                          | 48.1  |
| 4.3 Electricity generation from wind power                                                                        |                                        |                                                             |      |                          |      |                                                  |       |
| 4.5 Electricity generation from hydropower                                                                        | Energy Markets                         | 2.6                                                         | 0.1  | 979.3                    | 9.6  | 61.6                                             | 2.8   |
| 4.10 Storage of electricity                                                                                       |                                        |                                                             |      |                          |      |                                                  |       |
| Total of environmentally sustainable activities (Taxonomy-aligned) (A.1)                                          |                                        | 3,311.0                                                     | 92.3 | 3,718.1                  | 36.5 | 2,035.9                                          | 91.1  |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)            |                                        |                                                             |      |                          |      |                                                  |       |
| 4.29 Electricity generation from fossil gaseous fuels                                                             | SSE Thermal                            | 197.5                                                       | 5.5  | 669.8                    | 6.6  | 195.4                                            | 8.7   |
|                                                                                                                   | SSE Energy Markets                     | 2.6                                                         | 0.1  | 955.8                    | 9.4  | (13.0)                                           | (0.6) |
| Total of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) |                                        | 200.1                                                       | 5.6  | 1,625.6                  | 16.0 | 182.4                                            | 8.1   |
| Total A.1+A.2                                                                                                     |                                        | 3,511.1                                                     | 97.9 | 5,343.7                  | 52.5 | 2,218.3                                          | 99.2  |
| B. Taxonomy non-eligible activities                                                                               |                                        |                                                             |      |                          |      |                                                  |       |
| Non-eligible activities (B)                                                                                       |                                        | 74.5                                                        | 2.1  | 4,842.8                  | 47.5 | 18.3                                             | 0.8   |
| Total continuing operations (A+B)                                                                                 |                                        | 3,585.6                                                     | 100  | 10,186.5                 | 100  | 2,236.6                                          | 100   |

Notes:

- (i) Alignment is based on segmental reporting in SSE's financial year end statements. (see note 1.2 Basis of preparation for segmental changes in the year to 31 March 2026).
- (ii) Adjusted investment and capital expenditure: calculated as adjusted capital expenditure related to assets or processes associated with taxonomy-eligible economic activities that is accounted for based on IAS 16, IAS 38 and IFRS 16 and thereby included within adjusted capital expenditure (see note 5.1.(iii)).
- (iii) Revenue: derived from the disaggregation of revenue from contracts by customers, in line with the requirements of IFRS 15 'Revenue from Contracts with Customers' (see note 5.1.(i)).
- (iv) Adjusted operating profit/(loss): calculated as adjusted operating profit/loss related to the businesses aligned with the taxonomy categories (see note 5.1.(ii)).
- (v) Taxonomy eligibility and alignment assessments have not been subject to independent external assurance.

## Non-financial and sustainability information statement

### SSE reports extensively on its non-financial impacts within its Annual Report and welcomes continued and increasing focus from regulators, shareholders and other stakeholders.

This table outlines how SSE meets the Non-financial Information and Sustainability reporting requirements contained within the Companies Act 2006. For more information on SSE's business model in Section 414CB (2)(a) see [page 7](#). Further disclosure can also be found in SSE's Sustainability Report 2026.

| Reporting requirement and SSE's material areas of impact                                                                                                                                                                                                                                                                                                           | Relevant Group Principal Risks, pages 60 to 63                          | Relevant Group Policies on <a href="#">sse.com</a>                                                                 | Policy embedding, due diligence, outcomes and key performance indicators                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Climate matters</b> <ul style="list-style-type: none"> <li>– Delivering net zero</li> <li>– Managing climate-related issues</li> <li>– Carbon performance, metrics and targets</li> <li>– Climate-related financial disclosures</li> </ul>                                                                                                                      | Climate Change                                                          | Group Climate Change Policy                                                                                        | Performance against 2030 Goals, <a href="#">page 15</a><br>Our strategy, <a href="#">page 6</a><br>Driving the climate transition, <a href="#">pages 42 to 44</a><br>Climate-related financial disclosures, <a href="#">pages 65 to 73</a>                                       |
| <b>Environmental matters</b> <ul style="list-style-type: none"> <li>– Responsible resource use</li> <li>– Managing impacts on the natural environment and biodiversity</li> </ul>                                                                                                                                                                                  | Safety and the Environment                                              | Group Environment Policy                                                                                           | Protecting our natural environment, <a href="#">pages 54 to 55</a><br>Delivering sustainable infrastructure <a href="#">pages 47 to 48</a><br>Safety, Sustainability, Health and Environment Advisory Committee Report, <a href="#">pages 112 to 115</a>                         |
| <b>Employees</b> <ul style="list-style-type: none"> <li>– Protecting health, safety and wellbeing</li> <li>– Investing in training and learning</li> <li>– Culture and ethics</li> <li>– Fair remuneration</li> <li>– Employee voice</li> <li>– Promoting inclusion and diversity</li> </ul>                                                                       | People and Culture<br>Safety and the Environment                        | Group Employment Policy<br>Group Safety and Health Policy                                                          | Performance against 2030 Goals, <a href="#">page 15</a><br>Championing a fair transition, <a href="#">pages 49 to 53</a><br>Safety, Sustainability, Health and Environment Advisory Committee Report, <a href="#">pages 112 to 115</a>                                           |
| <b>Social matters</b> <ul style="list-style-type: none"> <li>– Ensuring a just transition</li> <li>– Contributing to jobs and GDP</li> <li>– Sustainable procurement and supporting local supply chains</li> <li>– Paying a fair share of tax</li> <li>– Supporting customers with energy affordability</li> <li>– Sharing value with local communities</li> </ul> | Energy Affordability<br>People and Culture                              | Group Procurement Policy<br>Group Sustainability Policy<br>Group Taxation Policy                                   | Performance against 2030 Goals, <a href="#">page 15</a><br>Championing a fair transition, <a href="#">pages 49 to 53</a><br>Delivering sustainable infrastructure <a href="#">pages 47 to 48</a><br>Providing clean, secure and affordable energy <a href="#">pages 45 to 46</a> |
| <b>Human rights, anti-corruption and anti-bribery</b> <ul style="list-style-type: none"> <li>– Reinforcing an ethical business culture</li> <li>– Prevention of bribery and corruption</li> <li>– Approach to human rights</li> </ul>                                                                                                                              | Large Capital Projects Management<br>People and Culture<br>Supply Chain | Group Corruption and Financial Crime Prevention Policy<br>Group Human Rights Policy<br>Group Whistleblowing Policy | Championing a fair transition, <a href="#">pages 49 to 53</a>                                                                                                                                                                                                                    |



## Viability statement

SSE creates value for shareholders and society in a sustainable way by developing, building, operating and investing in the electricity infrastructure and businesses needed in the energy transition. The delivery of SSE's purpose and execution of its strategy depends on the skills and talent of a diverse workforce, the quality of its assets and the effective identification, understanding and mitigation of risk.

As required within provision 31 of the UK Corporate Governance Code, the Board has formally assessed the prospects of the Company over the next four financial years to the period ending March 2030. The Directors have determined that as this time horizon aligns with the financial planning period, a greater degree of confidence over the forecasting assumptions modelled can be established.

In making this statement the Directors have considered the resilience of the Group taking into account its current position, the Principal Risks facing the Group and the control measures in place to mitigate each of them. The Directors recognise the significance of the strong balance sheet with committed lending facilities as shown in the table below.

The Group is an owner and operator of critical national infrastructure and has a proven ability to maintain access to capital markets during stressed economic conditions. The Group continued to demonstrate this through the increase of £3.5bn of committed facilities and the issuance of £2.5bn of new long-term debt and Hybrid capital in the year to March 2026 taking the total the Group has issued in the Debt Capital markets to £6.4bn over the past 5 financial years. Further detail relating to planned funding is available in [A6.3](#) Accompanying Information to the Financial Statements in the Annual Report and Accounts.

The Group has a number of highly attractive and relatively liquid assets – including a regulated asset base which benefits from a strong regulated revenue stream as well as the operational wind portfolio – which provide flexibility of options. This has been demonstrated through the success of disposals in recent years, including the sale of a 25% stake in the Transmission business in FY22/23.

To help support this Statement, over the course of the year a suite of severe but plausible scenarios has been developed for each of SSE's Principal Risks. These scenarios are based on relevant real life events that have been observed either in the markets within which the Group operates or related markets globally. Examples include failure of critical IT assets (for Cyber Security and Resilience); failure of third party services (for Supply Chain) and the physical impacts of climate change on networks assets through more frequent and increasingly severe storm events (for Climate Change). Scenarios are stress tested against forecast available financial headroom and in addition to considering these in isolation, the Directors also consider the cumulative impact of different combinations of scenarios, including those that individually have the highest impact.

Upon the basis of the analysis undertaken, and on the assumption that the fundamental regulatory and statutory framework of the markets in which the Group operates does not substantively change, and the Group continues to be able to refund its debt at maturity, the Directors have a reasonable expectation that the Group will be able to continue to meet its liabilities as they fall due in the period to March 2030.

### Going Concern

The Group's Going Concern assessment covers the period to 31 December 2027, including a review of the three month period beyond this date which identified no significant events or circumstances that could affect this conclusion.

The assessment includes stress testing sensitivities to the Group's cash flow and funding projections including removal of proceeds from unconfirmed future divestments, negative and positive sensitivities on operating cash flows and uncommitted capex and other adjustments.

The Group has also considered its obligations under its debt covenants, with no breaches in the year and none expected over the assessment period. This assessment confirmed that the Group has sufficient cash, committed bank facilities and funding headroom to enable it to meet its obligations as they fall due during the period assessed.

The Directors consider that the Group has adequate resources to continue in operational existence for the period to 31 December 2027, and the financial statements are therefore prepared on a Going Concern basis. See [note 1.2](#) to the Consolidated Financial Statements on [page 156](#) .

|                                                          | Ebn  | Matures       | Comment                                                                                                                 |
|----------------------------------------------------------|------|---------------|-------------------------------------------------------------------------------------------------------------------------|
| SSE plc revolving credit facility                        | 1.50 | October 2030  | 1-year extension options available (in favour of the Group)                                                             |
| SSE plc                                                  | 1.50 | June 2026     | Commitment letter which allows SSE to enter a £1.5bn committed facility between 31st March 2026 and 30th September 2026 |
| SSEN Transmission revolving credit facility <sup>1</sup> | 1.50 | October 2030  | 1-year extension options available (in favour of the Group)                                                             |
| SSEN Transmission bank facility                          | 1.0  | December 2028 | a £1.0bn committed 12-year bank facility with an £800m guarantee from the UK National Wealth Fund                       |
| SSEN Transmission ECA facility                           | 0.5  | January 2030  | a £0.5bn committed ECA facility supported by EKN (Swedish ECA)                                                          |
| SSEN Transmission ECA facility                           | 0.5  | March 2030    | a £0.5bn committed ECA facility supported by SACE (Italian ECA)                                                         |
|                                                          | 6.50 |               |                                                                                                                         |

<sup>1</sup> The Transmission facilities are available to that Business Unit only.



# Governance

|                                                                          |     |                                                                                                       |     |
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## People Powering SSE

Mike Dotts, Website and Social Media Manager  
SSE Transmission, Perth, Scotland

"I'm passionate about telling stories and bringing what we do to life, but equally about helping our teams communicate more effectively and consistently using our digital channels. With such an important mission to build the grid of the future, clear communication and strong community understanding are essential."



## Chair's introduction

# Governing long-term growth

As a Board we remain committed to setting the right conditions for SSE's long-term success, through a transparent approach to corporate governance and clear dialogue with stakeholders.



The Board's work across this year has placed sharp focus on strategic execution and priorities for future growth in what continues to be a highly dynamic operating environment. This has been underpinned by the case for, and SSE's role in, the transition to an energy system that is clean, resilient and affordable.

### Delivering the right outcomes

Our previously agreed strategic priorities were anchored within the Net Zero Acceleration Programme Plus – a five-year c.£17.5bn spending commitment to 2027 which pre-dated our current capex plan. At each Board meeting, we receive updates on flagship projects and review key capital investment metrics, with a broad programme of analysis supporting assessment of SSE's strategic situation.

The opportunities available to SSE are closely linked to external policy and regulatory frameworks, and across 2025/26, we saw an unlocking of the catalysts needed to deliver unprecedented growth within regulated electricity networks. The enablers to this growth were subject to robust Board review and included, amongst other matters, appraisal of supply chain capacity and the level of funding required to execute at scale. Our assessments were strengthened by expert inputs, and market testing where permitted, and these shaped the final form of our investment plan announced in November 2025.

Thanks to strong shareholder response to the accompanying £2bn equity placing, the £33bn investment plan is fully funded across its delivery period to 2030. And against a backdrop of heightened concerns over energy affordability and geopolitical market volatility, we believe the priorities within the plan directly support the outcomes of energy independence and a clear path to wider societal benefits that will come with electrification of the economy.

### Ensuring long-term value

The Board has received deep dives into the growth trajectory and individual projects behind the upweighted investment in regulated electricity networks, and reviewed regular reporting to ensure visibility over delivery and emerging challenges. We have also offered constructive engagement on our major offshore wind projects, continuing to monitor progress and milestones at Dogger Bank and Berwick Bank. At the same time, SSE continues to advocate for policy frameworks that support low-carbon thermal, and we remain committed to the efficient operation of existing plant that plays a role in security of supply. SSE's 2030 Goals, which have been in place since 2019, continue to set out our ambitions to support a clean energy transition and provide focus as we assess the headwinds to achieving them.

SSE is not immune to the impact of external crises, and the Board applies this view in its approach to appraising and managing risk. In line with standing practice, we have spent time assessing SSE's Principal Risks and Risk Appetite, drawing on all available inputs, and have received updates from the Energy Markets Risk Committee on its review of portfolio exposures. To ensure we are equipped to understand the threat landscape and opportunities posed by global digital transformation, detailed updates covered our cyber security position and priorities, complemented by an externally facilitated session on AI providing independent insight on disruptive trends and adoption.

### Working with those around us

SSE's position in the external environment is embodied by an established social contract with our key stakeholders, which is reflected in the structured Group-wide approach to stakeholder engagement. Feedback to the Board from senior teams directly informs boardroom discussions, work on strategy

and the priorities we set in advocating for fair energy policy. Our direct engagement with governments and regulators during the year has allowed constructive dialogue on market design, energy affordability and the delivery of the UK Government's Clean Power 2030 Plan.

Building energy infrastructure has tangible impacts at a local level. The Board is updated on business-led engagement covering work with communities and sustainability priorities to deliver lasting economic and wider social impact. SSE seeks to provide a transparent account of its approach, with comprehensive disclosures across the Board-approved Net Zero Transition Plan and Human Rights Report and Modern Slavery Statement. Our Safety Sustainability, Health and Environment Advisory Committee (SSHEAC) oversees performance in selected ESG-benchmarks, and the Audit Committee has reviewed enhancements to internal assurance arrangements and work to address revised internal control disclosures which apply to SSE from 1 April 2026.

An annual engagement plan, aligned to the financial calendar, supports continued awareness of shareholder views. I welcomed broad-ranging discussions on areas of investor interest through in-person and virtual meetings, including the annual Chair Roadshow and our standalone ESG event. Feedback provided to the Executive Directors following the strategic update in November was shared with the full Board, and will inform reporting on progress and the existing approach to disciplined investment and shareholder returns.

### Engaging with people and culture

Understanding how colleagues experience life at SSE is an enduring Board priority. We build insight through a rich programme of engagement, which includes site visits, analysis of employee survey results and

## “SSE’s purpose remains a cornerstone of our culture, providing long-term direction and sustained focus on positive outcomes for stakeholders and society.”

a twice-yearly review of our culture dashboard. This work is strengthened by Lady Elish Angiolini, who champions the employee voice through her dedicated engagement role. Reinforcing our commitment to the safety of our people, the SSHEAC continued its operational site visits which provide direct assurance on working practices and SSE’s safety culture.

Together with my fellow Board members, we visited 20 locations during the year and held open conversations with a diverse cross-section of employees and contractors. These visits showed us the pride and commitment across roles, whilst also highlighting the uncertainty associated with work undertaken in the year on organisational efficiency. Recognising this feedback, a central consideration in our discussions with management was the support being provided to colleagues through this period of change.

SSE’s purpose remains a cornerstone of our culture, providing long-term direction and sustained focus on positive outcomes for stakeholders and society. As the challenges associated with a successful energy transition have become more clear, it was agreed that an updated definition – one that better reflects the scale and urgency of action required – was an appropriate next step for SSE. Remaining rooted in SSE’s societal role, the refreshed purpose, “to be restless every day until we make electricity clean, affordable and available for all”,

provides a platform for the performance and behaviours needed to deliver the next chapter of growth, and supports a continued commitment to doing the right thing.

### Maintaining strong leadership

Through the Nomination Committee, we continue to champion tangible actions on diversity and a proactive approach to succession.

As announced last year, we welcomed Martin Pibworth to the role of Chief Executive following the AGM in July 2025. His depth of sector knowledge, commercial acumen, and long-standing career at SSE has supported a smooth transition in executive leadership, and it has led to a step-up in our strategic ambitions which I’m delighted with. On behalf of the Board, I reiterate deep thanks to Martin’s predecessor, Alistair Phillips-Davies, for his 28 years of devoted service to SSE and the exemplary platform for growth which he left us with.

Across non-Executive membership Helen Mahy stepped down after nine years of tenure on 17 July 2025, and as planned from that date, Hixonia Nyasulu became Senior Independent Director and Dame Angela Strank SSHEAC Chair. Both Hixonia and Dame Angela assume these roles with highly relevant leadership experience. We thank Helen for her commitment and the experience she provided to the Board throughout her tenure.

Our performance as a Board is assessed annually within a structured review cycle. Following the external process in 2024/25, this year was modelled on an internal performance review and facilitated by last year’s lead evaluator. In the interests of continuous improvement, the findings have informed focus areas for the next 12 months, while reaffirming we continue to discharge our remit effectively.

The report which follows is intended to provide a clear account of the Board’s work over the year. We welcome feedback and encourage engagement on our approach to corporate governance.

**Sir John Manzoni**  
Chair, SSE plc

27 May 2026

### Driving transparent governance

The report across [pages 77 to 142](#) explains our approach to corporate governance within SSE, and we report for the first time against the UK Corporate Governance Code 2024. The Compliance Statement on [pages 136 to 138](#) confirms how we have applied the Code’s Principles and details adherence to the Code’s Provisions. Disclosures outside of the Compliance Statement describe the key outcomes of Board and Board Committee activity. These are structured around the thematic areas of Board work in the year and, where appropriate, detail the material stakeholder factors informing decisions.

### Annual General Meeting (AGM) 2026

The AGM will take place on 16 July 2026 at the Perth Concert Hall. Shareholders are encouraged to participate in the event, and the Notice of AGM sets out the options for voting and joining on the day.



Sir John Manzoni learns about our progress to modernise the grid in Scotland

## Board of Directors



**Sir John Manzonei**

Chair



**Martin Pibworth**

Chief Executive



**Barry O'Regan**

Chief Financial Officer



**Hixonia Nyasulu**

Senior Independent Director

### Committee membership



### Date of appointment

- Chair since April 2021; non-Executive Director since September 2020

### Current external appointments

- Chair, Diageo plc
- Non-Executive Director, KBR Inc.

### Prior experience

- Over 24 years at BP including Chief Executive, Refining & Marketing and Chief Executive, Gas & Power
- President and CEO, Talisman Energy Inc.
- Chief Executive of the UK Civil Service and Permanent Secretary of the Cabinet Office

### Key skills relevant to SSE

- A dynamic and engaging leader with diverse perspectives from multiple sectors, organisational settings and geographies.
- An extensive business career spanning global commodity markets and large energy infrastructure, providing insight into complex operating environments and project delivery.
- Knowledge of energy regulation, politics and public policy informed by energy sector and senior UK Government roles.
- Experience of stakeholder management with a collaborative and transparent approach to engagement.
- An advocate for succession and leadership development, emphasising people capability, diversity, culture, and long-term organisational success.

### Committee membership

### Date of appointment

- Chief Executive since July 2025; Executive Director since September 2017

### Current external appointments

- Chair, CBI Scottish Council

### Prior experience

- Chief Commercial Officer at SSE, appointed in November 2020
- Group Energy and Commercial Director at SSE, appointed in 2017
- Group Executive Committee member at SSE, appointed in 2014
- Managing Director, Energy Portfolio Management at SSE, appointed in 2012
- Senior commercial leadership roles within SSE since joining in 1998

### Key skills relevant to SSE

- Proven focus on strategic execution and commercial growth through value enhancing opportunities across SSE's businesses.
- Expert knowledge of complex energy markets and SSE's asset base, enabling governance and risk management.
- Successfully led end-to-end delivery of large infrastructure projects, including through Joint Ventures.
- Experience of leading constructive stakeholder engagement to understand key priorities, including the role of sustainability initiatives to create long-term value.
- Leadership skills to manage change and drive company culture to support delivery of SSE's purpose and strategy.
- Leads SSE's Group Executive Committee, SSE's Business Units and the Group functions of: Corporate Affairs, Regulation and Strategy; Sustainability; HR; and Procurement.

### Committee membership



### Date of appointment

- Chief Financial Officer since December 2023

### Current external appointments

- None

### Prior experience

- Finance Director, SSE Renewables, appointed in April 2019
- Director of Treasury and Corporate Finance at SSE, appointed in January 2013

### Key skills relevant to SSE

- Skilled in developing and implementing financial strategy including the approach to funding and assessing the optimal capital structure for SSE, which enabled him to oversee SSE's equity placing in November 2025.
- Long-standing energy sector knowledge, enabling a disciplined approach to capital allocation and project investment.
- Active understanding of shareholder views, capital markets, and the approach to investor relations.
- Experience of internal controls, risk management and the role of assurance and audit in supporting SSE's regulatory requirements.
- Expertise in treasury operations, liquidity management and debt issuance.
- Leads SSE's Finance, and Tax and Treasury teams, and the Group functions of: Risk and Audit; IT and Cyber Security; General Counsel and Company Secretariat; and Investor Relations.

### Committee membership



### Date of appointment

- Senior Independent Director since July 2025; non-Executive Director since January 2025

### Current external appointments

- Vice Chair and Non-Executive Director, Olam Agri Holdings

### Prior experience

- Non-Executive Director, Anglo American plc
- Chair, Sasol Ltd
- Senior Independent Director, Vivo Energy plc
- Senior leadership roles at Unilever South Africa

### Key skills relevant to SSE

- A strong sense of corporate governance and leadership, drawn from board-level experience across multiple continents within the energy, chemicals, industrial and consumer sectors.
- Experience of risk management, including the importance of environmental, social and governance (ESG) considerations to drive sustainable growth and ethical business practices.
- Insight into the role of stakeholder perspectives within the work of the Board.
- Supports fostering diverse and inclusive leadership teams to enhance organisational culture.

### Key for Board Committees

**A** Audit Committee

**R** Remuneration Committee

**E** Energy Markets Risk Committee (EMRC)

**S** Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC)

**N** Nomination Committee

Committee Chair



**Lady Elish Angiolini  
LT DBE KC**

Independent Non-Executive  
Director for Employee  
Engagement

#### Committee membership



#### Date of appointment

- Non-Executive Director since September 2021

#### Current external appointments

- Chair, Angiolini Inquiry
- Chair, Board of Trustees, Reprieve

#### Prior experience

- Lord Advocate of Scotland
- Solicitor General for Scotland

#### Key skills relevant to SSE

- Possesses a governance background from the public sector, which has involved legal leadership positions and oversight of independent public inquiries, bringing broad legal perspectives to the Board.
- Experience of working with government and within regulatory and socio-political environments.
- Strong ambassadorial skills from international work in judicial, governmental, diplomatic and academic fields, enhancing SSE's stakeholder relationships.
- An advocate for the employee voice and organisational culture, which strengthens Board awareness of employee sentiment and views.



**John Bason**

Independent non-Executive  
Director

#### Committee membership



#### Date of appointment

- Non-Executive Director since June 2022

#### Current external appointments

- Chair, Bloomsbury Publishing plc
- Chair, Primark Strategic Advisory Board
- Chair, UK Deposit Management Organisation

#### Prior experience

- Finance Director, Associated British Foods plc

#### Key skills relevant to SSE

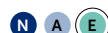
- Recent and relevant financial experience, with a proven track record of developing financial and commercial strategy including M&A, corporate transactions and large capital projects.
- Understanding of operational, financial and regulatory considerations across different jurisdictions, through global business leadership experience.
- Sound judgement surrounding sustainability strategy, with practical knowledge of ESG reporting and investor expectations.
- Experience of listed-Board responsibilities applying strong governance, financial stewardship and risk awareness.



**Tony Cocker**

Independent non-Executive  
Director

#### Committee membership



#### Date of appointment

- Non-Executive Director since May 2018

#### Current external appointments

- Chair, Infinis Energy Management
- Chair, Future Biogas Holdco
- Chair, Energy Systems Catapult

#### Prior experience

- CEO and Chair, E.ON UK
- Senior leadership roles across corporate strategy, global energy trading and operational oversight from over 20 years at E.ON SE and Powergen

#### Key skills relevant to SSE

- Extensive CEO and management experience across renewables, thermal generation, commodity portfolio management, and energy trading.
- Technical and operational acumen spanning the energy system.
- Understanding of commodity risk management and the approach to trading governance and controls.
- Strong UK and European energy industry experience with expertise in utilities regulation, trends relevant to SSE's operations, and innovation and industrial strategy.



**Dame Debbie Crosbie DBE**

Independent non-Executive  
Director

#### Committee membership



#### Date of appointment

- Non-Executive Director since September 2021

#### Current external appointments

- Group CEO, Nationwide Building Society
- Fellow, Chartered Institute of Bankers

#### Prior experience

- CEO, TSB Bank plc
- Chief Operating Officer and Executive Director, Clydesdale Bank
- Member, FCA Practitioner Panel

#### Key skills relevant to SSE

- Experience of operating within highly regulated environments, with capabilities across risk management, internal controls, digital and cyber security contributing to Board oversight of these areas.
- Understanding of optimising capital allocation and the approach to investment appraisal.
- A leader with awareness of organisational responsibilities to employees and society.
- Skilled in leading transformation, with a focus on improving efficiency, strengthening delivery and enabling effective operations.

#### Key for Board Committees

**A** Audit Committee

**R** Remuneration Committee

**E** Energy Markets Risk Committee (EMRC)

**S** Safety, Sustainability, Health and Environment  
Advisory Committee (SSHEAC)

**N** Nomination Committee

**○** Committee Chair

## Board of Directors continued

**Melanie Smith CBE**

Independent non-Executive Director

**Committee membership****Date of appointment**

- Non-Executive Director since January 2019

**Current external appointments**

- CEO, ATG Entertainment
- Deputy Chair, Sadler's Wells
- Chair, Mokaraka Trust

**Prior experience**

- CEO, NEC Group
- CEO, Ocado Retail
- Strategy Director, Marks & Spencer plc
- Global Strategy and Marketing Director, Bupa
- Chief Operating Officer, TalkTalk Telecom Group plc

**Key skills relevant to SSE**

- Strong track record in digital and commercial transformation leadership spanning retail, consumer services, logistics and technology, shaped by experiences in a variety of senior roles.
- Expertise in strategic planning and execution, having overseen significant portfolio investment decisions to help position businesses for sustainable growth.
- Customer insight informed by experience across diverse consumer sectors including energy, retail and insurance.
- A people-centric leadership style, with wide-ranging global experience and a strong appreciation of company culture.

**Dame Angela Strank DBE**

Independent non-Executive Director

**Committee membership****Date of appointment**

- Non-Executive Director since May 2020

**Current external appointments**

- Non-Executive Director, Rolls-Royce plc
- Non-Executive Director and Chair of Sustainable Development Committee, Mondi plc

**Prior experience**

- 38-year career at BP; member of Executive Management team, Group Chief Scientist and Head of Downstream Technology
- Senior leadership roles across R&D, engineering, digital and renewables at BP

**Key skills relevant to SSE**

- Chartered Engineer and expert in technology, science and engineering within the broader energy and manufacturing industries.
- Led and collaborated on large-scale and complex projects, internationally and in culturally diverse environments.
- Strong corporate social responsibility experience through involvement in climate science research and sustainability initiatives, spanning safety, the energy transition, inclusion and diversity, ethics and supply chain responsibility.
- Recognised contributor to advisory bodies, helping to shape scientific and technological advancement through fellowships of the Royal Society, the Royal Academy of Engineering, and the UK Energy Institute as well as being a long-standing advocate for women in STEM.

**Maarten Wetselaar**

Independent non-Executive Director

**Committee membership****Date of appointment**

- Non-Executive Director since September 2023

**Current external appointments**

- CEO, Moeve (formerly CEP SA)
- Senior advisor, AtlasInvest

**Prior experience**

- 29-year international energy career
- Senior leadership roles across 26 years at Shell, including: Director of Integrated Gas, Renewables and Energy solutions; Executive Vice President for Integrated Gas; and Executive Vice President Finance, Upstream International

**Key skills relevant to SSE**

- Global energy industry expertise, with senior leadership experience across four continents, operating in multi-country environments and markets.
- Strong grounding in renewables, low-carbon fuels, and green hydrogen value chains, and strategic experience in energy transition business models.
- Knowledge of commodity markets, particularly related to liquefied natural gas, having held senior commercial and financial roles across trading and integrated gas.
- Listed company experience including capital markets and investor relations, as well as leadership of major capital investment programmes with long-term strategic goals.

**Board changes 2025/26**

Following the conclusion of the AGM on 17 July 2025, the following changes took effect:

- Alistair Phillips-Davies was succeeded by Martin Pibworth as Chief Executive. At this time, Martin Pibworth stepped down from the SSHEAC and EMRC.
- Helen Mahy stepped down as non-Executive Director after just over nine years' service.
- Hixonia Nyasulu succeeded Helen Mahy as Senior Independent Director, and became a member of the Audit Committee and SSHEAC.
- Dame Angela Strank succeeded Helen Mahy as Chair of the SSHEAC.
- Tony Cocker stepped down from the SSHEAC.

**Key for Board Committees**

Audit Committee

Remuneration Committee

Energy Markets Risk Committee (EMRC)

Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC)

Nomination Committee

Committee Chair

## Group Executive Committee

The Group Executive Committee oversees performance, operations and the implementation of Group strategy through the executive management of SSE's Business Units and corporate support services.

The Committee is led by SSE's Chief Executive, Martin Pibworth. SSE's Chief Financial Officer, Barry O'Regan, is also a member. Their respective biographies are set out on [page 80](#).



**Thomas Brostrøm**

Managing Director,  
Business Development

Thomas Brostrøm joined SSE as MD, Business Development on 1 April 2026, bringing over 15 years of international leadership experience from renewables, project development, investment and portfolio management roles with ACWA Power, Shell and Ørsted. He leads SSE's projects in selected markets across all technologies through to final investment decision.

**Finlay McCutcheon**

Managing Director,  
SSE Thermal

Finlay has been MD, SSE Thermal since 2024 following several senior leadership roles in SSE, including MD, Energy Markets, and directorships across Onshore Renewables and Business Energy. Finlay first joined SSE in 2010 as a commercial director in SSE's Offshore Renewables team.

**Liz Tanner**

Group General Counsel and  
Company Secretary

Liz has been Group General Counsel and Company Secretary since 2023. She is a barrister, and leads SSE's company secretariat, legal, data protection and large capital project services, and serves on the GC100 Executive Committee. She first joined SSE in 2002.

**Chris Burchell**

Managing Director,  
SSEN Distribution

Chris has been MD, SSEN Distribution since 2020, bringing operational and commercial experience from senior transport roles at Arriva, Go-Ahead and Railtrack. He has sector expertise across utilities and infrastructure having served on Ofwat's Board and chairing the Rail Delivery Group. He is Non-Executive Chair of the Rail Safety and Standards Board.

**Rob McDonald**

Managing Director,  
SSEN Transmission

Rob has been MD, SSEN Transmission since 2019, and possesses deep knowledge of the energy sector and regulation. Previously, as MD, Corporate and Business Services, he led the functions of legal, regulation, compliance, safety, and large capital projects services. He first joined SSE in 1997.

**Stephen Wheeler**

Managing Director,  
SSE Renewables

Stephen has been MD, SSE Renewables since 2022, having previously led SSE Thermal and SSE Ireland. Before joining SSE in 2008, he helped grow Airtricity's renewables platform and spent over a decade with ABB and Siemens in international energy roles.

**Nikki Flanders**

Managing Director,  
Energy Customer Solutions

Nikki has been MD, Energy Customer Solutions since joining SSE in 2019. She brings over 25 years of retail and energy experience from senior roles at Centrica, Telefónica and Drax and serving as a Non-Executive Director with Pendragon Plc, and has led large scale transformation in retail-led organisations across sectors.

**Sam Peacock**

Managing Director, Corporate  
Affairs, Regulation and Strategy

Sam has been MD, Corporate Affairs, Regulation and Strategy since 2020 in which he leads corporate strategy, regulation, communications and external advocacy. Upon joining SSE in 2011, he brought expertise from senior roles at Ofgem, Edelman and in Government, shaping policy engagement and strategic positioning.

**Peter Lawns**

Deputy Company Secretary,  
Secretary to the Committee

Peter has been Secretary to the Group Executive Committee since 2023 and Deputy Company Secretary since 2013. He is a Fellow of the Chartered Governance Institute and oversees SSE's corporate governance and reporting, entity management, and share registration and share plans. He first joined SSE in 2005.



**Rhian Kelly**

Chief Sustainability Officer

Rhian has been Chief Sustainability Officer since joining SSE in 2025. She brings significant sustainability experience from prior roles at National Grid, where she led international climate, environmental, strategic public policy, and inclusion initiatives. As a Director at the CBI, she helped shape national infrastructure and low-carbon policy.

**John Stewart**

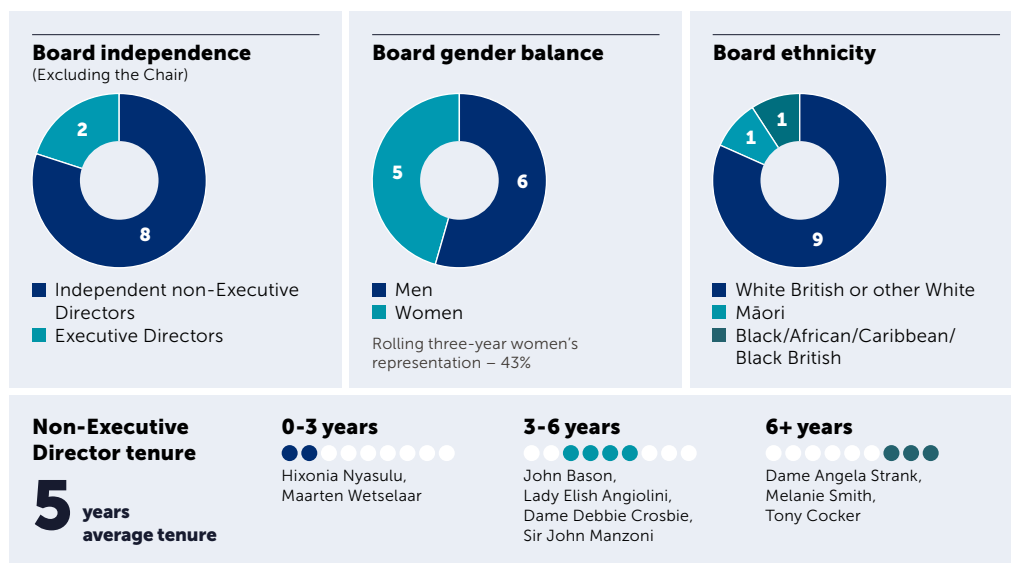
Director of HR

John has been Director of HR since 2009, drawing on senior experience across the UK and US energy and water sectors. He oversees talent, development, employee engagement, and inclusion and diversity, aligned to SSE's culture and strategic priorities.



## Governance at a glance

### Board composition as at 27 May 2026



### Skills to support long-term success

This matrix shows how the skills and expertise of the non-Executive Directors enable the Board to support SSE's long-term success. The Board is strengthened by the diverse approaches, thinking styles, background and experience of its members, as described in the biographies on [pages 80 to 82](#).

| Experience of SSE's operating context and disruptive trends | Sir John Manzoni | Hixonia Nyasulu | Lady Elish Angiolini | John Bason | Tony Cocker | Dame Debbie Crosbie | Melanie Smith | Dame Angela Strank | Maarten Wetselaar |
|-------------------------------------------------------------|------------------|-----------------|----------------------|------------|-------------|---------------------|---------------|--------------------|-------------------|
| Energy sector, energy regulation and energy markets         | ●                | ●               |                      |            | ●           |                     |               | ●                  | ●                 |
| Government and public policy                                | ●                | ●               | ●                    | ●          | ●           |                     |               |                    | ●                 |
| Clean energy, renewables and climate science                | ●                | ●               |                      |            | ●           |                     |               | ●                  | ●                 |
| Global business, scale and complexity                       | ●                | ●               |                      | ●          | ●           | ●                   | ●             | ●                  | ●                 |
| Digital and data                                            |                  |                 |                      | ●          | ●           | ●                   | ●             | ●                  |                   |
| Stakeholders and social impact                              | ●                | ●               | ●                    | ●          | ●           | ●                   | ●             | ●                  | ●                 |
| Skills to challenge and set a sustainable strategy for SSE  |                  |                 |                      |            |             |                     |               |                    |                   |
| Large capital project management                            | ●                | ●               | ●                    | ●          | ●           |                     | ●             | ●                  | ●                 |
| Financing, economics and capital markets                    | ●                | ●               |                      | ●          |             | ●                   | ●             | ●                  | ●                 |
| Partnering, M&A and transactions                            | ●                | ●               | ●                    | ●          |             | ●                   |               | ●                  | ●                 |
| Risk management                                             | ●                | ●               | ●                    | ●          | ●           | ●                   | ●             | ●                  | ●                 |
| Consumer insight                                            |                  | ●               | ●                    | ●          | ●           | ●                   | ●             | ●                  | ●                 |
| Responsible leadership of a large organisation              |                  |                 |                      |            |             |                     |               |                    |                   |
| Corporate governance and leadership                         | ●                | ●               | ●                    | ●          | ●           | ●                   | ●             | ●                  | ●                 |
| Culture, safe working and people development                | ●                | ●               | ●                    | ●          | ●           | ●                   | ●             | ●                  | ●                 |

### Meetings and attendance

|                                       | Board    | Nomination Committee | Audit Committee | Energy Markets Risk Committee (EMRC) | Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) | Remuneration Committee |
|---------------------------------------|----------|----------------------|-----------------|--------------------------------------|----------------------------------------------------------------------------|------------------------|
| <b>No. of meetings held</b>           | <b>7</b> | <b>5</b>             | <b>4</b>        | <b>4</b>                             | <b>5</b>                                                                   | <b>3</b>               |
| Sir John Manzoni                      | 7/7      | 5/5                  | –               | 4/4                                  | 5/5                                                                        | 3/3                    |
| Barry O'Regan                         | 7/7      | –                    | –               | 4/4                                  | –                                                                          | –                      |
| Martin Pibworth <sup>1</sup>          | 7/7      | –                    | –               | 1/1                                  | 1/1                                                                        | –                      |
| Lady Elish Angiolini <sup>2</sup>     | 6/7      | 4/5                  | –               | –                                    | 5/5                                                                        | 2/3                    |
| John Bason                            | 7/7      | 5/5                  | 4/4             | –                                    | –                                                                          | 3/3                    |
| Tony Cocker <sup>3</sup>              | 7/7      | 5/5                  | 4/4             | 4/4                                  | 1/1                                                                        | –                      |
| Dame Debbie Crosbie                   | 7/7      | 5/5                  | 4/4             | 4/4                                  | –                                                                          | –                      |
| Hixonia Nyasulu <sup>4</sup>          | 7/7      | 5/5                  | 3/3             | –                                    | 4/4                                                                        | –                      |
| Melanie Smith                         | 7/7      | 5/5                  | –               | 4/4                                  | –                                                                          | 3/3                    |
| Dame Angela Strank                    | 7/7      | 5/5                  | –               | –                                    | 5/5                                                                        | 3/3                    |
| Maarten Wetselaar                     | 7/7      | 5/5                  | 4/4             | 4/4                                  | –                                                                          | –                      |
| Alistair Phillips-Davies <sup>5</sup> | 3/3      | –                    | –               | –                                    | –                                                                          | –                      |
| Helen Mahy <sup>5</sup>               | 3/3      | 2/2                  | 1/1             | –                                    | 1/1                                                                        | –                      |

<sup>1</sup> Martin Pibworth stepped down from the EMRC and SSHEAC on 17 July 2025.

<sup>2</sup> Lady Elish Angiolini gave prior notification that the meetings of the Board, Nomination Committee and Remuneration Committee in May 2025 conflicted with her appointment by The King as His Majesty's Lord High Commissioner to the General Assembly of the Church of Scotland in 2025.

<sup>3</sup> Tony Cocker stepped down from the SSHEAC on 17 July 2025.

<sup>4</sup> Hixonia Nyasulu joined the Audit Committee and SSHEAC on 17 July 2025.

<sup>5</sup> Alistair Phillips-Davies and Helen Mahy retired from the Board on 17 July 2025.

In each instance of non-attendance, papers were shared before the meeting and comments given to the Chair where appropriate.

### Governance of climate-related matters

Climate-related risks and opportunities are strategically important to SSE and effective oversight is embedded across our Governance Framework. Key responsibilities are summarised below, and formally documented in the Board's Schedule of Reserved Matters, Committee Terms of Reference, and within Board roles.

**The Board** reviews and approves SSE's material sustainability and climate change impacts through work on strategy, operations and risk. It sets the Group Sustainability and Climate Change Policies and approves climate-related financial disclosures. See [page 89](#).

**The Audit Committee, Group Risk Committee and Sustainability-related Financial Disclosures Committee** govern the development and assurance of SSE's climate-related disclosures. The Audit Committee recommends whether these are fair, balanced and understandable and reviews the impact of climate change on SSE's financial statements. See [pages 103 to 104](#).

**The Nomination Committee** considers the Board skills and experience needed to assess SSE's operating environment, including the current and future impact of climate change. See [pages 98 to 101](#).

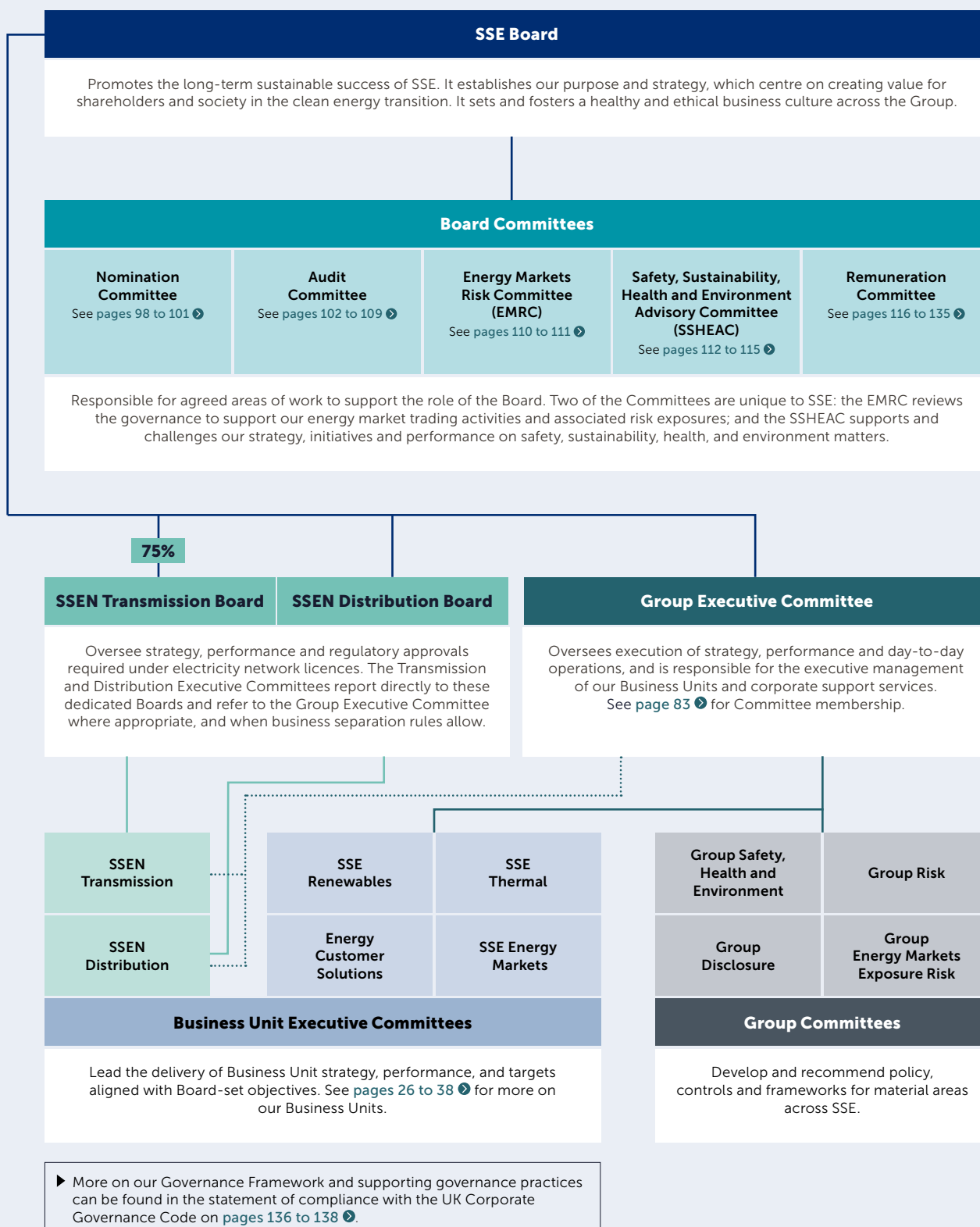
**The Safety, Sustainability, Health and Environment Advisory Committee** oversees how key Group Policies are implemented, including environmental and climate adaptation matters. See [pages 112 to 115](#).

**The Remuneration Committee** agrees how climate factors are integrated within the Directors' Remuneration Policy. See [pages 116 to 135](#).

**The Group Executive Committee** identifies SSE's material sustainability impacts and oversees the management of climate interventions, targets and plans set by Business Units and corporate functions. As a member, **the Chief Sustainability Officer** provides advice on sustainability and climate strategy and priorities.

## Our Governance Framework

Our Governance Framework, depicted below, confirms the role of the Board and how it delegates authority and accountability for aspects of SSE's operations to supporting Committees. The agreed roles and responsibilities of each Committee are set out in Terms of Reference, and ensure proper decision making and oversight of delegated areas. Issues material to SSE are retained for the Board's decision and are documented in a Schedule of Reserved Matters. This can be found on [sse.com](https://www.sse.com) alongside the Terms of Reference for the Board's Committees.



## The Board's year

Across the year, the Board considered SSE's strategy, performance and long-term direction. This section sets out some of the topics discussed by the Board, and relevant outcomes of its work, to support its leadership and governance role.

### Reviewing strategic direction

The Board sets and oversees our strategy and the priorities that support its delivery. Each year, a programme of work considers progress against set objectives and changes in SSE's strategic situation. This reviews developments in the operating environment, to identify where adjustments to the agreed direction are required, and draws on both external perspectives and insights from our own subject matter experts.

#### Investing in long-term growth

Strategic discussions in 2025/26 were pivotal in the Board's decision to accelerate investment in UK electricity networks and the ultimate shaping of the £33bn, fully-funded investment plan, announced in November 2025. This five-year investment plan represents the next stage of the earlier Net Zero Acceleration Programme Plus, and was agreed following review and discussion of the opportunities available to SSE's businesses. This section explains the factors considered by the Board, in concluding that the plan and its associated outcomes maximise SSE's potential for creating long-term value.

#### Key investment plan outcomes

- Clarity over investment plans across the five years to 2030.
- Increased capital investment into regulated electricity networks.
- Significant capital growth targets.
- Maintaining high-quality earnings and existing dividend policy.
- Fully-funded investment strategy.

#### Considering relevant factors

##### Supportive policy and regulation

The Board assessed the strength of the policy and regulatory landscape for networks investment and the level of capex already secured under regulatory price controls – which together provided visibility of the significant growth opportunity within SSEN Transmission to 2030. The UK Government's Clean Power 2030 Plan and strategic plans from the National Energy System Operator provide a clear roadmap for investment in our core domestic markets under all electricity demand scenarios, with SSE's strategic pillars of Renewables, Networks and system Flexibility being crucial for an orderly transition to a clean energy system.

##### Delivering clean energy for all

Our integrated portfolio of businesses provides the foundations to develop, build and connect homegrown power to the UK energy system. The Board reaffirmed a clear focus on delivering the major electricity infrastructure required for both energy security and economic growth, with upgrades to network infrastructure a catalyst to unlocking progress. Recognising the impact of national plans on the local communities in which we operate, the Board confirmed the requirement for continued consultation with these groups across investment decisions and as projects progress.

##### Earnings visibility and value creation

The growth opportunity in regulated networks is underpinned by stable index-linked returns, with our market-facing businesses continuing to pursue opportunities in line with disciplined investment criteria. The combination of regulatory income, a considered investment approach, and a commitment to strong investment grade credit ratings underpins

attractive capital growth. It further lays the foundations for sustainable earnings growth and value creation into the next decade. The Board approved retaining the existing dividend policy to 2029/30 and the scrip dividend option, recognising their role within SSE's investment proposition for existing shareholders.

##### Advocating for affordability

Energy affordability is a key driver of transitioning to a cleaner, homegrown energy system. Across the year, Board-level engagement with government and regulators enabled constructive discussion on the frameworks and policy needed to deliver reform at the required pace and scale. In support of this work, the Board approved our advocacy priorities which shape executive and business-led engagement across SSE. The Board considered the outcomes within the £33bn investment plan as the necessary steps to support system affordability in the long term, and reviewed actions to remain a progressive and critical partner to government on the solutions required to deliver change.

##### Capability to deliver at scale

Delivery of the infrastructure projects which underpin capital growth will require workforce and supply chain capability and capacity. The Board considered the foundations for performance laid by SSE's operating model and prior investment in critical skills across business areas. Within strategic partnerships, a separate deep dive on SSEN Transmission considered work to establish a resilient supply chain. This set out the proactive procurement strategy to secure framework agreements for all projects and the initiation of a business-led supply chain forum to support engagement on innovation and delivery.

##### Overseeing delivery and execution

The Board concluded SSE was strongly positioned to pursue the opportunities which formed the investment plan; to deliver the infrastructure needed for a cleaner, more resilient domestic energy system which will, in the long run, be more affordable. The clear deliverables provide a measurable framework for the Board to review and report on progress, with the flexibility to address risks and opportunities which are identified through its iterative work on strategy.

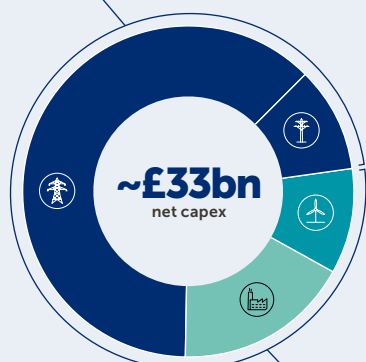
► For more on our £33bn investment plan, see pages 3 and 6.

### £33bn investment plan

#### Fully-funded to 2030

80%

Networks



20%

Renewables and Flexibility

# Assessing equity funding

## The funding requirement

The Board's considerations on funding the £33bn investment plan centred on preserving a strong balance sheet and maintaining strong investment grade credit ratings. To achieve these outcomes, the Board assessed the timing and cash requirement over the five-year period alongside self-funded options. Following a range of inputs, including independent financial and legal advice, assessment of the evolving policy environment, and identified priorities from SSE's shareholder engagement, the Board reviewed the mechanisms which could be used to fund a portion of the plan with equity.

## What was agreed

A £2bn non-pre-emptive placing, for eligible institutional investors, was announced alongside the agreed investment plan. A share placing process

was judged to be in the best interest of all shareholders given the size of equity required, in addition to the high associated expenditure with pre-emptive alternatives, and increased potential for a negative impact on the share price. The placing was underpinned by allocation guidelines, established by the Board, to align as closely as possible with the principles of pre-emption. To ensure as many shareholders as possible had the opportunity to participate, the Board approved a retail offer to take place concurrently with the placing on the same pricing terms, and with allocations prioritising existing shareholders. To confirm its commitment to the plan, a majority of the Board, including the Executive Directors, participated in the placing by way of subscription.

## Outcomes achieved

The placing, retail offer, and subscription, in total, comprised 97,916,637 new Ordinary Shares in SSE, representing approximately 8.8% of the issued share

capital prior to the equity raise. The proceeds totalled around £2bn (equivalent to an aggregate nominal value of £48.96m) which would be used as part of the overall investment plan funding. The placing represented the largest UK placing in five years, with the book of demand multiple times oversubscribed, signifying strong investor support for our strategic growth plans.

A placing price of 2,050 pence was achieved, representing a premium of 3.8% to the closing price on 11 November 2025. The placing was priced on 12 November 2025, with settlement taking place on 14 November 2025. In line with the Pre-Emption Group's Statement of Principles surrounding the disapplication of pre-emption rights, a post-transaction report was published following completion of the share issue. The full report can be found at [www.frc.org.uk](http://www.frc.org.uk).

See [page 93](#) for how investors' views were considered in the Board's assessment of funding options.

# Overseeing strategic progress

The Board reviews updates from SSE's Business Units on performance and strategic delivery, including work with key stakeholders to understand and address their priorities. The following examples provide detail of this oversight activity and decisions taken by the Board.



## Accelerating delivery of critical network infrastructure

### What the Board considered and why it is important

Investing in electricity networks is critical to enabling the Scottish and UK Governments to meet their energy security and clean power targets for 2030 and beyond. Working with Ofgem, governments, communities and wider stakeholders ensures relevant views are considered when accelerating investment.

During the year, the Board was informed of progress in delivering SSEN Distribution's RIIO-ED2 Business Plan and work towards submission of the ED3 plan later in 2026. It received updates on the delivery of SSEN Transmission's RIIO-T2 Business Plan, progress under the Pathway to 2030 investment programme, and the business' acceptance of Ofgem's RIIO-T3 Final Determination, recognising it as an investable settlement to deliver critical infrastructure between 2026 and 2031.

### Stakeholder interests and outcomes

- **Delivering a legacy.** As part of SSEN Transmission's investment programme, the Board was updated on the business' pledge to create economic and social value for communities across the north of Scotland, including the delivery of 1,000 new homes, over £100m of community benefit funding, and a 10% net gain in biodiversity across the region.
- **Planning progress and community consultation.** The Board reviewed progress on securing planning consent for SSEN Transmission's Pathway to 2030 projects, and an approach to consultation which allows communities to be represented and voice their perspectives.
- **Securing the supply chain.** The Board oversaw work to secure supply chain capacity for SSEN Transmission's projects. This included agreements with manufacturers of HVDC converter stations and subsea cables for projects like Eastern Green Link 3.
- **Improving customer performance and efficiency.** The Board reviewed SSEN Distribution's ongoing transformation programme, which has introduced new digital technology and led to an increase in customer satisfaction scores. It was kept apprised of work to build the upcoming plan for the ED3 price control, which is likely to see a change in investment approach to meet growing electricity demand ahead of need.

## The Board's year continued

### Overseeing strategic progress continued



#### Creating value through clean energy investments

##### What the Board considered and why it is important

The Board considered the development, construction and operation of our renewable energy projects and assets. This included the consented Berwick Bank offshore wind farm which secured a Contract for Difference for Phase B of its project, and the Coire Glas pumped storage hydro project which advanced to Ofgem's Project Assessment stage under the new long duration energy storage cap and floor mechanism. The Board also monitored construction activity at the Dogger Bank wind farm in the North Sea, as well as the transition of projects such as the Yellow River onshore wind farm into commercial operations. The Board's consideration of these projects, and the investments needed to deliver them, support the creation of a low-carbon energy system and contribute to long-term energy security and affordability for consumers.

##### Stakeholder interests and outcomes

- **Supply chain security.** The Board received regular updates on industry-wide supply chain conditions and on management's engagement with key suppliers to understand constraints and risk.
- **Fostering community engagement.** The Board remained updated on the approach to community engagement across key projects, supporting the requirement to work with stakeholders on material issues across asset development, delivery and operations.
- **Maintaining financial discipline.** The Board considered the importance of financial discipline, including key risks and commercials in its investment decisions on renewable projects in SSE's development pipeline to ensure shareholder value.
- **Employee impact of efficiency measures.** The Board was kept informed of the impact of organisational changes on employees, as part of its oversight of efficiency measures to ensure SSE Renewables remains well positioned for long-term growth. Particular attention was paid to ensuring employees were treated with fairness and respect across consultation processes.



#### Delivering flexibility in the clean energy transition

##### What the Board considered and why it is important

The Board continued to examine opportunities to deliver the future flexibility required for a renewables-led power system. These included the potential to extend the life of existing, large-scale flexible generation assets, in line with system requirements and the UK Government's Clean Power 2030 Plan, as well as the development of new technologies to provide low-carbon flexibility to the power system. The Board continues to assess the extent to which constrained supply chains and shifting energy policies affect the development and pace of these new technologies.

##### Stakeholder interests and outcomes

- **Investing in flexibility.** The Board supported the final investment decision to build Platin power station, which will be able to run on sustainable biofuels and natural gas, with the potential to convert to hydrogen. This demonstrates an enduring commitment to supporting the electricity system in Ireland by addressing shorter-term supply challenges while laying the foundations for a low-carbon future.
- **Supporting security of supply.** The Board supported proposals to develop options to extend the life of existing Combined Cycle Gas Turbines in Great Britain, and enable disciplined participation in Capacity Market auctions. The Board recognises existing assets have a role to play in backing a renewables-led system, especially in light of policy delays on low-carbon alternatives.
- **Impact of policy on pipeline.** The Board kept the evolving commercial and operational context under close review, recognising its impact on the delivery of low-carbon infrastructure and maintenance of existing assets. It recognises that supportive government policy and constructive engagement is essential to deliver Carbon Capture and Storage and hydrogen projects and to maintain system flexibility and resilience.



#### Providing solutions for our customers

##### What the Board considered and why it is important

Our Energy Customer Solutions business serves the non-domestic supply market in Great Britain, and the whole energy supply market on the island of Ireland. Across the year, the Board considered updates on business performance and future plans, alongside the broader issue of affordability and low-carbon solutions for consumers.

##### Stakeholder interests and outcomes

- **Addressing affordability.** The Board assessed the issue of energy affordability, agreeing engagement priorities on policy to deliver meaningful change. In doing so, it acknowledged the impact of commercial decisions on customer bills in Ireland and the support measures in place to help people navigate rising household costs.
- **Supporting a just transition.** The Board was updated on the steps being taken in Ireland to advance national climate targets. This included constructive engagement with government and the National Energy Affordability Taskforce on a just transition for customers.
- **Growing demand drivers.** The Board reviewed the evolving demand drivers of data centres and the electrification of heating and transport as strategic opportunities, alongside its role as a route-to-market for green energy for both business and domestic customers.
- **Supporting decarbonisation.** The Board considered the low-carbon solutions and energy efficiency measures on offer to support homes and businesses to reduce their carbon footprint and energy usage.

## Keeping people safe

Safety remains our number one priority and is the first agenda item at each Board meeting, underscoring the Board's commitment to keeping our people safe. To support this, the Board monitored key safety metrics and received regular performance updates, enabling it to challenge Business Units and the Group Safety team on areas requiring attention or continued improvement. It was pleased both the SSE and Contract Partner Total Recordable Injury Rate (TRIR) exceeded the agreed performance expectation for the year.

As the operating model and efficiency review progressed in 2025/26, particular emphasis was placed on employee health and wellbeing. The Board received frequent updates on the support measures available to employees and requested wellbeing remained a management priority.

Together with the SSHEAC, the Board considered fatigue management in Distribution where engagement with trade unions on working-hours arrangements for frontline colleagues was a key focus. The annual contract partner safety event – which continues to support our work with contract partners across large capital projects – provides meaningful insight surrounding partner perspectives. Feedback was shared with the Board after the event and it will continue to inform how we engage and foster the highest standards of safety across operations.

For more on Board work surrounding safety culture, see [page 90](#) and for the SSHEAC Report, see [pages 112 to 115](#).

# 0.17

**Combined TRIR SSE employees and contractors**

## Reviewing external volatility

The Board is acutely aware of the complex geopolitical and operating landscape, characterised by a fragmented global outlook on decarbonisation, slow economic growth and tensions in the Middle East. To assess the impact of these challenges on SSE's current position and future plans, it has received standing monthly reports covering both developments and active engagement on energy policy, with long-term scenario planning a feature of strategic work.

On commodity markets, monthly management reports cover significant price movements and notable global trends, and as conflict escalated in the Middle East, this was supplemented by a specific analysis of the potential impacts of the observed market volatility on SSE. The Board's assessment of energy markets risk continues to be supported by the EMRC which provides feedback to the Board after each Committee meeting.

For further details surrounding energy markets see the EMRC Report on [pages 110 to 111](#) and for more on our approach to risk management see [pages 56 to 63](#).

## Taking sustainable action

Sustainability is a core element of the Board's work plan, supporting its responsibility for overseeing SSE's principal sustainability impacts, including climate change. During the year, the Board reviewed and approved the 2025/26 sustainability priorities, ensuring they directed the policies and practices needed to deliver our climate and wider sustainability goals. The Board also approved our Human Rights Report and Modern Slavery Statement, endorsing changes made to align with the UK Government's Transparency in Supply Chain Guidance. These will support monitoring of the associated KPIs to drive informed decision making and targeted improvement.

The Board tracked key developments in climate policy and regulation, guided by SSE's newly-appointed Chief Sustainability Officer, Rhian Kelly. As reported in the Annual Report last year, the Board approved an updated Net Zero Transition Plan in April 2025. This confirmed revised scenarios that sharpen the pathway to reaching our climate targets and ensuring the plan remains robust, credible and aligned with evolving external expectations.

For more on our climate and sustainability goals, see [pages 41 to 55](#).

# 194gCO<sub>2</sub>e/ kWh

**Scope 1 intensity of generated electricity performance in the year**

## Building digital resilience

The Board oversees our digital strategy, including AI, and is kept informed about matters related to IT and digital, cyber security and data protection by senior management in these areas.

The Board reviewed actions surrounding the approach to cyber security and the evolving threat landscape in which cyber activity is increasing in both frequency and severity. Through its review it considered progress being made to strengthen our resilience and cyber security culture, including a set of objectives and measurable outcomes to drive continuous improvement. External regulatory developments were reported, alongside the publication of the Cyber Governance Code of Practice by the UK National Cyber Security Centre, which was recognised as a valuable governance tool.

For more on SSE's Cyber Security and Resilience Principal Risk, see [page 60](#).

The Board received a report from the Group Data Protection Officer, including key metrics on breaches, training, personal data assessments and emerging risks, along with actions to maintain and strengthen our data protection framework including work on supplier due diligence. It emphasised the need for the privacy programme to keep pace with new laws, rising regulatory expectations and evolving cyber threats, and reinforced the importance of strong engagement with data protection across the Group.

## Deepening knowledge of AI

To ensure AI is governed appropriately, the Board invested time in building its own capability and understanding of the technology's potential and its associated responsibilities. Board members took part in an externally led session on the future of AI, gaining clearer insight into the risks, opportunities, costs and global trends shaping adoption. This improved understanding will make sure the Board can provide stronger challenge and clearer strategic direction as we increase our use of AI. Throughout the year, the Board monitored progress on AI deployment across the Group, including advances within the Energy Customer Solutions business.

## The Board's year continued

### Driving cultural expectations

The Board fosters a culture that supports delivery of our purpose and strategy and enables colleagues to act with integrity and take informed decisions. To ensure culture is consistently embedded, the Board agrees our values and expected behaviours and oversees how cultural drivers are communicated. This includes setting and receiving updates on key Group-wide policies, culture-based engagements and training initiatives, and SSE's employee guide to good business ethics, "Doing the Right Thing". It also assesses how leadership behaviour and day-to-day operations reinforce cultural expectations.

See [page 50](#) for more on how SSE defines a healthy, ethical business culture.

#### Assessing and monitoring culture

SSE's Culture Dashboard draws on multiple data sources and indicators, aligned to the tenets of our culture, to allow cultural health to be measured and tracked. The Board reviews the dashboard, accompanying analysis and actions, to confirm culture is promoted and embedded in line with expectations. A summary of the Board's principal activities to reinforce culture during the year, aligned to the cultural areas within the dashboard, are set out below.

#### ▶ Safety culture

The Board reviewed key safety metrics and targets and engaged directly through operational site visits to observe safety behaviours in practice. Investment in immersive safety training has had a demonstrable impact, strengthening colleagues' confidence in identifying and managing risks and contributing to improved safety perceptions. The SSHEAC oversaw actions to strengthen safety culture across all work settings, ensuring behaviours, training and reporting aligned with expectations (see [pages 112 to 115](#)).

#### ▶ Inclusion and diversity

The Board continued its oversight of inclusion and diversity, with support from the Nomination Committee, through work on succession planning

#### Communication during change

As progress was made under the Group Operating Model and Efficiency Review, SSE navigated a period of organisational change. During this time, the Board received updates on how employees were experiencing the changes taking place; through feedback from the executive team, by monitoring standing cultural indicators and observations from within its employee engagements.

The annual employee survey provides a rich source of information on how culture is embedded and being felt by colleagues. While survey participation

was high in 2025/26, a relative decline across scores versus internal benchmarks was observed, with employees citing uncertainty caused by efficiency work as a key concern. Proposed actions to address this feedback were reviewed by the Board, where a key outcome was a programme of enhanced Group Executive Committee-led engagement. This has seen Group-wide debriefs of key developments within its leadership work, and has ensured colleagues are informed of efficiency objectives and outcomes.

and in reviewing supporting strategy, plans and activities below Board level (see [pages 98 to 101](#)).

#### ▶ Aligning culture with strategy

The Board undertook a programme of employee engagement activities (see [pages 91 to 92](#)), including site visits and in-person roundtables prior to the AGM to discuss topics that matter most to colleagues. Alongside this, the Chief Executive held 'Conversations with the Chief Executive' roadshows, strengthening alignment between our strategic priorities and our culture. The Board approved a refresh of our corporate identity statements (see outcomes opposite) to strengthen SSE's performance culture.

#### ▶ People and doing the right thing

The Board considered a wide range of employee insights during the year, including all-employee survey results, whistleblowing arrangements and reporting, and exit interview feedback, to build a rounded picture of how colleagues experience our culture. This was bolstered by the twice-yearly review of the Culture Dashboard.

#### ▶ Communication

See Communication during change above.

#### Outcomes of Board work

As a result of monitoring and measuring how our culture has been embedded, the Board endorsed:

- A comprehensive annual all-employee survey, replacing the current bi-annual cycle and interim 'pulse' survey.
- Supported by the Group Executive Committee, implementation of the action plan to address feedback received and relative scores from the all-employee survey.
- A refresh of our corporate identity statements and introduction of an internal framework of definitions on behaviours and strategic drivers which, in the context of the fundamental values of Safety and Sustainability, are intended to foster a performance culture that encourages doing the right thing.
- Continued investment in our immersive safety training.
- Enhancements to whistleblowing arrangements to further strengthen accessibility and confidence in raising concerns.

### Culture metrics 2025/26

#### Employee feedback enables the Board to assess the strength of SSE's culture:

Overall employee engagement

**78%**

Feedback from employees through the annual employee survey

Safety

**89%**

Feel we promote a safe workplace culture

Inclusion

**81%**

Feel we have an inclusive culture

Our strategy

**83%**

Feel engaged with our strategy

Doing the right thing

**87%**

Feel empowered to do the right thing

Communication

**54%**

Feel informed by our communication approach

## Listening to our employees

### Engagement highlights

# 7

Board site visits and engagements

# 5

Sessions with the Non-Executive Director for Employee Engagement

# 18

Chief Executive roadshow sessions

# 8

Executive Director-led online sessions

over **26,700**

Overall employee attendance at online sessions

# 5,364

Largest online attendance

The Board is committed to ensuring that everyone in SSE has a voice. It uses a broad range of engagement channels to reach employees working across business areas in diverse operational and office-based settings. This approach is strengthened by our Non-Executive Director for Employee Engagement, Lady Elish Angiolini, who undertakes a complementary programme of activity.

The Non-Executive Director for Employee Engagement programme is designed to allow meetings with a cross-section of colleagues in different roles and stages of their career. Insights are reported back to the Board on employee sentiment, priorities, and working environments, to ensure the employee voice is consistently represented at Board level. The importance of this engagement, and how it informs the Board's work, is explored in the Q&A below with Lady Elish Angiolini.

#### How the Board engages

Each of the engagement methods used by the Board creates value in a different way. As explained below, the format chosen for any Board activity is driven by the purpose and desired outcome of the engagement, alongside the subject matter on which views are sought.

#### Engagement formats

**Employee sessions.** In-person and virtual meetings allow direct understanding of employee perspectives.

**Employee surveys.** All-employee surveys capture the majority of employee views and support the Board in measuring progress on important issues, in assessing culture, and in guiding initiatives and decisions.

#### Digital and written communication.

Articles and blogs provide updates on Board work that share and reinforce strategic and cultural messages.

**Roadshows and conferences.** These virtual, face-to-face and hybrid events allow interaction with employees on specific topics and embed SSE's purpose, strategy and culture.

**Site visits.** Travelling across locations enhances understanding of our different working environments and allows interaction with employees on site.

**Focus groups.** Small group sessions facilitate discussion on key topics and the gathering of valuable insights.

#### Employee representatives and groups.

Consultation and engagement takes place with employee representatives including trade unions and employee-led Belonging in SSE communities.

## Q&A

With our Non-Executive Director for Employee Engagement, Lady Elish Angiolini



Lady Elish meets colleagues in Perth prior to the AGM 2025

#### Why is meeting employees important to you and what stands out from your conversations?

Meeting colleagues across the business and having open, honest conversations helps me understand what matters most to our people, and how our culture is felt in practice. I'm always impressed by the visible commitment to our purpose across the organisation, as well as the resilience and professionalism at all levels.

#### How do these insights support the Board?

By dedicating time to hear from employees, I can then make sure that their views are represented and shared in Board discussions and decision making. And that we continue to understand the impact of our work on everyone in SSE.

#### Can you share an example of this in action during the year?

Prior to the Annual General Meeting (AGM), I joined the Chair and several non-Executive Directors to meet with around 60 middle and senior managers from across Business Units, where we discussed strategy, resilience and change. The support of our managers during a period of organisational change and strategic growth is so important given their role in delivery. It was very useful for the Board to hear their views and understand how strategic decisions are experienced.

#### Why is leadership visibility important in these engagements?

Being visible and accessible helps build trust, fosters honest conversations and reinforces the Board's commitment to listening to and learning from our people. Looking ahead, making sure employee voices continue to be heard at the highest level remains vital and I am proud to champion this area.

## The Board's year continued

### Listening to our employees continued

#### Engaging with employees

The Board's engagement activities saw it travel across the UK and Ireland in 2025/26. An overview of some of the engagements which took place and relevant outcomes is set out below.

##### Great Island power station

**Overview of engagement.** Dame Angela Strank and John Bason engaged with employees to hear about their day-to-day working experiences. Time spent with plant operators, maintenance crews and local management enabled candid conversations on safety, ways of working and site culture.

**Outcome.** A strong focus on safety practices, operational standards and teamwork was evident, alongside the pride employees take in their work and the role Great Island plays within the Irish energy market and local community. Discussions also highlighted the importance of ongoing technical training to support safety and efficiency, with colleagues valuing the opportunity to discuss their work and experiences with Board members.

#### SSEN Transmission, north of Scotland

**Overview of engagement.** Board members visited SSEN Transmission infrastructure in the north of Scotland, including the Eastern Green Link 2 and Accelerated Strategic Transmission Investment (ASTI) projects, which are central to the required transmission network growth.

**Outcome.** The Board observed clear collaboration between SSE and its contract partners, supported by high engineering standards, technical expertise and disciplined project management. Constructive engagement with teams deepened understanding of the challenges and opportunities in delivering large-scale infrastructure. Positive takeaways from the visit were the strong representation of women in senior on-site roles, including engineers and project managers, and clear evidence of community engagement to ensure wider project benefits.

#### SSE Airtricity Customer Operations

**Overview of engagement.** Lady Elish Angiolini met with employees in the SSE Airtricity Customer Operations team to discuss how digital tools, alongside traditional channels, are being used to deliver accessible, responsive and high-quality customer service.

**Outcome.** Our colleagues shared how digital innovation can support inclusive customer service, and showed a clear understanding of how their work supports our customers and SSE's wider purpose.

#### SSEN Distribution Operations and New Forest Lines Training School

**Overview of engagement.** Hixonia Nyasulu, Dame Angela Strank and Sir John Manzoni visited SSEN Distribution operational sites to hear first-hand from engineers and contractors working on critical network projects. Time was also spent at the New Forest Lines Training School, enabling Board members to hear from apprentices about their development as the next generation of engineers.

**Outcome.** By meeting with employees and apprentices, the Board gained valuable on-the-ground insight into workforce capability, training and culture. The visit reinforced the Board's confidence in the strength of SSE's apprenticeship and training programmes.

#### Conversations with the Chief Executive

**Overview of engagement.** Informed by feedback from the Great Place to Work Survey, the Chief Executive held a series of in-person and virtual engagement events with employees to support open dialogue and share perspectives on the Group's strategic direction.

**Outcome.** The sessions delivered deeper insight surrounding areas of importance for employees, and enabled specific concerns to be directly addressed in action plans. It also deepened Board understanding of workforce support and sentiment during a period of change.

#### Dogger Bank wind farm

**Overview of engagement.** Lady Elish Angiolini met with colleagues and contract partners at the Dogger Bank wind farm, to gain insight into the delivery of one of the world's largest offshore wind projects.

**Outcome.** Our colleagues shared thoughts on the importance of safety, the pace of innovation and the need to prioritise learning and skills development to build the capability of engineers in the early stages of their careers. Colleagues also highlighted how on-site Board attendance was valued, and showed recognition of their work and the project's strategic importance.

### Sites visited in 2025/26

#### Key:

- Non-Executive Director for Employee Engagement sessions
- Board site visits
- Chief Executive roadshows



Chief Executive, Martin Pibworth visiting Leeds.



Hixonia Nyasulu visits the Netherton site near Peterhead.



Non-Executive Director for Employee Engagement, Lady Elish Angiolini, visits the Dogger Bank wind farm site.

## Understanding shareholder views

Active engagement with our shareholders ensures the Board has a clear understanding of key investor priorities and expectations. The Investor Relations team leads an extensive programme of dialogue with participation from management and Board members. This not only informs the Board's considerations surrounding strategic direction but also fosters alignment and trust between SSE and its shareholders.

### Institutional investors

Our engagement programme reached in excess of 50% of SSE's issued share capital in the year; an increased level of engagement in light of the equity raise which took place in November 2025. The timeline opposite sets out the Board's key interactions within this programme, outside of which it was kept informed of investor sentiment through various updates across the year. These included monthly reporting on investor and market movements, independent feedback from our brokers on market conditions and investor sentiment, and regular papers from the Investor Relations team summarising

wider shareholder engagement and feedback. The examples set out on this page demonstrate how engagement during the year influenced Board work.

### Retail shareholders

Retail shareholders are supported through a dedicated helpline and online Investor Centre managed by our registrar, Computershare Investor Services plc (Computershare). The Investor Relations team and Company Secretariat are available to provide support with these channels. Our investor website also provides a breadth of relevant information for retail investors, from regulatory news and published reports to notifications of known scam activity.

The Board continues to support initiatives to efficiently manage our share register, engage with retail shareholders and prevent their assets from becoming dormant. These include an asset reunification programme in conjunction with Georgeson, a subsidiary of Computershare. See [page 266](#) for details of this programme.

### Active engagement on ESG issues

Our investor engagement programme fosters open and transparent discussion on ESG issues, recognising that meaningful sustainability credentials are an important measure for investors, analysts and brokers when judging our non-financial performance.

In June 2025, we held our second in-person Sustainability Investor Roundtable, to provide institutional investors the opportunity to engage directly with the Chair, Chief Executive designate, and Chief Sustainability Officer on sustainability priorities.

The updated Net Zero Transition Plan was a key topic, especially the political and regulatory interdependencies and the move to a three-yearly 'say on climate' vote at the AGM. Investors expressed strong support for this approach, which was reflected at the AGM 2025, where nearly 98% of the votes cast were in favour of both the new voting cycle and Net Zero Transition Report. Other discussion points included the energy affordability challenge for customers, the reality of a non-linear decarbonisation pathway, and the balance between decarbonisation and providing security of supply for consumers.

### Considering investor views on funding

Prior to announcing our fully-funded, £33bn five-year investment plan in November 2025, there was significant investor focus and market commentary on the various funding options for the Group beyond 2027. The Board listened to the range of views expressed, alongside feedback received during the May 2025 Full-year Results roadshow and the June 2025 Chair roadshow.

Alongside operational cash flow generation, and incremental debt and hybrid capital, the Board judged the issuance of new shares, combined with targeted asset rotation across the portfolio, would be the optimum path to maximise shareholder value. As described on [page 87](#), a non-pre-

emptive placing of shares was chosen as the most suitable approach to equity funding, given the quantum required and shareholder authorisations which had been granted at the AGM 2025.

To the extent reasonably practicable and permitted by law, the Chief Executive and Chief Financial Officer took part in a wall crossing process to consult with a number of major shareholders on the proposed investment plan and associated placing. The strong interest and support shown by these investors informed the Board's decision to move forward with the placing.

For more on the five-year investment plan and the placing, see [pages 86 to 87](#).

## Engagement highlights

The Board interacted with shareholders throughout 2025/26, supported by senior management and the Investor Relations team. In addition to the below engagements, the Board receives and responds to letters from shareholders throughout the year.

### Q1 2025/26

- The Remuneration Committee Chair wrote to shareholders to confirm the decision to proceed with the proposed changes to remuneration and to clarify technical matters on the measures applied.
- Executive Directors met shareholders during the Full-year Results roadshow.
- The Chair, Chief Executive designate and Chief Sustainability Officer hosted the Sustainability Investor Roundtable.

### Q2 2025/26

- The Chair, and in some cases the Senior Independent Director designate, met a number of major shareholders during the pre-AGM roadshow to understand investor views on the proposed AGM resolutions.
- The Board considered and approved the Q1 Trading Statement.
- The Board attended the AGM 2025 in Perth and responded directly to shareholder questions.
- Executive Directors met investors at industry conferences.

### Q3 2025/26

- The Board considered feedback from a number of major shareholders from the wall-crossing process ahead of the November equity placing.
- The Board considered and approved the Half-year Results for the year ended 31 March 2026.
- Executive Directors met shareholders at the Half-year Results roadshow.

### Q4 2025/26

- Executive Directors met investors at industry conferences.
- The Board considered and approved the Q3 Trading Statement.

## Assessing Board performance

The Board carries out an annual review of its performance, which considers the impact of its work, the strength of its decisions, and the contribution each Director makes.

### Performance review cycle

The review cycle, illustrated below, reflects the continuous and structured approach to assessing Board performance. The process ensures the Board and its Committees continue to operate effectively, supporting strong governance and continual improvement. For 2025/26, the process aligned with an internal review and was facilitated by Alice Breeden at Consello UK Limited, who conducted the external review last year.

The internal review process comprised a structured one-to-one interview between each Board member and the independent reviewer and included consideration of each Board member's skills. The topics covered in the interviews were wide ranging and included:

- The purpose and role of the Board.
- Board and Committee operations.
- Board skills and composition.
- Board culture and dynamics.
- Strategy development and execution.
- Board learning and development.

#### Considering Board skills

Each year, the Nomination Committee reviews the skills needed on the Board to effectively lead SSE. As part of this year's review, a skills assessment aligned to the agreed Board skills matrix was completed. This confirmed the current mix of skills remains appropriate for SSE's strategic situation and operating environment. For more on the Board's skills, see [page 84](#).

**2024/25**

External performance review

**2025/26**

Internal performance review

**2026/27**

Internal performance review

**2027/28**

External performance review

### Findings and opportunities

#### The Board

During a year of significant strategic development, it was confirmed that Board members were highly engaged, providing constructive challenge, as well as offering support to ensure a smooth and effective Chief Executive transition. To support continued effectiveness, the review identified the following areas for ongoing focus and refinement.

#### Strategy and purpose

Noting clear progress across SSE's strategic and investment priorities, it was agreed to focus on the pace of execution to ensure sharp alignment with agreed plans.

#### Succession planning

There was a shared view that succession planning should remain proactive – to deliver future leadership resilience and continued orderly refreshment across non-Executive positions.

#### Culture and dynamics

Following planned changes across key Board roles, it was agreed maintaining the current positive boardroom culture was important and should continue to be nurtured to support good performance and constructive debate.

#### Chair performance

The Senior Independent Director (SID) undertook the Chair's evaluation, drawing on one-to-one discussions with the Board. The findings agreed the Chair offers balanced support and challenge, fosters open Board discussions, and builds trusted relationships, with his communication with stakeholders viewed as highly effective. The Board concluded the Chair devotes sufficient time to the role, provides effective leadership, and meets the expectations of the UK Corporate Governance Code 2024.

#### Individual Director performance

Individual Director performance was reviewed through one-to-one meetings with the Chair, covering personal development needs, training and boardroom culture. When considered alongside each Director's skills, time commitments and independence assessments (see [page 100](#)), the process confirmed that all Directors contribute positively.

#### Board Committees

The performance review concluded that each Committee provided effective Board support. The development of action plans to consider and monitor progress has been overseen by the Committee Chairs, with further details in each of the Committee Reports. See [pages 98 to 135](#).

### Progress on actions

The Board has taken steps to address the opportunities for refinement agreed in last year's external performance review. Detail of progress made is set out in the table below.

#### Refinement opportunities

##### Executive talent and succession

The review highlighted the importance of continued focus on executive talent and succession planning.

##### Strategic opportunities

In light of SSE's ambitious growth strategy, an opportunity was identified to strengthen alignment on international markets.

##### Board operations

It was agreed to keep refining meeting materials and to allocate additional time for the non-Executive Directors to meet privately.

#### Outcomes and progress

- Formal and informal talent engagement between Board members and the wider talent pipeline has taken place.
- Board oversight and onboarding activities supported the transition of Chief Executive.
- An induction programme was completed for the SID.
- A session at the annual Board strategy day considered strategic principles and opportunities across international markets. The outcome was greater clarity and alignment on the investment criteria for international opportunities.
- The use of a standardised template for Board papers has been further embedded.
- Additional rigour has been applied when compiling Board agendas to prioritise material items.
- Additional time has been scheduled for non-Executive Director meetings.

## Our stakeholders and Section 172 Statement

### An implicit social contract places key stakeholders – the people, communities and organisations affected by our actions – within the Board’s decisions.

The Board fosters a reciprocal relationship with stakeholders that results in meaningful influence across our business plans and objectives. While situations will exist where not every stakeholder interest can be fully addressed, their views are considered to the greatest extent possible in decision making across SSE.

This section summarises how the Board has upheld our social contract through the discharge of its duties under Section 172 of the Companies Act 2006. For an introduction to our six key stakeholder groups, see [pages 10 to 11](#).

#### How we make decisions

##### Board priorities

It is the Board’s duty to lead by example and set the conditions to ensure decisions are taken fairly and responsibly across the Group. Our Governance Framework supports this, through which the Board sets ambitions and expectations to create long-term success. These expectations are reflected in our purpose, strategy and culture – and in the belief that stakeholder views should be considered when making long-term plans and day-to-day decisions.

Cementing SSE’s place at the heart of the clean energy transition remains the guiding principle of stakeholder engagement. Each year, the Board approves a set of engagement priorities which cover the cross-cutting issues requiring meaningful and constructive engagement with all stakeholders. Those agreed to frame activities across SSE for 2026/27 include:

- Communicating with investors and other stakeholders on execution of our £33bn investment plan.
- Engaging with employees on a refreshed purpose and a cultural shift designed to drive performance.
- Maintaining strategic alignment with the energy transition ambitions of governments and regulators in our home markets.
- Working with communities where we are seeking to build large-scale infrastructure to explain economic and community benefits where there are local concerns.

#### Considering the long term

Our strategic approach to creating value for shareholders and society leads to actions with significant long-term impact. Four 2030 Goals (see [page 41](#)) and a revised £33bn investment plan underpin strategic delivery to 2030 and beyond. Clear parameters set by the Board are reflected across SSE’s strategic work and objectives, including in capital investment, the Group budget, dividends and resource planning. Our Board-approved risk management framework – the Group’s Principal Risks, emerging risks and Risk Appetite Statement – also shape long-term perspectives.

#### Considering climate impacts

The significant threat that climate change poses to the natural world is integrated into numerous aspects of the Board’s work plan. We are committed to open and transparent disclosure to allow stakeholders to assess our environmental performance and the

potential impact of various climate scenarios on future financial performance. See [pages 65 to 72](#) for more information.

#### Considering business conduct

The Board leads and monitors SSE’s culture, by setting the tone and framework within which agreed values and accepted behaviours can be embraced by employees. This includes doing the right thing through responsible business conduct and making a positive difference for key stakeholders. See [page 90](#) for more information.

#### Key learnings

SSE’s strategic stakeholder engagement is designed to ensure all perspectives are heard and to cultivate a useful understanding of key stakeholder priorities. Aligned with legislative and regulatory requirements, this approach combines business-led and Board-level interactions to enable stakeholders to influence business plans and objectives.

Examples of how stakeholder interests have been considered in Board discussions and principal decisions are set out across the Governance Report on [pages 87 to 88](#). In addition to those examples, the Board engaged with the interests of stakeholders in other ways, as set out overleaf.

## How we take decisions

### Considering our key stakeholders

Employees

Shareholders and debt providers

Energy customers

Governments and regulators

NGOs, communities and civil society

Suppliers, contractors and partners

#### Our purpose

To be restless every day until we make electricity clean, affordable and available for all.

#### Our strategy

To create value for shareholders and society in a sustainable way by investing in, developing, building and operating electricity infrastructure and businesses needed in the clean energy transition.

#### Our culture

See [pages 50 and 90](#)



## Our stakeholders and Section 172 Statement continued

| <b>Employees</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Our strategy and success depend on the shared talent, diversity, innovation and values of the people we employ.</b>                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                         |
| <b>How the Board engaged</b> <ul style="list-style-type: none"> <li>Employee-focused work by the Non-Executive Director for Employee Engagement.</li> <li>Site visits and attendance at engagement events, allowing employees to engage directly with Executive and non-Executive Directors.</li> <li>Assessments and reviews of SSE's culture.</li> <li>Updates on the impact of organisational changes across SSE.</li> </ul>                                                                    | <b>Key engagement issues in the year</b> <ul style="list-style-type: none"> <li>Employee sentiment on strategy and culture, as work progressed under the Group Operating Model and Efficiency Review.</li> <li>Employee wellbeing and support to address the impact of the 2025 efficiency programme.</li> <li>SSE's employee offering, including reward, benefits, flexibility, inclusivity and development opportunities.</li> </ul> | <b>Impact on Board decisions</b> <p>Feedback from employees shaped action plans to address all-employee survey results, which included enhanced senior leadership communication and the move to a full survey annually. See <a href="#">pages 90 to 92</a> for more.</p>                                                                |
| <b>Shareholders and debt providers</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                         |
| <b>We must be well-financed, with the ability to remunerate shareholders, secure debt at competitive rates and grow the business.</b>                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                         |
| <b>How the Board engaged</b> <ul style="list-style-type: none"> <li>A programme of physical and virtual Director-investor meetings and roadshows covering financial announcements, long-term priorities and issues raised by investors.</li> <li>Director attendance at investor conferences.</li> <li>Direct engagement at the AGM, where shareholders asked questions in-person and online.</li> <li>Executive Directors engaging with credit rating agencies used by debt providers.</li> </ul> | <b>Key engagement issues in the year</b> <ul style="list-style-type: none"> <li>Clarity around SSE's investment plans beyond 2027.</li> <li>Financial performance compared to market expectations.</li> <li>Impacts on existing dividend policy arising from the investment plan decision.</li> </ul>                                                                                                                                  | <b>Impact on Board decisions</b> <p>This year, shareholder engagement informed the Board of investor priorities when considering funding options for part of our £33bn investment programme. See <a href="#">pages 86 to 87 and 93</a> for more.</p>                                                                                    |
| <b>Energy customers</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                         |
| <b>Consumers create demand for the energy and services we provide and set the tone for our purpose.</b>                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                         |
| <b>How the Board engaged</b> <ul style="list-style-type: none"> <li>Updates from our customer-facing Business Units on the influence of customer factors on business direction and propositions.</li> <li>Monitoring performance to ensure an appropriate level of customer service and investment.</li> <li>Overseeing how SSE responds and supports its customers during significant storms through management updates.</li> </ul>                                                               | <b>Key engagement issues in the year</b> <ul style="list-style-type: none"> <li>Energy affordability and support mechanisms for energy supply customers.</li> <li>Impact of significant winter storms on our SSEN Distribution customers.</li> <li>Proposed business plans for electricity network price control settlements.</li> </ul>                                                                                               | <b>Impact on Board decisions</b> <p>Engagement highlighted priorities around affordability, service quality and support for vulnerable customers, as the Board oversaw delivery of our regulated investment plans and wider transformation initiatives to enhance customer experience. See <a href="#">pages 86 to 88</a> for more.</p> |

## Governments and regulators

We rely on policy frameworks and public services that support investment in critical national infrastructure, are fair on customers and maintain the momentum behind the clean energy transition.

### How the Board engaged

- Direct constructive engagement with the UK Government (and the devolved administrations) and Irish Government, regulatory bodies, and political stakeholders.
- Overseeing the implementation of SSE's Political Engagement Policy and related advocacy priorities.
- Monitoring engagement with regulators to make sure strategic, financial, operating and investment frameworks stay aligned to the external landscape.

### Key engagement issues in the year

- Supporting with the delivery of the UK Government's Clean Power 2030 Plan.
- The commencement of RIIO-T3 and execution of RIIO-ED2.
- Engagement with the UK Government on the potential impacts of zonal pricing.

### Impact on Board decisions

This year, the Board reviewed regulatory developments and endorsed engagement priorities to promote policy frameworks to enable sustained investment through to 2030 and beyond. See [pages 86 to 88](#) for more.

## NGOs, communities and civil society

We need the support of the communities we work in and the backing of civil society to pursue a clean energy transition.

### How the Board engaged

- Receiving updates on our 2030 Goals aligned to the UN Sustainable Development Goals.
- Considering the community impact and benefits of large capital projects.
- Deepening understanding of local community priorities through site visits.

### Key engagement issues in the year

- Impact on communities in the north of Scotland from SSEN Transmission's Pathway to 2030 projects.
- Balancing delivery of UK climate goals while remaining mindful of energy affordability.
- Objectives and outcomes of SSE's community investment programmes.

### Impact on Board decisions

During the year, the Board oversaw the approach to supporting local communities and promoting biodiversity in the areas where our projects are developed and operated. See [pages 86 to 88](#) for more.

## Suppliers, contractors and partners

We rely on a healthy supply chain and work with partners with capabilities to support innovative project development and efficient ownership structures.

### How the Board engaged

- Executive Director meetings with strategic partners and suppliers.
- Progress updates on joint venture project strategy.
- Reports on contractor safety performance and initiatives.

### Key engagement issues in the year

- Continued engagement with SSE's immersive safety training programme.
- Securing supply chain capacity for delivery of large capital projects to 2030.
- Ensuring economic opportunities in local supply chains in the north of Scotland.

### Impact on Board decisions

During the year, the Board championed our immersive safety training programme, now completed by over 3,100 partners, and oversaw actions to secure SSEN Transmission's supply chain capacity for its Pathway to 2030 projects. See [pages 86 to 88](#) for more.

# Nomination Committee Report

**“As the complexities of the clean energy transition become more apparent, we remain focused on assessing the Board’s skills and experience to ensure they are aligned to the needs of SSE.”**



## The role of the Committee

The Nomination Committee brings a dedicated focus to people-centred matters. It leads the process for Board appointments, monitors senior talent pipelines, promotes leadership diversity and ensures that proper procedures are in place for the nomination, selection, training and performance review of Directors.

For details of the role and responsibilities of the Committee, see its Terms of Reference on [sse.com](https://www.sse.com).

I’m pleased to present our Committee report for 2025/26. This year marks one of considerable change for SSE, as we have accelerated the Group’s strategic ambitions under the helm of a new Chief Executive and a strengthened senior leadership team. In response, we’ve proactively overseen the Board transitions following our AGM in July 2025, whilst also advancing robust succession planning to ensure we’re fully prepared for orderly Board changes as they arise. We reviewed Directors’ time commitments and non-Executive Directors’ independence. And we continued to consider tangible initiatives to promote greater inclusion and diversity.

## Evolving Board membership

In 2024/25, we led thorough succession planning processes for the key roles of Chief Executive and Senior Independent Director (SID), in line with the planned departures of Alistair Phillips-Davies and Helen Mahy after the AGM in 2025. This resulted in several significant changes to our Board and Committee membership, including the appointments of Martin Pibworth as Chief Executive; Hixonia Nyasulu as SID; and Dame Angela Strank as Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) Chair. Our priority this year has been to

ensure these transitions were executed effectively, which was particularly crucial for the role of Chief Executive. Under Martin’s leadership, the membership of the Group Executive Committee (GEC) has been expanded, to drive further momentum behind strategic plans and ensure SSE is well positioned within a volatile and challenging external environment.

Alistair and Helen have passed on excellent platforms to build on, and both leave SSE with our profound thanks and best wishes for the future. Looking ahead, I highly value the expertise and depth of knowledge that Martin, Hixonia and Dame Angela have demonstrated in their new roles, and believe these changes clearly augment our Board’s capabilities as we progress the next phase of SSE’s strategic growth.

Within the year, Liz Tanner, our Group General Counsel and Company Secretary signalled her intention to retire. Following a competitive recruitment process, a recommendation was made to appoint Tracey Wood as her successor from late 2026. We look forward to working with Tracey when she joins SSE later in the year.

As the complexities of the clean energy transition become more apparent, we remain focused on assessing the Board’s skills and experience to ensure they are aligned to the needs of SSE and its operating context. This will ensure our Board members can continue to deliver meaningful contributions to Board and Committee discussions.

## Building a diverse talent pipeline

The effort to transform the energy system is one that will span decades. It is therefore integral to SSE’s success that we maintain a strong talent pipeline and strategic approach to future workforce and skill requirements. A diverse pipeline, that reflects the multitudes of experiences and

perspectives within our communities, is of critical importance. We are proud to have achieved our ambition of 40% female representation within the GEC and its direct reports by October 2025. However, we recognise there is always more work to do, with a key priority monitoring progress towards our ambition of 6% ethnic minority representation in senior leadership by December 2027. Mindful of the findings from the FTSE Women Leaders Review published in February 2026, we remain committed to strengthening the diversity of our senior talent pipeline and will continue to identify levers to drive meaningful progress against our diversity ambitions.

## Setting priorities for 2025/26

The outcomes of the annual Board and Board Committee performance review (see [page 94](#)) have given us a clear plan for the year ahead. We will continue work with our Executive Directors and Group HR team to embed new senior leadership recruits and to build our talent pipeline. To support planned Board departures, we’ll maintain focus on our medium- and long-term succession plans and the skills to guide the next phase of investment to 2030, and the challenges and opportunities that lie beyond.

On behalf of the Committee, I’d like to thank you for reading our report and hope it’s an informative account of our work.

**Sir John Manzoni**

Chair of the Nomination Committee

27 May 2026



## Governance

### Membership and attendance

The Committee comprises all of SSE's non-Executive Directors and the Board Chair, who is also the Committee Chair. The Group General Counsel and Company Secretary is the Secretary, and the Executive Directors attend meetings as appropriate. See [pages 80 to 82](#) for member biographies. The Committee met five times in 2025/26, with attendance set out on [page 84](#).

### Committee performance review

In line with our structured review cycle, the annual review of Committee performance was an internal process for 2025/26 (see [page 94](#)), facilitated by Consello. This confirmed the Committee's continued effective operation and actions for 2026/27.

#### Review confirmed

- The Committee effectively managed a comprehensive Chief Executive succession process.
- Executive succession and leadership development has been prioritised, with GEC membership expanded to align with SSE's strategic needs.
- The Committee paid particular attention to the benefits of diversity for effective leadership.
- The Committee ensured a smooth transition and effective handover for the roles of SID and SSHEAC Chair.

#### Actions for 2026/27

- Continue to enhance executive succession and leadership development by overseeing actions to embed and retain recent senior talent hires, supported by non-Executive Director engagement with the talent pool.
- Continue to focus on opportunities to support meaningful progress towards achieving diversity ambitions.
- Consider orderly succession plans for the EMRC and Remuneration Committee Chair positions.
- Continue to align routine Board succession planning to the strategic direction of SSE.

## Ensuring effective leadership

### Board composition

As the biographies and tables outlining the Board's composition and competencies show (see [pages 80 to 82 and 84](#)), the SSE Board is diverse in terms of skills, experience, gender and ethnicity.

The Committee regularly assesses Board composition against the criteria it believes is needed to effectively lead SSE in agreeing its strategy, setting and overseeing the desired culture, and ensuring long-term sustainable success. The Board's skills matrix sets out what these attributes are (see [page 84](#)) and this is used to guide succession planning, as through regular review it enables identification of any potential gaps thereby helping to shape the brief for prospective Board appointments. The Board's Inclusion and Diversity Policy, planned departures, and the regulatory

landscape in which SSE operates also inform this process.

The diagram below describes the steps which typically guide appointments to the Board. Details of how this process resulted in the appointment of Hixonia Nyasulu as SID and Martin Pibworth as Chief Executive can be found in the Nomination Committee Report 2025.

### Board changes

The Committee agreed a number of key succession planning activities in 2024/25 that came into effect this year. At the conclusion of the AGM 2025, both Alistair Phillips-Davies and Helen Mahy did not seek re-election and retired from the Board. Martin Pibworth and Hixonia Nyasulu then assumed the respective roles of Chief Executive and SID. At this time, the responsibilities of Chief Commercial Officer were integrated with that of Chief Executive,

and leadership of the IT and Cyber Security, and General Counsel and Company Secretarial functions, transitioned to the Chief Financial Officer.

The Committee did not undertake any new Director recruitment in 2025/26, focusing instead on the agreed transitions across Board roles and future Board skills and recruitment needs.

### Board renewal

In 2025/26, the Committee recommended that John Bason and Dame Angela Strank be reappointed to the Board as non-Executive Directors for a second and third three-year term respectively. These recommendations were supported by the continued independence, experience and contribution of each Director. No Director took part in discussions or decisions relating to their own reappointment.

## Board appointment process

### Step 1

#### Confirming recruitment objectives

The Committee and Board agree the objective of the process and the role specification. This is based on reviews of Board composition, skills, experience, perspectives and SSE's strategic needs. Potential gaps may be identified as a result of planned Board departures.

### Step 2

#### Engaging an external recruitment firm

The Committee will engage a search firm, ensuring it is a signatory to the voluntary code of conduct for executive search firms.

The search firm and Committee will establish a diverse longlist of candidates, considering fit with the role specification, interest, bandwidth and potential conflicts.

### Step 3

#### Agree a shortlist and interview

Once the Committee has reviewed the longlist based on cultural and technical fit, it will agree a shortlist of candidates to interview.

Following interviews, the Committee will identify one or more candidates to meet with as many members of the Committee and Board as possible.

### Step 4

#### Making a recommendation

Considering all relevant search criteria, an individual's independence (for non-Executive positions), and capacity to take on the role, the Committee will recommend the appointment of the preferred candidate to the Board.



## Nomination Committee Report continued

### Committee changes

When appointing Board Committee members and considering key Board roles, the Committee strives to:

- Ensure alignment between skills and specific Committee and individual responsibilities.
- Prevent undue reliance on any one Director.
- Comply with recognised guidance, including the UK Corporate Governance Code 2024 (the Code).

A number of updates to Committee membership were agreed in the year in response to succession plans. After the AGM 2025, the following changes took effect. Dame Angela Strank became Chair of the SSHEAC as Helen Mahy stepped down from the Board. Hixonia Nyasulu became a member of the Audit Committee and SSHEAC. Upon becoming Chief Executive, Martin Pibworth stepped down from the SSHEAC and EMRC. Tony Cocker stepped down from the SSHEAC to align the number of his Board commitments with that of the other non-Executives.

### External appointments

The Committee ensures Directors have the time to perform their agreed Board and Committee roles. Before a Director's appointment, their external commitments and demands on time are assessed to confirm capacity to take on the role. The amount of time expected of them is specified in their Letter of Appointment. Following appointment, a Director can only accept additional commitments with approval from the Board. This is granted following review of the individual's circumstances and provided the Board is satisfied the Director can continue to give enough time to their SSE role.

In the period to 27 May 2026, approvals were given for Lady Elish Angiolini, John Bason, Melanie Smith and Maarten Wetselaar. Key changes are reflected on [pages 80 to 82](#) . In each case, the Board confirmed that the appointment would not affect the Director's time commitment to SSE or create a conflict of interest.

### Conflicts of interest and independence

The Committee reviews SSE's Conflicts of Interest Register and the independence of Board members. This involves considering the principles relating to independence in the Code and taking into account each Director's character, objectivity and integrity.

After its review in 2025/26, the Committee recommended that the conflicts or potential conflicts of interest detailed in the Register be authorised and that all non-Executive Directors be seen as independent. This was confirmed by the Board.

### Inducting new Directors

All Directors receive a comprehensive and bespoke induction. This is designed with the Chair and Group General Counsel and Company Secretary, considering each Director's expertise and potential Board or Committee roles. It includes one-to-one meetings with the Chair, Executive Directors, Group General Counsel and Company Secretary, members of the Group Executive Committee, and other senior leaders.

Inductions familiarise Directors with SSE's operations, strategy, culture, governance, and the regulatory environment in which it operates. They also generally include meetings with external advisors and visits to key sites. Once appointed, Directors are given access to SSE's electronic Board paper portal – this contains past Board and Committee papers, key internal policies, and information pertinent to the duties of a Director of a listed company.

Details of bespoke induction programmes completed for Hixonia Nyasulu, Martin Pibworth in his transition to Chief Executive, and Dame Angela Strank in her transition to SSHEAC Chair can be found in the Nomination Committee Report 2025.

### Company Secretary

Following notification from our Group General Counsel and Company Secretary, Liz Tanner, of her intention to retire in 2026, a competitive recruitment process was run to identify a recommended successor to her role. The Board approved the appointment of an external candidate, Tracey Wood, who will join SSE from Balfour Beatty later in 2026. Tracey will continue in the joint position of Group General Counsel and Company Secretary and brings over 25 years' experience of leading legal and corporate governance teams in the construction and engineering sectors.

### Capability and development

#### Group Executive Committee changes

As Martin Pibworth has transitioned into the role of Chief Executive and SSE has repositioned its strategic ambitions, the Committee and Board have remained updated on senior leadership changes to expand the specialist knowledge within the GEC. In August 2025, Nikki Flanders, ECS Managing Director, was appointed as a member. Rhian Kelly, Chief Sustainability Officer and Thomas Broström, Managing Director, Business Development were appointed upon joining SSE in November 2025 and April 2026 respectively.

#### Succession planning

The Committee works closely with Group HR to support SSE's continued ability to recruit talent and develop the skills, experience and knowledge needed at Executive Director and below-Board level to ensure the Company's long-term success. The internal pipeline of people with the potential to move into key leadership and functional roles, whether in the short or

### Coaching emerging talent 2025/26

Every year, members of the Committee and wider Board meet with an array of employees to monitor, coach and develop our talent. Below are some highlights from the year:

- Before her retirement, Helen Mahy sat on the judging panel for the Graduate Sustainability Project in June 2025. The event provides an opportunity for graduates to tackle real challenges with their own innovative, sustainable solutions. Helen gained valuable insight and direct access to talented graduates, allowing her to provide targeted, informal coaching.
- Hixonia Nyasulu, Tony Cocker, Melanie Smith and Maarten Wetselaar attended a dinner with future talent in May 2025. The evening provided a chance for Committee members to interact informally with our strong leadership pipeline and converse openly on the qualities needed to become a leader.
- Dame Angela Strank, Lady Elish Angiolini and Dame Debbie Crosbie attended a dinner for our senior women leaders in November 2025. The evening offered a supportive environment to hold candid conversations about the meaningful and sustained action needed to promote equality of opportunity at the top.

long term, is regularly reviewed and challenged. Recent hires and external talent pools are also considered.

### Building capability and capacity

SSE is committed to investing in its people through targeted development initiatives to build capability. External providers support with some of these initiatives, which are designed to create the education, exposure and experience required to deliver SSE's strategy.

To support this, the Committee regularly reviews development activity and oversees talent programme participation. Members of this Committee also engage with SSE's emerging leaders through talent sessions, Board-level presentations, informal interactions, business-led sessions and internal conferences, and opportunities for coaching and mentorship.



## Inclusion and diversity

Details of SSE's Group-wide inclusion and diversity strategy, along with examples of initiatives underpinning it, are set out on [pages 50 to 52](#).

Board and senior leadership diversity ambitions and targets are set in line with the FTSE Women Leaders Review, the UK Listing Rules and the Parker Review. See the table on [page 141](#) for details of the gender and ethnic diversity on the Board and GEC.

### Board diversity

The Board aims to set the right tone from the top and foster a diverse organisation that welcomes all views, perspectives and experiences. To this end, it operates under a standalone Inclusion and Diversity Policy which aligns its membership with SSE's purpose, strategy and culture through agreed principles and ambitions. The full policy can be found on [sse.com](#).

The Committee reviews the policy annually and from time to time recommends changes that may enhance the diversity of the Board and its Committees. This year, a minor change was made to codify the existing senior leadership ethnicity ambition. Policy implementation is assessed by reviewing the diversity of the Board and Committees and evaluating progress against set goals.

## Senior leadership diversity

The Committee reviews inclusion and diversity below Board level, including strategy, plans and activities to create a more inclusive and diverse environment. It works with the Executive Directors and Group HR to develop action plans that support SSE's senior leadership diversity ambitions and monitors their progress.

**Ethnicity.** The Committee considered our position against the previously agreed ambition of 6% ethnic minority representation in senior leadership to be achieved by December 2027, supporting the Parker Review recommendation to agree an appropriate target for this population. With progress being made in the year to reach a level of 3.6%, it believes this ambition remains a credible focus for the next year.

### Group-wide diversity

Group-wide ambitions and supporting data allow the Committee to track changes in the composition of the overall employee population. Despite the impact of the Group Efficiency and Operating Model Review across 2025/26, which resulted in decreased hires and increased leavers, the Committee was pleased to see the sustained progress across inclusion and diversity measures over recent years, with small increases in the representation of ethnic minorities and

## Gender – progressing female representation

The Committee was pleased that we met our ambition of attaining 40% female representation across the Group Executive Committee and its direct reports by October 2025. This now ongoing ambition aligned with the recommendations of the FTSE Women Leaders Review. It was achieved following targeted action with Group HR, including support for colleagues returning from extended leave, strengthened networking and sponsorship opportunities, and focused learning and development programmes. Recognising that progress at this level is not always linear, as changes to the composition of this relatively small group of people can affect overall representation, the Committee will maintain focus on inclusive and accessible recruitment and succession planning to build a diverse leadership pipeline.

those with a disability. More detail on our overarching inclusion and diversity strategy and ambitions can be found on [page 51](#).

## Board Inclusion and Diversity Policy

### How the policy links to strategy

People are at the heart of the transformational change needed to achieve a clean energy transition, and we believe innovative solutions to climate change require diverse views, experiences and skills. A diverse Board brings constructive challenge and fresh perspectives to discussions. The principles of equality, fairness, inclusion and diversity must be at the centre of everything we do to effectively deliver our strategic aims.

### Policy principles

#### Leadership and composition

- Identify Board and Committee needs including the balance of diversity characteristics.

See [page 84](#).

#### Recruitment

- Adopt a formal and inclusive Board recruitment process.
- Engage executive search firms who have signed the enhanced code of conduct and discuss ambitions for diverse candidate lists.
- Recruit based on an objective and shared understanding of merit.

See [page 99](#).

#### Culture and strategy

- Nurture an inclusive Board and Committee culture.
- Be aware of stakeholder expectations and challenge targets in wider strategy.

See [pages 90 and 101](#).

#### Succession

- Oversee work to develop a diverse talent pipeline.

See [pages 100 to 101](#).

### Policy goals

- **Goal.** At least 40% of Board positions are held by women, with the aim to stay as close to gender parity (50%) as possible on a rolling basis.
  - ✓ 45% women on the Board as at 27 May 2026. 43% rolling three-year female representation as at 31 March 2026.
- **Goal.** At least one woman in the roles of Chair, Senior Independent Director, Chief Executive or Chief Financial Officer.
  - ✓ The role of Senior Independent Director is held by a woman.
- **Goal.** At least one Director from an ethnic minority background.
  - ✓ Two Directors are from an ethnic minority background.
- **Goal.** At least one woman as a member of each of the Board Committees.
  - ✓ At least two women sit on each of the Board's Committees.

# Audit Committee Report

“Through focused challenge and assurance, the Committee supported the Board in maintaining robust financial reporting, effective internal controls and high standards of audit quality across the Group.”



## The role of the Committee

The Audit Committee provides independent oversight of the integrity of SSE's financial reporting, the effectiveness of internal control and risk management arrangements, and the performance, independence and quality of the internal and external audit functions.

Further details on the Committee's role and responsibilities are set out in its Terms of Reference, available on [sse.com](https://www.sse.com).

I am pleased to present the Audit Committee's report for the financial year 2025/26, which outlines the Committee's principal areas of focus and how it has supported the Board. Through focused challenge and assurance, we supported the Board in maintaining robust financial reporting, effective internal controls and high standards of audit quality across the Group.

## Governance reforms

Throughout the year, we received regular updates on preparations for compliance with the UK Corporate Governance Code 2024 (the Code), with particular focus on Provision 29. While the requirement for a formal Board declaration will apply from the 2026/27 financial year, we treated 2025/26 as a transitional year, supporting management in developing and making ready the robust approach to evidencing the effectiveness of the Group's systems of risk management and internal control in the new financial year.

As part of this work, we reviewed the Group's approach to identifying, monitoring and testing material controls, together with the governance processes supporting effective oversight and transparent disclosure of the risk management and internal control framework. This work builds

on established frameworks and strengthened integrated assurance, providing the Committee with confidence that appropriate arrangements are in place to support compliance with Provision 29 across 2026/27. Further detail is set out in the Risk Management and Internal Control section of this report on [page 108 to 109](#).

## Non-financial reporting assurance

The role of non-financial reporting continues to grow, driven by regulatory developments and increased focus on sustainability and governance disclosures. During the year, we monitored progress against the Group's non-financial reporting assurance framework and plan, which is designed to strengthen the reliability of key disclosures through a proportionate, risk-based approach. We recognise the importance of this reporting to stakeholders and believe that the enhanced assurance processes implemented during the year will provide greater confidence in the quality, consistency and transparency of non-financial disclosures, while focusing on matters of greatest material importance.

## Robust financial controls

During the year, we monitored the activities of the recently established Financial Controls Centre of Excellence and the three-year roadmap to evolve our financial control framework and embed a stronger controls culture across the Group. We recognise the importance of maintaining robust financial controls to optimise processes, enhance operational efficiency and support effective financial reporting. We were satisfied with progress delivered during the year and will continue to track delivery against the agreed roadmap.

## Financial reporting

The Committee reviewed the Group's Annual Report and Interim Financial Statements, paying particular attention

to the clarity, accuracy and completeness of disclosures, significant accounting judgements and areas of estimation uncertainty. Following challenge of management and consideration of the External Auditor's findings, we recommended that the Board approve the Financial Statements, the Going Concern and Viability Statements, and the related letter of representation.

## External audit and audit quality

We maintained close oversight of the external audit process throughout the year. The Committee was satisfied with the quality and rigour of the audit, including the application of appropriate professional scepticism and robust challenge of management's key judgements. The Committee also continued to monitor the independence and objectivity of the External Auditor and were satisfied that these were maintained.

## Committee changes

Hixonia Nyasulu succeeded Helen Mahy as a member of the Committee following the AGM 2025. The Committee welcomed her broad international experience in the energy sector, which has further strengthened the Committee's deliberations.

We remain confident in SSE's strong control environment and hope this report gives shareholders a clear insight into the Committee's work during the year.

**John Bason**  
Chair of the Audit Committee

27 May 2026

## Governance

### Membership and attendance

The Committee comprises five non-Executive Directors: John Bason and Debbie Crosbie, who bring financial expertise, as well as Tony Cocker, Maarten Wetselaar, and Hixonia Nyasulu, who possess backgrounds in the energy sector. See [pages 80 to 82](#) for member biographies. Committee meetings are regularly attended by the Board Chair, Chief Financial Officer and Director of Group Risk and Audit, and External Auditor, with senior finance and business managers participating as required. To facilitate open and transparent discussions, the Committee also meets privately at least twice a year with the Director of Group Risk and Audit and External Auditor without management present.

The Committee met four times in 2025/26 with attendance set out on [page 84](#).

### Committee performance review

In line with our structured review cycle, the annual review of Committee performance was an internal process for 2025/26, facilitated by Consello (see [page 94](#)). This confirmed the Committee's continued effective operation and actions for 2026/27. Good progress was made during the year on the agreed actions ahead of 2026/27, including a review of the key activities set out in the Committee's Terms of Reference and the streamlining of Committee papers to promote clearer, more focused discussion.

#### Review confirmed

- The Committee operates efficiently, with members consistently demonstrating preparedness and participating in open discussions.
- The Chair offers strong leadership that promotes an environment of transparency and collaboration.

#### Actions for 2026/27

- Ensure the Committee's scope is appropriately balanced on its key risks, and monitor and manage any potential overlap with other Board Committees to maintain clarity of remit and effective risk oversight.

## Financial reporting

The Committee's primary responsibility is to review and provide guidance to the Board regarding the accuracy and clarity of the Group's financial statements, including the Annual Report and Interim Financial Statements. It is committed to ensuring these documents present SSE's financial position, performance, business model, and strategy in a clear and comprehensive manner. In fulfilling this role, it examines:

- accounting policies and practices used (see [A1](#) Accompanying information to the financial statements);
- accounting judgements and estimation uncertainty (see [note 1.2](#), [page 247](#));
- significant financial judgements and estimation uncertainties (see [pages 104 to 106](#));
- the independent auditors' report on approach to key audit matters (see [pages 254 to 264](#));
- Going Concern and Viability statements (see [page 76](#));
- the fair, balanced and understandable assessment (see [page 103](#));
- Internal Audit and Risk Management and Internal Control (see [pages 107 to 109](#)); and
- compliance with accounting standards and financial reporting requirements, such as the UK Corporate Governance Code and IFRS.

Following thorough Committee review, it recommended the Board approve the Financial Statements, the Going Concern Statement, and the letter of representation to the External Auditor. This was made after careful consideration of the clarity, accuracy, and integrity of the disclosures, as well as the robustness of management's assessment of the Group's financial position and ongoing viability.

## Viability and Going Concern

The Committee examined and challenged management's assessment of SSE's long-term viability and its ability to continue as a Going Concern over the next 18 months. The Committee was satisfied that the viability assessment process was robust, and that a four-year assessment period remained appropriate. These considered how SSE could withstand different scenarios reflecting its current risk exposures. After reviewing supporting information, the Committee concluded that both the Group and SSE plc as the parent company had enough headroom to continue as a Going Concern and that they had a reasonable expectation that the Company would continue to meet its financial liabilities over the period to 2030. In the unlikely event of not being able to refinance maturing debt, the Group would be able to access the revolving credit facility, defer uncommitted capex, make further cost reductions, and delay or defer dividend payments.

The Financial Statements have been prepared on a Going Concern basis (see [A6.3](#) Accompanying information to the financial statements).

### Ensuring a fair, balanced and understandable Annual Report

The Committee supports the Board's assessment of whether the Annual Report is fair, balanced and understandable, and whether it provides the information necessary for shareholders to assess SSE's position, performance, business model and strategy. In doing so, the Committee reviewed the assurance process underpinning the Annual Report, which included:

- consideration of reports from the External Auditor on material inconsistencies;

- review of the verification undertaken on the factual content of the Annual Report;
- consideration of feedback received during the drafting process from Directors and senior management, independent senior management and SSE's brokers, to ensure appropriate balance, consistency and alignment with performance, strategy and the financial statements; and
- confirmation from senior management that, based on the assurance activities undertaken, the Annual Report was fair, balanced and understandable.

On the basis of this work, the Committee provided its advice to the Board to support the Board's final determination that the Annual Report was fair, balanced and understandable.

### Non-financial and sustainability reporting

The Committee closely monitored SSE's approach to non-financial reporting and the underlying governance, risk and control environment that supports it, including sustainability and regulatory disclosures within the Annual Report.

As part of this oversight, the Committee reviewed climate-related and sustainability disclosures, considering the alignment between narrative reporting, risk and strategy, and the consistency between financial and non-financial disclosures. This included reporting aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and the Group's developing approach to the upcoming UK Sustainability Reporting Standards (SRS). The review covered climate-related risks and opportunities, supporting governance and processes, and associated assurance arrangements.

## Audit Committee Report continued

Based on this work, and positive stakeholder feedback, the Committee approved the continued integration of climate-related disclosures throughout the Annual Report and recommended to the Board that the disclosures were fair, balanced and understandable.

The Committee also monitored the internal assurance framework underpinning non-financial information and received updates during the year on targeted assurance activity. This included reviews of inclusion and diversity metrics, safety performance data, waste indicators and

advisory work supporting sustainability disclosures. No material errors were identified. The Committee reviewed management's actions to address identified areas for improvement and approved the risk-based non-financial disclosure assurance programme for 2026/27.

In fulfilling its responsibilities, the Committee received updates on developments in the external reporting environment, including changes to the EU Corporate Sustainability Directive (CSRD) implementation timelines and the UK Corporate Governance Code 2024.

The Committee also continued to oversee management's work to strengthen the non-financial reporting control environment in support of future regulatory readiness.

Further information is set out in the statement on non-financial and sustainability information on [page 75](#).

### Significant financial judgements and estimates for the year ended 31 March 2026

The Committee received comprehensive reports from both the Chief Financial Officer (CFO) and the External Auditor regarding aspects of Financial Statements requiring significant judgements or estimation uncertainties as well as other matters brought to its attention. In consultation with EY, SSE's External Auditor, the Committee examined, monitored and challenged the appropriateness of those views, and found them to be robust and justified.

| Matters considered                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | How these were addressed by the Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Committee conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Impairment testing and valuation of certain non-current assets (financial judgement and estimation uncertainty)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>The Group reviews the carrying amounts of its goodwill, other intangible assets, specific property, plant and equipment and investment assets to determine whether any impairments or reversal of impairments to the carrying value of those assets requires to be recorded. Where an indicator of impairment or impairment reversal exists, the recoverable amount of those assets is reassessed by reference to value in use calculations or fair value less cost to sell assessments, if more appropriate. As well as its goodwill balances, the specific assets under review in the year ended 31 March 2026 are intangible development assets in Southern Europe and Japan; specific property, plant and equipment assets related to Gas Storage; specific onshore Renewables assets; and the Group's thermal power station at Great Island in Ireland.</p> <p>In addition, the Group performed impairment reviews over the carrying value of its equity investments in the Dogger Bank Wind Farm joint ventures (JVs); Neos Networks Limited; and Triton Power Holdings Limited.</p> | <p>An annual impairment testing and valuation of certain non-current assets exercise is carried out by SSE Finance, with management presenting the outcome of this review to the Committee.</p> <p>In conducting its reviews, the Group makes judgements and estimates determining both the level of cash generating unit (CGU) at which common assets such as goodwill are assessed against, as well as the estimates and assumptions behind the calculation of recoverable amount of the respective assets or CGUs.</p> <p>Changes to the estimates and assumptions on factors such as regulation and legislation changes (including relevant climate change related regulation), power, gas, carbon and other commodity prices, volatility of gas prices, plant running regimes and load factors, discount rates and other inputs could impact the assessed recoverable value of assets and CGUs and consequently impact the Group's income statement and balance sheet.</p> <p>Further detail of the calculation basis and key assumptions used in the impairment reviews, impairment test results, and the sensitivity of these assessments to key assumptions is disclosed at <a href="#">note 15</a>. Detail on the accounting policies applied is included in the Accompanying Information at <a href="#">A1</a>.</p> | <p>The Committee reviewed and challenged the assumptions and projections and considered the External Auditor's reporting and findings. Following this review, the Committee supported the judgements made to recommend the recognition of exceptional impairment charges of £155.8m in relation to the Aberarder and Strathy South assets under construction due to project delays and the exceptional reversal of impairment charges of £77.9m in relation to the Gas Storage facilities and Triton Power Holdings Limited.</p> <p>The Committee also supported the judgements made not to recognise further impairment charges associated with other assets including in relation to the Group's Southern Europe platform's goodwill and intangible development assets and the Japanese Pacifico Renewables development platform.</p> |



## Significant financial judgements and estimates for the year ended 31 March 2026

| Matters considered                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How these were addressed by the Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Committee conclusions                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Retirement benefit obligations (estimation uncertainty)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>The Group sets its assumptions in relation to the cost of providing post-retirement benefits after consultation with qualified actuaries.</p> <p>While these assumptions are believed to be appropriate, a change would impact both the level of retirement benefit obligation recorded and the cost to the Group of administering the schemes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>The assets and liabilities of the Group's defined benefit retirement schemes are regularly reviewed and advice is taken from independent actuaries on the IAS 19 valuation of the schemes.</p> <p>The Committee considered how the schemes were valued and the External Auditor's findings on the scheme's key assumptions relative to market practice.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Following this review, the Committee supported the judgements made.</p> <p>See <a href="#">note 23</a> for details of the calculation basis and key assumptions, resulting movements in obligations, and the sensitivity of key assumptions to the obligation.</p>                                                                                                               |
| <b>Revenue recognition – customers unbilled supply of energy (estimation uncertainty)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>Revenue from the energy supply activities undertaken by the Group's Energy Customer Solutions business includes an estimate of the value of electricity or gas supplied to customers between the date of the last meter reading and the year end. See <a href="#">note 4.1 (iii)</a> for details of the estimation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>This unbilled estimation is subject to an internal corroboration process. This compares calculated unbilled volumes to a theoretical "perfect billing" benchmark measure of unbilled volumes (in GWh and millions of therms). It is derived from historical consumption patterns and aggregated metering data used in industry reconciliation processes. Unbilled revenue is compared to billings in the period between the balance sheet date and the finalisation of the financial statements, which has provided evidence of post report date billings and hence support to the accrual recognised.</p> <p>Given the requirement of senior management to apply judgement, the estimated revenue accrual remains a significant estimate when preparing the financial statements. A change in the assumptions underpinning the unbilled calculation would have an impact on the amount of revenue recognised in any given period.</p> <p>The Committee reviewed the process, issues and assumptions in determining the estimation uncertainty and also considered the findings of the External Auditor.</p> | <p>The Committee considered senior management's judgements in respect of the unbilled sales accrual based on analysis of the billing performance in the year and other relevant information.</p> <p>The Committee supported the estimate for revenue recognition from energy supply activities. <a href="#">Note 18</a> details the sensitivity associated with this judgement.</p> |
| <b>Impact of climate change and clean energy transition (financial judgement and estimation uncertainty)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>Climate change and the clean energy transition have been considered in the preparation of our financial statements. The Group has a clearly articulated strategy supported by an investment plan and business activities, that aligns with the UK's clean energy transition. This strategy is further supported by the Group's Sustainability Financing Framework, with nine green bonds outstanding at 31 March 2026 and £2bn of export credit agency-backed facilities in place, treated as "Green Loans" when drawn (see <a href="#">note 21</a>).</p> <p>The nature and timing of future climate-related regulation, market developments and technological change are inherently uncertain and could have a material impact on the carrying values of the Group's assets and liabilities. In preparing the financial statements, senior management has considered the potential impacts of climate change and the clean energy transition in the application of accounting judgements and estimates, including the following areas:</p> <ul style="list-style-type: none"> <li>– Valuation of property, plant and equipment, and impairment of goodwill;</li> <li>– Valuations of decommissioning provisions;</li> <li>– Defined benefits scheme assets; and</li> <li>– Going Concern and Viability Statement.</li> </ul> | <p>The Committee reviewed:</p> <ul style="list-style-type: none"> <li>– The disclosures regarding the implications of climate change and related significant accounting judgements.</li> <li>– The approach taken by the Group-level Sustainability-related Financial Disclosures Committee, which is responsible to steer and govern sustainability-related disclosures.</li> <li>– The Group's climate-related financial disclosures statement.</li> <li>– Information from the External Auditor on the associated audit requirements.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>After a presentation on the proposed disclosures and the External Auditor's report on SSE's approach, the Committee approved the basis of reporting and related financial judgement disclosures included in the Financial Statements for the year ended 31 March 2026.</p> <p>See <a href="#">note 4.1(v)</a> for details of the sensitivity associated with this judgement.</p> |



## Audit Committee Report continued

### Significant financial judgements and estimates for the year ended 31 March 2026

| Matters considered                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How these were addressed by the Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Committee conclusions                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation of other receivables (financial judgement and estimation uncertainty)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>The Group holds a £100m loan note due from OVO Group Limited (Ovo) following the disposal of SSE Energy Services on 15 January 2020. The loan is repayable in full by 31 December 2029, carries interest at 13.25% and is presented cumulative of accrued interest payments, discounted at 13.25%. At 31 March 2026, the carrying value (net of expected credit loss provision of £2.0m (2025: £1.8m)) is £220.0m (2025: £193.5m) (see <a href="#">note 18</a>).</p> <p>The Group has assessed recoverability of the loan note receivable and has recognised a provision for expected credit loss in accordance with the requirements of IFRS 9.</p> | <p>The Committee considered senior management's actions to assess all available information in respect of the recoverability of the loan note. Procedures included reviewing recent financial information of Ovo, and discussions with its management. On 11 May 2026, subsequent to the balance sheet date, E.On announced the acquisition of Ovo's Retail business, subject to regulatory approval. Completion of the acquisition would result in the principal and accumulated interest becoming repayable in full. The announcement of the acquisition is considered a non-adjusting post balance sheet event in terms of classification. There is no impact to the measurement of the loan note as a result of the announcement.</p> | <p>Following management's assessment of the recoverability of the loan note, the Committee considered the judgement to be appropriate and no changes to the recoverable value were made following announcement of the transaction.</p> <p>While the carrying value is considered to be appropriate, changes in economic conditions could lead to a change in the expected credit loss incurred by the Group in future periods.</p> |

### External audit

The Committee oversees the relationship with the External Auditor, undertaking an annual assessment of its performance and independence, and providing recommendations to the Board regarding its reappointment or removal. EY has served as SSE's External Auditor since 2019 and was reappointed by shareholders at the AGM held in 2025. William Binns continues in his role as lead Audit Partner for a second consecutive year.

#### External audit plan

At the September 2025 meeting, the Committee received a comprehensive audit plan from EY. The plan included the proposed audit approach and scope, key audit matters (see the independent auditor's report on [pages 254 to 264](#)), and an assessment of key areas of risk. The Committee reviewed and challenged the audit plan and the key risk assessment to make sure underlying judgements were robust. Throughout the year, the Committee monitored progress against the plan through updates from the External Auditor.

#### Independence and objectivity of the External Auditor

The Committee is responsible for safeguarding the independence and objectivity of the External Auditor and consider this to be fundamental to audit quality. During the year, the Committee undertook this review, which included consideration of:

- formal independence confirmations and assurances provided by EY, including the effectiveness of safeguards in place;
- compliance with our Non-Audit Services Policy and the nature and level of non-audit fees incurred; and
- SSE's policy on the employment of former audit staff.

EY confirmed that all partners and staff involved in the audit complied with its ethics and independence policies and procedures, and that no members of the audit team held shares in SSE plc. The Committee was satisfied that the non-audit services provided during the year did not compromise EY's independence or objectivity, and that all such services were approved in accordance with our policy and the FRC Ethical Standard.

The Committee also considered EY's appointment as Sustainability Auditor for the Group's sustainability metrics for the period 2024/25 to 2028/29, and concluded that this additional assurance role does not impair EY's independence or objectivity.

Having considered the assurances received from EY, the safeguards in place, and compliance with our policies and the FRC Ethical Standard, the Committee concluded that EY remained independent and objective throughout the year and that its judgement was not compromised.

#### Audit quality and professional scepticism

The Committee held detailed discussions with EY on the conduct and quality of the audit, with particular focus on the exercise of professional scepticism. This included how EY challenged management's key judgements and assumptions, the audit approach adopted in areas of risk, and the procedures performed in response to those risks, including controls testing and substantive audit procedures, together with sensitivity analysis and independent corroboration in key judgemental areas.

The Committee also considered how EY assessed the risk of management bias and the extent to which independent corroborating evidence was obtained. Following these discussions, the Committee was satisfied that EY demonstrated an appropriately robust and sceptical approach and that audit quality was maintained at a high standard.

### External audit fees

The external audit fee proposal for the year ending 31 March 2026 was reviewed by the Committee in September 2025. The Committee discussed the reasons for the increased fee with EY, which were based on: a broader audit scope – particularly the growing complexity of the Group's structure which requires additional specialist resources; evolving regulatory requirements; and investment in technology. The total external auditor fee for the financial year 2026 was £6.9m (2025: £6.3m), which included:

- Scope changes of £0.7m (2025: £0.8m) related to the previous year's audit.
- Audit-related assurance services of £0.4m (2025: £0.3m), including fees incurred related to regulatory submissions and returns required by Ofgem, comfort letters in connection with funding and debt issuance, and ESG assurance.
- Non-audit services of £0.4m (2025: £0.3m).

For details of fees paid to the External Auditor, see [note 6](#).

#### Non-audit services

SSE's Non-Audit Services Policy sets out the framework governing when the External Auditor may provide non-audit services. The policy is reviewed periodically to ensure it remains aligned with evolving regulatory requirements, professional standards and best practice.

In accordance with the policy, the Committee applies a cap of 70% on non-audit fees payable to the External Auditor, calculated by reference to the average audit fees paid over the previous three consecutive financial years. The Committee approves all non-audit services and associated fees in advance and receives a report at each meeting detailing approved services, enabling the monitoring of compliance on an ongoing basis. During the year, the ratio of non-audit fees to audit fees was approximately 0.06:1.

## Ensuring external audit effectiveness

The Committee oversees the Group's relationship with EY to ensure the independence, quality, rigour and challenge of the external audit process. The Committee's review of external audit effectiveness involves the following key activities.

### Key activities

#### Audit Committee

- Monitored EY's performance throughout the year.
- Assessed the audit strategy and independent auditors' report.
- Considered the results of a survey of Audit Committee members, regular attendees and Group Finance.
- Considered the quality of the External Auditor's reporting on key accounting and audit judgements and the skill with which EY applied robust challenge and professional scepticism when dealing with management.
- Met with EY twice during the year without the senior management team.
- Held meetings with the audit engagement partner and Committee Chair.

#### External Auditor

- Confirmed its policies and procedures for maintaining independence.
- Provided confirmation that it operates in accordance with the ethical standards required of audit firms.

#### Management

- Assessed the feedback from a management survey of people subject to the external audit process.
- Received assurance on the process for providing information to the External Auditor.

#### Regulator

- Considered the FRC's report on Audit Quality Inspections which included a review of audits carried out by EY.
- Discussed FRC's Audit Quality Review (AQR) team's inspection of EY's audit of SSE plc for the financial year ended 31 March 2025.

### Key outputs

#### Results

The review confirmed that EY:

- Delivered a high-quality audit, with no significant issues raised.
- Focused on key financial risks and demonstrated good understanding of the Group and its internal controls.
- Challenged management throughout the audit through addressing key findings and properly engaging on misstatements and materiality judgements.

The AQR inspection of EY's audit of SSE plc for the year ended 31 March 2025 concluded with no findings and was awarded a "1" rating.

#### Outcome

The Committee concluded that EY:

- Effectively delivered the audit in line with the agreed audit plan.
- Displayed strong expertise in complex areas and provided constructive, independent and objective challenge to management.

Debrief sessions were held between EY and Finance management teams across SSE to consider how to enhance the audit process and environment.

Reflecting on EY's performance and the results of the AQR inspection, the Committee recommended to the Board the reappointment of EY as our External Auditor. Shareholder approval will be sought at the AGM 2026 to reappoint EY for the year ending 31 March 2027.

## Reappointing the External Auditor

Having considered EY's performance, the effectiveness of the audit and EY's relationship with SSE, the Committee concluded that it is in the best interests of SSE and its shareholders to continue with EY as External Auditor. Accordingly, the Committee recommended that the Board seek shareholder approval to reappoint EY for the financial year ending 31 March 2027.

In line with applicable regulatory requirements, and to support audit quality, independence and objectivity, SSE will commence a competitive tender process for the external audit no later than 2029. The Committee confirms that SSE remains compliant with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

## Internal Audit

The Committee is responsible for overseeing the work of Internal Audit, which provides independent and objective assurance to management, the Committee, and the Board, regarding the effectiveness of SSE's risk management practices, internal controls, and corporate governance. The purpose, scope, and authority of Internal Audit are established in its charter, which is reviewed and approved annually by the Committee.

### Internal Audit Plan

The programme of Internal Audit work is set out in its annual plan which the Committee reviews, challenges and endorses each year. In February 2026, the Committee reviewed and endorsed the 2026/27 Internal Audit plan which was designed to align with SSE's operating model, risk profile, control environment and assurance framework. The plan encompasses annual and cyclical reviews, as well as targeted management-requested audits. It covers a wide range of thematic and functional areas, including financial control, people and culture, cyber security, resilience, and political and

regulatory change. Where specialist knowledge is required, Internal Audit has made provision to engage external expertise in support of delivery.

Over the course of the year, the Committee monitored delivery of the 2025/26 Internal Audit plan. The Committee reviewed key findings and recommendations, and received confirmation from management that agreed remedial actions were being completed in a timely manner. The 2025/26 plan covered a broad range of Group-wide and business-specific risk areas, including:

- Cyber security, technology resilience and operational continuity;
- Financial controls and digital;
- Large capital projects and investment governance;
- Climate change, sustainability and non-financial reporting;
- People, culture and workforce capability; and
- Regulatory change and external obligations.

Overall, the Committee was satisfied with the progress made under the 2025/26 plan.



## Audit Committee Report continued

### Effectiveness of Internal Audit

In February 2026, the Committee carried out its annual evaluation of the Internal Audit function. This was informed by a stakeholder survey covering members of the Committee, the Group Executive Committee, senior leaders from Corporate and Business Unit functions, and the External Auditor. The Committee also reviewed delivery of the audit plan and assessed the depth of skills and experience within the Internal Audit team.

When reviewing the 2026/27 plan, the Committee noted Internal Audit's role in supporting the Group Operating Model and Efficiency Review, including its leadership to establish an integrated assurance model rationalising assurance effort and increasing the focus on SSE's most material risks. The function has maintained strong alignment between audit activity and areas of greatest strategic and operational risk. Through constructive engagement with management, Internal Audit has been able to reprioritise its work where appropriate, while preserving its independence and continuing to deliver robust assurance. Focus has remained appropriately directed towards key Group risks.

Based on this assessment, the Committee concluded that Internal Audit continues to operate effectively, providing independent, risk-based assurance across the Group's systems of risk management and internal control.

In line with the Institute of Internal Auditors' guidance, which recommends external quality assessments at least every five years, and SSE's policy of conducting such reviews every three to four years, the next independent assessment was initially planned for 2027. The previous external review, conducted by PwC in 2023, confirmed that the function meets professional standards and is operating effectively. Following the appointment of a new Head of Group Internal Audit in January 2026, it has been agreed that the next independent assessment will now be undertaken in 2028.

### Oversight of risk management and internal control

The Committee oversees and evaluates the effectiveness of SSE's System of Internal Control on behalf of the Board which covers all material controls including financial, reporting, operational and compliance.

#### Risk management and internal control

The Group has established risk management and internal control systems designed to identify, assess and manage risks to the achievement of its strategic objectives.

The Committee receives regular reports from the Director of Group Risk and Audit on the operation and effectiveness of the Group's System of Internal Control (see [page 109](#)). Relevant matters are escalated to the Board as appropriate.

Executive responsibility for risk management rests with the CFO, supported by the Director of Group Risk and Audit and the Group Executive Committee for SSE's overall risk profile. The Group Risk Committee meets regularly to review the effectiveness of risk governance arrangements, the performance of risk management processes, and emerging risks and themes across the Group. The output informs the Audit Committee's assurance activities and supports the Board's assessment of principal risks and the actions taken to manage them.

For details on SSE's approach to risk management, see [pages 56 to 63](#).

The Energy Markets Risk Committee oversees internal control and risk management in relation to SSE's energy market-related exposures – see [pages 110 to 111](#) for more.

### Risk management and internal control effectiveness

The Committee was satisfied that SSE's internal controls operated effectively throughout the year. This conclusion was informed following the results of an evaluation conducted by stakeholders within each framework of our System of Internal Control. The CFO assessed these evaluations and submitted a letter to the Committee, summarising the work completed during the year to enhance the control environment and recommended the overall effectiveness of the system.

## Complying with the UK Corporate Governance Code 2024

### Summary

Following the publication of the UK Corporate Governance Code 2024 (the Code), the Committee conducted a thorough review of the changes. The key updates related to Provision 29, which requires the SSE Board to include in the annual report:

- a description of how the Board has monitored and reviewed the effectiveness of the risk management and internal control framework; and
- a declaration of effectiveness of the material controls as at the balance sheet date.

This update will apply from SSE's financial year ended 31 March 2027. The Committee view the changes introduced by the Code as an opportunity to further enhance governance, drive greater accountability, and reinforce stakeholder confidence in our control environment and risk management framework.

### Actions taken

In response to this requirement, the Board and Committee have received regular updates regarding the approach to Provision 29, to ensure that the necessary procedures and governance structures are in place to support the Board in meeting its obligations for year ended 31 March 2027:

- **Monitoring and review processes.** Management has implemented and operates processes for the ongoing monitoring and review of: the effectiveness of the risk management and internal control framework, and oversight of all assurance outcomes across three lines of defence including the operation and testing outcomes of material controls. These measures are designed to provide assurance that the effectiveness of internal controls is being consistently evaluated and maintained. The Board, supported by the Committee, oversees and challenges management's approach through its own monitoring and review of these integrated assurance activities, to support the Board's annual report effectiveness declarations as at the balance sheet date.
- **Identification and testing of material controls.** Following review and agreement by the Board, material controls encompassing SSE's Principal Risks, financial reporting, and non-financial reporting have been identified. The approach to testing these controls, as well as the plan for financial year 2026/27, has been clearly outlined. The material controls comprise both framework controls, which establish overarching governance and transparency, and transactional controls, which support the day-to-day management of key risks to SSE.

- **Disclosure process.** Processes have been established to ensure that disclosure accurately describes how the Board monitors and reviews the effectiveness of the risk management and internal control framework and material controls as at the balance sheet date. Additionally, any actions taken to address issues identified during monitoring and testing are communicated transparently, reinforcing our commitment to strong governance.

### Outcome

In preparation for full compliance with Provision 29 of the Code, the 2025/26 financial year was treated as a "dry run" to embed SSE's refined governance arrangements, and updated methodologies, to ensure the effectiveness of our risk management and internal control framework. This review has strengthened control documentation, risk mapping and assurance processes. The Committee was satisfied that the necessary frameworks were in place to comply with Provision 29 for the next financial year.

The work completed included letters of assurance provided by the Managing Directors of SSE's Business Units and the Directors of Corporate Functions. The process considered each element of our System of Internal Control from a Business Unit and Corporate Function perspective and included details of any planned improvements. These improvements are tracked, and our Group Risk Committee receives regular updates.

Following its review of the CFO's letter, the Committee recommended to the Board that the System of Internal Control remained effective and aligned with the FRC Guidance on Risk Management, Internal Control and related Financial and Business Reporting. The Board agreed and also confirmed that no significant failings or weaknesses were identified during the financial year, and that robust processes are in place to ensure necessary improvement actions are taken and monitored where needed.

### Review of key Group functions and controls

As part of the Committee's responsibilities for risk management and internal control, the Committee oversaw the performance of key Group functions and related assurance activities:

► **Cyber security.** The Committee received updates on cyber security risk management and assurance activities including a review of the Group's cyber security and resilience approach. In light of the rising frequency and intensity of cyber incidents in the UK,

the Cyber Defence team set objectives to strengthen SSE's security position this year. The Board has identified this area as a Principal Risk for SSE. Further information on developments this year and key mitigations are included in the Risk report on [pages 56 to 63](#).

**Outcome:** The Committee supported the Board in overseeing progress across the Cyber Defence team's workstreams which focused on infrastructure improvements, strengthening of cyber risk and crisis management, and promoting a cyber aware culture across the Group. The Committee was satisfied with the progress delivered during the year.

► **Treasury.** The Committee assessed Treasury operations, funding strategies, and policies to ensure robust controls over liquidity, cash flow, funding, interest rate risk, credit risk and credit ratings.

**Outcome:** Acting under authority delegated by the Board, the Committee approved a series of funding and treasury transactions during the year.

► **Tax.** The Committee reviewed the Group's tax strategy, focusing on the adjusted underlying tax rate, potential exposure areas, and authority audits during the year. SSE's low-risk HMRC rating was maintained through transparency.

**Outcome:** The Committee confirmed satisfaction with the Group's tax approach, exposure management, and control measures.

► **Financial Controls Centre of Excellence.** Throughout the year, the Committee continued to oversee the development of the Financial Controls Centre of Excellence within work on reviewing financial reporting controls. The Centre is designed to strengthen oversight of controls and drive continuous improvement in controls management across the Group.

**Outcome:** The Committee monitored the activities of the Financial Controls Centre of Excellence and progress against the agreed three-year roadmap to strengthen financial reporting controls and embed a stronger controls culture across the Group. The Committee was satisfied with progress delivered during the year and will continue to track delivery against the roadmap, supporting readiness for compliance with Provision 29 of the Code.

► **Payment practices.** The Committee reviewed performance and reporting of payment practices throughout the year.

**Outcome:** The review confirmed that the Group continued to demonstrate strong payment practices throughout the year.

► **Group ethics and financial crime.**

The Committee received an update on group ethics and financial crime risks aimed at promoting integrity and compliance.

**Outcome:** Throughout the year, the Committee received updates on progress establishing this new function and also the approach to implementing the Economic Crime and Corporate Transparency Act 2023 which became enforceable in September 2025.

## System of Internal Control

### Governance framework

Ensures focus on the key components of effective decision making: clarity, accountability, transparency and efficiency. For details, see [page 85](#) of the Governance Report.

### Strategic framework

Includes SSE's purpose, strategy, goals, values and business model and is the basis for all activity under the Risk Management Framework. For details, see [pages 1 to 7](#) of the Strategic Report.

### Risk management framework

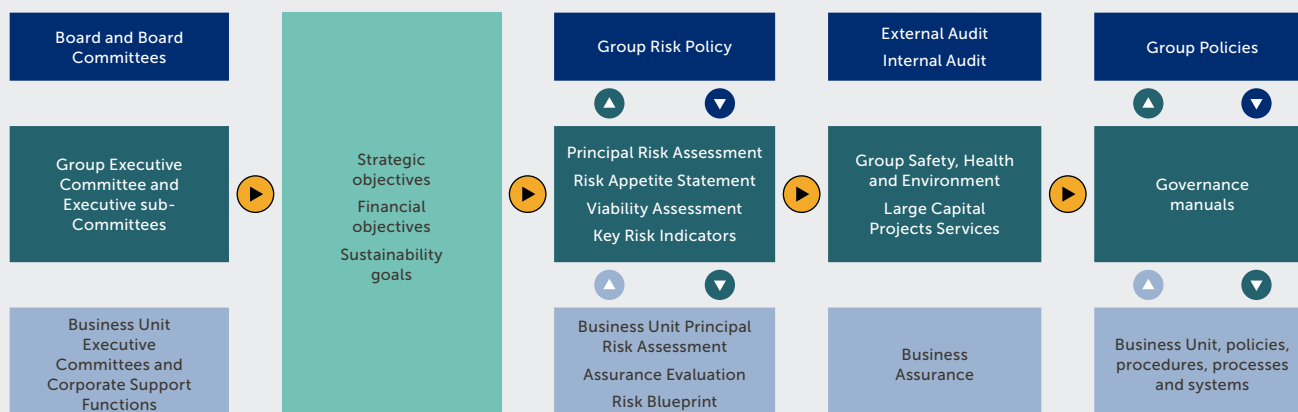
Supports Business Units in managing risks and helps ensure the Board meets its obligations. It is underpinned by the principle that everyone at SSE is responsible for managing risk. See [pages 56 to 63](#) for details.

### Assurance framework

An integrated programme of audit and assurance activity that's independent of the day-to-day operations of the Business Units and Corporate Functions.

### Standard and quality framework

Sets out the expected standards and guidelines to be followed when delivering the Group's purpose.



# Energy Markets Risk Committee Report

“Our work supports SSE’s management of energy market risks by overseeing the governance arrangements for managing portfolio exposures, and by challenging and supporting the optimisation activities used to add value across the Group.”



## The role of the Committee

SSE operates in volatile commodity markets, where prices, demand patterns and regulatory frameworks can shift quickly and influence financial performance. A dedicated committee ensures the Board has appropriate oversight of these risks by focusing on market exposures, trading activities and the related controls. This helps safeguard the Group’s risk appetite, supports disciplined decision making and ensures that hedging and optimisation opportunities are pursued in a way that protects and enhances shareholder value.

For more details on the role and responsibilities of the Committee, see its Terms of Reference on [sse.com](https://www.sse.com).

Our work supports SSE’s management of energy market risks by overseeing the governance arrangements for managing portfolio exposures, and by challenging and supporting the optimisation activities used to add value across the Group. This oversight remains essential in a year marked by varied market volatility, shifting demand patterns, supply chain pressures, and geopolitical influences that continue to impact price dynamics. The year was characterised by contrasting conditions, moving from relative stability to heightened volatility towards year-end due to the ongoing conflict in the Middle East. Through ongoing monitoring and challenge, we help the Board ensure that the risk management and optimisation approach and related controls, remain aligned with SSE’s risk appetite and responsive to evolving market conditions.

## SSE’s hedging approach

We believe that SSE is well served by its hedging approach, which aims to reduce

exposure to commodity price fluctuations well ahead of delivery while maintaining the flexibility needed to respond to externally driven changes in energy markets. We review SSE’s hedge positions to ensure they are aligned with risk appetite and the factors shaping SSE’s portfolio exposures.

This year, we oversaw the approved acceleration of SSE Renewables’ hedge position, implemented to maximise value in prevailing market conditions. We also supported a targeted reduction in hedging activity for SSE Thermal during certain time periods where market conditions were unfavourable. SSE’s latest hedging approach statement is on [page 236](#).

## Reviewing energy markets

We monitored the performance of SSE Energy Markets as the Group’s primary trading decision-maker through regular updates on market developments, liquidity, Group exposures, and the development of its strategy.

We endorse a measured, risk-informed approach to growth to support SSE’s long-term competitive positioning. During the year, we reviewed progress of participation in carefully selected European and international power and gas markets, and supported further geographic expansion, recognising that broader reach enhances strategic positioning, strengthens market intelligence, and improves access to liquidity. We also backed further investment in trading technology and analytical capability to enable faster, data-driven execution and to help secure additional value within a controlled risk environment.

We continue to challenge and support SSE Energy Markets’ strategy, with a focus on optimising SSE’s energy assets and creating additional value through third-party contracts and selective speculative trading.

To support key risk management and optimisation activities, a limited amount of informed position taking is undertaken. We emphasised the constructive and proportionate use of the Group’s risk appetite to enable value creation while maintaining discipline. As such, we oversaw the control environment for trading, credit and collateral activities including strict position limits and value-at-risk measures.

We also maintained oversight of how SSE Energy Markets responds to market volatility, regulatory uncertainty, macro-economics and geopolitical events, ensuring resilience and adaptability in its activities as conditions evolve. We reviewed regular market outlook assessments and scenario plans to ensure SSE is equipped to respond effectively to a range of market conditions.

## Year ahead

As we look to the year ahead, we will continue to oversee energy market risk exposures and promote resilience and discipline across market-based activities. We will also support the continued development of SSE Energy Markets’ capability and strategic direction, ensuring SSE remains well placed to navigate market developments, manage exposures and deliver value for SSE’s future success.

I’d like to thank the members of the Committee for their dedication throughout the year and their significant contributions in supporting our work.

**Tony Cocker**

Chair of the Energy Markets Risk Committee

27 May 2026

## Governance

### Membership

The Committee comprises five non-Executive Directors and the Chief Financial Officer. SSE's Chief Executive and the Managing Director, SSE Energy Markets also attend Committee meetings. See [pages 80 to 82](#) for member biographies. The Committee met four times in 2025/26, with attendance set out on [page 84](#).

### Committee performance review

The annual review of Committee performance was facilitated by Consello (see [page 94](#)) and the results considered by the Committee. This confirmed the Committee's continued effective operation and actions for 2026/27.

#### Review confirmed

- The Committee operates well and provides crucial support to the Board.
- The Committee benefits from the leadership of an experienced and knowledgeable Chair.

#### Actions for 2026/27

- Ensure the Board's orderly succession planning work considers the role of Committee Chair to ensure continuity of expertise and Committee effectiveness when the incumbent reaches nine years' non-Executive tenure.

### Energy markets in action

During the year, the Chair of the Committee, Tony Cocker, visited the SSE Energy Markets office in Perth. Tony observed how teams monitor market conditions, execute optimisation strategies, and apply the Group's risk appetite.

The visit reinforced the value of the systems and controls underpinning SSE Energy Markets' role as our central trading and optimisation function. It also underscored the importance of continued investment in capability, technology, and expertise to ensure the business is well placed to manage market-based risks and support optimisation opportunities.

Details of how SSE Energy Markets supports our strategy is set out within the review of business performance on [page 38](#).

Reflecting on the visit, Tony said: "It was invaluable to see the team in action and to discuss key developments, such as the evolving role of gas plants, enhanced data analytics and growth into new markets. Meeting colleagues across trading, analytics and risk highlighted the depth of our capabilities and the strength of collaboration that is helping position SSE for the future through disciplined decision making."

monitor market developments and conditions, and adjusts this approach in response to changes in exposure profiles.

During the year, the Committee reviewed reports on the latest hedge position, assessing performance against SSE's hedging approach and considering the impact of shifting market conditions. The Committee endorsed the hedging disclosure included in our Interim and Full-year Results Statements and recommended this to the Board.

Further details of SSE's hedge approach and position are set out on [page 236](#).

### Energy markets risks

During the year, the Committee considered emerging issues across domestic and international energy markets, informed by scenario analysis and risk outlooks, to assess how market conditions could influence our operating environment. This included consideration of:

- The future market outlook in Great Britain and the island of Ireland, including readiness for seasonal market conditions and ongoing optimisation opportunities.
- Regulatory changes including various market reform and zonal pricing scenarios as well as recent developments in the UK carbon market.
- Key developments related to non-commodity costs, in which the Committee supported the importance of sustained engagement with policymakers and industry bodies to help shape a stable, long-term energy framework.
- The ongoing conflict in the Middle East and its impact on global commodity prices.

Overall, the Committee was satisfied that associated risks were being appropriately monitored, addressed and managed.

As part of its oversight of energy market risks, the Committee reviewed and challenged SSE Energy Markets' strategy for managing Group exposures, optimising the current portfolio and developing

capabilities to support SSE's future ambitions. The Committee assessed:

- The approach to portfolio optimisation and other market-related value-add activities, including speculative trading, third-party contracts and investment in trading technology and analytics.
- The strategic rationale for expansion into new markets, making recommendations to the Board where appropriate, and maintaining oversight of progress and performance in those markets.

The Committee will continue to review SSE Energy Markets' strategy to ensure that it remains aligned with, and makes appropriate use of, the Group's risk appetite.

### Risk management and internal controls

The Committee evaluated the robustness of internal controls for managing, monitoring, and reporting energy market risks by reviewing:

- Controls relating to trading, credit and collateral activities and related exposures.
- Thresholds set for value-at-risk and stop-loss limits, approving any changes as required within delegated authority levels to reflect market conditions and trading exposures.
- Quarterly Internal Audit reports relating to SSE Energy Markets including progress on audit actions which provide assurance on the strength of the control framework.
- Minutes from the Group Energy Markets Exposure Risk Committee, an executive-level forum which allows SSE's senior management to review and consider energy markets risks and exposures.

These reviews enabled the Committee to form a view on the effectiveness of SSE's energy market risk management. The Committee concluded that controls and processes remain appropriate and effective in the context of current market conditions.

The Committee's evaluation of energy market controls forms part of the Group's broader internal control framework. Further detail on the Board's approach to Provision 29 of the UK Corporate Governance Code 2024 is provided in the Audit Committee Report on [page 108](#).

### Areas of focus for 2025/26

The below provides an overview of the work and considerations of the Committee during the year, aligned to its key areas of responsibility.

#### Overseeing SSE's hedge approach

SSE's hedge approach generally seeks to reduce its broad exposure to commodity price variation at least 12 months in advance of delivery. The Committee continues to

# Safety, Sustainability, Health and Environment Advisory Committee Report

“Our review of the annual all-employee survey reflected employees’ confidence in SSE’s safety licence, which clearly states that ‘if it’s not safe, we don’t do it.’”



## The role of the Committee

The Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) brings dedicated focus to safety, sustainability, health and environmental matters through:

- Reviewing and monitoring KPIs and other reporting measures in the Group.
- Assessing the effectiveness of related strategy, initiatives, training and targets.
- Overseeing the development and implementation of related Group Policies.
- Monitoring the resources, competence and commitment for managing these issues to ensure continuous improvement and support a healthy culture.

The Committee’s Terms of Reference are available on [sse.com](https://www.sse.com)

I am pleased to present my first report as Chair of the SSHEAC, covering the Committee’s activities and site visits over 2025/26. This report shows how we have worked with senior management to develop policies, targets and strategy that strengthen safety, sustainability, health and environmental performance at SSE.

## Protecting our people

This year, our Committee continued to oversee the delivery of the Group’s safety, health and environment (SHE) strategy, and received regular reports on SHE performance, culture and risk management. We reflected on safety results for the year, including no life-changing injuries and delivering against our Total Recordable Injury Rate (TRIR) expectations for our employees and contract partners. Our review of the annual all-employee survey reflected employees’ confidence in SSE’s safety licence, which clearly states that “if it’s not safe, we don’t do it”.

As the Group navigated organisational change and a drive for greater efficiency, we continued to focus on ensuring employees had the right wellbeing support. We were updated on the tender process for new occupational health and psychological support providers, and endorsed those selected for their ability to offer earlier and more accessible services. We also recognised the important role played by Mental Health First Aiders, Wellbeing Champions, and stress support initiatives in helping colleagues through periods of change.

We were pleased to meet a variety of people in different locations during our programme of site visits during the year. This active engagement with colleagues supports our oversight of SSE’s safety culture by giving us a better understanding of day-to-day SHE challenges. It also provides an opportunity to share feedback and agree actions to enhance working environments.

## Our environment and communities

As extreme weather events become more common, we focused on understanding the physical risks posed by climate change, and ensuring that clear action plans are in place to strengthen the resilience of the Group’s assets, networks and operations. We reviewed climate adaptation activity during the year, including the impact of extreme weather events and evolving regulatory expectations. This led to our endorsement of priorities to accelerate the development of a Group-level climate adaptation framework and to strengthen supporting governance arrangements.

We also oversaw the Group’s approach to biodiversity and environmental stewardship, seeking assurance that environmental considerations are embedded across planning, delivery and asset management activities.

Through review of sustainability disclosures and emerging reporting expectations, we provided oversight and challenge to ensure that SSE’s sustainability priorities and impacts are clearly communicated to investors and other stakeholders. We agreed the approval plan for the publication of the Sustainability Report 2026. And we also reviewed SSE’s performance against key ESG ratings and supported recommended actions going forward.

## Committee membership changes

After the AGM 2025, Hixonia Nyasulu joined the Committee, and I succeeded Helen Mahy as Chair. Martin Pibworth stepped down as a member after his appointment as Chief Executive, but continues to attend the SSHEAC in an advisory capacity. Tony Cocker also stepped down, enabling him to continue to dedicate sufficient time to his other Board Committee responsibilities.

Following Rachel McEwen’s retirement from SSE, Rhian Kelly took up the role of Chief Sustainability Officer in November 2025 and replaced Rachel as a Committee member. We look forward to working closely with Rhian as we navigate the evolving sustainability landscape. I would like to thank Helen, Tony and Rachel for their valuable contributions to the Committee throughout their tenure.

On behalf of the Committee, I would like to recognise the continued commitment of our employees and partners to our culture, SHE and our sustainability ambitions. I hope this report provides a clear overview of our work this year.

**Dame Angela Strank DBE**  
Chair of the SSHEAC

27 May 2026



## Governance

### Membership and attendance

The Committee comprises three non-Executive Directors, the Chair of the Board, the Chief Sustainability Officer, the Managing Director, SSEN Distribution, and the SHE Director. The Chief Executive also attends meetings. See [pages 80 to 82](#) for Board member biographies and [page 83](#) for GEC member biographies. The Committee met four times in 2025/26, with an additional call requested to review work in SSEN Distribution to address fatigue management in critical frontline roles. Meeting attendance is set out on [page 84](#).

### Committee performance review

The annual review of Committee performance was facilitated by Consello (see [page 94](#)) and the results considered by the Committee. This confirmed the SSHEAC's continued effective operation and actions for 2026/27.

#### Review confirmed

- The Committee is well established and operating effectively, providing appropriate support and advice to the Board on the matters within its remit.

#### Actions for 2026/27

- A tailored induction was given to the new Committee Chair after her appointment in July 2025, and ongoing support will be provided as she settles into the position.
- There is an opportunity to further refine agendas to ensure sufficient time is dedicated to the most material safety and sustainability risks, opportunities and outcomes, reflecting the Committee's broad remit.
- There is an opportunity to enhance Committee papers, with an emphasis on concise insights, clear Board-level implications, and decision relevant information.

## Safety

During 2025/26, the Committee oversaw delivery of our Group SHE strategy and annual SHE plan. It engaged with senior management and confirmed that Business Unit plans aligned with our Group SHE framework, and that planning and governance arrangements continued to support a consistent and positive SHE culture across SSE.

The Committee also assessed and shaped the forward SHE strategy and plan for 2026/27, providing feedback to management to ensure continued alignment with our long-term Group safety ambition to 2030. It oversaw key priority areas, including the Safety Family programme (which focuses on improving our safety performance and behaviours across all levels of SSE), risk, and assurance, to support effective risk management and sustained performance. The Committee also reviewed the Group Safety and Health, Environment, Climate Change, and Human Rights Policies, recommending them for approval by the Board on the basis they continued to reinforce clear expectations and consistent standards for all employees.

### Monitoring performance

The safety of our people is our number one priority, and SSE's safety, health and wellbeing, environmental and sustainability performance remains a standing focus of the Committee. In assessing safety performance, key indicators, including Safe Days and TRIR provide a consistent benchmark to appraise progress. Time was spent reviewing the trends in recordable and high potential incidents for our employees and contract partners, and the effectiveness of risk controls. Particular attention was provided to recurring injury types, including hand injuries, and the

impact of preventative interventions. The Committee examined safety and process safety incidents in detail to ensure root causes were identified, supporting investigations were robust, and learnings were embedded consistently across SSE.

The Committee considered Business Unit SHE milestones and performance metrics, providing scrutiny and challenge on the effectiveness of established processes and delivery plans. Through this review, it gained assurance that metrics and milestones appropriately reflected progress against safety and environmental objectives, including responsible consumption as a common sustainability theme. The Committee also discussed opportunities for cross-business collaboration and practical considerations affecting delivery.

The Committee also reviewed our Group-wide SHE engagement strategy for 2025/26, including targeted internal safety campaigns to strengthen employee safety awareness, and confidence in challenging unsafe behaviours. It was encouraged to see increased engagement on SHE matters following these campaigns.

For details of SHE metrics for 2025/26, see [pages 49 and 55](#).

### Immersive safety training

The Committee received regular updates on the progress, reach and impact delivered by our immersive safety training programme. It was pleased that participation had continued to increase, with more than 14,000 colleagues, contingent workers and contract partners attending since 2022. Through careful design to ensure relevance to the broad range of our operational settings, the programme reinforces safety leadership through real-life examples. It is supported by a flexible self-booking model

and post-training resources in the form of short films, questionnaires, toolbox talks, and examples of how to use the models taught on the day. Together, these contribute to a stronger safety culture, enhanced external reputation, and increased participant confidence in SHE matters.

### Supporting contract partner safety

Recognising the critical role our contract partners play in delivering safe and sustainable outcomes across SSE, the Committee received regular updates on partner safety performance and engagement levels. Our third annual contract partner safety event was held in March 2026, and was very well received. It was attended by 130 partners from across 61 organisations, representing a 20% increase from the first event in 2023. In addition to the conference, the Committee was updated on the suite of additional resources available for our contract partners, including SSE-hosted quarterly calls, safety campaign materials, and lessons learned from incidents, all of which are shared through a dedicated SHE Portal to ensure continued collaboration and improvement.

### Process safety

The Committee continued to prioritise oversight of process and asset safety, focusing on the behaviours and practices necessary to prevent or reduce the consequences of process-related incidents, which are a risk factor in major accidents. Through regular reviews of performance and maintenance programmes, the Committee provided feedback to management, with a consensus that our focused Group strategy and enhanced digital monitoring are increasing asset visibility and enabling timely interventions.



## Safety, Sustainability, Health and Environment Advisory Committee Report continued

### Fatigue management

The Committee monitored the effectiveness of fatigue management processes in SSEN Distribution, to make sure that fatigue-related risks are being appropriately identified and managed, and that processes adequately protect employees, customers and the communities in which we operate. This year, it spent additional time reviewing progress against agreed fatigue management risk controls, including proposed working patterns, assurance arrangements and engagement with trade unions.

### Business Unit safety deep dives

During the year, the Committee held dedicated sessions with our SSE Renewables, SSEN Transmission and Energy Customer Solutions (ECS) businesses to rigorously review SHE performance, reinforce accountability, and challenge management on delivery. Strong and consistent safety and health outcomes were noted in SSE Renewables, with TRIR below target, a high level of workforce engagement and continued reductions in high-potential incidents. The business had also responded proactively to environmental incidents, with the events largely isolated to certain areas of the business and not widespread. Within SSEN Transmission, the Committee reviewed the successful outcome of a cumulative risk visibility pilot. It was noted this pilot enhanced process safety, through improved integration of major hazard risk assessment with operational and asset data. The Committee supported the roll-out of this approach across critical assets within SSE's Networks businesses. For ECS, the Committee received progress updates and considered its forward-looking SHE plan, which focused on driving safety culture through engagement, capability building, and robust governance, to support safe, sustainable and continued high-quality delivery across ECS activities.

### Health and wellbeing

#### Monitoring health performance

The Committee continued to focus on making sure effective health and wellbeing support is in place for our colleagues. This is of particular importance during a year where there was a period of organisational change. It assessed the impact of wellbeing initiatives and occupational health access on workforce resilience and productivity, and was pleased to see the breadth of support available to employees.

The Committee reviews regular reports on sickness and absence during the year. These include trend analyses, giving valuable insights into the overall health and wellbeing of employees and the types of support that can be provided. It was satisfied that we offer a comprehensive range of support services that are well used by colleagues when needed.

### Occupational health

This year, the Committee received an update on the award of occupational health services for the Group, with Health Partners our new occupational health provider, and One Bright our psychological support provider. Together, these service providers improve continuity of care and broaden access to specialist services, supported by clear service standards and ongoing performance monitoring.

### Environment

#### Monitoring environmental performance

The Committee reviewed environmental performance and permit breaches across the Group. It looked at whether investigations into these incidents were effective, assessed if appropriate remedial actions had been implemented, and considered the overall environmental controls which were in place. It also oversaw environmental risk management and governance, informed by audit and assurance results. And continued to challenge management on progress in improving environmental outcomes, including resource use, waste management and biodiversity, and environmental stewardship.

#### Climate adaptation and resilience

The Committee received an annual climate adaptation and resilience update, that covered policy, planning and reporting developments. Having considered the update, the Committee advised the development of climate risk assessments and resilience activity across the Group, should reflect the latest guidance and evolving regulatory expectations, including Ofgem's strengthened focus on network resilience.

#### Recycling and diversion of waste

The Committee assessed performance and annual improvements in recycling and diversion of waste from landfill across the Group. It noted recent regulatory changes relating to waste separation and SSE's activities to deliver compliance. It also noted plans to develop an SSE Circularity Roadmap to define a Group-wide approach to encourage reuse, resource efficiency and innovation, taking account of upcoming regulations in areas including the disposal of biodegradable waste.

For more on SSE's approach to the environment, please see [pages 54 to 55](#) of this report and SSE's Sustainability Report 2026.

#### SHE risks and assurance

The Committee regularly reviewed progress against assurance and audit plans along with our SHE management system, making sure that controls were working well, actions were being implemented, and improvements were being made. It also discussed SHE audits findings which provided a helpful benchmark for Business Units, and the potential to share

good practice. The Committee also reviewed an aggregated Group-wide view of SHE risks, which enabled it to assess trends in residual risk, across occupational safety, health and wellbeing, environment, process and asset safety, and marine operations. This prompted the Committee to discuss potential mitigations and to identify areas that would benefit from continued management focus.

### Sustainability and ESG

#### ESG ratings

The Committee recognises that investor ESG ratings play a key role in assessing our sustainability performance, and are strategically important to SSE and its stakeholders. During the year, the Committee reviewed the ESG ratings scorecard for 2025 and the key trends influencing SSE's performance. The Committee endorsed the priorities for 2026 and the approach to the ratings.

#### Sustainability Report

During the reporting year, the Committee reviewed the approach and content plan for our Sustainability Report 2026, in the context of the increasing complexity of the sustainability disclosure landscape. It acknowledged the importance of our Sustainability Report and the enhanced disclosures within it, as a crucial communication tool with investors and other stakeholders. The Committee continues to approve the report before it's published.

For more information on sustainability matters, please see [pages 39 to 55](#) of this report and SSE's Sustainability Report 2026.

## Site visits

The Committee continued its programme of site visits across a range of operating environments, in line with an annual plan developed by SSE's SHE Director. Visits are undertaken by different Committee members, accompanied by senior management, and are designed to provide insight into how our safety culture is embedded and applied in practice. Feedback from visits in the year was broadly positive, reflecting a strong workforce commitment to safety, environmental performance, and local community impact. It also highlighted the potential challenges presented by the rural location of some of our operational sites. The visits allowed Committee members to hear directly from employees and gain insight into workforce-led controls supporting the management of SHE risks. Each site provided a detailed safety briefing, with a summary of the key observations set out below.

### Dogger Bank wind farm

This visit enabled members to observe how our safety culture operates within a complex, multi-contract partner environment. It provided assurance over the strength of operational safety arrangements, including planning, vessel management, emergency preparedness, and incident learning, and highlighted the importance of continuous safety training and robust controls. Insight was gained into how teams were adapting to new technologies and challenging marine conditions, and how workforce wellbeing is supported in offshore settings. Observations from the visit informed the Committee's ongoing oversight of process safety, contract partner management and incident learnings; reinforcing future focus areas for assurance activity.

### SSEN Distribution Operations

Committee members met local leadership and frontline teams on the Isle of Wight, to observe live operational activities. An overriding takeaway was the strong planning and disciplined execution required across tree cutting and HVDC line maintenance activities which were observed on the day. The visit provided assurance surrounding safety culture, and supervision and training, informing the Committee's ongoing oversight of safety leadership and workforce capability. Reflecting on the visit, the Committee discussed how safety is prioritised in practice through risk assessment, fatigue management, environmental protection, and incident learnings.

### SSEN Transmission infrastructure

Committee members visited two new substations in Argyll and engaged with senior leadership and project teams on the practical application of safety, health and wellbeing priorities. The members observed strong safety leadership, collaborative working with contract partners, and proactive use of reporting and learning systems, alongside effective management of environmental impacts and community engagement. Feedback from the visit provided assurance over the approach to risk management and workforce wellbeing, and informed the Committee's ongoing oversight of process safety, contract partner collaboration and environmental stewardship.

### ECS solar farm development

During the visit, members reviewed how safety, health and environmental standards were being applied in practice. The visit confirmed good alignment between planning, site set up and observed safe behaviours, providing assurance over the management of higher risk activities and the continued embedding of a positive safety culture. Members also identified a small number of proportionate opportunities to further enhance safety induction wording and record keeping. Overall, feedback from the visit supported the Committee's assurance that appropriate controls were in place and operating as intended on site.

### Peterhead power station

The visit highlighted strong management presence supporting the clear communication of safety expectations across the site. Employees were engaged and focused on the delivery of on-site activities to maintain asset integrity. Overall, the visit provided assurance that leadership arrangements were supporting the safe and responsible delivery of operations.



▲ Dame Angela Strank observes progress with our upgrade to the grid in the north of Scotland

# Remuneration Committee Report

"As the Group grows, we will ensure remuneration remains effective, aligns with our purpose and supports our strategic objectives."



## The role of the Committee

The Remuneration Committee determines and agrees SSE's broad policy for executive remuneration, ensuring that it is appropriate, enhances personal performance and rewards individual contributions towards the long-term sustainable success of SSE.

For more details on the role and responsibilities of the Committee, see its Terms of Reference at [sse.com](https://www.sse.com) .

I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2026. It sets out our approach to directors' remuneration within two key sections:

- The Annual Report on Remuneration, including this introductory letter, which explains how we have applied the Directors' Remuneration Policy (the Policy) during the year and how it is intended to be implemented in the forthcoming year.
- The Policy in summary format, which was approved last year and explains how we intend to pay our executives.

I would like to thank shareholders for their support at the AGM in July 2025. We were pleased to have received over 97% of votes in favour of both our Directors' Remuneration Policy and our Annual Report on Remuneration. In last year's report, I described how we engaged with shareholders, and we are grateful for the feedback they provided, which helped shape the new Policy.

## Policy principles

Our approach to pay is designed to support the execution of SSE's purpose to be restless every day until we make electricity clean, affordable and available for all. To do this, we operate our Policy in line with the following principles.

**Balanced** – we provide an appropriate balance of fixed and variable pay, with a clear emphasis on pay for performance.

**Competitive** – our approach to remuneration at all levels is sufficiently flexible to attract and retain world-class talent.

**Sustainable** – our pay practices promote long-term stewardship of SSE and support our sustainable growth ambitions.

**Strategically-aligned** – pay is clearly linked to our strategy of creating value for shareholders and society in a sustainable way.

## Performance and strategy

Despite a challenging operating environment, including geopolitical conflict and energy market volatility, SSE met its financial expectations and continued to deliver nationally important energy infrastructure that supports decarbonisation, energy security and affordability.

During the year, we announced a £33bn five-year investment plan founded on a once in a generation opportunity to upgrade the UK electricity network, enabling the transition to a cleaner, more secure and affordable energy system. The investment plan is fully funded, partially through a share placing in November 2025 which was more than eight times over-subscribed. This clearly demonstrated shareholders' confidence in the strategy. The plan is expected to unlock wider

economic growth and support thousands of jobs while creating sustainable, long-term value for shareholders and society (see [page 86 and 87](#) .

We are well positioned for a period of significant growth, with the right combination of businesses, assets and people. Our Committee will closely monitor progress as the strategy is executed to ensure that the Policy remains fit for purpose and continues to operate in line with our principles.

## Employee pay

We are proud of the continued contribution of SSE's wider team in the delivery of a clean energy transition, now and in the years to come. We actively promote the principles of fair pay throughout our workforce, demonstrated through a longstanding partnership with the Living Wage Foundation (LWF). We hold all three LWF accreditations – Living Wage, Living Hours and Living Pensions.

Around half of our team are represented by trade unions through a collective bargaining process to determine annual base salary increases. In 2025, salaries were increased by a minimum of 5.1% which, at the time, represented CPIH plus 1%. We are currently in discussions with trade unions as we seek to reach agreement on a 2026 pay deal that reflects both cost of living and business performance. Employees can receive further increases during the year as part of a skills-based pay progression framework.

Annual Incentive Plan spend in 2026 is expected to increase by around 18%, recognising that financial expectations were met and the Group's progress on building nationally important electricity assets. The below-Board long-term incentive plan, the Leadership Share Plan (LSP), awarded to our

## Governance

### Membership and attendance

The membership of the Committee comprises four non-Executive Directors and the Chair of the Board. The Group General Counsel and Company Secretary is Secretary, and the Group HR Director, and Director of Reward and Pensions provide advice to the Committee. The Chief Executive may also attend the meetings but is not present for any discussion about his own remuneration arrangements. The Committee met three times in 2025/26, with attendance set out on [page 84](#).

### Committee performance review

In line with our structured review cycle, the annual review of Committee performance was an internal process for 2025/26, facilitated by Consello. This confirmed the Committee's continued effective operation and actions for 2026/27.

#### Review confirmed

- The Committee continues to operate effectively, demonstrating strong governance, with issues thoroughly debated and decisions reached by consensus.
- The Committee demonstrated careful oversight and diligence in managing compensation arrangements during the leadership change.

#### Actions for 2026/27

- The Committee should continue to regularly review pay structures to ensure they remain competitive and aligned with the Company's strategic objectives, broader pay philosophy, and market practice.

senior leaders for the three-year period from 2023 to 2026, had an outturn of 79%. This reflected three years of strong execution of our strategy.

From 2026, we agreed to move our Group Executive Committee into the same Performance Share Plan (PSP) in which our Executive Directors participate. This emphasises the collective focus of delivering the Group's strategy.

We are pleased that employees benefited from share price appreciation during the year through participation in both of our all-employee share plans. These plans delivered a significant return on employees' investments.

### Executive base salary increases

On appointment as Chief Executive in July 2025, we agreed that Martin Pibworth's base salary would initially be £970,000 per annum, increasing to £1,050,000 on 1 April 2026. This arrangement was explained in last year's Annual Report.

Martin's salary remains below the market level for the role. This reflects both the fact that he was appointed on a lower base salary while growing into the role, and the significant increase in market capitalisation over the financial year when SSE delivered a total shareholder return of 68%. This means that the peer group used for benchmarking is now more conservative than when the salary was originally set. The Committee plans to keep this under review.

When Barry O'Regan was appointed as Chief Financial Officer in November 2023, we also set out a series of phased increases, culminating in an increase to £700,000 from 1 April 2025. In last year's report, we indicated that we would review his base salary position during the year once the new structure had been agreed following Martin's appointment as Chief Executive.

Barry's responsibilities have increased since Martin's appointment and he has overseen a very successful equity placing in the market. We agreed an increase of 6.5% to reflect the expanded responsibilities, and to recognise the greater scale and complexity of the Company as it continues to grow. At the same time, we applied a further 3.5% in anticipation of the April 2026 annual increase, in line with the pay budget for the wider employee population. His salary from 1 September 2025 is £770,000. No further increase is planned for the forthcoming year.

We reviewed the new base salaries against our main FTSE 50 (excluding Financial Services) comparator group, where SSE's market capitalisation is close to the median. The Chief Executive's base salary is around the lower quartile, and the Chief Financial Officer's base salary is closer to the median. Total target remuneration remains at or below the lower quartile for both. The Committee plans to keep both Martin and Barry's salaries (and, indeed, packages more generally, both in terms of quantum and general developments in design) under review to ensure that their pay appropriately recognises the scale and complexity of the roles.

### Incentive plan targets

Following our successful equity raise during the year, we have made technical adjustments, consistent with good practice, to the Adjusted Earnings Per Share (EPS) targets under the 2025/26 Annual Incentive Plan (AIP) and the in-flight Performance Share Plans (PSP), as well as to the net debt to EBITDA ratio under the AIP, that were set before the equity raise. These adjustments ensured that the targets remained aligned with their original intent and did not become easier or harder to achieve than when first set. The adjusted targets are shown in the scorecards on [pages 122 and 125](#).

In last year's Annual Report, we advised that we would delay setting detailed targets for the strategy and sustainability measures under the 2025-28 PSP in light of an anticipated revision to SSE's strategic objectives as a result of the changing macro-environment, delays to policy and planning, and uncertainty over market reform. These were set during the year as planned, with strategy targets aligned to 'Market leading Networks RAV growth' and 'Selective and disciplined Renewables growth'. Sustainability targets will continue to be aligned to the 2030 Goals. Detailed targets are shown on [page 127](#).

### Annual Incentive Plan outcomes

We assess AIP performance against a broad range of financial and non-financial measures. These are adjusted EPS, cashflow, operational performance, personal objectives and sustainability indices. They are collectively designed to reflect business performance each year. We evaluate performance objectively, taking into account SSE's performance in the round, and use our discretion to adjust any outcomes we consider inappropriate.

The Committee assessed underlying adjusted Earnings Per Share at 151.5p, excluding an accounting benefit related to the Group's share of losses in the Neos joint venture. The outcome was above the adjusted budget set at the start of the year and reflected performance in line with expectations.

The cashflow measure uses a ratio of net debt to EBITDA to determine performance. The ratio at 31 March 2026 was 3.3x adjusted for performance assessment purposes to 4.0x. This adjustment was appropriate to reflect the equity raise otherwise it would have unfairly resulted in maximum performance against this measure.

## Remuneration Committee Report continued

The sustainability measure rewards outperformance against two external indices: Sustainalytics ESG Risk Rating and S&P Global Corporate Sustainability Assessment. The indices take into account a wide range of environmental, social and governance factors. Our average score compared to our industry peers was in the 87th percentile.

The Committee was satisfied with operational performance during the year, in particular, safety performance remained stable through a period of sharply accelerating construction activity, with fewer reportable and high potential injuries recorded for SSE employees despite increased hours worked. Capital delivery was supported by the accelerated build-out of economically regulated electricity networks, resulting in Regulated Asset Value growth above plan. Construction is well under way on six of 11 major transmission projects. Berwick Bank offshore wind farm secured development consent and a long-term, government backed contract for its output. However, as stated on [page 186](#) there were challenges with delivery at Dogger Bank A wind farm.

Finally, the Executive Directors performed well against their personal objectives set at the beginning of the year. Barry had a particularly strong year following the success of the equity placing. Details are shown on [page 123](#) .

The overall outturn of the AIP for 2025/26 is 85% of the maximum for Martin and Alistair. An outturn of 86% was awarded to Barry reflecting his excellent personal performance during the year. We believe these outcomes fairly reflect overall performance and the SSE stakeholder experience. Accordingly, the Committee approved the outturn without exercising discretion. In line with the Policy, 33% of the award is deferred into shares for three years.

### Performance Share Plan outcomes

PSP awards granted in 2023 are due to vest at the end of the 2025/26 financial year. Vesting is subject to value-creation, financial and strategic performance conditions measured over the three-year performance period ended 31 March 2026.

Total Shareholder Return (TSR) accounts for 50% of the total award under PSP. This means that the PSP outcome for our Executive Directors is clearly linked to the creation of shareholder value. Following strong share price growth towards the end of the performance period, our TSR performance was around the 70th percentile against both the FTSE 100 Index and a European utilities peer group, demonstrating good returns for our shareholders.

Stretching targets were set under an adjusted EPS growth measure at the beginning of the performance period and adjusted following the equity issue in November 2025 (again to ensure that the targets did not become easier or harder to achieve as a result of the equity issue). The Compound Annual Growth Rate (CAGR) was over 12%, indicating sustainable earnings growth and resulted in the performance threshold being met.

Strategic performance measures were aligned to the previous investment plan, the Net Zero Acceleration Programme Plus, and assessed delivery across four implementation areas. Networks growth, the most significant driver of strategic delivery, performed particularly strongly and exceeded Regulated Asset Value growth targets by a considerable margin.

Sustainability performance was assessed against the Group's 2030 Goals aligned to the United Nations Sustainable Development Goals. Despite a more challenging external environment, the Group continued to make tangible progress towards net zero. Renewable generation capacity connected within SSE Transmission's network area increased to 10.8GW, exceeding the RIIO-T2 2026 target of 10GW, and SSE Distribution facilitated growing demand for low-carbon technologies across its networks.

The Committee also noted the Group's continued leadership in supporting a just transition, marked by a decade of Living Wage and Fair Tax Mark accreditations.

The formulaic outturn for the 2023-26 PSP award is 63% of the maximum award which, again, the Committee felt appropriate and approved without the exercise of any discretion.

### Director changes

In July 2025, Alistair Phillips-Davies retired after 28 years at the Group, including 12 as Chief Executive. He continues to be the Chair of SSE's Distribution Board and a Director on the Board of Scottish Hydro Electric Power Distribution and Southern Electric Power Distribution, for which he receives a fee. I want to thank him for his dedication over many years.

As a retiree, Alistair received his normal salary and benefits while in office, which ceased on his retirement with no payments in lieu of notice. His annual bonus was pro-rated for the period worked. Deferred bonus shares were released on his retirement, and his PSP awards will remain in force to normal maturity, (including the application of the holding periods) subject to pro-rating to reflect the period worked. He will be required to keep a shareholding for at least two years after his leaving date in line with the policy.

### To conclude

We plan to continue to be open about our decision making, clear in our reporting about remuneration, and fully mindful of SSE's stakeholder groups. I welcome all feedback and comments on this Directors' Remuneration Report or on remuneration more generally and can be reached through SSE's Group General Counsel and Company Secretary, Liz Tanner, at [ir@sse.com](mailto:ir@sse.com) .

I do hope that you will support the annual vote on remuneration at the AGM.

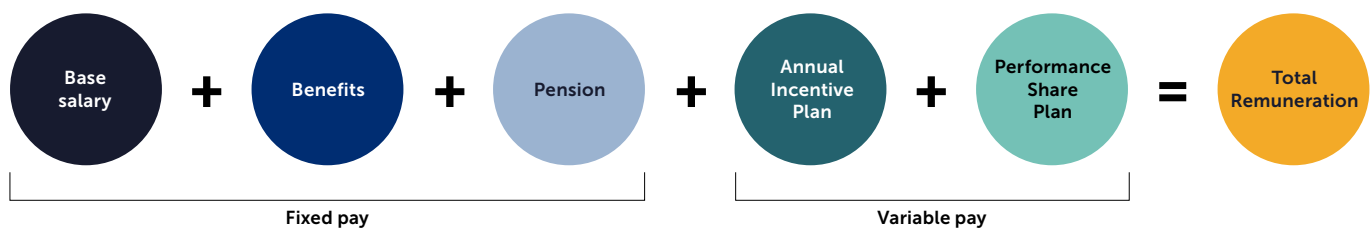
**Melanie Smith CBE**

Chair of the Remuneration Committee

27 May 2026

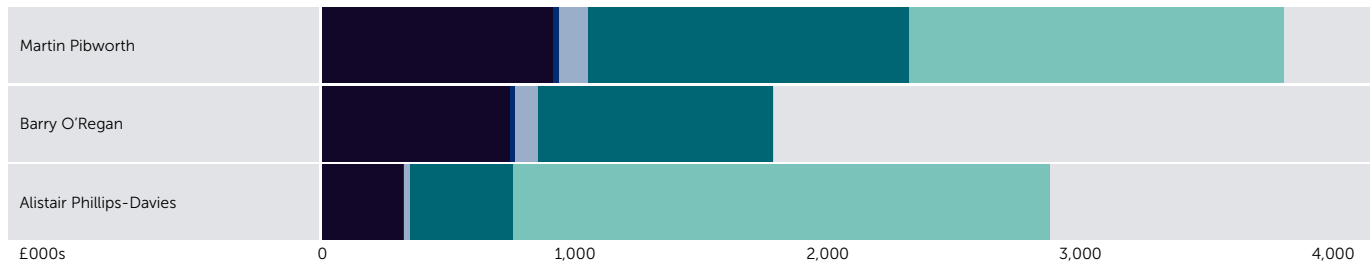
## Remuneration at a glance

### How we pay our Executive Directors



### What our Executive Directors were paid in 2025/26

■ Base salary ■ Benefits ■ Pension ■ AIP ■ PSP



Martin Pibworth was promoted from Chief Commercial Officer to Chief Executive on 17 July 2025.

Barry O'Regan did not receive an award under the 2023-26 PSP as he was not a member of the Board at the time of grant.

Alistair Phillips-Davies stepped down as Chief Executive on 17 July 2025 and his remuneration has been pro-rated to reflect this.

### What our variable pay outcomes were in 2025/26

#### Annual Incentive Plan

■ Actual ■ Maximum

|                                                                                                                             |      |
|-----------------------------------------------------------------------------------------------------------------------------|------|
| <b>Adjusted Earnings Per Share</b><br>A strategic KPI and measure of value creation                                         | 80%  |
| <b>Cashflow (ratio of net debt to EBITDA)</b><br>A measure of financial stability and the ability to make future investment | 89%  |
| <b>Personal</b><br>Individual objectives set to support strategic delivery                                                  | 90%  |
| <b>Operational</b><br>Safety, capital delivery and operational performance                                                  | 80%  |
| <b>Sustainability</b><br>Ranking in external sustainability indices relative to industry peers                              | 100% |
| <b>Total</b>                                                                                                                | 85%  |

#### Performance Share Plan

■ Actual ■ Maximum

|                                                                                                                      |     |
|----------------------------------------------------------------------------------------------------------------------|-----|
| <b>Total Shareholder Return (FTSE 100)</b><br>Share price performance relative to FTSE 100 peers                     | 72% |
| <b>Total Shareholder Return (Utilities)</b><br>Share price performance relative to European utilities peers          | 76% |
| <b>Adjusted Earnings Per Share growth</b><br>Compound annual growth rate (CAGR) over a three-year performance period | 33% |
| <b>Strategy</b><br>Performance against the NZAP Plus investment plan                                                 | 67% |
| <b>Sustainability</b><br>Performance against our 2030 Goals                                                          | 60% |
| <b>Total</b>                                                                                                         | 63% |

Barry O'Regan's personal outcome was 100% giving him a total award of 86%.

### How we intend to implement policy in 2026/27

|                               | Martin Pibworth                                                                                                                                    | Barry O'Regan                                                                                                                                              |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Base salary</b>            | Increase to £1,050,000 from 1 April 2026 as part of a phased increase agreed on appointment as Chief Executive (as set out in last year's report). | No change following an in-year increase to £770,000 on 1 September 2025 recognising his expanded responsibilities following Board changes during the year. |
| <b>Benefits</b>               | No changes.                                                                                                                                        | No changes.                                                                                                                                                |
| <b>Pension</b>                | Remains at 12% of base salary aligned to the wider workforce.                                                                                      | Remains at 12% of base salary aligned to the wider workforce.                                                                                              |
| <b>Annual incentive plan</b>  | The maximum opportunity will increase from 175% to 200% of base salary from 1 April 2026 in line with last year's policy review.                   | The maximum opportunity will increase from 155% to 180% of base salary from 1 April 2026 in line with last year's policy review.                           |
| <b>Performance Share Plan</b> | The maximum opportunity will increase from 275% to 300% of base salary for the 2026 PSP grant in line with last year's policy review.              | The maximum opportunity will increase from 250% to 275% of base salary for the 2026 PSP grant in line with last year's policy review.                      |
| <b>Share ownership policy</b> | The requirement will increase to 300% of base salary in line with face value of the PSP award.                                                     | The requirement will increase to 275% of base salary in line with the face value of the PSP award.                                                         |

Changes to base salary, and AIP and PSP opportunities were described in detail in the Annual Report 2025.



## Annual Report on Remuneration

### Key:

#### AUDITED

Table content that sits under the amber Audited rule has been subject to audit.

#### IMPLEMENTATION

Table content that sits under the turquoise Implementation rule is planned for implementation in 2026/27.

This Annual Report on Remuneration explains what each of our Executive Directors was paid for the financial year ended 31 March 2026 and what they may be paid for the 2026/27 financial year. During the year the Remuneration Policy operated as intended with regard to company performance and quantum.

### Single total figure of remuneration

The table below shows the single total figure of remuneration for each Executive Director for the past two years. Alistair Phillips-Davies's pay for the year is pro-rated to reflect him stepping down from the Board on 17 July 2025. On the same date, Martin Pibworth was promoted from Chief Commercial Officer to Chief Executive. Martin's total pay for the year includes three and a half months as Chief Commercial Officer.

Last year, the Remuneration Committee reviewed our Directors' Remuneration Policy, which was subsequently approved at the AGM 2025. As part of the Committee's aim to strengthen the link between pay and performance, the Committee adjusted the balance between fixed and variable remuneration. In line with this approach, Martin was appointed on a lower base salary and without the legacy defined benefit pension arrangement that Alistair had received.

Overall variable pay has risen by 17% compared to last year. Although payouts from the Annual Incentive Plan remain largely consistent with the previous year, the value of awards vesting under the longer-term Performance Share Plan has increased. This increase is mainly due to a substantial increase in share price over the three-year performance period, which reflects the added value generated for shareholders.

Barry O'Regan was appointed to the Board as Chief Financial Officer in December 2023. On appointment, a phased plan to increase his base salary to £700,000 per annum by 1 April 2025 was agreed. The Committee agreed a further increase to £770,000 per annum on 1 September 2025 as the scope of Barry's role increased following the Board changes and recognising the greater scale and complexity of the Company as it continues to grow.

|                          |         | Fixed pay   |          |         |                 | Variable pay |       |                    | AUDITED |
|--------------------------|---------|-------------|----------|---------|-----------------|--------------|-------|--------------------|---------|
| E000s                    |         | Base salary | Benefits | Pension | Total fixed pay | AIP          | PSP   | Total variable pay | Total   |
| Martin Pibworth          | 2025/26 | 912         | 21       | 116     | 1,049           | 1,270        | 1,484 | 2,754              | 3,803   |
|                          | 2024/25 | 750         | 19       | 113     | 882             | 790          | 995   | 1,785              | 2,667   |
| Barry O'Regan            | 2025/26 | 741         | 21       | 89      | 851             | 943          | –     | 943                | 1,794   |
|                          | 2024/25 | 650         | 20       | 78      | 748             | 684          | –     | 684                | 1,432   |
| Alistair Phillips-Davies | 2025/26 | 318         | 2        | 24      | 344             | 406          | 2,128 | 2,534              | 2,878   |
|                          | 2024/25 | 1,044       | 11       | 154     | 1,209           | 1,269        | 1,605 | 2,874              | 4,083   |
| Total                    | 2025/26 | 1,971       | 44       | 229     | 2,244           | 2,619        | 3,612 | 6,231              | 8,475   |
|                          | 2024/25 | 2,444       | 50       | 345     | 2,839           | 2,743        | 2,600 | 5,343              | 8,182   |

The following sections give more detail on each element of pay including any underlying assumptions, calculations and explanations of the figures.

### Base salary

From 1 April 2025, base salaries for Alistair and Martin were increased by 3%. This was below the level of increase awarded to our wider workforce. Barry's base salary was increased by 8% on the same date. This was the final step in a phased plan agreed at the time of his appointment to the Board in December 2023, as disclosed in previous Annual Reports.

On appointment as Chief Executive on 17 July 2025, Martin's base salary was increased to £970,000 per annum. A further increase to £1,050,000 per annum from 1 April 2026 was agreed as part of a phased plan. This was disclosed in the Annual Report 2025.

Our Committee also reviewed Barry's base salary during the year, once the Board changes had taken effect following Martin's appointment to Chief Executive. His base salary was increased by 10% to £770,000 per annum with effect from 1 September 2025. This increase comprised a 6.5% increase for the additional responsibilities and a further 3.5% increase in anticipation and reflective of the April 2026 salary review. This is consistent with the average increase for the wider workforce. No further increase is anticipated for 2026/27.

Alistair left the Board on 17 July 2025 and the figures below reflect salary paid to that date.

|                          |  | AUDITED |            | IMPLEMENTATION |            |
|--------------------------|--|---------|------------|----------------|------------|
| E000s                    |  | 2024/25 | % increase | 2025/26        | % increase |
| Martin Pibworth          |  | 750     | 21%        | 912            | 15%        |
| Barry O'Regan            |  | 650     | 14%        | 741            | 4%         |
| Alistair Phillips-Davies |  | 1,044   | (70%)      | 318            | –          |
|                          |  |         |            |                | 2026/27    |
|                          |  |         |            |                | n/a        |

## Benefits

Executive Directors are provided with appropriate benefits. These have been set considering market practice at similarly sized companies and the level of benefits offered to our wider workforce. Our core benefits include a car allowance or company car, private medical insurance, and health screening. Executive Directors can also participate in our all-employee share schemes on the same terms as our other employees.

The values shown in the table below represent the cost to SSE of providing benefits to Executive Directors. No changes are proposed to benefits in 2026/27.

| £000s                    | AUDITED |         | IMPLEMENTATION       |
|--------------------------|---------|---------|----------------------|
|                          | 2024/25 | 2025/26 | 2026/27              |
| Martin Pibworth          | 19      | 21      | In line with 2025/26 |
| Barry O'Regan            | 20      | 21      | In line with 2025/26 |
| Alistair Phillips-Davies | 11      | 2       | n/a                  |

## Pension

Alistair was a member of the Southern Electric Pension Scheme (SEPS), and his membership predated his Board appointment. He participated in the same defined benefit pension arrangements that were available to employees recruited prior to 1999. SEPS is a funded final salary pension scheme, and the terms of the scheme apply equally to all members. His service contract provided for a possible maximum pension of two-thirds of final salary from the age of 60. An approved pension is payable from SEPS, with the balance of the pension entitlement met directly by SSE through an Unapproved Unfunded Retirement Benefits scheme (UURBS).

Alistair had the following pension provisions relating to leaving SSE:

- For retirement through ill-health, an unreduced pension based on service to expected retirement age is paid.
- If there is a reorganisation or redundancy, an unreduced accrued pension is paid to members who are 50 or older with at least five years' service.
- From the age of 55, a member is entitled to leave SSE and receive a pension, reduced for early payment, unless SSE gives consent and funds this pension on an unreduced basis.

Alistair retired from employment with SSE on 30 November 2025 after stepping down from the Board on 17 July 2025.

His terms of employment provided for a pension of around £674,000, payable from age 60 based on his service to 30 November 2025. This pension is provided by two schemes, SEPS (£128,000 from age 60) and an UURBS (£546,000 from age 60). He had the option to request that the SEPS element of his pension be payable from the date he left employment, reduced for early payment. He requested that a portion of his pension provided through the UURBS be commuted for a lump sum, with £83,000 being put into payment. As with previous similar requests (including that of the former Finance Director in 2024), the Committee considered this and, in light of the financial health of the Company and the circumstances surrounding his departure, agreed a commuted payment of £7.9m. In the Committee's judgement, and that of its actuaries, this was deemed to be cost neutral to SSE.

The pension value shown in the single total figure of remuneration table for Alistair represents the increase in capital value of pension accrued over his period of employment during the year, times a multiple of 20 (net of CPI and Directors' contributions of £15,000) in line with statutory reporting requirements. The outcome of this calculation has been pro-rated for the period up to the point that he stepped down from the Board.

The actual pension accrued by Alistair during the year is shown here:

| £000s                    | 2024/25 | 2025/26 |
|--------------------------|---------|---------|
| Alistair Phillips-Davies | 646     | 674     |

As Chief Commercial Officer, Martin received a cash allowance in lieu of pension contributions at 15% of base salary. On appointment as Chief Executive, his cash allowance reduced to 12% of base salary.

Barry participates in the SSE Ireland Pension Scheme, which is a defined contribution arrangement. SSE makes employer's contributions equivalent to 12% of base salary.

Current pension arrangements for both Martin and Barry are aligned to the pension contribution available to all employees.

| £000s                    | AUDITED |         | IMPLEMENTATION |
|--------------------------|---------|---------|----------------|
|                          | 2024/25 | 2025/26 | 2026/27        |
| Martin Pibworth          | 113     | 116     | No change      |
| Barry O'Regan            | 78      | 89      | No change      |
| Alistair Phillips-Davies | 154     | 24      | n/a            |

## Annual Report on Remuneration continued

### Annual Incentive Plan

The Annual Incentive Plan (AIP) requires broad performance across a range of financial and strategic metrics. Each year, the Committee follows this process.



The current AIP performance measures were set in 2022 and remain relevant. Against these measures, and consistent with normal practice, updated targets were set at the beginning of the year. Performance was assessed over the 2025/26 financial year. Where possible, the Committee made a formulaic assessment of performance against each target. However, some measures are qualitative and require the Committee to use their collective judgement. A rating system with a range of one to five was used, where a rating of one was defined as below threshold performance, and a rating of five was defined as all goals at or above target performance.

AIP performance measures and a summary assessment are shown in the AIP performance scorecard. The judgement-based assessments of personal and operational measures are described on the following pages.

As part of the performance assessment, the Committee considered SSE's performance in the round and against our pay principles. This year, it concluded that the outturn shown in the scorecard was appropriate and therefore chose not to exercise its discretion to make any adjustments.

AUDITED

#### AIP performance scorecard

|                        | Measure                                                                                                                                                                                                                    | Weighting | Threshold                       | Performance | Maximum                                  | Outcome                 | Outturn (% of total AIP) |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------|-------------|------------------------------------------|-------------------------|--------------------------|
| <b>Financial (50%)</b> | <b>Adjusted Earnings Per Share (EPS)</b><br>Underlying measure of financial performance and a strategic KPI<br>Formulaic assessment                                                                                        | 30%       | 136.1p<br>(25% outturn)         |             | 162.3p<br>(100% outturn)                 | 151.5p                  | 24%                      |
|                        |                                                                                                                                                                                                                            |           |                                 | 80%         |                                          |                         |                          |
|                        | <b>Cashflow</b><br>Ratio of net debt to EBITDA<br>Formulaic assessment                                                                                                                                                     | 20%       | 4.6x<br>(25% outturn)           |             | 3.9x<br>(100% outturn)                   | 4.0x                    | 18%                      |
|                        |                                                                                                                                                                                                                            |           |                                 | 89%         |                                          |                         |                          |
|                        |                                                                                                                                                                                                                            |           |                                 |             |                                          |                         | <b>42%</b>               |
| <b>Strategic (50%)</b> | <b>Personal</b><br>Assessment against a range of personal objectives set at the beginning of the year<br>Judgement-based assessment (see page 123)                                                                         | 10%       | Rating 1<br>(zero outturn)      |             | Rating 5<br>(100% outturn)               | Rating 4+               | 9%                       |
|                        |                                                                                                                                                                                                                            |           |                                 | 90%         |                                          |                         |                          |
|                        | <b>Operational</b><br>Operational goals relating to safety, capital delivery and operational performance<br>Judgement-based assessment (see page 123)                                                                      | 30%       | Rating 1<br>(zero outturn)      |             | Rating 5<br>(100% outturn)               | Rating 4                | 24%                      |
|                        |                                                                                                                                                                                                                            |           |                                 | 80%         |                                          |                         |                          |
|                        | <b>Sustainability</b><br>Performance independently assessed relative to electric utilities peers against the Sustainalytics ESG risk rating and the S&P Global Corporate Sustainability Assessment<br>Formulaic assessment | 10%       | Median ranking<br>(20% outturn) |             | Upper quintile ranking<br>(100% outturn) | Average 87th percentile | 10%                      |
|                        |                                                                                                                                                                                                                            |           |                                 | 100%        |                                          |                         |                          |
|                        |                                                                                                                                                                                                                            |           |                                 |             |                                          |                         | <b>43%</b>               |

Financial measures  
**42%**

+

Strategic measures  
**43%**

+/-

Committee discretion  
**0%**

=

Overall AIP outturn  
**85%**

Financial measures have been adjusted to take into account the equity issue in November 2025 (see pages 87 and 117).

Barry O'Regan's personal outcome was 100% giving him a total award of 86%, reflecting excellent personal performance in the year.

## Personal performance

Executive Directors have detailed personal objectives which are set and agreed by the Committee at the start of the year. They are assessed at the end of the year based on judgement of performance. Strong individual performance during the year led to a four-plus rating, resulting in a 90% outturn for Martin and Alistair. Barry received a five rating following excellent personal performance, resulting in a 100% outturn for this measure. Some performance highlights are shown below.

| Summary of performance highlights |                                                                                                                                                                                                                                                                                                      | Weighting | Performance outcome             | Outturn |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------|---------|
| <b>Financial</b>                  | – Successful market update led to a positive share price reaction which endured to year-end.                                                                                                                                                                                                         | 10%       | Rating 4+ 90%                   | 9%      |
| <b>Strategy</b>                   | – Strong momentum behind the £33bn Transformation for Growth plan with three quarters of key Transmission consents received and a sixth major Transmission project in construction.                                                                                                                  |           | Rating 5 100% for Barry O'Regan | (10%)   |
| <b>Operations</b>                 | – SSEN Distribution outperformed competitors during major storms with all customers back on the network faster.                                                                                                                                                                                      |           |                                 |         |
| <b>Efficiency</b>                 | – Completed a Group Operating Model and Efficiency Review to ensure SSE has the right structures, resourcing and accountabilities to maximise growth – with efficiencies achieved.                                                                                                                   |           |                                 |         |
| <b>People</b>                     | – Effective transition to new leadership and several key senior appointments made, strengthening the wider team.<br>– Refreshed our corporate identity statements and introduced an internal framework of definitions of behaviours and strategic drivers, intended to foster a performance culture. |           |                                 |         |

## Operational performance

At the beginning of the year, the Committee set detailed operational targets for the year ahead. These fall under one of three distinct areas worth 10% each: safety, capital delivery, and operational performance. Where possible, performance is assessed formulaically and adjusted to take into account broader performance in each of these areas. In 2025/26, while there has been some challenges around some of the Renewable projects, a substantial majority of operational goals were assessed as being at or above target, and this resulted in an overall outcome of 80%.

| Summary performance            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Weighting | Performance outcome | Outturn |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------|---------|
| <b>Safety</b>                  | <ul style="list-style-type: none"> <li>– Employee Total Recordable Injury Rate (TRIR) was less than the previous year.</li> <li>– Contract partner TRIR was only slightly higher than the previous year despite a significant increase in hours worked.</li> <li>– There were fewer reportable injuries and fewer high potential injuries during the year.</li> <li>– Immersive safety training continues to be delivered at pace with 4,500 employee and contract partner attendees during the year.</li> <li>– For more information see <a href="#">page 112</a>.</li> </ul>                                                                                                                                                                                                                                                                                                             | 10%       | 90%                 | 9%      |
| <b>Capital delivery</b>        | <ul style="list-style-type: none"> <li>– Three quarters of key SSEN Transmission consents have been received and six major projects are in construction.</li> <li>– The SSEN Transmission asset base has grown to more than £9bn.</li> <li>– There has been a significant increase in SSEN Distribution capital expenditure to £852m.</li> <li>– Despite challenges the turbine installation stage was completed at SSE Renewable's Dogger Bank A. Dogger Bank B installation is under way.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                     | 10%       | 83%                 | 8%      |
| <b>Operational performance</b> | <ul style="list-style-type: none"> <li>– SSEN Distribution outperformed against Distribution System Operations targets and showed strong connections delivery overall.</li> <li>– SSEN Distribution incentive performance was negatively impacted by weather resulting in higher than expected Interruptions Incentive Scheme impacts.</li> <li>– SSEN Transmission's overall network reliability as measured by the National Energy System Operator (NESO) was &gt;99.99%.</li> <li>– SSE Renewables production volumes were within a target range, but availability was impacted by unplanned grid outages, Wind Turbine Generator (WTG) downtime, and cable and component issues.</li> <li>– There was strong underlying performance across SSE Thermal despite extended outages at Keadby 2 and Medway.</li> <li>– For more information see <a href="#">pages 28 to 38</a>.</li> </ul> | 10%       | 65%                 | 7%      |
| Total                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           |                     | 24%     |



## Annual Report on Remuneration continued

### 2025/26 AIP award payable

When Martin was appointed as Chief Executive on 17 July 2025, both his salary and his maximum incentive opportunity were increased. Barry's incentive opportunity was increased at the same time, and this was followed by a salary increase on 1 September 2025. Total awards are made up of a 67% cash award with 33% deferred as shares for a period of three years.

Alistair stepped down from the Board on 17 July 2025 and, as reported last year, will receive a pro-rated award up to this date without deferral. He will not receive any AIP payment in respect of the period between stepping down from the Board and his retirement in November 2025.

The values of the 2025/26 AIP awards shown below reflect these changes.

| AIP award for 2025/26    |                |                        |                                         |                      |            |                        |              |  |
|--------------------------|----------------|------------------------|-----------------------------------------|----------------------|------------|------------------------|--------------|--|
| E000s                    | Number of days | Base salary (pro-rata) | Maximum opportunity as % of base salary | Outturn % of maximum | AIP cash   | AIP deferred as shares | AIP total    |  |
| Martin Pibworth          | 107            | 226                    | 130%                                    | 85%                  | 168        | 83                     | 250          |  |
|                          | 258            | 686                    | 175%                                    | 85%                  | 683        | 337                    | 1,020        |  |
| <b>Total</b>             | <b>365</b>     |                        |                                         |                      | <b>851</b> | <b>419</b>             | <b>1,270</b> |  |
| Barry O'Regan            | 107            | 205                    | 130%                                    | 86%                  | 154        | 76                     | 229          |  |
|                          | 46             | 88                     | 155%                                    | 86%                  | 79         | 39                     | 118          |  |
|                          | 212            | 447                    | 155%                                    | 86%                  | 399        | 197                    | 596          |  |
| <b>Total</b>             | <b>365</b>     |                        |                                         |                      | <b>632</b> | <b>311</b>             | <b>943</b>   |  |
| Alistair Phillips-Davies | 108            | 318                    | 150%                                    | 85%                  | 406        | –                      | 406          |  |
| <b>Total</b>             | <b>108</b>     |                        |                                         |                      | <b>406</b> | <b>–</b>               | <b>406</b>   |  |

IMPLEMENTATION

### AIP – implementation for 2026/27

Martin's AIP opportunity will increase from 175% to 200% of base salary from 1 April 2026. This increase was agreed as part of a phased increase to maximum incentive opportunity agreed on appointment as Chief Executive. Barry's AIP opportunity will also increase from 155% to 180% of base salary from 1 April 2026.

AIP measures in 2026/27 will be unchanged. Adjusted Earnings Per Share and cashflow remain key financial measures worth a combined 50% of the total award. Targets were set at the beginning of the year, aligned with strategy and taking into account wider market factors. Due to commercial sensitivities, detailed targets will be disclosed retrospectively in next year's report.

|                        | Measure                                                                                               | Weighting |
|------------------------|-------------------------------------------------------------------------------------------------------|-----------|
| <b>Financial (50%)</b> | <b>Adjusted Earnings Per Share</b><br>Underlying measure of financial performance and a strategic KPI | 30%       |
|                        | <b>Cashflow</b><br>Ratio of net debt to EBITDA                                                        | 20%       |
| <b>Strategic (50%)</b> | <b>Personal</b><br>Assessment against a range of personal objectives set at the beginning of the year | 10%       |
|                        | <b>Operational</b><br>Goals relating to safety, capital delivery and operational performance          | 30%       |
|                        | <b>Sustainability</b><br>Performance independently assessed relative to peer groups                   | 10%       |

### Performance Share Plan

The Performance Share Plan (PSP) is a long-term incentive plan where a grant of shares is made to Executive Directors before vesting three years later. Vesting is subject to performance targets set in 2023 when the initial grant was made. The performance conditions are designed to encourage sustainable value creation, effective stewardship and good long-term decision-making. The Committee uses the same process described on [page 122](#) for AIP to set and assess performance conditions under the PSP.

The current PSP was established in 2022 and remains relevant. Target ranges were set three years ago at the beginning of the performance period and adjusted to ensure they operated as intended so that the 2025 equity raise did not unfairly impact the outcome. Performance was assessed against these targets. Where possible, the Committee made a formulaic assessment of performance against each target. However, some measures are qualitative and require the Committee to use their collective judgement. A rating system with a range of one to five was used, where a rating of one was defined as below threshold performance, and a rating of five was defined as all goals at or above target performance.

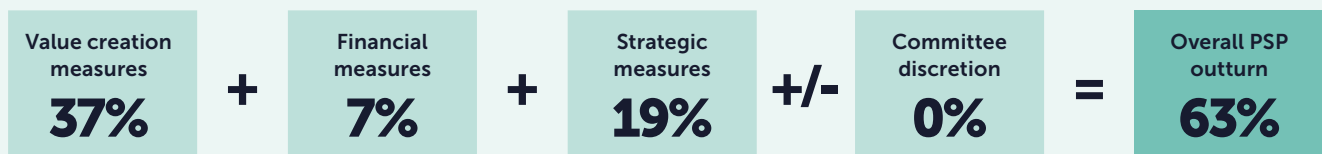
PSP performance measures and a summary assessment are shown in the PSP performance scorecard. The judgement-based assessments of strategy and sustainability measures are described on the following pages.

As part of their performance assessment, the Committee considered SSE's performance in the round and against our pay principles. This year, it concluded that the outturn shown in the scorecard was appropriate and therefore chose not to exercise its discretion to make any adjustments.

AUDITED

## PSP performance scorecard

|                             | Measure                                                                                                                                           | Weighting | Threshold                        | Performance | Maximum                               | Outcome                                      | Outturn (% of total award) |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------------------|-------------|---------------------------------------|----------------------------------------------|----------------------------|
| <b>Value creation (50%)</b> | <b>Total Shareholder Return (FTSE 100)</b><br>Relative share price performance against FTSE 100<br>Formulaic assessment                           | 20%       | Median ranking (20% outturn)     |             | Upper quintile ranking (100% outturn) | Rank 30 of 97<br>70 <sup>th</sup> percentile | 14%                        |
|                             |                                                                                                                                                   |           |                                  | 72%         |                                       |                                              |                            |
|                             | <b>Total Shareholder Return (Utilities)</b><br>Relative share price performance against the MSCI European utilities index<br>Formulaic assessment | 30%       | Median ranking (20% outturn)     |             | Upper quintile ranking (100% outturn) | Rank 8 of 26<br>72 <sup>nd</sup> percentile  | 23%                        |
|                             |                                                                                                                                                   |           |                                  | 76%         |                                       |                                              |                            |
|                             |                                                                                                                                                   |           |                                  |             |                                       |                                              | <b>37%</b>                 |
| <b>Financial (20%)</b>      | <b>Adjusted Earnings Per Share growth</b><br>Compound annual growth rate (CAGR) over the three-year performance period<br>Formulaic assessment    | 20%       | 147p<br>11.5% CAGR (20% outturn) |             | 175p<br>16.5% CAGR (100% outturn)     | 151.5p<br>12.4% CAGR                         | 7%                         |
|                             |                                                                                                                                                   |           |                                  | 33%         |                                       |                                              |                            |
|                             |                                                                                                                                                   |           |                                  |             |                                       |                                              | <b>7%</b>                  |
| <b>Strategic (30%)</b>      | <b>Strategy</b><br>Performance against the NZAP Plus<br>Judgement-based assessment (see below)                                                    | 15%       | Rating 1 (zero outturn)          |             | Rating 5 (100% outturn)               | Rating 3                                     | 10%                        |
|                             |                                                                                                                                                   |           |                                  | 67%         |                                       |                                              |                            |
|                             | <b>Sustainability</b><br>Performance against SSE's 2030 Goals<br>Judgement-based assessment (see page 126)                                        | 15%       | Rating 1 (zero outturn)          |             | Rating 5 (100% outturn)               | Rating 3                                     | 9%                         |
|                             |                                                                                                                                                   |           |                                  | 60%         |                                       |                                              |                            |
|                             |                                                                                                                                                   |           |                                  |             |                                       |                                              | <b>19%</b>                 |



Financial measures have been adjusted to take into account the equity issue in November 2025 (see pages 87 and 117).

## Strategy performance

At the outset of the plan, measures were set based on the strategic investment plan at that time, the Net Zero Acceleration Plan (NZAP) Plus. The measures focused on four key areas, which were similar to those set in the previous year with additional stretch targets incorporated. These are shown below alongside the Committee's performance assessment.

| Summary of performance highlights |                                                                                                        |                                                                                                                                                                                                                                                                               | Weighting | Performance outcome | Outturn    |
|-----------------------------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------|------------|
| <b>Renewables</b>                 | 8GW pipeline of net installed capacity potential and 0.5GW of international under construction by FY26 | <ul style="list-style-type: none"> <li>Net installed capacity is 5.3GW and international projects under construction are 0.1GW.</li> <li>Macroeconomic shifts and planning delays have resulted in challenging market conditions and a focus on value over volume.</li> </ul> | 6.0%      | Rating 2<br>30%     | 1.8%       |
| <b>Networks growth</b>            | Transmission and Distribution to exceed RAV growth targets of £7bn and £6bn respectively               | <ul style="list-style-type: none"> <li>RAV in Transmission is £6.7bn for SSE's share, and £6.6bn in Distribution by FY26.</li> <li>This strong growth reflected the connection of several large renewables projects, including the Shetland HVDC link.</li> </ul>             | 7.5%      | Rating 5<br>100%    | 7.5%       |
| <b>Energy businesses</b>          | Solar and battery installed capacity to meet 1GW by FY26                                               | <ul style="list-style-type: none"> <li>Installed capacity by FY26 is 230MW.</li> <li>The target has not been met following a reprioritisation of capital investment.</li> </ul>                                                                                               | 0.75%     | Rating 2<br>30%     | 0.2%       |
| <b>Customer</b>                   | On course to be a leading PPA player in the market by FY26                                             | <ul style="list-style-type: none"> <li>SSE strengthened its position as a leading PPA participant, expanding its route-to-market and long-term PPA portfolio and reinforcing its role as a partner of choice for renewable generators.</li> </ul>                             | 0.75%     | Rating 4<br>70%     | 0.5%       |
|                                   |                                                                                                        |                                                                                                                                                                                                                                                                               |           |                     | <b>10%</b> |

## Annual Report on Remuneration continued

### Sustainability performance

At the outset of the plan, measures were set based on our 2030 Goals, aligned to the United Nations Sustainable Development Goals (SDGs). The measures focused on four key areas, which were similar to those set in the previous year with additional stretch targets incorporated. These are shown below alongside the Committee's performance assessment.

| Summary of performance highlights                    |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Weighting | Performance outcome | Outturn   |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------|-----------|
| <b>SDG 13<br/>Climate action</b>                     | Reduce scope 1 carbon intensity by 80% by 2030, compared to 2017/18 levels, to 61g CO <sub>2</sub> e/kWh.                                           | <ul style="list-style-type: none"> <li>Scope 1 carbon intensity decreased from to 205gCO<sub>2</sub>e/kWh to 194gCO<sub>2</sub>e/kWh, falling below 200gCO<sub>2</sub>e/kWh for the first time.</li> <li>Increased investment in networks, slower renewables investment and delays to low-carbon flexible generation mean the 2030 carbon intensity target will be challenging to achieve.</li> </ul>                                                                                     | 3.75%     | Rating 3<br>40%     | 1.5%      |
| <b>SDG 7<br/>Affordable and clean energy</b>         | Build a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030.                                           | <ul style="list-style-type: none"> <li>Renewables output increased by 30%, from 11.2TWh in 2023/24 to 14.5TWh in 2025/26, driven by delivery of Viking, Seagreen and Yellow River wind farms and early commissioning of Dogger Bank A wind farm.</li> <li>Berwick Bank wind farm was granted consent and CfD of Phase B of the project was secured.</li> <li>Due to macroeconomic shifts and planning delays, the 50TWh renewable output target is unlikely to be met by 2030.</li> </ul> | 3.75%     | Rating 2<br>30%     | 1.1%      |
| <b>SDG 9 Industry, innovation and infrastructure</b> | Enable at least 20GW of renewable generation and facilitate around 2 million EVs and 1 million heat pumps on SSEN's electricity networks by 2030.   | <ul style="list-style-type: none"> <li>SSEN Transmission's connected renewable generation capacity grew to 10.8GW, exceeding the RIIO-T2 2026 target of 10GW, this was achieved through the connection of several large renewable projects including the Shetland HVDC link.</li> <li>SSEN Distribution saw electric and plug-in hybrid vehicle registrations rise to 589,000 in its areas.</li> </ul>                                                                                    | 3.75%     | Rating 4<br>70%     | 2.6%      |
| <b>SDG 8 Decent work and economic growth</b>         | Be a global leader for the just transition to net zero, with a guarantee of fair work and commitment to paying fair tax and sharing economic value. | <ul style="list-style-type: none"> <li>SSE has maintained its commitment to fair work and fair tax, marking ten years of Living Wage and Fair Tax Mark accreditations and earning Living Pensions status.</li> <li>The company ranked in the 91st percentile for just transition in the WBA Climate and Energy benchmark out of 122 utilities.</li> <li>SSE also updated its Just Transition Strategy and developed KPIs to track progress.</li> </ul>                                    | 3.75%     | Rating 5<br>100%    | 3.8%      |
|                                                      |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                     | <b>9%</b> |

### 2023 PSP award vesting

In 2023, Alistair and Martin received grants of 250% and 225% of base salary respectively. The estimated value of the award is based on the average share price in the three months up to 31 March 2026 at £25.09. Share price appreciation over the period was 33%. Shares awarded are subject to an additional two-year post-vesting holding period. Alistair's award has been pro-rated at 32/36ths, reflecting his service until he left SSE on 30 November 2025.

As the award will not vest until after this report is published, the actual value on vesting will be confirmed in next year's report. The table below provides details of the award.

|                          | Maximum opportunity as % of base salary | Share awards available | Additional awards in respect of accrued dividends | Total number of shares vesting at 63% | Estimated value of awards vesting £000s | Share price appreciation £000s |
|--------------------------|-----------------------------------------|------------------------|---------------------------------------------------|---------------------------------------|-----------------------------------------|--------------------------------|
| Martin Pibworth          | 225%                                    | 83,334                 | 10,554                                            | 59,149                                | 1,484                                   | 496                            |
| Barry O'Regan            | –                                       | –                      | –                                                 | –                                     | –                                       | –                              |
| Alistair Phillips-Davies | 250%                                    | 119,509                | 15,135                                            | 84,825                                | 2,128                                   | 712                            |

Barry received his first grant under the PSP in 2024, which will vest in 2027. In the interim, he continues to receive share awards which were granted before he joined the Board under the below-Board long-term incentive plan, the Leadership Share Plan (LSP). As this award does not relate to his Board service, it is not included in the single total figure of remuneration table. The number of shares vesting under the LSP in 2026 will be 16,621.

### Restatement of 2022 PSP award vesting

The 2022 PSP award vested during the year ended 31 March 2025. As the awards had not vested at the time of publication of the Annual Report 2025, the values disclosed at that time were estimates. These estimates were calculated using the average share price over the three months to 31 March 2025 of £15.46. The awards ultimately vested at a share price of £17.55. As the share price on vesting was lower than the share price at grant, there was no share price appreciation.



The actual values on vesting are disclosed in the table below.

|                          | Maximum opportunity as % of base salary | Share awards available | Additional awards in respect of accrued dividends | Total number of shares vesting at 59% | Estimated value of awards vesting £000s | Share price appreciation £000s |
|--------------------------|-----------------------------------------|------------------------|---------------------------------------------------|---------------------------------------|-----------------------------------------|--------------------------------|
| Martin Pibworth          | 225%                                    | 83,928                 | 12,174                                            | 56,697                                | 995                                     | –                              |
| Barry O'Regan            | –                                       | –                      | –                                                 | –                                     | –                                       | –                              |
| Alistair Phillips-Davies | 250%                                    | 135,407                | 19,644                                            | 91,476                                | 1,605                                   | –                              |

IMPLEMENTATION

### PSP – implementation of the 2026 to 2029 award

Martin's PSP opportunity will increase to 300% of base salary and Barry's PSP opportunity will increase to 275% for the 2026 grant. These increases in quantum were agreed as part of a phased plan to increase incentive levels following last year's Policy review.

There are no changes proposed to the measures. The awards granted in 2026 will use the same measures as the previous four years.

| Measure                            | Description                                                                 | Weighting | Threshold                     | Maximum                        |
|------------------------------------|-----------------------------------------------------------------------------|-----------|-------------------------------|--------------------------------|
| <b>TSR FTSE 100</b>                | Relative share price performance against FTSE 100.                          | 20%       | 50th percentile (20% outturn) | 80th percentile (100% outturn) |
| <b>TSR MSCI</b>                    | Relative share price performance against the MSCI European utilities index. | 30%       | 50th percentile (20% outturn) | 80th percentile (100% outturn) |
| <b>Adjusted Earnings Per Share</b> | Growth targets over three years linked to SSE's investment plan.            | 20%       | 206p (20% outturn)            | 231p (100% outturn)            |
| <b>Strategic</b>                   | Performance in the main areas of the implementation of the strategy.        | 15%       | Rating 2 (20% outturn)        | Rating 5 (100% outturn)        |
| <b>Sustainability</b>              | Performance linked to the 2030 Goals.                                       | 15%       | Rating 2 (20% outturn)        | Rating 5 (100% outturn)        |

The target range for adjusted EPS of 206p to 231p aligns with the rebased target of 168p to 193p for FY27, and the FY30 guidance at 225p to 250p, as described on [page 18](#).

The strategy targets have been updated and will now feature two distinct areas related to growth in Networks and Renewables. These will apply to both the 2026 PSP targets and the 2025 targets which we delayed setting last year in light of the changing macro-environment, delays to policy and planning, and uncertainty over market reform. In addition, a demand advocacy target will apply to the 2026 award.

| Strategic area                                                                                                                                           | 2025 PSP targets                                                                 | 2026 PSP targets                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market leading Networks RAV growth</b><br>From £13bn gross RAV in FY25 to £40bn gross RAV in FY30.                                                    | ~£21bn RAV (on a net basis, for SSE's 75% share of SSEN Transmission) by FY28.   | ~£26bn RAV (On a net basis, for SSE's 75% share of SSEN Transmission) by FY29.                                                                                                    |
| <b>Selective and disciplined Renewables growth</b><br>From 5GW in FY25 to 9GW in FY30 (before asset disposals / capital rotation).                       | ~7GW installed capacity (before any asset disposals / capital rotation) by FY28. | ~8GW installed capacity (before any asset disposals / capital rotation) by FY29.                                                                                                  |
| <b>Demand advocacy</b><br>Secure demonstrable advances in government policy in SSE's home markets that will drive accelerated electrification of demand. | Not applicable to this award.                                                    | Qualitative assessment of performance related to securing demonstrable advances in government policy in SSE's home markets that will drive accelerated electrification of demand. |

Sustainability targets will continue to be aligned to the 2030 Goals, linked to UN Sustainable Development Goals. This applies to both the 2026 PSP targets and the 2025 targets which we delayed setting last year.

| Strategic area                                                                                                                                                                                            | 2025 PSP targets                                                                                                                                                                               | 2026 PSP targets                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SDG 13 Climate action</b><br>Reduce scope 1 carbon intensity by 80% by 2030, compared to 2017/18 levels, to 61g CO <sub>2</sub> e/kWh.                                                                 | Scope 1 carbon intensity tracked to FY28.                                                                                                                                                      | Scope 1 carbon intensity tracked to FY29.                                                                                                                                                      |
| <b>SDG 7 Affordable and Clean Energy</b><br>Build a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030.                                                     | Renewables output TWh tracked to FY28.                                                                                                                                                         | Renewables output TWh tracked to FY29.                                                                                                                                                         |
| <b>SDG 9 Industry, Innovation and Infrastructure</b><br>Enable at least 20GW of renewable generation and facilitate around 2 million EVs and 1 million heat pumps on SSEN's electricity networks by 2030. | GW renewable generation capacity connected to SSEN's electricity transmission network by FY28.<br>Low-carbon technologies connected to SSEN's local electricity distribution networks by FY28. | GW renewable generation capacity connected to SSEN's electricity transmission network by FY29.<br>Low-carbon technologies connected to SSEN's local electricity distribution networks by FY29. |
| <b>SDG 8 Decent Work and Economic Growth</b><br>Be a global leader for the just transition to net zero, with a guarantee of fair work and commitment to paying fair tax and sharing economic value.       | Achieve continued thought leadership on just transition, as recognised in external benchmarks.                                                                                                 | Achieve continued thought leadership on just transition, as recognised in external benchmarks.                                                                                                 |



## Annual Report on Remuneration continued

The strategy and sustainability measures under the PSP, and the personal measures under the AIP, will be assessed against a five-point rating scale on the same basis as the awards under assessment this year. The definitions of ratings and outturns are shown below. The Remuneration Committee may decide to award an outturn between levels if warranted.

| Score | Performance assessment                           | Illustrative outturn as % of maximum |
|-------|--------------------------------------------------|--------------------------------------|
| 1     | Below threshold                                  | zero                                 |
| 2     | Threshold performance                            | 20%                                  |
| 3     | Majority of goals at or above target             | 40%                                  |
| 4     | Substantial majority of goals at or above target | 70%                                  |
| 5     | All goals at or above target                     | 100%                                 |

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### Deferred bonus and PSP awards granted in 2025

The table below shows the deferred bonus and PSP awards granted to Executive Directors in 2025. Dividends will accrue during the deferral, performance and holding periods.

| Type of award  | Date of grant | Director        | Shares granted | Market value on date of award | Face value (£000s) |
|----------------|---------------|-----------------|----------------|-------------------------------|--------------------|
| Deferred bonus | 18 July 2025  | Martin Pibworth | 14,158         | £18.41                        | 261                |
|                |               | Barry O'Regan   | 12,268         | £18.41                        | 226                |
|                |               | <b>Total</b>    |                |                               | <b>487</b>         |
| PSP            | 18 July 2025  | Martin Pibworth | 144,894        | £18.41                        | 2,667              |
|                |               | Barry O'Regan   | 95,057         | £18.41                        | 1,750              |
|                |               | <b>Total</b>    |                |                               | <b>4,417</b>       |

The performance measures for the 2025 PSP award are Total Shareholder Return relative to the FTSE 100 (20%) and European utilities (30%), adjusted Earnings Per Share growth (20%), strategy (15%) and sustainability (15%). These measures are set out in detail on [page 147 of SSE's Annual Report 2025](#) and on the previous page. Threshold performance results in 20% of the awards vesting. The face value of the 2025 PSP awards was 275% of salary for Martin, and 250% of salary for Barry. Alistair did not receive grants under the deferred bonus or the PSP in 2025 due to him stepping down from the Board early in the financial year.

### Payments for loss of office and payments to past Directors

Alistair stepped down from the Board on 17 July 2025 and was treated as a good leaver for the purpose of outstanding share awards under the PSP. This means that his awards will be pro-rated to reflect the time between the start of the performance period and when he left SSE at the end of November 2025. This was disclosed in detail in the Annual Report 2025.

Under the 2023 PSP award, Alistair will receive an award of 84,825 shares as disclosed in detail on [page 126](#) and in the single total figure of remuneration table on [page 120](#). Vesting will take place in line with the normal vesting timetable and will be subject to the standard two-year post-vesting holding period.

### Share ownership policy

The table below shows the shareholding and share interests of the Executive Directors on 31 March 2026 (or on cessation in Alistair's case). Executive Directors are required to maintain a shareholding equivalent to the face value of the annual award of shares under the PSP. For 2025/26, Martin was required to maintain a shareholding equivalent to 275% of base salary, and Alistair and Barry were required to maintain a shareholding equivalent to 250% of base salary. From 1 April 2026, Martin and Barry's requirements increased to 300% and 275% respectively, aligned with the increase to their PSP award levels. The shareholding requirement continues for two years post-cessation of employment.

Martin and Alistair have exceeded the shareholding requirement, and Barry is building up a shareholding following his appointment to the Board in 2023.

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|                               |                                         |         | Number of shares                                                                 |                                                                                     |                                                                                     | Number of options                                                                 |                                                                               |                                         |  |
|-------------------------------|-----------------------------------------|---------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------|--|
|                               |                                         |         | Interests in shares without performance conditions at 31 March 2026 (DBS Awards) | Interests in shares subject to performance conditions at 31 March 2026 (PSP Awards) | Interests in shares subject to performance conditions at 31 March 2026 (LSP Awards) | Interests in share options without performance conditions at 31 March 2026 (SAYE) | Interests in share options subject to performance conditions at 31 March 2026 |                                         |  |
| Shareholding as a % of salary | Shares owned outright at 31 March 2026* |         |                                                                                  |                                                                                     |                                                                                     |                                                                                   |                                                                               | Shares owned outright at 31 March 2025* |  |
| Martin Pibworth               | 667% (met)                              | 249,610 | 39,242                                                                           | 325,727                                                                             | –                                                                                   | 1,283                                                                             | –                                                                             | 200,936                                 |  |
| Barry O'Regan                 | 200% (not met)                          | 59,574  | 21,443                                                                           | 179,546                                                                             | 18,676                                                                              | 1,068                                                                             | –                                                                             | 49,244                                  |  |
| Alistair Phillips-Davies      | 1,333% (met)                            | 552,594 | 42,026                                                                           | 285,255                                                                             | –                                                                                   | –                                                                                 | –                                                                             | 491,164                                 |  |

\* including holdings of any connected persons.

## Chair and non-Executive Directors' fees

### Non-Executive Directors' fees – 2025/26

This table sets out what each non-Executive Director was paid for the financial year ended 31 March 2026 relative to the previous financial year.

Helen Mahy stepped down from the Board following the AGM on 17 July 2025. Hixonia Nyasulu joined the Board on 1 January 2025 and assumed the position of Senior Independent Director upon Helen's departure. On the same date, Dame Angela Strank was appointed Chair of the Safety, Sustainability, Health and Environment Advisory Committee, a role previously held by Helen.

| AUDITED              |         |         |
|----------------------|---------|---------|
| £000s                | 2024/25 | 2025/26 |
| Lady Elish Angiolini | 102     | 105     |
| John Bason           | 107     | 110     |
| Tony Cocker          | 102     | 105     |
| Dame Debbie Crosbie  | 82      | 85      |
| Helen Mahy           | 127     | 39      |
| Sir John Manzoni     | 452     | 466     |
| Hixonia Nyasulu      | 21      | 103     |
| Melanie Smith        | 107     | 110     |
| Dame Angela Strank   | 82      | 99      |
| Maarten Wetselaar    | 82      | 85      |
| Total                | 1,264   | 1,307   |

IMPLEMENTATION

### Non-Executive Directors' fees – 2026/27

Non-Executive Directors receive a base fee, a fee for chairing any committee, and a fee for the role of Non-Executive Director for Employee Engagement. There is no additional fee paid for membership of a committee. The Chair fee is all-encompassing, and no other fees are paid in addition.

Fees are typically reviewed each year taking into consideration any changes in time commitment or responsibilities. They are also considered in the context of other companies of a similar size and complexity. In 2025/26, the Chair's fee and base non-Executive Director fees were increased by 3%, in line with the pay budget for the wider employee population.

Fee levels for 2026/27 are shown below and represent a 3.5% increase on the previous year, in line with the anticipated pay budget for the wider employee population.

| £000s                                                                   | 2025/26 | 2026/27 |
|-------------------------------------------------------------------------|---------|---------|
| Chair fee                                                               | 466     | 482     |
| Base fee                                                                | 85      | 88      |
| Senior Independent Director                                             | 26      | 27      |
| Audit Committee Chair                                                   | 26      | 27      |
| Remuneration Committee Chair                                            | 26      | 27      |
| Energy Markets Risk Committee Chair                                     | 21      | 21      |
| Safety, Sustainability, Health and Environment Advisory Committee Chair | 21      | 21      |
| Non-Executive Director for Employee Engagement                          | 21      | 21      |

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### Non-Executive Directors' share interests

This table shows the share interests and shareholdings of the non-Executive Directors on 31 March 2026. They are each expected to build up a minimum holding of 2,000 SSE shares.

|                      | Shareholding guideline | Shares owned outright at 31 March 2026* |
|----------------------|------------------------|-----------------------------------------|
| Lady Elish Angiolini | Met                    | 2,097                                   |
| John Bason           | Met                    | 2,565                                   |
| Tony Cocker          | Met                    | 5,000                                   |
| Dame Debbie Crosbie  | Met                    | 2,176                                   |
| Helen Mahy           | Met                    | 3,310                                   |
| Sir John Manzoni     | Met                    | 3,131                                   |
| Hixonia Nyasulu      | Met                    | 2,243                                   |
| Melanie Smith        | Met                    | 2,365                                   |
| Dame Angela Strank   | Met                    | 2,341                                   |
| Maarten Wetselaar    | Met                    | 4,352                                   |

\* including holdings of any connected persons.

## Annual Report on Remuneration continued

### Directors' service contracts and letters of appointment

Executive Directors' contracts are terminable by the Company immediately without notice upon breach by the individual, or by the Company with 12 months' notice, or by payment in lieu of salary only during that notice. Payment in lieu of notice may be staged and may either reduce or stop completely when the departing Executive Director gains new employment. The Executive Director may terminate the contract by giving the Company 12 months' notice. Contracts for new Executive Directors will be limited to 12 months' notice by both parties (or payment in lieu of notice in respect of the Company). Service contracts are available to view at our registered office.

|                          | Effective date of service contract |
|--------------------------|------------------------------------|
| Martin Pibworth          | 17 July 2025                       |
| Barry O'Regan            | 1 December 2023                    |
| Alistair Phillips-Davies | 1 July 2013                        |

Non-Executive Directors are appointed for fixed terms of three years, subject to retirement and re-appointment at AGMs. Non-Executive Directors are not entitled to any payment in lieu of notice or any compensation for loss of office when they leave. Letters of appointment are available to shareholders at [sse.com](https://sse.com).

### Malus and clawback

The circumstances in which malus and clawback provisions could be used are explained in detail in the Directors' Remuneration Policy published in full in last year's report. As part of its annual review, the Committee considered these provisions at the end of the year and determined that no adjustment was required to Executive Directors' remuneration outcomes.

### Executive remuneration in context

The following pages detail some of the factors the Remuneration Committee takes into account when setting pay for Executive Directors.

#### Workforce pay

Similar pay principles apply to all employees across SSE, and there are commonalities between executive pay and wider workforce pay. While the Remuneration Committee's responsibilities focus on pay arrangements for Executive Directors and the Group Executive Committee (GEC), it is fully briefed on pay arrangements for the wider workforce and takes these into account in decision-making. This table shows how pay is aligned across employee groups.

|                               | Executive Directors and GEC                                                                                                                                                                                                                                                                                                | Wider workforce                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Base salary</b>            | Base salaries are reviewed each year, taking into account: skills, experience and performance; salary levels at other UK-listed companies of a similar size and complexity; wider internal pay arrangements; and the overall policy objective of setting competitive, but not excessive, remuneration against benchmarks.  | There are two main groups of employees. Around half are subject to collective bargaining through our recognised trade unions. Annual increases are based on the attainment of skills.<br><br>The remaining employees have salaries set with reference to market requirements. Annual increases are based on a performance pay matrix.                                                                            |
| <b>Benefits</b>               | Voluntary benefits are provided in line with the wider workforce, with the addition of contractual entitlements to car and private medical benefits.                                                                                                                                                                       | Some employees receive contractual car and private medical benefits.<br><br>All employees have access to a comprehensive suite of voluntary benefits, including private medical benefits, a salary sacrifice car scheme, holiday purchase, financial wellbeing benefits, and a range of family-friendly benefits.                                                                                                |
| <b>Pension</b>                | Pensions arrangements are aligned with the wider workforce, and are capped at 12% for Executive Directors.<br><br>New employees who join the GEC will also have pension arrangements capped at 12%. Legacy arrangements may exist for longer serving GEC members.                                                          | All employees are members of a defined contribution pension scheme or one of our legacy defined benefit pension schemes, unless they have opted out.<br><br>The arrangements are diverse, and employer costs typically range from 3% to 32.5% of salary when both defined contribution and defined benefit schemes are taken into account. The potential pension contribution available to all employees is 12%. |
| <b>Annual incentive</b>       | AIP for Executive Directors is linked directly to performance and is structured around performance measures that are 50% financial and 50% non-financial. The award is normally delivered as 67% cash and 33% deferred shares.<br><br>GEC members participate on the same basis as other eligible employees.               | Around half of the wider employee population is eligible for AIP. Awards are linked to the performance of the Group, the employee's business or function, and the employee's individual performance rating. Employees in other leadership roles may have a portion of their award deferred as shares.                                                                                                            |
| <b>Long-term incentive</b>    | Executive Directors and, from 2026, GEC members participate in the PSP which is a share award over three years with performance linked to value creation, financial, strategic and sustainability measures.                                                                                                                | Other senior leaders are eligible for the Leadership Share Plan. This is a share award over three years, linked to Group against strategic delivery.                                                                                                                                                                                                                                                             |
| <b>Share ownership policy</b> | Executive Directors are required to maintain a minimum shareholding of SSE shares linked to the level of annual award under the PSP up to 300% of base salary.<br><br>Other GEC members are required to build up a shareholding of SSE shares linked to the level of annual award under the PSP up to 200% of base salary. | All employees are encouraged to become SSE shareholders through participation in the Share Incentive Plan (SIP) or Sharesave.<br><br>Around 50% of employees participate in Sharesave, and 65% of employees participate in SIP.                                                                                                                                                                                  |

## Chief Executive pay ratio

The following table shows the Chief Executive to employee pay ratio over time based on methodology C of the Companies (Miscellaneous Reporting) Regulations 2018. This uses Gender Pay Gap data as its basis, and includes other important components of pay at SSE, such as overtime and employer's contributions to pension. It excludes salary sacrifice arrangements.

For the purposes of the following tables, the Chief Executive's pay is based on a blend of Alistair's pay up to when he stepped down from the Board and Martin's pay from his appointment on 17 July 2025.

| Year    | Calculation methodology | Ratio to employee pay at 25th percentile | Ratio to employee pay at median | Ratio to employee pay at 75th percentile |
|---------|-------------------------|------------------------------------------|---------------------------------|------------------------------------------|
| 2025/26 | C                       | 106:1                                    | 77:1                            | 58:1                                     |
| 2024/25 | C                       | 97:1                                     | 69:1                            | 52:1                                     |
| 2023/24 | C                       | 95:1                                     | 65:1                            | 49:1                                     |
| 2022/23 | C                       | 136:1                                    | 100:1                           | 73:1                                     |
| 2021/22 | C                       | 141:1                                    | 106:1                           | 76:1                                     |
| 2020/21 | C                       | 95:1                                     | 73:1                            | 52:1                                     |
| 2019/20 | C                       | 83:1                                     | 59:1                            | 44:1                                     |
| 2018/19 | C                       | 57:1                                     | 42:1                            | 30:1                                     |

As a large proportion of the Chief Executive's pay is based on performance and the flow through to variable pay, the pay ratio can vary significantly from year to year. Pay for employees typically has a high proportion of fixed pay and less variable pay. Total employee pay at the median increased by 7%. The increase is mostly attributable to the base salary increases applied during the year which were in the range of 3% to 6%.

As a result, the ratio of Chief Executive pay to employee pay at median has increased from 69:1 to 77:1. For more on employee pay, including the Gender Pay Gap, see [page 52](#) and at [sse.com/inclusion](https://sse.com/inclusion).

This table sets out base salary and total pay for the Chief Executive and for UK employees at the 25th, 50th and 75th percentile. The total pay figures have been used to determine the pay ratios in the previous table.

| £000s   | Chief Executive |           | UK employees    |           |             |           |                 |           |
|---------|-----------------|-----------|-----------------|-----------|-------------|-----------|-----------------|-----------|
|         |                 |           | 25th percentile |           | Median      |           | 75th percentile |           |
|         | Base salary     | Total pay | Base salary     | Total pay | Base salary | Total pay | Base salary     | Total pay |
| 2025/26 | 1,005           | 4,530     | 36              | 43        | 48          | 59        | 64              | 78        |
| 2024/25 | 1,044           | 4,083     | 33              | 40        | 45          | 57        | 60              | 75        |
| 2023/24 | 999             | 3,562     | 31              | 38        | 42          | 54        | 57              | 73        |
| 2022/23 | 952             | 4,776     | 29              | 35        | 37          | 48        | 51              | 65        |
| 2021/22 | 924             | 4,655     | 28              | 33        | 36          | 44        | 49              | 61        |
| 2020/21 | 915             | 3,045     | 28              | 32        | 35          | 42        | 48              | 59        |
| 2019/20 | 890             | 2,418     | –               | 29        | –           | 41        | –               | 55        |
| 2018/19 | 866             | 1,639     | –               | 29        | –           | 39        | –               | 54        |

## Change in remuneration of Directors and employees

The table below shows the percentage change in the annual remuneration of Directors and UK employees over the past five years, as required by the reporting regulations. These changes reflect the information provided in the single total figure of remuneration table on [page 120](#) and the non-Executive Directors' fees table on [page 129](#).

| Director                       | 2021/22 v 2020/21 |          |       | 2022/23 v 2021/22 |          |       | 2023/24 v 2022/23 |          |       | 2024/25 v 2023/24 |          |       | 2025/26 v 2024/25 |          |       |
|--------------------------------|-------------------|----------|-------|-------------------|----------|-------|-------------------|----------|-------|-------------------|----------|-------|-------------------|----------|-------|
|                                | Base salary/fee   | Benefits | Bonus | Base salary/fee   | Benefits | Bonus | Base salary/fee   | Benefits | Bonus | Base salary/fee   | Benefits | Bonus | Base salary/fee   | Benefits | Bonus |
| <b>Non-Executive Directors</b> |                   |          |       |                   |          |       |                   |          |       |                   |          |       |                   |          |       |
| Lady Elish Angiolini           | –                 | –        | –     | –                 | –        | –     | 28%               | –        | –     | 7%                | –        | –     | 3%                | –        | –     |
| John Bason                     | –                 | –        | –     | –                 | –        | –     | 48%               | –        | –     | 16%               | –        | –     | 3%                | –        | –     |
| Tony Cocker                    | 11%               | –        | –     | 3%                | –        | –     | (1)%              | –        | –     | (5)%              | –        | –     | 3%                | –        | –     |
| Dame Debbie Crosbie            | –                 | –        | –     | –                 | –        | –     | 5%                | –        | –     | 4%                | –        | –     | 3%                | –        | –     |
| Sir John Manzoni               | –                 | –        | –     | 3%                | –        | –     | 5%                | –        | –     | 4%                | –        | –     | 3%                | –        | –     |
| Melanie Smith                  | 1%                | –        | –     | 3%                | –        | –     | 32%               | –        | –     | 9%                | –        | –     | 3%                | –        | –     |
| Dame Angela Strank             | –                 | –        | –     | 3%                | –        | –     | 5%                | –        | –     | 4%                | –        | –     | 21%               | –        | –     |
| Maarten Wetselaar              | –                 | –        | –     | –                 | –        | –     | –                 | –        | –     | –                 | –        | –     | 3%                | –        | –     |
| <b>Executive Directors</b>     |                   |          |       |                   |          |       |                   |          |       |                   |          |       |                   |          |       |
| Martin Pibworth                | 11%               | 0%       | 32%   | 3%                | 1%       | 11%   | 5%                | 5%       | (18)% | 9%                | (1)%     | 28%   | 21%               | 12%      | 61%   |
| Barry O'Regan                  | –                 | –        | –     | –                 | –        | –     | –                 | –        | –     | –                 | –        | –     | 14%               | (2)%     | 38%   |
| <b>All employees</b>           | 6%                | 3%       | 51%   | 22%               | 16%      | 6%    | 25%               | 11%      | 36%   | 19%               | 13%      | (11)% | 4%                | 13%      | 18%   |



## Annual Report on Remuneration continued

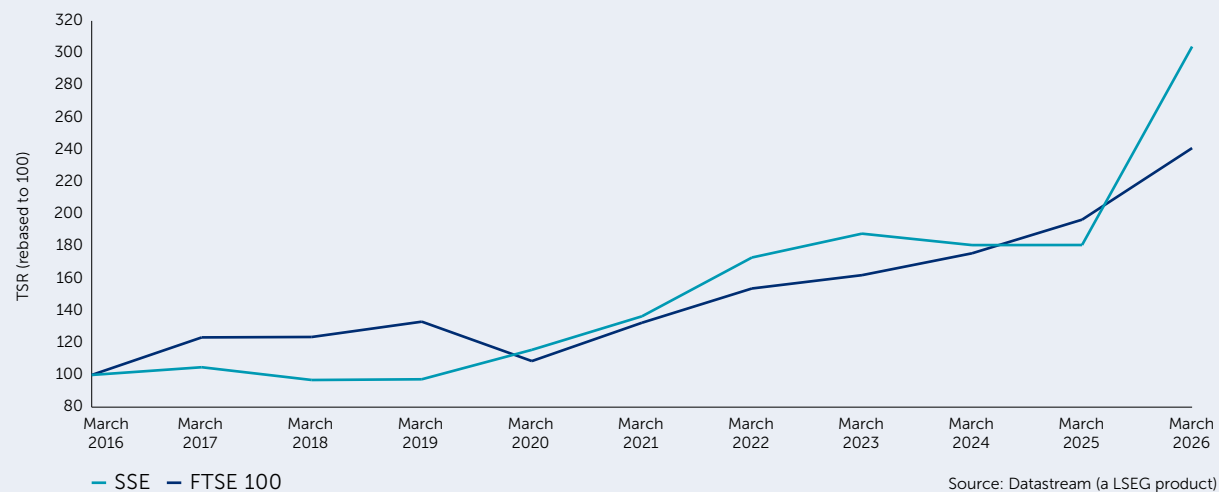
### Relative importance of the spend on pay

This table shows how the earnings of Executive Directors compare with SSE's other financial distributions. For every £1 spent on Executive Directors' earnings by SSE in 2025/26, £50 was paid in tax, £127 was spent on employee costs and £417 was spent on capital and investment expenditure. In addition, £86 was paid in dividend payments to shareholders.

|                                                                           | 2024/25<br>£m | 2025/26<br>£m  | Change  |
|---------------------------------------------------------------------------|---------------|----------------|---------|
| Executive Directors' earnings                                             | 8.1           | <b>8.5</b>     | 5.1%    |
| Dividends to shareholders                                                 | 671.0         | <b>734.1</b>   | 9.4%    |
| Adjusted investment, capital and acquisition expenditure                  | 2,910.4       | <b>3,546.5</b> | 21.9%   |
| Total UK taxes paid (profits, property, environment and employment taxes) | 592.1         | <b>424.9</b>   | (39.4)% |
| Staff costs                                                               | 1,035.0       | <b>1,076.0</b> | 4.0%    |

### Total Shareholder Return (TSR)

This graph shows SSE TSR performance over the past ten years relative to FTSE 100 performance. The FTSE 100 Index has been chosen because SSE has been a constituent member throughout the period.



The Chief Executive's annual remuneration over the same period is in the table below. This represents a blend of Alistair's pay up to when he stepped down from the Board and Martin's pay from his appointment on 17 July 2025.

| Year    | Single total figure of remuneration (£'000) | Annual variable element award (% of maximum) | Long-term incentive vesting (% of maximum) | Application of discretion          |
|---------|---------------------------------------------|----------------------------------------------|--------------------------------------------|------------------------------------|
| 2025/26 | 4,530                                       | 85                                           | 63                                         |                                    |
| 2024/25 | 4,083                                       | 81                                           | 59                                         |                                    |
| 2023/24 | 3,562                                       | 69                                           | 62                                         |                                    |
| 2022/23 | 4,776                                       | 88                                           | 76                                         | Downward discretion applied to AIP |
| 2021/22 | 4,655                                       | 83                                           | 66                                         |                                    |
| 2020/21 | 3,045                                       | 69                                           | 28                                         | Downward discretion applied to AIP |
| 2019/20 | 2,418                                       | 59                                           | 27                                         |                                    |
| 2018/19 | 1,639                                       | 0                                            | 26                                         | Downward discretion applied to AIP |
| 2017/18 | 2,693                                       | 78                                           | 30                                         |                                    |
| 2016/17 | 2,917                                       | 72                                           | 46                                         | Downward discretion applied to AIP |

## Governance

### External appointments

Executive Directors can accept non-executive appointments outside of SSE with the consent of the Board, as this can enhance their experience and value to SSE. Any fees received are kept by the Director. Details of all external appointments held by Executive Directors are shown on [pages 80 to 82](#).

The former Chief Executive, Alistair Phillips-Davies, was a non-executive director of Anglian Water Services Limited, for which he received an annual fee of £64,790 at the time of stepping down from the Board. Neither of the current Executive Directors hold any paid external appointments.

### Advice to the Remuneration Committee

The Chief Executive, Group HR Director, and Director of Reward and Pensions advised the Committee on certain remuneration matters for Executive Directors and senior executives, although they were not present for any discussions related to their own remuneration.

The Group HR Director and Director of Reward and Pensions also advised on HR strategy and the application of HR policies across the wider organisation.

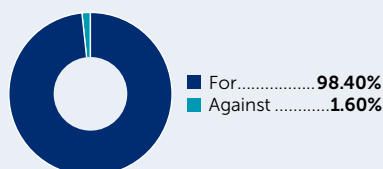
FIT Remuneration Consultants LLP (FIT) provided a range of information to the Committee, including market data drawn from published surveys, governance developments and their application to SSE, advice on remuneration disclosures and regulations, and comparator group pay. FIT received £75,064 in relation to their work for the Committee, calculated on a time and materials basis. FIT is a founding member of, and adheres to, the Remuneration Consultants' Group Code of Conduct. This defines the roles of consultants, including the requirement to have due regard to the organisation's strategy, financial situation, pay philosophy, the Board's statutory duties, and the views of investors and other stakeholders. The Committee reviews performance annually to determine if it is satisfied with the quality, relevance, objectivity and independence of the advice. FIT provides no other services and has no other connection to SSE or individual Directors.

Freshfields LLP also advised on legal matters, such as share plan rules, during the year.

### Shareholder voting

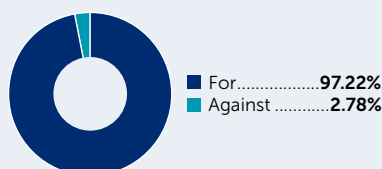
On 17 July 2025, shareholders approved the current Directors' Remuneration Policy and the Annual Report on Remuneration for the year ended 31 March 2025.

#### Annual Report on Remuneration – shareholder voting in 2025



Total votes cast: 796,524,905  
Votes withheld: 391,485

#### Directors' Remuneration Policy – shareholder voting in 2025



Total votes cast: 796,517,385  
Votes withheld: 398,210

### Employee engagement

The Board actively seeks opportunities for two-way dialogue with SSE's employees. Engagement activity is diverse and includes face-to-face meetings, site visits, attendance at employee events and virtual meetings. During the year, the Remuneration Committee Chair met with a group of employee representatives to discuss the pay arrangements for SSE's executives and how they align to the wider employee population. For more on 'Listening to our employees' see [page 91](#).

### Remuneration Committee

A summary of the Committee's role is on the first page of the Directors' Remuneration Report. The Terms of Reference for the Committee were reviewed during 2025/26 and no changes were made. These are available on [sse.com](#).

The members of the Committee and the meetings attended are on [page 84](#). The focus of each of the meetings was as follows:

|                      |                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>May 2025</b>      | Confirmed AIP, PSP and LSP performance outcomes for Executive Directors and the Group Executive Committee.<br>Agreed approach to setting AIP and PSP performance measures for the year ahead.<br>Reviewed below-Board pay arrangements.                                                                                                                                 |
| <b>November 2025</b> | Received a market and governance update following AGM season.<br>Formally confirmed a salary increase for the Chief Financial Officer following an increase in responsibilities.<br>Reviewed how AIP and PSP measures were tracking against performance.<br>Agreed final pension arrangements for the former Chief Executive.<br>Reviewed Committee Terms of Reference. |
| <b>March 2026</b>    | Reviewed how AIP and PSP measures were tracking against performance.<br>Agreed salary and fee increases for Executive Directors, the Chair and the Group Executive Committee.<br>Reviewed an update to the share plan rules.<br>Considered outcomes of annual Committee performance review.                                                                             |

## Directors' Remuneration Policy – a summary

### Introduction

Our Directors' Remuneration Policy was approved with over 97% of shareholders support at the AGM on 17 July 2025. It is intended that the Policy will apply for a period of up to three years and will be re-approved at the 2028 AGM at the latest. No material changes have been made to the Policy since its approval.

The full Policy is available in the [Annual Report 2025](#), and has been summarised below.

### Policy table

| Base salary                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose and link to strategy      | To support the retention and recruitment of Executive Directors of the calibre required to develop SSE's strategy, deliver efficient operations and investments, and engage effectively with key stakeholders.                                                                                                                                                                                                                                                                                    |
| Operation and maximum opportunity | <p>Base salary is normally reviewed annually with changes effective from 1 April.</p> <p>Salary increases will normally be capped at the typical level of increases awarded to other employees in the Company, although increases may be above this level in certain circumstances.</p>                                                                                                                                                                                                           |
| Performance measures              | Broad review of performance is included in the annual review process.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Benefits                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Purpose and link to strategy      | To provide a market-competitive level of benefits for Executive Directors.                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Operation and maximum opportunity | <p>Executive Directors' core benefits currently include car allowance, private medical insurance and health screening. They can also participate in SSE's all-employee share plans on the same terms as UK colleagues.</p> <p>Relocation assistance will be provided if required. Travel and business-related expenses will be reimbursed. The cost will depend on the cost to SSE of providing individual items and the individual's circumstances. There is no maximum benefit level.</p>       |
| Performance measures              | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Pension                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Purpose and link to strategy      | Pension planning is an important part of SSE's remuneration strategy as it's consistent with the long-term goals of the business.                                                                                                                                                                                                                                                                                                                                                                 |
| Operation and maximum opportunity | <p>The Chief Executive receives a cash allowance in lieu of accruing future pension benefits. The Chief Financial Officer participates in a defined contribution arrangement that SSE makes employer's contributions to.</p> <p>Employer's pension contributions are capped at 12% of base salary in line with arrangements for the wider SSE employee population.</p>                                                                                                                            |
| Performance measures              | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Annual Incentive Plan (AIP)       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Purpose and link to strategy      | Rewards Executive Directors for the achievement of performance targets linked to SSE's strategy and core purpose. Compulsory deferral into SSE shares aligns Executive Directors' interests with those of shareholders.                                                                                                                                                                                                                                                                           |
| Operation and maximum opportunity | <p>The Remuneration Committee determines the level of incentive considering performance against targets, the underlying performance of the business and Executive Directors' individual performance.</p> <p>Performance is typically assessed over a financial year. The award will normally be delivered as 67% in cash and 33% in deferred shares.</p> <p>The award is subject to malus and/or clawback provisions.</p> <p>The maximum annual incentive opportunity is 200% of base salary.</p> |
| Performance measures              | The annual incentive is normally based on a mix of financial, operational, strategic and stakeholder measures reflecting the priorities of the business. A minimum of 50% of the annual incentive will be based on financial performance.                                                                                                                                                                                                                                                         |



### Performance Share Plan (PSP)

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose and link to strategy      | Rewards Executive Directors for their part in delivering the sustained success of SSE over a three-year performance period and further two-year holding period. It ensures that their interests are aligned with those of SSE's shareholders.                                                                                                                                                                                                                                                                                                                                                                                        |
| Operation and maximum opportunity | <p>Shares are awarded which normally vest based on performance over a period of three years with an additional two-year post-vesting holding period during which time the Executive must retain the post-tax number of shares vesting under the award.</p> <p>The Remuneration Committee determines the extent to which shares vest. All shares vest if the maximum performance standards are met or exceeded. No shares vest for below threshold performance.</p> <p>Awards are subject to malus and/or claw back provisions.</p> <p>Maximum annual value of an award that can be granted under the PSP is 300% of base salary.</p> |
| Performance measures              | <p>Awards vest based on a range of measures which may include value creation, financial, operational, strategic, or stakeholder-based measures.</p> <p>At least 70% of the award will be based on financial and value creation measures.</p>                                                                                                                                                                                                                                                                                                                                                                                         |

### Share Ownership Policy

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose and link to strategy      | Aligns the interests of Executive Directors with those of SSE's shareholders.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Operation and maximum opportunity | <p>Shareholding is normally built up by shares vesting through the PSP, as well as deferred shares from the AIP and all employee share schemes. Executive Directors may also choose to buy shares.</p> <p>The requirement to retain shares continues after employment and Executive Directors are required to hold any shares (excluding those purchased from their own funds) to the value of the minimum requirement set by the Policy (or the projected shareholding including in-flight PSP awards) for another two years following cessation of employment.</p> <p>The minimum shareholding is linked to the face value of the annual award of shares under the PSP (i.e. up to a maximum of 300% of base salary), and should be built up over a reasonable time frame.</p> |
| Performance measures              | Not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

### Chair and non-Executive Directors' fees

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose and link to strategy      | Fees are set at a level which provides reward for undertaking their role. The fee levels are intended to attract and retain individuals with the calibre and experience to contribute effectively at Board level.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Operation and maximum opportunity | <p>The fee structure may be made up of:</p> <ul style="list-style-type: none"> <li>– a basic Board fee or Chair fee;</li> <li>– an additional fee for any committee chairship or membership; and</li> <li>– an additional fee for further responsibilities e.g. Senior Independent Director, Non-Executive Director for Employee Engagement or periods of increased activity.</li> </ul> <p>Fees are reviewed at appropriate intervals against companies of a similar size and complexity. Fees are set in a way that is consistent with the wider remuneration policy.</p> <p>Reasonable travelling and other expenses for costs incurred in the course of the non-Executive Directors undertaking their duties are reimbursed (including any tax due on the expenses).</p> <p>The aggregate level of non-Executive Director fees shall not exceed the maximum limit set out in the Articles of Association.</p> <p>It is also expected that all non-Executive Directors should build up a minimum of 2,000 shares in the Company.</p> |
| Performance measures              | Not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

The full Policy also includes further information on:

- Performance measures and targets
- Committee discretion
- Legacy commitments
- Directors' service contracts
- Non-Executive Directors' letters of appointment
- Loss of office policy
- Recovery provisions
- Recruitment policy
- Shareholders' views
- Remuneration engagement across the Group
- Illustration of the Policy.

#### Melanie Smith CBE

Chair of the Remuneration Committee

27 May 2026



## Compliance with the UK Corporate Governance Code 2024

### The Board keeps SSE's corporate governance arrangements under review to ensure our approach remains effective and proportionate.

This year marks our first time reporting against the FRC's UK Corporate Governance Code 2024 (the Code). A copy of the Code can be found at [www.frc.org.uk](http://www.frc.org.uk).

The Board and Board Committees continue to uphold the spirit of the Code, and apply its stated Principles, across their respective areas of work. With reference to the Code's Provisions, the Board confirms compliance with all matters for the year ended 31 March 2026.

This statement gives details of how Code compliance has been achieved. Where additional disclosures are located elsewhere in the Annual Report, cross-references are provided.

Work has been completed in the year to prepare for compliance with Provision 29, which will apply to SSE plc from 1 April 2026.

#### 1. Board leadership and company purpose

##### A. Board's role

The Board is responsible for leading SSE and promoting its long-term sustainable success, while also generating value for shareholders and wider stakeholders. In doing so, it actively monitors internal and external developments, provides effective oversight and challenge, and makes informed decisions. This is enabled by its deliberate composition and balance of skills, its annual workplan, and the Group-wide strategic approach to stakeholder engagement.

A set of operational and financial targets and 2030 business goals support the delivery of SSE's strategy. The Board monitors progress against these to make sure agreed objectives are met. It sets key parameters, including SSE's financial and investment strategy (such as annual operating and capital expenditure budgets), and the delegated authorities set out in SSE's Governance Framework. These delegations support day-to-day operations and the implementation of strategy – matters which are overseen by the Group Executive Committee.

The Board retains oversight of delegated matters through verbal updates at Board meetings and a range of written materials. These include sub-Committee minutes, standing reports such as the Chief Executive's Report and Finance Report,

and written commentary and dashboards covering a range of financial and non-financial key performance indicators.

The Board has a Schedule of Reserved Matters and a wider Board Charter which governs its own operations and relevant Group-wide matters. The Schedule of Reserved Matters ensures that areas material to the delivery of SSE's purpose and strategy are safeguarded by the Board. It is available on [sse.com](http://sse.com), along with other key SSE corporate governance documents.

See also:

- SSE's Governance Framework on [page 85](#)
- Board composition on [pages 80 to 82 and 84](#)
- Board work in 2025/26 on [pages 86 to 93](#)
- SSE's stakeholders on [pages 10 to 11](#)

##### B. Purpose, culture and strategy

The Board sets SSE's purpose and strategy with a continued focus on developing the energy infrastructure needed to support security of supply and a just clean energy transition. It reviews SSE's strategic situation across an annual programme of work and monitors progress through structured reporting from senior management. In November 2025, the Board confirmed a revised investment plan "Transformation for Growth" which underpins strategic delivery to 2030. It further approved a revision to SSE's purpose and description of strategy as the challenges to delivering a clean energy transition have become clearer. SSE's business model continues to show how the Group's deliberate mix of businesses creates lasting value within its complex operating environment.

The Board sets SSE's values and expected behaviours to nurture the desired Group-wide culture and deliver SSE's purpose and strategy. Work in the year saw refinement of Safety and Sustainability as SSE's foundational values, underpinning a suite of behaviours to enable a performance culture that encourages doing the right thing. The Board leads by example, ensuring the correct tone is instilled throughout the Group by promoting a fair workplace and ethical business practices. A combination of Board's employee engagement activities assist its assessment of cultural health and how expectations have been embedded across SSE.

See also:

- SSE's purpose, strategy, values and business model on [page 7](#)
- Board work on strategy on [pages 86 to 88](#)
- Board focus on culture on [page 90](#)

##### C. Board decisions and their outcomes

- The Board oversees and drives the delivery of SSE's strategy through focused decision-making and by providing constructive guidance. The Governance Report which is on [pages 77 to 142](#) has been prepared in accordance with Principle C. It sets out the key decisions taken by the Board this financial year, how these decisions progressed SSE's strategic objectives, and demonstrates relevant outcomes.

##### D. Stakeholder engagement

The Board agrees a framework of stakeholder engagement, which defines: who SSE's key stakeholder groups are; the purpose of meaningful stakeholder relations; and how stakeholder views should be considered at Business Unit and Group level.

Given the societal impact and scale of SSE's business operations, stakeholder engagement is necessary to make sure decisions reflect an appropriate awareness of stakeholder views and needs. SSE engages in a range of ways through its executive and business-led stakeholder network. The Board regularly engages directly with stakeholders and receives reports on below-Board activity. This approach allows emerging stakeholder priorities to be promptly identified and ensures senior leaders and Business Units can take them into account when making decisions and setting longer-term objectives.

The Board is committed to regular engagement with employees through an annual programme of activities. A Non-Executive Director for Employee Engagement, Lady Elish Angiolini, is the Board lead for the employee voice and discharges her role through a complementary agenda of work.



See also:

- SSE's stakeholders on [pages 10 to 11](#) ➤
- Stakeholders and Section 172 Statement on [pages 95 to 97](#) ➤
- Employee engagement on [pages 91 to 92](#) ➤

## E. Workplace policies

SSE's processes and procedures help to embed a strong and consistent culture across the Group. The Board approves key pillars such as SSE's values, a suite of performance behaviours, SSE's Group Policies, and an employee guide, "Doing the right thing; SSE's guide to good business ethics". These are supported by mandatory training for all employees and set clear expectations on expected attitudes and conduct.

The Board recognises the importance of making sure that everyone in SSE feels empowered to speak up in relation to wrongdoing. It reviews an assessment of the ongoing effectiveness of SSE's whistleblowing arrangements bi-annually, which considers performance, case trends and employee confidence in speak-up mechanisms and protections.

## 2. Division of responsibilities

### F. Chair

The Chair is responsible for leading the Board and nurturing a culture of informed and transparent decision making. Clearly defined Board roles support this, and the Chair encourages constructive dialogue both during and outside of meetings. Private sessions are scheduled at to allow non-Executive Directors to speak directly with the Chair without Executive Directors present.

Sir John Manzoni, the current Chair, was considered independent on appointment. His performance in the role is assessed each year during the Board performance review.

For more, see Assessing Board performance on [page 94](#) ➤.

### G. Board composition, independence and division of responsibilities

The Board comprises the Chair, eight independent non-Executive Directors and two Executive Directors. Excluding the Chair, the eight non-Executive Directors (over half of the Directors) are considered independent. The Board's Charter outlines the clear division of responsibilities between the Chair and Chief Executive. It also sets out the responsibilities of the non-Executive Directors, including the roles of the Senior Independent Director and Non-Executive Director for Employee Engagement. The division of responsibilities across the Board can be found on [sse.com](#) ➤.

Each Director must disclose any actual or potential conflict of interest situations, as defined by law, for consideration and approval by the Board as required.

This is supported by an annual authorisation process, overseen by the Nomination Committee, which informs the ongoing assessment of each non-Executive Director's independence.

See also:

- Board composition on [pages 80 to 82 and 84](#) ➤
- Board independence and conflicts on [page 100](#) ➤

### H. Non-Executive Directors' role and time commitment

The expected time commitment of the Chair and non-Executive Directors is included in every Letter of Appointment. The Letter of Appointment is issued after confirming each person's capacity to join the Board and involves assessing existing external commitments.

The Nomination Committee monitors the ongoing time commitments of Board members, and the annual Board performance review considers the performance and capacity of each Director to discharge their role. Following initial appointment to the Board, any new external roles require prior Board approval.

To ensure non-Executive Directors have appropriate oversight, and the ability to challenge and review information which is presented to them, the Board has unrestricted access to senior leadership, their teams and specialist functions. People from different levels across the organisation are invited to present at Board meetings and facilitate deep dive sessions throughout the year.

See also:

- Board external commitments on [pages 80 to 82](#) ➤
- Assessing Board performance on [page 94](#) ➤
- Time commitment on [page 100](#) ➤

### I. Company Secretary

The Group General Counsel and Company Secretary makes sure Board procedures are followed. This includes assisting the Chair, in consultation with the Chief Executive, in developing meeting agendas aligned to the annual workplan, and ensuring agenda items are allocated sufficient time for effective and constructive discussion. The annual workplan accounts for the status of projects, strategic workstreams, and the overarching operating context. Meeting materials are shared using an electronic portal, allowing timely review and streamlined navigation of content. Guidance on drafting papers and presenting to the Board is available to everyone who writes and presents Board materials.

The Board and any Director can ask for more information to support their individual duties or collective role as a Board. These

requests can come from Board discussions, be raised as a development opportunity, or be an area of general interest relating to SSE. Depending on the request, SSE may support the learning internally or externally.

For more, see Deepening knowledge of AI on [page 89](#) ➤.

## 3. Composition, succession and evaluation

### J. Appointments and succession planning

The Nomination Committee considers Board and Executive appointments and oversees SSE's succession planning work. To support this, it reviews the size, structure and composition of the Board and its Committees and makes recommendations aligned to SSE's needs. It also reviews the talent pipeline across the senior management population.

Guided by the Board's Inclusion and Diversity Policy, the Nomination Committee judges actions to create a diverse pipeline for Board and senior leadership roles, initiatives to develop internal capabilities, and the status of the external market. The Board engages in core talent programmes and Directors meet with potential future leaders through both structured and informal activities.

The Board's Policy ensures recruitment is inclusive and promotes diversity and equal opportunity. Appointments to the Board follow an agreed process, starting with a role specification and engaging an external search firm if needed. The outcomes of Board succession planning and recruitment work are reported in the Annual Report each year.

For more on the Nomination Committee's work, see [pages 98 to 101](#) ➤.

### K. Skills, experience and knowledge

The Nomination Committee identifies the skills, knowledge and experience needed for effective leadership and SSE's long-term success. It considers the balance of competencies through succession planning, knowledge development and recruitment. This work is supported by the Board's skills matrix and composition metrics to identify where a potential gap exists.

All non-Executive Directors serve a fixed term of three years and must be re-elected yearly by shareholders. In line with best practice, this fixed term can be renewed for up to nine years. It cannot be extended beyond nine years unless the Board decides otherwise in exceptional circumstances. The re-election of all Directors will be considered at the AGM 2026.



## Compliance with the UK Corporate Governance Code 2024 continued

See also:

- Board composition on [pages 80 to 82](#) ➤
- Nomination Committee considerations on [pages 98 to 101](#) ➤

### L. Board performance

Each year, the Board reviews its own performance, reflecting on the effectiveness of its activities, the strength of its decisions, and the individual and collective contributions made by each Board member. This allows the Board to scrutinise its own performance and constructively discuss opportunities to change, refine or improve. The Board performance review is externally facilitated at least every three years. With the last external review completed in 2024, an internal review of Board performance was completed in 2025/26.

For more on assessing Board performance, see [page 94](#) ➤.

## 4. Audit, risk and internal control

### M. Internal and external audit

Internal Audit plays a crucial role in helping SSE achieve its objectives by providing independent and objective assurance on the effectiveness of the Group's risk management activities, internal controls and SSE's Governance Framework. The Audit Committee oversees the Internal Audit function and reviews its independence and overall effectiveness. In doing so, it makes sure the Group's Internal Audit plan is aligned to SSE's operating model, risk profile, control environment and assurance arrangements, and receives regular updates throughout the year.

The Audit Committee also oversees SSE's relationship with its External Auditor, EY, to ensure independence, quality and challenge during the external audit process. In fulfilling its responsibilities, the Audit Committee complies with FRC's Audit Committees and the External Audit: Minimum Standard. As part of its work on ensuring the overall integrity of the financial and narrative statements prepared by SSE, the Committee reviews significant financial judgements and estimates made by management and assesses the appropriateness of the accounting treatment which has been applied.

For more on the Audit Committee's work, see [pages 102 to 109](#) ➤.

### N. Fair, balanced and understandable assessment

On the recommendation of the Audit Committee, the Board reviews the Annual Report and Financial Statements to make sure that, taken as a whole, it is fair, balanced and understandable – and allows shareholders to assess the Group's overall position, performance, business model and strategy. This assessment is supported by an assurance framework which the Board and Audit Committee consider each year.

For more on the fair, balanced and understandable assessment, see [page 103](#) ➤.

### O. Risk management

SSE's risk management and internal control frameworks are designed to manage, rather than eliminate risk, and provide reasonable but not absolute assurance against material misstatement or loss.

Each year the Board conducts a robust assessment of the Principal Risks facing the Group which have the potential to threaten its business model, future performance, solvency or liquidity. Emerging risks are continuously considered in response to the operating environment and potential impacts on SSE.

The Board and the Audit Committee received regular updates regarding the approach to Provision 29 to ensure preparedness to comply from 1 April 2026.

See also:

- Group Principal Risks on [pages 59 to 63](#) ➤
- Provision 29 of the Code on [page 108](#) ➤

## 5. Remuneration

### P. Remuneration policies and practices

The Remuneration Committee oversees SSE's policy for executive remuneration and its ongoing appropriateness and relevance. It's the Remuneration Committee's responsibility to make sure remuneration stays in line with SSE's purpose and strategy, while encouraging long-term stewardship and rewarding individual contributions towards the success of SSE.

SSE's Directors' Remuneration Policy was approved with over 97% shareholders' support, of votes cast, at the AGM on 17 July 2025. As the policy applies for up to three years, shareholders will be asked to approve the policy, including proposed changes, again at the AGM 2028. The full policy is provided in the Annual Report 2025 and a summary is set out on [pages 134 to 135](#) ➤.

For more on the work of the Remuneration Committee, see [pages 116 to 135](#) ➤.

### Q. Developing executive remuneration policy

The Directors' Remuneration Policy is structured to ensure that SSE can attract world-class talent, especially as it is increasingly exposed to new markets and technologies. Stakeholder views, including from shareholders through dialogue with investors, and from employees through Board engagement activities, are considered when setting pay policy and practice.

### R. Remuneration outcomes and independent judgement

The Remuneration Committee sets stretching targets that reward outstanding performance and has used its discretion in recent years to reduce formulaic outcomes where considered necessary.

The Chief Executive, Director of HR, and Director of Reward and Pensions advise the Committee on remuneration for Executive Directors and senior executives on an ongoing basis. To maintain independence, no Director or senior executive joins any discussions related to their own remuneration. External remuneration advisors also support the Committee and adhere to the Remuneration Consultants' Group Code of Conduct.

## Other statutory information

The Directors present their Annual Report and Accounts for SSE plc, together with the consolidated Financial Statements of the SSE Group for the year ended 31 March 2026.

The Strategic Report is on [pages 1 to 76](#) and the Governance Report, which is SSE's Directors' Report, is on [pages 77 to 142](#). The Strategic Report and Governance Report make up the management report as required under Rule 4.1.8R of the Disclosure Guidance and Transparency Rules.

As permitted by section 414C(11) of Companies Act 2006, the below matters have been disclosed in the Strategic Report:

|                                                                                             | Page reference                              |
|---------------------------------------------------------------------------------------------|---------------------------------------------|
| An indication of likely future developments in the business of the Company                  | <a href="#">pages 1 to 76</a>               |
| Particulars of important events affecting the Company since the financial year end          | <a href="#">page 141</a>                    |
| Greenhouse gas emissions                                                                    | <a href="#">page 55</a>                     |
| Energy consumption                                                                          | <a href="#">page 73</a>                     |
| Energy efficiency action                                                                    | <a href="#">page 73</a>                     |
| Employee engagement and involvement                                                         | <a href="#">pages 91 to 92 and 96</a>       |
| Engagement with suppliers, customers and others in a business relationship with the Company | <a href="#">pages 45 to 53 and 96 to 97</a> |
| A summary of the Principal Risks facing the Company                                         | <a href="#">pages 59 to 63</a>              |

Information required to be disclosed under UK Listing Rule 6.6.1R is contained on the pages listed below.

|                                                                          | Page reference           |
|--------------------------------------------------------------------------|--------------------------|
| Statement of interest capitalised by the Group during the financial year | <a href="#">page 174</a> |
| Details of any long-term incentive schemes                               | <a href="#">page 119</a> |

## Results and dividends

The Group's results and performance highlights for the year are on [pages 14 to 15 and 17 to 25](#). An interim dividend of 21.4 pence per Ordinary Share was paid on 30 January 2026. The Directors propose a final dividend of 47.3 pence per Ordinary Share. Subject to approval at the AGM 2026, the final dividend will be paid on 17 September 2026 to shareholders on the Register of Members at close of business on 24 July 2026.

## Board of Directors

### Director appointment and retirement

The Company Directors who served during the financial year ending 31 March 2026 are included in the attendance table on [page 84](#). The biographies of the Directors on 27 May 2026 are on [pages 80 to 82](#). Details of Board changes are on [page 82](#).

The Company's Articles of Association, the UK Corporate Governance Code, the Companies Act 2006 and other related legislation outline the rules governing the appointment and retirement of Directors.

### Indemnification of Directors and insurance

The Directors have the benefit of an indemnity provision contained in the Company's Articles of Association. Qualifying third party indemnity provisions have also been granted for Directors of the Company and its subsidiaries, as defined in the Companies Act 2006. The indemnity arrangements were in force throughout the year and remain so at the date of approval of this Directors' Report. During the financial year, the Company bought and maintained Directors' and Officers' liability insurance for itself and its Directors and Officers.

### Political donations and expenditure

SSE operates on a politically neutral basis and does not make any donations to political parties, political organisations, or independent election candidates. During the year, no political expenditure was incurred, and the Group made no political donations.

### Accounting policies, financial instruments, risk and branches

Details of the Group's accounting policies, financial instruments and risk are outlined in [note 24](#) to the Financial Statements and [notes A6 to A8](#) of the Accompanying Information. The Company has no branches and operates through subsidiaries and joint arrangements, as outlined in [note A3](#) of the Accompanying Information.

### Research and development

SSE's involvement in innovative projects and programmes designed to transform the energy system is described in the Strategic Report on [pages 1 to 76](#).

### Employing disabled people

SSE has a range of employment policies in place which clearly explain the standards, processes, expectations and responsibilities of its people and the organisation. These policies are designed to ensure that every person, including those with existing or new disabilities and from any background, is treated fairly and inclusively during recruitment and their career at SSE. This includes providing access to appropriate training, development opportunities and job progression. For more on our approach see [pages 49 to 52](#).

## Shares

### Share capital

The Company has a single share class which is divided into Ordinary Shares of 50 pence each. The issued share capital as of 31 March 2026, together with details of any changes during the year, is set out in [note 22](#) to the Financial Statements. As of 31 March 2026, the issued share capital consisted of 1,215,471,728 Ordinary Shares. This figure includes 3,291,658 Ordinary Shares held in treasury (representing 0.27% of the issued share capital). The voting and dividend rights of Treasury Shares are automatically suspended.



## Other statutory information continued

The Company was authorised at the AGM 2025 to allot shares or grant rights over shares up to an aggregate nominal amount equal to £184,387,548 (representing 368,775,096 Ordinary Shares of 50 pence each excluding Treasury Shares). This represents one third of its issued share capital. An increased authority to allot shares or grant rights over shares will be proposed at the AGM 2026 (representing approximately two thirds of the Company's issued share capital). The update is proposed to align with general market trends and is in accordance with accepted best practice, including the Share Capital Management Guidelines issued by the Investment Association in February 2023.

### Variation of rights

Subject to the applicable statutory provisions, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may be varied or abrogated. This can be done with the written consent of holders of three-quarters in nominal value of the issued shares of that class (excluding any shares held as Treasury Shares), or by way of a special resolution passed at a separate general meeting of the holders of that class.

### Transfer of Ordinary Shares

There are no restrictions on the transfer of Ordinary Shares in the Company other than certain restrictions which may from time to time be imposed by law. The Company is not aware of any agreements between shareholders that could result in restrictions on the transfer of securities or voting rights.

### Substantial shareholdings

At 27 May 2026 (being the last practical date prior to the publication of the Annual Report), the following percentage interests in the Ordinary Share capital of SSE plc had been notified under Rule 5 of the Disclosure Guidance and Transparency Rules (DTR 5).

| Shareholder                            | Date of receiving notification | Voting rights attached to shares* | Voting rights attached to shares as %, rounded to 2 decimal places | Voting rights through financial instruments* | Voting rights through financial instruments as %, rounded to 2 decimal places | Total of both in %, rounded to 2 decimal places | Nature of holding                                                             |
|----------------------------------------|--------------------------------|-----------------------------------|--------------------------------------------------------------------|----------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------------------|
| BlackRock, Inc.                        | 9 December 2025                | 83,606,404                        | 6.92%                                                              | 15,680,633                                   | 1.28%                                                                         | 8.20%                                           | Indirect, ADR, Securities Lending, CFD                                        |
| The Capital Group Companies, Inc.      | 10 February 2026               | 61,468,100                        | 5.07%                                                              | –                                            | –                                                                             | 5.07%                                           | Indirect, Common Stock, Depository Receipt                                    |
| Invesco Limited                        | 30 April 2014                  | 45,775,918                        | 4.69%                                                              | –                                            | –                                                                             | 4.69%                                           | Indirect                                                                      |
| Caisse de dépôt et placement du Québec | 6 January 2021                 | 41,492,159                        | 3.98%                                                              | –                                            | –                                                                             | 3.98%                                           | Direct                                                                        |
| Barclays Bank Plc                      | 28 July 2022                   | 35,834,843                        | 3.35%                                                              | 19,978,657                                   | 1.87%                                                                         | 5.22%                                           | Indirect, ADR, Options, Right to Recall (loan and collateral), Portfolio Swap |
| Norges Bank                            | 29 April 2026                  | 36,468,666                        | 3.01%                                                              | 1,736,146                                    | 0.14%                                                                         | 3.15%                                           | Direct, Shares on loan (right to recall)                                      |
| Bank of America Corporation            | 24 July 2025                   | 24,364,329                        | 2.20%                                                              | 33,288,769                                   | 3.01%                                                                         | 5.21%                                           | Indirect, Right to Recall, Physical Call Option, Call Option, Swaps           |
| The Goldman Sachs Group, Inc.          | 23 December 2024               | 2,093,596                         | 0.19%                                                              | 126,764                                      | 0.01%                                                                         | 0.20%                                           | Indirect, Securities Lending, Swap, Call Warrant                              |

\* At date of disclosure by relevant entity.

### Authority to purchase shares

At the AGM 2025, the Company obtained shareholder approval to buy up to 110,632,528 of its own Ordinary Shares (representing 10% of its issued share capital) up until the end of the AGM 2026 or, if earlier, the close of business on 30 September 2026.

The Company did not undertake any share repurchase programmes during the financial year ended 31 March 2026.

During the financial year ended 31 March 2026, the Company used 252,272 of the Treasury Shares acquired under prior share repurchase programmes to satisfy the requirements of the UK all-employee Sharesave Scheme and the vesting of Performance Share Plan awards.

At the AGM 2026, the Directors will seek renewed authority to purchase the Company's own shares in the market.

### Voting

Each Ordinary Share of SSE plc carries one vote at the Company's general meetings. Any Ordinary Shares held in treasury have no voting rights.

A shareholder entitled to attend, speak and vote at a general meeting can exercise their right to vote by attending (either in person or virtually where electronic facilities are provided), or by validly appointing a proxy or corporate representative in the case of corporate members. To be valid, notification of the appointment of a proxy must be received at least 48 hours before the general meeting at which the person named in the proxy notice proposes to vote. The Directors have the discretion to exclude non-working days when calculating the 48-hour period.



Employees who participate in the Share Incentive Plan, whose shares remain in the schemes' trust, may direct the trustees to vote on their behalf by completing a Form of Direction. SSE also has a Share Plan Account service with Computershare Investor Services PLC (Computershare) which may be used by employees to hold shares arising from the exercise of matured options under SSE's Sharesave Scheme. Computershare provide a facility for participants to vote on their shares with voting deadlines communicated in advance of each general meeting.

### Annual General Meeting (AGM)

The AGM of the Company will be held on Thursday 16 July 2026 at 12.30pm at the Perth Concert Hall, Mill Street, Perth PH1 5HZ and virtually, via a secure online platform. Shareholders joining online will be able to watch the meeting, ask questions and vote in real time. Details of the arrangements for the AGM, resolutions to be proposed, and how to vote and ask questions are set out in the Notice of Annual General Meeting 2026 which accompanies this report for shareholders receiving hard copy documents. This is also available at [sse.com](https://sse.com) for those receiving documents electronically.

### Articles of Association changes

The Company's Articles of Association were adopted at the AGM in 2021. Amendments to the Articles of Association can only be made by a special resolution at a general meeting of SSE plc. The Articles of Association are available at [sse.com](https://sse.com).

### Change of control

The Company is party to several agreements that take effect, alter or terminate upon a change of control of the Company following a takeover. At 31 March 2026, change of control provisions were included in agreements for committed credit facilities, EIB debt, US private placements, senior bonds and hybrid instruments. SSE plc is not aware of any other agreements with change of control provisions that could significantly impact the business.

### Disclosure of information to the auditor

Each Director who held office at the date of approval of this Directors' Report confirms that, as far as they are aware, there is no relevant audit information of which the Company's Auditors are unaware. Each Director has taken all necessary steps required in their duty as a Director to become aware of any relevant audit information and to make sure the Company's Auditors are aware of such information.

### Related party transactions

Related party transactions are set out in [note A5](#) of the Accompanying Information.

### Post-balance sheet events

There are no post-balance sheet events to report.

### Compliance against FCA UK Listing Rule 6.6.6R(9)

As at the Company's chosen reference date, 31 March 2026, SSE confirms it has met the targets set out under UKLR 6.6.6R(9). In line with UKLR 6.6.6R(10) as at the reference date, the composition of the Board and Executive Management was as follows:

| Gender (sex)                                                   | Number of Board members | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, SID and Chair) | Number in Executive Management <sup>1</sup> | Percentage of Executive Management <sup>1</sup> |
|----------------------------------------------------------------|-------------------------|-------------------------|-------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------|
| Men                                                            | 6                       | 55%                     | 3                                                                 | 9                                           | 75%                                             |
| Women                                                          | 5                       | 45%                     | 1                                                                 | 3                                           | 25%                                             |
| <b>Ethnic background</b>                                       |                         |                         |                                                                   |                                             |                                                 |
| White British or other White (including minority-white groups) | 9                       | 81.8%                   | 3                                                                 | 12                                          | 100%                                            |
| Mixed/Multiple Ethnic Groups                                   | –                       | –                       | –                                                                 | –                                           | –                                               |
| Asian/Asian British                                            | –                       | –                       | –                                                                 | –                                           | –                                               |
| Black/African/Caribbean/Black British                          | 1                       | 9.1%                    | 1                                                                 | –                                           | –                                               |
| Other ethnic group                                             | 1                       | 9.1%                    | –                                                                 | –                                           | –                                               |
| Not specified/prefer not to say                                | –                       | –                       | –                                                                 | –                                           | –                                               |

1 Executive Management within SSE is the Group Executive Committee including the Committee Secretary. As at 27 May 2026, representation of women on the GEC is 23.1% following the appointment of Thomas Broström as Managing Director, Business Development on 1 April 2026.

Gender information is captured from legal documentation provided by the employee and recorded in SSE's HR data system, which maintains a 100% completion rate. This is what is used when reporting the gender diversity of the Board and Executive Management. Ethnicity data is given voluntarily and can be recorded directly in SSE's HR data system or via a secure online form which feeds into the system. SSE has 100% voluntary completion of ethnicity data at Board and Executive Management level. All diversity data reporting is completed securely and in a way that protects anonymity, so that no one person can be identifiable. All information is strictly confidential in accordance with SSE's Privacy Notice in line with the UK and ROI General Data Protection Regulations (UK GDPR and GDPR 2018 and DPA 2018).

The Directors' Report set out on [pages 77 to 142](#) was approved by the Board of Directors in accordance with the Companies Act 2006.

By order of the Board

**Liz Tanner**

Group General Counsel and Company Secretary, SSE plc

27 May 2026



## Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards ("IFRS"), and have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101, "Reduced Disclosure Framework".

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant and reliable;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs (and in respect of the parent Company financial statements, FRS 101) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and parent Company financial position and financial performance;
- in respect of the Group financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent Company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a Going Concern, disclosing, as applicable, matters related to Going Concern; and
- use the Going Concern basis of accounting unless they either intend to liquidate the Group or the parent Company, or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

**Martin Pibworth**  
Chief Executive

**Barry O'Regan**  
Chief Financial Officer

27 May 2026

# Financial Statements

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## People Powering SSE

Fergus Wilson, Graduate Engineer,  
SSEN, Inverness, Scotland

"As a Graduate Engineer, I'm able to earn as I learn while also contributing to major grid projects that support achieving the clean energy transition. Best of all, after finishing university, I've been able to confidently return to live and work in the place where I grew up thanks to SSEN's investment in the Highlands."





## Alternative Performance Measures

When assessing, discussing, measuring and reporting the Group's financial performance, management refer to measures used for internal performance management. These measures are not defined or specified under International Financial Reporting Standards ("IFRS") and as such are considered to be Alternative Performance Measures ("APMs").

By their nature, APMs are not uniformly applied by all preparers including other participants in the Group's industry. Accordingly, APMs used by the Group may not be comparable to other companies within the Group's industry.

### Purpose

APMs are used by management to aid comparison and assess historical performance against internal performance benchmarks and across reporting periods. These measures provide an ongoing and consistent basis to assess performance by excluding items that are materially non-recurring, uncontrollable or exceptional. These measures can be classified in terms of their key financial characteristics:

- **Profit measures** allow management to assess and benchmark underlying business performance during the year. They are primarily used by operational management to measure operating profit contribution and by the Board to monitor performance against business plan. The Group has six profit measures, of which Adjusted Operating Profit and Adjusted Profit Before Tax are the main focus of management through the financial year and Adjusted Earnings Per Share is the main focus of management on an annual basis. In order to derive Adjusted Earnings Per Share, the Group has defined Adjusted Operating Profit, Adjusted Net Finance Costs, and Adjusted Current Tax Charge as components of the Adjusted Earnings Per Share calculation. Adjusted EBITDA is used by management as a proxy for cash derived from ordinary operations of the Group.
- **Capital measures** allow management to track and assess the progress of the Group's significant capital investments and projects against their approved investment cases, including the expected timing of their operational deployment and to provide a measure of progress against the Group's strategic objectives.
- **Debt measures** allow management to record and monitor both operating cash generation and the Group's ongoing financing and liquidity position.

During the year, the Group refined its Adjusted Net Debt and Hybrid Capital measure by removing a proportionate share of SSE plc's external debt invested in subsidiaries with a non-controlling interest, along with any related net finance costs from its Adjusted Net Finance Costs, Adjusted Profit Before Tax and Adjusted Earnings Per Share measures. There have been no other changes to the way the Group calculates its APMs in the current year.

The following section explains the key APMs applied by the Group and referred to in these statements:

### Profit measures

| Group APM                                                                             | Purpose                                                                                                                  | Closest equivalent IFRS measure | Adjustments to reconcile to primary financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation)</b> | <b>Measure which acts as proxy for cash generated from operating activities</b>                                          | <b>Operating profit</b>         | <ul style="list-style-type: none"> <li>– Movement on operating and joint venture operating derivatives ("certain re-measurements")</li> <li>– Exceptional items</li> <li>– Adjustments to Gas Production decommissioning provision</li> <li>– Share of joint ventures and associates' interest and tax</li> <li>– Depreciation and amortisation before exceptional charges (including depreciation expense on fair value uplifts)</li> <li>– Share of joint ventures and associates' depreciation and amortisation</li> <li>– Operating profit attributable to non-controlling interest holders</li> <li>– Depreciation and amortisation attributable to non-controlling interest holders</li> <li>– Release of deferred income</li> </ul> |
| <b>Adjusted Operating Profit</b>                                                      | <b>Measure of the underlying business performance excluding material non-recurring and exceptional items</b>             | <b>Operating profit</b>         | <ul style="list-style-type: none"> <li>– Movement on operating and joint venture operating derivatives ("certain re-measurements")</li> <li>– Exceptional items</li> <li>– Adjustments to Gas Production decommissioning provision</li> <li>– Depreciation expense on fair value uplifts</li> <li>– Share of joint ventures and associates' interest and tax</li> <li>– Operating profit attributable to non-controlling interest holders</li> </ul>                                                                                                                                                                                                                                                                                       |
| <b>Adjusted Profit Before Tax</b>                                                     | <b>Measure of the underlying business performance excluding material non-recurring and exceptional items, before tax</b> | <b>Profit before tax</b>        | <ul style="list-style-type: none"> <li>– Movement on operating and financing derivatives ("certain re-measurements")</li> <li>– Exceptional items</li> <li>– Adjustments to Gas Production decommissioning provision</li> <li>– Profit before tax attributable to non-controlling interest holders</li> <li>– Depreciation expense on fair value uplifts</li> <li>– Share of joint ventures and associates' tax</li> </ul>                                                                                                                                                                                                                                                                                                                 |
| <b>Adjusted Net Finance Costs</b>                                                     | <b>Used to monitor the underlying cost of Group financing</b>                                                            | <b>Net finance costs</b>        | <ul style="list-style-type: none"> <li>– Exceptional items</li> <li>– Movement on financing derivatives</li> <li>– Share of joint ventures and associates' interest</li> <li>– Net financing costs attributable to non-controlling interest holders</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



| Group APM                          | Purpose                                                                                   | Closest equivalent IFRS measure | Adjustments to reconcile to primary financial statements                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adjusted Current Tax Charge</b> | <b>Measure of the current year tax charge excluding deferred and exceptional elements</b> | <b>Tax charge</b>               | <ul style="list-style-type: none"> <li>– Share of joint ventures and associates' tax</li> <li>– Non-controlling share of current tax including tax on net finance costs attributable to non-controlling interest holders</li> <li>– Deferred tax including share of joint ventures, associates and non-controlling interests</li> <li>– Tax on exceptional items and "certain re-measurements"</li> </ul>                                                                |
| <b>Adjusted Earnings Per Share</b> | <b>Measure of earnings available to ordinary shareholders on an adjusted basis</b>        | <b>Earnings per share</b>       | <ul style="list-style-type: none"> <li>– Exceptional items</li> <li>– Adjustments to Gas Production decommissioning provision</li> <li>– Movements on operating and financing derivatives ("certain re-measurements")</li> <li>– Depreciation expense on fair value uplifts</li> <li>– Deferred tax including share of joint ventures, associates and non-controlling interests</li> <li>– Net finance costs attributable to non-controlling interest holders</li> </ul> |

## Rationale for adjustments to profit measures

### 1 Movement on operating and financing derivatives ("certain re-measurements")

This adjustment can be designated between operating and financing derivatives.

#### Operating derivatives

The Group's SSE Energy Markets function enters forward commitments or options to buy or sell power, gas and other commodities. These contracts are used to:

- meet the future demand requirements of Energy Customer Solutions, or
- optimise the value of generation from SSE Renewables and SSE Thermal generation assets; or
- conduct trading activities within the value at risk limits set out by the Energy Markets Risk Committee.

Certain of these contracts (predominantly purchase contracts) are determined to be derivative financial instruments under IFRS 9 and as such are required to be recorded at their fair value. Changes in the fair value of those commodity contracts designated as IFRS 9 financial instruments are recognised in the income statement (as part of "certain re-measurements").

The Group presents these fair value movements separately, as they introduce volatility that does not reflect the underlying performance of its operating segments. The underlying value of these contracts is recognised as the relevant commodity is delivered, typically within the subsequent 12 to 24 months.

Conversely, commodity contracts that do not meet the definition of a financial instrument under IFRS 9 (predominately sales contracts) are accounted for as "own use" contracts and are consequently not recorded until the commodity is delivered and the contract is settled.

Additionally, gas inventory purchased by the Group's Gas Storage business for secondary trading opportunities is also held at fair value with gains and losses on re-measurement recognised as part of "certain re-measurements" in the income statement.

Finally, the mark-to-market valuation movements on SSE Renewables' contracts for difference ("CfDs") that are not designated as government grants and are measured as Level 3 fair value financial instruments are also included within "certain re-measurements".

#### Financing derivatives

Financing derivatives include all fair value and cash flow interest rate hedges, non-hedge accounted (mark-to-market) interest rate derivatives, cash flow foreign exchange hedges and non-hedge accounted foreign exchange contracts entered to manage the Group's banking, liquidity and risk management exposures relating to interest rate and foreign exchange.

Changes in the fair value of the non-hedge account financing derivatives are recognised in the income statement (within "certain re-measurements"). These forward contracts are presented separately as this mark-to-market movement does not reflect the underlying performance of the Group's operations.

#### Presentation

The re-measurements arising from both operating and financing derivatives, together with their associated tax effects, are disclosed separately to aid transparency and provide a clearer understanding of the Group's underlying performance.

### 2 Exceptional items

Exceptional charges or credits, and the tax effects thereof, are considered unusual by nature or scale and of such significance that separate disclosure is required for the underlying performance of the Group to be properly understood. Further explanation for the classification of an item as exceptional is included in [note 3.2](#).

### 3 Adjustments to Gas Production decommissioning provision

The Group retains an obligation for 60% of the decommissioning liabilities of its former Gas Production business which was disposed in October 2021. The revaluation adjustments relating to these decommissioning liabilities are accounted for through the Group's consolidated income statement and are removed from the Group's adjusted profit measures as the revaluation of the provision is not considered to be part of the Group's core continuing operations.

## Alternative Performance Measures continued

### 4 Share of joint ventures and associates' interest and tax

The Group's reported operating profit includes its share of post-tax results from equity-accounted joint ventures and associates. For internal performance management and for consistency, SSE excludes its share of associated interest and tax from its Adjusted Operating Profit. On adoption of IFRS 18 the Group's share of joint venture interest and tax will no longer be reported within operating profit. It is expected that the Group's APM reconciliations will be amended to maintain consistent reporting of Adjusted Profit Measures.

### 5 Share of joint ventures and associates' depreciation and amortisation

For management purposes, the Group considers Adjusted EBITDA ("earnings before interest, tax, depreciation and amortisation") based on a sum-of-the-parts derived metric which includes a share of the EBITDA from equity accounted investments. While this is not equal to adjusted cash generated from operating activities, it is considered useful by management in assessing a proxy for such a measure, given the complexity of the Group structure and the range of investment structures utilised. For the purpose of calculating the Net Debt to EBITDA metric referred at [page 23](#) , Adjusted EBITDA is further refined to remove the proportion of adjusted EBITDA from equity-accounted joint ventures relating to off-balance sheet debt.

### 6 Depreciation expense on fair value uplifts

When SSE reduces its ownership interest in a subsidiary through a part-disposal that results in the loss of control, the retained interest is initially re-measured at fair value. This can give rise to fair value uplifts on the underlying assets. These uplifts are recognised as non-cash exceptional gains in the year of the transaction. The associated depreciation or amortisation arising from these one-off uplifts is excluded from the Group's Adjusted Profit Measures, as it does not reflect the ongoing underlying performance of the business.

### 7 Release of deferred income

The Group deducts the release of deferred income in the year from its Adjusted EBITDA metric as it principally relates to customer contributions against depreciating assets. As the metric adds back depreciation, the income release is also deducted.

### 8 Deferred tax

The Group adjusts for deferred tax when arriving at adjusted profit after tax, Adjusted Earnings Per Share and its adjusted effective rate of tax. Deferred tax arises as a result of differences in accounting and tax bases that give rise to potential future accounting credits or charges. As the Group remains committed to its ongoing capital programme, the liabilities associated are not expected to reverse and accordingly the Group excludes these from its Adjusted Profit Measures.

### 9 Results attributable to non-controlling interest holders

Certain Group subsidiaries, including SSEN Transmission, are controlled but not wholly owned by the Group. The share of profit, depreciation, amortisation, net finance costs, and tax attributable to non-controlling interests is excluded from Adjusted Profit Measures to reflect only the results attributable to the Group's ordinary shareholders. For consistency with the refinement to the Group's adjusted debt measure, a proportionate share of net finance costs relating to non-controlling interests is removed, to better represent the Group's underlying economic interest. This refinement represents a change to the derivation of the Adjusted Net Finance Costs measure reported in the 31 March 2026 financial statements. The impact of this change applied in the year ended 31 March 2026 has been to decrease Adjusted Net Finance Costs from £219.8m to £211.8m (2025: £281.0m to £274.7m); increase Adjusted Profit Before Tax from £2,016.8m to £2,024.8m (2025: £2,138.2m to £2,144.5m); and increase Adjusted Earnings per Share from 153.0p to 153.5p (2025: 160.9p to 161.3p).



## March 2026

|                                                    | Reported<br>£m | Movement on<br>derivatives<br>£m | Exceptional<br>items<br>£m | Reported before<br>exceptional items<br>and certain<br>re-measurements<br>£m | Adjustments to<br>Gas Production<br>decommissioning<br>provision<br>£m | Joint<br>venture<br>interest<br>and tax<br>£m | Depreciation<br>expense<br>on FV uplifts<br>£m | Deferred<br>tax<br>£m | Results<br>attributable<br>to non-<br>controlling<br>interests<br>£m | Adjusted<br>£m |
|----------------------------------------------------|----------------|----------------------------------|----------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------|-----------------------|----------------------------------------------------------------------|----------------|
| Operating profit                                   | 1,888.9        | 157.7                            | 162.6                      | 2,209.2                                                                      | (12.6)                                                                 | 206.9                                         | 20.3                                           | –                     | (187.2)                                                              | 2,236.6        |
| Net finance<br>(costs)/income                      | (51.6)         | (17.9)                           | –                          | (69.5)                                                                       | –                                                                      | (155.7)                                       | –                                              | –                     | 13.4                                                                 | (211.8)        |
| Profit before taxation                             | 1,837.3        | 139.8                            | 162.6                      | 2,139.7                                                                      | (12.6)                                                                 | 51.2                                          | 20.3                                           | –                     | (173.8)                                                              | 2,024.8        |
| Taxation                                           | (425.7)        | (16.9)                           | (39.6)                     | (482.2)                                                                      | –                                                                      | (51.2)                                        | –                                              | 354.2                 | (14.2)                                                               | (193.4)        |
| Profit after taxation                              | 1,411.6        | 122.9                            | 123.0                      | 1,657.5                                                                      | (12.6)                                                                 | –                                             | 20.3                                           | 354.2                 | (188.0)                                                              | 1,831.4        |
| Attributable to other<br>equity holders            | (202.9)        | 1.9                              | –                          | (201.0)                                                                      | –                                                                      | –                                             | –                                              | (64.5)                | 192.6                                                                | (72.9)         |
| Profit attributable<br>to ordinary<br>shareholders | 1,208.7        | 124.8                            | 123.0                      | 1,456.5                                                                      | (12.6)                                                                 | –                                             | 20.3                                           | 289.7                 | 4.6                                                                  | 1,758.5        |
| Number of shares<br>for EPS                        | 1,145.4        |                                  |                            |                                                                              |                                                                        |                                               |                                                |                       |                                                                      | 1,145.4        |
| Earnings per share<br>(pence)                      | 105.5          |                                  |                            |                                                                              |                                                                        |                                               |                                                |                       |                                                                      | 153.5          |

|                           | Adjusted<br>operating profit<br>£m | Share of joint<br>ventures and<br>associates'<br>depreciation<br>and<br>amortisation<br>£m | Depreciation<br>expense<br>on FV uplifts<br>£m | Release of<br>deferred<br>income<br>£m | Depreciation,<br>impairment and<br>amortisation<br>before<br>exceptional<br>charges<br>£m | Depreciation,<br>impairment and<br>amortisation<br>(before<br>exceptional items)<br>attributable to<br>non-controlling<br>interests<br>£m | Adjusted<br>EBITDA<br>£m |
|---------------------------|------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| EBITDA                    |                                    |                                                                                            |                                                |                                        |                                                                                           |                                                                                                                                           |                          |
| Adjusted operating profit | 2,236.6                            | 173.0                                                                                      | (20.3)                                         | (13.1)                                 | 879.3                                                                                     | (47.6)                                                                                                                                    | 3,207.9                  |

## March 2025

(restated\*)

|                                                    | Reported<br>£m | Movement on<br>derivatives<br>£m | Exceptional<br>items<br>£m | Reported before<br>exceptional items<br>and certain<br>re-measurements<br>£m | Adjustments to<br>Gas Production<br>decommissioning<br>provision<br>£m | Joint<br>venture<br>interest<br>and tax<br>£m | Depreciation<br>expense<br>on FV uplifts<br>£m | Deferred<br>tax<br>£m | Results<br>attributable<br>to non-<br>controlling<br>interests<br>£m | Adjusted<br>£m |
|----------------------------------------------------|----------------|----------------------------------|----------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------|-----------------------|----------------------------------------------------------------------|----------------|
| Operating profit                                   | 1,962.2        | 78.5                             | 309.7                      | 2,350.4                                                                      | (17.9)                                                                 | 173.3                                         | 20.1                                           | –                     | (106.7)                                                              | 2,419.2        |
| Net finance<br>(costs)/income                      | (111.3)        | (12.8)                           | (0.3)                      | (124.4)                                                                      | –                                                                      | (164.3)                                       | –                                              | –                     | 14.0                                                                 | (274.7)        |
| Profit before taxation                             | 1,850.9        | 65.7                             | 309.4                      | 2,226.0                                                                      | (17.9)                                                                 | 9.0                                           | 20.1                                           | –                     | (92.7)                                                               | 2,144.5        |
| Taxation                                           | (518.0)        | (4.0)                            | (29.7)                     | (551.7)                                                                      | –                                                                      | (9.0)                                         | –                                              | 276.6                 | (13.8)                                                               | (297.9)        |
| Profit after taxation                              | 1,332.9        | 61.7                             | 279.7                      | 1,674.3                                                                      | (17.9)                                                                 | –                                             | 20.1                                           | 276.6                 | (106.5)                                                              | 1,846.6        |
| Attributable to other<br>equity holders            | (143.5)        | –                                | –                          | (143.5)                                                                      | –                                                                      | –                                             | –                                              | (41.5)                | 111.3                                                                | (73.7)         |
| Profit attributable<br>to ordinary<br>shareholders | 1,189.4        | 61.7                             | 279.7                      | 1,530.8                                                                      | (17.9)                                                                 | –                                             | 20.1                                           | 235.1                 | 4.8                                                                  | 1,772.9        |
| Number of shares<br>for EPS                        | 1,099.2        |                                  |                            |                                                                              |                                                                        |                                               |                                                |                       |                                                                      | 1,099.2        |
| Earnings per share<br>(pence)                      | 108.2          |                                  |                            |                                                                              |                                                                        |                                               |                                                |                       |                                                                      | 161.3          |

\* The comparative has been restated. See note 1.2.

|                           | Adjusted<br>operating profit<br>£m | Share of joint<br>ventures and<br>associates'<br>depreciation<br>and<br>amortisation<br>£m | Depreciation<br>expense<br>on FV uplifts<br>£m | Release of<br>deferred<br>income<br>£m | Depreciation,<br>impairment and<br>amortisation<br>before<br>exceptional<br>charges<br>£m | Depreciation,<br>impairment and<br>amortisation<br>(before<br>exceptional items)<br>attributable to<br>non-controlling<br>interests<br>£m | Adjusted<br>EBITDA<br>£m |
|---------------------------|------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| EBITDA                    |                                    |                                                                                            |                                                |                                        |                                                                                           |                                                                                                                                           |                          |
| Adjusted operating profit | 2,419.2                            | 226.0                                                                                      | (20.1)                                         | (14.1)                                 | 776.1                                                                                     | (37.8)                                                                                                                                    | 3,349.3                  |



## Alternative Performance Measures continued

### Debt measure

| Group APM                                   | Purpose                                                     | Closest equivalent IFRS measure | Adjustments to reconcile to primary financial statements                                                                                                                                                                                        |
|---------------------------------------------|-------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adjusted Net Debt and Hybrid Capital</b> | <b>Measure of the capital owed to investors and lenders</b> | <b>Unadjusted net debt</b>      | <ul style="list-style-type: none"> <li>– Cash held and posted as collateral and other deposits</li> <li>– Lease obligations</li> <li>– Borrowings and cash attributable to non-controlling interest holders</li> <li>– Hybrid equity</li> </ul> |

### Rationale for adjustments to debt measure

#### 10 Cash held and posted as collateral and other deposits

Cash held and posted as collateral refers to cash balances received from and deposited with counterparties including trading exchanges. Collateral balances mostly represent initial and variation margin, required as part of the management of the Group's exposures on commodity contracts, that will be received on maturity of the related trades. Deposits with a maturity of more than three months are also included in this adjustment. The Group includes this adjustment to better reflect the cash resources to which it has access, which in turn better reflects the Group's funding position.

#### 11 Lease obligations

SSE's reported loans and borrowings include lease obligations recognised under IFRS 16 "Leases". The Group excludes these liabilities from Adjusted Net Debt and Hybrid Capital to better reflect the Group's underlying funding position with its primary sources of capital.

#### 12 Borrowings and cash attributable to non-controlling interest holders

Certain Group subsidiaries, including SSEN Transmission, are controlled but not wholly owned by the Group. The share of external debt and cash attributable to non-controlling interests is excluded from Adjusted Net Debt and Hybrid Capital so that the debt metric reflects only amounts proportionately attributable to the Group's ordinary shareholders.

Additionally, where external funding is raised by SSE plc and used to fund investment in subsidiaries whose non-controlling interest holders do not contribute capital on a proportionate basis, such as SSEN Transmission, the Group has removed a proportionate share of external debt and related net finance costs to better represent the Group's underlying economic interest. This refinement represents a change to the Group's Adjusted Net Debt and Hybrid Capital measure presented in the 31 March 2026 financial statements. The impact of the change has been to decrease the Group's Adjusted Net Debt and Hybrid Capital measure from £10,345.0m to £10,095.0m (2025: £10,186.7m to £10,066.7m).

#### 13 Hybrid equity

The characteristics of certain hybrid capital securities mean that they qualify for recognition as equity rather than debt under applicable accounting standards. Consequently, their coupon payments are presented within equity rather than within finance costs and are not included in SSE's Adjusted Profit Before Tax measure. To present total funding provided from sources other than ordinary shareholders, SSE presents its adjusted net debt measure inclusive of hybrid capital to better reflect the Group's funding position.

|                                                                      | March 2026<br>£m  | March 2025<br>£m<br>(restated*) |
|----------------------------------------------------------------------|-------------------|---------------------------------|
| Unadjusted net debt                                                  | <b>(8,578.3)</b>  | (9,513.9)                       |
| Cash (held) and posted as collateral and other deposits              | <b>(246.0)</b>    | (63.3)                          |
| Lease obligations                                                    | <b>456.7</b>      | 455.0                           |
| Borrowings and cash attributable to non-controlling interest holders | <b>1,258.4</b>    | 937.9                           |
| Adjusted Net Debt                                                    | <b>(7,109.2)</b>  | (8,184.3)                       |
| Hybrid equity                                                        | <b>(2,985.8)</b>  | (1,882.4)                       |
| <b>Adjusted Net Debt and Hybrid Capital</b>                          | <b>(10,095.0)</b> | (10,066.7)                      |

\* The comparative has been restated. See note 1.2.



## Capital measures

| Group APM                                                       | Purpose                                                                                                                                 | Closest equivalent IFRS measure                                                 | Adjustments to reconcile to primary financial statements                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adjusted Investment and Capital Expenditure</b>              | <b>Measures the Group's underlying investment in capital assets, excluding non-cash or third-party funded additions</b>                 | <b>Capital additions to intangible assets and property, plant and equipment</b> | <ul style="list-style-type: none"> <li>– Joint ventures and associates' additions funding</li> <li>– Allowances and certificates</li> <li>– Customer or third party funded additions</li> <li>– Lease asset additions</li> <li>– Capital expenditure attributable to non-controlling interests</li> <li>– Additions acquired through business combinations</li> </ul>                                           |
| <b>Adjusted Investment, Capital and Acquisition Expenditure</b> | <b>Expands the above measure to include acquisition related cash consideration, providing a broader view of total investment growth</b> | <b>Capital additions to intangible assets and property, plant and equipment</b> | <ul style="list-style-type: none"> <li>– Joint ventures and associates' additions funding</li> <li>– Allowances and certificates</li> <li>– Customer or third party funded additions</li> <li>– Lease asset additions</li> <li>– Capital expenditure attributable to non-controlling interests</li> <li>– Additions acquired through business combinations</li> <li>– Acquisition cash consideration</li> </ul> |

## Rationale for adjustments to capital measures

### 14 Joint ventures and associates' additions funding

Joint ventures and associates' additions included in the Group's capital measures represent the direct loan or equity funding provided by the Group to joint venture and associate arrangements in relation to capital expenditure projects. This has been included to better reflect the Group's use of directly funded equity accounted vehicles to grow the Group's asset base. Asset additions funded by project finance raised within the Group's joint ventures and associates are not included in this adjustment.

### 15 Allowances and certificates

Allowances and certificates consist of purchased carbon emissions allowances and generated or purchased renewable source of generation certificates such as renewable obligations certificates ("ROCs"). Additions of allowances and certificates in the year are not included in the Group's "capital expenditure and investment" APM to better reflect the Group's investment in enduring operational assets.

### 16 Customer or third party funded additions

Customer or third party funded additions represents additions to the Group's electricity and other networks that are financed by cash provided by third parties. Given these are directly funded by customers or third parties, these additions have been excluded to better reflect the Group's underlying investment position.

### 17 Lease asset additions

Additions of right of use assets under the Group's IFRS 16 compliant policies for lease contracts are excluded from the Group's adjusted capital measures as they do not represent directly funded capital investment. This is consistent with the treatment of lease obligations explained at 11, above.

### 18 Capital expenditure attributable to non-controlling interests

The Group's structure includes controlled but non-wholly owned subsidiaries which are consolidated within the financial statements under relevant IFRS. The Group has removed the share of capital additions attributable to these equity holders from its Adjusted Investment and Capital Expenditure and Adjusted Investment, Capital and Acquisition Expenditure measures. This is consistent with the adjustments noted elsewhere related to these non-controlling interests.

### 19 Additions through business combinations

Where the Group acquires an early-stage development company, which is classified as the acquisition of an asset, or group of assets and not the acquisition of a business, the acquisition is treated as an addition to intangible assets or property, plant and equipment and is included within Adjusted Investment and Capital Expenditure. Where the Group acquires an established business or interest in an equity-accounted joint venture requiring a fair value assessment in line with the principles of IFRS 3 "Business Combinations", the fair value of acquired consolidated tangible or intangible assets is excluded from the Group's Adjusted Investment and Capital Expenditure, as they are not direct capital expenditure by the Group. However, the fair valuation of consideration paid for the business or investment is included in the Group's Adjusted Investment, Capital and Acquisition Expenditure measure.

During the current and prior year there were no significant acquisitions.



## Alternative Performance Measures continued

### 20 Cash consideration in relation to business combinations

The Group has outlined a significant investment programme which will partly be achieved through the acquisition of businesses with development opportunities for the Group. The cash consideration paid for these entities is included within the Group's Adjusted Investment, Capital and Acquisition Expenditure measure as it provides stakeholders an accurate basis of cash investment into the Group's total development pipeline and is consistent with the reporting of the Group's projected capital investment expectations.

During the current and prior year there were no significant acquisitions.

|                                                                                 | March 2026<br>£m | March 2025<br>£m |
|---------------------------------------------------------------------------------|------------------|------------------|
| Capital additions to intangible assets                                          | 797.2            | 1,045.5          |
| Capital additions to property, plant and equipment                              | 3,983.5          | 2,791.5          |
| <b>Capital additions to intangible assets and property, plant and equipment</b> | <b>4,780.7</b>   | <b>3,837.0</b>   |
| Joint ventures and associates' additions                                        | 189.0            | 288.0            |
| Allowances and certificates                                                     | (500.6)          | (603.7)          |
| Customer or third party funded additions                                        | (215.7)          | (163.4)          |
| Lease asset additions                                                           | (93.3)           | (126.7)          |
| Capital expenditure attributable to non-controlling interests                   | (574.5)          | (320.8)          |
| <b>Adjusted Investment and Capital Expenditure</b>                              | <b>3,585.6</b>   | <b>2,910.4</b>   |
| <b>Adjusted Investment, Capital and Acquisition Expenditure</b>                 | <b>3,585.6</b>   | <b>2,910.4</b>   |



## Consolidated income statement

for the year ended 31 March 2026

|                                                                     |      | 2026                                                       |                                                                 |                 | 2025                                                       |                                                                 |             |
|---------------------------------------------------------------------|------|------------------------------------------------------------|-----------------------------------------------------------------|-----------------|------------------------------------------------------------|-----------------------------------------------------------------|-------------|
|                                                                     | Note | Before exceptional items and certain re-measurements<br>£m | Exceptional items and certain re-measurements<br>(note 7)<br>£m | Total<br>£m     | Before exceptional items and certain re-measurements<br>£m | Exceptional items and certain re-measurements<br>(note 7)<br>£m | Total<br>£m |
| <b>Revenue</b>                                                      | 5    | <b>10,186.5</b>                                            | <b>–</b>                                                        | <b>10,186.5</b> | 10,131.9                                                   | –                                                               | 10,131.9    |
| Cost of sales                                                       |      | (6,270.7)                                                  | (141.6)                                                         | (6,412.3)       | (6,210.9)                                                  | (57.4)                                                          | (6,268.3)   |
| <b>Gross profit/(loss)</b>                                          |      | <b>3,915.8</b>                                             | <b>(141.6)</b>                                                  | <b>3,774.2</b>  | 3,921.0                                                    | (57.4)                                                          | 3,863.6     |
| Operating costs                                                     | 6    | (1,818.6)                                                  | (162.6)                                                         | (1,981.2)       | (1,742.0)                                                  | (309.7)                                                         | (2,051.7)   |
| Debt impairment charges                                             | A6.2 | (29.4)                                                     | –                                                               | (29.4)          | (47.1)                                                     | –                                                               | (47.1)      |
| Other operating income                                              |      | 37.3                                                       | –                                                               | 37.3            | 107.5                                                      | –                                                               | 107.5       |
| <b>Operating profit/(loss) before joint ventures and associates</b> |      | <b>2,105.1</b>                                             | <b>(304.2)</b>                                                  | <b>1,800.9</b>  | 2,239.4                                                    | (367.1)                                                         | 1,872.3     |
| <b>Joint ventures and associates:</b>                               |      |                                                            |                                                                 |                 |                                                            |                                                                 |             |
| Share of operating profit                                           |      | 311.0                                                      | –                                                               | 311.0           | 284.3                                                      | –                                                               | 284.3       |
| Share of interest                                                   |      | (155.7)                                                    | –                                                               | (155.7)         | (164.3)                                                    | –                                                               | (164.3)     |
| Share of movement in derivatives                                    |      | –                                                          | (21.4)                                                          | (21.4)          | –                                                          | (28.1)                                                          | (28.1)      |
| Share of tax                                                        |      | (51.2)                                                     | 5.3                                                             | (45.9)          | (9.0)                                                      | 7.0                                                             | (2.0)       |
| <b>Share of profit/(loss) on joint ventures and associates</b>      | 16   | <b>104.1</b>                                               | <b>(16.1)</b>                                                   | <b>88.0</b>     | 111.0                                                      | (21.1)                                                          | 89.9        |
| <b>Operating profit/(loss)</b>                                      | 5    | <b>2,209.2</b>                                             | <b>(320.3)</b>                                                  | <b>1,888.9</b>  | 2,350.4                                                    | (388.2)                                                         | 1,962.2     |
| Finance income                                                      | 9    | 240.9                                                      | 17.9                                                            | 258.8           | 194.8                                                      | 13.1                                                            | 207.9       |
| Finance costs                                                       | 9    | (310.4)                                                    | –                                                               | (310.4)         | (319.2)                                                    | –                                                               | (319.2)     |
| <b>Profit/(loss) before taxation</b>                                |      | <b>2,139.7</b>                                             | <b>(302.4)</b>                                                  | <b>1,837.3</b>  | 2,226.0                                                    | (375.1)                                                         | 1,850.9     |
| Taxation                                                            | 10   | (482.2)                                                    | 56.5                                                            | (425.7)         | (551.7)                                                    | 33.7                                                            | (518.0)     |
| <b>Profit/(loss) for the year</b>                                   |      | <b>1,657.5</b>                                             | <b>(245.9)</b>                                                  | <b>1,411.6</b>  | 1,674.3                                                    | (341.4)                                                         | 1,332.9     |
| <b>Attributable to:</b>                                             |      |                                                            |                                                                 |                 |                                                            |                                                                 |             |
| Ordinary shareholders of the parent                                 | 11   | 1,456.5                                                    | (247.8)                                                         | 1,208.7         | 1,530.8                                                    | (341.4)                                                         | 1,189.4     |
| Non-controlling interests                                           |      | 128.1                                                      | 1.9                                                             | 130.0           | 69.8                                                       | –                                                               | 69.8        |
| Other equity holders                                                |      | 72.9                                                       | –                                                               | 72.9            | 73.7                                                       | –                                                               | 73.7        |
| <b>Earnings per share</b>                                           |      |                                                            |                                                                 |                 |                                                            |                                                                 |             |
| Basic (pence)                                                       | 11   |                                                            |                                                                 | 105.5           |                                                            |                                                                 | 108.2       |
| Diluted (pence)                                                     | 11   |                                                            |                                                                 | 105.4           |                                                            |                                                                 | 108.1       |

The accompanying notes are an integral part of these financial statements.



## Consolidated statement of comprehensive income

for the year ended 31 March 2026

|                                                                                              | 2026<br>£m     | 2025<br>£m |
|----------------------------------------------------------------------------------------------|----------------|------------|
| <b>Profit for the year</b>                                                                   | <b>1,411.6</b> | 1,332.9    |
| <b>Other comprehensive income:</b>                                                           |                |            |
| <b>Items that will be reclassified subsequently to profit or loss:</b>                       |                |            |
| Net (losses)/gains on cash flow hedges                                                       | (14.2)         | 48.1       |
| Transferred to assets and liabilities on cash flow hedges                                    | 3.2            | 10.0       |
| Taxation on cashflow hedges                                                                  | 3.8            | (11.3)     |
|                                                                                              | (7.2)          | 46.8       |
| Share of other comprehensive loss of joint ventures and associates, net of taxation          | (35.0)         | (16.7)     |
| Exchange difference on translation of foreign operations                                     | 64.4           | (42.9)     |
| (Loss)/gain on net investment hedge                                                          | (87.5)         | 36.0       |
|                                                                                              | (65.3)         | 23.2       |
| <b>Items that will not be reclassified to profit or loss:</b>                                |                |            |
| Actuarial (loss)/gain on retirement benefit schemes, net of taxation                         | (60.6)         | 39.6       |
| Share of other comprehensive (loss)/income of joint ventures and associates, net of taxation | (15.8)         | 15.8       |
| Gains/(losses) on revaluation of investments in equity instruments, net of taxation          | 0.1            | (0.3)      |
|                                                                                              | (76.3)         | 55.1       |
| <b>Other comprehensive (loss)/gain, net of taxation</b>                                      | <b>(141.6)</b> | 78.3       |
| <b>Total comprehensive income for the year</b>                                               | <b>1,270.0</b> | 1,411.2    |
| <b>Attributable to:</b>                                                                      |                |            |
| Ordinary shareholders of the parent                                                          | 1,074.3        | 1,263.6    |
| Non-controlling interests                                                                    | 122.8          | 73.9       |
| Other equity holders                                                                         | 72.9           | 73.7       |
|                                                                                              | <b>1,270.0</b> | 1,411.2    |

The accompanying notes are an integral part of these financial statements.



## Consolidated balance sheet

as at 31 March 2026

|                                                                   | Note | 2026<br>£m      | 2025<br>£m<br>(restated*) |
|-------------------------------------------------------------------|------|-----------------|---------------------------|
| <b>Assets</b>                                                     |      |                 |                           |
| Property, plant and equipment                                     | 14   | 22,022.3        | 18,824.1                  |
| Goodwill and other intangible assets                              | 13   | 2,249.1         | 2,170.5                   |
| Equity investments in joint ventures and associates               | 16   | 1,945.1         | 1,987.3                   |
| Loans to joint ventures and associates                            | 16   | 1,621.2         | 1,510.3                   |
| Other investments                                                 | 16   | 7.6             | 8.8                       |
| Other non-current assets                                          | 18   | 604.0           | 447.7                     |
| Derivative financial assets                                       | 24   | 193.9           | 63.5                      |
| Retirement benefit assets                                         | 23   | 459.8           | 501.8                     |
| <b>Non-current assets</b>                                         |      | <b>29,103.0</b> | <b>25,514.0</b>           |
| Intangible assets                                                 | 13   | 527.3           | 392.7                     |
| Inventories                                                       | 17   | 434.2           | 462.9                     |
| Trade and other receivables                                       | 18   | 3,030.3         | 2,695.4                   |
| Current tax asset                                                 | 10   | 18.2            | 29.7                      |
| Cash and cash equivalents                                         | 21   | 1,542.9         | 1,090.5                   |
| Derivative financial assets                                       | 24   | 651.4           | 178.4                     |
| Assets held for sale                                              | 12   | 46.3            | –                         |
| <b>Current assets</b>                                             |      | <b>6,250.6</b>  | <b>4,849.6</b>            |
| <b>Total assets</b>                                               |      | <b>35,353.6</b> | <b>30,363.6</b>           |
| <b>Liabilities</b>                                                |      |                 |                           |
| Loans and other borrowings                                        | 21   | 1,204.4         | 1,964.0                   |
| Trade and other payables                                          | 19   | 3,286.9         | 2,708.2                   |
| Current tax liabilities                                           | 10   | 17.8            | –                         |
| Financial guarantee liabilities                                   | 24   | 2.4             | 2.4                       |
| Provisions                                                        | 20   | 59.6            | 80.5                      |
| Derivative financial liabilities                                  | 24   | 641.1           | 126.3                     |
| Liabilities directly associated with the assets held for sale     | 12   | 3.0             | –                         |
| <b>Current liabilities</b>                                        |      | <b>5,215.2</b>  | <b>4,881.4</b>            |
| Loans and other borrowings                                        | 21   | 8,916.8         | 8,640.4                   |
| Deferred tax liabilities                                          | 10   | 2,141.5         | 1,844.5                   |
| Trade and other payables                                          | 19   | 1,658.7         | 1,437.6                   |
| Financial guarantee liabilities                                   | 24   | 19.0            | 23.1                      |
| Provisions                                                        | 20   | 711.9           | 676.1                     |
| Derivative financial liabilities                                  | 24   | 289.2           | 167.7                     |
| <b>Non-current liabilities</b>                                    |      | <b>13,737.1</b> | <b>12,789.4</b>           |
| <b>Total liabilities</b>                                          |      | <b>18,952.3</b> | <b>17,670.8</b>           |
| <b>Net assets</b>                                                 |      | <b>16,401.3</b> | <b>12,692.8</b>           |
| <b>Equity</b>                                                     |      |                 |                           |
| Share capital                                                     | 22   | 607.7           | 555.6                     |
| Share premium                                                     |      | 2,738.9         | 812.6                     |
| Capital redemption reserve                                        |      | 52.6            | 52.6                      |
| Hedge reserve                                                     |      | 397.0           | 432.7                     |
| Translation reserve                                               |      | (31.0)          | (8.6)                     |
| Retained earnings                                                 |      | 8,898.7         | 8,336.7                   |
| <b>Equity attributable to ordinary shareholders of the parent</b> |      | <b>12,663.9</b> | <b>10,181.6</b>           |
| Hybrid equity                                                     | 22   | 2,985.8         | 1,882.4                   |
| Attributable to non-controlling interests                         | 22   | 751.6           | 628.8                     |
| <b>Total equity</b>                                               |      | <b>16,401.3</b> | <b>12,692.8</b>           |

\* The comparative has been restated. See note 1.2.

The accompanying notes are an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 27 May 2026 and signed on their behalf by:

**Barry O'Regan,**  
Chief Financial Officer

**Sir John Manzoni,**  
Chairman

SSE plc

Registered No: SC117119



## Consolidated statement of changes in equity

for the year ended 31 March 2026

|                                                | Share capital<br>£m | Share premium<br>£m | Capital redemption reserve<br>£m | Hedge reserve<br>£m | Translation reserve<br>£m | Retained earnings<br>£m | Total attributable to ordinary shareholders<br>£m | Hybrid equity<br>£m | Total equity before non-controlling interests<br>£m | Non-controlling interests<br>£m | Total equity<br>£m |
|------------------------------------------------|---------------------|---------------------|----------------------------------|---------------------|---------------------------|-------------------------|---------------------------------------------------|---------------------|-----------------------------------------------------|---------------------------------|--------------------|
| <b>At 1 April 2025</b>                         | <b>555.6</b>        | <b>812.6</b>        | <b>52.6</b>                      | <b>432.7</b>        | <b>(8.6)</b>              | <b>8,336.7</b>          | <b>10,181.6</b>                                   | <b>1,882.4</b>      | <b>12,064.0</b>                                     | <b>628.8</b>                    | <b>12,692.8</b>    |
| <b>Profit for the year</b>                     | –                   | –                   | –                                | –                   | –                         | <b>1,208.7</b>          | <b>1,208.7</b>                                    | <b>72.9</b>         | <b>1,281.6</b>                                      | <b>130.0</b>                    | <b>1,411.6</b>     |
| <b>Other comprehensive loss</b>                | –                   | –                   | –                                | <b>(35.7)</b>       | <b>(22.4)</b>             | <b>(76.3)</b>           | <b>(134.4)</b>                                    | –                   | <b>(134.4)</b>                                      | <b>(7.2)</b>                    | <b>(141.6)</b>     |
| <b>Total comprehensive income for the year</b> | –                   | –                   | –                                | <b>(35.7)</b>       | <b>(22.4)</b>             | <b>1,132.4</b>          | <b>1,074.3</b>                                    | <b>72.9</b>         | <b>1,147.2</b>                                      | <b>122.8</b>                    | <b>1,270.0</b>     |
| Dividends to shareholders                      | –                   | –                   | –                                | –                   | –                         | <b>(734.1)</b>          | <b>(734.1)</b>                                    | –                   | <b>(734.1)</b>                                      | –                               | <b>(734.1)</b>     |
| Scrip dividend related share issue             | <b>3.2</b>          | <b>(3.2)</b>        | –                                | –                   | –                         | <b>133.0</b>            | <b>133.0</b>                                      | –                   | <b>133.0</b>                                        | –                               | <b>133.0</b>       |
| Issue of shares net of costs                   | <b>48.9</b>         | <b>1,929.5</b>      | –                                | –                   | –                         | –                       | <b>1,978.4</b>                                    | –                   | <b>1,978.4</b>                                      | –                               | <b>1,978.4</b>     |
| Issue of treasury shares                       | –                   | –                   | –                                | –                   | –                         | <b>17.4</b>             | <b>17.4</b>                                       | –                   | <b>17.4</b>                                         | –                               | <b>17.4</b>        |
| Distributions to Hybrid equity holders         | –                   | –                   | –                                | –                   | –                         | –                       | –                                                 | <b>(72.9)</b>       | <b>(72.9)</b>                                       | –                               | <b>(72.9)</b>      |
| Issue of Hybrid equity                         | –                   | –                   | –                                | –                   | –                         | –                       | –                                                 | <b>1,103.4</b>      | <b>1,103.4</b>                                      | –                               | <b>1,103.4</b>     |
| Credit in respect of employee share awards     | –                   | –                   | –                                | –                   | –                         | <b>38.7</b>             | <b>38.7</b>                                       | –                   | <b>38.7</b>                                         | –                               | <b>38.7</b>        |
| Investment in own shares                       | –                   | –                   | –                                | –                   | –                         | <b>(25.4)</b>           | <b>(25.4)</b>                                     | –                   | <b>(25.4)</b>                                       | –                               | <b>(25.4)</b>      |
| <b>At 31 March 2026</b>                        | <b>607.7</b>        | <b>2,738.9</b>      | <b>52.6</b>                      | <b>397.0</b>        | <b>(31.0)</b>             | <b>8,898.7</b>          | <b>12,663.9</b>                                   | <b>2,985.8</b>      | <b>15,649.7</b>                                     | <b>751.6</b>                    | <b>16,401.3</b>    |

for the year ended 31 March 2025

|                                                | Share capital<br>£m | Share premium<br>£m | Capital redemption reserve<br>£m | Hedge reserve<br>£m | Translation reserve<br>£m | Retained earnings<br>£m | Total attributable to ordinary shareholders<br>£m | Hybrid equity<br>£m | Total equity before non-controlling interests<br>£m | Non-controlling interests<br>£m | Total equity<br>£m |
|------------------------------------------------|---------------------|---------------------|----------------------------------|---------------------|---------------------------|-------------------------|---------------------------------------------------|---------------------|-----------------------------------------------------|---------------------------------|--------------------|
| <b>At 1 April 2024</b>                         | <b>548.1</b>        | <b>820.1</b>        | <b>52.6</b>                      | <b>407.6</b>        | <b>(2.6)</b>              | <b>7,540.0</b>          | <b>9,365.8</b>                                    | <b>1,882.4</b>      | <b>11,248.2</b>                                     | <b>554.9</b>                    | <b>11,803.1</b>    |
| <b>Profit for the year</b>                     | –                   | –                   | –                                | –                   | –                         | <b>1,189.4</b>          | <b>1,189.4</b>                                    | <b>73.7</b>         | <b>1,263.1</b>                                      | <b>69.8</b>                     | <b>1,332.9</b>     |
| <b>Other comprehensive income/(loss)</b>       | –                   | –                   | –                                | <b>25.1</b>         | <b>(6.0)</b>              | <b>55.1</b>             | <b>74.2</b>                                       | –                   | <b>74.2</b>                                         | <b>4.1</b>                      | <b>78.3</b>        |
| <b>Total comprehensive income for the year</b> | –                   | –                   | –                                | <b>25.1</b>         | <b>(6.0)</b>              | <b>1,244.5</b>          | <b>1,263.6</b>                                    | <b>73.7</b>         | <b>1,337.3</b>                                      | <b>73.9</b>                     | <b>1,411.2</b>     |
| Dividends to shareholders                      | –                   | –                   | –                                | –                   | –                         | <b>(671.0)</b>          | <b>(671.0)</b>                                    | –                   | <b>(671.0)</b>                                      | –                               | <b>(671.0)</b>     |
| Scrip dividend related share issue             | <b>7.5</b>          | <b>(7.5)</b>        | –                                | –                   | –                         | <b>268.9</b>            | <b>268.9</b>                                      | –                   | <b>268.9</b>                                        | –                               | <b>268.9</b>       |
| Issue of treasury shares                       | –                   | –                   | –                                | –                   | –                         | <b>17.8</b>             | <b>17.8</b>                                       | –                   | <b>17.8</b>                                         | –                               | <b>17.8</b>        |
| Distributions to Hybrid equity holders         | –                   | –                   | –                                | –                   | –                         | –                       | –                                                 | <b>(73.7)</b>       | <b>(73.7)</b>                                       | –                               | <b>(73.7)</b>      |
| Share buyback (note 22.1)                      | –                   | –                   | –                                | –                   | –                         | <b>(71.7)</b>           | <b>(71.7)</b>                                     | –                   | <b>(71.7)</b>                                       | –                               | <b>(71.7)</b>      |
| Credit in respect of employee share awards     | –                   | –                   | –                                | –                   | –                         | <b>22.3</b>             | <b>22.3</b>                                       | –                   | <b>22.3</b>                                         | –                               | <b>22.3</b>        |
| Investment in own shares                       | –                   | –                   | –                                | –                   | –                         | <b>(14.1)</b>           | <b>(14.1)</b>                                     | –                   | <b>(14.1)</b>                                       | –                               | <b>(14.1)</b>      |
| <b>At 31 March 2025</b>                        | <b>555.6</b>        | <b>812.6</b>        | <b>52.6</b>                      | <b>432.7</b>        | <b>(8.6)</b>              | <b>8,336.7</b>          | <b>10,181.6</b>                                   | <b>1,882.4</b>      | <b>12,064.0</b>                                     | <b>628.8</b>                    | <b>12,692.8</b>    |



## Consolidated cash flow statement

for the year ended 31 March 2026

|                                                                           | Note | 2026<br>£m       | 2025<br>£m<br>(restated*) |
|---------------------------------------------------------------------------|------|------------------|---------------------------|
| <b>Operating profit</b>                                                   |      | <b>1,888.9</b>   | 1,962.2                   |
| Less share of profit of joint ventures and associates                     |      | (88.0)           | (89.9)                    |
| <b>Operating profit before jointly controlled entities and associates</b> |      | <b>1,800.9</b>   | 1,872.3                   |
| Pension service charges less contributions paid                           | 23   | (9.3)            | (6.7)                     |
| Movement on operating derivatives                                         | 24   | 149.8            | 60.1                      |
| Depreciation, amortisation, write downs and impairments                   |      | 979.0            | 1,057.1                   |
| Charge in respect of employee share awards                                |      | 29.6             | 22.3                      |
| Profit on disposal of assets and businesses                               |      | (7.3)            | (47.9)                    |
| (Credit)/charge in respect of provisions                                  | 20   | (8.8)            | 6.4                       |
| Credit in respect of financial guarantees                                 |      | (1.7)            | (1.9)                     |
| Release of deferred income                                                | 6    | (13.1)           | (14.1)                    |
| <b>Cash generated from operations before working capital movements</b>    |      | <b>2,919.1</b>   | 2,947.6                   |
| Decrease/(increase) in inventories                                        |      | 17.9             | (109.5)                   |
| (Increase)/decrease in receivables                                        |      | (0.1)            | 2.6                       |
| Increase/(decrease) in payables                                           |      | 474.8            | (196.0)                   |
| Decrease in provisions                                                    |      | (36.8)           | (23.7)                    |
| <b>Cash generated from operations</b>                                     |      | <b>3,374.9</b>   | 2,621.0                   |
| Dividends received from investments                                       | 16   | 184.1            | 200.6                     |
| Interest paid                                                             |      | (243.3)          | (260.1)                   |
| Interest received                                                         |      | 180.8            | 155.9                     |
| Taxes paid                                                                |      | (61.3)           | (240.6)                   |
| <b>Net cash from operating activities</b>                                 |      | <b>3,435.2</b>   | 2,476.8                   |
| Purchase of property, plant and equipment                                 | 5    | (4,147.0)        | (2,689.2)                 |
| Purchase of intangible assets                                             | 5    | (296.6)          | (441.8)                   |
| Receipt of government grant income                                        | 5    | 41.7             | 55.7                      |
| Deferred income received                                                  |      | 0.3              | 20.2                      |
| Proceeds from disposals                                                   |      | 7.8              | 25.2                      |
| Purchases of businesses, joint ventures and subsidiaries                  | 16   | (22.7)           | –                         |
| Loans and equity provided to joint ventures and associates                |      | (288.3)          | (408.3)                   |
| Loans and equity repaid by joint ventures                                 |      | 79.4             | 121.7                     |
| Decrease/(increase) in other investments                                  | 16   | 1.3              | (1.9)                     |
| <b>Net cash used in investing activities</b>                              |      | <b>(4,624.1)</b> | (3,318.4)                 |
| Proceeds from issue of share capital, net of costs                        | 22   | 1,995.8          | 17.8                      |
| Dividends paid to company's equity holders                                | 11   | (601.1)          | (402.1)                   |
| Share buybacks                                                            | 22   | –                | (71.7)                    |
| Hybrid equity dividend payments                                           | 22   | (72.9)           | (73.7)                    |
| Employee share awards share purchase                                      | 22   | (25.4)           | (14.1)                    |
| Issue of Hybrid instruments                                               | 22   | 1,103.4          | –                         |
| New borrowings                                                            | 21   | 1,595.3          | 2,592.2                   |
| Repayment of borrowings                                                   |      | (2,357.0)        | (1,162.2)                 |
| Settlement of cashflow hedges                                             |      | 3.2              | 10.0                      |
| <b>Net cash from financing activities</b>                                 |      | <b>1,641.3</b>   | 896.2                     |
| <b>Net increase in cash and cash equivalents</b>                          |      | <b>452.4</b>     | 54.6                      |
| <b>Cash and cash equivalents at the start of year</b>                     | 21   | <b>1,090.5</b>   | 1,035.9                   |
| <b>Net increase in cash and cash equivalents</b>                          |      | <b>452.4</b>     | 54.6                      |
| <b>Cash and cash equivalents at the end of year</b>                       | 21   | <b>1,542.9</b>   | 1,090.5                   |

\* The prior year cash flow statement has been restated. See note 1.2.

The accompanying notes are an integral part of these financial statements.



# Notes to the consolidated financial statements

for the year ended 31 March 2026

## 1. General Information and basis of preparation

### 1.1. General information

SSE plc (the "Company") is a company domiciled in Scotland. The address of the registered office is given on the back cover. The Group's operations and its principal activities are set out in the Strategic Report. The consolidated financial statements for the year ended 31 March 2026 comprise those of the Company and its subsidiaries (together referred to as the Group). The Company financial statements present information about the Company as a separate entity and not about the Group, these can be seen on pages 244 to 253.

### 1.2. Basis of preparation

#### Statement of compliance

The financial statements were authorised for issue by the Directors on 27 May 2026. The financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IAS").

#### Going Concern

The Directors consider that the Group has adequate resources to continue in operational existence for the period to 31 December 2027. The financial statements are therefore prepared on a Going Concern basis.

In addition, further details of the Group's liquidity position and Going Concern review are provided at [note 21](#) and in [A6](#). Accompanying Information to the Financial Statements.

#### Basis of measurement

The financial statements of the Group are prepared on the historical cost basis except for certain gas inventory, derivative financial instruments, financial instruments designated at fair value through profit or loss or other comprehensive income on initial recognition, assets of the Group pension schemes, all of which are measured at their fair value, and liabilities of the Group's pension schemes which are measured using the projected unit credit method. The directors believe the financial statements present a true and fair view. The financial statements of the Group are presented in pounds Sterling, and all values are rounded to the nearest million to one decimal place (£m), unless otherwise stated. The basis for including operations and transactions conducted in currencies other than pounds Sterling is provided in [A1](#). Accompanying Information to the Financial Statements on [page 210](#).

#### Use of estimates and judgements

The preparation of financial statements conforming with adopted IFRS requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The areas involving a higher level of judgement or estimation are summarised at [pages 159 to 160](#).

#### Share-based payments

The Group previously assessed that, on the basis of materiality, the disclosures required under IFRS 2 "Share-based Payment" should be removed. The Group has assessed that at 31 March 2026 these disclosures continue to be immaterial to the Group's financial statements.

#### Changes to presentation and prior year adjustments

The prior year comparatives at 31 March 2025 have been restated as follows:

#### Segments

In accordance with the requirements of IFRS 8 "Operating Segments" the Group aligns its segmental disclosures with its internal reporting to the Group Executive Committee (the Chief Operating Decision Maker). The reporting of these operating segments is used to assess operating performance and to make decisions on how to allocate capital.

#### Segments continued

During the year to 31 March 2026, reporting to the Group Executive Committee was amended so that SSE Thermal includes Gas Storage; Energy Customer Solutions includes SSE Business Energy and SSE Airtricity; and Corporate unallocated includes the loss on the Group's joint venture investment in Neos Networks Limited ([note 16](#)). The segmental results reported within these financial statements have been restated from 1 April 2024 ([note 5](#)), which had no impact on the consolidated results of the Group in all periods presented.

#### Capital prepayments

Due to the long-term nature of capital projects within the Group, a greater proportion of prepayments to suppliers to secure materials and production capacity in advance are extending beyond 12 months. Under the Group's previous accounting policy, all capital prepayments were shown as current assets. However, the Group has elected to amend its accounting policy for disclosure of capital prepayments to split prepayments between current and non-current maturity. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" the balance sheet for the year ended 31 March 2025 has been restated to present £247.8m of capital prepayments as non-current assets (2026 equivalent: £372.0m). This change in policy had no impact on net assets, the income statement, statement of cashflows or Alternative Performance Measures of the Group at any reporting date.

#### Deferred income

A prior period adjustment has been made to restate deferred income split between current and non-current maturity following incorrect classification at 31 March 2025. Deferred income due after more than one year has increased from £1,247.9m to £1,437.6m (2026 equivalent: from £1,468.6m to £1,658.7m) within non-current "Trade and other payables"; and current "Trade and other payables" has decreased from £2,897.9m to £2,708.2m at 31 March 2025 (2026 equivalent: £3,477.0m to £3,286.9m). This adjustment has no impact on retained earnings, net assets or the consolidated Alternative Performance Measures of the Group, at any reporting date.

#### Alternative Performance Measures – adjustment for net debt and cash attributable to non-controlling interests and related net finance costs

Where external funding is raised by SSE plc and used to fund investment in subsidiaries whose non-controlling interest holders do not contribute capital on a proportionate basis, such as SSEN Transmission, the Group has removed a proportionate share of external debt and related net finance costs to better represent the Group's underlying economic interest. This refinement represents a change to the derivation of the adjusted debt measure applied in the 31 March 2026 financial statements and comparatives at 31 March 2025 have been restated accordingly. This adjustment has no impact on reported net assets, income statement or statement of cashflows of the Group, at any reporting date. The restatement results in a decrease of Adjusted Net Debt and Hybrid Capital by £120.0m from £10,186.7m to £10,066.7m, a decrease in Adjusted Net Finance Costs from £281.0m to £274.7m, an increase in Adjusted Profit Before Tax from £2,138.2m to £2,144.5m and an increase in Adjusted Earnings per Share by 0.4 pence from 160.9 pence to 161.3 pence. There have been no other changes to the Group's APMs in the current year.

#### Cash flow statement

A prior year restatement has been made to present interest paid of £260.1m (2026 equivalent: £243.3m) and interest received of £155.9m (2026 equivalent: £180.8m) gross (previously presented net) in the cash flow statement in accordance with the requirements of IAS 7 "Statement of Cash Flows". This restatement had no impact on net cash from operating activities in the cash flow statement, retained earnings, net assets or the consolidated Alternative Performance Measures of the Group, at any reporting date.



## 2. New accounting policies and reporting changes

The principal accounting policies applied in the preparation of these financial statements are set out below and in the A1 Accompanying Information to the Financial Statements on pages 210 to 218 [🔗](#).

### 2.1. New standards, amendments and interpretations effective or adopted by the Group

During the year ended 31 March 2026, the Group adopted the Lack of Exchangeability amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates". Adoption of the amendment had no impact on the financial statements.

There were no other standards, amendments to standards or interpretations relevant to the Group's operations which were adopted during the year.

### 2.2. New standards, amendments and interpretations issued, but not yet adopted by the Group

Following adoption of IFRS 9 on 1 April 2019, the Group elected to continue to apply IAS 39 for hedge accounting. From 1 April 2026, the Group will adopt the hedge accounting requirements of IFRS 9 to align its hedge accounting more closely with the Group's risk management objectives. In the period to 31 March 2026, the Group assessed its existing IAS 39 hedging relationships and concluded that those relationships continue to meet the IFRS 9 hedge accounting criteria. These hedging relationships will be designated as continuing hedges upon adoption of IFRS 9.

The Group will apply the prospective basis of adoption as permitted by IFRS 9, whereby comparative information is not restated. The impact on the income statement is immaterial.

The Group has elected to apply the cost of hedging approach, under which certain elements of the fair value of hedging instruments (such as forward points and currency basis spread) are recognised in other comprehensive income rather than profit or loss. These amounts will be accumulated in a cost of hedge equity reserve within equity and subsequently reclassified to profit or loss in the period the hedged item affects profit or loss. On adoption, the cost of hedge reserve will be £23.5m. There is no impact on total equity as a result of this reclassification.

IFRS 18 "Presentation and Disclosure in Financial Statements" was issued in April 2024 and will be effective for accounting periods beginning on or after 1 January 2027 (1 April 2027 for the Group). The standard replaces IAS 1 "Presentation of Financial Statements". The new standard does not amend the principles of recognition and measurement and so will not impact the financial results of the Group. However, it will impact the presentation of the consolidated financial statements, in particular the consolidated income statement.

The Group is continuing to assess the full impact of adoption of the standard. However, it is expected that the consolidated income statement will be amended to include the new subtotals prescribed in the standard, and the share of profit recognised from equity accounted investments will be classified within investing activities instead of operating activities. It is expected that certain notes to the consolidated financial statements will also be amended to comply with aggregation and disaggregation principles.

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" in relation to the classification and measurement of financial instruments have been issued. An additional amendment has also been made to both standards in relation to contracts referencing nature-dependent electricity. These amendments will be effective from 1 January 2026 (1 April 2026 for the Group). The amendments will not have a material impact on the Group's consolidated financial statements.

## 3. Adjusted accounting measures

The Group applies the use of adjusted accounting measures or Alternative Performance Measures ("APMs") throughout the Annual Report and Financial Statements. These measures enable the Directors to present the underlying performance of the Group and its segments to the users of the statements in a consistent and meaningful manner. The adjustments applied and certain terms such as Adjusted Operating Profit; Adjusted Earnings Per Share; Adjusted EBITDA; Adjusted Investment and Capital Expenditure; Adjusted Investment, Capital and Acquisition Expenditure; and Adjusted Net Debt and Hybrid Capital are not defined under IFRS and are explained in more detail below. In addition, the section Alternative Performance Measures at [page 144](#) [🔗](#) provides further context and explanation of these terms.

### 3.1 Adjusted measures

The Directors assess the performance of the Group and its reportable segments based on adjusted measures. These measures are used for internal performance management and are believed to be appropriate for explaining underlying performance to users of the accounts. These measures are also deemed to be the most useful for ordinary shareholders of the Company and for other stakeholders.

The performance of the reportable segments is reported based on adjusted profit before interest and tax (Adjusted Operating Profit). This is reconciled to reported profit before interest and tax by adding back exceptional items and certain re-measurements (see [note 3.2](#) [🔗](#) below), depreciation expense on fair value uplifts, the share of operating profit attributable to non-controlling interests, adjustments to the Gas Production decommissioning provision and after the removal of interest and taxation on profits from equity-accounted joint ventures and associates.

The performance of the Group is reported based on Adjusted Profit Before Tax which excludes exceptional items and certain re-measurements (see [note 3.2](#) [🔗](#) below), depreciation expense on fair value uplifts, the share of profit before tax attributable to non-controlling interests, adjustments to the Gas Production decommissioning provision and taxation on profits from equity-accounted joint ventures and associates.

The Group also uses adjusted earnings before interest, taxation, depreciation and amortisation ("Adjusted EBITDA") as an alternative operating performance measure which acts as a management proxy for cash generated from operating activities. This does not take into account the rights and obligations that SSE has in relation to its equity-accounted joint ventures and associates. This measure excludes exceptional items and certain re-measurements (see [note 3.2](#) [🔗](#) below), the depreciation charged on fair value uplifts, the share of EBITDA attributable to non-controlling interests, adjustments to the Gas Production decommissioning provision, depreciation and amortisation from equity-accounted joint ventures and associates and interest and taxation on profits from equity-accounted joint ventures and associates. For the purpose of calculating the Net Debt to EBITDA metric referred at [page 23](#) [🔗](#), Adjusted EBITDA is further adjusted to remove the proportion of adjusted EBITDA from equity-accounted joint ventures relating to off-balance sheet debt (see [note 5.1\(v\)](#) [🔗](#)).



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 3. Adjusted accounting measures continued

#### 3.1 Adjusted measures continued

The Group's key performance measure is Adjusted Earnings Per Share ("Adjusted EPS"), which is based on basic earnings per share before exceptional items and certain re-measurements (see note 3.2 below), depreciation on fair value uplifts, adjustments to the Gas Production decommissioning provision, the removal of the interest on external debt invested in subsidiaries with a non-controlling interest and after the removal of deferred taxation and certain other taxation items. Deferred taxation is excluded from the Group's Adjusted EPS because of the Group's significant ongoing capital investment programme, which means that the deferred tax is unlikely to reverse. Adjusted profit after tax is presented on a basis consistent with Adjusted EPS except for the non-inclusion of payments to holders of hybrid equity.

The financial statements also include an Adjusted Net Debt and Hybrid Capital measure. This presents financing information on the basis used for internal liquidity risk management. This measure excludes obligations due under lease arrangements, the share of net debt attributable to non-controlling interests (including debt held at SSE plc level, which is a change in the current year), and includes cash held and posted as collateral on commodity trading exchanges, and other deposits with a maturity of more than three months. The measure represents the capital owed to investors, lenders and equity holders other than the ordinary shareholders. As with Adjusted Earnings Per Share, this measure is considered to be of relevance to the ordinary shareholders of the Group as well as other stakeholders and interested parties. The impact of the change to the definition of debt attributable to non-controlling interest holders has been to increase the adjustment for these items at 31 March 2025 from £817.9m to £937.9m and therefore reduce the Adjusted Net Debt and Hybrid Capital by £120.0m from £10,186.7m to £10,066.7m.

Finally, the financial statements include an Adjusted Investment and Capital Expenditure and an Adjusted Investment, Capital and Acquisition Expenditure measure. These metrics represent the capital invested by the Group in projects that are anticipated to provide a return on investment over future years, or which otherwise support Group operations and are consistent with internally applied metrics. They therefore include capital additions to property, plant and equipment and intangible assets and the Group's direct funding of joint venture and associates' capital projects. The Group has considered it appropriate to report these values both internally and externally in this manner due to its use of equity-accounted investment vehicles to grow the Group's asset base and to highlight where the Group is providing funding to the vehicle through either loans or equity. The Group does not include project funded capital additions in these metrics, nor does it include other capital invested in joint ventures and associates. In addition, the Group excludes additions to its property, plant and equipment funded by customer contributions, lease additions and additions to intangible assets associated with allowances and certificates. The Group also excludes the share of investment and capital expenditure attributable to non-controlling interests in controlled but not wholly owned subsidiaries. The Adjusted Investment, Capital and Acquisition Expenditure measure also includes cash consideration paid by the Group for business combinations which contribute to growth of the Group's capital asset base and are considered to be relevant to the Group's strategic objectives. As with Adjusted Earnings Per Share, these measures are considered to be of relevance to management and to the ordinary shareholders of the Group as well as to other stakeholders and interested parties.

Reconciliations from reported measures to adjusted measures along with further description of the rationale for those adjustments are included in the Alternative Performance Measures section at pages 144 to 150.

Where the Group has referred to an adjusted performance measure in the financial statements the following sign is presented to denote this **APM**.

#### 3.2 Exceptional items and certain re-measurements

Exceptional items are those charges or credits that are considered unusual by nature and/or scale and of such significance that separate disclosure is required for the financial statements to be properly understood. The trigger points for recognition of items as exceptional items will tend to be non-recurring, although exceptional charges (or credits) may impact the same asset class or segment over time.

Examples of items that may be considered exceptional include material asset, investment or business impairment charges; reversals of historic exceptional impairments; business restructuring and reorganisation costs relating to strategic change initiatives; significant realised gains or losses on disposal; unrealised fair value adjustments on acquisition or disposals; and provisions in relation to significant disputes and claims.

The Group operates a policy framework for establishing whether items should be considered exceptional. This framework, which is reviewed annually, is based on the materiality of the item, by reference to the Group's key performance measure of Adjusted Earnings Per Share. This framework estimates that any qualifying item greater than £40.0m (2025: £40.0m) will be considered exceptional, with the exception of any strategic restructuring or transformational activities or discontinued operations, which will be considered on a case-by-case basis. The only further exception to this threshold is for gains or losses on disposal, or divestment of early-stage international or offshore wind farm development projects within SSE Renewables, which are considered non-exceptional in line with the Group's strategy to generate recurring gains from developer divestments. Where a qualifying gain arises on a non-cash transaction, the gain is still treated as exceptional.

Certain re-measurements are re-measurements arising on certain commodity, interest rate and currency contracts which are accounted for as held for trading or as fair value hedges in accordance with the Group's policy for such financial instruments; re-measurements on stocks of commodities held at the balance sheet date; or movements in fair valuation of contracts for difference not designated as government grants. The amount recorded in the adjusted results for these contracts is the amount settled in the year as disclosed in note 24.1.

This excludes commodity contracts not treated as financial instruments under IFRS 9 where the contracts are held for the Group's own use requirements. The fair value of these contracts is not recorded and the value associated with the contract is not recognised until the underlying commodity is delivered.

The impact of changes in corporation tax rates on deferred tax balances is also included within certain re-measurements.

#### 3.3 Other additional disclosures

As permitted by IAS 1 "Presentation of Financial Statements", the Group's income statement discloses additional information in respect of joint ventures and associates, exceptional items and certain re-measurements to aid understanding of the Group's financial performance and to present results clearly and consistently.



## 4. Accounting judgements and estimation uncertainty

In the process of applying the Group's accounting policies, management is required to make judgements and estimates that will have a significant effect on the amounts recognised in the financial statements. Changes in the assumptions underlying the estimates could result in a significant impact to the financial statements. The Group's key accounting judgement and estimation areas are noted below, with the most significant and material financial judgement areas that are specifically considered by the Audit Committee highlighted separately.

The Group has made no changes to its material accounting judgements and identified no new areas of estimation uncertainty during the year.

### 4.1 Significant financial judgements and estimation uncertainties

The preparation of these financial statements has specifically considered the following significant financial judgements, some of which are also areas of estimation uncertainty as noted below.

#### i. Impairment testing and valuation of certain non-current assets – financial judgement and estimation uncertainty

The Group reviews the carrying amounts of its goodwill, other intangible assets, specific property, plant and equipment and investment assets to determine whether any impairments or reversal of impairments to the carrying value of those assets requires to be recorded. Where an indicator of impairment or impairment reversal exists, the recoverable amount of those assets is reassessed by reference to either value in use or fair value less cost to sell assessments. As well as its goodwill balances, the specific assets under review in the year ended 31 March 2026 are intangible development assets in Southern Europe and Japan; specific property, plant and equipment assets related to Gas Storage; specific onshore Renewables assets; and the Group's thermal power station at Great Island in Ireland. In addition, the Group performed impairment reviews over the carrying value of its equity investments in the Dogger Bank Wind Farm joint ventures; Neos Networks Limited; and Triton Power Holdings Limited.

In conducting its reviews, the Group makes judgements and estimates determining both the level of cash generating unit ("CGU") at which common assets such as goodwill are assessed against, as well as the estimates and assumptions behind the calculation of recoverable amount of the respective assets or CGUs.

Changes to the estimates and assumptions on factors such as regulation and legislation changes (including relevant climate change related regulation), power, gas, carbon and other commodity prices, volatility of gas prices, plant running regimes and load factors, discount rates and other inputs could impact the assessed recoverable value of assets and CGUs and consequently impact the Group's income statement and balance sheet.

Further detail of the calculation basis and key assumptions used in the impairment reviews, impairment test results and the sensitivity of these assessments to key assumptions is disclosed at [note 15](#). Detail on the accounting policies applied is included in the Accompanying Information section [A1](#).

#### ii. Retirement benefit obligations – estimation uncertainty

The Group sets its assumptions in relation to the cost of providing post-retirement benefits after consultation with qualified actuaries. While these assumptions are believed to be appropriate, a change in these assumptions would impact the level of the retirement benefit obligation recorded and the cost to the Group of administering the schemes.

Further detail of the calculation basis and key assumptions used, the resulting movements in obligations, and the sensitivity of key assumptions to the obligation is disclosed at [note 23](#).

#### iii. Revenue recognition – Customers unbilled supply of energy – estimation uncertainty

Revenue from energy supply activities undertaken by the Group's Energy Customer Solutions businesses includes an estimate of the value of electricity or gas supplied to customers between the date of the last meter reading and the year end. This estimation comprises both billed revenue and unbilled revenue and is calculated based on applying the tariffs and contract rates applicable to customers against aggregated estimated customer consumption, taking account of various factors including tariffs, consumption patterns, customer mix, metering data, operational issues relating to the billings process and externally notified aggregated volumes supplied to customers from national settlements bodies.

This unbilled estimation is subject to an internal corroboration process which compares calculated unbilled volumes to a theoretical "perfect billing" benchmark measure of unbilled volumes (in GWh and millions of therms) derived from historical consumption patterns and aggregated metering data used in industry reconciliation processes. Unbilled revenue is compared to billings in the period between the balance sheet date and the finalisation of the financial statements which has provided evidence of post report date billings and hence support to the accrual recognised.

Given the requirement of management to apply judgement, the estimated revenue accrual remains a significant estimate made by management in preparing the financial statements. A change in the assumptions underpinning the unbilled calculation would have an impact on the amount of revenue recognised in any given period. The sensitivity associated with this judgement factor is disclosed at [note 18](#).

#### iv. Valuation of other receivables – financial judgement and estimation uncertainty

The Group holds a £100m loan note due from OVO Group Limited ("Ovo") following the disposal of SSE Energy Services on 15 January 2020. The loan is repayable in full by 31 December 2029, carries interest at 13.25% and is presented cumulative of accrued interest payments, discounted at 13.25%. At 31 March 2026, the carrying value (net of expected credit loss provision of £2.0m (2025: £1.8m)) is £220.0m (2025: £193.5m) (see [note 18](#)).

The Group has assessed recoverability of the loan note receivable and has recognised a provision for expected credit loss in accordance with the requirements of IFRS 9. The Group has taken appropriate steps to assess all available information in respect of the recoverability of the loan note. Procedures included reviewing recent financial information of Ovo and discussions with Ovo management. While the carrying value is considered to be appropriate, changes in economic conditions could lead to a change in the expected credit loss incurred by the Group in future periods. On 11 May 2026, subsequent to the balance sheet date, E.On announced the acquisition of Ovo's Retail business, subject to regulatory approval. Completion of the acquisition would result in the principal and accumulated interest becoming repayable in full. While considered a non-adjusting post balance sheet event in terms of classification, the Group has considered the transaction as part of its recoverability assessment. No changes to the recoverable value were made following announcement of the transaction.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 4. Accounting judgements and estimation uncertainty continued

#### 4.1 Significant financial judgements and estimation uncertainties continued

##### v. Impact of climate change and the transition to net zero – financial judgement and estimation uncertainty

Climate change and the transition to net zero have been considered in the preparation of these financial statements. Where relevant, assumptions have been applied that are consistent to a Paris-aligned 1.5°C net zero pathway by 2050. The Group has a clearly articulated strategy to lead the UK's transition to clean power and aligns its investment plans and business activities to that strategy. These plans continue to be supported by the Group's Sustainability Financing Framework, with ten green bonds outstanding at 31 March 2026 and £2bn of export credit agency-backed facilities in place, which are classified as "Green Loans" when drawn (see [note 21](#) .

The nature and timing of future climate-related regulation, market developments and technological change are inherently uncertain and could have a material impact on the carrying values of the Group's assets and liabilities. In preparing these financial statements, the Group has considered the potential impacts of climate change and the transition to net zero in the application of accounting judgements and estimates, including the following areas:

##### Valuation of property, plant and equipment, and impairment assessment of goodwill

The Group's view is that flexible generation capacity, including the Group's fleet of CCGT power stations, will continue to play an essential role in maintaining the security of supply during the transition to clean power, supporting a system with increasing levels of intermittent renewable generation. Accordingly, the Group has not shortened the useful economic lives of its gas-fired-CCGTs fleet, reflecting their expected role as flexible back-up capacity over the transition period.

A significant increase in renewable generation capacity in the Group's core markets in the UK and Ireland could, in the longer term, result in periods of oversupply of electricity, potentially placing downward pressure on achievable power prices for renewable generation assets. The Group has not assessed that this constitutes an indicator of impairment at 31 March 2026, as the Group's baseline investment case models assume a centrally approved volume of new build capacity consistent with system requirements and policy objectives over the lives of the Group's existing assets. In accordance with IAS 36 "Impairment of Assets", the Group performs an annual impairment test of the goodwill balances associated with its wind generation portfolio (see [note 15.1](#) ). As part of this, sensitivities to key assumptions, including power prices, have been considered. A sensitivity analysis assuming a 10% reduction in power prices, which could arise in a market with significant new build renewable capacity, indicated that significant headroom remains relative to the carrying value of the Group's wind generating assets.

##### Valuation of decommissioning provisions

The Group recognises decommissioning provisions in respect of its Renewable and Thermal generation assets and retained 60% share of the decommissioning obligations relating to its disposed Gas Production business. The Group considered the impacts of climate change and the transition to clean power in estimating these provisions. Given the essential back-up role thermal generation assets are expected to play during the transition period, no change to accelerate decommissioning timelines has been assumed at 31 March 2026. Similarly, the Group does not expect changes in weather patterns or increased levels of new wind generation capacity to bring forward the decommissioning of the Group's wind farm portfolio.

The discounted share of the Gas Production provision is £191.1m (2025: £201.6m). At 31 March 2026, the impact of discounting of this retained provision is £106.5m (2025: £80.8m), which is expected to be recognised across the period to 31 March 2044. If the decommissioning activity was accelerated due to changes in legislation, the costs of unwinding the discounting of the provision would be recognised earlier.

##### Defined benefit scheme assets

The Group holds defined benefit pension scheme assets at 31 March 2026 which could be impacted by climate-related risks. The trustees of the schemes have a long-term investment strategy that seeks to reduce investment risk as and when appropriate and takes into consideration the impact of climate-related risk.

##### Going Concern and viability statement

The implications of near-term climate-related risks have been considered in the Group's Going Concern assessment and viability statement assessment.

#### 4.2 Accounting judgements and estimation uncertainties – changes from prior year

There were no changes to accounting judgements and estimation uncertainties during the year.

#### 4.3 Other areas of estimation uncertainty

##### Decommissioning costs

The calculation of the Group's decommissioning provisions involves the estimation of quantum and timing of cash flows to settle the obligation. The Group engages independent valuation experts to estimate the cost of decommissioning its Renewable, Thermal and Gas Storage assets every three years based on current technology and prices. The last independent assessment for the majority of the Group's Renewable and Thermal generation assets was performed in the prior year to 31 March 2025. The last formal assessment for Gas Storage assets was performed in the year to 31 March 2026. Retained decommissioning costs in relation to the disposed Gas Production business are periodically agreed with the field operators and reflect the latest expected economic production lives of the fields.

The dates for settlement of future decommissioning costs are uncertain, particularly for the disposed Gas Production business where reassessment of gas and liquids reserves and fluctuations in commodity prices can lengthen or shorten the field life.

Further detail on the assumptions applied, including expected decommissioning dates, and movement in decommissioning costs during the year are disclosed at [note 20](#) .



## 5. Segmental information

IFRS 8 requires operating segments to be identified based on the Group's internal reporting to its Chief Operating Decision Maker to assess operating performance and to make decisions on how to allocate capital. The Group's Chief Operating Decision Maker has been identified as the Group Executive Committee. The changes to the Group's segments in the year are explained in [note 1.2](#) and reflect how operating performance is reported to the Group Executive Committee for SSE Thermal (previously reported as SSE Thermal and Gas Storage) and Energy Customer Solutions (previously reported as SSE Business Energy and SSE Airtricity). Comparative information has been re-presented to reflect the change to these segments. The Group's Corporate unallocated segment is the Group's residual corporate central costs which are not allocated to individual segments and includes the contribution from its Enerveo business and the Group's joint venture investment in Neos Networks Limited – neither of which are reported separately to the Group Executive Committee.

The types of products and services from which each reportable segment derives its revenues are:

| Business Area                    | Reported Segments         | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Transmission</b>              | SSEN Transmission         | The economically regulated high voltage transmission of electricity from generating plant in the North of Scotland to the distribution network or to interconnected transmission networks. Revenue earned from constructing, maintaining and renovating the transmission network is determined in accordance with the regulatory licence, based on an Ofgem approved revenue model and is recognised as charged to National Grid. The revenue earned from other transmission services such as generator plant connections is recognised in line with delivery of that service over the expected contractual period and at the contracted rate. On 25 November 2022 the Group sold a 25.0% non-controlling interest in this business to the Ontario Teachers' Pension Plan.                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Distribution</b>              | SSEN Distribution         | The economically regulated lower voltage distribution of electricity to customer premises in the North of Scotland and the South of England. Revenue earned from delivery of electricity supply to customers is recognised based on the volume of electricity distributed to those customers and the set customer tariff. The revenue earned from other distribution services such as domestic customer connections is recognised in line with delivery of that service over the expected contractual period and at the contracted rate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Renewables</b>                | SSE Renewables            | The generation of electricity from renewable sources, such as onshore and offshore wind farms and run of river and pumped storage hydro assets primarily in the UK and Ireland, and the optimisation and trading of Battery Energy Storage Systems capacity. This segment also includes the development of wind assets in Japan and The Netherlands; solar assets in Poland; and the development of wind, solar and battery opportunities in the UK and Southern European markets including Spain, Italy, France and Greece. Revenue from physical generation of electricity in Great Britain is sold to SSE Energy Markets and in Ireland is sold to the Airtricity business in Energy Customer Solutions and is recognised as generated, based on the contracted or market price at the time of delivery. Revenue from national support schemes (such as Renewable Obligation Certificates or the Capacity Market in Great Britain or REFIT in Ireland) may either be recognised in line with electricity being physically generated or over the contractual period, depending on the underlying performance obligation.                 |
| <b>SSE Thermal</b>               | SSE Thermal               | <p>The generation of electricity from flexible generation plants including CCGTs in the UK and Ireland and the Group's interests in multifuel assets in the UK. Revenue from physical generation of electricity in Great Britain and Ireland is sold to SSE Energy Markets and is recognised as generated, based on the contract or spot price at the time of delivery. Revenue from support schemes (such as Capacity Market) and ancillary generation services may either be recognised in line with electricity being physically generated or over the contractual period, depending on the underlying performance obligation. The operation of Gas Storage facilities in Great Britain, which utilise capacity to optimise trading opportunity associated with the assets. Contribution arising from trading activities is recognised as realised based on executed trades or the withdrawal of gas from caverns.</p> <p>Following the change in segmental reporting noted at <a href="#">note 1.2</a>, SSE Thermal comprises the Group's Thermal Generation and Gas Storage activities which were previously reported separately.</p> |
| <b>Energy Customer Solutions</b> | Energy Customer Solutions | <p>The supply of electricity and gas to business customers in Great Britain and the supply of electricity, gas and energy related services to residential and business customers in the Republic of Ireland and Northern Ireland. Activities also include low carbon solutions activity; behind-the-meter funded solar and battery solutions; equity investment in the Source EV joint venture; private electric networks and heat network activities. Revenue earned from the supply of energy is recognised in line with the volume delivered to the customer, based on actual and estimated volumes, and reflecting the applicable customer tariff after deductions or discounts and revenue earned from energy related services may either be recognised over the expected contractual period or following performance of the service, depending on the underlying performance obligation.</p> <p>Following the change in segmental reporting noted at <a href="#">note 1.2</a>, Energy Customer Solutions comprises the Group's SSE Business Energy and SSE Airtricity activities which were previously reported separately.</p>      |
| <b>SSE Energy Markets</b>        | SSE Energy Markets        | The provision of a route to market for the Group's Renewable and Thermal generation businesses and commodity procurement for the Group's energy supply businesses and proprietary trading in line with the Group's stated hedging and risk management policies. Revenue from physical sales of electricity, gas and other commodities is recognised as supplied to either the national settlements body or the customer, based on either the spot price at the time of delivery or trade price where that trade is eligible for "own use" designation. The sale of commodity optimisation trades is presented net in cost of sales alongside purchase commodity optimisation trades.                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 5. Segmental information continued

As referred to in note 3, the internal measure of profit reported to the Group Executive Committee is Adjusted Profit Before Interest and Tax or Adjusted Operating Profit which is arrived at before exceptional items, the impact of financial instruments measured under IFRS 9, share of profits attributable to non-controlling interests, adjustments to the Gas Production decommissioning provision, the impact of depreciation on fair value uplifts and after the removal of taxation and interest on profits from joint ventures and associates.

Analysis of revenue, operating profit, capital expenditure and earnings before interest, taxation, depreciation and amortisation ("EBITDA") by segment is provided on the following pages. Revenue and profit before taxation arise primarily from operations within the UK and Ireland.

#### 5.1 Segmental information disclosure

##### (i) Revenue by segment

|                                           | Reported<br>revenue<br>2026<br>£m | Inter-segment<br>revenue <sup>(i)</sup><br>2026<br>£m | Segment<br>revenue<br>2026<br>£m | (restated <sup>(ii)</sup> )       |                                                       |                                  |
|-------------------------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------|
|                                           |                                   |                                                       |                                  | Reported<br>revenue<br>2025<br>£m | Inter-segment<br>revenue <sup>(i)</sup><br>2025<br>£m | Segment<br>revenue<br>2025<br>£m |
| SSEN Transmission                         | 1,210.3                           | –                                                     | 1,210.3                          | 807.0                             | –                                                     | 807.0                            |
| SSEN Distribution                         | 1,116.5                           | 38.6                                                  | 1,155.1                          | 1,513.6                           | 66.9                                                  | 1,580.5                          |
| SSE Renewables                            | 412.0                             | 1,167.6                                               | 1,579.6                          | 354.9                             | 1,243.8                                               | 1,598.7                          |
| SSE Thermal <sup>(ii)</sup>               | 669.8                             | 4,417.9                                               | 5,087.7                          | 650.6                             | 4,556.7                                               | 5,207.3                          |
| Energy Customer Solutions <sup>(ii)</sup> | 4,704.7                           | 196.5                                                 | 4,901.2                          | 4,601.5                           | 239.3                                                 | 4,840.8                          |
| <i>SSE Energy Markets:</i>                |                                   |                                                       |                                  |                                   |                                                       |                                  |
| <i>Gross trading</i>                      | 18,732.1                          | 5,729.1                                               | 24,461.2                         | 16,542.4                          | 6,074.6                                               | 22,617.0                         |
| <i>Optimisation trades</i>                | (16,797.0)                        | (192.8)                                               | (16,989.8)                       | (14,547.0)                        | 36.8                                                  | (14,510.2)                       |
| SSE Energy Markets                        | 1,935.1                           | 5,536.3                                               | 7,471.4                          | 1,995.4                           | 6,111.4                                               | 8,106.8                          |
| Corporate unallocated                     | 138.1                             | 347.4                                                 | 485.5                            | 208.9                             | 294.5                                                 | 503.4                            |
| <b>Total SSE Group</b>                    | <b>10,186.5</b>                   | <b>11,704.3</b>                                       | <b>21,890.8</b>                  | <b>10,131.9</b>                   | <b>12,512.6</b>                                       | <b>22,644.5</b>                  |

(i) Significant inter-segment revenue is derived from the sale of power and stored gas from SSE Renewables and SSE Thermal to SSE Energy Markets; use of system income received by SSEN Distribution from Energy Customer Solutions; Energy Customer Solutions provides internal heat and light power supplies to other Group companies; SSE Energy Markets provides power, gas and other commodities to Energy Customer Solutions; and Corporate unallocated provides corporate and infrastructure services to all segments as well as third parties. All are provided at arm's length.

(ii) The comparative segment revenue has been restated to combine Gas Storage (2025: £17.6m) and SSE Thermal (2025: £633.0m) into SSE Thermal (2025: £650.6m) and SSE Business Energy (2025: £2,692.4m) and SSE Airtricity (2025: £1,909.1m) into Energy Customer Solutions (2025: £4,601.5m).

##### Disaggregation of revenue

Revenue from contracts with customers can be disaggregated by reported segment, by major service lines and by timing of revenue recognition as follows:

|                           | Revenue from contracts with customers   |                                                 |                                       |                                   |                                                  |                     |                       |                                                     |                                |                 |
|---------------------------|-----------------------------------------|-------------------------------------------------|---------------------------------------|-----------------------------------|--------------------------------------------------|---------------------|-----------------------|-----------------------------------------------------|--------------------------------|-----------------|
|                           | Goods or services transferred over time |                                                 |                                       |                                   | Goods or services transferred at a point in time |                     |                       |                                                     | Other contract revenue 2026 £m | Total 2026 £m   |
|                           | Use of electricity networks 2026 £m     | Supply of energy and ancillary services 2026 £m | Construction related services 2026 £m | Other contracted services 2026 £m | Physical energy 2026 £m                          | Gas storage 2026 £m | Other revenue 2026 £m | Total revenue from contracts with customers 2026 £m |                                |                 |
| SSEN Transmission         | 1,184.9                                 | –                                               | –                                     | 21.3                              | –                                                | –                   | 4.1                   | 1,210.3                                             | –                              | 1,210.3         |
| SSEN Distribution         | 1,040.6                                 | –                                               | –                                     | 18.3                              | –                                                | –                   | 32.4                  | 1,091.3                                             | 25.2                           | 1,116.5         |
| SSE Renewables            | –                                       | 126.3                                           | –                                     | 103.4                             | 179.7                                            | –                   | 2.6                   | 412.0                                               | –                              | 412.0           |
| SSE Thermal               | 22.7                                    | 604.8                                           | 2.8                                   | 6.2                               | –                                                | 15.6                | 16.1                  | 668.2                                               | 1.6                            | 669.8           |
| Energy Customer Solutions | 2.9                                     | 4,626.0                                         | –                                     | –                                 | –                                                | –                   | 75.6                  | 4,704.5                                             | 0.2                            | 4,704.7         |
| SSE Energy Markets        | –                                       | –                                               | –                                     | –                                 | 1,624.3                                          | –                   | 310.8                 | 1,935.1                                             | –                              | 1,935.1         |
| Corporate unallocated     | –                                       | –                                               | –                                     | 122.5                             | –                                                | –                   | 14.4                  | 136.9                                               | 1.2                            | 138.1           |
| <b>Total SSE Group</b>    | <b>2,251.1</b>                          | <b>5,357.1</b>                                  | <b>2.8</b>                            | <b>271.7</b>                      | <b>1,804.0</b>                                   | <b>15.6</b>         | <b>456.0</b>          | <b>10,158.3</b>                                     | <b>28.2</b>                    | <b>10,186.5</b> |



|                                          | (restated <sup>(i)</sup> )              |                                                 |                                       |                                   |                                                  |                     |                       |                                                     |                                |                 |
|------------------------------------------|-----------------------------------------|-------------------------------------------------|---------------------------------------|-----------------------------------|--------------------------------------------------|---------------------|-----------------------|-----------------------------------------------------|--------------------------------|-----------------|
|                                          | Revenue from contracts with customers   |                                                 |                                       |                                   |                                                  |                     |                       |                                                     |                                |                 |
|                                          | Goods or services transferred over time |                                                 |                                       |                                   | Goods or services transferred at a point in time |                     |                       | Total revenue from contracts with customers 2025 £m | Other contract revenue 2025 £m | Total 2025 £m   |
|                                          | Use of electricity networks 2025 £m     | Supply of energy and ancillary services 2025 £m | Construction related services 2025 £m | Other contracted services 2025 £m | Physical energy 2025 £m                          | Gas storage 2025 £m | Other revenue 2025 £m |                                                     |                                |                 |
| SSEN Transmission                        | 783.0                                   | –                                               | –                                     | 21.4                              | –                                                | –                   | 2.6                   | 807.0                                               | –                              | 807.0           |
| SSEN Distribution                        | 1,423.0                                 | –                                               | –                                     | 15.4                              | –                                                | –                   | 21.7                  | 1,460.1                                             | 53.5                           | 1,513.6         |
| SSE Renewables                           | –                                       | 97.1                                            | –                                     | 121.1                             | 134.4                                            | –                   | 2.3                   | 354.9                                               | –                              | 354.9           |
| SSE Thermal <sup>(i)</sup>               | 21.1                                    | 583.3                                           | 2.8                                   | 5.6                               | –                                                | 17.6                | 11.6                  | 642.0                                               | 8.6                            | 650.6           |
| Energy Customer Solutions <sup>(i)</sup> | 1.8                                     | 4,550.6                                         | 0.4                                   | –                                 | –                                                | –                   | 37.4                  | 4,590.2                                             | 11.3                           | 4,601.5         |
| SSE Energy Markets                       | –                                       | –                                               | –                                     | –                                 | 1,815.1                                          | –                   | 180.3                 | 1,995.4                                             | –                              | 1,995.4         |
| Corporate unallocated                    | –                                       | –                                               | –                                     | 187.1                             | –                                                | –                   | 21.8                  | 208.9                                               | –                              | 208.9           |
| <b>Total SSE Group</b>                   | <b>2,228.9</b>                          | <b>5,231.0</b>                                  | <b>3.2</b>                            | <b>350.6</b>                      | <b>1,949.5</b>                                   | <b>17.6</b>         | <b>277.7</b>          | <b>10,058.5</b>                                     | <b>73.4</b>                    | <b>10,131.9</b> |

(i) The comparative has been restated to combine disaggregation of revenue of Gas Storage (2025: £17.6m) and SSE Thermal (2025: £633.0m) into SSE Thermal (2025: £650.6m) and SSE Business Energy (2025: £2,692.4m) and SSE Airtricity (2025: £1,909.1m) into Energy Customer Solutions (2025: £4,601.5m).

Included within trade and other receivables (note 18) is £547.2m (2025: £521.1m) of unbilled energy income. Included within trade and other payables (note 19) is £345.0m (2025: £292.2m) of contract related liabilities. Contract related assets reflect the Group's right to consideration in exchange for goods or services that have transferred to the customer, and contract related liabilities reflect the Group's obligation to transfer future goods or services for which the Group has already received consideration.

The Group has not disclosed information related to the transaction price allocated to remaining performance obligations on the basis that the Group's contracts either have an original expected duration of less than one year, or permit the Group to recognise revenue as invoiced.

Revenue by geographical location is as follows:

|                 | 2026<br>£m      | 2025<br>£m |
|-----------------|-----------------|------------|
| UK              | <b>7,942.9</b>  | 8,490.3    |
| Ireland         | <b>2,237.8</b>  | 1,641.6    |
| Southern Europe | <b>5.8</b>      | –          |
|                 | <b>10,186.5</b> | 10,131.9   |



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 5. Segmental information continued

#### 5.1 Segmental information disclosure continued

##### (ii) Operating profit/(loss) by segment

|                           | 2026                                                          |                                               |                                                      |                                                            |                              |                                                         |                                                  |                |
|---------------------------|---------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------|------------------------------------------------------------|------------------------------|---------------------------------------------------------|--------------------------------------------------|----------------|
|                           | Adjusted operating profit/(loss) reported to the Board APM £m | Depreciation expense on fair value uplifts £m | Joint venture/associate share of interest and tax £m | Adjustments to Gas Production decommissioning provision £m | Non-controlling interests £m | Before exceptional items and certain re-measurements £m | Exceptional items and certain re-measurements £m | Total £m       |
| SSEN Transmission         | 562.6                                                         | –                                             | –                                                    | –                                                          | 187.5                        | 750.1                                                   | –                                                | 750.1          |
| SSEN Distribution         | 335.3                                                         | –                                             | –                                                    | –                                                          | –                            | 335.3                                                   | (38.4)                                           | 296.9          |
| SSE Renewables            | 1,076.4                                                       | (19.6)                                        | (187.9)                                              | –                                                          | (0.3)                        | 868.6                                                   | (143.3)                                          | 725.3          |
| SSE Thermal               | 195.4                                                         | (0.7)                                         | (19.2)                                               | –                                                          | –                            | 175.5                                                   | 67.5                                             | 243.0          |
| Energy Customer Solutions | 136.9                                                         | –                                             | 0.7                                                  | –                                                          | –                            | 137.6                                                   | (1.4)                                            | 136.2          |
| SSE Energy Markets        | 43.2                                                          | –                                             | –                                                    | –                                                          | –                            | 43.2                                                    | (189.0)                                          | (145.8)        |
| Corporate unallocated     | (113.2)                                                       | –                                             | (0.5)                                                | 12.6                                                       | –                            | (101.1)                                                 | (15.7)                                           | (116.8)        |
| <b>Total SSE Group</b>    | <b>2,236.6</b>                                                | <b>(20.3)</b>                                 | <b>(206.9)</b>                                       | <b>12.6</b>                                                | <b>187.2</b>                 | <b>2,209.2</b>                                          | <b>(320.3)</b>                                   | <b>1,888.9</b> |

The Adjusted Operating Profit of the Group is reported after removal of the Group's share of interest, fair value movements on operating derivatives, the depreciation charged on fair value uplifts and tax from joint ventures and associates, adjustments to the Gas Production decommissioning provision, operating profit from non-controlling interests and after adjusting for exceptional items and certain re-measurements (note 7 [🔗](#)).

The Group's share of operating profit from joint ventures and associates has been recognised in the SSE Renewables, SSE Thermal, Energy Customer Solutions and Corporate segments.

|                                          | 2025 (restated <sup>(i)</sup> )                        |                                               |                                                      |                                                            |                              |                                                         |                                                  |                |
|------------------------------------------|--------------------------------------------------------|-----------------------------------------------|------------------------------------------------------|------------------------------------------------------------|------------------------------|---------------------------------------------------------|--------------------------------------------------|----------------|
|                                          | Adjusted operating profit reported to the Board APM £m | Depreciation expense on fair value uplifts £m | Joint venture/associate share of interest and tax £m | Adjustments to Gas Production decommissioning provision £m | Non-controlling interests £m | Before exceptional items and certain re-measurements £m | Exceptional items and certain re-measurements £m | Total £m       |
| SSEN Transmission                        | 322.5                                                  | –                                             | –                                                    | –                                                          | 107.5                        | 430.0                                                   | –                                                | 430.0          |
| SSEN Distribution                        | 736.0                                                  | –                                             | –                                                    | –                                                          | –                            | 736.0                                                   | –                                                | 736.0          |
| SSE Renewables                           | 1,038.8                                                | (19.7)                                        | (155.3)                                              | –                                                          | (0.8)                        | 863.0                                                   | (245.4)                                          | 617.6          |
| SSE Thermal <sup>(i)</sup>               | 211.4                                                  | (0.4)                                         | (6.0)                                                | –                                                          | –                            | 205.0                                                   | (9.7)                                            | 195.3          |
| Energy Customer Solutions <sup>(i)</sup> | 192.1                                                  | –                                             | (0.9)                                                | –                                                          | –                            | 191.2                                                   | (2.0)                                            | 189.2          |
| SSE Energy Markets                       | 30.0                                                   | –                                             | –                                                    | –                                                          | –                            | 30.0                                                    | (72.9)                                           | (42.9)         |
| Corporate unallocated <sup>(i)</sup>     | (111.6)                                                | –                                             | (11.1)                                               | 17.9                                                       | –                            | (104.8)                                                 | (58.2)                                           | (163.0)        |
| <b>Total SSE Group</b>                   | <b>2,419.2</b>                                         | <b>(20.1)</b>                                 | <b>(173.3)</b>                                       | <b>17.9</b>                                                | <b>106.7</b>                 | <b>2,350.4</b>                                          | <b>(388.2)</b>                                   | <b>1,962.2</b> |

(i) The comparative operating profit/(loss) by segment information has been restated to aggregate the adjusted operating result of Gas Storage (2025: £37.1m loss) and SSE Thermal (2025: £248.5m) into SSE Thermal (2025: £211.4m), SSE Business Energy (2025: £32.7m) and SSE Airtricity (2025: £159.4m) into Energy Customer Solutions (2025: £192.1m) and Neos Networks (2025: £22.2m loss) into Corporate unallocated. The reported operating profit by segment has been similarly restated to aggregate Gas Storage (2025: £45.5m loss) and SSE Thermal (2025: £240.8m) into SSE Thermal (2025: £195.3m), SSE Business Energy (2025: £32.2m) and SSE Airtricity (2025: £157.0m) into Energy Customer Solutions (2025: £189.2m) and Neos Networks (2025: £33.3m loss) into Corporate unallocated.

**(iii) Capital and investment expenditure by segment**

|                                                                      | Capital additions<br>to intangible<br>assets<br>2026<br>£m | Capital additions<br>to property,<br>plant and<br>equipment<br>2026<br>£m | Capital additions<br>to intangible<br>assets<br>2025<br>£m<br>(restated <sup>(i)</sup> ) | Capital additions<br>to property,<br>plant and<br>equipment<br>2025<br>£m<br>(restated <sup>(i)</sup> ) |
|----------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| SSEN Transmission                                                    | 31.1                                                       | 2,272.9                                                                   | 20.3                                                                                     | 1,253.8                                                                                                 |
| SSEN Distribution                                                    | 39.8                                                       | 1,012.3                                                                   | 35.8                                                                                     | 743.9                                                                                                   |
| SSE Renewables                                                       | 165.0                                                      | 408.0                                                                     | 291.3                                                                                    | 545.8                                                                                                   |
| SSE Thermal <sup>(i)</sup>                                           | 43.7                                                       | 186.0                                                                     | 56.9                                                                                     | 139.3                                                                                                   |
| Energy Customer Solutions <sup>(i)</sup>                             | 27.9                                                       | 11.5                                                                      | 36.0                                                                                     | 33.5                                                                                                    |
| SSE Energy Markets                                                   | 484.5                                                      | –                                                                         | 585.1                                                                                    | –                                                                                                       |
| Corporate unallocated                                                | 5.2                                                        | 92.8                                                                      | 20.1                                                                                     | 75.2                                                                                                    |
| <b>Total SSE Group</b>                                               | <b>797.2</b>                                               | <b>3,983.5</b>                                                            | <b>1,045.5</b>                                                                           | <b>2,791.5</b>                                                                                          |
| Increase in prepayments related to capital expenditure               | –                                                          | 468.1                                                                     | –                                                                                        | 254.9                                                                                                   |
| Government funded additions                                          | –                                                          | 41.7                                                                      | –                                                                                        | 55.7                                                                                                    |
| Decrease/(increase) in trade payables related to capital expenditure | –                                                          | 3.8                                                                       | –                                                                                        | (122.8)                                                                                                 |
| Customer or third party funded additions                             | –                                                          | (215.7)                                                                   | –                                                                                        | (163.4)                                                                                                 |
| Lease asset additions                                                | –                                                          | (93.3)                                                                    | –                                                                                        | (126.7)                                                                                                 |
| Less non-cash items:                                                 |                                                            |                                                                           |                                                                                          |                                                                                                         |
| Allowances and certificates                                          | (235.9)                                                    | –                                                                         | (335.7)                                                                                  | –                                                                                                       |
| Property, plant and equipment                                        | –                                                          | (41.1)                                                                    | –                                                                                        | –                                                                                                       |
| <b>Net cash outflow</b>                                              | <b>561.3</b>                                               | <b>4,147.0</b>                                                            | <b>709.8</b>                                                                             | <b>2,689.2</b>                                                                                          |

<sup>(i)</sup> The comparatives have been restated to aggregate capital additions to intangible assets of SSE Business Energy (2025: £28.9m) and SSE Airtricity (2025: £7.1m) into Energy Customer Solutions (2025: £36.0m) and capital additions to property, plant and equipment of Gas Storage (2025: £0.7m) and SSE Thermal (2025: £138.6m) into SSE Thermal (2025: £139.3m).

Capital additions do not include assets acquired in acquisitions, assets acquired under leases or assets constructed that the Group were reimbursed by way of a government grant. During the year the Group received reimbursements totalling £41.7m (2025: £55.7m) from government bodies relating to construction of a temporary generation plant at the Group's Tarbert site, which have been presented separately on the cashflow statement. Capital additions to intangible assets includes the cash purchase of emissions allowances and certificates (2026: £264.7m; 2025: £268.0m). These purchases are presented in the cash flow statement within operating activities as they relate to the obligation to surrender the allowances and certificates in line with operating volumes of emissions. Other non-cash additions comprise self-generated renewable obligation certificates and asset additions from the acquisition of a further 50% equity interest in Lenalea Wind Farm DAC, since the acquisition is shown separately in the cashflow statement.

No segmental analysis of assets is required to be disclosed as this information is not presented to the Group Executive Committee.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 5. Segmental information continued

#### 5.1 Segmental information disclosure continued

##### (iii) Capital and investment expenditure by segment continued

| At 31 March 2026          | Capital additions to intangible assets 2026<br>£m | Capital additions to property, plant and equipment 2026<br>£m | Capital investment relating to joint ventures and associates <sup>(i)</sup><br>£m | Allowances and certificates <sup>(ii)</sup><br>£m | Customer funded additions <sup>(iii)</sup><br>£m | Lease asset additions <sup>(iv)</sup><br>£m | Share of non-controlling interests <sup>(v)</sup><br>£m | Adjusted Investment and Capital Expenditure 2026<br>APM<br>£m |
|---------------------------|---------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------|---------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------|
| SSEN Transmission         | 31.1                                              | 2,272.9                                                       | –                                                                                 | –                                                 | –                                                | (13.9)                                      | (572.5)                                                 | 1,717.6                                                       |
| SSEN Distribution         | 39.8                                              | 1,012.3                                                       | –                                                                                 | –                                                 | (199.9)                                          | (0.4)                                       | –                                                       | 851.8                                                         |
| SSE Renewables            | 165.0                                             | 408.0                                                         | 183.5                                                                             | –                                                 | –                                                | (15.5)                                      | (2.0)                                                   | 739.0                                                         |
| SSE Thermal               | 43.7                                              | 186.0                                                         | –                                                                                 | (16.7)                                            | (15.3)                                           | (0.2)                                       | –                                                       | 197.5                                                         |
| Energy Customer Solutions | 27.9                                              | 11.5                                                          | 5.5                                                                               | (9.6)                                             | (0.5)                                            | –                                           | –                                                       | 34.8                                                          |
| SSE Energy Markets        | 484.5                                             | –                                                             | –                                                                                 | (474.3)                                           | –                                                | –                                           | –                                                       | 10.2                                                          |
| Corporate unallocated     | 5.2                                               | 92.8                                                          | –                                                                                 | –                                                 | –                                                | (63.3)                                      | –                                                       | 34.7                                                          |
| <b>Total SSE Group</b>    | <b>797.2</b>                                      | <b>3,983.5</b>                                                | <b>189.0</b>                                                                      | <b>(500.6)</b>                                    | <b>(215.7)</b>                                   | <b>(93.3)</b>                               | <b>(574.5)</b>                                          | <b>3,585.6</b>                                                |

(i) Represents equity or debt funding provided to joint ventures or associates in relation to capital expenditure projects.

(ii) Allowances and certificates consist of purchased carbon emissions allowances and generated or purchased renewable obligations certificates and are not included in the Group's Capital Expenditure and Investment alternative performance measure.

(iii) Represents removal of additions to electricity and other networks funded by customer or third party contributions.

(iv) Represents removal of additions in respect of right of use assets recognised on the commencement date of a lease arrangement.

(v) Represents the share of capital additions attributable to non-controlling interests.

(restated<sup>(i)</sup>)

| At 31 March 2025                         | Capital additions to intangible assets 2025<br>£m | Capital additions to property, plant and equipment 2025<br>£m | Capital investment relating to joint ventures and associates<br>£m | Allowances and certificates<br>£m | Customer funded additions<br>£m | Lease asset additions<br>£m | Share of non-controlling interests<br>£m | Adjusted Investment and Capital Expenditure 2025<br>APM<br>£m |
|------------------------------------------|---------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------|---------------------------------|-----------------------------|------------------------------------------|---------------------------------------------------------------|
| SSEN Transmission                        | 20.3                                              | 1,253.8                                                       | –                                                                  | –                                 | –                               | (2.8)                       | (317.8)                                  | 953.5                                                         |
| SSEN Distribution                        | 35.8                                              | 743.9                                                         | –                                                                  | –                                 | (143.3)                         | (0.6)                       | –                                        | 635.8                                                         |
| SSE Renewables                           | 291.3                                             | 545.8                                                         | 227.8                                                              | –                                 | –                               | (60.1)                      | (3.0)                                    | 1,001.8                                                       |
| SSE Thermal <sup>(i)</sup>               | 56.9                                              | 139.3                                                         | 31.3                                                               | (27.3)                            | (16.2)                          | (0.2)                       | –                                        | 183.8                                                         |
| Energy Customer Solutions <sup>(i)</sup> | 36.0                                              | 33.5                                                          | 15.1                                                               | –                                 | (3.9)                           | (0.7)                       | –                                        | 80.0                                                          |
| SSE Energy Markets                       | 585.1                                             | –                                                             | –                                                                  | (576.4)                           | –                               | –                           | –                                        | 8.7                                                           |
| Corporate unallocated                    | 20.1                                              | 75.2                                                          | 13.8                                                               | –                                 | –                               | (62.3)                      | –                                        | 46.8                                                          |
| <b>Total SSE Group</b>                   | <b>1,045.5</b>                                    | <b>2,791.5</b>                                                | <b>288.0</b>                                                       | <b>(603.7)</b>                    | <b>(163.4)</b>                  | <b>(126.7)</b>              | <b>(320.8)</b>                           | <b>2,910.4</b>                                                |

<sup>(i)</sup> The comparatives have been restated, as noted above for the capital additions to intangible assets and capital additions to property plant and equipment.

**(iv) Items included in operating profit/(loss) by segment**

|                           | Depreciation/impairment on property, plant and equipment |                                       |               | Amortisation/impairment of intangible assets |                             |               |
|---------------------------|----------------------------------------------------------|---------------------------------------|---------------|----------------------------------------------|-----------------------------|---------------|
|                           | Before exceptional charges 2026 £m                       | Exceptional charges/(credits) 2026 £m | Total 2026 £m | Before exceptional charges 2026 £m           | Exceptional charges 2026 £m | Total 2026 £m |
| SSEN Transmission         | 178.6                                                    | –                                     | 178.6         | 11.7                                         | –                           | 11.7          |
| SSEN Distribution         | 220.4                                                    | –                                     | 220.4         | 15.7                                         | –                           | 15.7          |
| SSE Renewables            | 199.7                                                    | 155.8                                 | 355.5         | 16.4                                         | –                           | 16.4          |
| SSE Thermal               | 86.2                                                     | (48.5)                                | 37.7          | 2.8                                          | 4.2                         | 7.0           |
| Energy Customer Solutions | 2.8                                                      | –                                     | 2.8           | 36.3                                         | –                           | 36.3          |
| SSE Energy Markets        | –                                                        | –                                     | –             | 9.2                                          | –                           | 9.2           |
| Corporate unallocated     | 68.7                                                     | –                                     | 68.7          | 30.8                                         | –                           | 30.8          |
| <b>Total SSE Group</b>    | <b>756.4</b>                                             | <b>107.3</b>                          | <b>863.7</b>  | <b>122.9</b>                                 | <b>4.2</b>                  | <b>127.1</b>  |

(restated<sup>(i)</sup>)

|                                          | Depreciation/impairment on property, plant and equipment |                             |               | Amortisation/impairment of intangible assets |                             |               |
|------------------------------------------|----------------------------------------------------------|-----------------------------|---------------|----------------------------------------------|-----------------------------|---------------|
|                                          | Before exceptional charges 2025 £m                       | Exceptional charges 2025 £m | Total 2025 £m | Before exceptional charges 2025 £m           | Exceptional charges 2025 £m | Total 2025 £m |
| SSEN Transmission                        | 142.8                                                    | –                           | 142.8         | 8.3                                          | –                           | 8.3           |
| SSEN Distribution                        | 199.3                                                    | –                           | 199.3         | 14.9                                         | –                           | 14.9          |
| SSE Renewables                           | 184.1                                                    | –                           | 184.1         | 18.6                                         | 249.5                       | 268.1         |
| SSE Thermal <sup>(i)</sup>               | 88.4                                                     | –                           | 88.4          | 2.0                                          | –                           | 2.0           |
| Energy Customer Solutions <sup>(i)</sup> | 3.1                                                      | 0.5                         | 3.6           | 29.1                                         | –                           | 29.1          |
| SSE Energy Markets                       | –                                                        | –                           | –             | 6.8                                          | –                           | 6.8           |
| Corporate unallocated                    | 49.6                                                     | 6.7                         | 56.3          | 29.1                                         | 24.3                        | 53.4          |
| <b>Total SSE Group</b>                   | <b>667.3</b>                                             | <b>7.2</b>                  | <b>674.5</b>  | <b>108.8</b>                                 | <b>273.8</b>                | <b>382.6</b>  |

<sup>(i)</sup> The comparatives have been restated to combine Gas Storage and SSE Thermal into SSE Thermal and SSE Airtricity and SSE Business Energy into Energy Customer Solutions.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 5. Segmental information continued

#### 5.1 Segmental information disclosure continued

##### (v) Earnings before interest, taxation, depreciation and amortisation ("EBITDA")

|                           | Adjusted operating profit/(loss) reported to the Board (note 5.1(ii))<br><b>APM</b><br>2026<br>£m | Depreciation expense on fair value uplifts<br>2026<br>£m | Depreciation/impairment/amortisation before exceptional charges (note 5.1(iv))<br>2026<br>£m | Joint venture/associate share of depreciation and amortisation (note 16.4)<br>2026<br>£m | Release of deferred income (note 6)<br>2026<br>£m | Share of non-controlling interest depreciation and amortisation<br>2026<br>£m | Adjusted EBITDA<br><b>APM</b><br>2026<br>£m |
|---------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------|
| SSEN Transmission         | 562.6                                                                                             | –                                                        | 190.3                                                                                        | –                                                                                        | (2.4)                                             | (47.6)                                                                        | 702.9                                       |
| SSEN Distribution         | 335.3                                                                                             | –                                                        | 236.1                                                                                        | –                                                                                        | (9.3)                                             | –                                                                             | 562.1                                       |
| SSE Renewables            | 1,076.4                                                                                           | (19.6)                                                   | 216.1                                                                                        | 137.0                                                                                    | (0.1)                                             | –                                                                             | 1,409.8                                     |
| SSE Thermal               | 195.4                                                                                             | (0.7)                                                    | 89.0                                                                                         | 34.8                                                                                     | –                                                 | –                                                                             | 318.5                                       |
| Energy Customer Solutions | 136.9                                                                                             | –                                                        | 39.1                                                                                         | 1.2                                                                                      | (0.8)                                             | –                                                                             | 176.4                                       |
| SSE Energy Markets        | 43.2                                                                                              | –                                                        | 9.2                                                                                          | –                                                                                        | –                                                 | –                                                                             | 52.4                                        |
| Corporate unallocated     | (113.2)                                                                                           | –                                                        | 99.5                                                                                         | –                                                                                        | (0.5)                                             | –                                                                             | (14.2)                                      |
| <b>Total SSE Group</b>    | <b>2,236.6</b>                                                                                    | <b>(20.3)</b>                                            | <b>879.3</b>                                                                                 | <b>173.0</b>                                                                             | <b>(13.1)</b>                                     | <b>(47.6)</b>                                                                 | <b>3,207.9</b>                              |

Note that the Group's Net Debt to EBITDA metric is derived after removing the proportionate EBITDA from Beatrice, Seagreen and Dogger Bank A debt-financed joint ventures. This adjustment is £157.4m (2025: £153.3m) resulting in EBITDA for inclusion in the Net Debt to EBITDA metric of £3,050.5m (2025: £3,196.0m).

For 31 March 2026 the £879.3m (2025: £776.1m) combined depreciation, impairment and amortisation charges included non-exceptional impairments net of reversals totalling £12.7m (2025: £20.7m).

(restated<sup>(i)</sup>)

|                                          | Adjusted operating profit/(loss) reported to the Board (note 5.1(ii))<br><b>APM</b><br>2025<br>£m | Depreciation expense on fair value uplifts<br>2025<br>£m | Depreciation/impairment/amortisation before exceptional charges (note 5.1(iv))<br>2025<br>£m | Joint venture/associate share of depreciation and amortisation (note 16.4)<br>2025<br>£m | Release of deferred income (note 6)<br>2025<br>£m | Share of non-controlling interest depreciation and amortisation<br>2025<br>£m | Adjusted EBITDA<br><b>APM</b><br>2025<br>£m |
|------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------|
| SSEN Transmission                        | 322.5                                                                                             | –                                                        | 151.1                                                                                        | –                                                                                        | (2.3)                                             | (37.8)                                                                        | 433.5                                       |
| SSEN Distribution                        | 736.0                                                                                             | –                                                        | 214.2                                                                                        | –                                                                                        | (10.8)                                            | –                                                                             | 939.4                                       |
| SSE Renewables                           | 1,038.8                                                                                           | (19.7)                                                   | 202.7                                                                                        | 132.5                                                                                    | –                                                 | –                                                                             | 1,354.3                                     |
| SSE Thermal <sup>(i)</sup>               | 211.4                                                                                             | (0.4)                                                    | 90.4                                                                                         | 42.9                                                                                     | –                                                 | –                                                                             | 344.3                                       |
| Energy Customer Solutions <sup>(i)</sup> | 192.1                                                                                             | –                                                        | 32.2                                                                                         | 1.3                                                                                      | (0.5)                                             | –                                                                             | 225.1                                       |
| SSE Energy Markets                       | 30.0                                                                                              | –                                                        | 6.8                                                                                          | –                                                                                        | –                                                 | –                                                                             | 36.8                                        |
| Corporate unallocated <sup>(i)</sup>     | (111.6)                                                                                           | –                                                        | 78.7                                                                                         | 49.3                                                                                     | (0.5)                                             | –                                                                             | 15.9                                        |
| <b>Total SSE Group</b>                   | <b>2,419.2</b>                                                                                    | <b>(20.1)</b>                                            | <b>776.1</b>                                                                                 | <b>226.0</b>                                                                             | <b>(14.1)</b>                                     | <b>(37.8)</b>                                                                 | <b>3,349.3</b>                              |

<sup>(i)</sup> The comparatives have been restated to combine the adjusted EBITDA of Gas Storage (2025: £36.3m loss) and SSE Thermal (2025: £380.6m) into SSE Thermal (2025: £344.3m); SSE Business Energy (2025: £58.2m) and SSE Airtricity (2025: £166.9m) into Energy Customers Solutions (2025: £225.1m); and Neos Networks (2025: £27.1m) and Corporate unallocated (2025: £11.2m (loss)) into Corporate unallocated (2025: £15.9m).



## 6. Other operating income and cost

Group operating profit is stated after charging/(crediting) the following items:

|                                                                                              | 2026<br>£m    | 2025<br>£m |
|----------------------------------------------------------------------------------------------|---------------|------------|
| Depreciation of property, plant and equipment <sup>(i)</sup> (note 14)                       | <b>753.0</b>  | 665.6      |
| Exceptional charges (note 7)                                                                 | <b>162.6</b>  | 309.7      |
| Research costs                                                                               | <b>17.7</b>   | 17.2       |
| Lease charges <sup>(ii)</sup>                                                                | <b>14.0</b>   | 14.3       |
| Release of deferred income in relation to capital grants and historic customer contributions | <b>(13.1)</b> | (14.1)     |
| Government grant income <sup>(iii)</sup>                                                     | –             | (59.3)     |
| Gain on disposals (non-exceptional) <sup>(iv)</sup>                                          | <b>(7.3)</b>  | (47.9)     |

(i) Does not include exceptional impairment charges.

(ii) Represents the expense of leases with a duration of twelve months or less and leases for assets which are deemed "low value" under the principles of IFRS 16. In addition, variable lease payments, which are not included within the measurement of lease liabilities as they do not depend on an index or rate, of £17.8m (2025: £9.8m) were charged in the current year.

(iii) During the prior year the Group received £59.3m of income from government funded customer support schemes. All amounts received were passed to the Group's energy customers in the UK and Republic of Ireland. Amounts received were classed as other operating income in line with the Group's accounting policies for government grants.

(iv) There were no significant gains recognised on disposals in the current year (2025: £47.9m gain relating to £38.8m from the sale of land at Ferrybridge, £7.4m from the sale of the gas metering business and £1.7m from investments in associates).

### Auditor's remuneration

|                                                                               | 2026<br>£m | 2025<br>£m |
|-------------------------------------------------------------------------------|------------|------------|
| Audit of these financial statements                                           | <b>0.4</b> | 0.4        |
| Amounts receivable by the Company's auditor and its associates in respect of: |            |            |
| Audit of financial statements of subsidiaries of the Company                  | <b>5.7</b> | 5.3        |
| Audit related assurance services                                              | <b>0.4</b> | 0.3        |
| Other services fees                                                           | <b>0.4</b> | 0.3        |
|                                                                               | <b>6.5</b> | 5.9        |
| Total remuneration paid to auditor                                            | <b>6.9</b> | 6.3        |

Audit fees incurred in the current year include scope changes for non-recurring items and overruns of £0.7m (2025: £0.8m) related to the prior year audit. Assurance and other service fees incurred in the year were £0.8m (2025: £0.6m). Audit related assurance services include fees incurred in relation to regulatory accounts and returns required by Ofgem, comfort letters in connection with funding and debt issuance and ESG assurance. A description of the work of the Audit Committee is set out on [pages 102 to 109](#) and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditors.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 7. Exceptional items and certain re-measurements

|                                                                              | 2026<br>£m     | 2025<br>£m     |
|------------------------------------------------------------------------------|----------------|----------------|
| <b>Exceptional items (note 7.1)</b>                                          |                |                |
| Asset impairments and reversals                                              | (99.7)         | (293.6)        |
| Provisions for restructuring and other liabilities                           | (62.9)         | (16.1)         |
| Net gains on disposals of businesses and other assets                        | –              | 0.3            |
| <b>Total exceptional items</b>                                               | <b>(162.6)</b> | <b>(309.4)</b> |
| <b>Certain re-measurements (note 7.2)</b>                                    |                |                |
| Movement on operating derivatives (note 24)                                  | (152.0)        | (49.0)         |
| Movement in fair value of commodity stocks                                   | 10.4           | (8.4)          |
| Movement on financing derivatives (note 24)                                  | 17.9           | 12.8           |
| Share of movement on derivatives in jointly controlled entities (net of tax) | (16.1)         | (21.1)         |
| <b>Total certain re-measurements</b>                                         | <b>(139.8)</b> | <b>(65.7)</b>  |
| <b>Exceptional items and certain re-measurements before taxation</b>         | <b>(302.4)</b> | <b>(375.1)</b> |
| <b>Taxation</b>                                                              |                |                |
| Taxation on other exceptional items                                          | 39.6           | 29.7           |
| Taxation on certain re-measurements                                          | 16.9           | 4.0            |
| <b>Total taxation on exceptional items and certain re-measurements</b>       | <b>56.5</b>    | <b>33.7</b>    |
| <b>Total exceptional items and certain re-measurements after taxation</b>    | <b>(245.9)</b> | <b>(341.4)</b> |

Exceptional items and certain re-measurements are disclosed across the following categories within the income statement:

|                                                                              | 2026<br>£m     | 2025<br>£m     |
|------------------------------------------------------------------------------|----------------|----------------|
| <b>Cost of sales:</b>                                                        |                |                |
| Movement on operating derivatives (note 24)                                  | (152.0)        | (49.0)         |
| Movement in fair value of commodity stocks                                   | 10.4           | (8.4)          |
|                                                                              | <b>(141.6)</b> | <b>(57.4)</b>  |
| <b>Operating costs:</b>                                                      |                |                |
| Asset impairments and reversals                                              | (99.7)         | (293.6)        |
| Exceptional restructuring provisions and other liabilities                   | (62.9)         | (16.1)         |
|                                                                              | <b>(162.6)</b> | <b>(309.7)</b> |
| <b>Joint ventures and associates:</b>                                        |                |                |
| Share of movement on derivatives in jointly controlled entities (net of tax) | (16.1)         | (21.1)         |
|                                                                              | <b>(16.1)</b>  | <b>(21.1)</b>  |
| <b>Operating loss</b>                                                        | <b>(320.3)</b> | <b>(388.2)</b> |
| <b>Finance income</b>                                                        |                |                |
| Movement on financing derivatives (note 24)                                  | 17.9           | 12.8           |
| Interest income on deferred consideration receipt                            | –              | 0.3            |
|                                                                              | <b>17.9</b>    | <b>13.1</b>    |
| <b>Loss before tax</b>                                                       | <b>(302.4)</b> | <b>(375.1)</b> |

## 7.1 Exceptional items

### Exceptional items in the year ended 31 March 2026

In the year to 31 March 2026, the Group recognised a pre-tax exceptional charge of £162.6m (2025: £309.4m), which is primarily due to exceptional pre-tax impairment charges totalling £155.8m relating the Group's onshore wind farms at Strathy South (£96.0m) and Aberarder (£59.8m); and exceptional Group restructuring costs of £84.7m (including £21.8m of asset impairments). These exceptional costs are partially offset by exceptional pre-tax impairment reversals totalling £77.9m relating to the Group's gas storage assets (£48.5m) and joint venture investment in Triton Power Holdings Limited ("Triton") (£29.4m).

The net exceptional (charges)/credits recognised can be summarised as follows:

|                                                                       | Intangible assets<br>(note 13)<br>£m | Property, plant<br>and equipment<br>(note 14)<br>£m | Joint venture<br>investments<br>(note 16)<br>£m | Other assets/<br>(liabilities)<br>£m | Net (charges)<br>and credits<br>£m |
|-----------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------|-------------------------------------------------|--------------------------------------|------------------------------------|
| Renewables – impairment charges (i)                                   | –                                    | (155.8)                                             | –                                               | –                                    | <b>(155.8)</b>                     |
| Gas Storage – impairment reversal (ii)                                | –                                    | 48.5                                                | –                                               | –                                    | <b>48.5</b>                        |
| Triton Power 50% joint venture – investment impairment reversal (iii) | –                                    | –                                                   | 29.4                                            | –                                    | <b>29.4</b>                        |
| Restructuring costs (iv)                                              | (4.2)                                | –                                                   | (17.6)                                          | (62.9)                               | <b>(84.7)</b>                      |
| <b>Total exceptional items</b>                                        | <b>(4.2)</b>                         | <b>(107.3)</b>                                      | <b>11.8</b>                                     | <b>(62.9)</b>                        | <b>(162.6)</b>                     |

#### i) Renewables – impairment charges

The Group performed formal impairment reviews over the carrying value of its mid-construction onshore wind farm developments at Strathy South and Aberarder (see note 15.2) following grid connection delays notified during the year. As a result of these assessments, the Group recognised exceptional impairment charges of £96.0m to Strathy South and £59.8m to the carrying value of Aberarder.

#### ii) Gas Storage – impairment reversal

At 31 March 2026, the Group performed a formal impairment review of the carrying value of its operational Gas Storage assets due to global commodity market volatility in the period prior to the Group's balance sheet date (see note 15.2). As a result of the assessment, the Group recognised an exceptional impairment reversal of £48.5m to the carrying value of the Group's Gas Storage assets.

#### iii) Triton Power 50% joint venture – investment impairment reversal

The Group recognised an impairment reversal of £29.4m against the carrying value of the Group's investment in Triton Power Holdings Limited, following updates to projected running schedules and future market price assumptions (see note 15.2).

#### iv) Restructuring costs

During the year the Group continued its Group Operating Model and Efficiency Review and related restructuring programmes, resulting in the recognition of exceptional restructuring costs totalling £84.7m. Costs recognised during the year included the impairment of £21.8m of standalone hydrogen production development projects and joint venture investments in SSE Thermal; consultancy fees of £22.0m; £20.9m of IT customisation and integration charges; and £20.0m of redundancy costs. While the wider Group Operating Model and Efficiency Review is now largely complete, the Group will continue to incur exceptional restructuring costs related to the ongoing transformation of SSEN Distribution, which is expected to continue into the 31 March 2028 financial year.

### Exceptional items in the year ended 31 March 2025

#### i) Southern Europe goodwill and development assets – impairment charge

The Group recognised a pre-tax impairment charge of £249.5m against the carrying value of its Southern Europe goodwill and intangible assets, offset by the release of a deferred tax liability of £23.2m.

#### ii) Restructuring costs

Costs of £46.7m in relation to the Group Operating Model and Efficiency Review were recognised during the year ended 31 March 2025. The costs included the impairment of £19.8m of goodwill associated with The Energy Solutions Group Limited; the impairment of £11.1m of stranded IT assets; and £13.8m of redundancy costs.

In addition, the Group recognised further exceptional charges of £13.5m in relation to the ongoing disposal of its non-core Enerveo subsidiary.

#### iii) Other credits

The Group recognised a final exceptional credit of £0.3m relating to the unwind of discounting on deferred consideration recognised on the part disposal of SSE Slough Multifuel Limited in the year ending 31 March 2021.

#### Taxation

The Group has separately recognised the tax effect of the exceptional items summarised above.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 7. Exceptional items and certain re-measurements continued

#### 7.2 Certain re-measurements

The Group, through its SSE Energy Markets business, enters into forward commodity purchase (and sales) contracts to

- meet the future demand requirements of its Energy Customer Solutions businesses,
- optimise the value of its SSE Renewables and SSE Thermal power generation assets, or
- conduct trading subject to the value at risk limits set out by the Energy Markets Risk Committee.

Certain of these contracts (predominately power, gas and other commodity purchase contracts) are determined to be derivative financial instruments under IFRS 9 "Financial Instruments" and therefore are required to be recorded at their fair value. Conversely, commodity contracts that are not financial instruments under IFRS 9 (predominately electricity sales contracts) are accounted for as "own use" contracts and are not recorded at fair value. Inventory held by the SSE Thermal business for optimisation and trading purposes is measured at fair value, with changes in value recognised within "certain re-measurements". In addition, the mark-to-market valuation movements on the Group's CfDs entered into by SSE Renewables that are not designated as government grants, and which are measured as Level 3 fair value financial instruments, are also included within "certain re-measurements".

Changes in the fair value of those commodity contracts designated as financial instruments and trading inventory are therefore reflected in the income statement. The Group recognises the change in the fair value of these forward contracts and trading inventory separately as "certain re-measurements", as the Group does not believe this mark-to-market movement is relevant to the underlying performance of its businesses.

At 31 March 2026, changes in commodity prices and in SSE's contractual positions have resulted in a net mark-to-market re-measurement on commodity contracts designated as financial instruments, contracts for difference contracts and trading inventory of £141.6m (loss) (2025: £57.4m (loss)). The net IFRS 9 position on operating derivatives at 31 March 2026 is a liability of £158.9m (2025: £3.9m liability).

The mark-to-market loss in the year has resulted in a deferred tax credit of £18.5m (2025: £9.3m credit), which has been reported separately as part of certain re-measurements. In addition, the Group has recognised gains of £17.9m (2025: £12.8m gain) on the re-measurement of certain interest rate and foreign exchange contracts through the income statement.

The following mark-to-market losses/gains were recorded in the statement of other comprehensive income:

- £14.2m of losses (2025: £48.1m gain) on the re-measurement of cash flow hedge accounted contracts, and
- £35.0m of losses (2025: £16.7m loss) on the equity share of the re-measurement of cash flow hedge accounted contracts in joint ventures

The re-measurements arising from IFRS 9 together with the associated deferred tax are disclosed separately to aid understanding of the underlying performance of the Group.

### 8. Directors and employees

#### 8.1 Staff costs

|                                                                         | 2026<br>£m | 2025<br>£m |
|-------------------------------------------------------------------------|------------|------------|
| Staff costs:                                                            |            |            |
| Wages and salaries                                                      | 802.2      | 799.6      |
| Social security costs                                                   | 111.7      | 92.4       |
| Share-based remuneration                                                | 29.6       | 24.5       |
| Pension costs (note 23)                                                 | 132.5      | 118.5      |
|                                                                         | 1,076.0    | 1,035.0    |
| Less: capitalised as property, plant and equipment or intangible assets | (353.3)    | (299.1)    |
|                                                                         | 722.7      | 735.9      |

#### 8.2 Employee numbers

|                                             | 2026<br>Number | 2025<br>Number |
|---------------------------------------------|----------------|----------------|
| Numbers employed at 31 March <sup>(i)</sup> | 15,197         | 15,824         |
|                                             | 15,197         | 15,824         |

(i) The number of employees at 31 March 2026 includes 475 employees of Enerveo (2025: 944).



The average number of people employed by the Group (including Executive Directors) during the year was:

|                                   | 2026<br>Number | 2025<br>Number<br>(restated*) |
|-----------------------------------|----------------|-------------------------------|
| SSEN Transmission                 | 2,619          | 2,082                         |
| SSEN Distribution                 | 4,873          | 4,818                         |
| SSE Renewables                    | 1,909          | 2,142                         |
| SSE Thermal                       | 824            | 815                           |
| Energy Customer Solutions         | 2,695          | 2,978                         |
| SSE Energy Markets                | 368            | 349                           |
| Corporate Services <sup>(i)</sup> | 2,250          | 2,443                         |
| <b>Total SSE Group</b>            | <b>15,538</b>  | <b>15,627</b>                 |

\* The comparative has been restated to reallocate 97 average employees from Gas Storage to SSE Thermal and combine 1,977 and 981 average employees in SSE Business Energy and SSE Airtricity respectively in Energy Customers Solutions.

(i) Enerveo employees of 846 (2025: 1,011) continue to be reported within Corporate Services.

### 8.3 Remuneration of key management personnel

The remuneration of the key management personnel of the Group (excluding amounts equivalent to pension value increases as set out in the Remuneration Report), is set out below in aggregate.

|                                           | 2026                                    |                              |             | 2025                                    |                              |             |
|-------------------------------------------|-----------------------------------------|------------------------------|-------------|-----------------------------------------|------------------------------|-------------|
|                                           | Executive<br>committee<br>members<br>£m | Executive<br>directors<br>£m | Total<br>£m | Executive<br>committee<br>members<br>£m | Executive<br>directors<br>£m | Total<br>£m |
| Salaries and short-term employee benefits | 5.7                                     | 4.6                          | 10.3        | 5.1                                     | 5.4                          | 10.5        |
| Social security costs                     | 1.2                                     | 1.0                          | 2.2         | 1.0                                     | 1.0                          | 2.0         |
| Post-employment benefits                  | 0.6                                     | 0.2                          | 0.8         | 0.6                                     | 0.3                          | 0.9         |
| Share-based benefits                      | 2.8                                     | 3.8                          | 6.6         | 2.7                                     | 3.4                          | 6.1         |
|                                           | <b>10.3</b>                             | <b>9.6</b>                   | <b>19.9</b> | <b>9.4</b>                              | <b>10.1</b>                  | <b>19.5</b> |

Key management personnel are responsible for planning, directing and controlling the operations of the Group and are designated Persons Discharging Management Responsibilities ("PDMRs") in line with the market abuse regulation definition. The Group has two (2025: three) Executive Directors. Executive committee members included in the table above at 31 March 2026 are the Managing Director of SSEN Distribution; the Managing Director of SSEN Transmission; the Managing Director of SSE Renewables; the Managing Director of Thermal; the Managing Director of Energy Customer Solutions; the Managing Director of Corporate Affairs, Regulation and Strategy; the Director of Human Resources; the Group's General Counsel, and the Group's Chief Sustainability Officer.

Further information about the remuneration of individual Directors is provided in the audited part of the Remuneration Report.

Information regarding transactions with post-retirement benefit plans is included in [note 23](#) ➤.

Non-Executive Directors were paid fees of £1.5m during the current year (2025: £1.4m).



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 9. Finance income and costs

#### Recognised in income statement

|                                                                                                          | 2026                                                       |                                                     |                | 2025                                                       |                                                     |                |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------|----------------|------------------------------------------------------------|-----------------------------------------------------|----------------|
|                                                                                                          | Before exceptional items and certain re-measurements<br>£m | Exceptional items and certain re-measurements<br>£m | Total<br>£m    | Before exceptional items and certain re-measurements<br>£m | Exceptional items and certain re-measurements<br>£m | Total<br>£m    |
| <b>Finance income:</b>                                                                                   |                                                            |                                                     |                |                                                            |                                                     |                |
| Interest income from short term deposits                                                                 | 46.9                                                       | –                                                   | 46.9           | 24.8                                                       | –                                                   | 24.8           |
| Interest on pension scheme assets <sup>(i)</sup>                                                         | 29.4                                                       | –                                                   | 29.4           | 20.7                                                       | –                                                   | 20.7           |
| Other interest receivable:                                                                               |                                                            |                                                     |                |                                                            |                                                     |                |
| Joint ventures and associates                                                                            | 119.4                                                      | –                                                   | 119.4          | 118.8                                                      | –                                                   | 118.8          |
| Other receivable                                                                                         | 45.2                                                       | –                                                   | 45.2           | 30.5                                                       | 0.3                                                 | 30.8           |
|                                                                                                          | 164.6                                                      | –                                                   | 164.6          | 149.3                                                      | 0.3                                                 | 149.6          |
| <b>Total finance income</b>                                                                              | <b>240.9</b>                                               | <b>–</b>                                            | <b>240.9</b>   | <b>194.8</b>                                               | <b>0.3</b>                                          | <b>195.1</b>   |
| <b>Finance costs:</b>                                                                                    |                                                            |                                                     |                |                                                            |                                                     |                |
| Bank loans and overdrafts                                                                                | (69.7)                                                     | –                                                   | (69.7)         | (61.1)                                                     | –                                                   | (61.1)         |
| Other loans and charges                                                                                  | (362.7)                                                    | –                                                   | (362.7)        | (309.9)                                                    | –                                                   | (309.9)        |
| Notional interest arising on discounted provisions                                                       | (34.3)                                                     | –                                                   | (34.3)         | (27.2)                                                     | –                                                   | (27.2)         |
| Foreign exchange translation of monetary assets and liabilities                                          | (4.4)                                                      | –                                                   | (4.4)          | (0.2)                                                      | –                                                   | (0.2)          |
| Lease charges                                                                                            | (24.1)                                                     | –                                                   | (24.1)         | (26.9)                                                     | –                                                   | (26.9)         |
| Less: interest capitalised <sup>(ii)</sup>                                                               | 184.8                                                      | –                                                   | 184.8          | 106.1                                                      | –                                                   | 106.1          |
| <b>Total finance costs</b>                                                                               | <b>(310.4)</b>                                             | <b>–</b>                                            | <b>(310.4)</b> | <b>(319.2)</b>                                             | <b>–</b>                                            | <b>(319.2)</b> |
| Changes in fair value of financing derivative assets or liabilities at fair value through profit or loss | –                                                          | 17.9                                                | 17.9           | –                                                          | 12.8                                                | 12.8           |
| <b>Net finance costs</b>                                                                                 | <b>(69.5)</b>                                              | <b>17.9</b>                                         | <b>(51.6)</b>  | <b>(124.4)</b>                                             | <b>13.1</b>                                         | <b>(111.3)</b> |
| Presented as:                                                                                            |                                                            |                                                     |                |                                                            |                                                     |                |
| Finance income                                                                                           | 240.9                                                      | 17.9                                                | 258.8          | 194.8                                                      | 13.1                                                | 207.9          |
| Finance costs                                                                                            | (310.4)                                                    | –                                                   | (310.4)        | (319.2)                                                    | –                                                   | (319.2)        |
| <b>Net finance costs</b>                                                                                 | <b>(69.5)</b>                                              | <b>17.9</b>                                         | <b>(51.6)</b>  | <b>(124.4)</b>                                             | <b>13.1</b>                                         | <b>(111.3)</b> |

(i) The interest income on net pension assets for the year ended 31 March 2026 of £29.4m (2025: £20.7m) represents the interest earned on the Group's net retirement benefits assets.

(ii) The capitalisation rate applied in determining the amount of borrowing costs to capitalise in the year was 4.29% (2025: 4.12%).

Adjusted Net Finance Costs are arrived at after the following adjustments:

|                                                                                            | 2026<br>£m     | 2025<br>£m<br>(restated*) |
|--------------------------------------------------------------------------------------------|----------------|---------------------------|
| Net finance costs                                                                          | (51.6)         | (111.3)                   |
| (Add)/less:                                                                                |                |                           |
| Share of interest from joint ventures and associates                                       | (155.7)        | (164.3)                   |
| Movement on financing derivatives (note 24)                                                | (17.9)         | (12.8)                    |
| Exceptional item                                                                           | –              | (0.3)                     |
| Share of net finance cost attributable to non-controlling interests                        | 13.4           | 14.0                      |
| <b>Adjusted Net Finance Costs APM</b>                                                      | <b>(211.8)</b> | <b>(274.7)</b>            |
| Notional interest arising on discounted provisions                                         | 34.3           | 27.2                      |
| Lease charges                                                                              | 24.1           | 26.9                      |
| Hybrid coupon payment (note 22.5(iii))                                                     | (72.9)         | (73.7)                    |
| Finance costs incurred by non-controlled interests on debt instruments provided by SSE plc | (8.0)          | (6.3)                     |
| <b>Adjusted Net Finance Costs for interest cover calculations APM</b>                      | <b>(234.3)</b> | <b>(300.6)</b>            |

\* The comparatives have been restated. See note 1.2.

#### Recognised in other comprehensive income

|                                                                                                 | 2026<br>£m    | 2025<br>£m  |
|-------------------------------------------------------------------------------------------------|---------------|-------------|
| (Loss)/gain on effective portion of cash flow hedges (before tax)                               | (14.2)        | 48.1        |
| Share of joint venture and associate loss on effective portion of cash flow hedges (before tax) | (46.7)        | (22.3)      |
| <b>Total recognised in other comprehensive income</b>                                           | <b>(60.9)</b> | <b>25.8</b> |



## 10. Taxation

### 10.1 Analysis of charge recognised in the income statement

|                                          | 2026                                                    |                                                  |              | 2025                                                    |                                                  |          |
|------------------------------------------|---------------------------------------------------------|--------------------------------------------------|--------------|---------------------------------------------------------|--------------------------------------------------|----------|
|                                          | Before exceptional items and certain re-measurements £m | Exceptional items and certain re-measurements £m | Total £m     | Before exceptional items and certain re-measurements £m | Exceptional items and certain re-measurements £m | Total £m |
| <b>Current tax</b>                       |                                                         |                                                  |              |                                                         |                                                  |          |
| Corporation tax                          | 141.8                                                   | (33.2)                                           | 108.6        | 247.3                                                   | (5.3)                                            | 242.0    |
| Adjustments in respect of previous years | (11.2)                                                  | –                                                | (11.2)       | (8.3)                                                   | –                                                | (8.3)    |
| <b>Total current tax</b>                 | <b>130.6</b>                                            | <b>(33.2)</b>                                    | <b>97.4</b>  | 239.0                                                   | (5.3)                                            | 233.7    |
| <b>Deferred tax</b>                      |                                                         |                                                  |              |                                                         |                                                  |          |
| Current year                             | 345.3                                                   | (23.3)                                           | 322.0        | 293.6                                                   | (28.4)                                           | 265.2    |
| Adjustments in respect of previous years | 6.3                                                     | –                                                | 6.3          | 19.1                                                    | –                                                | 19.1     |
| <b>Total deferred tax</b>                | <b>351.6</b>                                            | <b>(23.3)</b>                                    | <b>328.3</b> | 312.7                                                   | (28.4)                                           | 284.3    |
| <b>Total taxation charge/(credit)</b>    | <b>482.2</b>                                            | <b>(56.5)</b>                                    | <b>425.7</b> | 551.7                                                   | (33.7)                                           | 518.0    |

The Group has separately recognised the tax effect of the exceptional items and certain re-measurements summarised above.

SSE continues to be accredited with the Fair Tax Mark. As a result, these financial statements include several areas of enhanced disclosure which have been provided in order to develop stakeholder understanding of the tax the Group pays and the reported total taxation charge along with additional commentary on the main reconciling items.

These can be seen at [section A2](#) .

The majority of the Group's profits are earned in the UK, with the standard rate of UK corporation tax being 25% for the year to 31 March 2026 (2025: 25%). Profits earned by the Group in the Republic of Ireland are taxable at either 12.5% or 25%, depending upon the nature of the income. While the Group has activities in other jurisdictions outside of the UK and Republic of Ireland, tax paid on those development activities is currently immaterial.

#### Change in UK corporation tax rates

There are no announced or enacted changes in corporation tax rates in the year ended 31 March 2026.

Finance Act (No.2) 2023 introduced legislation in respect of Multinational Top-up Tax in line with OECD BEPS Pillar Two principles. Similar draft legislation has been introduced in the Republic of Ireland and other EU jurisdictions. The Group has carried out a group wide tax rate review, in line with the BEPS Pillar Two Legislation and guidance, and has found there is no material impact as tax rates in the countries in which the Group operates exceed 15%. The Group has applied the exemption from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as required by the amendments to IAS 12 "International Tax Reform – Pillar Two Model Rules", which were issued in May 2023.

The Adjusted Current Tax Charge and the adjusted effective rate of tax, which are presented in order to best represent underlying performance by making similar adjustments to the adjusted profit before tax measure, are arrived at after the following adjustments:

|                                                                  | 2026<br>£m   | 2026<br>%  | 2025<br>£m<br>(restated*) | 2025<br>% |
|------------------------------------------------------------------|--------------|------------|---------------------------|-----------|
| Group tax charge and effective rate                              | 425.7        | 24.3       | 518.0                     | 29.4      |
| Add: reported deferred tax charge and effective rate             | (328.3)      | (18.8)     | (284.3)                   | (16.1)    |
| Reported current tax charge and effective rate                   | 97.4         | 5.5        | 233.7                     | 13.3      |
| Effect of adjusting items                                        |              | (0.7)      |                           | (2.4)     |
| Reported current tax charge and effective rate on adjusted basis | 97.4         | 4.8        | 233.7                     | 10.9      |
| Add:                                                             |              |            |                           |           |
| Share of current tax from joint ventures and associates          | 48.6         | 2.5        | 45.1                      | 2.2       |
| Current tax credit on exceptional items                          | 33.2         | 1.6        | 5.3                       | 0.2       |
| Share of current tax attributable to non-controlling interests   | 14.2         | 0.7        | 13.8                      | 0.6       |
| <b>Adjusted Current Tax Charge and effective rate APM</b>        | <b>193.4</b> | <b>9.6</b> | 297.9                     | 13.9      |

\* The comparatives have been restated. See note 1.2.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 10. Taxation continued

#### 10.1 Analysis of charge recognised in the income statement continued

Tax (credit)/charge recognised in other comprehensive income:

|                                              | 2026<br>£m | 2025<br>£m |
|----------------------------------------------|------------|------------|
| Relating to:                                 |            |            |
| Pension scheme actuarial movements           | (20.1)     | 13.2       |
| Cash flow and net investment hedge movements | (3.8)      | 11.3       |
|                                              | (23.9)     | 24.5       |

All tax recognised through other comprehensive income is deferred tax.

See further Taxation disclosures at A2 [▶](#).

#### 10.2 Deferred taxation

The following are the deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting periods:

|                                                               | Accelerated<br>capital<br>allowances<br>£m | Fair value<br>gains/(losses) on<br>derivatives<br>£m | Retirement<br>benefit<br>obligations<br>£m | Decommissioning<br>liabilities<br>£m | Other<br>£m  | Total<br>£m    |
|---------------------------------------------------------------|--------------------------------------------|------------------------------------------------------|--------------------------------------------|--------------------------------------|--------------|----------------|
| At 31 March 2024                                              | 1,479.3                                    | 33.5                                                 | 105.4                                      | (79.5)                               | (1.9)        | 1,536.8        |
| Charge/(credit) to income statement                           | 306.0                                      | (5.0)                                                | 8.0                                        | 3.7                                  | (28.4)       | 284.3          |
| Transfer of deferred tax on derivatives                       | –                                          | (18.3)                                               | –                                          | –                                    | 18.3         | –              |
| Decommissioning asset and liability presentation under IAS 12 | –                                          | –                                                    | –                                          | (17.2)                               | 17.2         | –              |
| Charge to other comprehensive income                          | –                                          | 11.3                                                 | 13.2                                       | –                                    | –            | 24.5           |
| Charge to equity                                              | –                                          | –                                                    | –                                          | –                                    | 2.2          | 2.2            |
| Exchange adjustment                                           | (3.3)                                      | –                                                    | –                                          | –                                    | –            | (3.3)          |
| At 31 March 2025                                              | 1,782.0                                    | 21.5                                                 | 126.6                                      | (93.0)                               | 7.4          | 1,844.5        |
| <b>Charge/(credit) to income statement</b>                    | <b>347.5</b>                               | <b>(14.0)</b>                                        | <b>10.0</b>                                | <b>(9.4)</b>                         | <b>(5.8)</b> | <b>328.3</b>   |
| <b>Credit to other comprehensive income</b>                   | <b>–</b>                                   | <b>(3.8)</b>                                         | <b>(20.1)</b>                              | <b>–</b>                             | <b>–</b>     | <b>(23.9)</b>  |
| <b>Charge to equity</b>                                       | <b>–</b>                                   | <b>–</b>                                             | <b>–</b>                                   | <b>–</b>                             | <b>(9.1)</b> | <b>(9.1)</b>   |
| <b>Exchange adjustment</b>                                    | <b>1.5</b>                                 | <b>–</b>                                             | <b>–</b>                                   | <b>–</b>                             | <b>0.2</b>   | <b>1.7</b>     |
| <b>At 31 March 2026</b>                                       | <b>2,131.0</b>                             | <b>3.7</b>                                           | <b>116.5</b>                               | <b>(102.4)</b>                       | <b>(7.3)</b> | <b>2,141.5</b> |

Certain deferred tax assets and liabilities have been offset, including the asset balances analysed in the tables above. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

|                              | 2026<br>£m | 2025<br>£m |
|------------------------------|------------|------------|
| Deferred tax liabilities     | 2,303.6    | 2,000.9    |
| Deferred tax assets          | (162.1)    | (156.4)    |
| Net deferred tax liabilities | 2,141.5    | 1,844.5    |

In total there are £62.0m (2025: £20.6m) of unrecognised deferred tax assets. The Group has not recognised a deferred tax asset of £5.6m (2025: £2.9m) on trading losses of £45.1m (2025: £23.7m) in the Republic of Ireland. The Group has not recognised deferred tax assets of £56.4m (2025: £17.7m) in respect of losses of £233.3m (2025: £74.6m) primarily in Spain and Japan. These assets have not been recognised as the Group is uncertain that there will be sufficient future profits against which to utilise the assets. There are no impending time limits for expiry of the losses or allowances to which they relate.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries, associates and joint ventures. As the earnings are continually reinvested by the Group, no tax is expected to be payable on them in the foreseeable future. Total unremitted earnings at 31 March 2026 were £1,167.8m (2025: £971.1m).



## 11. Dividends and earnings per share

### 11.1 Ordinary dividends

|                                    | 2026 Total<br>£m | Settled via<br>scrip<br>£m | Pence per<br>ordinary<br>share | 2025 Total<br>£m | Settled via<br>scrip<br>£m | Pence per<br>ordinary<br>share |
|------------------------------------|------------------|----------------------------|--------------------------------|------------------|----------------------------|--------------------------------|
| Interim – year ended 31 March 2026 | 258.3            | 107.7                      | 21.4                           | –                | –                          | –                              |
| Final – year ended 31 March 2025   | 475.8            | 25.3                       | 43.0                           | –                | –                          | –                              |
| Interim – year ended 31 March 2025 | –                | –                          | –                              | 233.7            | 43.4                       | 21.2                           |
| Final – year ended 31 March 2024   | –                | –                          | –                              | 437.3            | 225.5                      | 40.0                           |
|                                    | 734.1            | 133.0                      |                                | 671.0            | 268.9                      |                                |

The final dividend of 43.0p per ordinary share declared in respect of the financial year ended 31 March 2025 (2024: 40.0p) was approved at the Annual General Meeting on 17 July 2025 and was paid to shareholders on 18 September 2025. Shareholders were able to elect to receive ordinary shares credited as fully paid instead of the cash dividend under the terms of the Company's scrip dividend scheme.

The scrip dividend scheme allows investors the option to receive ordinary shares for every cash dividend entitlement where offered. Where the scrip take-up exceeds 25% of the full year dividend in any given year, the Group's policy is to repurchase shares to reduce the dilutive effects to a maximum of 25%. This policy is expected to be extended for the years to 31 March 2030 subject to shareholder approval at the Group's 2026 Annual General Meeting. The scrip dividend take-up for the prior financial year was 9.7%, which was below the 25.0% required by the share buyback programme, therefore no share buybacks occurred during the current year. In the year ended 31 March 2025 3.8m shares were repurchased for total consideration of £71.7m (including stamp duty and commission).

An interim dividend of 21.4p per ordinary share (2025: 21.2p) was declared and paid on 30 January 2026 to those shareholders on the SSE plc share register on 5 December 2025. Shareholders were able to elect to receive ordinary shares credited as fully paid instead of the interim cash dividend under the terms of the Company's scrip dividend scheme.

The proposed final dividend of 47.3p per ordinary share based on the number of issued ordinary shares at 31 March 2026 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Based on shares in issue at 31 March 2026, this would equate to a final dividend of £574.9m.

### 11.2 Basic and Adjusted Earnings Per Share

The calculation of basic earnings per ordinary share at 31 March 2026 is based on the net profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the year ended 31 March 2026.

Adjusted Earnings Per Share has been calculated by excluding the charge for deferred tax, retained Gas Production decommissioning costs, the depreciation charged on fair value uplifts, the share of profit attributable to non-controlling interests and the impact of exceptional items and certain re-measurements (note 7 ●).

|                                                                                            | 2026           | 2026                           | 2025                          | 2025                                          |
|--------------------------------------------------------------------------------------------|----------------|--------------------------------|-------------------------------|-----------------------------------------------|
|                                                                                            | Earnings<br>£m | Earnings<br>per share<br>pence | Earnings<br>£m<br>(restated*) | Earnings per<br>share<br>pence<br>(restated*) |
| <b>Basic earnings attributable to ordinary shareholders used to calculate Adjusted EPS</b> | <b>1,208.7</b> | <b>105.5</b>                   | 1,189.4                       | 108.2                                         |
| Exceptional items and certain re-measurements attributable to ordinary shareholders        | 247.8          | 21.6                           | 341.4                         | 31.1                                          |
| <b>Basic excluding exceptional items and certain re-measurements</b>                       | <b>1,456.5</b> | <b>127.1</b>                   | 1,530.8                       | 139.3                                         |
| Adjusted for:                                                                              |                |                                |                               |                                               |
| Decommissioning Gas Production                                                             | (12.6)         | (1.1)                          | (17.9)                        | (1.6)                                         |
| Depreciation charge on fair value uplifts                                                  | 20.3           | 1.8                            | 20.1                          | 1.8                                           |
| Deferred tax (note 10.1)                                                                   | 351.6          | 30.7                           | 312.7                         | 28.4                                          |
| Deferred tax from share of joint ventures and associates                                   | 2.6            | 0.2                            | (36.1)                        | (3.2)                                         |
| Deferred tax on non-controlling interest                                                   | (64.5)         | (5.7)                          | (41.5)                        | (3.8)                                         |
| Interest attributable to non-controlling interest holders, net of tax                      | 4.6            | 0.5                            | 4.8                           | 0.4                                           |
| <b>Adjusted APM</b>                                                                        | <b>1,758.5</b> | <b>153.5</b>                   | 1,772.9                       | 161.3                                         |

\* The comparatives have been restated. See note 1.2.

### Reported earnings per share

|                                              | 2026           | 2026                           | 2025           | 2025                           |
|----------------------------------------------|----------------|--------------------------------|----------------|--------------------------------|
|                                              | Earnings<br>£m | Earnings<br>per share<br>pence | Earnings<br>£m | Earnings per<br>share<br>pence |
| <b>Basic</b>                                 | <b>1,208.7</b> | <b>105.5</b>                   | 1,189.4        | 108.2                          |
| Dilutive effect of outstanding share options | –              | (0.1)                          | –              | (0.1)                          |
| <b>Diluted</b>                               | <b>1,208.7</b> | <b>105.4</b>                   | 1,189.4        | 108.1                          |



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 11. Dividends and earnings per share continued

#### 11.2 Basic and Adjusted Earnings Per Share continued

The weighted average number of shares used in each calculation is as follows:

|                                           | 31 March<br>2026<br>Number of<br>shares<br>(millions) | 31 March<br>2025<br>Number of<br>shares<br>(millions) |
|-------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| For basic and Adjusted Earnings Per Share | 1,145.4                                               | 1,099.2                                               |
| Effect of exercise of share options       | 1.8                                                   | 1.1                                                   |
| For diluted earnings per share            | 1,147.2                                               | 1,100.3                                               |

#### 11.3 Dividend cover

The Group's adjusted dividend cover metric is calculated by comparing Adjusted Earnings Per Share to the projected dividend per share payable to ordinary shareholders.

|                                                    | 2026<br>Earnings per<br>share<br>(pence) | 2026<br>Dividend per<br>share<br>(pence) | 2026<br>Dividend cover<br>(times) | 2025<br>Earnings per<br>share<br>(pence) | 2025<br>Dividend per<br>share<br>(pence) | 2025<br>Dividend cover<br>(times) |
|----------------------------------------------------|------------------------------------------|------------------------------------------|-----------------------------------|------------------------------------------|------------------------------------------|-----------------------------------|
| Reported earnings per share                        | 105.5                                    | 68.7                                     | 1.54                              | 108.2                                    | 64.2                                     | 1.69                              |
| Adjusted Earnings Per Share <b>APM</b> (restated*) | 153.5                                    | 68.7                                     | 2.23                              | 161.3                                    | 64.2                                     | 2.51                              |

\* The comparatives have been restated. See note 1.2.

### 12. Acquisitions and disposals

#### 12.1 Acquisitions

##### Current year acquisitions

There have been no significant acquisitions in the current year.

##### Prior year acquisitions

During the year ended 31 March 2025, the Group made small asset acquisitions (of special purpose vehicles as opposed to businesses) for cash consideration of £17.1m.

#### 12.2 Disposals

##### Current and prior year disposals

There have been no significant disposals in the current and prior year.

#### 12.3 Held for sale assets and liabilities

During the year ended 31 March 2026, the Group commenced a process to divest its renewable platform in France and a solar development asset in Greece. The Group has assessed that these divestments meet the held for sale IFRS 5 definition and accordingly the below associated assets and liabilities are presented as held for sale:

|                               | 31 March<br>2026<br>£m |
|-------------------------------|------------------------|
| Property, plant and equipment | 34.1                   |
| Intangible assets             | 8.3                    |
| Inventories                   | 0.4                    |
| Trade and other receivables   | 3.5                    |
| <b>Total assets</b>           | <b>46.3</b>            |
| Trade and other payables      | (0.2)                  |
| Provisions                    | (1.3)                  |
| Loans and other borrowings    | (1.5)                  |
| <b>Total liabilities</b>      | <b>(3.0)</b>           |
| <b>Net assets</b>             | <b>43.3</b>            |

The aggregate pre-tax profit contribution of the held for sale businesses in the year to 31 March 2026 was a profit of £1.0m. There are no accumulated gains or losses recognised in other comprehensive income related to assets and liabilities held for sale.



## 13. Intangible assets

|                                                           | Goodwill<br>£m | Allowances and<br>certificates<br>£m | Development<br>assets<br>£m | Software<br>and other<br>intangible assets<br>£m | Total<br>£m    |
|-----------------------------------------------------------|----------------|--------------------------------------|-----------------------------|--------------------------------------------------|----------------|
| <b>Cost:</b>                                              |                |                                      |                             |                                                  |                |
| At 31 March 2024                                          | 1,130.6        | 982.2                                | 990.6                       | 1,370.1                                          | 4,473.5        |
| Additions                                                 | –              | 603.7                                | 307.1                       | 134.7                                            | 1,045.5        |
| Transfer (to)/from property plant and equipment (note 14) | –              | –                                    | (170.0)                     | 3.1                                              | (166.9)        |
| Disposals/utilised                                        | (0.5)          | (965.6)                              | (22.1)                      | (25.6)                                           | (1,013.8)      |
| Exchange adjustments                                      | (13.9)         | (0.1)                                | (8.8)                       | 2.2                                              | (20.6)         |
| At 31 March 2025                                          | 1,116.2        | 620.2                                | 1,096.8                     | 1,484.5                                          | 4,317.7        |
| <b>Additions</b>                                          | <b>–</b>       | <b>500.6</b>                         | <b>178.3</b>                | <b>118.3</b>                                     | <b>797.2</b>   |
| <b>Transfer to property plant and equipment (note 14)</b> | <b>–</b>       | <b>–</b>                             | <b>(59.6)</b>               | <b>(8.9)</b>                                     | <b>(68.5)</b>  |
| <b>Disposals/utilised</b>                                 | <b>–</b>       | <b>(366.0)</b>                       | <b>(22.7)</b>               | <b>(12.2)</b>                                    | <b>(400.9)</b> |
| <b>Transfer to asset held for sale (note 12)</b>          | <b>–</b>       | <b>–</b>                             | <b>(10.2)</b>               | <b>–</b>                                         | <b>(10.2)</b>  |
| <b>Exchange adjustments</b>                               | <b>11.2</b>    | <b>–</b>                             | <b>6.9</b>                  | <b>1.6</b>                                       | <b>19.7</b>    |
| At 31 March 2026                                          | 1,127.4        | 754.8                                | 1,189.5                     | 1,583.3                                          | 4,655.0        |
| <b>Aggregate amortisation and impairment:</b>             |                |                                      |                             |                                                  |                |
| At 31 March 2024                                          | (192.9)        | (227.5)                              | (171.4)                     | (802.4)                                          | (1,394.2)      |
| Charge for the year                                       | –              | –                                    | –                           | (89.8)                                           | (89.8)         |
| Disposals/utilised                                        | –              | –                                    | –                           | 21.3                                             | 21.3           |
| Exceptional impairment charge                             | (195.2)        | –                                    | (74.8)                      | (3.8)                                            | (273.8)        |
| Non-exceptional impairment charge                         | –              | –                                    | (10.9)                      | (8.1)                                            | (19.0)         |
| Exchange adjustments                                      | (0.4)          | –                                    | (0.3)                       | 1.7                                              | 1.0            |
| At 31 March 2025                                          | (388.5)        | (227.5)                              | (257.4)                     | (881.1)                                          | (1,754.5)      |
| <b>Charge for the year</b>                                | <b>–</b>       | <b>–</b>                             | <b>–</b>                    | <b>(113.6)</b>                                   | <b>(113.6)</b> |
| <b>Disposals/utilised</b>                                 | <b>–</b>       | <b>–</b>                             | <b>–</b>                    | <b>1.9</b>                                       | <b>1.9</b>     |
| <b>Exceptional impairment charge<sup>(i)</sup></b>        | <b>–</b>       | <b>–</b>                             | <b>(4.2)</b>                | <b>–</b>                                         | <b>(4.2)</b>   |
| <b>Non-exceptional impairment charge<sup>(ii)</sup></b>   | <b>–</b>       | <b>–</b>                             | <b>(6.3)</b>                | <b>(3.0)</b>                                     | <b>(9.3)</b>   |
| <b>Transfer to asset held for sale (note 12)</b>          | <b>–</b>       | <b>–</b>                             | <b>1.9</b>                  | <b>–</b>                                         | <b>1.9</b>     |
| <b>Exchange adjustments</b>                               | <b>(0.8)</b>   | <b>–</b>                             | <b>–</b>                    | <b>–</b>                                         | <b>(0.8)</b>   |
| At 31 March 2026                                          | (389.3)        | (227.5)                              | (266.0)                     | (995.8)                                          | (1,878.6)      |
| <b>Carrying amount:</b>                                   |                |                                      |                             |                                                  |                |
| At 31 March 2026                                          | 738.1          | 527.3                                | 923.5                       | 587.5                                            | 2,776.4        |
| At 31 March 2025                                          | 727.7          | 392.7                                | 839.4                       | 603.4                                            | 2,563.2        |
| At 1 April 2024                                           | 937.7          | 754.7                                | 819.2                       | 567.7                                            | 3,079.3        |

(i) The exceptional impairment charge recognised during the current year primarily relates to the impairment of assets associated with standalone hydrogen production development projects in SSE Thermal.

(ii) The non-exceptional impairments in both years relate to assets where future development became uncertain or untenable in the year. The impairment of these items does not meet the Group's definition of an exceptional item, therefore they are included in the adjusted and reported results of the Group.

Intangible assets have been analysed as current and non-current as follows:

|                    | 2026<br>£m     | 2025<br>£m |
|--------------------|----------------|------------|
| <b>Current</b>     | <b>527.3</b>   | 392.7      |
| <b>Non-current</b> | <b>2,249.1</b> | 2,170.5    |
|                    | <b>2,776.4</b> | 2,563.2    |



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 13. Intangible assets continued

#### (i) Goodwill

At inception, goodwill arising from business combinations is allocated to cash-generating units (CGUs) or groups of CGUs for impairment testing purposes. Certain goodwill valuations have changed in the current year following retranslation. Commentary on the impairment testing of the related CGUs, with the exception of two historic balances totalling £20.1m, is included in [note 15](#).

A summary of the goodwill allocated to CGUs and the Group's operating segments is presented below:

| CGU group                            | Operating Segment         | 2026<br>£m | 2025<br>£m |
|--------------------------------------|---------------------------|------------|------------|
| Great Britain and Ireland wind farms | SSE Renewables            | 291.8      | 287.0      |
| SSE Pacifico <sup>1</sup>            | SSE Renewables            | 182.9      | 187.3      |
| SSE Southern Europe <sup>2</sup>     | SSE Renewables            | 243.3      | 233.3      |
| Energy Solutions <sup>3</sup>        | Energy Customer Solutions | 11.9       | 11.9       |
| Ireland Supply <sup>4</sup>          | Energy Customer Solutions | 8.2        | 8.2        |
|                                      |                           | 738.1      | 727.7      |

1 Relates to the acquisition on 29 October 2021 of an 80% equity interest in the Group's Japanese offshore wind development platform.

2 The SSE Southern Europe CGU relates to the acquisition on 1 September 2022 of the Group's renewable platform in Spain, France, Greece and Italy.

3 Energy Solutions is the remaining goodwill that arose on the acquisition of The Energy Solutions Group Limited.

4 The value associated with the Ireland supply goodwill represents the difference between the fair value attributed to the Northern Ireland based Phoenix Energy business acquired in 2012 and the book value of those assets.

#### (ii) Allowances and certificates

Allowances and certificates consist of purchased carbon emissions allowances and generated or purchased renewable obligations certificates ("ROCs"). These allowances and certificates will be utilised in settlement of environmental obligations incurred by the Group's SSE Thermal and Energy Customer Solutions supply business and are therefore distinct from allowances and certificates held in excess of the Group's environmental obligations which are recorded within inventories.

#### (iii) Development assets

Development costs primarily relate to the design, construction and testing of Thermal, Renewable and Solar and Battery assets, which the Group believes will generate probable future economic benefits. Costs capitalised as development intangibles include options over land rights, planning application costs, environmental impact studies and other costs incurred in bringing wind farms and other development projects to the consented stage. These may be costs incurred directly or at a cost as part of the fair value attribution on acquisition.

At the point the development reaches the consent stage and is approved for construction, the carrying value is transferred to property, plant and equipment ([note 14](#)). At the point a project is no longer expected to reach the consented stage, the carrying amount of the project is impaired. During the year the Group has recognised exceptional impairment charges of £4.2m (2025: £74.8m) in relation to standalone hydrogen production development projects in SSE Thermal ([note 7](#)) and £6.3m (2025: £10.9m) of non-exceptional impairment charges relating to projects that are not expected to reach the construction phase.

#### (iv) Software assets

Software assets include application software license fees, software development work, software upgrades and purchased PC software packages. The Group also has a number of contracts for Software as a Service ("SaaS") and Platform as a Service ("PaaS") Cloud Computing Arrangements which permit access to vendor-hosted software and platform services over the term of the arrangement. Where the Group does not control the underlying assets in these arrangements, costs are expensed as incurred. The Group also incurs implementation costs in respect of these contracts. Implementation costs are capitalised as intangible assets where costs meet the definition and recognition criteria of an intangible asset under IAS 38 by being separable and controlled by the Group.



## 14. Property, plant and equipment

|                                                                         | Thermal power<br>generation<br>assets <sup>(i)</sup><br>£m | Renewable<br>power<br>generation<br>assets <sup>(i)</sup><br>£m | Distribution<br>network<br>assets<br>£m | Transmission<br>network<br>assets<br>£m | Land and<br>buildings<br>£m | Assets under<br>construction<br>£m | Other assets<br>£m | Total<br>£m    |
|-------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------|------------------------------------|--------------------|----------------|
| <b>Cost:</b>                                                            |                                                            |                                                                 |                                         |                                         |                             |                                    |                    |                |
| At 31 March 2024                                                        | 3,633.9                                                    | 4,673.1                                                         | 10,563.9                                | 6,417.0                                 | 629.1                       | 1,263.9                            | 1,428.3            | 28,609.2       |
| Additions                                                               | 33.9                                                       | 20.5                                                            | 103.3                                   | 1.7                                     | 77.2                        | 2,503.1                            | 51.8               | 2,791.5        |
| Adjustment to decommissioning asset                                     | (12.8)                                                     | (2.5)                                                           | –                                       | –                                       | –                           | –                                  | (3.6)              | (18.9)         |
| Transfer from intangible assets<br>(note 13) <sup>(ii)</sup>            | –                                                          | –                                                               | –                                       | –                                       | –                           | 170.0                              | (3.1)              | 166.9          |
| Transfer from assets under<br>construction                              | (15.8)                                                     | 103.2                                                           | 579.9                                   | 1,243.7                                 | 16.6                        | (1,991.3)                          | 63.7               | –              |
| Disposals <sup>(iv)</sup>                                               | (0.1)                                                      | –                                                               | (2.0)                                   | –                                       | (10.6)                      | (17.7)                             | (10.4)             | (40.8)         |
| Exchange rate adjustments                                               | (10.5)                                                     | (18.4)                                                          | –                                       | –                                       | (1.6)                       | (6.3)                              | (0.3)              | (37.1)         |
| At 31 March 2025                                                        | 3,628.6                                                    | 4,775.9                                                         | 11,245.1                                | 7,662.4                                 | 710.7                       | 1,921.7                            | 1,526.4            | 31,470.8       |
| <b>Additions</b>                                                        | <b>6.0</b>                                                 | <b>3.0</b>                                                      | <b>–</b>                                | <b>–</b>                                | <b>33.7</b>                 | <b>3,877.2</b>                     | <b>63.6</b>        | <b>3,983.5</b> |
| <b>Adjustment to decommissioning asset</b>                              | <b>3.4</b>                                                 | <b>7.5</b>                                                      | <b>–</b>                                | <b>–</b>                                | <b>–</b>                    | <b>–</b>                           | <b>13.0</b>        | <b>23.9</b>    |
| <b>Transfer from intangible assets<br/>(note 13)<sup>(ii)</sup></b>     | <b>0.4</b>                                                 | <b>0.8</b>                                                      | <b>–</b>                                | <b>–</b>                                | <b>–</b>                    | <b>58.2</b>                        | <b>9.1</b>         | <b>68.5</b>    |
| <b>Transfer from assets under<br/>construction</b>                      | <b>70.0</b>                                                | <b>1,115.5</b>                                                  | <b>888.0</b>                            | <b>2,236.4</b>                          | <b>4.4</b>                  | <b>(4,381.4)</b>                   | <b>67.1</b>        | <b>–</b>       |
| <b>Transfer between categories</b>                                      | <b>(39.3)</b>                                              | <b>–</b>                                                        | <b>–</b>                                | <b>–</b>                                | <b>39.3</b>                 | <b>–</b>                           | <b>–</b>           | <b>–</b>       |
| <b>Disposals<sup>(iv)</sup></b>                                         | <b>(4.4)</b>                                               | <b>(2.3)</b>                                                    | <b>(0.5)</b>                            | <b>–</b>                                | <b>(11.9)</b>               | <b>(2.8)</b>                       | <b>(36.9)</b>      | <b>(58.8)</b>  |
| <b>Transfer to assets held for sale<br/>(note 12)</b>                   | <b>–</b>                                                   | <b>(33.6)</b>                                                   | <b>–</b>                                | <b>–</b>                                | <b>(1.5)</b>                | <b>–</b>                           | <b>(1.3)</b>       | <b>(36.4)</b>  |
| <b>Exchange rate adjustments</b>                                        | <b>23.0</b>                                                | <b>37.5</b>                                                     | <b>–</b>                                | <b>–</b>                                | <b>1.6</b>                  | <b>13.5</b>                        | <b>–</b>           | <b>75.6</b>    |
| At 31 March 2026                                                        | 3,687.7                                                    | 5,904.3                                                         | 12,132.6                                | 9,898.8                                 | 776.3                       | 1,486.4                            | 1,641.0            | 35,527.1       |
| <b>Depreciation:</b>                                                    |                                                            |                                                                 |                                         |                                         |                             |                                    |                    |                |
| At 31 March 2024                                                        | (2,591.9)                                                  | (2,229.4)                                                       | (4,704.8)                               | (985.5)                                 | (253.9)                     | (10.9)                             | (1,221.3)          | (11,997.7)     |
| Charge for the year                                                     | (85.0)                                                     | (175.6)                                                         | (188.3)                                 | (135.3)                                 | (18.0)                      | –                                  | (63.4)             | (665.6)        |
| Transfer between categories                                             | –                                                          | –                                                               | –                                       | –                                       | (0.2)                       | –                                  | 0.2                | –              |
| Exceptional impairment charges <sup>(iii)</sup>                         | –                                                          | –                                                               | –                                       | –                                       | –                           | –                                  | (7.2)              | (7.2)          |
| Non-exceptional impairment charges                                      | –                                                          | –                                                               | –                                       | –                                       | (0.1)                       | (0.4)                              | (1.2)              | (1.7)          |
| Disposals                                                               | –                                                          | –                                                               | 0.2                                     | –                                       | 0.5                         | –                                  | 9.0                | 9.7            |
| Exchange rate adjustments                                               | 3.9                                                        | 10.6                                                            | 0.1                                     | –                                       | (0.2)                       | –                                  | 1.4                | 15.8           |
| At 31 March 2025                                                        | (2,673.0)                                                  | (2,394.4)                                                       | (4,892.8)                               | (1,120.8)                               | (271.9)                     | (11.3)                             | (1,282.5)          | (12,646.7)     |
| <b>Charge for the year</b>                                              | <b>(77.6)</b>                                              | <b>(191.4)</b>                                                  | <b>(210.5)</b>                          | <b>(168.5)</b>                          | <b>(24.5)</b>               | <b>–</b>                           | <b>(80.5)</b>      | <b>(753.0)</b> |
| <b>Exceptional impairment charges and<br/>reversals<sup>(iii)</sup></b> | <b>–</b>                                                   | <b>–</b>                                                        | <b>–</b>                                | <b>–</b>                                | <b>–</b>                    | <b>(155.8)</b>                     | <b>48.5</b>        | <b>(107.3)</b> |
| <b>Non-exceptional impairment charges</b>                               | <b>(3.4)</b>                                               | <b>–</b>                                                        | <b>–</b>                                | <b>–</b>                                | <b>1.5</b>                  | <b>(1.8)</b>                       | <b>0.3</b>         | <b>(3.4)</b>   |
| <b>Disposals<sup>(iv)</sup></b>                                         | <b>4.4</b>                                                 | <b>1.2</b>                                                      | <b>–</b>                                | <b>–</b>                                | <b>5.5</b>                  | <b>2.8</b>                         | <b>21.5</b>        | <b>35.4</b>    |
| <b>Transfer to assets held for sale<br/>(note 12)</b>                   | <b>–</b>                                                   | <b>1.6</b>                                                      | <b>–</b>                                | <b>–</b>                                | <b>–</b>                    | <b>–</b>                           | <b>0.7</b>         | <b>2.3</b>     |
| <b>Exchange rate adjustments</b>                                        | <b>(11.0)</b>                                              | <b>(20.3)</b>                                                   | <b>–</b>                                | <b>–</b>                                | <b>(0.4)</b>                | <b>–</b>                           | <b>(0.4)</b>       | <b>(32.1)</b>  |
| At 31 March 2026                                                        | (2,760.6)                                                  | (2,603.3)                                                       | (5,103.3)                               | (1,289.3)                               | (289.8)                     | (166.1)                            | (1,292.4)          | (13,504.8)     |
| <b>Net book value</b>                                                   |                                                            |                                                                 |                                         |                                         |                             |                                    |                    |                |
| At 31 March 2026                                                        | 927.1                                                      | 3,301.0                                                         | 7,029.3                                 | 8,609.5                                 | 486.5                       | 1,320.3                            | 348.6              | 22,022.3       |
| At 31 March 2025                                                        | 955.6                                                      | 2,381.5                                                         | 6,352.3                                 | 6,541.6                                 | 438.8                       | 1,910.4                            | 243.9              | 18,824.1       |
| At 1 April 2024                                                         | 1,042.0                                                    | 2,443.7                                                         | 5,859.1                                 | 5,431.5                                 | 375.2                       | 1,253.0                            | 207.0              | 16,611.5       |

(i) Renewable and Thermal power generation assets includes plant and machinery and related land and buildings and decommissioning costs with a net book value of £139.2m and £59.2m (2025: £137.3m and £58.7m) respectively. Additionally, Other assets includes £62.5m in relation to decommissioning costs for Gas Storage assets (2025: £49.5m).

(ii) Represents the carrying value of development assets transferred from intangible assets (note 13) which have reached the consent stage and have been approved for construction and the reclassification of certain software assets to intangible assets.

(iii) Exceptional impairment charges of £107.3m relate to Strathly South (£96.0m) and Aberarder (£59.8m), offset by an impairment reversal of £48.5m relating to the Group's Gas Storage assets (note 15).

(iv) Disposals in the current year primarily relate to surplus buildings and vehicles.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 14. Property, plant and equipment continued

Included within property, plant and equipment are the following right of use assets for leased assets:

|                                                  | Thermal power<br>generation<br>assets<br>£m | Land and<br>buildings<br>£m | Other assets<br>£m | Total<br>£m    |
|--------------------------------------------------|---------------------------------------------|-----------------------------|--------------------|----------------|
| <b>Cost</b>                                      |                                             |                             |                    |                |
| At 31 March 2024                                 | 369.6                                       | 282.4                       | 151.4              | 803.4          |
| Additions                                        | –                                           | 76.8                        | 49.9               | 126.7          |
| Disposals                                        | –                                           | (11.6)                      | (9.2)              | (20.8)         |
| Exchange rate adjustments                        | –                                           | (0.8)                       | (0.5)              | (1.3)          |
| <b>At 31 March 2025</b>                          | <b>369.6</b>                                | <b>346.8</b>                | <b>191.6</b>       | <b>908.0</b>   |
| <b>Additions</b>                                 | <b>–</b>                                    | <b>33.3</b>                 | <b>60.0</b>        | <b>93.3</b>    |
| <b>Disposals</b>                                 | <b>–</b>                                    | <b>(3.5)</b>                | <b>(40.4)</b>      | <b>(43.9)</b>  |
| <b>Transfer to asset held for sale (note 12)</b> | <b>–</b>                                    | <b>(1.5)</b>                | <b>–</b>           | <b>(1.5)</b>   |
| <b>Exchange rate adjustments</b>                 | <b>–</b>                                    | <b>1.7</b>                  | <b>–</b>           | <b>1.7</b>     |
| <b>At 31 March 2026</b>                          | <b>369.6</b>                                | <b>376.8</b>                | <b>211.2</b>       | <b>957.6</b>   |
| <b>Depreciation</b>                              |                                             |                             |                    |                |
| At 31 March 2024                                 | (264.0)                                     | (54.0)                      | (63.2)             | (381.2)        |
| Charge for the year                              | (18.4)                                      | (16.1)                      | (31.2)             | (65.7)         |
| Disposals                                        | –                                           | 0.8                         | 7.1                | 7.9            |
| At 31 March 2025                                 | (282.4)                                     | (69.3)                      | (87.3)             | (439.0)        |
| <b>Charge for the year</b>                       | <b>(18.6)</b>                               | <b>(20.3)</b>               | <b>(43.7)</b>      | <b>(82.6)</b>  |
| <b>Disposals</b>                                 | <b>–</b>                                    | <b>1.7</b>                  | <b>27.8</b>        | <b>29.5</b>    |
| <b>At 31 March 2026</b>                          | <b>(301.0)</b>                              | <b>(87.9)</b>               | <b>(103.2)</b>     | <b>(492.1)</b> |
| <b>Net book value</b>                            |                                             |                             |                    |                |
| <b>At 31 March 2026</b>                          | <b>68.6</b>                                 | <b>288.9</b>                | <b>108.0</b>       | <b>465.5</b>   |
| At 31 March 2025                                 | 87.2                                        | 277.5                       | 104.3              | 469.0          |
| At 1 April 2024                                  | 105.6                                       | 228.4                       | 88.2               | 422.2          |

### 15. Impairment testing

Goodwill and intangible assets that are not amortised are reviewed at least annually for impairment. Property, plant and equipment, investments and other intangibles are assessed annually for triggers of impairment (or impairment reversal).

The Group's accounting policies for impairment testing are described at Accompanying Information sections A1.2 [🔗](#).

The key operating and valuation assumptions, specific considerations and outcome of tests for all impairment reviews are noted in the following sections. The discount rates used are pre-tax real, except where noted, and reflect specific risks attributable to the relevant assets subject to impairment review. The recoverable amounts derived from the value in use ('VIU') or fair value less costs to sell ('FVLCS') calculations are compared to the carrying amount of each asset or cash generating unit ('CGU') to determine whether an impairment charge (or reversal) is required to be recognised. The reviews carried out for the 2026 financial statements were carried out in the fourth quarter of the year, which is consistent with previous reviews. Note that the actual outcomes may differ from the assumptions included in the assessments at the balance sheet date.

#### 15.1 Goodwill impairment reviews – CGUs testing

The Group has three goodwill balances within its SSE Renewables business (GB and Ireland, SSE Southern Europe and SSE Pacifico) that are subject to annual goodwill impairment reviews. Legacy goodwill balances within the Energy Customers Solutions segment are also subject to annual impairment review but are not included in the disclosure on the basis of materiality. The recoverable amounts of the CGUs supporting the goodwill balances are determined by reference to either VIU or FVLCS calculations, as noted below. The VIU calculations use, as a starting point, pre-tax cash flow projections based on the Group's ten-year Corporate Model as approved by the Board. The Group's Corporate Model is based on past experience and reflects the Group's forward view of markets, prices, risks and its strategic objectives. Commodity prices used are based on observable market data and, where this is not available, internal estimates. The FVLCS methodology also uses a present value technique, unless there is a quoted price in an active market for that asset. The methodology is based on the post-tax cash flows arising from the specific assets, underlying assets or CGUs, and discounted using a post-tax discount rate determined in the same manner as the rates used in the VIU calculations, adjusted for the relevant taxation rate.



| Assets/CGUs                | Cash flow period assumption               | Operating and other valuation assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Commentary and impairment conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <b>SSE Southern Europe</b> | Period to end of life of portfolio assets | <p><b>Modelling methodology and assumptions</b></p> <p>Due to the early stage of development of many of the projects in the Southern Europe portfolio, a FVLCS assessment is used to test the carrying value of £244.5m of goodwill (2025: £408.8m) and £169.4m of tangible generation and intangible development assets (2025: £192.7m). The FVLCS assessment is based on the discounted post-tax cash flows, which are presented on a similar basis to the acquisition model updated to reflect changes to specific project circumstances and wider market developments.</p> <p>In the prior year the Group recognised an exceptional impairment of £249.5m on its Southern Europe development portfolio between goodwill (£174.7m) and development assets (£74.8m).</p> <p>During the current financial year, the Group has progressed development and construction of a number of projects, primarily in Spain and Italy. While development has continued in Spain, the prospects of the specific development projects impaired in the prior year have not significantly improved in the current year and have not been reversed. The impairment of goodwill recognised in the prior year is ineligible for reversal.</p> <p>The Group has assessed that its French portfolio and the Mesouvouni solar asset in Greece have met the relevant criteria to be classified as held for sale as at 31 March 2026 (see <a href="#">note 12.3</a>). The assets have been written down to the lower of cost or net realisable value, which has resulted in a non-exceptional impairment of £1.9m to Mesouvouni.</p> <p>The Southern Europe CGU model includes cashflows for two operational wind farms and over 50 early-stage development assets, being individual wind farm and co-located solar projects across Spain, France, Italy and Greece that have been assigned a probability of success. While there are other projects in the portfolio, these have not been assigned a probability of success and have been excluded from the valuation.</p> <p>Cashflows for the CGU are based on the expected average annual generation output for each project, valued using forward power price projections. These factors are subject to management review on an annual basis. The prices applied to projected outputs are based on observable market information during the period, or management projections for available contracts in the PPA market. Assumptions have also been made on government support for the development of wind projects and expected governmental support under CFD subsidies. Cash outflows are based on planned and expected maintenance profiles and other capital or replacement costs.</p> <p>The cash flow projections are based on European power prices between €23 – €272 per MWh (2025: €35 – €173 per MWh) and have been discounted applying a post-tax nominal discount rate between 7.2% and 8.1% (2025: post-tax nominal discount rate between 7.1% and 8.0%) based on technology and market risks.</p> | <p><b>Impairment conclusion</b></p> <p>The recoverable value of the Southern Europe wind farm CGU has been calculated at £469.0m (2025: £351.2m), which is greater than the carrying value of the goodwill and intangible development assets, therefore no impairment charge has been recognised. The Group also assessed that none of the impairments previously recognised within the CGU were eligible for reversal.</p> <p><b>Sensitivity analysis</b></p> <p>The principal assumptions impacting the valuation model of the Southern Europe wind farm CGU are generation volume; development probability of success; discount rate; and power price. Positive sensitivities have not been disclosed as they would increase headroom further.</p> <p>While cash flow projections are subject to inherent uncertainty, a 10% reduction in generation volume would result in impairment of £96.9m (2025: impairment of £79.6m).</p> <p>A 5% decrease in the probability of success attributed to the development projects would result in an impairment of £11.4m (2025: impairment of £115.8m).</p> <p>An increase of 0.5% in the respective post-tax nominal discount rates to between 7.7% and 8.6% would result in an impairment of £28.8m (2025: impairment of £88.0m).</p> <p>The Group continues to assume that many of the projects in Spain, Italy and France will obtain a government or third-party revenue support contract. If this assumption were changed and the projects were developed on a merchant basis, headroom would increase to £95.2m. A 5% decrease to the merchant price assumption would result in an impairment of £20.1m.</p> |



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 15. Impairment testing continued

#### 15.1 Goodwill impairment reviews – CGUs testing continued

| Assets/CGUs         | Cash flow period assumption               | Operating and other valuation assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Commentary and impairment conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <b>SSE Pacifico</b> | Period to end of life of portfolio assets | <p><b>Modelling methodology and assumptions</b></p> <p>A FVLCS assessment was used to test the carrying value of £182.9m of goodwill (2025: £187.3m) and £47.5m of intangible development assets (2025: £39.7m) relating to SSE Pacifico. The projects in SSE Pacifico remain early stage, therefore the assessment was based on the discounted post-tax cash flows prepared on comparable basis to the acquisition model, updated to reflect changes to specific project circumstances and wider market developments since acquisition.</p> <p>During the year there has been development in the Japanese offshore wind industry with the surrender of Round 1 revenue support contracts by market incumbents. As a result, the Group has reviewed key input assumptions to the impairment model including capex, opex and revenue prices during the year.</p> <p>Cash inflows for the CGU model are based on the Group's latest projections for expected average annual generation output based on technical assessment and are valued based on the Group's internal projections of fixed price contract prices. The projections are dependent on the Japanese government's continued support for the development of offshore wind projects.</p> <p>Cash outflows are based on forecast asset costs, planned and expected maintenance profiles and other capital or replacement costs.</p> <p>For the purposes of the impairment test, the valuation model includes cashflows for three early-stage offshore wind projects (2025: three) out of a total of 11 acquired by the Group.</p> <p>The cash flow projections are based on Japanese power prices, per foundation type, between ¥40.5 – ¥53.3 per kWh (2025: ¥21.2 – ¥32.0 per kWh) and have been discounted applying a post-tax nominal discount rate of 10.4% (2025: post-tax nominal discount rate of 10.5%) based on technology and market risks.</p> | <p><b>Impairment conclusion</b></p> <p>While the assessed recoverable value of £267.6m (2025: £250.6m) exceeds the carrying value at 31 March 2026, the model is sensitive to changes in key assumptions due to the early stage of the development portfolio. The Group's base case model, reflecting the Group's best estimate of observable inputs to the model, indicates headroom on the carrying value of the asset of £34.3m (2025: £23.6m). Therefore, no impairment has been recognised at 31 March 2026.</p> <p><b>Sensitivity analysis</b></p> <p>The principal assumptions impacting the valuation model of the SSE Pacifico CGU are fixed-contract price; generation volumes; operating cost estimates; construction cost estimates; and discount rate.</p> <p>A 5% decrease in fixed-contract price revenue results in an impairment of £82.2m (2025: £122.9m), while a 1% reduction to the generation capacity factor results in an impairment of £31.9m (2025: £64.9m).</p> <p>A 5% increase in operating cost estimates would decrease headroom to £16.0m. A 2% increase in construction cost estimates would reduce headroom to nil.</p> <p>A 0.5% increase to financing costs results in an impairment of £18.7m (2025: £68.0m), while a 0.5% increase to the discount rate assumption decreases the headroom to £6.8m (2025: £4.4m).</p> <p>Due to the low level of headroom and the sensitivity of the model to changes in key assumption, breakeven assumption changes that would reduce the headroom to nil have been calculated.</p> <p>A decrease in the fixed price assumption of 1.5%; a decrease in assumed generation volumes of 1.4%; a 0.3% increase to interest rate; a 9.3% operating cost increase; or a 0.6% increase to the discount rate would each result in the headroom being reduced to nil.</p> |



| Assets/CGUs                                          | Cash flow period assumption               | Operating and other valuation assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Commentary and impairment conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <b>Great Britain (GB) and Ireland wind farm CGUs</b> | Period to end of life of portfolio assets | <p><b>Modelling methodology and assumptions</b></p> <p>A VIU assessment is used to test the carrying value of £291.8m (2025: £287.0m) of goodwill related to the Group's GB and Ireland wind farm CGUs. The assessment is based on the discounted pre-tax cash flows expected to be generated by the specific wind farm assets included in the CGU across the remaining useful lives of those assets.</p> <p>The GB and Ireland CGUs includes cashflows for operational assets only, being over 50 individual wind farms across Great Britain and Ireland, given the risk and uncertainty associated with projects in the development stage. Significant developments that are currently under development or construction (such as Berwick Bank) continue to be excluded from the analysis.</p> <p>Cash inflows for the CGUs are based on the expected average annual generation output based on technical assessment and past experience, valued based on forward power prices. These factors are subject to management review on an annual basis. The prices applied to projected outputs are based either on observable market information during that period, which is deemed to be 3 years, or on internal estimations beyond the observable market period (a Level 3 basis as defined by IFRS 13 "Fair Value Measurement"). The projections are also dependent on the UK and Irish governments' continuing support for existing qualifying wind assets through CFD subsidies and ROCs or REFIT. Cash outflows are based on planned and expected maintenance profiles and other capital or replacement costs.</p> <p>The cash flow projections are based on UK and Irish power prices between £50 – £100 per MWh (2025: £52 – £98 per MWh) and have been discounted applying a pre-tax real discount rate between 8.2% for GB and 6.0% for Ireland (2025: between 7.5% for GB and 5.3% for Ireland) based on technology and market risks.</p> | <p><b>Impairment conclusion</b></p> <p>The recoverable amount of the GB and Ireland CGUs at 31 March 2026 is significantly in excess of the carrying value of the goodwill and tangible and intangible assets attributed to the CGUs, therefore no impairment has been recognised.</p> <p><b>Sensitivity analysis</b></p> <p>The principal assumptions impacting the valuation model of the GB and Ireland CGU are generation volume and electricity price.</p> <p>While cash flow projections are subject to inherent uncertainty, a 10% decrease in projected generation volumes, offset by a 5% increase to power prices, continued to return headroom above the carrying value of the assets.</p> <p><b>Climate-related sensitivity analysis</b></p> <p>A significant increase in renewable generation capacity in the Group's core markets could result in an oversupply of renewable electricity at a point in the future, which would lead to a consequential decrease in the power price achievable for the Group's GB and Ireland wind generation assets. A downside power price sensitivity, which may arise in a market with significant new build wind was modelled. This scenario indicated that, despite a modelled 10% reduction in forecast wind power price, there remained headroom on the carrying value in the Group's GB and Ireland wind generation assets.</p> <p>Climate change models predict sustained higher temperatures that deliver greater extremes in weather patterns, including variability in wind and rainfall patterns which may reduce volumes achievable for the Group's GB and Ireland wind generation assets (although noting that a reduction in volume would likely lead to capacity constraints and hence higher prices). A 10% decrease in projected generation volumes, offset by a 5% increase to power prices, continued to return headroom above the carrying value of the assets.</p> |



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 15. Impairment testing continued

#### 15.2 Property, plant and equipment, other intangibles and investment impairment reviews – asset testing

Where an indicator of impairment exists, the recoverable amounts of the Group's property, plant and equipment, other intangible assets and interests in joint ventures and associates are determined by reference to VIU or, where appropriate, FVLCS calculations. The calculations use, as their starting point, pre-tax cash flow projections based on the Group's ten-year Corporate Model as approved by the Board. The Group's Corporate Model is based on experience and reflects the Group's forward view of markets, prices, risks and its strategic objectives. Commodity prices used are based on observable market data and, where this is not available, on internal estimates. FVLCS valuations are derived from market analysis for similar transactions, adjusted to specific circumstances of the Group's investment to reflect the amount the Group believes will be recoverable in a sale transaction. Note that the Group will expense any individual asset, investment or development asset, should it clearly be damaged, obsolete or economically impaired, as part of its normal course of business.

##### Assets identified for review

The specific assets and investments identified for impairment reviews in the prior year (being the Great Island CCGT; Gas Storage facilities at Aldbrough and Atwick; 50% joint venture investment in Triton Power; and 50% joint venture investment in Neos Networks) all remained subject to impairment testing at 31 March 2026 as they displayed indicators of impairment, or impairment reversal, as set out below. In addition, Strathly South and Aberarder wind farms and the Group's investments in the Dogger Bank joint venture were identified as displaying indicators of impairment and have been tested for impairment in the current year.

While the Group's GB CCGTs were tested for impairment in the prior year, all historic impairments related to these assets are fully reversed and significant headroom existed on all assets in the prior year impairment test. No further indicators of impairment were identified in the current year, therefore no detailed impairment test was performed for these assets.

| Assets                                                       | Cash flow period assumption | Operating and other valuation assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Commentary and impairment conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Equity and debt investments in Dogger Bank wind farms</b> | Period to end of life       | <p><b>Indicator of impairment</b></p> <p>Management identified that delays to the construction of the wind farm constituted an indicator of impairment, triggering an impairment test.</p> <p><b>Modelling methodology and assumptions</b></p> <p>A FVLCS assessment was used to test the carrying value of the Group's equity investments (DBA: £259.2m; DBB: £128.4m; and DBC: £95.0m) and shareholder loans (DBA: £313.4m) due to SSE. SSE has assessed that the equity and shareholder loans provided to DBA together form the Group's net investment in the joint venture.</p> <p>The fair value of each investment was determined using a post-tax discounted cash flow model. The model comprises an estimate of cashflows arising from operations to the end of the operational life of each wind farm.</p> <p>Construction cost forecasts represent management's best estimate of remaining cash outflows expected to be incurred to complete each wind farm.</p> <p>Cash inflows for each investment are based on the expected average annual generation output valued based on forward power prices forecast by Dogger Bank. CfD price inputs are based on contracted rates throughout the life of the CfD and merchant prices are based on external market estimations (a Level 3 input as defined by IFRS 13 "Fair Value Measurement"). Operational cash outflows are based on planned and expected maintenance profiles and other capital or replacement costs.</p> <p>The cash flow projections have been discounted applying a post-tax nominal discount rate between 9.8% and 10.3%.</p> | <p><b>Impairment conclusion</b></p> <p>The impairment test indicated headroom above the carrying value for each investment, therefore no impairments have been recognised.</p> <p><b>Sensitivity analysis</b></p> <p>The principal assumptions impacting the valuation model of the Group's investments in the Dogger Bank wind farms is production volumes projected by management. Whilst other input assumptions have been estimated, reasonable possible changes in these assumptions did not alter the impairment test outcome and therefore have not been disclosed.</p> <p>Only a reasonably possible downside sensitivity to the production volume assumption has been disclosed, as an upside sensitivity would increase headroom further.</p> <p>A 10% decrease in estimated output volumes across the life of the assets would result in impairments of £34.6m and £9.0m to DBA and DBC respectively. DBB would retain headroom.</p> |



| Assets                                           | Cash flow period assumption | Operating and other valuation assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Commentary and impairment conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GB onshore wind assets under construction</b> | Period to end of life       | <p><b>Indicator of impairment</b></p> <p>Notification of grid delays prolonging the construction period constituted an indicator of impairment, necessitating formal review.</p> <p><b>Modelling methodology and assumptions</b></p> <p>A FVLCS assessment was used to test the carrying value of the Group's asset under construction balances in relation to the Group's Strathy South (£141.5m) and Aberarder (£73.7m) wind farms.</p> <p>A post-tax discounted cash flow model was prepared for each asset comprising management's estimate of cashflows arising from operations to the end of asset life. Construction cost forecasts represent management's best estimate of remaining cash outflows expected to be incurred.</p> <p>Cash inflows are based on the expected average annual generation output valued based on forward power prices. CfD price inputs for each asset are based on contracted rates throughout the life of the CfD and merchant prices are based external market estimations (a Level 3 basis as defined by IFRS 13 "Fair Value Measurement"). Operational cash outflows are based on planned and expected maintenance profiles and other capital or replacement costs.</p> <p>The cash flow projections have been discounted applying a post-tax nominal discount rate between 7.9% and 8.2%.</p> | <p><b>Impairment conclusion</b></p> <p>The recoverable value of Strathy South is £45.5m which is £96.0m lower than the carrying value; and the recoverable value of Aberarder is £13.9m which is £59.8m lower than the carrying value. Both impairments have been recognised as exceptional charges in the year (see note 7 <a href="#">🔗</a>).</p> <p><b>Sensitivity analysis</b></p> <p>The principal assumptions impacting the valuation model of the Strathy South and Aberarder impairment models are construction cost increases; and discount rate.</p> <p>An increase to the Strathy South construction cost estimate of £50m would result in a further impairment of £40.0m. A £20m increase to the Aberarder construction cost estimate would result in a further impairment of £16.0m.</p> <p>A 0.5% increase to the discount rate assumption would increase the Strathy South impairment by £13.9m and increase the Aberarder impairment £3.3m.</p> |
| <b>Great Island CCGT</b>                         | Period to end of life       | <p><b>Indicator of impairment</b></p> <p>The Group's Great Island CCGT demonstrated low levels of headroom in the prior year assessment (£25.8m) and remains sensitive to key input assumption movements, which management concluded necessitated formal impairment review.</p> <p><b>Modelling methodology and assumptions</b></p> <p>The VIU of the Group's Great Island CCGT power station was based on pre-tax discounted cash flows expected to be generated by the plant based on management's view of the plant's operating prospects. Cash flows are subject to a pre-tax real discount rate of 10.5% (2025: 9.9%) reflecting the specific risks in the Irish market.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p><b>Conclusion</b></p> <p>The VIU assessment performed on the asset at 31 March 2026 resulted in no impairment being recognised. The recoverable value at 31 March 2026 was estimated at £265.1m (2025: £265.0m) relative to a carrying value of £224.7m (2025: £239.2m).</p> <p><b>Sensitivity analysis</b></p> <p>Reasonably possible changes to model input assumptions did not alter the impairment test outcome, therefore have not been disclosed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 15. Impairment testing continued

#### 15.2 Property, plant and equipment, other intangibles and investment impairment reviews – asset testing continued

| Assets                                                    | Cash flow period assumption | Operating and other valuation assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Commentary and impairment conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Gas Storage CGU</b>                                    | Period to end of life       | <p><b>Indicator of impairment reversal</b></p> <p>During March 2026, significant volatility arose in global commodity markets following the commencement of conflict in the Middle East, which Management determined to be an indicator of impairment reversal, requiring a formal impairment assessment.</p> <p><b>Modelling methodology and assumptions</b></p> <p>The VIU of the Group's Gas Storage assets was based on pre-tax discounted cash flows expected to be generated by the CGU based on management's view of operating prospects. Cash flows are subject to a pre-tax real discount rate of 15.3% (2025: 10.6%) reflecting risks specific to the CGU.</p> <p>The key assumptions applied in the valuation of the assets are gas price volatility and the mean reversion rate ("MRR"). The gas price volatility assumption reflects management's view of price fluctuations between periods where the Group can purchase gas at a low price, store it and sell during periods of peak prices. MRR represents the time taken for the market to return to average after a period of increase or decline.</p> <p>Asset valuations are particularly sensitive to movements in short-term volatility and therefore any increases due to short-term volatility are likely to reverse as the market stabilises.</p> | <p><b>Conclusion</b></p> <p>The VIU assessment performed resulted in the reversal of £48.5m of historic impairment (2025: no impairment or reversal). The impairment reversal has been classified as an exceptional item (see note 7 ●).</p> <p>Following the exceptional impairment reversal, the carrying value of the Group's Gas Storage assets is £63.7m (2025: £9.4m). This represents the recoverable value of the storage assets only and excludes the carrying value of cushion gas volumes.</p> <p><b>Sensitivity analysis</b></p> <p>A sensitivity performed with a high volatility assumption would result in a further impairment reversal of £81.2m, while a low volatility assumption would result in a full impairment of the carrying value.</p> <p>An increase to the MRR assumption rate by 1.0 would result in a further impairment reversal of £15.0m, while a 1.0 decrease to the MRR assumption would reduce the impairment write-back to £16.6m.</p> <p>A 10% increase to the gas price assumption would result in a further impairment reversal of £25.8m, while a 10% decrease to the gas price assumption would reduce the impairment reversal recognised from £48.5m to £21.1m.</p>                                                                                                                                                                                                                                                                                                  |
| <b>Equity investment in Triton Power Holdings Limited</b> | Period to end of life       | <p><b>Indicator of impairment reversal</b></p> <p>During the year, Triton Power commenced the upgrade to a secondary boiler at Saltend Power Station, which is expected to optimise running of the plant. This, coupled with recent movements in observable power prices, was deemed to be an indicator of impairment reversal, resulting in a formal review.</p> <p><b>Modelling methodology and assumptions</b></p> <p>The Group has valued its 50% equity investment Triton Power Holdings Limited ("Triton") based on projected cashflows that will be available to shareholders of the investment on a VIU basis.</p> <p>The VIU assessment of the Triton power stations (Saltend, Indian Queens and Deeside) is used to test the carrying value of the equity investment of £111.6m (2025: £137.8m). The assessments were based on pre-tax discounted cash flows expected to be generated by each power station, based on management's view of operating prospects and operational flexibility within the GB wholesale market, including capacity market clearing prices. Cash flows are subject to a pre-tax real discount rate of 15.1% (blended) (2025: 12.7% (blended)).</p>                                                                                                                                     | <p><b>Conclusion</b></p> <p>The recoverable amount of the Group's equity investment in Triton is £141.0m (2025: £137.3m) which resulted in the recognition of an exceptional impairment reversal of £29.4m (2025: £nil).</p> <p>The Group acquired its investment in Triton on 1 September 2022 during a period of significant volatility in the UK power market. On acquisition the Group recorded an exceptional gain on acquisition due to movements in short term gas and power prices between the purchase agreement and completion dates. While the investment is an equity accounted joint venture, the investment has been impaired in previous periods and is sensitive to market movements. The current year impairment reversal has been classified as exceptional to align with the treatment of previous impairments (see note 7 ●).</p> <p><b>Sensitivity analysis</b></p> <p>The principal assumption impacting the valuation model of Triton is the non-contracted capacity market price.</p> <p>A £10/KW increase in non-contracted capacity market price would result in a further impairment reversal of £14.8m (2025: reversal of £16.5m), while a £10/KW decrease in the assumption would decrease the impairment reversal to £14.6m (2025: impairment of £11.4m).</p> <p>While other assumptions such as gross margin and discount rates are estimated by management, reasonably plausible movements in these assumptions result in immaterial movements to the impairment conclusion.</p> |



| Assets                                             | Cash flow period assumption | Operating and other valuation assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Commentary and impairment conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Investment in Neos Networks Limited ("NNL")</b> | 5 years                     | <p><b>Indicator of impairment reversal</b></p> <p>The Group's investment in NNL was tested for impairment or impairment reversal, following a series of impairments in recent financial years.</p> <p><b>Modelling methodology and assumptions</b></p> <p>The Group has valued its investment in NNL based on projected future cashflows that are expected to arise from the business under a value in use ("VIU") methodology. The VIU assessment is used to test the carrying value of the equity investment and shareholder loan balances due from NNL at 31 March 2026.</p> <p>Due to recognition of the Group's share of losses in the joint venture, the carrying value of the Group's equity investment has now reduced to nil (2025: £1.3m), while shareholder loans are carried at £86.7m (2025: £83.5m). The Group has assessed that it is not required to recognise its share of further losses arising from the investment (see <a href="#">note 16</a> ●).</p> <p>The impairment assessment was derived from pre-tax discounted cash flows based on management's view of operating prospects.</p> <p>Cash flows are subject to a pre-tax real discount rate of 7.2% (2025: 8.2%).</p> | <p><b>Conclusion</b></p> <p>The impairment test indicated headroom of £15.9m above the carrying value. As the difference is immaterial and has been assessed as part of a range of positive and negative reasonably possible outcomes, no impairment reversal has been recognised at 31 March 2026 (2025: £nil).</p> <p><b>Sensitivity analysis</b></p> <p>Reasonably possible changes to model input assumptions did not alter the impairment test outcome, therefore have not been disclosed.</p> |



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 16. Investments

#### 16.1 Joint Ventures and associates

| Share of net assets/cost                                                | 2026         |             |             | 2025         |             |             |
|-------------------------------------------------------------------------|--------------|-------------|-------------|--------------|-------------|-------------|
|                                                                         | Equity<br>£m | Loans<br>£m | Total<br>£m | Equity<br>£m | Loans<br>£m | Total<br>£m |
| At 1 April                                                              | 1,987.3      | 1,510.3     | 3,497.6     | 1,963.2      | 1,352.9     | 3,316.1     |
| Additions                                                               | 60.8         | 243.6       | 304.4       | 153.4        | 280.0       | 433.4       |
| Repayment of shareholder loans                                          | –            | (94.5)      | (94.5)      | –            | (121.7)     | (121.7)     |
| Dividends received                                                      | (184.1)      | –           | (184.1)     | (200.6)      | –           | (200.6)     |
| Share of profit after tax <sup>(i)</sup>                                | 88.0         | –           | 88.0        | 91.6         | –           | 91.6        |
| Share of other comprehensive income                                     | (50.8)       | –           | (50.8)      | (0.9)        | –           | (0.9)       |
| Disposals                                                               | (4.6)        | –           | (4.6)       | –            | –           | –           |
| Transfer – loans to equity                                              | 25.5         | (25.5)      | –           | –            | –           | –           |
| Transfers – other investments                                           | –            | –           | –           | (4.6)        | –           | (4.6)       |
| Impairments <sup>(ii)</sup>                                             | 21.3         | (15.6)      | 5.7         | –            | –           | –           |
| Investment decrease in respect of financial guarantees <sup>(iii)</sup> | (2.3)        | –           | (2.3)       | (12.1)       | –           | (12.1)      |
| Exchange rate adjustments                                               | 4.0          | 2.9         | 6.9         | (2.7)        | (0.9)       | (3.6)       |
| At 31 March                                                             | 1,945.1      | 1,621.2     | 3,566.3     | 1,987.3      | 1,510.3     | 3,497.6     |

(i) The Group recognised losses of £1.3m from its joint venture investment Neos Networks Limited in the year ended 31 March 2026. While the Group's total share of losses totalled £30.9m for the 12 months ended 31 March 2026, only £1.3m was recognised as this reduced the equity investment to Enil. For 31 March 2025 of the £91.6m share of profit, only £89.9m was recognised through the income statement, as £1.7m related to profits earning from SSE Group companies where the cost were capitalised and the related profit eliminated on consolidation.

(ii) The net impairment credit for the year ended 31 March 2026 of £5.7m is comprised of an exceptional impairment reversal of £29.4m relating to Triton Power Holdings Limited (see note 15.2), offset by an exceptional impairment charge of £17.6m relating to the Group's joint venture investments in hydrogen development projects (see note 7.1) and non-exceptional expected credit loss impairment charges of £6.1m.

(iii) The investment decrease in respect of financial guarantees relates to £3.1m (2025: £12.5m) of unwind and expiry of guarantee contracts, less £0.8m (2025: £0.4m) for the fair value of fees receivable on guarantees granted to joint venture investments during the year.

#### 16.2 Additions and disposals of equity in the current year

##### Additions and disposals in the year

During the year the Group provided equity and loans to its existing joint venture investments of £60.8m and £243.6m respectively, primarily in relation to Seagreen Holdco 1 Limited and Doggerbank Offshore Wind Farm Project 1 Holdco Limited.

During the year ended 31 March 2026 the Group completed the acquisition of a further 50% equity interest in Lenalea Wind Farm DAC ("Lenalea") from FuturEnergy Ireland Development Holdings DAC for cash consideration of €26.0m, therefore recognising Lenalea as a 100% subsidiary and disposing of its joint venture investment.

#### 16.3 Additions and disposals of equity in the previous year

##### Additions in the previous year

On 10 September 2024 the Group sold a 50% equity share in SSE DE EV Hold Co Limited to form the 50:50 Source EV joint venture with TotalEnergies Marketing UK Limited for cash consideration of £16.5m. Following the completion of the transaction, both shareholders provided the joint venture with £5.1m of shareholder loans and £10.0m of equity funding.

During the year ended 31 March 2025 the Group provided equity and loans to its existing joint venture investments of £129.4m and £274.9m respectively, primarily in relation to Seagreen Holdco 1 Limited and Doggerbank Offshore Wind Farm Project 1 Holdco Limited.

There were no significant disposals in the previous year.



## 16.4 Principal joint ventures and associates

Under IFRS 12 "Disclosure of Interests in Other Entities", the Group has evaluated the key joint ventures and associates it holds with the purpose of disclosing any which are materially significant in order to identify the impact on the Group's financial position, performance and cash flows, whilst identifying the nature of the risks associated with these interests. A full listing of the Group's incorporated joint ventures, joint operations, associates and investments are included in the Accompanying Information (A3 [🔗](#)).

### Share of results of joint ventures and associates

|                                                 | 2026             | 2026                        | 2026                       | 2026        | 2025        |
|-------------------------------------------------|------------------|-----------------------------|----------------------------|-------------|-------------|
|                                                 | Wind farms<br>£m | Thermal<br>Generation<br>£m | Other <sup>(i)</sup><br>£m | Total<br>£m | Total<br>£m |
| Revenue                                         | 456.9            | 392.3                       | 25.3                       | 874.5       | 940.9       |
| Other income                                    | 108.7            | –                           | –                          | 108.7       | 109.7       |
| Depreciation and amortisation                   | (137.0)          | (34.8)                      | (1.2)                      | (173.0)     | (226.0)     |
| Other operating costs                           | (149.3)          | (321.4)                     | (28.5)                     | (499.2)     | (540.3)     |
| Operating profit                                | 279.3            | 36.1                        | (4.4)                      | 311.0       | 284.3       |
| Interest expense                                | (143.5)          | (10.9)                      | (1.3)                      | (155.7)     | (164.3)     |
| Changes in fair value of derivatives            | (23.6)           | 2.1                         | 0.1                        | (21.4)      | (28.1)      |
| Corporation tax                                 | (38.3)           | (8.8)                       | 1.2                        | (45.9)      | (2.0)       |
| <b>Share of post taxation results</b>           | <b>73.9</b>      | <b>18.5</b>                 | <b>(4.4)</b>               | <b>88.0</b> | <b>89.9</b> |
| <b>Recognised in other comprehensive income</b> |                  |                             |                            |             |             |
| Cashflow hedges                                 | (46.7)           | –                           | –                          | (46.7)      | (22.3)      |
| Taxation                                        | 11.7             | –                           | –                          | 11.7        | 5.6         |
| Other                                           | –                | –                           | (15.8)                     | (15.8)      | 15.8        |
| <b>Total comprehensive income</b>               | <b>38.9</b>      | <b>18.5</b>                 | <b>(20.2)</b>              | <b>37.2</b> | <b>89.0</b> |

### Share of joint ventures and associates' assets and liabilities

|                                                      | 2026             | 2026                        | 2026                       | 2026        | 2025        |
|------------------------------------------------------|------------------|-----------------------------|----------------------------|-------------|-------------|
|                                                      | Wind farms<br>£m | Thermal<br>Generation<br>£m | Other <sup>(i)</sup><br>£m | Total<br>£m | Total<br>£m |
| Non-current assets                                   | 6,413.5          | 456.6                       | 313.9                      | 7,184.0     | 7,263.9     |
| Current assets                                       | 731.4            | 127.0                       | 18.0                       | 876.4       | 297.9       |
| Cash and cash equivalents                            | 210.2            | 51.3                        | 12.6                       | 274.1       | 329.2       |
| Current liabilities                                  | (521.1)          | (113.3)                     | (73.3)                     | (707.7)     | (389.2)     |
| Non-current liabilities                              | (5,738.8)        | (229.6)                     | (201.3)                    | (6,169.7)   | (6,007.5)   |
|                                                      | 1,095.2          | 292.0                       | 69.9                       | 1,457.1     | 1,494.3     |
| Other adjustments                                    | 456.1            | 31.6                        | 0.3                        | 488.0       | 493.0       |
| Share of net assets of joint ventures and associates | 1,551.3          | 323.6                       | 70.2                       | 1,945.1     | 1,987.3     |
| Shareholder loans                                    | 1,351.0          | 172.5                       | 97.7                       | 1,621.2     | 1,510.3     |
| Interest in joint venture and associate              | 2,902.3          | 496.1                       | 167.9                      | 3,566.3     | 3,497.6     |

(i) Other comprises the investments the Group holds in Neos Networks Limited, Source EV Limited, Corran Environmental LP and Marron Activ8 Energies Limited.

Information on Group's investments in joint ventures and associates is provided at A3, A4 and A5 [🔗](#).



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 16. Investments continued

#### 16.5 Joint operations

Listed are the incorporated joint operations that have a material impact on the financial position and financial results of the Group.

|                                        | Principal activity | Country of incorporation | Class of shares held | Proportion of shares held (%) | Group Interest (%) | Year end |
|----------------------------------------|--------------------|--------------------------|----------------------|-------------------------------|--------------------|----------|
| Greater Gabbard Offshore Winds Limited | Offshore Wind farm | UK                       | Ordinary             | 50.0                          | 50.0               | 31 March |
| Eastern Green Link 2 Limited           | Power Transmission | UK                       | Ordinary             | 50.0                          | 37.5               | 31 March |

The Group's interest in Greater Gabbard Offshore Winds Limited is that of a joint operation designed to provide output to the parties sharing control. The liabilities of the arrangement are principally met by the parties through the contracts for the output of the wind farm.

Eastern Green Link 2 Limited is a joint operation between Scottish Hydro Electric Transmission plc and National Grid Electricity Transmission plc to install a 2GW subsea high-voltage connection.

The Group also has an unincorporated arrangement with Equinor under which it accounts for its 66.7% share of the Aldbrough gas storage facility owned by SSE Hornsea Limited.

#### 16.6 Other investments held at fair value through other comprehensive income

|                                                             | 2026<br>£m | 2025<br>£m |
|-------------------------------------------------------------|------------|------------|
| At 1 April                                                  | 8.8        | 3.2        |
| Additions in year                                           | 0.1        | 1.9        |
| Disposals in year                                           | (1.4)      | (0.1)      |
| Transfers from investments in joint ventures and associates | —          | 4.6        |
| Fair value adjustment through other comprehensive income    | 0.1        | (0.8)      |
| At 31 March                                                 | 7.6        | 8.8        |

### 17. Inventories

|                             | 2026<br>£m | 2025<br>£m |
|-----------------------------|------------|------------|
| Fuel and consumables        | 168.6      | 170.9      |
| Certificates and allowances | 277.2      | 268.1      |
| Gas held in storage         | 23.4       | 57.6       |
| Less: provisions held       | (35.0)     | (33.7)     |
|                             | 434.2      | 462.9      |

Where ROCs and Renewable Energy Guarantees of Origin ("REGOs") certificates are self-generated or purchased to fulfil the Group's environmental obligations, they are recorded within intangible assets. The value of ROCs and REGOs held in excess of the Group's environmental obligations are recorded within inventories.

The Group has expensed inventories of £415.9m within cost of sales in the year (2025: £571.9m).



## 18. Trade and other receivables

|                                                   | 2026<br>£m     | 2025<br>£m<br>(restated*) |
|---------------------------------------------------|----------------|---------------------------|
| <b>Non-current assets</b>                         |                |                           |
| Loan note receivable and other non-current assets | 232.0          | 199.9                     |
| Other prepayments and accrued income              | 372.0          | 247.8                     |
|                                                   | <b>604.0</b>   | <b>447.7</b>              |
| <b>Current assets</b>                             |                |                           |
| Trade receivables                                 | 1,370.2        | 1,480.2                   |
| Unbilled energy income                            | 547.2          | 521.1                     |
| Other receivables                                 | 148.1          | 56.2                      |
| Cash posted as collateral and other deposits      | 25.3           | 19.2                      |
| Other prepayments and accrued income              | 939.5          | 618.7                     |
|                                                   | <b>3,030.3</b> | <b>2,695.4</b>            |
| <b>Total trade and other receivables</b>          | <b>3,634.3</b> | <b>3,143.1</b>            |

\* The comparatives have been restated. See note 1.2.

The non-current loan note receivable and other non-current assets primarily consists of a £220.0m (2025: £193.5m) loan note payable by Ovo Group Limited by 2029. The loan note carries interest of 13.25% and is presented cumulative of accrued interest repayments, discounted at 13.25%. On 11 May 2026, subsequent to the balance sheet date, E.On announced the acquisition of Ovo's Retail business, subject to regulatory approval. Completion of the acquisition would result in the principal and accumulated interest becoming repayable in full. While considered a non-adjusting post balance sheet event in terms of classification, the Group has considered the transaction as part of its recoverability assessment. No changes to the recoverable value were made following announcement of the transaction.

Unbilled energy income represents an estimate of the value of electricity or gas supplied to customers between the date of the last meter reading and the year end. Detail of the calculation applied to estimate this balance is included at [note 4.1\(iii\)](#). A 5% sensitivity on the unbilled energy accrual would equate to an increase or decrease in the receivable balance of £13.1m (2025: £14.6m).

Cash posted as collateral includes amounts deposited on commodity trading exchanges of £13.0m (2025: £9.6m).

Trade receivables and other financial assets are part of the Group's financial exposure to credit risk as explained in accompanying information note [A6](#).

## 19. Trade and other payables

|                                                               | 2026<br>£m     | 2025<br>£m<br>(restated*) |
|---------------------------------------------------------------|----------------|---------------------------|
| <b>Current liabilities</b>                                    |                |                           |
| Trade payables                                                | 898.7          | 710.7                     |
| Contract related liabilities <sup>(i)</sup>                   | 158.0          | 127.9                     |
| Cash held as collateral                                       | 271.3          | 82.5                      |
| Other creditors                                               | 398.8          | 441.6                     |
| Deferred income and other accruals <sup>(ii)</sup>            | 1,560.1        | 1,345.5                   |
|                                                               | <b>3,286.9</b> | <b>2,708.2</b>            |
| <b>Non-current liabilities</b>                                |                |                           |
| Contract related liabilities <sup>(i)</sup>                   | 187.0          | 164.3                     |
| Deferred income, other creditors and accruals <sup>(ii)</sup> | 1,471.7        | 1,273.3                   |
|                                                               | <b>1,658.7</b> | <b>1,437.6</b>            |
| <b>Total trade and other payables</b>                         | <b>4,945.6</b> | <b>4,145.8</b>            |

\* The comparatives have been restated. See note 1.2.

(i) Current contract related liabilities includes customer contributions of £19.3m (2025: £15.1m) and non-current contract related liabilities includes customer contributions of £187.0m (2025: £164.3m).

(ii) Non-current other accruals includes government grants of £6.1m (2025: £5.6m).

Cash held as collateral relates to amounts received from commodity trading exchanges of £271.3m (2025: £82.5m).



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 20. Provisions

|                                                   | Decommissioning<br>£m | Legal and<br>restructuring<br>£m | Employee<br>related<br>£m | Other<br>£m  | Total<br>£m   |
|---------------------------------------------------|-----------------------|----------------------------------|---------------------------|--------------|---------------|
| At 31 March 2024                                  | 735.7                 | 0.4                              | 12.8                      | 16.2         | 765.1         |
| Charged in the year                               | –                     | 2.4                              | 6.5                       | 10.9         | 19.8          |
| Decrease in decommissioning provision             | (25.5)                | –                                | –                         | –            | (25.5)        |
| Unwind of discount                                | 27.2                  | –                                | –                         | –            | 27.2          |
| Released during the year                          | –                     | –                                | (3.5)                     | –            | (3.5)         |
| Utilised during the year                          | (17.6)                | (0.4)                            | (0.4)                     | (5.3)        | (23.7)        |
| Exchange rate adjustments                         | (2.8)                 | –                                | –                         | –            | (2.8)         |
| At 31 March 2025                                  | 717.0                 | 2.4                              | 15.4                      | 21.8         | 756.6         |
| <b>Charged in the year</b>                        | <b>–</b>              | <b>2.6</b>                       | <b>1.0</b>                | <b>19.2</b>  | <b>22.8</b>   |
| <b>Decrease in decommissioning provision</b>      | <b>(3.9)</b>          | <b>–</b>                         | <b>–</b>                  | <b>–</b>     | <b>(3.9)</b>  |
| <b>Unwind of discount</b>                         | <b>34.3</b>           | <b>–</b>                         | <b>–</b>                  | <b>–</b>     | <b>34.3</b>   |
| <b>Released during the year</b>                   | <b>–</b>              | <b>(2.4)</b>                     | <b>(0.4)</b>              | <b>(1.0)</b> | <b>(3.8)</b>  |
| <b>Utilised during the year</b>                   | <b>(14.6)</b>         | <b>–</b>                         | <b>(12.6)</b>             | <b>(9.6)</b> | <b>(36.8)</b> |
| <b>Transfer to assets held for sale (note 12)</b> | <b>(1.3)</b>          | <b>–</b>                         | <b>–</b>                  | <b>–</b>     | <b>(1.3)</b>  |
| <b>Transfers</b>                                  | <b>–</b>              | <b>–</b>                         | <b>(1.5)</b>              | <b>1.5</b>   | <b>–</b>      |
| <b>Exchange rate adjustments</b>                  | <b>3.6</b>            | <b>–</b>                         | <b>–</b>                  | <b>–</b>     | <b>3.6</b>    |
| At 31 March 2026                                  | 735.1                 | 2.6                              | 1.9                       | 31.9         | 771.5         |
| At 31 March 2026                                  |                       |                                  |                           |              |               |
| <b>Non-current</b>                                | <b>690.8</b>          | <b>–</b>                         | <b>1.7</b>                | <b>19.4</b>  | <b>711.9</b>  |
| <b>Current</b>                                    | <b>44.3</b>           | <b>2.6</b>                       | <b>0.2</b>                | <b>12.5</b>  | <b>59.6</b>   |
|                                                   | <b>735.1</b>          | <b>2.6</b>                       | <b>1.9</b>                | <b>31.9</b>  | <b>771.5</b>  |
| At 31 March 2025                                  |                       |                                  |                           |              |               |
| Non-current                                       | 656.3                 | –                                | 8.9                       | 10.9         | 676.1         |
| Current                                           | 60.7                  | 2.4                              | 6.5                       | 10.9         | 80.5          |
|                                                   | 717.0                 | 2.4                              | 15.4                      | 21.8         | 756.6         |

#### Decommissioning provisions

Provision has been made for the estimated net present value of decommissioning the Group's Thermal and Renewable power generation assets, Gas Storage facilities and the 60% share of decommissioning liabilities of the Group's former Gas Production business. Cost estimates are based on forecast remediation or clean-up costs based on current technology and prices for Renewable, Thermal and Gas Storage assets and are reviewed by independent valuation experts every three years. In the intervening years, management update cost estimates based on factors arising since the last formal valuation date. Retained decommissioning costs in relation to the disposed Gas Production business are periodically agreed with the field operators. The cost estimates include a risk adjustment and are inflated to the projected decommissioning date using a market observable inflation rate. This projection is discounted using a risk-free discount rate based on UK gilt rates with maturity date similar to the expected decommissioning date.

There is a wide range of assumed decommissioning dates across the obligation due to the number of assets and their varying ages, which is summarised in the table below. Decommissioning dates are based on the useful economic lives of the individual assets based on technology and price forecasts at the balance sheet date. It is possible that the forecast decommissioning dates will change due to technology advances or decisions to repower wind farms when the current turbines reach the end of their respective lives. The date of decommissioning of the Gas Production business can vary based on hydrocarbon reserve estimates and market commodity prices, which can shorten or lengthen the economic life of the field.

| Business Unit  | Value of Provision<br>31 March 2026<br>£m | Number of<br>decommissioning<br>sites | Forecast<br>decommissioning<br>dates | Value of Provision<br>31 March 2025<br>£m | Number of<br>decommissioning<br>sites | Forecast<br>decommissioning<br>dates |
|----------------|-------------------------------------------|---------------------------------------|--------------------------------------|-------------------------------------------|---------------------------------------|--------------------------------------|
| Renewables     | 256.3                                     | 58                                    | 2026-2064                            | 236.3                                     | 58                                    | 2026 – 2064                          |
| Thermal        | 158.9                                     | 19                                    | 2026-2050                            | 165.0                                     | 17                                    | 2025 – 2050                          |
| Gas Storage    | 128.8                                     | 18 <sup>1</sup>                       | 2026-2049                            | 114.1                                     | 18 <sup>1</sup>                       | 2025 – 2049                          |
| Gas Production | 191.1                                     | 4 <sup>2</sup>                        | 2026-2044                            | 201.6                                     | 4 <sup>2</sup>                        | 2025 – 2040                          |
| <b>Total</b>   | <b>735.1</b>                              |                                       |                                      | <b>717.0</b>                              |                                       |                                      |

1 The Group has two Gas Storage assets at Aldbrough and Atwick. In total there are 18 caverns with varying economic lives, therefore the number of sites has been disclosed to more accurately reflect the scale and expected timing of decommissioning activities.

2 The Group has retained a 60% share of the decommissioning obligation for four Gas Production fields, though each field has multiple wells and shared infrastructure that the Group retains an obligation to remediate.



The Group's total decommissioning provision has increased during the year from £717.0m to £735.1m. This movement primarily reflects the unwinding of the discount on the provision, which increases the carrying value over time as expected cash outflows move closer to settlement. This increase was partially offset by utilisation of the provision during the year as decommissioning activities were undertaken. In addition, updated assumptions on the expected scope and cost of future decommissioning activities impacted the provision. Risk free discount rates increased during the year 4.9%-5.5% (2025: 4.7%-5.2%) resulting in a reduction in the present value of the provision. In addition, the long term inflation rate increased to 3.4% (2025: 3.2%), increasing the estimated nominal future cash flows.

#### Impact of climate change on the Group's decommissioning provisions

The Group has assessed the impact of climate change on its decommissioning provisions. There is a physical risk that due to changes in weather patterns, the projected costs in relation to decommissioning could increase. The decommissioning provision included in the table above for these assets is based on a best estimate of the costs to be incurred at the balance sheet date. In the sensitivity analysis below, a scenario has been included assuming costs will increase and this takes account of the physical climate change risk.

#### Sensitivity analysis

Sensitivity analysis reflecting reasonably probable fluctuations to the main assumptions used in the calculation of the decommissioning provisions is set out below:

| Estimated decommissioning provision including: | 2026<br>£m | 2025<br>£m |
|------------------------------------------------|------------|------------|
| Increasing the projected cost estimate by 10%  | 808.5      | 775.3      |
| Increasing the inflation rate by 1.0%          | 817.2      | 774.2      |
| Decreasing the discount rate by 0.5%           | 772.5      | 736.4      |

#### Employee related provisions

Employee related provisions include the Group's employer financed retirement benefit provision for certain directors and former directors and employees, which is valued in accordance with IAS 19 using assumptions consistent with the Scottish Hydro Electric Pension Scheme (see note 23 for assumptions applied).

The Group Operating Model and Efficiency Review is now largely complete with £4.7m of the provisions utilised in relation to redundancy costs.

#### Other provisions

Other provisions include onerous contract provisions, mutualisation obligations and other contractual obligations and are calculated based on a best estimate basis. The timing of settlement of these provisions varies by obligation between 2026 and 2035.

## 21. Sources of finance

### 21.1 Capital management

The Group's objective is to maintain a strong balance sheet and credit rating to support continued access to capital markets and fund its investment programme, underpinning delivery of the Group's strategy and long term value creation. The Group monitors its capital structure using key financial metrics including, Adjusted Net Debt and Hybrid Capital together with credit metrics consistent with those used by external rating agencies.

At 31 March 2026, the Group's long term credit rating was BBB+ stable outlook for Standard and Poor's; Baa1 stable outlook for Moody's; and BBB+ stable outlook with Fitch, which is now provided on a solicited basis.

The maintenance of a medium-term corporate model is a key control in monitoring the development of the Group's capital structure and enables detailed scenario and sensitivity analysis. Key ratios derived from this analysis underpin regular reporting to the Board and include the ratios used by the rating agencies in assessing the Group's credit ratings.

The Group's debt requirements are principally met through bond issuances in Sterling and Euros, private placements and medium-term bank loans. Details of debt issued by the Group and maturity profile are included in note 21.3. The Group's capital structure is supported by a range of financial instruments, including bonds, private placements, hybrid capital, equity issuances and short-term funding through its commercial paper programme. Under SSE plc's articles of association, the borrowings of the Company are limited so as to ensure that the aggregate amount of all borrowings by the Group outstanding at any time is not more than three times the capital and reserves of the Group. SSE's Adjusted Net Debt and Hybrid Capital remained stable at £10.1bn at 31 March 2026 (2025: £10.1bn (restated – see note 1.2)).

The Group seeks to balance returns to shareholders through dividends and long-term capital investment for growth, while maintaining a disciplined approach to capital management within the prevailing economic environment.

On 14 November 2025 the Group issued 97.9m ordinary shares at a placement price of £20.50 per share, resulting in net proceeds of £1,978.4m (see note 22.1).



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 21. Sources of finance continued

#### 21.1 Capital management continued

At 31 March, the Group's capital is comprised of:

|                                                                      | 2026<br>£m      | 2025<br>£m<br>(restated*) |
|----------------------------------------------------------------------|-----------------|---------------------------|
| Total borrowings (excluding lease obligations)                       | 9,664.5         | 10,149.4                  |
| Less: Cash and cash equivalents                                      | (1,542.9)       | (1,090.5)                 |
| Net debt (excluding Hybrid equity)                                   | 8,121.6         | 9,058.9                   |
| Hybrid equity                                                        | 2,985.8         | 1,882.4                   |
| Borrowings and cash attributable to non-controlling interests        | (1,258.4)       | (937.9)                   |
| Cash held and posted as collateral and other deposits <sup>(i)</sup> | 246.0           | 63.3                      |
| <b>Adjusted Net Debt and Hybrid Capital APM</b>                      | <b>10,095.0</b> | <b>10,066.7</b>           |
| Equity attributable to shareholders of the parent                    | 12,663.9        | 10,181.6                  |
| Total capital excluding lease obligations                            | 22,758.9        | 20,248.3                  |

\* The comparatives have been restated. See note 1.2.

(i) At 31 March 2026 collateral and other deposits were a net liability of £246.0m (2025: £63.3m net liability) consisting of net collateral liabilities of £258.3m (2025: £72.9m net liability) and other deposits with a maturity of more than three months of £12.3m (2025: £9.6m). The collateral movement in the current year is due to cash withdrawals from trading exchanges following increases in the variation margin on "in the money" positions.

Adjusted Net Debt and Hybrid Capital is stated after removing lease obligations, external net debt attributable to non-controlling interests and cash held and posted as collateral and other deposits with a maturity of more than three months in line with the Group's presentation basis which is explained at note 3.1. The adjustment related to the non-controlling interest share of Scottish Hydro Electric Transmission plc external net debt and related SSE plc external debt is £1,258.4m at 31 March 2026 (2025: £937.9m restated) and relates to 25% of external loans of £5,073.7m (2025: £3,758.8m restated) net of cash and cash equivalents of £40.2m (2025: £7.3m). This adjustment was increased from £817.9m to £937.9m at 31 March 2025, reflecting the change of definition referred to at note 3.1.

#### 21.2 Loans and other borrowings

|                                                                      | 2026<br>£m      | 2025<br>£m<br>(restated*) |
|----------------------------------------------------------------------|-----------------|---------------------------|
| <b>Current</b>                                                       |                 |                           |
| Short term loans                                                     | 1,124.6         | 1,895.5                   |
| Lease obligations                                                    | 79.8            | 68.5                      |
|                                                                      | <b>1,204.4</b>  | <b>1,964.0</b>            |
| <b>Non-current</b>                                                   |                 |                           |
| Loans                                                                | 8,539.9         | 8,253.9                   |
| Lease obligations                                                    | 376.9           | 386.5                     |
|                                                                      | <b>8,916.8</b>  | <b>8,640.4</b>            |
| <b>Total loans and borrowings</b>                                    | <b>10,121.2</b> | <b>10,604.4</b>           |
| Cash and cash equivalents                                            | (1,542.9)       | (1,090.5)                 |
| <b>Unadjusted net debt</b>                                           | <b>8,578.3</b>  | <b>9,513.9</b>            |
| <b>Add/(less):</b>                                                   |                 |                           |
| Hybrid equity                                                        | 2,985.8         | 1,882.4                   |
| Borrowings and cash attributable to non-controlling interest holders | (1,258.4)       | (937.9)                   |
| Lease obligations                                                    | (456.7)         | (455.0)                   |
| Cash held and (posted) as collateral and other deposits              | 246.0           | 63.3                      |
| <b>Adjusted Net Debt and Hybrid Capital APM</b>                      | <b>10,095.0</b> | <b>10,066.7</b>           |

\* The comparatives have been restated. See note 1.2.



### 21.3 Borrowing facilities

The Group maintains a diversified portfolio of funding sources, including committed bank facilities, bond issuances, a €1.5bn commercial paper programme and private placements to support its liquidity requirements and investment programme. At 31 March 2026, £501.2m of the Group's €1.5bn commercial paper programme was outstanding (2025: £890.5m).

At 31 March 2026, the Group had access to a total of £5.0bn of committed facilities (2025: £3.0bn), comprising revolving credit facilities and other committed arrangements. During the year, Scottish Hydro Electric Transmission plc agreed £2.0bn of new ECA and National Wealth Fund guaranteed facilities. As at 31 March 2026 there were no drawings on the revolving credit facilities (2025: Scottish Hydro Electric Transmission plc utilisation £340m and SSE plc utilisation £nil) or the new ECA and National Wealth Fund facilities.

The committed facilities are in place to ensure the Group has sufficient liquidity headroom when making significant capital investment. The £1.5bn revolving credit facility for SSE plc is in place to provide back-up to the commercial paper programme and support the Group's capital expenditure plans. The £3.5bn Scottish Hydro Electric Transmission plc facilities are in place to support the capital expenditure and working capital during a period of significant capital growth for the business.

On 31 March 2026, SSE plc signed an additional commitment letter which allows SSE plc to enter a £1.5bn committed facility between 31 March 2026 and 30 June 2026.

The revolving credit facilities include sustainability-linked features which may or may not adjust the interest margin applicable. The rate of interest is calculated annually, subject to fulfilling certain ESG KPIs and applied prospectively. At 31 March 2026, these features had no impact on the carrying value of the borrowings.

Under the terms of its revolving credit and private placement borrowing facilities, the Group is subject to the following financial covenants:

- **Interest Cover Ratio:** The Group shall procure that the ratio of Operating Profit to Net Interest Payable for any relevant period is not less than 2.5 to 1.
- **Net debt to Regulatory Asset Value:** Scottish Hydro Electric Transmission plc shall procure that the consolidated net debt to Regulatory Asset Value does not at any time exceed 0.80 to 1.00 as assessed by their financial statements.

The Group and Scottish Hydro Electric Transmission plc complied with all covenants throughout the year.

During the year to 31 March 2026, SSE plc issued a total of £1.6bn of new borrowings, including £1.1bn of dual-tranche equity accounted hybrid bonds (see [note 22.5](#) ) and £0.5bn of commercial paper rolled at maturity. Scottish Hydro Electric Transmission plc issued a total of £1.1bn of new external debt instruments across four issuances. A total of £2.2bn of instruments matured in the period, including £1.0bn of SSE plc Eurobonds, £0.9bn of SSE plc commercial paper and £0.3bn of Scottish Hydro Electric Transmission plc debt instruments.

On 7 April 2026, subsequent to the balance sheet date, SSE plc issued a €400m (£346m) two-year floating rate note.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 21. Sources of finance continued

#### 21.3 Borrowing facilities continued

##### Analysis of borrowings

|                                                                        | 2026                                           | 2026           | 2026           | 2026               | 2025                                           | 2025            | 2025           | 2025               |
|------------------------------------------------------------------------|------------------------------------------------|----------------|----------------|--------------------|------------------------------------------------|-----------------|----------------|--------------------|
|                                                                        | Weighted average interest rate <sup>(iv)</sup> | Face value £m  | Fair value £m  | Carrying amount £m | Weighted average interest rate <sup>(iv)</sup> | Face value £m   | Fair value £m  | Carrying amount £m |
| <b>Current</b>                                                         |                                                |                |                |                    |                                                |                 |                |                    |
| Bank loans – non amortising <sup>(i)</sup>                             | 2.2%                                           | 300.0          | 296.6          | 300.0              | –                                              | –               | –              | –                  |
| Other Short term loans – non amortising <sup>(ii)</sup>                | 2.4%                                           | 502.2          | 503.7          | 501.2              | 5.0%                                           | 901.7           | 906.6          | 890.5              |
| 1.250% Eurobond repayable 16 April 2025                                | –                                              | –              | –              | –                  | 1.3%                                           | 531.4           | 531.2          | 531.4              |
| 0.875% €600m Eurobond repayable 8 September 2025 <sup>(v)</sup>        | –                                              | –              | –              | –                  | 0.9%                                           | 502.6           | 499.2          | 502.4              |
| US Private Placement 8 June 2026                                       | 3.1%                                           | 64.0           | 64.4           | 64.0               | –                                              | –               | –              | –                  |
| US Private Placement 6 September 2026                                  | 3.2%                                           | 247.1          | 259.0          | 246.9              | –                                              | –               | –              | –                  |
| <b>Within one year</b>                                                 |                                                | <b>1,113.3</b> | <b>1,123.7</b> | <b>1,112.1</b>     |                                                | <b>1,935.7</b>  | <b>1,937.0</b> | <b>1,924.3</b>     |
| Fair value adjustment <sup>(iii)</sup>                                 |                                                |                |                | <b>12.5</b>        |                                                |                 |                | <b>(28.8)</b>      |
| <b>Total current borrowings</b>                                        |                                                | <b>1,113.3</b> | <b>1,123.7</b> | <b>1,124.6</b>     |                                                | <b>1,935.7</b>  | <b>1,937.0</b> | <b>1,895.5</b>     |
| <b>Non-Current</b>                                                     |                                                |                |                |                    |                                                |                 |                |                    |
| Bank loans – non amortising <sup>(i)</sup>                             | 4.6%                                           | 450.0          | 460.0          | 450.0              | 3.5%                                           | 500.0           | 493.1          | 500.0              |
| Other loans – non amortising <sup>(ii)</sup>                           | –                                              | –              | –              | –                  | 4.8%                                           | 340.0           | 340.0          | 340.0              |
| US Private Placement 8 June 2026                                       | –                                              | –              | –              | –                  | 3.1%                                           | 64.0            | 63.0           | 63.8               |
| US Private Placement 6 September 2026                                  | –                                              | –              | –              | –                  | 3.2%                                           | 247.1           | 258.9          | 246.2              |
| US Private Placement 6 September 2027                                  | 3.2%                                           | 35.0           | 34.0           | 34.9               | 3.2%                                           | 35.0            | 33.3           | 34.8               |
| 1.375% €650m Eurobond repayable 4 September 2027 <sup>(vi)</sup> (vii) | 1.4%                                           | 591.4          | 576.0          | 591.1              | 1.4%                                           | 591.4           | 573.7          | 590.9              |
| 1.50% Eurobond repayable 24 March 2028 <sup>(v)</sup>                  | 1.5%                                           | 250.0          | 234.0          | 249.7              | 1.5%                                           | 250.0           | 227.5          | 249.5              |
| 8.375% Eurobond repayable on 20 November 2028                          | 8.4%                                           | 500.0          | 538.7          | 498.9              | 8.4%                                           | 500.0           | 554.3          | 498.5              |
| 2.875% Eurobond repayable 1 August 2029 <sup>(v)</sup>                 | 2.9%                                           | 567.6          | 560.0          | 566.8              | 2.9%                                           | 544.5           | 539.3          | 543.3              |
| 1.750% Eurobond repayable 16 April 2030 <sup>(v)</sup>                 | 1.8%                                           | 442.9          | 413.9          | 442.9              | –                                              | –               | –              | –                  |
| <b>Between two and five years</b>                                      |                                                | <b>2,836.9</b> | <b>2,816.6</b> | <b>2,834.3</b>     |                                                | <b>3,072.0</b>  | <b>3,083.1</b> | <b>3,067.0</b>     |
| 1.750% Eurobond repayable 16 April 2030 <sup>(vii)</sup>               | –                                              | –              | –              | –                  | 1.8%                                           | 442.9           | 413.9          | 442.9              |
| 5.50% Eurobond repayable on 7 June 2032                                | 5.5%                                           | 350.0          | 351.8          | 350.1              | 5.5%                                           | 350.0           | 353.1          | 350.1              |
| Private Placement 30 June 2032                                         | 3.1%                                           | 175.0          | 154.6          | 175.0              | 3.1%                                           | 175.0           | 152.1          | 175.0              |
| 2.25% Eurobond repayable 27 September 2035 <sup>(v)</sup>              | 2.3%                                           | 350.0          | 262.1          | 348.0              | 2.3%                                           | 350.0           | 252.4          | 347.8              |
| 2.125% Eurobond repayable 24 March 2036 <sup>(v)</sup>                 | 2.1%                                           | 250.0          | 180.2          | 248.8              | 2.1%                                           | 250.0           | 175.4          | 248.7              |
| 4.625% Eurobond repayable on 20 February 2037                          | 4.6%                                           | 325.0          | 289.6          | 324.4              | 4.6%                                           | 325.0           | 288.5          | 324.3              |
| Private Placement 30 June 2037                                         | 3.2%                                           | 175.0          | 136.7          | 175.0              | 3.2%                                           | 175.0           | 135.5          | 175.0              |
| 6.25% Eurobond repayable on 27 August 2038                             | 6.3%                                           | 350.0          | 350.5          | 348.0              | 6.3%                                           | 350.0           | 350.7          | 347.9              |
| 4.454% Index linked loan repayable on 27 February 2044                 | 4.5%                                           | 159.6          | 180.5          | 159.3              | 4.5%                                           | 164.7           | 186.4          | 164.3              |
| 1.429% Index linked bond repayable on 20 October 2056                  | 1.4%                                           | 204.7          | 132.8          | 204.7              | 1.4%                                           | 195.5           | 134.3          | 195.5              |
| 4.00% €750m Eurobond repayable 5 September 2031 <sup>(v)</sup> (viii)  | 4.0%                                           | 655.0          | 664.5          | 653.7              | 4.0%                                           | 628.2           | 646.5          | 626.8              |
| 5.50% £500m Eurobond maturing 15 January 2044 <sup>(v)</sup>           | 5.5%                                           | 500.0          | 442.6          | 493.3              | 5.5%                                           | 500.0           | 448.3          | 493.0              |
| 3.375% €950m Eurobond repayable 4 September 2032 <sup>(v)</sup> (ix)   | 3.4%                                           | 802.0          | 782.7          | 800.5              | 3.4%                                           | 715.3           | 702.7          | 713.6              |
| Private Placement 26 June 2034                                         | 4.7%                                           | 111.3          | 106.2          | 111.3              | 4.7%                                           | 111.3           | 107.8          | 111.3              |
| Private Placement 19 July 2039                                         | 5.6%                                           | 30.0           | 28.4           | 30.0               | 5.6%                                           | 30.0            | 28.4           | 30.0               |
| 3.50% €600m Eurobond repayable 18 March 2032 <sup>(v)</sup> (x)        | 3.5%                                           | 524.0          | 516.2          | 521.4              | 3.5%                                           | 503.5           | 501.3          | 500.5              |
| 3.375% €750m Eurobond maturing 2 November 2033 <sup>(v)</sup> (xi)     | 3.4%                                           | 647.7          | 627.9          | 646.2              | –                                              | –               | –              | –                  |
| Private Placement 11 February 2036                                     | 5.0%                                           | 112.7          | 109.4          | 112.7              | –                                              | –               | –              | –                  |
| <b>Over five years</b>                                                 |                                                | <b>5,722.0</b> | <b>5,316.7</b> | <b>5,702.4</b>     |                                                | <b>5,266.4</b>  | <b>4,877.3</b> | <b>5,246.7</b>     |
| Fair value adjustment <sup>(iii)</sup>                                 |                                                |                |                | <b>3.2</b>         |                                                |                 |                | <b>(59.8)</b>      |
| <b>Total non-current borrowings</b>                                    |                                                | <b>8,558.9</b> | <b>8,133.3</b> | <b>8,539.9</b>     |                                                | <b>8,338.4</b>  | <b>7,960.4</b> | <b>8,253.9</b>     |
| <b>Total borrowings</b>                                                |                                                | <b>9,672.2</b> | <b>9,257.0</b> | <b>9,664.5</b>     |                                                | <b>10,274.1</b> | <b>9,897.4</b> | <b>10,149.4</b>    |

Note: The Sterling-equivalent fair value reflects the fair value of non-Sterling denominated borrowings, post the impact of the hedges noted below.

(i) Balances include term loans and EIB debt and is a mixture of fixed and floating rate debt.

(ii) Balances include Commercial Paper and facility advances (£501.2m of Commercial Paper). At 31 March 2026, Scottish Hydro Electric Transmission plc had no drawings under its £1.5bn revolving credit facility (2025: £340.0m). The £340.0m drawn at 31 March 2025 was classified as non-current within debt maturing in two to five years in accordance with IAS 1 paragraph 75A. The debt was repaid in April 2025, subsequent to the balance sheet date.

(iii) The fair value adjustment relates to the change in the carrying amount of the borrowings as a result of fair value hedges that are in place. The movement in the fair value adjustment is recognised in the income statement with a corresponding movement on the hedging instrument also being recognised in the income statement.

(iv) The weighted average interest rates (including the effect of interest rate swaps) for the year ended 31 March 2026 was 3.79% (2025: 3.85%).

(v) Bonds have been issued under the Group's Sustainability Financing Framework (previously the Group's Green Bond Framework).

(vi) The 1.375% €650m Eurobond maturing 4 September 2027 has been swapped to Sterling giving an effective interest rate of 2.56%.

(vii) The 1.750% €500m Eurobond maturing 16 April 2030 has been swapped to Sterling giving an effective interest rate of 2.89%.

(viii) The 4.0% €750m Eurobond maturing 5 September 2031 has been left in Euros as a net investment hedge for the Group's Euro denominated subsidiaries.

(ix) The 3.375% €950m Eurobond maturing 4 September 2032 has been swapped to Sterling giving an effective interest rate of 4.91%.

(x) The 3.50% €600m Eurobond maturing 18 March 2032 has predominantly been left in Euros as a net investment hedge for the Group's Euro denominated subsidiaries.

(xi) The 3.375% €750m Eurobond maturing 2 November 2033 has been swapped to Sterling giving an effective interest rate of 5.20%.



### Lease liabilities

Amounts charged under lease arrangements are detailed within [note 6](#), and right of use assets recognised under lease arrangements are detailed within [note 14](#).

|                                          | 2026<br>£m   | 2025<br>£m   |
|------------------------------------------|--------------|--------------|
| At 1 April                               | 455.0        | 407.5        |
| Additions during the year                | 74.9         | 139.8        |
| Disposals during the year                | (8.9)        | (12.3)       |
| Unwind of discount                       | 24.1         | 26.9         |
| Repayment in the year                    | (86.9)       | (106.9)      |
| Transferred to liabilities held for sale | (1.5)        | –            |
| <b>At 31 March</b>                       | <b>456.7</b> | <b>455.0</b> |

The weighted average incremental borrowing rate applied to lease liabilities during the year was 5.12% (2025: 4.95%). Incremental borrowing rates applied to individual lease additions in the year ranged between 3.75% to 7.34% (2025: 3.85% to 7.46%). The Group has additional committed payments under short term and low value leases at 31 March 2026 of £14.0m (2025: £14.3m).

The maturity of future lease liabilities are as follows:

|                                    | 2026<br>£m   | 2025<br>£m   |
|------------------------------------|--------------|--------------|
| Within one year                    | 86.8         | 75.2         |
| Between one and five years         | 223.2        | 233.5        |
| After five years                   | 390.1        | 403.2        |
|                                    | <b>700.1</b> | <b>711.9</b> |
| Less: future finance charge        | (243.4)      | (256.9)      |
| Present value of lease obligations | <b>456.7</b> | <b>455.0</b> |

### 21.4 Reconciliation of net increase in cash and cash equivalents to movement in Adjusted Net Debt and Hybrid Capital

|                                                                                  | 2026<br>£m    | 2025<br>£m<br>(restated*) |
|----------------------------------------------------------------------------------|---------------|---------------------------|
| Increase in cash and cash equivalents                                            | 452.4         | 54.6                      |
| (Less)/add:                                                                      |               |                           |
| New borrowing proceeds                                                           | (1,595.3)     | (2,592.2)                 |
| New Hybrid equity proceeds                                                       | (1,103.4)     | –                         |
| Repayment of borrowings                                                          | 2,294.2       | 1,055.3                   |
| Non-cash movement on borrowings                                                  | (214.0)       | 113.7                     |
| Increase in borrowings and cash attributable to non-controlling interest holders | 320.5         | 252.7                     |
| (Increase)/decrease in cash held and posted as collateral and other deposits     | (182.7)       | 289.9                     |
| <b>Increase in Adjusted Net Debt and Hybrid Capital APM</b>                      | <b>(28.3)</b> | <b>(826.0)</b>            |

\* The comparatives have been restated. See note 1.2.

Cash held and posted as collateral refers to amounts received and deposited on commodity trading exchanges which are reported within "Trade and other payables" and "Trade and other receivables" respectively on the face of the balance sheet, as well as other deposits with a maturity of more than 3 months.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 21. Sources of finance continued

#### 21.5 Reconciliation of movements in financing liabilities

|                                                  | At 31 March<br>2025<br>£m | Financing cash flows |                               |                                   | Non-cash movements         |                                  |                         |                         |             | At 31 March<br>2026<br>£m |
|--------------------------------------------------|---------------------------|----------------------|-------------------------------|-----------------------------------|----------------------------|----------------------------------|-------------------------|-------------------------|-------------|---------------------------|
|                                                  |                           | New borrowings<br>£m | Repayment of borrowings<br>£m | Repayment of lease creditor<br>£m | Fair value movements<br>£m | Foreign exchange movements<br>£m | Lease liabilities<br>£m | Re-classification<br>£m | Other<br>£m |                           |
| <b>Financing liabilities</b>                     |                           |                      |                               |                                   |                            |                                  |                         |                         |             |                           |
| Bank loans                                       | 500.0                     | 250.0                | –                             | –                                 | –                          | –                                | –                       | (300.0)                 | –           | 450.0                     |
| Private placement                                | 852.2                     | 112.7                | –                             | –                                 | (9.5)                      | –                                | –                       | (310.0)                 | 0.1         | 645.5                     |
| Fixed rate Eurobonds                             | 6,201.9                   | 734.4                | –                             | –                                 | 72.5                       | 70.3                             | –                       | –                       | 1.4         | 7,080.5                   |
| Index linked loans                               | 359.8                     | –                    | (11.2)                        | –                                 | –                          | –                                | –                       | –                       | 15.3        | 363.9                     |
| Other loans – non amortising                     | 340.0                     | –                    | (340.0)                       | –                                 | –                          | –                                | –                       | –                       | –           | –                         |
| <b>Total long term borrowings</b>                | <b>8,253.9</b>            | <b>1,097.1</b>       | <b>(351.2)</b>                | <b>–</b>                          | <b>63.0</b>                | <b>70.3</b>                      | <b>–</b>                | <b>(610.0)</b>          | <b>16.8</b> | <b>8,539.9</b>            |
| Bank loans                                       | –                         | –                    | –                             | –                                 | –                          | –                                | –                       | 300.0                   | –           | 300.0                     |
| Fixed rate Eurobonds                             | 1,005.0                   | –                    | (1,052.5)                     | –                                 | 28.8                       | 18.6                             | –                       | –                       | 0.1         | –                         |
| Other short term loans – non amortising          | 890.5                     | 498.2                | (890.5)                       | –                                 | –                          | 3.0                              | –                       | –                       | –           | 501.2                     |
| US private placement                             | –                         | –                    | –                             | –                                 | 12.5                       | –                                | –                       | 310.0                   | 0.9         | 323.4                     |
| <b>Total short term borrowings</b>               | <b>1,895.5</b>            | <b>498.2</b>         | <b>(1,943.0)</b>              | <b>–</b>                          | <b>41.3</b>                | <b>21.6</b>                      | <b>–</b>                | <b>610.0</b>            | <b>1.0</b>  | <b>1,124.6</b>            |
|                                                  | <b>10,149.4</b>           | <b>1,595.3</b>       | <b>(2,294.2)</b>              | <b>–</b>                          | <b>104.3</b>               | <b>91.9</b>                      | <b>–</b>                | <b>–</b>                | <b>17.8</b> | <b>9,664.5</b>            |
| <b>Lease liabilities</b>                         | <b>455.0</b>              | <b>–</b>             | <b>–</b>                      | <b>(86.9)</b>                     | <b>–</b>                   | <b>–</b>                         | <b>88.6</b>             | <b>–</b>                | <b>–</b>    | <b>456.7</b>              |
| <b>Total loans and borrowings</b>                | <b>10,604.4</b>           | <b>1,595.3</b>       | <b>(2,294.2)</b>              | <b>(86.9)</b>                     | <b>104.3</b>               | <b>91.9</b>                      | <b>88.6</b>             | <b>–</b>                | <b>17.8</b> | <b>10,121.2</b>           |
| <b>Assets held to hedge long term borrowings</b> | <b>48.2</b>               | <b>–</b>             | <b>–</b>                      | <b>–</b>                          | <b>(122.1)</b>             | <b>–</b>                         | <b>–</b>                | <b>–</b>                | <b>–</b>    | <b>(73.9)</b>             |
|                                                  | <b>10,652.6</b>           | <b>1,595.3</b>       | <b>(2,294.2)</b>              | <b>(86.9)</b>                     | <b>(17.8)</b>              | <b>91.9</b>                      | <b>88.6</b>             | <b>–</b>                | <b>17.8</b> | <b>10,047.3</b>           |

|                                                  | At 31 March<br>2024<br>£m | Financing cash flows |                               |                                   | Non-cash movements         |                                  |                         |                         |             | At 31 March<br>2025<br>£m |
|--------------------------------------------------|---------------------------|----------------------|-------------------------------|-----------------------------------|----------------------------|----------------------------------|-------------------------|-------------------------|-------------|---------------------------|
|                                                  |                           | New borrowings<br>£m | Repayment of borrowings<br>£m | Repayment of lease creditor<br>£m | Fair value movements<br>£m | Foreign exchange movements<br>£m | Lease liabilities<br>£m | Re-classification<br>£m | Other<br>£m |                           |
| <b>Financing liabilities</b>                     |                           |                      |                               |                                   |                            |                                  |                         |                         |             |                           |
| Bank loans                                       | 499.9                     | –                    | –                             | –                                 | –                          | –                                | –                       | –                       | 0.1         | 500.0                     |
| Private placement                                | 770.2                     | 141.3                | –                             | –                                 | (60.2)                     | –                                | –                       | –                       | 0.9         | 852.2                     |
| Fixed rate Eurobonds                             | 6,059.7                   | 1,220.4              | –                             | –                                 | (4.8)                      | (25.7)                           | –                       | (1,043.6)               | (4.1)       | 6,201.9                   |
| Index linked loans                               | 357.8                     | –                    | (10.8)                        | –                                 | –                          | –                                | –                       | –                       | 12.8        | 359.8                     |
| Other loans – non amortising                     | –                         | 340.0                | –                             | –                                 | –                          | –                                | –                       | –                       | –           | 340.0                     |
| <b>Total long term borrowings</b>                | <b>7,687.6</b>            | <b>1,701.7</b>       | <b>(10.8)</b>                 | <b>–</b>                          | <b>(65.0)</b>              | <b>(25.7)</b>                    | <b>–</b>                | <b>(1,043.6)</b>        | <b>9.7</b>  | <b>8,253.9</b>            |
| Fixed rate Eurobonds                             | –                         | –                    | –                             | –                                 | (30.4)                     | (10.4)                           | –                       | 1,043.6                 | 2.2         | 1,005.0                   |
| Other short term loans – non amortising          | 840.4                     | 890.5                | (840.4)                       | –                                 | –                          | –                                | –                       | –                       | –           | 890.5                     |
| US private placement                             | 198.2                     | –                    | (204.1)                       | –                                 | 5.9                        | –                                | –                       | –                       | –           | –                         |
| <b>Total short term borrowings</b>               | <b>1,038.6</b>            | <b>890.5</b>         | <b>(1,044.5)</b>              | <b>–</b>                          | <b>(24.5)</b>              | <b>(10.4)</b>                    | <b>–</b>                | <b>1,043.6</b>          | <b>2.2</b>  | <b>1,895.5</b>            |
|                                                  | <b>8,726.2</b>            | <b>2,592.2</b>       | <b>(1,055.3)</b>              | <b>–</b>                          | <b>(89.5)</b>              | <b>(36.1)</b>                    | <b>–</b>                | <b>–</b>                | <b>11.9</b> | <b>10,149.4</b>           |
| <b>Lease liabilities</b>                         | <b>407.5</b>              | <b>–</b>             | <b>–</b>                      | <b>(106.9)</b>                    | <b>–</b>                   | <b>–</b>                         | <b>154.4</b>            | <b>–</b>                | <b>–</b>    | <b>455.0</b>              |
| <b>Total loans and borrowings</b>                | <b>9,133.7</b>            | <b>2,592.2</b>       | <b>(1,055.3)</b>              | <b>(106.9)</b>                    | <b>(89.5)</b>              | <b>(36.1)</b>                    | <b>154.4</b>            | <b>–</b>                | <b>11.9</b> | <b>10,604.4</b>           |
| <b>Assets held to hedge long term borrowings</b> | <b>18.5</b>               | <b>–</b>             | <b>–</b>                      | <b>–</b>                          | <b>29.7</b>                | <b>–</b>                         | <b>–</b>                | <b>–</b>                | <b>–</b>    | <b>48.2</b>               |
|                                                  | <b>9,152.2</b>            | <b>2,592.2</b>       | <b>(1,055.3)</b>              | <b>(106.9)</b>                    | <b>(59.8)</b>              | <b>(36.1)</b>                    | <b>154.4</b>            | <b>–</b>                | <b>11.9</b> | <b>10,652.6</b>           |

## 22. Equity

### 22.1 Share capital

|                                            | 2026              |              | 2025              |       |
|--------------------------------------------|-------------------|--------------|-------------------|-------|
|                                            | Number (millions) | £m           | Number (millions) | £m    |
| <b>Allotted, called up and fully paid:</b> |                   |              |                   |       |
| At 1 April                                 | <b>1,111.2</b>    | <b>555.6</b> | 1,096.2           | 548.1 |
| Issue of shares                            | <b>104.3</b>      | <b>52.1</b>  | 15.0              | 7.5   |
| <b>At 31 March</b>                         | <b>1,215.5</b>    | <b>607.7</b> | 1,111.2           | 555.6 |

The Company has one class of ordinary share which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

On 14 November 2025 the Group issued 97.9m ordinary shares at a placement price of £20.50 per share, resulting in gross proceeds of £2,007.3m. Transaction costs, which were directly attributable to the issuance, have been deducted from share premium in line with IAS 32 and therefore the Group recognised net proceeds of £1,978.4m from this share issuance.

Shareholders were able to elect to receive ordinary shares in place of the final dividend of 43.0p per ordinary share (in relation to year ended 31 March 2025) and the interim dividend of 21.4p (in relation to the current year) under the terms of the Company's scrip dividend scheme. This resulted in the issue of 1.4m and 5.0m new fully paid ordinary shares respectively (2025: 12.2m and 2.8m). In addition, the Company issued 1.4m (2025: 1.7m) shares during the year to satisfy awards to employees under certain employee share schemes (all of which were settled by shares held in Treasury) for a consideration of £17.4m (2025: £17.8m).

The scrip dividend take-up for the prior financial year was 9.7%, which was below the 25.0% required by the share buyback programme, therefore no share buybacks occurred during the current year. In the year ended 31 March 2025 3.8m shares were repurchased for total consideration of £71.7m (including stamp duty and commission).

Of the 1,215.5m shares in issue, 3.3m are held as treasury shares. These shares will be held by SSE plc and used to satisfy awards to employees under certain employee share schemes.

During the year, on behalf of the Company, the employee share trust purchased 1.0m shares for a total consideration of £25.4m (2025: 0.8m shares, consideration of £14.1m) to be held in trust for the benefit of employee share schemes. At 31 March 2026, the trust held 6.1m shares (2025: 6.7m) which had a market value of £159.5m (2025: £107.1m).

### 22.2 Capital redemption reserve

The capital redemption reserve comprises the value of shares redeemed or purchased and cancelled by the Company from distributable profits.

### 22.3 Hedge reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedge derivative instruments related to hedged transactions that have not yet occurred.

### 22.4 Translation reserve

Comprises exchange translation differences on foreign currency net investments offset by exchange translation differences on borrowings and derivatives classified as net investment hedges under IAS 39.

### 22.5 Hybrid Equity

|                                                                            | 2026<br>£m     | 2025<br>£m |
|----------------------------------------------------------------------------|----------------|------------|
| GBP 600m 3.74% perpetual subordinated capital securities <sup>(i)</sup>    | <b>598.0</b>   | 598.0      |
| EUR 500m 3.125% perpetual subordinated capital securities <sup>(i)</sup>   | <b>453.0</b>   | 453.0      |
| EUR 1,000m 4.00% perpetual subordinated capital securities <sup>(ii)</sup> | <b>831.4</b>   | 831.4      |
| EUR 800m 4.00% perpetual subordinated capital securities <sup>(iii)</sup>  | <b>678.9</b>   | –          |
| EUR 500m 4.50% perpetual subordinated capital securities <sup>(iii)</sup>  | <b>424.5</b>   | –          |
|                                                                            | <b>2,985.8</b> | 1,882.4    |

#### (i) 2 July 2020 £600m and €500m Hybrid Capital Bonds

The hybrid capital bonds issued in July 2020 have no fixed redemption date, but the Company may, at its sole discretion, redeem all but not part of the capital securities at their principal amount. The date for the first potential discretionary redemption of the £600m hybrid bond is 14 April 2026 and then every 5 years thereafter. The date for the first potential discretionary redemption of the €500m hybrid capital bond is 14 July 2027 and then every 5 years thereafter. For the £600m hybrid the discretionary coupon payments are made annually on 14 April and for the €500m hybrid the coupon payments are made annually on 14 July.

#### (ii) 12 April 2022 €1,000m Hybrid Capital Bonds

The hybrid capital bond issued in April 2022 has no fixed redemption date, but the Company may, at its sole discretion, redeem all but not part of the capital securities at their principal amount. The date for the first potential discretionary redemption is 21 April 2028 and then every 5 years thereafter. The discretionary hybrid coupon payments are made annually on 22 April.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 22. Equity continued

#### 22.5 Hybrid Equity continued

##### (iii) 12 June 2025 €800m and €500m Hybrid Capital Bonds

The hybrid capital bonds issued in June 2025 have no fixed redemption dates, but the Company may, at its sole discretion, redeem all but not part of the capital securities at their principal amount. The date for the first potential redemption for the €800m hybrid capital bond is 19 September 2030, and for the €500m bond is 19 June 2033, then every five years thereafter. The discretionary hybrid coupon payments are made annually on 19 September and 19 June respectively.

##### Coupon payments

In relation to the £600m hybrid equity bond a discretionary coupon payment of £22.4m (2025: £22.4m) was made on 14 April 2025, for the €500m hybrid equity bond a discretionary coupon payment of £16.5m (2025: £16.5m) was made on 14 July 2025 and for the €1bn hybrid equity bond a discretionary payment of £34.0m was paid on 22 April 2025 (2025: £34.8m). The first discretionary coupon payment on the new hybrid equity bonds will occur on 19 June 2026 for the €500m hybrid equity bond and 19 September 2026 for the €800m hybrid equity bond.

The coupon payments in the year to 31 March 2026 consequently totalled £72.9m (2025: £73.7m).

The Company has the option to defer coupon payments on the bonds on any relevant payment date, as long as a dividend on the ordinary shares has not been declared. Deferred coupons shall be satisfied only on redemption; or on a dividend payment on ordinary shares, both of which occur at the sole option of the Company. Interest will accrue on any deferred coupon.

#### 22.6 Equity attributable to non-controlling interests

This relates to equity attributable to non-wholly owned but controlled subsidiaries which are consolidated within the financial statements of the Group. At 31 March 2026 the amount attributable to non-controlling interests is £751.6m (2025: £628.8m), which relates to Scottish Hydro Electric Transmission of £713.4m (2025: £589.6m) and SSE Pacifico £38.2m (2025: £39.2m). The profit attributable to non-controlling interests for the year ended 31 March 2026 is £130.0m (2025: £69.8m), which relates to Scottish Hydro Electric Transmission £130.3m (2025: £70.6m) and SSE Pacifico £0.3m loss (2025: £0.8m loss).

Details regarding Scottish Hydro Electric Transmission's principal activity and country of incorporation are included in A3 [▶](#).

Scottish Hydro Electric Transmission's summary financial information is as follows:

|                                    | 2026<br>£m | 2025<br>£m<br>(restated*) |
|------------------------------------|------------|---------------------------|
| Non-current assets                 | 9,052.1    | 6,936.2                   |
| Current assets                     | 636.0      | 210.0                     |
| Current liabilities                | (1,737.3)  | (399.8)                   |
| Non-current liabilities            | (5,129.3)  | (4,424.2)                 |
|                                    | 2,821.5    | 2,322.2                   |
|                                    | 2026<br>£m | 2025<br>£m                |
| Revenue                            | 1,210.3    | 807.0                     |
| Operating profit                   | 770.3      | 435.5                     |
| Net finance costs                  | (47.0)     | (60.3)                    |
| Profit before taxation             | 723.3      | 375.2                     |
| Taxation                           | (201.1)    | (110.8)                   |
| Profit for the year after taxation | 522.2      | 264.4                     |

The summary financial information provided above is presented without Group eliminations, including £1.0bn (2025: £480.0m) of internal loans, consolidation and re-measurement adjustments, and deferred taxation, which have been eliminated to calculate the non-controlling interest for adjusted profit.

|                                                                  | 2026<br>£m | 2025<br>£m<br>(restated*) |
|------------------------------------------------------------------|------------|---------------------------|
| Profit for the year after taxation                               | 522.2      | 264.4                     |
| add/(less):                                                      |            |                           |
| Consolidation adjustments                                        | (19.5)     | (0.8)                     |
| Re-measurement movement on financing derivatives                 | (7.4)      | –                         |
| Deferred taxation                                                | 258.0      | 165.4                     |
|                                                                  | 753.3      | 429.0                     |
| Adjusted net profit attributable to 25% non-controlling interest | 188.3      | 107.3                     |

In addition to the net profit after tax attributable to the Scottish Hydro Electric Transmission non-controlling interest holders of £188.3m (2025: £107.3m) shown above, the Group's APM also reflects £0.3m of a loss (2025: £0.8m loss) attributable to the SSE Pacifico non-controlling interest holders.

\* The comparatives have been restated. See note 1.2.



## 23. Retirement benefit obligations

The Group has two funded final salary pension schemes which provide defined benefits based on final pensionable pay. The schemes are subject to independent valuations at least every three years. The future benefit obligations are valued by actuarial methods based on an appropriate assessment of the relevant parameters.

The Group provides pension benefits to most UK colleagues through SSE Pensions+, a defined contribution master trust agreement with Aviva. The Group generally matches employee contributions up to 6%, and provides additional contributions of 3% after two years and a further 3% after ten years continuous Group service. The Group also operates other pension arrangements, including a defined contribution master trust agreement with Zurich in the Republic of Ireland and an Unfunded Unapproved Retirement Benefit Scheme.

The Group presents its pension scheme valuations under two different measurement bases, a formal actuarial valuation and an IAS 19 valuation as required by accounting standards. The IAS 19 valuation is used to determine the assets and obligations recognised in the Group's consolidated balance sheet and is calculated annually by scheme actuaries, whereas the formal actuarial valuation is used to determine the contributions the Group makes to each scheme. The actuarial valuation is recalculated for each scheme every three years.

### Actuarial valuations

The individual pension scheme details based on the latest formal actuarial valuations are as follows:

|                                         | Scottish Hydro Electric | SSE Southern   |
|-----------------------------------------|-------------------------|----------------|
| Latest formal actuarial valuation       | 31 March 2024           | 31 March 2025  |
| Valuation carried out by                | Hymans Robertson        | Aon            |
| Value of assets based on valuation      | £1,376.3m               | £1,525.4m      |
| Value of liabilities based on valuation | £1,146.1m               | £1,524.3m      |
| Valuation method adopted                | Projected Unit          | Projected Unit |
| Average salary increase                 | RPI+0.25%               | RPI+0.25%      |
| Average pension increase                | RPI                     | RPI            |
| Value of fund assets/accrued benefits   | 120.1%                  | 100.1%         |

### Future contributions

#### Scottish Hydro Electric Pension Scheme

The last triennial actuarial valuation of the scheme was carried out at 31 March 2024 and showed a surplus of £230.2m on a projected unit basis. Following this valuation, the Group agreed to a new schedule of contributions which does not require contributions to be paid to the scheme, unless there is a sustained deficit for two successive quarters on the trustees' long term funding basis. Consequently, the Group has not made contributions to the scheme in the year ending 31 March 2026 and does not expect to make any contributions during the year ended 31 March 2027. The next triennial funding valuation will be carried out as at 31 March 2027.

#### SSE Southern Group of the Electricity Supply Pension Scheme

The last triennial actuarial valuation of the scheme was carried out at 31 March 2025 and showed a surplus of £1.1m on a projected unit basis. Following this valuation, the Group agreed to a new schedule of contributions which provides for contributions to be paid in respect of current accrual and expenses only. The next funding valuation will be carried out as at 31 March 2028. Total contributions of approximately £7.7m are expected to be paid by the Group during the year ending on 31 March 2027, which includes the final deficit payment made under the previous recovery plan of £1.3m in April 2026.

During the year ending 31 March 2026, the Group paid deficit contributions of £16.0m (2025: £15.5m).

#### Pension summary as measured under IAS 19:

|                         | Scheme type     | Net actuarial (loss)/gain recognised in respect of the pension asset in the statement of comprehensive income |            | Net pension asset |            |
|-------------------------|-----------------|---------------------------------------------------------------------------------------------------------------|------------|-------------------|------------|
|                         |                 | 2026<br>£m                                                                                                    | 2025<br>£m | 2026<br>£m        | 2025<br>£m |
| Scottish Hydro Electric | Defined benefit | (2.1)                                                                                                         | 7.7        | 364.3             | 353.7      |
| SSE Southern            | Defined benefit | (78.6)                                                                                                        | 45.1       | 95.5              | 148.1      |
|                         |                 | (80.7)                                                                                                        | 52.8       | 459.8             | 501.8      |



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 23. Retirement benefit obligations continued

#### IFRIC 14 surplus restrictions

As a result of the Group and the trustees to the Scottish Hydro Electric Pension Scheme agreeing in 2016/17 to an amendment to the scheme rules to clarify that the Company has a clear right to any surplus upon final winding up of the scheme, there are no restrictions on recognition of the scheme surplus. The net pension asset of the Scottish Hydro Electric Scheme at 31 March 2026 was £364.3m (2025: £353.7m).

At 31 March 2026, the SSE Southern Pension Scheme has a net surplus of £95.5m (2025: £148.1m), and unrecognised future contributions of £7.7m (2025: £32.0m). The Group has assessed that it has the right to recognise the current and any future surpluses on the scheme, therefore has not recognised a liability for future unrecoverable contributions.

#### Other matters

In July 2024 the Court of Appeal upheld the 16 June 2023 High Court ruling in respect of Virgin Media v NTL Pension Trustees II Limited (and others) calling into question the validity of rule amendments made to defined benefit pension schemes contracted-out on a Reference Scheme Test basis between 6 April 1997 and 5 April 2016. Relevant amendments to these pension schemes over this time required confirmation from the Scheme Actuary that the Reference Scheme Test would continue to be met. In the absence of such a confirmation, the Rule amendment would be void.

In May 2026, the UK Government introduced legislation as part of the Pension Schemes Act 2026 to enable pension schemes to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Any subsequent developments are being monitored by the Group and the pension scheme trustees. The defined benefit obligation for the Group's schemes has been calculated on the basis of the pension benefits currently being administered.

#### 23.1 Pension scheme assumptions

Both schemes have been updated to 31 March 2026 by qualified independent actuaries. The valuations have been prepared for the purposes of meeting the requirements of IAS 19. The major assumptions used by the actuaries in both schemes were:

|                                          | At 31 March 2026 | At 31 March 2025 |
|------------------------------------------|------------------|------------------|
| Rate of increase in pensionable salaries | 3.5%             | 3.3%             |
| Rate of increase in pension payments     | 3.3%             | 3.0%             |
| Discount rate                            | 6.2%             | 5.8%             |
| Inflation rate                           | 3.3%             | 3.0%             |

The assumptions relating to longevity underlying the pension liabilities at 31 March 2026 are based on standard actuarial mortality tables, and include an allowance for future improvements in longevity. The assumptions, equivalent to future longevity for members in normal health at age 65, are as follows:

#### Scottish Hydro Electric

|                   | At 31 March 2026 |        | At 31 March 2025 |        |
|-------------------|------------------|--------|------------------|--------|
|                   | Male             | Female | Male             | Female |
| Currently aged 65 | 22               | 24     | 22               | 24     |
| Currently aged 45 | 23               | 26     | 24               | 26     |

#### SSE Southern

|                   | At 31 March 2026 |        | At 31 March 2025 |        |
|-------------------|------------------|--------|------------------|--------|
|                   | Male             | Female | Male             | Female |
| Currently aged 65 | 23               | 25     | 22               | 25     |
| Currently aged 45 | 24               | 26     | 24               | 25     |



## 23.2 Sensitivity analysis

The impact on the schemes' liabilities of changing certain of the major assumptions is as follows:

### Scottish Hydro Electric

|                                          | At 31 March 2026                       |                                      | At 31 March 2025                       |                                      |
|------------------------------------------|----------------------------------------|--------------------------------------|----------------------------------------|--------------------------------------|
|                                          | Increase/<br>decrease in<br>assumption | Effect on<br>scheme's<br>liabilities | Increase/<br>decrease in<br>assumption | Effect on<br>scheme's<br>liabilities |
| Rate of increase in pensionable salaries | 0.1%                                   | +/- 0.1%                             | 0.1%                                   | +/- 0.1%                             |
| Rate of increase in pension payments     | 0.1%                                   | +/- 0.6%                             | 0.1%                                   | +/- 0.6%                             |
| Discount rate                            | 0.1%                                   | +/- 0.6%                             | 0.1%                                   | +/- 0.6%                             |
| Longevity                                | 1 year                                 | +/- 1.9%                             | 1 year                                 | +/- 1.9%                             |

### SSE Southern

|                                          | At 31 March 2026                       |                                      | At 31 March 2025                       |                                      |
|------------------------------------------|----------------------------------------|--------------------------------------|----------------------------------------|--------------------------------------|
|                                          | Increase/<br>decrease in<br>assumption | Effect on<br>scheme's<br>liabilities | Increase/<br>decrease in<br>assumption | Effect on<br>scheme's<br>liabilities |
| Rate of increase in pensionable salaries | 0.1%                                   | +/- 0.1%                             | 0.1%                                   | +/- 0.1%                             |
| Rate of increase in pension payments     | 0.1%                                   | +/- 1.1%                             | 0.1%                                   | +/- 1.2%                             |
| Discount rate                            | 0.1%                                   | +/- 1.1%                             | 0.1%                                   | +/- 1.2%                             |
| Longevity                                | 1 year                                 | +/- 3.2%                             | 1 year                                 | +/- 3.0%                             |

## 23.3 Valuation of combined pension schemes

|                                             | Quoted<br>£m | Unquoted<br>£m | Value at<br>31 March 2026<br>£m | Quoted<br>£m | Unquoted<br>£m | Value at<br>31 March 2025<br>£m |
|---------------------------------------------|--------------|----------------|---------------------------------|--------------|----------------|---------------------------------|
| Equities                                    | 148.7        | –              | 148.7                           | 173.2        | –              | 173.2                           |
| Government bonds                            | 998.3        | –              | 998.3                           | 1,180.6      | –              | 1,180.6                         |
| Insurance contracts <sup>(i)</sup>          | –            | 432.4          | 432.4                           | –            | 454.4          | 454.4                           |
| Other investments                           | 1,138.5      | –              | 1,138.5                         | 942.1        | –              | 942.1                           |
| Total fair value of plan assets             | 2,285.5      | 432.4          | 2,717.9                         | 2,295.9      | 454.4          | 2,750.3                         |
| Present value of defined benefit obligation |              |                | (2,258.1)                       |              |                | (2,248.5)                       |
| Surplus in the schemes                      |              |                | 459.8                           |              |                | 501.8                           |
| Deferred tax thereon <sup>(ii)</sup>        |              |                | (115.0)                         |              |                | (125.5)                         |
| Net pension asset                           |              |                | 344.8                           |              |                | 376.3                           |

(i) See details of valuations of insurance contracts in note 23.7(ii).

(ii) Deferred tax rate of 25% (2025: 25%) applied to net pension surplus position.



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 23. Retirement benefit obligations continued

#### 23.4 Movements in the combined defined benefit assets and obligations during the year

|                                                 | 2026           |                   |              | 2025           |                   |              |
|-------------------------------------------------|----------------|-------------------|--------------|----------------|-------------------|--------------|
|                                                 | Assets<br>£m   | Obligations<br>£m | Total<br>£m  | Assets<br>£m   | Obligations<br>£m | Total<br>£m  |
| At 1 April                                      | 2,750.3        | (2,248.5)         | 501.8        | 3,015.2        | (2,593.6)         | 421.6        |
| <b>Included in income statement</b>             |                |                   |              |                |                   |              |
| Current service cost                            | –              | (14.4)            | (14.4)       | –              | (15.0)            | (15.0)       |
| Past service cost                               | –              | (1.4)             | (1.4)        | –              | (4.7)             | (4.7)        |
| Interest income/(cost)                          | 154.0          | (124.6)           | 29.4         | 141.3          | (120.6)           | 20.7         |
|                                                 | 154.0          | (140.4)           | 13.6         | 141.3          | (140.3)           | 1.0          |
| <b>Included in other comprehensive income</b>   |                |                   |              |                |                   |              |
| Actuarial (loss)/gain arising from:             |                |                   |              |                |                   |              |
| Demographic assumptions                         | –              | (11.2)            | (11.2)       | –              | 20.9              | 20.9         |
| Financial assumptions                           | –              | 46.5              | 46.5         | –              | 288.5             | 288.5        |
| Experience assumptions                          | –              | (82.2)            | (82.2)       | –              | 1.9               | 1.9          |
| Return on plan assets excluding interest income | (33.8)         | –                 | (33.8)       | (258.5)        | –                 | (258.5)      |
|                                                 | (33.8)         | (46.9)            | (80.7)       | (258.5)        | 311.3             | 52.8         |
| <b>Other</b>                                    |                |                   |              |                |                   |              |
| Contributions paid by the employer              | 26.5           | –                 | 26.5         | 26.4           | –                 | 26.4         |
| Scheme participant's contributions              | 0.1            | (0.1)             | –            | 0.1            | (0.1)             | –            |
| Benefits paid                                   | (179.2)        | 177.8             | (1.4)        | (174.2)        | 174.2             | –            |
|                                                 | (152.6)        | 177.7             | 25.1         | (147.7)        | 174.1             | 26.4         |
| <b>Balance at 31 March</b>                      | <b>2,717.9</b> | <b>(2,258.1)</b>  | <b>459.8</b> | <b>2,750.3</b> | <b>(2,248.5)</b>  | <b>501.8</b> |

#### 23.5 Pension scheme contributions and costs

##### Charges/(credits) recognised:

|                                             | 2026<br>£m | 2025<br>£m |
|---------------------------------------------|------------|------------|
| Service costs (charged to operating profit) | 15.8       | 19.7       |
| (Credited)/charged to finance costs:        |            |            |
| Interest from pension scheme assets         | (154.0)    | (141.3)    |
| Interest on pension scheme liabilities      | 124.6      | 120.6      |
|                                             | (29.4)     | (20.7)     |

The return on pension scheme assets is as follows:

|                                        | 2026<br>£m | 2025<br>£m |
|----------------------------------------|------------|------------|
| Return/(loss) on pension scheme assets | 120.2      | (117.2)    |

##### Defined contribution scheme

The total contribution paid by the Group to defined contribution pension schemes was £116.7m (2025: £98.8m).

##### Unfunded Unapproved Retirement Benefit Scheme ("UURBS") pension costs

The decrease during the year ended 31 March 2026 in relation to UURBS was £7.2m (2025: decrease of £3.6m). This is included in Employee related provisions (note 20 ●).

##### Staff costs analysis

The pension costs in note 8 ● can be analysed as follows:

|                                      | 2026<br>£m | 2025<br>£m |
|--------------------------------------|------------|------------|
| Service costs                        | 15.8       | 19.7       |
| Defined contribution scheme payments | 116.7      | 98.8       |
|                                      | 132.5      | 118.5      |



## 23.6 Pension scheme risk assessment and mitigation

### Risks to which the Pension Schemes exposes the Group

The nature of the Group's defined benefit pension schemes expose the Group to the risk of paying unanticipated additional contributions to the schemes in times of adverse experience. The most financially significant risks are likely to be:

#### (i) Asset volatility

The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The schemes hold a proportion of growth assets (equities and property) which, though expected to outperform corporate bonds in the long term, create volatility and risk in the short term. The allocation to growth assets is monitored to ensure it remains appropriate given the schemes' long term objectives. The Scottish Hydro Electric Pension Scheme has a much lower proportion of growth assets than the SSE Southern Pension Scheme reflecting the maturity of each scheme.

#### (ii) Changes in bond yields

A decrease in corporate bond yields will increase the value placed on the schemes' liabilities for accounting purposes. However, this will be partially offset by an increase in the value of the schemes' bond holdings and its interest rate hedging in both schemes.

#### (iii) Inflation risk

The majority of the schemes' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). However, this will be substantially offset by the inflation hedging in both schemes.

#### (iv) Life expectancy

The majority of the schemes' obligations are to provide benefits for the life of the members, so an increase in the life expectancy will result in an increase in the liabilities. The sensitivity analysis disclosed is intended to provide an indication of the impact on the value of the schemes' liabilities of the risks highlighted.

#### (v) Liability versus asset risk

The risk that movement in the value of the schemes' liabilities are not met by corresponding movements in the value of the schemes' assets will expose the Group to movements in the overall funding surplus.

## 23.7 Risk mitigation

### (i) De-risking

The trustees have taken a number of steps to control the level of investment risk including reducing the Schemes' exposures to higher risk assets and increasing the level of protection against adverse movements in interest rates and inflation. The trustees of both schemes continue to review the risk exposures in light of the longer term objectives of the respective schemes, including consideration of the impact of climate-related risk. Detailed below are further details on the hedging of pensioner longevity risk.

### (ii) Asset buy-in

The Scottish Hydro Electric Pension Scheme entered into two asset buy-in insurance policies in 2018 and 2019 which covered all pensions in payment prior to 1 October 2019. These asset buy-ins are valued under the accounting principles of IFRS 13 and are considered a Level 3 instrument in the fair value hierarchy. The Group has now insured against volatility in obligations related to all pensioners who retired before 1 October 2019 to third parties (insurer PIC) and is now only exposed to valuation fluctuations related to active and deferred members and any members who retired after 1 October 2019.

### (iii) Asset-liability matching strategies used by the Scheme

The Group and trustees of the schemes have agreed a long term investment strategy that seeks to reduce investment risk as and when appropriate. The asset-liability matching strategy is part of this approach which aims to reduce the volatility of the funding level of the pension schemes by investing in assets which perform in line with the liabilities of the schemes so as to protect against inflation being higher than expected. This has been adopted for a proportion of the schemes' assets, which is designed to provide partial protection against adverse movements in interest rates and inflation. The trustees of the respective schemes review the schemes' asset allocation on an ongoing basis in light of changes in the funding position and market opportunities.

## 23.8 Risk assessment

### (i) Maturity profile of the defined benefit obligations

The weighted average duration of the defined benefit obligation is 11 years (2025: 12 years) for the Scottish Hydro Electric Pension Scheme and 12 years (2025: 12 years) for the SSE Southern Pension Scheme.

### (ii) Information about the defined benefit obligations

Status of members is weighted by the liabilities of each scheme

|                  | Scottish Hydro<br>Electric<br>% | SSE Southern<br>% |
|------------------|---------------------------------|-------------------|
| Active members   | 17                              | 11                |
| Deferred members | 12                              | 7                 |
| Pensioners       | 71                              | 82                |
|                  | 100                             | 100               |



## Notes to the consolidated financial statements continued

for the year ended 31 March 2026

### 23. Retirement benefit obligations continued

#### 23.9 Pension scheme policies

##### (i) Recognition of gains and losses

The Group recognises actuarial gains and losses in the statement of other comprehensive income following the re-measurement of the net defined benefit liabilities of the schemes.

##### (ii) Methods and assumptions used in preparing the sensitivity analyses

The sensitivities disclosed are calculated using approximate methods taking into account the duration of the schemes' liabilities. While these have been calculated consistently with the previous financial year, the method applied may change over time with financial conditions and assumptions.

##### (iii) Asset recognition

The Group has recognised net pension assets in relation to the Scottish Hydro Electric and SSE Southern pension schemes due to a surplus existing under IAS 19 accounting. The Group will only recognise a surplus should it have rights to that surplus under the rules of the pension scheme. The Group no longer applies the "asset ceiling" restriction mandated by IFRIC 14. Details on this key accounting consideration are provided above.

##### (iv) Fair value assessment of scheme assets

The Group seeks to assess whether there is a quotable market value (referenced as "quotable" above) in relation to pension scheme assets held. This assessment is based on regular reviews conducted in conjunction with the trustees of the schemes. For assets where no quotable market value exists, these assets will be valued based on a set methodology agreed by trustees and scheme advisors and then regularly assessed.

Currently only one unquotable value exists within the two pension schemes of the Group, this being qualifying insurance contracts (or "buy-in") held by the Scottish Hydro Electric Pension Scheme. These assets are currently valued consistently with the scheme's liabilities with the expected return on these assets being set equal to the discount rate.

### 24. Financial instruments

For financial reporting purposes, the Group has classified derivative financial instruments into two categories, operating derivatives and financing derivatives. Operating derivatives include all qualifying commodity contracts including those for power, gas, and carbon and the post-day 1 fair value movements on non-government backed contracts for difference in SSE Renewables. Financing derivatives include all fair value and cash flow interest rate hedges, non-hedge accounted (mark-to-market) interest rate derivatives, cash flow foreign exchange hedges and non-hedge accounted foreign exchange contracts. Non-hedge accounted contracts are treated as held for trading.

The Group provides guarantees in respect of certain activities of former subsidiaries and to certain current joint venture investments. As permitted by IFRS 17 "Insurance Contracts", the Group elected to apply the valuation principles of IFRS 9 to these contracts.

#### 24.1 Financial instruments – income statement

|                                                                  | 2026<br>£m     | 2025<br>£m    |
|------------------------------------------------------------------|----------------|---------------|
| <b>Operating derivatives</b>                                     |                |               |
| Total result on operating derivatives <sup>(i)</sup>             | (24.5)         | 92.9          |
| Less: amounts settled <sup>(ii)</sup>                            | (127.5)        | (141.9)       |
| Movement in unrealised derivatives                               | (152.0)        | (49.0)        |
| <b>Financing derivatives (and hedged items)</b>                  |                |               |
| Total result on financing derivatives <sup>(i)</sup>             | (113.2)        | 63.6          |
| Less: amounts settled <sup>(ii)</sup>                            | 131.1          | (50.8)        |
| Movement in unrealised derivatives                               | 17.9           | 12.8          |
| <b>Financial guarantee liabilities</b>                           |                |               |
| Total result on financial guarantee liabilities <sup>(iii)</sup> | 1.7            | 1.9           |
| <b>Net income statement impact</b>                               | <b>(132.4)</b> | <b>(34.3)</b> |

(i) Total result on derivatives in the income statement represents the total amounts credited (or charged) to the income statement in respect of operating and financial derivatives, and is shown as certain re-measurements in note 7.

(ii) Amounts settled in the year represent the result on derivatives transacted which have matured or been delivered and have been included within the total result on derivatives, and is shown as certain re-measurements in note 7.

(iii) Total result on financial guarantee liabilities in the income statement represents the total amounts credited or (charged) to the income statement in respect of the unwind of the financial liabilities and recognition of new or expiring contracts.

The movement in unrealised operating derivative excludes a £2.2m gain (2025: £11.1m loss) on proprietary trades, which has been recognised in the underlying profit of the Group.



## 24.2 Financial instruments – balance sheet

The derivative financial assets/(liabilities) are represented as follows:

|                                         | 2026<br>£m     | 2025<br>£m     |
|-----------------------------------------|----------------|----------------|
| <b>Derivative financial assets</b>      |                |                |
| Non-current                             | 193.9          | 63.5           |
| Current                                 | 651.4          | 178.4          |
| <b>Total derivative assets</b>          | <b>845.3</b>   | <b>241.9</b>   |
| <b>Derivative financial liabilities</b> |                |                |
| Non-current                             | (289.2)        | (167.7)        |
| Current                                 | (641.1)        | (126.3)        |
| <b>Total derivative liabilities</b>     | <b>(930.3)</b> | <b>(294.0)</b> |
| <b>Net derivative liability</b>         | <b>(85.0)</b>  | <b>(52.1)</b>  |

The financial guarantee liabilities are represented as follows:

|                                        | 2026<br>£m    | 2025<br>£m    |
|----------------------------------------|---------------|---------------|
| <b>Financial guarantee liabilities</b> |               |               |
| Non-current                            | (19.0)        | (23.1)        |
| Current                                | (2.4)         | (2.4)         |
| <b>Total guarantee liabilities</b>     | <b>(21.4)</b> | <b>(25.5)</b> |

Information on the Group's financial risk management and the fair value of financial instruments is available at A6 and A7 [🔗](#).

## 25. Commitments and contingencies

### 25.1 Capital commitments

|                                 | 2026<br>£m | 2025<br>£m |
|---------------------------------|------------|------------|
| <b>Capital expenditure</b>      |            |            |
| Contracted for but not provided | 7,627.5    | 4,438.3    |

Contracted for but not provided capital commitments include the fixed contracted costs of the Group's major capital projects. In practice contractual variations may arise on the final settlement of these contractual costs. The increase from the prior year relates primarily to Transmission projects.

### 25.2 Contingent liabilities

Contingent liabilities for the Group solely relate to SSE plc, and have been disclosed within [note 13](#) [🔗](#) to the Company financial statements.



## Accompanying information

### A1. Basis of consolidation and material accounting policies

#### A1.1 Basis of consolidation

The financial statements consolidate the results of the Company and its subsidiaries together with the Group's share of the results and net assets of its interests in joint arrangements and associates. Where necessary to ensure consistency, the accounting policies of the subsidiaries, joint arrangements or associates have been adjusted to align to the accounting policies of the Group. Intra-Group balances and any unrealised gains and losses or income and expenses arising from Intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with joint arrangements and associates are eliminated to the extent of the Group's interest in the entity. Non-controlling interests represent the equity in subsidiaries that is not attributable, either directly or indirectly, to SSE plc shareholders.

#### Subsidiaries (Accompanying Information A3)

Subsidiaries are those entities controlled by the Group or the Company. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity in order to obtain variable returns from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries acquired are consolidated in the financial statements of the Group from the date that control commences until the date control ceases. Transactions with non-controlling interests that relate to their ownership interests and do not result in a loss of control are accounted for as equity transactions.

#### Interests in joint arrangements and associates (note 16 and Accompanying Information A3)

Joint arrangements, as defined by IFRS 11 "Joint Arrangements", are those arrangements that convey to two or more parties "joint control". Joint control exists when decisions about the "relevant activities", being the financial, operational or strategic policies of the arrangement, are made with the unanimous consent of the parties sharing control. Whilst this assessment is principally focused on any "reserved matters", being the material activities that typically require all significant shareholders to approve, other contractual agreements such as Power Purchase Agreements and Management Services Agreements are also considered. The Group's investments in joint arrangements are classified as either joint operations or joint ventures depending on the investee's legal form and the investor's contractual rights and obligations over the assets and liabilities of the investee.

Associates are those investments over which the Group has significant influence but neither control nor joint control.

The Group's interests in its joint operations are accounted for by recognising its share of the assets, liabilities, revenue and expenses of the operation. The Group's share of revenue from Greater Gabbard is eliminated on consolidation due to the offtake agreement where the Group purchases its share of the output from the arrangement.

The Group's joint ventures and associates are accounted for using the equity method of accounting where the joint venture and associate net investments (comprising both equity and long term loans) are carried at historical cost plus the Group's share of post-acquisition results, less any impairment in value. Where an impairment is recognised against the carrying value of an investment, it is recognised within the operating costs line of the consolidated financial statements. For those investments that were formerly subsidiaries of the Group, this will also include any fair value uplift arising from loss of control. The Group recognises its share of the results of these equity-accounted operations after tax and interest in the income statement.

#### Foreign currencies

The consolidated financial statements are presented in pounds Sterling, which is the functional currency of the parent. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured accordingly.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Any gain or loss arising on the restatement of such items is taken to the income statement as a finance cost, with the exception of exchange gains or losses on foreign currency borrowings that provide a hedge against a net investment in a foreign entity or exchange gains or losses incurred as part of a qualifying cash flow hedge. These exchange gains or losses are transferred to the translation reserve to the extent the hedge is effective. Non-monetary assets that are measured in terms of historical cost in a foreign currency are translated at the historic rate at the date of transaction.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into pounds Sterling at the balance sheet closing rate. The results of these operations are translated at the average rate in the relevant period. Exchange differences on retranslation of the opening net assets and the results of foreign operations are transferred to the translation reserve and are reported in the consolidated statement of comprehensive income.

The average and spot rates for the principal functional currencies that the Group's foreign operations are denominated in are shown in the table below.

|            |                    | 2026     | 2025     | Change |
|------------|--------------------|----------|----------|--------|
| EUR v GBP  | Year end spot rate | 1.1451   | 1.1938   | (4.1)% |
|            | Average spot rate  | 1.1544   | 1.1946   | (3.4)% |
| US\$ v GBP | Year end spot rate | 1.3216   | 1.2907   | 2.4%   |
|            | Average spot rate  | 1.3346   | 1.2915   | 3.3%   |
| JPY v GBP  | Year end spot rate | 210.0740 | 193.4770 | 8.6%   |
|            | Average spot rate  | 211.7950 | 192.5154 | 10.0%  |

#### A1.2 Material accounting policies

##### Revenue (note 5)

Revenue from contracts with customers is recognised to the extent that it reflects the expected consideration for goods or services provided to the customer under contract, over the performance obligations they are being provided. For each separable performance obligation identified, the Group determines whether it is satisfied at a "point in time" or "over time" based upon an evaluation of the receipt and consumption of benefits, control of assets and enforceable payment rights associated with that obligation. If the criteria required for "over time" recognition are not met, the performance obligation is deemed to be satisfied at a "point in time".

Revenue principally arises as a result of the Group's activities in energy production, storage, transmission, distribution, supply and related services in the energy markets in Great Britain and Ireland.

Where the Group earns income from an asset during the commissioning period, the income is recognised in the income statement as revenue in accordance with the relevant asset accounting policy set out below. Once in operation, depreciation will be charged over the expected useful life of the asset.



The key policies applied by each Business Unit are as follows:

### Transmission

#### Use of electricity transmission networks

Revenue from use of electricity transmission networks is derived from the allowed revenue as defined by the parameters in the relevant electricity transmission licence, which informs the tariffs set.

Electricity transmission revenue is determined in accordance with the regulatory licence, based on an Ofgem approved revenue model and is recognised “over time” as charged to National Grid. Where this revenue differs from the allowed revenue, there may be an over- or under-recovery of revenue which will be reflected in future financial years’ allowed revenue as set out in the regulatory licence. No accounting adjustments are made for over- or under-recoveries in the year that they arise as they are contingent on future events (being the transmission of electricity in a future period). The over or under recovery adjustment is recognised in the subsequent period when included within the tariffs that form allowed revenue under the regulatory agreement.

#### Transmission network contracted services

Where the Group has an ongoing obligation to provide contracted services (transmission network connections), revenues are recognised “over time” consistent with the customer receiving and consuming the benefits of that service across the expected contractual service period. Any assets constructed in order to deliver the service are capitalised and depreciated over their useful life. Payments are typically received from customers in advance of providing the contracted service and are deferred on balance sheet. No extended warranty periods are offered.

### Distribution

#### Use of electricity distribution networks

Revenue from use of electricity distribution networks is derived from the allowed revenue as defined by the parameters in the relevant electricity distribution licence, which informs the tariffs set.

Electricity distribution revenue is recognised based on the volume of electricity distributed “over time”, as use of distribution service is determined by the customer, and the set customer tariff. As with electricity transmission revenue, any over- or under-recovery of revenue is reflected in future financial years’ allowed revenue as set out in the regulatory licence. No accounting adjustments are made for over- or under-recoveries in the year that they arise as they are contingent on future events (being the distribution of electricity in a future period). The over or under recovery adjustment is recognised in the subsequent period when included within the tariffs that form allowed revenue under the regulatory agreement.

#### Distribution network contracted services

Where the Group has an ongoing obligation to provide contracted services (such as for distribution network connections), revenues are recognised “over time” consistent with the customer receiving and consuming the benefits of that service across the expected contractual service period. Any assets constructed in order to deliver the service are capitalised and depreciated over their useful life. Payments are typically received from customers in advance of providing the contracted service and are deferred on balance sheet. The release of deferred income on customer or third party funded additions is removed from the Group’s Adjusted EBITDA measure. No extended warranty periods are offered.

### Renewables

#### Electricity generation

Revenue from the physical generation of electricity is recognised “point in time” as generated and supplied to the national settlements body. Revenue is measured at either the spot price at the time of delivery, or trade price where that trade is eligible for “own use” designation.

#### Renewables contracted services

Revenue from national support schemes, such as Renewable Obligation Certificates, is recognised at the point the performance obligation has been met. This is typically considered to be either at the point electricity has been physically generated or over the contractual period, depending on the underlying performance obligation. Revenue is measured either at the market rate at the point of generation, or at the fixed contractual consideration, depending on the individual scheme mechanic.

Revenue from other ancillary generation services is recognised “over time” consistent with the customer receiving and consuming the benefits of those services across the expected contractual service period, and at the contracted consideration.

### Thermal

#### Electricity generation

Revenue from the physical generation of electricity is recognised “point in time” as generated and supplied to the national settlements body. Revenue is measured at either the spot price at the time of delivery, or trade price where that trade is eligible for “own use” designation.

#### Gas storage

Revenue from gas storage trading activities is recognised “point in time” as injected back into the gas network. Revenue is measured at the spot price at the time of delivery.

#### Thermal Generation contracted services

Revenue from national support schemes, such as the Capacity Market mechanism, is recognised at the point the performance obligation has been met. This is typically considered to be either at the point electricity has been physically generated or over the contractual period, depending on the underlying performance obligation. Revenue is measured either at the market rate at the point of generation, or at the fixed contractual consideration, depending on the individual scheme mechanic.

Revenue from other ancillary generation services is recognised “over time” consistent with the customer receiving and consuming the benefits of those services across the expected contractual service period, and at the contracted consideration.

### Customers

#### Supply of energy

Revenue on the supply of energy comprises sales to domestic (in Ireland) and business end-user customers (in GB and Ireland) is based on actual energy consumption including an estimate of the value of electricity and gas supplied to customers between the date of the last meter reading and the year end. Revenue is recognised “over time” consistent with the delivery of energy to the customer as the receipt and consumption of the benefits of the energy is considered to be simultaneous. Revenue is measured based on the applicable customer tariff rate and after deduction of any applicable contractual discounts.

Details of the judgements involved in the estimation process for the value of electricity and gas supplied to GB Business customers is given within note 4.1(iii) .

Payments from customers may be received in advance of providing the contracted service and are deferred on balance sheet. Amounts received from customers in relation to energy management services provided by Third Party Intermediaries (“TPIs”) are offset against payments to those TPIs, reflecting the responsibility for providing the energy management service.



## Accompanying information continued

### A1. Basis of consolidation and material accounting policies continued

#### A1.2 Material accounting policies continued

##### Energy related services

Where the Group has an ongoing obligation to provide contracted energy related services, such as energy optimisation or maintenance services, revenues are recognised "over time" consistent with the customer receiving and consuming the benefits of that service across the expected contractual service period at the fixed contracted rate. Where the Group has an obligation to perform a specific service, revenues are recognised "point in time", following performance of the service at the fixed contracted consideration. No extended warranty periods are offered.

##### SSE Energy Markets

##### Commodity optimisation and other services

Income from sales commodity optimisation trading occurring in any business unit is presented net in cost of sales alongside purchase commodity optimisation trades. Revenue on physical power and gas supplied is recognised "point in time" as delivered to the national settlements body or third parties. Revenue is measured at either the spot price at the time of delivery, or trade price where that trade is eligible for "own use" designation.

Revenue arising on commodities purchased in excess of the Group's requirements and recorded as inventory assets, such as Renewables Obligation Certificates, REGOs or carbon allowances, is recognised "point in time" on disposal of these inventory assets to third parties.

Revenue from other ancillary services is recognised "over time" consistent with the customer receiving and consuming the benefits of those services across the expected contractual service period, and at the contracted consideration.

Aside from where specifically noted above, consideration is due when the performance obligation has been satisfied. As the period between satisfaction of the performance obligation and receipt of consideration from the customer is expected to be less than a year, the Group has applied the practical expedient not to adjust revenue for the effect of any financing components.

Revenue from sources other than the Group's contracts with customers principally comprise meter rental income included within Corporate unallocated, and Contract for Difference income.

Income on meter rental agreements, which are classified as operating leases, are presented as revenue where they relate to the core operating activities of that business. Lease payments are recognised as income on a straight-line basis over the lease term.

##### Other operating income – Government Grants (note 6)

Contracts for Difference ("CfD") are agreements between a low carbon electricity generator and the Low Carbon Contracts Company ("LCCC"), a UK Government owned entity responsible for delivering support mechanisms for low-carbon electricity generation. These agreements are not considered to be contracts with a customer, as the LCCC does not receive any goods or services from the generator. These arrangements are instead considered to be Government Grants, with income arising from these grants recognised in the income statement in the period in which generation takes place. In the year, the Group recognised no income or expense (2025: none) related to Contracts for Difference with the LCCC within its wholly owned subsidiaries. The Group's joint venture investment, Beatrice Offshore Windfarm Limited, has a CfD with the LCCC which resulted in payments from the LCCC of £250.7m in the year with SSE's share of £100.3m recognised within share of profit (2025: £245.7m, with SSE's share of £98.3m recognised within share of profit). The Group's wholly owned operational Viking wind farm and joint venture investments Seagreen Wind Energy Limited, and Doggerbank A & B also have a CfD arrangement in place with the LCCC. The LCCC government agreements for Viking, Seagreen and Doggerbank are not yet effective and as such no income or cost was recognised during the year.

Where the CfD strike price falls below the spot price of generation and payments are made to the LCCC, these payments are expensed as incurred within operating costs. See "financial instruments" below for the Group's policy in relation to commercial Contracts for Difference.

##### Presentation of grants related to assets

Income received from Government towards the capital cost of an asset are deducted from the carrying value presented in the financial statements.

##### Cost of sales (note 6)

Cost of sales includes fuel and energy purchases, direct employee benefits, and depreciation of electricity generation property, plant and equipment.

The net result from sales and purchases of commodity optimisation trades – comprising both realised and unrealised gains and losses arising from optimisation trading activities – is also presented within cost of sales, reflecting the underlying economic purpose of this trading activity.

##### Finance income and costs (note 9)

Interest income and costs are recognised in the income statement as they accrue, on an effective interest method. The issue costs and interest payable on bonds and all other interest payable and receivable is reflected in the income statement on the same basis.

Interest on the funding attributable to major capital projects is capitalised during the period of construction and depreciated as part of the total cost over the useful life of the asset.

The accounting policy for foreign exchange translation of monetary assets and liabilities is described on [page 210](#) and for lease liability charges on [page 215](#).

##### Taxation (note 10)

Taxation on the profit for the year comprises current and deferred tax. Taxation is recognised in the income statement unless it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities other than in business combinations that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset within the same tax authority and where the Group intends to either settle them on a net basis, or to realise the asset and settle the liability simultaneously. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



The Electricity Generator Levy ("EGL") is effective for periods from 1 January 2023 to 31 March 2028, and the Group has assessed that the EGL has the characteristics of a levy rather than an income tax. The Group therefore recognises the costs associated with the levy for within cost of sales.

### Business Combinations (note 12)

The acquisition of subsidiaries, and joint operations that meet the definition of a business, is accounted for under the acquisition method as defined by IFRS 3 "Business Combinations".

The cost of acquisition is measured as being the aggregate fair value of consideration to be transferred at the date control is obtained. Goodwill is measured at the acquisition date as the fair value of consideration transferred, plus non-controlling interests, less the net recognised amount (which is generally fair value) of the identifiable assets and liabilities assumed. Goodwill is subject to an annual review for impairment (or more frequently if necessary) in accordance with the Group's impairment accounting policy.

Contingent consideration is classified as a liability and subsequently re-measured through the income statement. Acquisition costs are expensed as incurred.

Changes in ownership that do not result in a change of control are accounted for as equity transactions.

### Held for sale assets and liabilities and discontinued operations

Non-current assets are classified as held for sale if their recoverable value is likely to be recovered via a sale or distribution as opposed to continued use by the Group. In order to be classified as assets held for sale, assets must meet all of the following conditions: the sale is highly probable; it is available for immediate sale; it is being actively marketed; and the sale is likely to occur within one year.

Assets that qualify as held for sale and related liabilities are disclosed separately from other assets and liabilities in the balance sheet prospectively from the date of classification. Non-current assets determined as held for sale are measured at the lower of carrying value and fair value less costs to sell, no depreciation is charged in respect of these assets after classification as held for sale.

Assets or groups of assets and related liabilities that qualify as held for sale are classified as discontinued operations when they represent a separate major line of business or geographical area, are part of a single plan to dispose of a separate major line of business or geographical area or are acquired exclusively with a view to resale. Income and expenses relating to these discontinued operations are disclosed in a single net amount after taxes in the income statement, with comparative amounts re-presented accordingly.

Intra-Group balances and any unrealised gains and losses or income and expenses arising from trading between continuing and discontinued operations continue to be eliminated in preparing the consolidated financial statements.

### Intangible assets (note 13)

#### Goodwill and impairment testing

Goodwill arising on a business combination represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or joint venture at the date of acquisition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment at least on an annual basis.

For the purpose of impairment testing, goodwill is allocated on initial recognition to the cash-generating units or groups of CGUs expected to benefit from the combination's synergies. The CGUs (or groups of CGUs) used for goodwill impairment testing purposes will represent how goodwill was attributed but may not represent reportable business segments.

Goodwill may also arise upon investments in joint arrangements and associates. Goodwill arising on a joint operation is recorded as a separate asset and any impairment loss is recognised in the income statement. Goodwill arising on a joint venture or associate is recorded within the carrying amount of the Group's investment and any impairment loss is included within the share of result from joint ventures and associates. On disposal or closure of a previously acquired investment or business, any attributed goodwill will be included in determining the profit or loss on disposal.

#### Allowances and certificates

Allowances and certificates consist of purchased carbon emissions allowances and generated or purchased obligations certificates.

Carbon emissions allowances are held to settle environmental obligations incurred by the Group's SSE Thermal and Energy Customer Solutions businesses under regulated emissions trading schemes. The Group's UK generation assets operate under the UK Emissions Trading Scheme ("UK ETS"), while the Group retains an EU Emissions Trading Scheme ("EU ETS") obligation in respect of its Irish Thermal generation assets. Carbon allowances purchased and held to settle emissions obligations are recognised at cost as intangible assets.

Forward carbon contracts are treated as financial instruments and measured at fair value with gains or losses arising on re-measurement being recognised in the income statement. A liability is recognised based on the level of emissions recorded. Up to the level of allowances held, including forward carbon contracts, the liability is measured at the cost of purchase. When the carbon emission liability exceeds the carbon allowances held, the difference is measured at market value of carbon allowances. Subsequent movements in market value are prospectively recognised in operating profit.

The carbon allowance intangible asset is surrendered at the end of the compliance period to the extent requested reflecting the consumption of the economic benefit and is recorded as being utilised. As a result, no amortisation is booked but an impairment charge may be recognised should the carrying value of allowances exceed prevailing market price.

Under the Renewable Obligations Certificates ("ROCs") scheme, certificates obtained from own generation are awarded by a third party, Ofgem. ROCs can be traded with third parties and are used by suppliers to demonstrate to Ofgem that they have met their obligation to source a set proportion of supplied electricity from renewable sources. The value of a ROC to a supplier comprises two elements: the "buy-out" price which is set annually in advance of the compliance period by Ofgem; and the "recycle" price which is determined after the compliance period by Ofgem. The recycle price element is estimated at the balance sheet date based on assumptions around likely levels of renewable generation and supply over the remaining compliance period and is therefore subject to possible future variation.



## Accompanying information continued

### A1. Basis of consolidation and material accounting policies continued

#### A1.2 Material accounting policies continued

##### Allowances and certificates continued

Where ROCs are self-generated or purchased to fulfil the Group's liability under the renewable obligation, they are recorded at market value at the point of generation or purchased cost within intangible assets. The Group can hold ROCs in excess of its obligation, which, due to limited evidence of liquidity or net settlement for ROC trades, are recorded at the lower of cost or net realisable value within inventories. Similarly, the fair value of any forward contracts entered into at the balance sheet date for the purchase or sale of ROCs in future periods are not recognised, as there is insufficient liquidity for net settlement. The Group's liability under the renewable obligation is recognised based on electricity supplied to customers, the obligation level set by Ofgem and the prevailing market price.

The Group's Energy Customer Solutions segment holds Renewable Energy Guarantees of Origin certificates ("REGOs") to meet contractual customer supply requirements relating to renewable electricity origin. REGOs are procured from third parties or generated by the Group's Renewable accredited assets and retained for surrender under the scheme. REGO certificates that are held to be surrendered are recorded as intangible assets at the prevailing market rate in line with the external obligation. Excess REGO certificates held by the Group are held in inventories at the lower of cost or net realisable value.

The ROC and REGO intangible assets are surrendered at the end of the compliance period reflecting the consumption of economic benefit and release of the associated liability. As a result, no amortisation is recorded during the period.

##### Research and development

Expenditure on research activities is charged to the income statement as incurred.

Expenditure on development activities is capitalised as intangible assets if the project or process is considered to be technically and commercially feasible and the Group intends to complete the project or process for use or for sale. Development projects include wind farm developments, battery storage and solar developments, thermal generation projects and other developments relating to proven technologies. Costs incurred in bringing these projects to the consent stage include options over land rights, planning application costs and environmental impact studies and may be costs incurred directly or part of the fair value exercise on acquisition of an interest in a project. At the point that the project reaches the consent stage and is approved by the Board, the carrying value of the project is transferred to property, plant and equipment as assets under construction. Revenue and costs incurred through pre-commissioning testing activities are reflected in the income statement. Once in operation, depreciation will be charged over the expected useful life of the asset. The asset is derecognised on disposal, or when no future economic benefits are expected to arise.

##### Software assets

Software assets that have been acquired separately by the Group are stated at cost less accumulated amortisation and impairment losses. Expenditure on internally developed software assets and application software licences includes contractors' fees and directly attributable labour and overheads. Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of these assets. The amortisation periods utilised are as follows:

|                                                             | Years |
|-------------------------------------------------------------|-------|
| Developed software assets and application software licences | 3–15  |

The useful lives of all the intangible assets are reviewed annually and amended, as required, on a prospective basis. Intangible assets are derecognised on disposal, or when no future economic benefits are expected from their use.

##### Cloud computing arrangements

The Group has contracts for Software as a Service ("SaaS") and Platform as a Service ("PaaS") Cloud Computing Arrangements. Where the Group does not control the underlying assets in these arrangements, costs are expensed as incurred. Implementation costs in respect of these contracts are capitalised when the definition and recognition criteria of an intangible asset under IAS 38 are met.

#### Property, plant and equipment (note 14)

##### Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairments. The cost of self-constructed assets includes the cost of materials, direct labour and other directly attributable costs. Where the asset is a qualifying asset, for which a considerable period of time is required to prepare the asset for use or sale, borrowing costs will be capitalised as part of the asset's cost. Where an item of property, plant and equipment comprises major components having different useful lives, the components are accounted for as separate items of property, plant and equipment, and depreciated accordingly. An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset.

##### Right of use assets

Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where a modification to a lease agreement decreases the scope of the lease, the carrying amount of the right of use asset is adjusted and a gain or loss is recognised in proportion to the decrease in scope of the lease. All other modifications to lease agreements are accounted for as a reassessment of the lease liability with a corresponding adjustment to the right of use asset.



### Hydro civil assets

The Group is obliged under the Reservoirs Act 1975 to maintain its hydro infrastructure network, including its dams, tunnels and other hydro civil engineering structures (hydro civil assets). All items of property, plant and equipment within hydro civil assets, with the exception of land, are subject to depreciation.

In accordance with the transition provisions of IFRS 1 "First-time Adoption of IFRS", the Group identified the carrying value of these assets at privatisation and has treated this value as deemed cost. Following this assessment, the assets, and all subsequent enhancement and replacement expenditure, has been subject to depreciation over a useful economic life of between 75 and 100 years. All subsequent maintenance expenditure is chargeable directly to the income statement.

### Depreciation

Depreciation is charged to the income statement to write off cost, less residual values, on a straight line basis over their estimated useful lives. Heritable and freehold land is not depreciated. Depreciation policy, useful lives and residual values are reviewed at least annually, for all asset classes to ensure that the current method is the most appropriate. Depreciation commences following the asset commissioning period and when the asset is available for commercial operation. The estimated useful lives for assets depreciated on a straight line basis are as follows:

|                                                                                                                                        | Years     |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Hydro civil assets (classified within Renewable power generation assets)                                                               | 75 to 100 |
| Thermal and hydro power stations including electrical and mechanical assets (classified within Thermal power generation assets)        | 20 to 60  |
| Onshore wind farms (classified within Renewable power generation assets)                                                               | 20 to 25  |
| Offshore wind farms (classified within Renewable power generation assets)                                                              | 23 to 30  |
| Battery Storage assets (classified within Renewable power generation assets)                                                           | 12 to 15  |
| Gas storage facilities (classified within Other assets)                                                                                | 25 to 50  |
| Overhead lines, underground and subsea cables and other network assets (classified within Distribution or Transmission network assets) | 5 to 80   |
| Office buildings (classified within Land and buildings)                                                                                | 30 to 40  |
| Fixtures, IT assets, vehicles and mobile plant (classified within Other assets)                                                        | 3 to 15   |

Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease agreement.

It is the Group policy to capitalise qualifying replacement expenditure and depreciate it over the expected useful life of the replaced asset. Replaced assets are derecognised at this point and the costs recorded as costs of disposal. Where an item of property, plant and equipment is replaced and it is not practicable to determine the carrying amount of the replaced part, the cost of the replacement part adjusted for inflation and depreciation will be used as an approximation.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits of the item of property, plant and equipment to which it relates. Maintenance and repair costs are expensed as incurred.

### Derecognition

An item of property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount of the asset and are included in the income statement. Any gain or loss on derecognition of the asset is included in the income statement in the period of derecognition.

### Lease arrangements (note 21)

Lease arrangements are separately distinguished from service contracts based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the Group is deemed to control the use of an identified asset, a right of use asset and a corresponding lease liability are recognised on the balance sheet.

Right of use assets are capitalised and held as part of property, plant and equipment. The accounting policy for such arrangements is described above.

Lease liabilities are initially measured at the present value of the future lease payments discounted using the rate implicit in the lease if that can be readily determined. If the interest rate implicit in the lease cannot be readily determined the incremental borrowing rate is used. Where the interest rate implicit in the lease is not readily determinable, the Group has applied the intercompany borrowing rate which is based on the Group's external medium-term borrowing rates with premia adjustments for any subsidiary specific risk factors.

In determining whether any break and/or extension clauses should be included within the lease term, the Group has considered that where an internal decision has been made to break or extend the lease agreement, that decision shall be applied in determining the appropriate lease term. Where an internal decision has not been made, and where the non-cancellable element of the lease term has longer than five years remaining, it is considered that any clauses will not be triggered as any decision beyond that date is not reasonably certain. For all leases with less than five years remaining, an assessment is made at each reporting period on a lease-by-lease basis on whether the clause is reasonably certain to be triggered. Reassessment of break and/or extension judgements made in prior periods could result in recalculation of the lease liability and adjustments to associated balances.

The lease liability is subsequently adjusted for the unwind of discounting, repayments and other modifications to the underlying agreement. Lease modifications are accounted for as a separate lease where the scope of the lease increases through the right to use one or more underlying assets and where the consideration of the lease increases by an amount that is equivalent to the standalone price of the increase in scope. Where a modification decreases the scope of the lease, the carrying amount of the right of use asset is adjusted and a gain or loss is recognised in proportion to the decrease in scope of the lease. All other modifications are accounted for as a reassessment of the lease liability with a corresponding adjustment to the right of use asset.

Leases with a duration of 12 months or less and leases for assets which are deemed "low value" are expensed to the income statement on a straight-line basis over the lease term.



## Accompanying information continued

### A1. Basis of consolidation and material accounting policies continued

#### A1.2 Material accounting policies continued

##### Impairment review (note 15)

The carrying amounts of the Group's property, plant and equipment and other intangible assets and the Group's investments in joint ventures and associates, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, or where there are indications that a previously recognised impairment loss has reduced. For property, plant and equipment assets that have previously been identified as exhibiting indications of impairment, the review of impairment will be performed annually until there is sufficient evidence to confirm that any potential impairment loss has been appropriately recognised, or until previously recognised impairment losses have been fully written back. For goodwill and other intangible assets with an indefinite life or which are not yet ready for use, the test for impairment is carried out annually. In addition, financial assets measured at amortised cost are also reviewed for impairment annually.

For assets subject to impairment testing, the asset's carrying value is compared to the asset's (or cash-generating unit's, in the case of goodwill), recoverable amount. The recoverable amount is determined to be the higher of the fair value less costs to sell ("FVLCS") and the value-in-use ("VIU") of the asset or cash-generating unit ("CGU"). For financial assets measured at amortised cost the impairment is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If the carrying amount of the asset or CGU exceeds its recoverable amount, an impairment charge will be recognised immediately in the income statement. Reversals of previous impairment charges are recognised if the recoverable amount of the asset or CGU significantly exceeds the carrying amount. Previous impairments of goodwill are not reversed.

VIU calculations require the estimation of future cash flows to be derived from the respective assets (or CGUs) and the selection of an appropriate discount rate in order to calculate their present value. The VIU methodology is consistent with the approach taken by management to evaluate economic value and is deemed to be the most appropriate for reviews of property, plant and equipment assets and the Group's identified goodwill-related CGUs. The methodology is based on the pre-tax cash flows arising from the specific assets, underlying assets or CGUs, and discounted using a pre-tax discount rate based on the Group's cost of funding and adjusted for any specific risks. The estimation of the timing and value of underlying projected cash flows and the selection of appropriate discount rates involves management judgement. Subsequent changes to these estimates or judgements may impact the carrying value of the assets.

The fair value less costs to sell methodology also uses a present value technique, unless there is a quoted price in an active market for that asset. The methodology is based on the post-tax cash flows arising from the specific assets, underlying assets or CGUs, and discounted using a post-tax discount rate determined in the same manner as the rates used in the VIU calculations, adjusted for the relevant taxation rate.

Any impairment charge identified will initially be adjusted against the goodwill allocated to the cash-generating unit. Any excess charge will be allocated against the remaining assets of the cash-generating unit. Reversals of previous impairment charges are allocated against the carrying value of assets previously subject to an impairment charge.

##### Inventories (note 17)

Inventories – aside from gas inventory purchased for trading activities – are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Gas inventory purchased for trading activities is held at fair value with reference to the forward month market price. Gains and losses on re-measurement at fair value are recognised within the income statement, as a "certain re-measurement" item.

##### Provisions (note 20)

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

##### Decommissioning

The Group engages independent experts to estimate the cost to decommission its Renewable (Wind, Solar and Battery assets), Thermal and Gas Storage assets every three years. In the intervening years, management updates the external valuation based on factors arising since the last formal valuation date. Provision is made for the net present value of the estimated cost of decommissioning gas storage facilities, wind farms, power stations and battery storage assets at the end of the useful life of the facilities. This includes development assets, where if a present obligation exists, a provision is recognised during construction and prior to commencement of operations from the site. The estimates are based on technology and prices at the balance sheet date and exclude any salvage value related to those assets. A corresponding decommissioning asset is recognised and is included within property, plant and equipment when it gives access to future economic benefits, and is depreciated on a straight-line basis over the expected useful life of the asset. Changes in these provisions are recognised prospectively. The unwind of discounting of the provision is included in finance costs.

The Group retained a decommissioning obligation following the disposal of its Gas Production business. The decommissioning cost estimates are updated periodically by field operators based on current technology and prices. Field operators also provide estimated end of field life dates for each field, which can change based on market commodity prices.

##### Retirement benefit obligations (note 23)

###### Defined benefit pension schemes

The Group operates two defined benefit pension schemes, one of which is operated by the Company. Pension scheme assets are measured using bid market values. Pension scheme liabilities are measured using the projected unit credit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

Any increase in the present value of liabilities within the Group's defined benefit pension schemes expected to arise from employee service in the year is charged as service costs to operating profit.

Net interest costs are based on net scheme assets or liabilities. Actuarial gains and losses are recognised in full in the consolidated statement of comprehensive income. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.



### Defined contribution pension schemes

The Group also operates a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amounts charged represent the contributions payable to the schemes in the year and are charged directly to the income statement.

### Equity and equity-related compensation benefits

The Group operates a number of employee share schemes as described in the Remuneration Report. These schemes enable Group employees to acquire shares of the Company.

The exercise prices of the sharesave scheme are set at a discount to market price at the date of the grant. The fair value of the sharesave scheme option granted is measured at the grant date by use of a Black-Scholes model. The fair value of the options granted is recognised as an expense on a straight-line basis over the period that the scheme vests. Estimates are updated for non-market conditions at each balance sheet date with any adjustment in respect of the current and prior years being recognised in the income statement. The costs associated with the other main employee schemes are recognised over the period to which they relate. The charge related to the equity shares in the Company awarded under the share schemes is treated as an increase in the cost of investment held by the Company in the subsidiary companies of the Group. The disclosures on equity and equity-related compensation benefits have been removed on the grounds of materiality in relation to the Group.

### Financial instruments (note 24)

The Group uses a range of financial instruments to manage exposures to financial risks, such as interest rate, foreign exchange and energy price fluctuations in its normal course of business. Hedge accounting is applied where the relevant qualifying criteria are met and is aligned to the Group's risk management objectives and policies, which are further explained in A6.

During the year ended 31 March 2026, the Group completed an assessment of the impact of transitioning from IAS 39 "Financial Instruments: Recognition and Measurement" to the hedge accounting requirements of IFRS 9 "Financial Instruments". The assessment concluded that the Group's existing hedging relationships and risk management strategies would continue to qualify for hedge accounting on adoption of IFRS 9.

Accordingly, the Group has continued to apply the hedge accounting requirements of IAS 39, as permitted by IFRS 9, as this model continues to appropriately reflect the Group's risk management activities in the financial statements. The Group will adopt IFRS 9 Financial Instruments in full from 1 April 2026.

### Interest rate and foreign exchange derivatives

Financial derivative instruments are used by the Group to manage interest rate and currency exposures. All such derivatives are recognised at fair value and are re-measured to fair value each reporting period. Certain derivative financial instruments are designated as being held for hedging purposes. The designation of the hedge relationship is established at the inception of the hedge and procedures are applied to ensure the derivative is highly effective in achieving its objective and that the effectiveness of the hedge can be reliably measured. The treatment of gains and losses on re-measurement is dependent on the classification of the hedge and whether the hedge relationship is designated as either a "fair value" or "cash flow" hedge. Derivatives that are not designated as hedges are treated as if held for trading, with all fair value movements being recorded through the income statement.

A derivative classified as a "fair value" hedge recognises gains and losses from re-measurement immediately in the income statement. Loans and borrowings are measured at cost except where they form the underlying transaction in an effective fair value hedge relationship. In such cases, the carrying value of the loan or borrowing is adjusted to reflect fair value movements with the gain or loss being reported in the income statement.

A derivative classified as a "cash flow" hedge recognises the portion of gains or losses on the derivative which are deemed to be effective directly in equity in the hedge reserve. Any ineffective portion of the gains or losses is recognised in the consolidated income statement. When hedged cash flows result in the recognition of a non-financial asset or liability, the associated gains or losses previously recognised in equity are included in the initial measurement of the asset or liability. For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same period in which the hedged cash flows affect the income statement.

Hedge accounting is discontinued when the hedging instrument expires, or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At the point of discontinuation, any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the forecast transaction affects profit or loss. On settlement, the cumulative gain or loss recognised in equity is recognised in the income statement.

### Commodity derivatives

Within its regular course of business, the Group routinely enters into sale and purchase derivative contracts for commodities such as power, gas and carbon. Where the contract was entered into and continues to be held for the purpose of receipt or delivery in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as "own use" contracts and are measured at cost. These contracts are not within the scope of IFRS 9.

Derivative commodity contracts which are not designated as own use contracts are accounted for as trading derivatives and are recognised in the balance sheet at fair value. Where a hedge accounting relationship is designated and is proven to be effective, the changes in fair value will be recognised in accordance with the rules noted above. There are currently no designated hedge relationships in relation to commodity contracts.

Other commodity contracts, where own use is not established and a hedge accounting relationship is not designated, are measured at fair value with gains and losses on re-measurement being recognised in the income statement in cost of sales.

### Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives where the characteristics of the derivatives are not closely related to those of the host contracts.

### Net investment hedges

Hedges of net investments in foreign operations are accounted in a manner similar to effective cash flow hedges. Any gain or loss on the effective portion of the hedge is recognised in equity, in the translation reserve, and any gain or loss on the ineffective portion of the hedge is recognised in the income statement. On disposal of the foreign operation, the cumulative value of any gains or losses recognised directly in equity is transferred to the income statement.

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.



## Accompanying information continued

### A1. Basis of consolidation and material accounting policies continued

#### A1.2 Material accounting policies continued

##### Trade receivables

Trade receivables do not carry any interest and are measured at cost less an appropriate allowance for lifetime expected credit losses.

At the end of each reporting period a review of the allowance for impairment of trade receivables (or bad debt provision) is performed by the respective businesses. Trade receivables do not contain a significant financing element, and therefore expected credit losses are measured using the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised on initial recognition. A provision matrix is utilised to estimate the lifetime expected credit losses, based on the age, status and risk of each class of receivable, which is updated periodically to include changes to both forward-looking and historical inputs.

##### Interest-bearing loans and borrowings

All such loans and borrowings are initially recognised at fair value including transaction costs and are subsequently measured at amortised cost, except where the loan or borrowing is the hedged item in an effective fair value hedge relationship.

##### Commercial (and affiliate) contracts for difference

The Group has commercial Contracts for Difference ("CfD") arrangements in place where the Group has agreed to provide a revenue support contract. Where the Group has entered into these arrangements and there is no relationship with a government entity, the instruments are classified as derivatives and accounted for under IFRS 9. The Group has assessed that due to the valuation complexity of these arrangements, they are Level 3 financial instruments in the fair value hierarchy. On day 1, the Group recognises no gain or loss arising from the instrument, but instead defers this gain or loss and recognises it progressively over the life of the instrument. At each balance sheet date the fair value of the instrument is assessed with any movement in fair value recognised in the income statement in the period it arises.

##### Financial guarantee liabilities

The Group issues financial guarantee contracts to make specified payments to reimburse holders for losses incurred if certain former subsidiaries and certain current joint venture investments fail to make payments when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of the loss allowance for expected credit losses and the initial fair value less any income recognised.

##### Share capital

Ordinary shares are accounted for as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are reacquired are deducted from equity. No gain or loss is recognised in the Group income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

##### Hybrid equity

Hybrid equity comprises issued bonds that qualify for recognition as equity as they have no fixed redemption date. Accordingly, any coupon payments are accounted for as dividends and are recognised directly in equity at the time the payment obligation arises. This is because the coupon payments are discretionary and relate to equity. Coupon payments consequently do not have any impact on the income statement. Coupon payments are recognised in the cash flow statement in the same way as dividends to ordinary shareholders. Tax credits in relation to the coupon payments are linked to the past transactions or events that support the coupon payments and consequently the tax credits are reported in the income statement.



## A2. Taxation

The Group's primary tax disclosures are included at [note 10](#). The following tables represent enhanced disclosures adopted in order to assist stakeholder understanding of the Group's tax position and policies as part of the Group's commitment to its Fair Tax Mark accredited status.

### Reconciliation of tax charge to adjusted underlying current tax

|                                                                                             | 2026<br>£m     | 2026<br>%   | 2025<br>£m     | 2025<br>%   |
|---------------------------------------------------------------------------------------------|----------------|-------------|----------------|-------------|
| Group profit before tax                                                                     | 1,837.3        |             | 1,850.9        |             |
| Less: share of results of associates and jointly controlled entities                        | (88.0)         |             | (89.9)         |             |
| <b>Profit before tax</b>                                                                    | <b>1,749.3</b> |             | <b>1,761.0</b> |             |
| Tax on profit on ordinary activities at standard UK corporation tax rate of 25% (2025: 25%) | 437.3          | 25.0        | 440.3          | 25.0        |
| Tax effect of:                                                                              |                |             |                |             |
| Capital allowances less than depreciation                                                   | (276.9)        | (15.9)      | (216.8)        | (12.3)      |
| (Impairment reversal)/impairment of investments                                             | (1.9)          | (0.1)       | 65.1           | 3.7         |
| Movement in restructuring and settlement provisions                                         | 4.8            | 0.3         | (4.4)          | (0.2)       |
| Fair value movements on derivatives                                                         | 12.4           | 0.7         | 7.3            | 0.4         |
| Pension movements                                                                           | (10.0)         | (0.6)       | (8.0)          | (0.5)       |
| Relief for capitalised interest and revenue costs                                           | (41.2)         | (2.4)       | (37.9)         | (2.2)       |
| Hybrid equity coupon payments                                                               | (18.2)         | (1.0)       | (18.4)         | (1.0)       |
| Expenses not deductible for tax purposes                                                    | 16.6           | 0.9         | 15.2           | 0.9         |
| Losses carried forward                                                                      | 14.6           | 0.8         | (1.2)          | (0.1)       |
| Impact of foreign tax rates                                                                 | (6.0)          | (0.3)       | (15.3)         | (0.9)       |
| Electricity Generator Levy not deductible for tax purposes                                  | –              | –           | 19.8           | 1.1         |
| Capitalised revenue expenditure                                                             | (22.8)         | (1.3)       | –              | –           |
| Adjustments to tax charge in respect of previous years                                      | (11.2)         | (0.6)       | (8.3)          | (0.5)       |
| Other items                                                                                 | (0.1)          | –           | (3.7)          | (0.1)       |
| <b>Reported current tax charge and effective rate</b>                                       | <b>97.4</b>    | <b>5.5</b>  | <b>233.7</b>   | <b>13.3</b> |
| Depreciation in excess of capital allowances                                                | 278.4          | 15.9        | 217.8          | 12.4        |
| Movement in provisions                                                                      | (4.8)          | (0.3)       | 4.4            | 0.2         |
| Fair value movements on derivatives                                                         | (12.4)         | (0.7)       | (7.3)          | (0.4)       |
| Pension movements                                                                           | 10.0           | 0.6         | 8.0            | 0.5         |
| Relief for capitalised interest and revenue costs                                           | 41.2           | 2.4         | 37.9           | 2.2         |
| Adjustments to tax charge in respect of previous years                                      | 6.3            | 0.4         | 19.1           | 1.1         |
| Capitalised revenue expenditure                                                             | 22.8           | 1.3         | –              | –           |
| Tax losses utilised                                                                         | (13.4)         | (0.8)       | –              | –           |
| Other items                                                                                 | 0.2            | –           | 4.4            | 0.1         |
| <b>Reported deferred tax charge and effective rate</b>                                      | <b>328.3</b>   | <b>18.8</b> | <b>284.3</b>   | <b>16.1</b> |
| <b>Group tax charge and effective rate</b>                                                  | <b>425.7</b>   | <b>24.3</b> | <b>518.0</b>   | <b>29.4</b> |

As noted at [note 3](#) to the accounts, the Group's results are reported on an "adjusted" basis in order to allow focus on underlying business performance. The Adjusted Profit Before Tax is the measure utilised in calculation of the Group's "adjusted effective rate of tax".



## Accompanying information continued

### A2. Taxation continued

The Adjusted Current Tax Charge can be reconciled to the adjusted profit before tax as follows:

|                                                                          | 2026<br>£m     | 2026<br>%     | 2025<br>£m<br>(restated*) | 2025<br>%<br>(restated*) |
|--------------------------------------------------------------------------|----------------|---------------|---------------------------|--------------------------|
| <b>Adjusted Profit Before Tax</b>                                        | <b>2,024.8</b> |               | 2,144.5                   |                          |
| Tax on profit on ordinary activities at standard UK corporation tax rate | <b>506.2</b>   | <b>25.0</b>   | 536.1                     | 25.0                     |
| <b>Tax effect of:</b>                                                    |                |               |                           |                          |
| Capital allowances in excess of depreciation                             | <b>(294.1)</b> | <b>(14.5)</b> | (224.7)                   | (10.5)                   |
| Non-taxable (gain)/loss on sale of assets                                | <b>(1.7)</b>   | <b>(0.1)</b>  | 7.6                       | 0.4                      |
| Non qualifying depreciation                                              | <b>11.4</b>    | <b>0.6</b>    | 25.2                      | 1.2                      |
| Adjustment for profit on internal trading                                | <b>–</b>       | <b>–</b>      | 4.3                       | 0.2                      |
| Movement in restructuring and settlement provisions                      | <b>6.1</b>     | <b>0.3</b>    | (2.9)                     | (0.1)                    |
| Pension movements                                                        | <b>(10.0)</b>  | <b>(0.5)</b>  | (8.0)                     | (0.4)                    |
| Relief for capitalised interest and revenue costs                        | <b>(28.4)</b>  | <b>(1.4)</b>  | (21.9)                    | (1.0)                    |
| Hybrid equity coupon payments                                            | <b>(18.2)</b>  | <b>(0.9)</b>  | (18.4)                    | (0.9)                    |
| Expenses not deductible for tax purposes                                 | <b>11.4</b>    | <b>0.6</b>    | 8.4                       | 0.4                      |
| Fair value movements on derivatives                                      | <b>–</b>       | <b>–</b>      | 9.9                       | 0.5                      |
| Electricity Generator Levy not deductible for tax purposes               | <b>–</b>       | <b>–</b>      | 19.8                      | 0.9                      |
| Discount on losses on Scottish Hydro Electric Transmission plc           | <b>(4.8)</b>   | <b>(0.2)</b>  | (4.3)                     | (0.2)                    |
| Share-based payments                                                     | <b>(0.4)</b>   | <b>–</b>      | (2.6)                     | (0.1)                    |
| Losses carried forward                                                   | <b>28.9</b>    | <b>1.4</b>    | –                         | –                        |
| Adjustments to tax charge in respect of previous years                   | <b>(11.4)</b>  | <b>(0.6)</b>  | (10.7)                    | (0.5)                    |
| Impact of foreign tax rates                                              | <b>(22.5)</b>  | <b>(1.1)</b>  | (20.6)                    | (1.0)                    |
| Corporate interest restriction                                           | <b>19.9</b>    | <b>1.0</b>    | –                         | –                        |
| Other                                                                    | <b>1.0</b>     | <b>–</b>      | 0.7                       | –                        |
| <b>Adjusted Current Tax Charge and effective rate APM</b>                | <b>193.4</b>   | <b>9.6</b>    | 297.9                     | 13.9                     |

\* The comparative adjusted effective rate of tax been restated. See note 1.2.

The reconciling adjustments differ from those analysed in the Group tax charge reconciliation above because they include SSE's share of associates and joint ventures, and are based on Adjusted Profit Before Tax.

The majority of the Group's profits are earned in the UK, with the standard rate of UK corporation tax being 25% for the year to 31 March 2026 (2025: 25%). Profits earned by the Group in the Republic of Ireland are taxable at either 12.5% or 25%, depending upon the nature of the income.

Capital allowances are tax reliefs provided in law for the expenditure the Group makes on property, plant and equipment. The rates are determined by Parliament annually and spread the tax relief due over a number of years. This contrasts with the accounting treatment for such spending, where the expenditure on property, plant and equipment is treated as an asset with the cost being depreciated over the useful life of the asset, or impaired if the value of such assets is considered to have reduced materially.

The different accounting treatment of property, plant and equipment for tax and accounting purposes means that the taxable income of the Group is not the same as the profit reported in the financial statements. The substantial reversals of impairments and impairments undertaken in previous years in relation to certain property, plant and equipment assets, result in the depreciation or impairment charge to profit for the year differing to the amount of capital allowances due to the Group.

Short term temporary differences arise on items such as provisions for restructuring costs and onerous contracts, and retirement benefit obligations, because the treatment of such items is different for tax and accounting purposes. These differences usually reverse in the year following that in which they arise, as is reflected in the deferred tax charge in these financial statements. Where interest charges or other costs are capitalised in the accounts, tax relief is either given as the charges are incurred or when the costs are taken to the income statement.

As explained at Accompanying Information [A1](#) and [A6](#), the Group measures its operating and financing derivatives at fair value under IFRS 9. As a result of the Group's subsidiaries applying the HMRC's "disregard regulations", the vast majority of the re-measurement movements have no current tax effect impacting only the deferred tax position.

As detailed at [note 22](#) and explained in the Accompanying Information [A1](#), the Group has issued Hybrid equity securities which are treated as a component of equity. While the coupon payments relating to these securities are treated as distributions to the holders of the equity instruments, tax relief is allowed on the amount paid in the year. These tax credits are linked to the past transactions or events that support the coupon payments and consequently the tax credits are reported in the income statement.



## A3. Related undertakings

### A3.1.1 Subsidiary undertakings

Details of the Group's subsidiary undertakings at 31 March are as follows:

| Company                                                 | Registered address (Key) | 2026 Holding % | Company                                           | Registered address (Key) | 2026 Holding % |
|---------------------------------------------------------|--------------------------|----------------|---------------------------------------------------|--------------------------|----------------|
| <b>United Kingdom</b>                                   |                          |                | SSE Eggborough Limited                            | B                        | 100.0          |
| Aberarder Wind Farm (Scotland) Limited                  | A                        | 100.0          | SSE Energy Markets Limited                        | B                        | 100.0          |
| Aberarder Wind Farm LLP                                 | B                        | 100.0          | SSE Energy Supply Limited                         | B                        | 100.0          |
| Abernedd Power Company Limited                          | B                        | 100.0          | SSE Enterprise Limited                            | B                        | 100.0          |
| Aegletes III Holdco Limited                             | B                        | 100.0          | SSE Ewerby Solar Holdco Limited                   | B                        | 100.0          |
| Aldbrough Pathfinder Limited                            | B                        | 100.0          | SSE Ewerby Solar Limited                          | B                        | 100.0          |
| Berwick Bank A Limited                                  | B                        | 100.0          | SSE Fancott BESS Limited                          | B                        | 100.0          |
| Berwick Bank B Limited                                  | B                        | 100.0          | SSE Ferrybridge Battery Limited                   | B                        | 100.0          |
| Berwick Bank C Limited                                  | B                        | 100.0          | SSE Fiddlers Ferry Battery Limited                | B                        | 100.0          |
| Berwick Bank Holdings A Limited                         | B                        | 100.0          | SSE Foxholes Solar Limited                        | B                        | 100.0          |
| Berwick Bank Holdings B Limited                         | B                        | 100.0          | SSE Generation Limited                            | B                        | 100.0          |
| Berwick Bank Holdings C Limited                         | B                        | 100.0          | SSE Group Limited                                 | A                        | 100.0          |
| Berwick Bank Wind Farm Limited                          | A                        | 100.0          | SSE Heat Networks (Battersea) Limited             | B                        | 100.0          |
| Bhlaraidd Extension Wind Farm Limited                   | A                        | 100.0          | SSE Heat Networks Limited                         | A                        | 100.0          |
| Bhlaraidd Wind Farm Limited                             | A                        | 100.0          | SSE Hornsea Limited                               | B                        | 100.0          |
| Building Automation Solutions Limited                   | D                        | 100.0          | SSE HV Electricity Assets Limited                 | B                        | 100.0          |
| By-Pass Farm Solar Limited                              | B                        | 100.0          | SSE Hydrogen Holdings Limited                     | B                        | 100.0          |
| Coire Glas Hydro Pumped Storage Limited                 | A                        | 100.0          | SSE Hydrogen Developments Limited                 | B                        | 100.0          |
| Enerveo Limited                                         | T                        | 100.0          | SSE IAMP Microgrid Limited                        | B                        | 100.0          |
| Ferrybridge Hydrogen Limited                            | B                        | 100.0          | SSE Imperial Park PN Limited                      | B                        | 100.0          |
| Fibre Fuel Limited                                      | B                        | 100.0          | SSE Knapthorpe Solar Limited                      | B                        | 100.0          |
| Fibre Power (Slough) Limited                            | B                        | 100.0          | SSE Low Carbon Developments Limited               | B                        | 100.0          |
| Griffin Wind Farm Limited                               | A                        | 100.0          | SSE Low Carbon Holdings Limited                   | B                        | 100.0          |
| Hydro Electric Pension Scheme Trustees Limited          | A                        | 100.0          | SSE Maple Limited                                 | B                        | 100.0          |
| Keadby Developments Limited                             | E                        | 100.0          | SSE Medway Operations Limited                     | B                        | 100.0          |
| Keadby Generation Limited                               | E                        | 100.0          | SSE Micro Renewables Limited                      | A                        | 100.0          |
| Keadby Next Generation Limited                          | B                        | 100.0          | SSE Multifuel Generation Holdings Limited         | B                        | 100.0          |
| Keadby Wind Farm Limited                                | B                        | 100.0          | SSE Muskham Solar Limited                         | B                        | 100.0          |
| LG-B-300 Limited                                        | A                        | 100.0          | SSE Newchurch Solar Limited                       | B                        | 100.0          |
| Littleton Pastures Solar Limited                        | B                        | 100.0          | SSE OWS Glasgow Limited                           | A                        | 100.0          |
| Medway Power Limited                                    | B                        | 100.0          | SSE Private Networks Holdco Limited               | B                        | 100.0          |
| Optimal Power Networks Limited                          | B                        | 100.0          | SSE Production Services Limited                   | B                        | 100.0          |
| Power from Waste Limited                                | B                        | 100.0          | SSE Renewables Holdings (UK) Limited              | F                        | 100.0          |
| Scottish and Southern Energy Power Distribution Limited | A                        | 100.0          | SSE Renewables International Holdings Limited     | A                        | 100.0          |
| Scottish Hydro Electric Power Distribution plc          | A                        | 100.0          | SSE Renewables Limited                            | A                        | 100.0          |
| Scottish Hydro Electric Transmission plc                | A                        | 75.0           | SSE Renewables Offshore Windfarm Holdings Limited | A                        | 100.0          |
| Slough Domestic Electricity Limited                     | B                        | 100.0          | SSE Renewables Onshore Windfarm Holdings Limited  | F                        | 100.0          |
| Slough Electricity Contracts Limited                    | B                        | 100.0          | SSE Renewables Poland Holdings Limited            | A                        | 100.0          |
| Slough Energy Supplies Limited                          | B                        | 100.0          | SSE Renewables Services (UK) Limited              | F                        | 100.0          |
| Slough Heat & Power Limited                             | B                        | 100.0          | SSE Renewables Solar & Battery Holdings Limited   | B                        | 100.0          |
| Slough Utility Services Limited                         | B                        | 100.0          | SSE Renewables UK Limited                         | F                        | 100.0          |
| Southern Electric Power Distribution plc                | B                        | 100.0          | SSE Renewables Wind Farms (UK) Limited            | A                        | 100.0          |
| SSE Airtricity Energy Services (NI) Limited             | Q                        | 100.0          | SSE Retail Limited                                | A                        | 100.0          |
| SSE Airtricity Energy Supply (NI) Limited               | F                        | 100.0          | SSE Seabank Investments Limited                   | B                        | 100.0          |
| SSE Airtricity Gas Supply (NI) Limited                  | F                        | 100.0          | SSE Seabank Land Investments Limited              | B                        | 100.0          |
| SSE Battery Monk Fryston Limited                        | B                        | 100.0          | SSE Services plc                                  | B                        | 100.0          |
| SSE Battery Salisbury Limited                           | B                        | 100.0          | SSE Southern Group Trustee Limited                | B                        | 100.0          |
| SSE Beatrice Offshore Windfarm Holdings Limited         | A                        | 100.0          | SSE Staythorpe Battery Limited                    | B                        | 100.0          |
| SSE BTM HoldCo Limited                                  | B                        | 100.0          | SSE Staythorpe Power Limited                      | B                        | 100.0          |
| SSE BTM Operational Assets Limited                      | B                        | 100.0          | SSE Staythorpe SGT Limited                        | B                        | 100.0          |
| SSE Contracting Group Limited                           | B                        | 100.0          | SSE Staythorpe Solar Limited                      | B                        | 100.0          |
| SSE Cottored Solar Limited                              | B                        | 100.0          | SSE Southery Solar Limited                        | B                        | 100.0          |
| SSE Daines BESS Limited                                 | B                        | 100.0          | SSE Stock Limited                                 | A                        | 100.0          |
| SSE DE Solar Holdco Limited                             | B                        | 100.0          | SSE Thermal Energy Holdings Limited               | B                        | 100.0          |
| SSE Derrymeen BESS Limited                              | F                        | 100.0          | SSE Thermal Energy Operations Limited             | B                        | 100.0          |
| SSE Digital Services Limited                            | B                        | 100.0          | SSE Thermal Generation (Scotland) Limited         | A                        | 100.0          |



## Accompanying information continued

## A3. Related undertakings continued

## A3.1.1 Subsidiary undertakings continued

| Company                                                    | Registered address (Key) | 2026 Holding % | Company                                                                      | Registered address (Key) | 2026 Holding % |
|------------------------------------------------------------|--------------------------|----------------|------------------------------------------------------------------------------|--------------------------|----------------|
| <b>United Kingdom continued</b>                            |                          |                |                                                                              |                          |                |
| SSE Thermal Generation Holdings Limited                    | B                        | 100.0          | SSE Renewables Wind Farms (Ireland) Limited                                  | C                        | 100.0          |
| SSE Toddleburn Limited                                     | A                        | 100.0          | Sure Partners Limited                                                        | C                        | 100.0          |
| SSE Trading Limited                                        | B                        | 100.0          | SSE Renewables Tinnycross Battery Storage Limited                            | C                        | 100.0          |
| SSE Trustees Limited                                       | B                        | 100.0          | Tournafulla Windfarm (ROI) Limited                                           | C                        | 100.0          |
| SSE Utility Services Limited                               | B                        | 100.0          | Zeusford Limited                                                             | C                        | 100.0          |
| SSE Utility Solutions Limited                              | B                        | 100.0          | <b>France</b>                                                                |                          |                |
| SSE Venture Capital Limited                                | A                        | 100.0          | Société d'Exploitation de l'Installation de Stockage (SEIS) d'orchamps       | AE                       | 100.0          |
| SSE Viking Limited                                         | B                        | 100.0          | Société d'Exploitation de l'Installation de Stockage (SEIS) de la Cuesta     | AE                       | 100.0          |
| SSE(SE) Quest Trustee Limited                              | B                        | 100.0          | Société d'Exploitation de la Centrale Photovoltaïque (SECPV) de Vireaux      | AE                       | 100.0          |
| SSEN Distribution Limited                                  | A                        | 100.0          | Société d'Exploitation de la Centrale Photovoltaïque (SECPV) des Jacquessons | AE                       | 100.0          |
| SSEPG (Operations) Limited                                 | B                        | 100.0          | Société d'Exploitation du Parc Eolien de Chainrix Bierges SARL               | AE                       | 100.0          |
| Strathy Wind Farm Limited                                  | A                        | 100.0          | Société d'Exploitation du Parc Eolien de Champeaux SARL                      | AE                       | 100.0          |
| Tealing Solar Park Limited                                 | B                        | 100.0          | Société d'Exploitation du Parc Eolien de Germainville SAS                    | AE                       | 100.0          |
| TESGL Limited                                              | D                        | 100.0          | Société d'Exploitation du Parc Eolien de la Belle Dame SARL                  | AE                       | 100.0          |
| The Energy Solutions Group Bidco Limited                   | D                        | 100.0          | Société d'Exploitation du Parc Eolien de la Brie des Etangs SARL             | AE                       | 100.0          |
| The Energy Solutions Group Midco Limited                   | D                        | 100.0          | Société d'Exploitation du Parc Eolien de la Monchot SARL                     | AE                       | 100.0          |
| The Energy Solutions Group Topco Limited                   | D                        | 100.0          | Société d'Exploitation du Parc Eolien de la Tête des Boucs SARL              | AE                       | 100.0          |
| Viking Energy (Scottish Partnership)                       | A                        | 100.0          | Société d'Exploitation du Parc Eolien (SEPE) de la Voie Pouçoise             | AE                       | 100.0          |
| Viking Energy Wind Farm LLP                                | A                        | 100.0          | Société d'Exploitation du Parc Eolien de Moulins du Puits SAS                | AE                       | 100.0          |
| <b>Ireland</b>                                             |                          |                | Société d'Exploitation du Parc Eolien de Pringy SARL                         | AE                       | 100.0          |
| Airtricity Windfarm Finance Limited                        | C                        | 100.0          | Société d'Exploitation du Parc Eolien de Saint Loup de Saintonge SAS         | AE                       | 100.0          |
| Arklow Offshore Phase II Company Limited                   | C                        | 100.0          | Société d'Exploitation du Parc Eolien (SEPE) de Salon Sud                    | AE                       | 100.0          |
| Bindoo Windfarm (ROI) Limited                              | C                        | 100.0          | Société d'Exploitation du Parc Eolien de Souvans SARL                        | AE                       | 100.0          |
| Brickmount Limited                                         | C                        | 100.0          | Société d'Exploitation du Parc Eolien de Vernierfontaine SARL                | AE                       | 100.0          |
| Comhlacht Gaoithe Teoranta                                 | C                        | 100.0          | Société d'Exploitation du Parc Eolien de Villiers aux Chênes SARL            | AE                       | 100.0          |
| Coomacheo Wind Farm Limited                                | C                        | 100.0          | Société d'Exploitation du Parc Eolien des Fontaines SARL                     | AE                       | 100.0          |
| Coomatallin Windfarm (ROI) Limited                         | C                        | 100.0*         | Société d'Exploitation du Parc Eolien des Six Communes SARL                  | AE                       | 100.0          |
| Curragh Mountain Windfarm Limited                          | C                        | 100.0          | Société d'Exploitation du Parc Eolien des Voies de Bar SARL                  | AE                       | 100.0          |
| Dedondo Limited                                            | C                        | 100.0          | Société d'Exploitation du Parc Eolien du Mont Égaré SARL                     | AE                       | 100.0          |
| Dromada Windfarm (ROI) Limited                             | C                        | 100.0          | Société d'Exploitation du Parc Eolien du Vireaux SAS                         | AE                       | 100.0          |
| Enerveo Ireland Limited                                    | Z                        | 100.0          | Société du Poste Privé (SPP) d'Orchamps SAS                                  | AE                       | 100.0          |
| Galway Wind Park Phase 3 Designated Activity Company       | C                        | 100.0          | Société du Poste Privé (SPP) de la Cuesta SARL                               | AE                       | 100.0          |
| Ganderoy Limited                                           | C                        | 100.0          | Société du Poste Privé (SPP) du Tonnerrois                                   | AE                       | 100.0          |
| Gartnaneane Limited                                        | C                        | 100.0*         | SSE Renewables France SARL                                                   | AE                       | 100.0          |
| Glenora Wind Farm Designated Activity Company              | C                        | 100.0          | <b>Germany</b>                                                               |                          |                |
| Green Wind Energy (Wexford) Limited                        | C                        | 100.0          | SSE Renewables Developments (Germany) GmbH                                   | U                        | 100.0          |
| Leanamore Wind Farm Limited                                | C                        | 100.0          |                                                                              |                          |                |
| Lenalea Wind Farm Designated Activity Company              | C                        | 100.0          |                                                                              |                          |                |
| Limerick West Windfarm Limited                             | C                        | 100.0          |                                                                              |                          |                |
| March Winds Limited                                        | C                        | 100.0          |                                                                              |                          |                |
| Meentycat Limited                                          | C                        | 100.0          |                                                                              |                          |                |
| Milane Holdings Limited                                    | C                        | 100.0          |                                                                              |                          |                |
| Mullananal Wind Farm (ROI) Limited                         | C                        | 100.0          |                                                                              |                          |                |
| Platin Power Limited                                       | C                        | 100.0          |                                                                              |                          |                |
| Richfield Windfarm (ROI) Limited                           | C                        | 100.0          |                                                                              |                          |                |
| Sheskin South Renewables Power Designated Activity Company | C                        | 100.0          |                                                                              |                          |                |
| SSE Airtricity Distributed Energy Limited                  | C                        | 100.0          |                                                                              |                          |                |
| SSE Airtricity Energy Services Limited                     | C                        | 100.0          |                                                                              |                          |                |
| SSE Airtricity Limited                                     | C                        | 100.0          |                                                                              |                          |                |
| SSE Cumarsáid Teoranta                                     | C                        | 100.0          |                                                                              |                          |                |
| SSE Generation Ireland Limited                             | C                        | 100.0          |                                                                              |                          |                |
| SSE Renewables (Ireland) Limited                           | C                        | 100.0          |                                                                              |                          |                |
| SSE Renewables Generation Ireland Limited                  | C                        | 100.0          |                                                                              |                          |                |
| SSE Renewables Holdings (Europe) Limited                   | C                        | 100.0          |                                                                              |                          |                |
| SSE Renewables Holdings Limited                            | C                        | 100.0          |                                                                              |                          |                |
| SSE Renewables Off Shore Limited                           | C                        | 100.0          |                                                                              |                          |                |
| SSE Renewables Wind (Ireland) Holdings Limited             | C                        | 100.0          |                                                                              |                          |                |



|                                                                    |    |       |
|--------------------------------------------------------------------|----|-------|
| <b>Greece</b>                                                      |    |       |
| Enerfarm 3 Single Member S.A. Renewable Energy Sources             | AB | 100.0 |
| Energiaki Kleidi Single Member S.A.                                | AB | 100.0 |
| Energiaki Mavrovouniou Single Member Private Company               | AB | 100.0 |
| Energiaki Mesovouniou Single Member S.A.                           | AB | 100.0 |
| Energiaki Platorrachis Single Member S.A.                          | AB | 100.0 |
| Energiaki Velanidias Single Member S.A.                            | AB | 100.0 |
| SSE Renewables Hellas Single Member S.A.                           | AB | 100.0 |
| <b>Isle of Man</b>                                                 |    |       |
| SSE Insurance Limited                                              | G  | 100.0 |
| <b>Italy</b>                                                       |    |       |
| SPV Parco Eolico Libeccio S.r.l.                                   | AC | 100.0 |
| SPV Parco Eolico Maestrato S.r.l.                                  | AC | 100.0 |
| SPV Parco Eolico Tramontana S.r.l.                                 | AC | 100.0 |
| SSE Renewables Italy S.r.l.                                        | AC | 100.0 |
| <b>Japan</b>                                                       |    |       |
| Aichi Offshore Wind Power No. 1 G.K.                               | Y  | 80.0  |
| Aichi Offshore Wind Power No. 2 G.K.                               | Y  | 80.0  |
| Enshunada Offshore Wind Power No. 1 G.K.                           | Y  | 80.0  |
| GI F Phase 2 G.K. (formerly Niigata Offshore Wind Power No.1 G.K.) | Y  | 80.0  |
| Goto-Fukue Offshore Wind Power G.K.                                | Y  | 80.0  |
| Izu Islands Offshore Wind Power No. 1 G.K.                         | Y  | 80.0  |
| Minami-Izu Offshore Wind Power No. 1 G.K.                          | Y  | 80.0  |
| Oki Islands Offshore Wind Power G.K.                               | Y  | 80.0  |
| SSE Pacifico K.K.                                                  | Y  | 80.0  |
| SSE Yuza Offshore Wind Power G.K.                                  | Y  | 80.0  |
| Tokushima Offshore Wind Power G.K.                                 | Y  | 80.0  |
| Wakayama-West Offshore Wind Power No. 1 G.K.                       | Y  | 80.0  |
| Wakayama-West Offshore Wind Power No. 2 G.K.                       | Y  | 80.0  |
| <b>Netherlands</b>                                                 |    |       |
| SSE Renewables (Netherlands) Holdings B.V.                         | AA | 100.0 |
| SSE Renewables Developments (The Netherlands) B.V.                 | AA | 100.0 |
| SSE Sunflower Offshore Wind Holdco B.V.                            | AA | 100.0 |
| SSE Sunflower Offshore Wind Limited Partner 1 B.V.                 | AA | 100.0 |
| SSE Sunflower Offshore Wind Limited Partner 2 B.V.                 | AA | 100.0 |
| SSE Sunflower Offshore Wind Limited Partner 3 B.V.                 | AA | 100.0 |
| SSE Sunflower Offshore Wind Limited Partner 4 B.V.                 | AA | 100.0 |
| SSE Tulip Offshore Wind Holdco B.V.                                | AA | 100.0 |
| SSE Tulip Offshore Wind Limited Partner 1 B.V.                     | AA | 100.0 |
| SSE Tulip Offshore Wind Limited Partner 2 B.V.                     | AA | 100.0 |
| SSE Tulip Offshore Wind Limited Partner 3 B.V.                     | AA | 100.0 |

|                                                                                         |    |       |
|-----------------------------------------------------------------------------------------|----|-------|
| <b>Poland</b>                                                                           |    |       |
| IBC SE PL3 sp. z o.o.                                                                   | AJ | 100.0 |
| IBC SE PL20 sp. z o.o.                                                                  | AJ | 100.0 |
| IBC SE PL22 sp. z o.o.                                                                  | AJ | 100.0 |
| IBC SE PL23 sp. z o.o.                                                                  | AJ | 100.0 |
| IBC SE PL24 sp. z o.o.                                                                  | AJ | 100.0 |
| IBC SE PL34 sp. z o.o.                                                                  | AJ | 100.0 |
| Pomerania PV sp z.o.o.                                                                  | AJ | 100.0 |
| SSE Renewables Poland sp z.o.o. w likwidacji (formerly SSE Renewables Poland sp z.o.o.) | X  | 100.0 |
| <b>Spain</b>                                                                            |    |       |
| ICE Torrecilla Renovables S.L.                                                          | W  | 80.3  |
| Sistemas Energéticos Ábrego S.L.U.                                                      | AD | 100.0 |
| Sistemas Energéticos Ariel S.L.U.                                                       | AD | 100.0 |
| Sistemas Energéticos Boreas S.L.U.                                                      | AD | 100.0 |
| Sistemas Energéticos Céfiro S.L.U.                                                      | AD | 100.0 |
| Sistemas Energéticos del Sur S.A.U.                                                     | AD | 100.0 |
| Sistemas Energéticos Eolo S.L.U.                                                        | AD | 100.0 |
| Sistemas Energéticos Erbania 1 S.L.U.                                                   | AD | 100.0 |
| Sistemas Energéticos Erbania 2 S.L.U.                                                   | AD | 100.0 |
| Sistemas Energéticos Gregal S.L.U.                                                      | AD | 100.0 |
| Sistemas Energéticos Júpiter S.L.U.                                                     | AD | 100.0 |
| Sistemas Energéticos Marte S.L. U.                                                      | AD | 100.0 |
| Sistemas Energéticos Mercurio S.L.U.                                                    | AD | 100.0 |
| Sistemas Energéticos Neptuno S.L.U.                                                     | AD | 100.0 |
| Sistemas Energéticos Oberón S.L.U.                                                      | AD | 100.0 |
| Sistemas Energéticos Plutón S.L.U.                                                      | AD | 100.0 |
| Sistemas Energéticos Tablero Tabordo S.L.U.                                             | AD | 100.0 |
| Sistemas Energéticos Terral S.L.U.                                                      | AD | 100.0 |
| Sistemas Energéticos Titán S.L.U.                                                       | AD | 100.0 |
| Sistemas Energéticos Urano S.L.U.                                                       | AD | 100.0 |
| SSE Renewables Southern Europe S.L.                                                     | AD | 100.0 |
| SSE Renewables Spain S.L.                                                               | AD | 100.0 |

All shares in subsidiary companies are ordinary share capital, unless otherwise stated.

\* 100% of voting rights held.



## Accompanying information continued

### A3. Related undertakings continued

#### A3.1.1 Subsidiary undertakings continued

##### Statutory audit exemptions

SSE plc parent company has provided guarantees under section 479C of the Companies Act 2006 over the liabilities of the following companies, which are therefore exempt from audit under the requirements of s479A-479C of the Companies Act 2006.

| Company                                         | Registered number | Company                                           | Registered number |
|-------------------------------------------------|-------------------|---------------------------------------------------|-------------------|
| Aberarder Wind Farm (Scotland) Limited          | SC746968          | SSE HV Electricity Assets Limited                 | 14418288          |
| Aberarder Wind Farm LLP                         | OC398487          | SSE Hydrogen Developments Limited                 | 15238086          |
| Abernedd Power Company Limited                  | 06383166          | SSE Hydrogen Holdings Limited                     | 15231331          |
| Aegletes III Holdco Limited                     | 13665453          | SSE IAMP Microgrid Limited                        | 15333093          |
| Aldbrough Pathfinder Limited                    | 15238323          | SSE Imperial Park PN Limited                      | 02631510          |
| Berwick Bank Holdings A Limited                 | 07294660          | SSE Knapthorpe Solar Limited                      | 14044446          |
| Berwick Bank Holdings B Limited                 | 13881643          | SSE Low Carbon Developments Limited               | 15069108          |
| Berwick Bank Holdings C Limited                 | 07294689          | SSE Low Carbon Holdings Limited                   | 15052653          |
| Berwick Bank Wind Farm Limited                  | SC721781          | SSE Maple Limited                                 | 10604848          |
| Bhlaraidh Extension Wind Farm Limited           | SC798136          | SSE Medway Operations Limited                     | 02647585          |
| Bhlaraidh Wind Farm Limited                     | SC663027          | SSE Micro Renewables Limited                      | SC386017          |
| Building Automation Solutions Limited           | 05827765          | SSE Multifuel Generation Holdings Limited         | 12661566          |
| By-Pass Farm Solar Limited                      | 12558977          | SSE Muskham Solar Limited                         | 14044402          |
| Ferrybridge Hydrogen Limited                    | 15238441          | SSE Newchurch Solar Limited                       | 15348120          |
| Fibre Fuel Limited                              | 02902165          | SSE OWS Glasgow Limited                           | SC228283          |
| Fibre Power (Slough) Limited                    | 02902170          | SSE Private Networks Holdco Limited               | 14921243          |
| Griffin Wind Farm Limited                       | SC245113          | SSE Production Services Limited                   | 02499702          |
| Hydro Electric Pension Scheme Trustees Limited  | SC567945          | SSE Renewables Holdings (UK) Limited              | NI043239          |
| Keadby Developments Limited                     | 02691516          | SSE Renewables Offshore Windfarm Holdings Limited | SC436251          |
| Keadby Next Generation Limited                  | 15866301          | SSE Renewables Onshore Windfarm Holdings Limited  | NI049557          |
| Keadby Wind Farm Limited                        | 06852112          | SSE Renewables Poland Holdings Limited            | SC723844          |
| LG-B-300 Limited                                | SC765613          | SSE Renewables Solar & Battery Holdings Limited   | 13561962          |
| Power From Waste Limited                        | 02902302          | SSE Renewables UK Limited                         | NI048447          |
| Slough Domestic Electricity Limited             | 03486588          | SSE Renewables Wind Farms (UK) Limited            | SC654502          |
| Slough Energy Supplies Limited                  | 02474514          | SSE Retail Limited                                | SC213458          |
| Slough Heat & Power Limited                     | 00174142          | SSE Seabank Investments Limited                   | 02631512          |
| Slough Utility Services Limited                 | 03486590          | SSE Seabank Land Investments Limited              | 07877772          |
| SSE Airtricity Energy Services (NI) Limited     | NI056373          | SSE Southern Group Trustee Limited                | 04009847          |
| SSE Beatrice Offshore Windfarm Holdings Limited | SC436255          | SSE Southery Solar Limited                        | 14953142          |
| SSE BTM HoldCo Limited                          | 14413957          | SSE Staythorpe Battery Limited                    | 14046860          |
| SSE BTM Operational Assets Limited              | 14885059          | SSE Staythorpe Power Limited                      | 14043534          |
| SSE Contracting Group Limited                   | 02471438          | SSE Staythorpe SGT Limited                        | 14046946          |
| SSE Cottered Solar Limited                      | 15346645          | SSE Staythorpe Solar Limited                      | 14046913          |
| SSE Daines BESS Limited                         | 15344013          | SSE Thermal Energy Holdings Limited               | 12650549          |
| SSE DE Solar HoldCo Limited                     | 14189570          | SSE Thermal Generation Holdings Limited           | 12662248          |
| SSE Derrymeen BESS Limited                      | NI697259          | SSE Toddleburn Limited                            | SC259104          |
| SSE Digital Services Limited                    | 14621186          | SSE Trustees Limited                              | 03048985          |
| SSE Eggborough Limited                          | 14939853          | SSE Viking Limited                                | 06021053          |
| SSE Enterprise Limited                          | 10060563          | SSE(SE) Quest Trustee Limited                     | 03487059          |
| SSE Ewerby Solar Holdco Limited                 | 14939987          | SSEPG (Operations) Limited                        | 02764438          |
| SSE Ewerby Solar Limited                        | 14959032          | Strathy Wind Farm Limited                         | SC663103          |
| SSE Fancott Bess Limited                        | 15344001          | Tealing Solar Park Limited                        | 08783684          |
| SSE Ferrybridge Battery Limited                 | 14411214          | The Energy Solutions Group Bidco Limited          | 07187066          |
| SSE Fiddlers Ferry Battery Limited              | 14418916          | The Energy Solutions Group Midco Limited          | 07403400          |
| SSE Foxholes Solar Limited                      | 14044466          | The Energy Solutions Group Topco Limited          | 07419528          |
| SSE Group Limited                               | SC126049          |                                                   |                   |
| SSE Heat Networks (Battersea) Limited           | 10176638          |                                                   |                   |



### A3.1.2 Joint arrangements (incorporated)

| Company                                                            | Registered address (Key) | 2026 Holding % | Company                                          | Registered address (Key) | 2026 Holding % |
|--------------------------------------------------------------------|--------------------------|----------------|--------------------------------------------------|--------------------------|----------------|
| <b>United Kingdom</b>                                              |                          |                |                                                  |                          |                |
| AtlasConnect Limited                                               | A                        | 50.0           | H2Northeast Limited                              | H                        | 50.0           |
| Baglan Pipeline Limited                                            | K                        | 50.0           | Indian Queens Power Limited                      | AF                       | 50.0           |
| Beatrice Offshore Windfarm Holdco Limited                          | A                        | 40.0           | Marchwood Power Limited                          | N                        | 50.0           |
| Beatrice Offshore Windfarm Limited                                 | A                        | 40.0           | Neos Networks Limited                            | A                        | 50.0           |
| Clyde Windfarm (Scotland) Limited **                               | A                        | 50.1           | NNXYZ Limited                                    | B                        | 50.0           |
| DB Operational Base Limited                                        | J                        | 40.0           | North Falls Offshore Wind Farm Holdco Limited    | AG                       | 50.0           |
| Deeside Power (UK) Limited                                         | AF                       | 50.0           | North Falls Offshore Wind Farm Limited           | AG                       | 50.0           |
| Deeside Power Operations Limited                                   | AF                       | 50.0           | Ossian Offshore Wind Farm Holdings Limited       | A                        | 40.0           |
| Digital Reach Partners Limited (formerly D Reach Partners Limited) | B                        | 50.0           | Ossian Offshore Wind Farm Limited                | A                        | 40.0           |
| Doggerbank Offshore Wind Farm Project 1 Holdco Limited             | B                        | 40.0           | Pride (SERP) Limited                             | AI                       | 50.0           |
| Doggerbank Offshore Wind Farm Project 1 Projco Limited             | B                        | 40.0           | Reach Fibre Company Limited                      | B                        | 50.0           |
| Doggerbank Offshore Wind Farm Project 2 Holdco Limited             | B                        | 40.0           | Reach Holdings Group Limited                     | B                        | 50.0           |
| Doggerbank Offshore Wind Farm Project 2 Projco Limited             | B                        | 40.0           | Reach Infrastructure Group Limited               | B                        | 50.0           |
| Doggerbank Offshore Wind Farm Project 3 Holdco Limited             | B                        | 40.0           | Saltend Cogeneration Company Limited             | AF                       | 50.0           |
| Doggerbank Offshore Wind Farm Project 3 Projco Limited             | B                        | 40.0           | Saltend Operations Company Limited               | AF                       | 50.0           |
| Doggerbank Offshore Wind Farm Project 3 And 4 B Holdco Limited     |                          | 50.0           | SCCL Holdings Limited                            | AF                       | 50.0           |
| Doggerbank Offshore Wind Farm Project 3 And 4 B Leaseco Limited    |                          | 50.0           | Seabank Power Limited                            | O                        | 50.0           |
| Doggerbank Offshore Wind Farm Project 4 Holdco Limited             | B                        | 50.0           | Seagreen 1A (Holdco) Limited                     | B                        | 49.0           |
| Doggerbank Offshore Wind Farm Project 4 Projco Limited             | B                        | 50.0           | Seagreen 1A Limited                              | B                        | 49.0           |
| DRPXYZ Limited (formerly Digital Reach Partners Limited)           | A                        | 50.0           | Seagreen Alpha Wind Energy Limited               | B                        | 49.0           |
| Dunmaglass Wind Farm Limited                                       | A                        | 50.1           | Seagreen Bravo Wind Energy Limited               | B                        | 49.0           |
| Eastern Green Link 2 Limited ***                                   | B                        | 50.0           | Seagreen Holdco 1 Limited                        | B                        | 49.0           |
| Eastern Green Link 3 Limited ***                                   | B                        | 50.0           | Seagreen Wind Energy Limited                     | B                        | 49.0           |
| Fearna PSH Limited                                                 | B                        | 50.0           | Source EV Limited                                | B                        | 50.0           |
| Greater Gabbard Offshore Winds Limited ***                         | B                        | 50.0           | Source EV UK Limited                             | B                        | 50.0           |
| Green H2 Developments Hold Co Limited                              | B                        | 50.0           | SSE Slough Multifuel Holdco Limited              | B                        | 50.0           |
| Green H2 Developments Project Co Limited                           | B                        | 50.0           | SSE Slough Multifuel Limited                     | B                        | 50.0           |
| H2NE Parentco Limited                                              | H                        | 50.0           | Stronelairg Wind Farm Limited                    | A                        | 50.1           |
| <b>Ireland</b>                                                     |                          |                |                                                  |                          |                |
| Allbrite Heatpump Specialists Limited                              | R                        | 25.0           | Green Energy Company Limited **                  | M                        | 50.0           |
| Bellair Wind Farm Designated Activity Company                      | I                        | 50.0           | Green Way Energy Limited                         | M                        | 50.0           |
| Cloosh Valley Wind Farm Designated Activity Company                | L                        | 25.0           | Kerry Power Limited                              | M                        | 49.0           |
| Cloosh Valley Wind Farm Holdings Designated Activity Company       | L                        | 25.0           | Kilberry Wind Farm Designated Activity Company I |                          | 50.0           |
| Coolnagun Wind Farm Designated Activity Company                    | I                        | 50.0           | Lemanaghan Wind Farm Designated Activity Company | I                        | 50.0           |
| Cornafulla Wind Farm Designated Activity Company                   | I                        | 50.0           | Littleton Wind Farm Designated Activity Company  | I                        | 50.0           |
| Derryfadda Wind Farm Designated Activity Company                   | I                        | 50.0           | Marron Activ8 Energies Limited                   | R                        | 50.0           |
| Drumnahough Wind Farm Designated Activity Company                  | C                        | 50.0           | Midas Energy Limited                             | M                        | 49.0           |
| Everwind Limited                                                   | S                        | 49.0           | Source EV Ireland Limited                        | C                        | 50.0           |
| Garryinch Wind Farm Designated Activity Company                    | I                        | 50.0           |                                                  |                          |                |
| <b>Jersey</b>                                                      |                          |                |                                                  |                          |                |
| Triton Power Holdings Limited                                      | AH                       | 50.0           | Triton Power Limited                             | AH                       | 50.0           |
| Triton Power Intermediate Holdings Limited                         | AH                       | 50.0           |                                                  |                          |                |
| <b>Netherlands</b>                                                 |                          |                |                                                  |                          |                |
| Lely Alpha Offshore Wind General Partner B.V.                      | AA                       | 50.0           | Lely Alpha Offshore Wind Projco C.V.             | AA                       | 50.0           |



## Accompanying information continued

### A3. Related undertakings continued

| Company                  | Registered address (Key) | 2026 Holding % | Company | Registered address (Key) | 2026 Holding % |
|--------------------------|--------------------------|----------------|---------|--------------------------|----------------|
| <b>Spain</b>             |                          |                |         |                          |                |
| ICE Santa Engracia, S.L. | V                        | 44.6           |         |                          |                |

\*\* Holding represents % of voting rights

\*\*\* Joint Operation

#### A3.1.3 Associates

| Company                 | Registered address (Key) | 2026 Holding % | Company                      | Registered address (Key) | 2026 Holding % |
|-------------------------|--------------------------|----------------|------------------------------|--------------------------|----------------|
| <b>United Kingdom</b>   |                          |                |                              |                          |                |
| Corran Environmental LP | AK                       | 74.0           | St Clements Services Limited | P                        | 25.0           |

#### A3.1.4 Registered address key

| Reference | Company registered address                                                                                  |
|-----------|-------------------------------------------------------------------------------------------------------------|
| A         | Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ                                                          |
| B         | No 1 Forbury Place, 43 Forbury Road, Reading RG1 3JH                                                        |
| C         | Red Oak South, South County Business Park, Leopardstown, Dublin 18                                          |
| D         | Ocean Court, Caspian Road, Atlantic Street, Altrincham, WA14 5HH                                            |
| E         | Keadby Power Station, Trentside, Keadby, Scunthorpe, North Lincs DN17 3AZ                                   |
| F         | 3rd Floor, Millennium House, 25 Great Victoria Street, Belfast, BT2 7AQ                                     |
| G         | Tower House, Loch Promenade, Douglas, Isle of Man                                                           |
| H         | Suite 1, 7th Floor, 50 Broadway, London, United Kingdom, SW1H 0BL                                           |
| I         | Main St, Newbridge, Kildare, Ireland                                                                        |
| J         | One Kingdom Street, London, United Kingdom, W2 6BD                                                          |
| K         | 10 Fleet Place, London, EC4M 7QS                                                                            |
| L         | 6th Floor, South Bank House, Barrow Street, Dublin 4                                                        |
| M         | Lissarda Industrial Park, Lissarda, Macroom, County Cork                                                    |
| N         | Oceanic Way, Marchwood Industrial Park, Marchwood, Southampton SO40 4BD                                     |
| O         | Severn Road, Hallen, Bristol, BS10 7SP                                                                      |
| P         | 4 – 6 Church Walk, Daventry, NN11 4BL                                                                       |
| Q         | Unit 14 Maryland Industrial Estate, Ballygowan Road, Belfast                                                |
| R         | Nexus N2 Business Park, Carrickmacross, Monaghan, A81 XK73, Ireland                                         |
| S         | Gorthleahy, Macroom, Co Cork, Ireland                                                                       |
| T         | Second Floor Eagle Court 2, Hatchford Way, Birmingham B26 3RZ                                               |
| U         | c/o Bird & Bird LLP, Maximiliansplatz 22, Munich 80333                                                      |
| V         | Calle de la Portalada, 50, 26.006, Logroño (La Rioja), Spain                                                |
| W         | Avda Gomez Laguna, 25, 50009 – Zaragoza, Spain                                                              |
| X         | Towarowa no.28, suite 00-839, Warsaw, Poland                                                                |
| Y         | Azabudai Hills Mori JP Tower, 1-3-1 Azabudai, Minato-ku, Tokyo, Japan                                       |
| Z         | Unit 42 Block 528, Grants View, Greenogue Business Park, Rathcoole, Dublin, Ireland                         |
| AA        | Hofplein 20, Rotterdam, 3032 AC, Netherlands                                                                |
| AB        | 16 Kifissias Ave, 11526, Athens, Greece                                                                     |
| AC        | Viale Luca Gaurico, 91/93, 00143, Rome, Italy                                                               |
| AD        | Alameda Mazarredo 7, entreplanta, 48001, Bilbao, Spain                                                      |
| AE        | 97 allée Alexandre Borodine, Immeuble Cèdre 3, 69800, Saint Priest, France                                  |
| AF        | Saltend Power Station Saltend Chemicals Park, Hedon Road, Hull, East Riding of Yorkshire, England, HU12 8GA |
| AG        | Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, United Kingdom, SN5 6PB                     |
| AH        | 22 Grenville Street, St Helier, Jersey, JE4 SPX                                                             |
| AI        | Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG                                               |
| AJ        | Plac Marszałka Józefa Piłsudskiego 2 00-073 Warsaw                                                          |
| AK        | 4th Floor, 7 Castle Street, Edinburgh, EH2 3AH                                                              |



## A4. Joint ventures and associates

The Directors have assessed that the investments in the following equity accounted joint ventures and associates are of a sufficiently material impact to warrant additional disclosure on an individual basis. Details of the financial position and financial results of the Group:

| Company                                                | Class of shares held | Proportion of shares held % | Group Interest % | Year end date | Consolidation basis |
|--------------------------------------------------------|----------------------|-----------------------------|------------------|---------------|---------------------|
| <b>United Kingdom</b>                                  |                      |                             |                  |               |                     |
| Seabank Power Limited                                  | Ordinary             | 50.0                        | 50.0             | 31 December   | Equity              |
| Marchwood Power Limited                                | Ordinary             | 50.0                        | 50.0             | 31 December   | Equity              |
| SSE Slough Multifuel Holdco Limited                    | Ordinary             | 50.0                        | 50.0             | 31 March      | Equity              |
| Clyde Windfarm (Scotland) Limited                      | Ordinary             | 50.1                        | 50.1             | 31 March      | Equity              |
| Seagreen Holdco 1 Limited                              | Ordinary             | 49.0                        | 49.0             | 31 March      | Equity              |
| Beatrice Offshore Windfarm Holdco Limited              | Ordinary             | 40.0                        | 40.0             | 31 March      | Equity              |
| Dunmaglass Wind Farm Limited                           | Ordinary             | 50.1                        | 50.1             | 31 March      | Equity              |
| Stronelaig Wind Farm Limited                           | Ordinary             | 50.1                        | 50.1             | 31 March      | Equity              |
| Doggerbank Offshore Wind Farm Project 1 Holdco Limited | Ordinary             | 40.0                        | 40.0             | 31 March      | Equity              |
| <b>Jersey</b>                                          |                      |                             |                  |               |                     |
| Triton Power Holdings Limited                          | Ordinary             | 50.0                        | 50.0             | 31 December   | Equity              |



## Accompanying information continued

## A4. Joint ventures and associates continued

Summary information for material joint ventures and associates from unaudited financial statements is as follows:

|                                                         | Seabank<br>Power<br>Limited<br>2026<br>£m | Marchwood<br>Power<br>Limited<br>2026<br>£m | SSE Slough<br>Multifuel<br>Holdco<br>Limited<br>2026<br>£m | Clyde<br>Windfarm<br>(Scotland)<br>Limited<br>2026<br>£m | Seagreen<br>Holdco 1<br>Limited<br>2026<br>£m | Beatrice<br>Offshore<br>Windfarm<br>Holdco<br>Limited<br>2026<br>£m | Dunmaglass<br>Wind Farm<br>Limited<br>2026<br>£m | Stronelaig<br>Wind Farm<br>Limited<br>2026<br>£m | Triton<br>Power<br>Holdings<br>Limited<br>2026<br>£m | Doggerbank<br>Offshore<br>Wind Farm<br>Project 1<br>Holdco<br>Limited<br>2026<br>£m | Other <sup>(i)</sup><br>2026<br>£m | Total<br>2026<br>£m |
|---------------------------------------------------------|-------------------------------------------|---------------------------------------------|------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------|---------------------|
| Revenue                                                 | 279.8                                     | 69.1                                        | 64.9                                                       | 206.9                                                    | 322.5                                         | 149.4                                                               | 43.5                                             | 105.3                                            | 370.5                                                | 109.9                                                                               | 230.0                              | 1,951.8             |
| Other income                                            | –                                         | –                                           | –                                                          | –                                                        | 3.9                                           | 266.9                                                               | –                                                | –                                                | –                                                    | –                                                                                   | –                                  | 270.8               |
| Depreciation and<br>amortisation                        | (11.7)                                    | (7.8)                                       | (14.9)                                                     | (29.3)                                                   | (98.4)                                        | (88.5)                                                              | (8.0)                                            | (13.7)                                           | (33.6)                                               | (9.6)                                                                               | (140.9)                            | (456.4)             |
| Other operating costs                                   | (232.5)                                   | (21.3)                                      | (23.4)                                                     | (44.4)                                                   | (101.0)                                       | (133.1)                                                             | (9.6)                                            | (19.1)                                           | (365.3)                                              | (11.4)                                                                              | (130.1)                            | (1,091.2)           |
| Movement on<br>derivatives                              | –                                         | –                                           | –                                                          | –                                                        | (48.6)                                        | –                                                                   | –                                                | –                                                | 4.2                                                  | –                                                                                   | 0.5                                | (43.9)              |
| Operating profit                                        | 35.6                                      | 40.0                                        | 26.6                                                       | 133.2                                                    | 78.4                                          | 194.7                                                               | 25.9                                             | 72.5                                             | (24.2)                                               | 88.9                                                                                | (40.5)                             | 631.1               |
| Interest expense                                        | 0.3                                       | (0.7)                                       | (23.6)                                                     | (21.1)                                                   | (153.9)                                       | (56.9)                                                              | (6.5)                                            | (12.9)                                           | 2.2                                                  | (58.5)                                                                              | (33.9)                             | (365.5)             |
| Profit before tax                                       | 35.9                                      | 39.3                                        | 3.0                                                        | 112.1                                                    | (75.5)                                        | 137.8                                                               | 19.4                                             | 59.6                                             | (22.0)                                               | 30.4                                                                                | (74.4)                             | 265.6               |
| Corporation tax                                         | (8.3)                                     | (9.7)                                       | –                                                          | (29.3)                                                   | 4.1                                           | (34.7)                                                              | (4.4)                                            | (14.8)                                           | 0.5                                                  | (3.5)                                                                               | 0.5                                | (99.6)              |
| Profit after tax                                        | 27.6                                      | 29.6                                        | 3.0                                                        | 82.8                                                     | (71.4)                                        | 103.1                                                               | 15.0                                             | 44.8                                             | (21.5)                                               | 26.9                                                                                | (73.9)                             | 166.0               |
| <b>Recognised in other<br/>comprehensive<br/>income</b> |                                           |                                             |                                                            |                                                          |                                               |                                                                     |                                                  |                                                  |                                                      |                                                                                     |                                    |                     |
| Cash flow hedges                                        | –                                         | –                                           | –                                                          | –                                                        | (13.2)                                        | (26.2)                                                              | –                                                | –                                                | –                                                    | (24.7)                                                                              | (47.4)                             | (111.5)             |
| Taxation                                                | –                                         | –                                           | –                                                          | –                                                        | 3.3                                           | 6.6                                                                 | –                                                | –                                                | –                                                    | 6.2                                                                                 | 11.8                               | 27.9                |
| Other                                                   | –                                         | –                                           | –                                                          | –                                                        | –                                             | –                                                                   | –                                                | –                                                | –                                                    | –                                                                                   | (15.8)                             | (15.8)              |
|                                                         | –                                         | –                                           | –                                                          | –                                                        | (9.9)                                         | (19.6)                                                              | –                                                | –                                                | –                                                    | (18.5)                                                                              | (51.4)                             | (99.4)              |
| Total comprehensive<br>income/(loss)                    | 27.6                                      | 29.6                                        | 3.0                                                        | 82.8                                                     | (81.3)                                        | 83.5                                                                | 15.0                                             | 44.8                                             | (21.5)                                               | 8.4                                                                                 | (125.3)                            | 66.6                |
| <b>SSE share of profit<br/>(based on % equity)</b>      | 13.8                                      | 14.8                                        | 1.5                                                        | 41.5                                                     | (35.0)                                        | 41.2                                                                | 7.5                                              | 22.4                                             | (10.8)                                               | 10.8                                                                                | (19.7)                             | 88.0                |
| Dividends paid to<br>shareholders                       | 21.0                                      | 37.0                                        | –                                                          | 116.1                                                    | 26.6                                          | 53.7                                                                | 25.5                                             | 68.5                                             | 25.0                                                 | –                                                                                   | 8.4                                | 381.8               |
| Non-current assets                                      | 114.5                                     | 107.4                                       | 455.3                                                      | 472.4                                                    | 2,946.6                                       | 1,531.7                                                             | 156.9                                            | 289.4                                            | 202.2                                                | 3,153.4                                                                             | 6,607.6                            | 16,037.4            |
| Current assets                                          | 94.9                                      | 13.7                                        | 15.0                                                       | 100.3                                                    | 87.8                                          | 595.3                                                               | 21.9                                             | 48.6                                             | 130.1                                                | 883.9                                                                               | 62.2                               | 2,053.7             |
| Cash and cash<br>equivalents                            | 48.8                                      | 19.6                                        | 17.6                                                       | 30.6                                                     | 125.3                                         | 96.1                                                                | 10.9                                             | 19.8                                             | 15.4                                                 | 73.1                                                                                | 138.2                              | 595.4               |
| Current liabilities                                     | (87.7)                                    | (20.9)                                      | (7.4)                                                      | (46.5)                                                   | (247.2)                                       | (568.0)                                                             | (9.1)                                            | (27.1)                                           | (109.7)                                              | (51.7)                                                                              | (393.2)                            | (1,568.5)           |
| Non-current liabilities                                 | (42.8)                                    | (32.8)                                      | (351.1)                                                    | (427.4)                                                  | (2,230.9)                                     | (1,527.5)                                                           | (143.4)                                          | (260.7)                                          | (12.5)                                               | (3,415.0)                                                                           | (5,528.6)                          | (13,972.7)          |
| Net assets                                              | 127.7                                     | 87.0                                        | 129.4                                                      | 129.4                                                    | 681.6                                         | 127.6                                                               | 37.2                                             | 70.0                                             | 225.5                                                | 643.7                                                                               | 886.2                              | 3,145.3             |
| Group equity interest                                   | 50.0%                                     | 50.0%                                       | 50.0%                                                      | 50.1%                                                    | 49.0%                                         | 40.0%                                                               | 50.1%                                            | 50.1%                                            | 50.0%                                                | 40.0%                                                                               | –                                  | –                   |
| Net assets                                              |                                           |                                             |                                                            |                                                          |                                               |                                                                     |                                                  |                                                  |                                                      |                                                                                     |                                    |                     |
| Group's share of<br>ownership interest                  | 63.9                                      | 43.5                                        | 64.7                                                       | 64.8                                                     | 334.0                                         | 51.0                                                                | 18.6                                             | 35.1                                             | 112.8                                                | 257.5                                                                               | 411.2                              | 1,457.1             |
| Other adjustments                                       | (21.0)                                    | 0.3                                         | 31.1                                                       | 39.3                                                     | 84.5                                          | (1.1)                                                               | 62.2                                             | 191.9                                            | 28.2                                                 | 1.7                                                                                 | 70.9                               | 488.0               |
| Carrying value of<br>Group's equity<br>interest         | 42.9                                      | 43.8                                        | 95.8                                                       | 104.1                                                    | 418.5                                         | 49.9                                                                | 80.8                                             | 227.0                                            | 141.0                                                | 259.2                                                                               | 482.1                              | 1,945.1             |

(restated<sup>(iii)</sup>)

|                                                             | Seabank<br>Power<br>Limited<br>2025<br>£m | Marchwood<br>Power<br>Limited<br>2025<br>£m | SSE<br>Slough<br>Multifuel<br>Holdco<br>Limited<br>2025<br>£m | Clyde<br>Windfarm<br>(Scotland)<br>Limited<br>2025<br>£m | Seagreen<br>Holdco 1<br>Limited<br>2025<br>£m | Beatrice<br>Offshore<br>Windfarm<br>Holdco<br>Limited<br>2025<br>£m | Dunmaglass<br>Wind Farm<br>Limited<br>2025<br>£m | Stronelairg<br>Wind Farm<br>Limited<br>2025<br>£m | Triton<br>Power<br>Holdings<br>Limited<br>2025<br>£m | Doggerbank<br>Offshore<br>Wind Farm<br>Project 1<br>Holdco<br>Limited<br>2025<br>£m | Other <sup>(i) (ii)</sup><br>2025<br>£m | Total<br>2025<br>£m |
|-------------------------------------------------------------|-------------------------------------------|---------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------|---------------------|
| Revenue                                                     | 288.1                                     | 96.3                                        | 60.0                                                          | 194.6                                                    | 354.0                                         | 171.1                                                               | 37.7                                             | 106.6                                             | 402.6                                                | 14.8                                                                                | 212.1                                   | 1,937.9             |
| Other income                                                | –                                         | –                                           | –                                                             | –                                                        | 23.2                                          | 245.7                                                               | –                                                | –                                                 | –                                                    | –                                                                                   | 0.1                                     | 269.0               |
| Depreciation and<br>amortisation                            | (7.0)                                     | (35.0)                                      | (8.4)                                                         | (29.2)                                                   | (98.6)                                        | (88.0)                                                              | (8.0)                                            | (13.7)                                            | (34.5)                                               | (2.2)                                                                               | (134.7)                                 | (459.3)             |
| Other operating<br>costs                                    | (241.9)                                   | (19.5)                                      | (21.0)                                                        | (41.4)                                                   | (89.6)                                        | (94.8)                                                              | (8.1)                                            | (20.4)                                            | (420.3)                                              | (6.8)                                                                               | (134.1)                                 | (1,097.9)           |
| Movement on<br>derivatives                                  | –                                         | –                                           | –                                                             | –                                                        | (53.8)                                        | –                                                                   | –                                                | –                                                 | (3.4)                                                | –                                                                                   | –                                       | (57.2)              |
| Operating profit                                            | 39.2                                      | 41.8                                        | 30.6                                                          | 124.0                                                    | 135.2                                         | 234.0                                                               | 21.6                                             | 72.5                                              | (55.6)                                               | 5.8                                                                                 | (56.6)                                  | 592.5               |
| Interest expense                                            | 1.4                                       | (1.6)                                       | (15.2)                                                        | (18.5)                                                   | (209.3)                                       | (59.3)                                                              | (6.2)                                            | (11.9)                                            | 5.1                                                  | (1.5)                                                                               | (31.0)                                  | (348.0)             |
| Profit before tax                                           | 40.6                                      | 40.2                                        | 15.4                                                          | 105.5                                                    | (74.1)                                        | 174.7                                                               | 15.4                                             | 60.6                                              | (50.5)                                               | 4.3                                                                                 | (87.6)                                  | 244.5               |
| Corporation tax                                             | (11.1)                                    | (9.2)                                       | 3.8                                                           | (26.9)                                                   | 63.5                                          | (22.7)                                                              | (3.4)                                            | (14.8)                                            | 14.9                                                 | (1.1)                                                                               | (0.7)                                   | (7.7)               |
| Profit after tax                                            | 29.5                                      | 31.0                                        | 19.2                                                          | 78.6                                                     | (10.6)                                        | 152.0                                                               | 12.0                                             | 45.8                                              | (35.6)                                               | 3.2                                                                                 | (88.3)                                  | 236.8               |
| <b>Recognised in<br/>other<br/>comprehensive<br/>income</b> |                                           |                                             |                                                               |                                                          |                                               |                                                                     |                                                  |                                                   |                                                      |                                                                                     |                                         |                     |
| Cash flow hedges                                            | –                                         | –                                           | 0.6                                                           | –                                                        | (3.3)                                         | (12.8)                                                              | –                                                | –                                                 | –                                                    | (49.8)                                                                              | 9.7                                     | (55.6)              |
| Taxation                                                    | –                                         | –                                           | –                                                             | –                                                        | 0.8                                           | 3.3                                                                 | –                                                | –                                                 | –                                                    | 12.5                                                                                | (2.6)                                   | 14.0                |
| Other                                                       | –                                         | –                                           | –                                                             | –                                                        | –                                             | –                                                                   | –                                                | –                                                 | –                                                    | –                                                                                   | 15.8                                    | 15.8                |
|                                                             | –                                         | –                                           | 0.6                                                           | –                                                        | (2.5)                                         | (9.5)                                                               | –                                                | –                                                 | –                                                    | (37.3)                                                                              | 22.9                                    | (25.8)              |
| Total<br>comprehensive<br>income/(loss)                     | 29.5                                      | 31.0                                        | 19.8                                                          | 78.6                                                     | (13.1)                                        | 142.5                                                               | 12.0                                             | 45.8                                              | (35.6)                                               | (34.1)                                                                              | (65.4)                                  | 211.0               |
| <b>SSE share of profit<br/>(based on %<br/>equity)</b>      | 14.8                                      | 15.5                                        | 9.6                                                           | 39.4                                                     | (5.2)                                         | 60.8                                                                | 6.0                                              | 22.9                                              | (17.8)                                               | 1.3                                                                                 | (57.4)                                  | 89.9                |
| Dividends paid to<br>shareholders                           | 47.0                                      | 44.2                                        | –                                                             | 102.0                                                    | 38.9                                          | 119.3                                                               | 12.4                                             | 55.0                                              | –                                                    | –                                                                                   | 11.1                                    | 429.9               |
| Non-current assets                                          | 82.8                                      | 114.1                                       | 471.4                                                         | 510.1                                                    | 3,027.6                                       | 1,750.4                                                             | 165.2                                            | 304.7                                             | 184.1                                                | 3,670.4                                                                             | 6,460.3                                 | 16,741.1            |
| Current assets                                              | 56.7                                      | 8.5                                         | 14.9                                                          | 86.8                                                     | 47.2                                          | 62.7                                                                | 16.7                                             | 49.8                                              | 164.1                                                | 21.6                                                                                | 94.7                                    | 623.7               |
| Cash and cash<br>equivalents                                | 51.8                                      | 20.7                                        | 21.9                                                          | 45.1                                                     | 95.3                                          | 104.0                                                               | 18.4                                             | 27.7                                              | 5.1                                                  | 60.6                                                                                | 278.8                                   | 729.4               |
| Current liabilities                                         | (44.9)                                    | (18.2)                                      | (11.1)                                                        | (42.8)                                                   | (13.0)                                        | (199.7)                                                             | (7.3)                                            | (25.5)                                            | (68.7)                                               | (86.7)                                                                              | (348.7)                                 | (866.6)             |
| Non-current<br>liabilities                                  | (26.3)                                    | (29.5)                                      | (370.6)                                                       | (431.7)                                                  | (2,424.9)                                     | (1,619.6)                                                           | (144.8)                                          | (262.5)                                           | (12.3)                                               | (3,042.7)                                                                           | (5,649.7)                               | (14,014.6)          |
| Net assets                                                  | 120.1                                     | 95.6                                        | 126.5                                                         | 167.5                                                    | 732.2                                         | 97.8                                                                | 48.2                                             | 94.2                                              | 272.3                                                | 623.2                                                                               | 835.4                                   | 3,213.0             |
| Group equity<br>interest                                    | 50.0%                                     | 50.0%                                       | 50.0%                                                         | 50.1%                                                    | 49.0%                                         | 40.0%                                                               | 50.1%                                            | 50.1%                                             | 50.0%                                                | 40.0%                                                                               | –                                       | –                   |
| Net assets                                                  |                                           |                                             |                                                               |                                                          |                                               |                                                                     |                                                  |                                                   |                                                      |                                                                                     |                                         |                     |
| Group's share of<br>ownership<br>interest                   | 60.1                                      | 47.8                                        | 63.3                                                          | 83.9                                                     | 358.8                                         | 39.1                                                                | 24.1                                             | 47.2                                              | 136.2                                                | 249.3                                                                               | 384.5                                   | 1,494.3             |
| Other adjustments                                           | (20.4)                                    | (0.3)                                       | 31.7                                                          | 39.9                                                     | 100.3                                         | (1.1)                                                               | 65.5                                             | 202.9                                             | 1.6                                                  | 2.4                                                                                 | 70.5                                    | 493.0               |
| Carrying value of<br>Group's equity<br>interest             | 39.7                                      | 47.5                                        | 95.0                                                          | 123.8                                                    | 459.1                                         | 38.0                                                                | 89.6                                             | 250.1                                             | 137.8                                                | 251.7                                                                               | 455.0                                   | 1,987.3             |

(i) In addition to the above the following joint ventures and associates have an equity carrying value that constitutes a material investment of the Group: Doggerbank Offshore Wind Farm Project 2 Holdco Limited £128.4m (2025: £118.8m); Doggerbank Offshore Wind Farm Project 3 and 4 Holdco Limited £95.0m (2025: £90.6m) and Ossian Offshore Wind Farm Holdings Limited £63.6m (2025: £60.8m).

(ii) The comparatives have been restated to present Neos Networks Limited in Other, based on the significance of the investment to the Group.



## Accompanying information continued

### A4. Joint ventures and associates continued

In addition to the above at 31 March 2026, the Group was owed the following loans from its principal joint ventures: SSE Slough Multifuel Holdco Limited £172.5m (2025: £181.3m); Clyde Windfarm (Scotland) Limited £127.1m (2025: 127.1m); Seagreen Holdco 1 Limited £648.0m (2025: £646.0m); Dunmaglass Wind Farm Limited £46.6m (2025: £46.6m); Stronelaig Wind Farm Limited £88.7m (2025: £88.7m); and Doggerbank Offshore Wind Farm Project 1 Holdco Limited £313.4m (2025: 188.3m). This represents 86% (2025: 85%) of the loans provided to equity-accounted joint ventures and associates.

### A5. Related party transactions

The immediate parent and ultimate controlling party of the Group is SSE plc (incorporated in Scotland). Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

#### Trading transactions

The following transactions took place during the year between the Group and entities which are related to the Group, but which are not members of the Group. Related parties are defined as those in which the Group has control, joint control or significant influence over.

|                                        | 2026                             | 2026                                 | 2026                    | 2026                  | 2025                             | 2025                                 | 2025                    | 2025                  |
|----------------------------------------|----------------------------------|--------------------------------------|-------------------------|-----------------------|----------------------------------|--------------------------------------|-------------------------|-----------------------|
|                                        | Sale of goods and services<br>£m | Purchase of goods and services<br>£m | Amounts owed from<br>£m | Amounts owed to<br>£m | Sale of goods and services<br>£m | Purchase of goods and services<br>£m | Amounts owed from<br>£m | Amounts owed to<br>£m |
| <b>Joint arrangements:</b>             |                                  |                                      |                         |                       |                                  |                                      |                         |                       |
| Marchwood Power Limited                | 179.9                            | (100.8)                              | –                       | –                     | 111.2                            | (116.1)                              | –                       | (5.0)                 |
| Clyde Windfarm (Scotland) Limited      | 2.9                              | (202.5)                              | 0.8                     | (64.7)                | 5.6                              | (187.6)                              | 0.1                     | (51.6)                |
| Beatrice Offshore Windfarm Limited     | 6.9                              | (75.1)                               | 0.6                     | (11.9)                | 6.3                              | (86.1)                               | 1.2                     | (7.1)                 |
| Stronelaig Wind Farm Limited           | 1.3                              | (91.9)                               | –                       | (29.2)                | 2.6                              | (88.4)                               | 0.1                     | (25.1)                |
| Triton Power Holdings Limited          | –                                | (30.3)                               | –                       | (5.4)                 | –                                | –                                    | –                       | –                     |
| Dunmaglass Wind Farm Limited           | 0.6                              | (37.5)                               | –                       | (11.2)                | 1.2                              | (32.6)                               | –                       | (9.0)                 |
| Neos Networks Limited                  | 4.0                              | (25.5)                               | 2.3                     | (5.3)                 | 6.8                              | (28.2)                               | 2.1                     | (4.0)                 |
| Seagreen Wind Energy Limited           | 48.8                             | (167.6)                              | 7.9                     | (20.8)                | 54.6                             | (171.5)                              | 13.6                    | (16.8)                |
| Doggerbank A, B, C and D               | 45.6                             | (21.6)                               | 61.1                    | (1.5)                 | 47.7                             | (2.8)                                | 36.5                    | (1.0)                 |
| Greater Gabbard Offshore Winds Limited | 7.1                              | (172.9)                              | 0.5                     | (62.0)                | 7.5                              | (134.7)                              | 0.6                     | (50.6)                |
| Other joint arrangements               | 21.4                             | (49.8)                               | 3.4                     | (5.1)                 | 23.9                             | (37.4)                               | 12.5                    | (3.7)                 |

The transactions with Marchwood Power Limited relate to the contracts for the provision of energy or the tolling of energy under power purchase arrangements.

Details of the Group's 15-year Affiliate Contract for Difference agreement with Seagreen Wind Energy Limited are included in [note A7.2](#).

The amounts outstanding are trading balances, are unsecured and will be settled in cash. Aggregate capital loans to joint ventures and associates are shown in [note 16](#).

### A6. Financial risk management

This note presents information about the fair value of the Group's financial instruments, the Group's exposure to the risks associated with those instruments, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further qualitative disclosures are included throughout these consolidated financial statements.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Commodity risk
- Currency risk
- Interest rate risk

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's policies for risk management are established to identify the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Exposure to commodity, currency and interest rate risks arise in the normal course of the Group's business and derivative financial instruments are entered into to manage exposure to these risks.

SSE has a Group wide Risk Committee reporting to the Group Executive Committee, which is responsible for reviewing the risks and exposures across the Group by overseeing the controls and strategies employed to manage these risks and by ensuring and promoting an effective system of internal control. In addition, the Group has two dedicated Energy Market risk committees reporting to the Group Executive Committee and Board respectively, with the Group Executive Sub-committee chaired by the Chief Executive Officer (the "Group Energy Markets Exposures Risk Committee") and the Board Sub-committee chaired by Non-Executive Director Tony Cocker (the "Energy Markets Risk Committee (EMRC)"). These Committees oversee the Group's management of its energy market exposures, including its approach to hedging.



During the year ended 31 March 2026, the Group continued to be exposed to the economic conditions impacting the primary commodities to which it is exposed (power, gas and carbon). The Group's approach to hedging, and the diversity of its energy portfolios (across Wind, Hydro, Thermal and Customers) has provided certain mitigation of these exposures.

At 31 March, the Group's collateral position was as follows:

|                                                               | Note | 2026<br>£m     | 2025<br>£m |
|---------------------------------------------------------------|------|----------------|------------|
| Collateral posted included within trade and other receivables | 18   | <b>13.0</b>    | 9.6        |
| Collateral held included within trade and other payables      | 19   | <b>(271.3)</b> | (82.5)     |
| Net collateral held                                           |      | <b>(258.3)</b> | (72.9)     |

Exposure to the commodity, currency and interest rate risks noted arise in the normal course of the Group's business and derivative financial instruments are entered into to manage exposure to these risks. The objectives and policies for holding or issuing financial instruments and similar contracts, and the strategies for achieving those objectives that have been followed during the year are explained below.

### A6.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

Credit risk arising from the Group's normal commercial operations is controlled by individual business units operating in accordance with Group policies and procedures. Generally, for significant contracts, individual business units enter into contracts or agreements with counterparties having investment grade credit ratings only, or where suitable collateral or other security has been provided. Counterparty credit validation is undertaken prior to contractual commitment.

Credit risk management for the Group's SSEN Transmission and SSEN Distribution businesses is performed in accordance with industry standards as set out by the Regulator and is financially controlled by the individual business units. The Group's greatest credit risks lie with the operations of the Energy Customer Solutions business, the wholesale procurement activities conducted by SSE Energy Markets under a trust arrangement and the activities carried out by the Group's Treasury function. In all cases, specific credit risk controls that match the risk profile of those activities are applied. Exposure to credit risk in the retail supply of power and gas to end user customers arises from the potential of a customer defaulting on their invoiced payables. The Group exposure to domestic retail supply customers is limited to customers of the Group's Airtricity business within Energy Customer Solutions. The creditworthiness of these customers is reviewed from a variety of internal and external information. The financial strength and creditworthiness of business customers is assessed prior to commencing, and for the duration of, their contract of supply.

Exposure to credit risk in the procurement of wholesale energy and fuel is managed by reference to agreed transaction credit limits which are determined by whether the counterparty:

- holds an investment grade credit rating; or
- can be assessed as adequately creditworthy in accordance with internal credit rules using information from other external credit agencies; or
- can provide a guarantee from an investment grade rated entity or post suitable collateral or provide other acceptable assurances in accordance with group procedures where they have failed to meet the above conditions; or
- can be allocated a non-standard credit limit approved by the relevant authority as delegated by the Group Board.

Credit support clauses and Master Netting Agreements are typically included or entered into in order to mitigate the impact to the Group against counterparty failure or non-delivery. As part of its normal activities, SSE Energy Markets transacts significant volumes of commodity derivative products through cleared exchanges to mitigate credit risk. Such exchanges are subject to strict regulation by the UK Financial Conduct Authority (FCA) and participants in these exchanges are obliged to meet rigorous capital adequacy requirements.

Individual counterparty credit exposures are monitored regularly and are subject to approved limits. At 31 March 2026, SSE Energy Markets had pledged £0.2m of cash collateral (2025: £nil) and £459.6m (2025: £494.9m) of letters of credit, and had received £258.3m (2025: £72.9m) of cash collateral and £80.5m (2025: £77.8m) of letters of credit principally to reduce exposures on credit risk.

Bank credit exposures, which are monitored and reported on daily, are calculated on a mark-to-market basis and adjusted for future volatility and probability of default. Any issues relating to these credit exposures are presented for discussion and review by the Tax and Treasury Committee.

Credit exposure also exists in relation to financial guarantees issued by Group companies under which the total outstanding exposure at 31 March 2026 was £349.1m (2025: £339.9m) in respect of liabilities of joint ventures and associates and £479.3m (2025: £479.3m) in respect of the liabilities of former subsidiaries. An amount of £21.4m (2025: £25.5m) is recorded as a liability at 31 March 2026 in respect of the carrying value of these guarantees. Expected loss allowances for financial guarantee contracts have been reviewed at the balance sheet date and will be reviewed on an annual basis.

Cash and cash equivalents comprise cash in hand and deposits of three months or less which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

Derivative financial instruments are entered into to cover the Group's market risks – commodity risk, interest rate risk, currency risk – and are consequently covered elsewhere in this note.

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment.



## Accompanying information continued

## A6. Financial risk management continued

### A6.2 Concentrations of risk

Trade receivables recorded by reported segment held at the 31 March were:

|                           | 2026<br>£m     | 2025<br>£m<br>(restated*) |
|---------------------------|----------------|---------------------------|
| SSEN Transmission         | 3.9            | 14.0                      |
| SSEN Distribution         | 173.3          | 181.1                     |
| SSE Renewables            | 96.5           | 100.3                     |
| SSE Thermal               | 79.2           | 67.5                      |
| Energy Customer Solutions | 527.9          | 678.0                     |
| SSE Energy Markets        | 467.6          | 423.8                     |
| Corporate Unallocated     | 21.8           | 15.5                      |
| <b>Total SSE Group</b>    | <b>1,370.2</b> | <b>1,480.2</b>            |

\* The comparatives have been restated to reallocate £1.0m of trade receivables from Gas Storage to SSE Thermal and aggregate £505.8m and £172.2m of trade receivables in SSE Business Energy and SSE Airtricity respectively into Energy Customer Solutions.

Energy Customer Solutions accounts for 38.5% (2025: 45.8%) of the Group's trade receivables. Trade receivables associated with the Group's 1.0 million power and gas customers are recorded within this business unit. The Group also has significant trade receivables associated with its SSE Energy Markets activities which are generally settled within two to four weeks from invoicing. The Group's exposure to credit risk is therefore subject to diversification with no exposure to individual Energy Customer Solutions customers totalling >10% of trade receivables. The largest customer balance, due from a SSE Energy Markets customer (also a SSE Energy Markets supplier), is 7% (2025: 4%) of the total trade receivables.

The ageing of trade receivables at the reporting date was:

|                                         | 2026<br>£m     | 2025<br>£m     |
|-----------------------------------------|----------------|----------------|
| Not past due                            | 1,030.6        | 1,081.0        |
| Past due but not individually impaired: |                |                |
| 0 – 30 days                             | 95.4           | 140.0          |
| 31 – 90 days                            | 115.6          | 142.7          |
| Over 90 days                            | 284.9          | 332.0          |
|                                         | <b>1,526.5</b> | <b>1,695.7</b> |
| Less: allowance for impairment          | <b>(156.3)</b> | <b>(215.5)</b> |
| <b>Net trade receivables</b>            | <b>1,370.2</b> | <b>1,480.2</b> |

The Group has past due debt which has not had an impairment allowance set aside to cover potential credit losses. The Group has certain procedures to pursue customers in significant arrears and believes its impairment policy in relation to such balances is appropriate. The level of aged debt across all periods remains consistent with the prior year. The Group also considers various risk factors when assessing the level of provision to recognise. Trade receivables and contract assets are written off when there is no reasonable expectation of recovery.

The debt impairment charge of £29.4m per the income statement (2025: £47.1m), primarily includes the write-off of £88.6m of trade receivables (2025: £85.0m) offset by a decrease in the bad debt provision of £59.2m (2025: £37.9m decrease).

The Group has other receivables which are financial assets totalling £6.8m (2025: £6.6m).

The movement in the allowance for impairment of trade receivables was:

|                                      | 2026<br>£m   | 2025<br>£m   |
|--------------------------------------|--------------|--------------|
| Balance at 1 April                   | 215.5        | 253.4        |
| Increase in allowance for impairment | 42.1         | 48.8         |
| Impairment losses recognised         | (101.3)      | (86.7)       |
| <b>Balance at 31 March</b>           | <b>156.3</b> | <b>215.5</b> |



### A6.3 Liquidity risk and Going Concern

Liquidity risk, the risk that the Group will have insufficient funds to meet its liabilities, is managed by the Group's Treasury function. The Group can be exposed to significant movements in its liquidity position due to changes in commodity prices, working capital requirements, the impact of the seasonal nature of the business and phasing of its capital investment programme.

Treasury is responsible for managing the banking and liquidity requirements of the Group, risk management relating to interest rate and foreign exchange exposures, and for managing the credit risk relating to the banking counterparties with which it transacts. Short term liquidity is reviewed daily by Treasury, while the longer-term liquidity position is reviewed on a regular basis by the Board. The department's operations are governed by policies determined by the Board and any breaches of these policies are reported to the Tax and Treasury Committee and Audit Committee.

In relation to the Group's liquidity risk, the Group's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

During the year, the Group's internal approach to managing liquidity was to seek to ensure that the Group had available committed borrowings and facilities equal to at least 100% of forecast borrowings over a rolling 12 month period.

The Group uses cash flow forecasts to monitor its ongoing borrowing requirements. Typically, the Group will fund any short term borrowing positions by issuing commercial paper or borrowing from committed and uncommitted bank lines and will invest in money market funds when it has a cash surplus. Details of the Group's borrowings are disclosed at [note 21](#) . In addition to the borrowing facilities listed at [note 21.3](#) , the Group has a £21m overdraft facility.

The refinancing requirement in the 26/27 financial year is £1.7bn, being the £501m of short term commercial paper that matures between April and June, and £1.2bn of medium to long term debt maturing being the £600m Hybrid maturing in April 2026, £300m of EIB loans maturing in May 2026 and £311m of US Private Placements maturing between June 2026 and September 2026. The Directors are confident in the ability of the Group to maintain a funding level above 100% for the Going Concern assessment period based on the strong credit standing and borrowing history of the Group for both fixed debt and commercial paper, as discussed more fully below.

Given the committed bank facilities of £6.5bn, £3.0bn excluding Scottish Hydro Electric Transmission plc facilities, maintained by the Group and the current commercial paper market conditions, the Directors have concluded that both the Group and SSE plc as parent company have sufficient headroom to continue as a Going Concern. In coming to this conclusion, the Directors have taken into account the Group's credit rating and the successful issuance of £6.4bn of medium to long term debt and Hybrid equity in last 5 years, including £2.2bn of long term funding in the current financial year as well as raising £2bn through an equity raise in November 2025.

The Group's period of Going Concern assessment is performed to 31 December 2027, 21 months from the balance sheet date, which is at least 12 months from the filing deadline of its subsidiary companies. While the formal assessment period was to the period ending 31 December 2027, a period of three months beyond this date was reviewed for significant events that may result in a change to the conclusion of the assessment. No events or circumstances were identified in that period beyond the formal assessment. As well as taking account of the factors noted, the Going Concern conclusion is arrived at after applying stress testing sensitivities to the Group's cash flow and funding projections including removal of proceeds from unconfirmed future divestments, negative and positive sensitivities on operating cash flows and uncommitted capex and other adjustments. The Group has also considered its obligations under its debt covenants. There have been no breaches of covenants in the year, and the Group's projections support the expectation that there will be no breach of covenants over the period to 31 December 2027. The statement of Going Concern is included in the Audit Committee Report.

As at 31 March 2026, the net value of outstanding cash collateral held in respect of mark-to-market related margin calls on exchange traded positions was £258.3m (2025: £72.9m).

The contractual cash flows shown in the following tables are the contractual undiscounted cashflows under the relevant financial instruments. Where the contractual cashflows are variable based on a price, foreign exchange rate or index in the future, the contractual cashflows in the following tables have been determined with reference to the relevant price, foreign exchange rate, interest rate or index as at the balance sheet date. In determining the interest element of contractual cashflows in cases where the Group has a choice as to the length of interest calculation periods and the interest rate that applies varies with the period selected, the contractual cashflows have been calculated assuming the Group selects the shortest available interest calculation periods. Where the holder of an instrument has a choice of when to redeem, the amounts in the following tables are on the assumption the holder redeems at the earliest opportunity.



## Accompanying information continued

## A6. Financial risk management continued

## A6.3 Liquidity risk and Going Concern continued

The following are the undiscounted contractual maturities of financial liabilities, including interest and excluding the impact of netting agreements:

|                                                             | 2026                 | 2026                            | 2026                | 2026              | 2026              | 2026             |
|-------------------------------------------------------------|----------------------|---------------------------------|---------------------|-------------------|-------------------|------------------|
|                                                             | Carrying value<br>£m | Contractual<br>cash flows<br>£m | 0 – 12 months<br>£m | 1 – 2 years<br>£m | 2 – 5 years<br>£m | > 5 years<br>£m  |
| <b>Liquidity risk</b>                                       |                      |                                 |                     |                   |                   |                  |
| Financial liabilities                                       |                      |                                 |                     |                   |                   |                  |
| Loans and borrowings                                        |                      |                                 |                     |                   |                   |                  |
| Commercial paper and cash advances                          | 501.2                | (502.2)                         | (502.2)             | –                 | –                 | –                |
| Loans – floating                                            | 562.7                | (693.6)                         | (26.2)              | (226.2)           | (300.4)           | (140.8)          |
| Loans – fixed                                               | 1,296.4              | (1,615.3)                       | (658.0)             | (73.4)            | (113.1)           | (770.8)          |
| Unsecured bonds – fixed                                     | 7,288.5              | (9,935.7)                       | (306.8)             | (1,142.8)         | (2,258.3)         | (6,227.8)        |
| Fair value adjustment                                       | 15.7                 | –                               | –                   | –                 | –                 | –                |
|                                                             | 9,664.5              | (12,746.8)                      | (1,493.2)           | (1,442.4)         | (2,671.8)         | (7,139.4)        |
| Lease liabilities                                           | 456.7                | (700.1)                         | (86.8)              | (61.6)            | (161.6)           | (390.1)          |
|                                                             | 10,121.2             | (13,446.9)                      | (1,580.0)           | (1,504.0)         | (2,833.4)         | (7,529.5)        |
| Derivative financial liabilities                            |                      |                                 |                     |                   |                   |                  |
| Operating derivatives designated at fair value              | 843.9                | 2,558.6                         | 1,590.7             | 704.6             | 133.0             | 130.3            |
| Interest rate swaps used for hedging                        | 28.5                 | (28.5)                          | –                   | (16.0)            | –                 | (12.5)           |
| Interest rate swaps designated at fair value                | 20.7                 | (20.7)                          | –                   | (6.6)             | (0.9)             | (13.2)           |
| Forward foreign exchange contracts held for hedging         | 34.5                 | (2,410.9)                       | (447.5)             | (780.3)           | (1,183.1)         | –                |
| Forward foreign exchange contracts designated at fair value | 2.7                  | (113.2)                         | (43.3)              | (12.3)            | (57.6)            | –                |
|                                                             | 930.3                | (14.7)                          | 1,099.9             | (110.6)           | (1,108.6)         | 104.6            |
| Other financial liabilities                                 |                      |                                 |                     |                   |                   |                  |
| Trade payables                                              | 898.7                | (898.7)                         | (898.7)             | –                 | –                 | –                |
| Financial guarantee liabilities                             | 21.4                 | (21.4)                          | (2.4)               | (5.0)             | (8.4)             | (5.6)            |
|                                                             | 920.1                | (920.1)                         | (901.1)             | (5.0)             | (8.4)             | (5.6)            |
| <b>Total</b>                                                | <b>11,971.6</b>      | <b>(14,381.7)</b>               | <b>(1,381.2)</b>    | <b>(1,619.6)</b>  | <b>(3,950.4)</b>  | <b>(7,430.5)</b> |
| Derivative financial assets                                 |                      |                                 |                     |                   |                   |                  |
| Financing derivatives                                       | (160.3)              | 3,227.1                         | 526.9               | 1,926.5           | 680.0             | 93.7             |
| Operating derivatives designated at fair value              | (685.0)              | (1,278.3)                       | (1,077.7)           | (223.3)           | 11.9              | 10.8             |
|                                                             | (845.3)              | 1,948.8                         | (550.8)             | 1,703.2           | 691.9             | 104.5            |
| <b>Net total<sup>(i)</sup></b>                              | <b>11,126.3</b>      | <b>(12,432.9)</b>               | <b>(1,932.0)</b>    | <b>83.6</b>       | <b>(3,258.5)</b>  | <b>(7,326.0)</b> |



|                                                             | 2025                 | 2025                            | 2025                | 2025              | 2025              | 2025             |
|-------------------------------------------------------------|----------------------|---------------------------------|---------------------|-------------------|-------------------|------------------|
|                                                             | Carrying value<br>£m | Contractual cash<br>flows<br>£m | 0 – 12 months<br>£m | 1 – 2 years<br>£m | 2 – 5 years<br>£m | > 5 years<br>£m  |
| Liquidity risk                                              |                      |                                 |                     |                   |                   |                  |
| Financial liabilities                                       |                      |                                 |                     |                   |                   |                  |
| Loans and borrowings                                        |                      |                                 |                     |                   |                   |                  |
| Commercial paper and cash advances                          | 1,230.5              | (1,243.0)                       | (1,243.0)           | –                 | –                 | –                |
| Loans – floating                                            | 200.0                | (233.3)                         | (11.1)              | (11.1)            | (211.1)           | –                |
| Loans – fixed                                               | 1,300.4              | (1,669.0)                       | (54.6)              | (346.7)           | (459.1)           | (808.6)          |
| Unsecured bonds – fixed                                     | 7,507.1              | (10,125.6)                      | (777.9)             | (792.8)           | (1,999.5)         | (6,555.4)        |
| Fair value adjustment                                       | (88.6)               | –                               | –                   | –                 | –                 | –                |
|                                                             | 10,149.4             | (13,270.9)                      | (2,086.6)           | (1,150.6)         | (2,669.7)         | (7,364.0)        |
| Lease liabilities                                           | 455.0                | (711.9)                         | (75.2)              | (64.4)            | (169.1)           | (403.2)          |
|                                                             | 10,604.4             | (13,982.8)                      | (2,161.8)           | (1,215.0)         | (2,838.8)         | (7,767.2)        |
| Derivative financial liabilities                            |                      |                                 |                     |                   |                   |                  |
| Operating derivatives designated at fair value              | 162.1                | 387.3                           | (81.1)              | 205.9             | 92.4              | 170.1            |
| Interest rate swaps used for hedging                        | 76.8                 | (76.8)                          | (45.5)              | (17.4)            | (12.6)            | (1.3)            |
| Interest rate swaps designated at fair value                | 31.0                 | (31.0)                          | (7.4)               | (7.5)             | (5.5)             | (10.6)           |
| Forward foreign exchange contracts held for hedging         | 19.9                 | (975.4)                         | (258.1)             | (171.8)           | (545.5)           | –                |
| Forward foreign exchange contracts designated at fair value | 4.2                  | (474.0)                         | (413.6)             | (56.2)            | (4.2)             | –                |
|                                                             | 294.0                | (1,169.9)                       | (805.7)             | (47.0)            | (475.4)           | 158.2            |
| Other financial liabilities                                 |                      |                                 |                     |                   |                   |                  |
| Trade payables                                              | 710.7                | (710.7)                         | (710.7)             | –                 | –                 | –                |
| Financial guarantee liabilities                             | 25.5                 | (25.5)                          | (2.4)               | (7.8)             | (3.6)             | (11.7)           |
|                                                             | 736.2                | (736.2)                         | (713.1)             | (7.8)             | (3.6)             | (11.7)           |
| Total                                                       | 11,634.6             | (15,888.9)                      | (3,680.6)           | (1,269.8)         | (3,317.8)         | (7,620.7)        |
| Derivative financial assets                                 |                      |                                 |                     |                   |                   |                  |
| Financing derivatives                                       | (83.7)               | 793.5                           | 544.2               | 172.9             | 70.9              | 5.5              |
| Operating derivatives designated at fair value              | (158.2)              | 366.5                           | 304.6               | 26.0              | 24.0              | 11.9             |
|                                                             | (241.9)              | 1,160.0                         | 848.8               | 198.9             | 94.9              | 17.4             |
| <b>Net total<sup>(i)</sup></b>                              | <b>11,392.7</b>      | <b>(14,728.9)</b>               | <b>(2,831.8)</b>    | <b>(1,070.9)</b>  | <b>(3,222.9)</b>  | <b>(7,603.3)</b> |

(i) The Group believes the liquidity risk associated with out-of-the-money operating derivative contracts needs to be considered in conjunction with the profile of payments or receipts arising from derivative financial assets. It should be noted that cash flows associated with future energy sales and commodity contracts which are not IFRS 9 financial instruments are not included in this analysis, which is prepared in accordance with IFRS 7 "Financial Instruments: Disclosures".



## Accompanying information continued

## A6. Financial risk management continued

### A6.4 Commodity risk

The Group's Energy Markets business implements the hedging policy through trading in the commodity markets and manages the requirement for the delivery of the Group's physical commodity needs as part of its normal course of business. The risk management activity carried out by SSE Energy Markets arises from the Group's requirement to source gas, electricity or other commodities such as renewable obligation certificates for Energy Customer Solutions, and to procure fuel and other commodities and provide a route-to-market and risk management services for SSE Renewables and SSE Thermal.

#### Current hedging approach

The Group has traded in three principal commodities during the year, as well as the spreads between two or more commodity prices: power (baseload and other products); gas; and carbon (emissions allowances). Each commodity has different liquidity characteristics, which impacts on the degree of hedging possible. Similarly, each of the Group's assets carries different exposures to the commodity market and thus requires a different approach to hedging. As such, the Group's current hedging approach varies by each class of asset as follows:

| Asset class         | Minimum Hedge Target                                                                                                                                                                                 | Principal Commodity Exposures |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Wind                | Target to hedge less than 100% of anticipated wind energy output for the coming 12 months, progressively establishing the hedge over the 36 months prior to delivery.                                | Power                         |
| Hydro               | Target to hedge less than 100% of forecast generation 12 months in advance of delivery, progressively established over the 36 months prior to delivery.                                              | Power                         |
| Thermal             | Hedging for the flexible thermal fleet is by its nature dynamic, changing as market values vary with a constant process of re-optimisation to accrue future value for the Thermal fleet.             | Power, Gas, Carbon            |
| Gas Storage         | The assets were commercially operated throughout the year and the business managed its exposure to changes in the spread between summer and winter prices, market volatility and plant availability. | Gas                           |
| SSE Business Energy | Sales to contract customers are 100% hedged: at point of sale for fixed, upon instruction for flexi and on a rolling basis for tariff customers.                                                     | Power, Gas                    |

However, there are three principal areas where significant variations in earnings cannot be fully mitigated through hedging:

- The impact of the weather on the volume of electricity produced from renewable sources;
- The impact of operational matters such as unplanned outages; and
- The ability of flexible thermal power stations to earn extrinsic income by providing services to the electricity system and by responding to shorter-term electricity market conditions.

Hedging is carried out by each asset class trading internally with SSE Energy Markets to affect these hedges and SSE Energy Markets then trading onwards with external counterparties and markets. SSE Energy Markets is only able to accept internal trades when there is sufficient liquidity to offset them in the external market or they can be offset with internal trades from other asset classes. In this way, the commodity risks to which SSE Energy Markets is individually exposed, are minimised.

The volumetric extent to which assets are hedged are reported monthly to the Group Energy Markets Exposures Risk Committee, and to the Energy Markets Risk Committee ("EMRC") on at least a quarterly basis. Variations to the hedging approach above will be required as markets and other factors (such as asset disposals) change. The EMRC also receives reporting on credit risk, other risk measures, and market liquidity in assessing whether any variations to the hedging approach are required.

The Group measures and manages the Commodity Risk associated with the financial and non-financial commodity contracts it is exposed to. However, within the Group's financial statements only certain commodity contracts are designated as financial instruments under IFRS 9. As a result, it is only the fair value of those IFRS 9 financial instruments which represents the exposure of the Group's commodity price risk under IFRS 7. This is a consequence of the Group's accounting policy which stipulates that commodity contracts which are designated as financial instruments under IFRS 9 should be accounted for on a fair value basis with changes in fair value reflected in profit or equity. Conversely, commodity contracts that are not designated as financial instruments under IFRS 9 will be accounted for as "own use" contracts. As fair value changes in own use contracts are not reflected through profit or equity, these do not represent the IFRS 7 commodity price risk. Furthermore, other physical contracts can be treated as the hedging instrument in documented cash flow hedging relationships where the hedged item is the forecast future purchase requirement to meet production or customer demand. The accounting policies associated with financial instruments are explained in the Accompanying Information section A1.

#### Sensitivity analysis

The Group's exposure to commodity price risk according to IFRS 7 is measured by reference to the Group's IFRS 9 commodity contracts. IFRS 7 requires disclosure of a sensitivity analysis for market risks that is intended to illustrate the sensitivity of the Group's financial position and performance to changes in market variables impacting upon the fair value or cash flows associated with the Group's financial instruments.

Therefore, the sensitivity analysis provided discloses the effect on profit or loss and equity at the balance sheet date assuming that a reasonably possible change in the relevant commodity price had occurred and been applied to the risk exposures in existence at that date. The reasonably possible changes in commodity prices used in the sensitivity analysis were determined based on calculated or implied volatilities where available, or historical data.



The sensitivity analysis has been calculated on the basis that the proportion of commodity contracts that are IFRS 9 financial instruments remains consistent with those at that point. Excluded from this analysis are all commodity contracts that are not financial instruments under IFRS 9.

|                                  | 2026                      |                                                   | 2025                      |                                                   |
|----------------------------------|---------------------------|---------------------------------------------------|---------------------------|---------------------------------------------------|
|                                  | Base Price <sup>(i)</sup> | Reasonably possible increase/decrease in variable | Base Price <sup>(i)</sup> | Reasonably possible increase/decrease in variable |
| Commodity prices                 |                           |                                                   |                           |                                                   |
| UK gas (p/therm)                 | 92                        | +62/-47                                           | 89                        | +50/-40                                           |
| EU gas (€/MWh) <sup>(ii)</sup>   | –                         | –                                                 | 34                        | +19/-15                                           |
| UK power (£/MWh)                 | 101                       | +94/-70                                           | 88                        | +39/-34                                           |
| UK carbon (£/tonne)              | 43                        | +27/-21                                           | 45                        | +23/-19                                           |
| EU carbon (€/tonne)              | 79                        | +37/-30                                           | 71                        | +40/-32                                           |
| IRL power (€/MWh)                | 141                       | +65/-51                                           | 123                       | +59/-48                                           |
| EU power (€/MWh) <sup>(ii)</sup> | –                         | –                                                 | 31                        | +11/-10                                           |

(i) The base price represents the weighted average forward market price over the duration of the active market curve used to calculate the sensitivity analysis. The reasonably possible increase/decrease in market prices has been determined via SSE Energy Markets price model simulations and the volatility assumptions of the model have been calibrated from a look-back analysis over the previous 12 month period.

(ii) A price sensitivity is not presented for EU power or EU gas as the Group had no EU power volumetric exposure and a net nil EU gas volumetric exposure at the reporting date; accordingly, there would be no impact from a reasonably possible increase or decrease in these commodity prices.

The impacts of reasonably possible changes in commodity prices on profit after taxation based on the rationale described are as follows:

|                                      | 2026<br>Impact on<br>profit and<br>equity<br>£m | 2025<br>Impact on<br>profit and<br>equity<br>£m |
|--------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Incremental profit/(loss)            |                                                 |                                                 |
| Commodity prices combined – increase | (645.2)                                         | (287.1)                                         |
| Commodity prices combined – decrease | 487.4                                           | 212.6                                           |

The sensitivity analysis provided is hypothetical and is based on the exposure to energy-related commodities, and their corresponding valuation under IFRS 9, that the Group has at each year end. This analysis should be used with caution as the impacts disclosed are not necessarily indicative of the actual impacts that would be experienced given it does not consider all interrelationships, consequences and effects of such a change in those prices.

## A6.5 Currency risk

The Group presents its consolidated financial statements in pounds Sterling. The Group is exposed to foreign currency risk arising from transactions denominated in currencies other than Sterling and from its net investments in foreign operations. As a result, it is subject to foreign currency exchange risk arising from exchange rate movements which will be reflected in the Group's transaction costs or in the underlying foreign currency assets of its foreign operations.

The Group's policy is to use forward contracts, swaps and options to manage its exposures to foreign exchange risk. All such exposures are transactional in nature, and relate primarily to procurement contracts, commodity purchasing and related freight requirements, commodity hedging, long term plant servicing and maintenance agreements and the purchase and sale of carbon emission certificates. The policy is to seek to hedge 100% of its currency requirements arising under all committed contracts excepting commodity hedge transactions, the requirements for which are significantly less predictable. The policy for these latter transactions is to assess the Group's requirements on a rolling basis and to enter into cover contracts as appropriate.

The Group has foreign operations with significant Euro-denominated and JPY-denominated net assets. The Group's policy is to hedge its net investment in its foreign operations by ensuring the net assets whose functional currency cash flows are denominated in foreign currencies are matched by borrowings in the same currency. For SSE Pacifico, whose functional currency is JPY but which presently has limited capital commitments, SSE has no JPY denominated borrowings and hence has no current net investment hedge. For the acquired net assets whose functional cash flows are in Sterling, the Group will ensure Sterling denominated borrowings are in place to minimise currency risk.

Significant exposures are reported to, and discussed by, the Tax and Treasury Committee on an ongoing basis and additionally form part of the bi-annual Treasury report to the Audit Committee.

At the balance sheet date, the total nominal value of outstanding forward foreign exchange contracts that the Group has committed to is:

|                                    | 2026<br>£m | 2025<br>£m |
|------------------------------------|------------|------------|
| Forward foreign exchange contracts | 8,286.1    | 4,086.1    |



## Accompanying information continued

## A6. Financial risk management continued

## A6.5 Currency risk continued

The Group's exposure to foreign currency risk was as follows:

|                                             | 2026             |                 |                |                  |                  |                  | 2025             |                 |                |                  |                  |
|---------------------------------------------|------------------|-----------------|----------------|------------------|------------------|------------------|------------------|-----------------|----------------|------------------|------------------|
|                                             | SEK<br>(million) | \$<br>(million) | €<br>(million) | CNH<br>(million) | CHF<br>(million) | NOK<br>(million) | SEK<br>(million) | \$<br>(million) | €<br>(million) | CNH<br>(million) | CHF<br>(million) |
| Loans and borrowings                        | –                | 244.0           | 5,427.5        | –                | –                | 3,000.0          | –                | 244.0           | 5,200.0        | –                | –                |
| Purchase and commodity contract commitments | 28,154.3         | 815.5           | 3,050.9        | 29.6             | 10.4             | 198.4            | 4,881.7          | 33.8            | 1,743.7        | –                | 10.4             |
| Gross exposure                              | 28,154.3         | 1,059.5         | 8,478.4        | 29.6             | 10.4             | 3,198.4          | 4,881.7          | 277.8           | 6,943.7        | –                | 10.4             |
| Forward exchange/swap contracts             | 28,154.3         | 1,059.5         | 5,596.5        | 29.6             | 10.4             | 3,198.4          | 4,881.7          | 277.8           | 4,028.9        | –                | 10.4             |
| Net exposure (in currency)                  | –                | –               | 2,881.9        | –                | –                | –                | –                | –               | 2,914.8        | –                | –                |
| Net exposure (in £m)                        | –                | –               | 2,516.7        | –                | –                | –                | –                | –               | 2,441.6        | –                | –                |

This represents the net exposure to foreign currencies, reported in pounds Sterling, and arising from all Group activities. All sensitivity analysis has been prepared on the basis of the relative proportions of instruments in foreign currencies being consistent as at the balance sheet date. This includes only monetary assets and liabilities denominated in a currency other than Sterling and excludes the translation of the net assets of foreign operations but not the corresponding impact of the net investment hedge.

The following sensitivity analysis is provided for monetary assets in Euro only, as the only currency with significant net exposure as at the current and prior year end, as noted above. The sensitivity analysis is indicative only and it should be noted that the Group's exposure to such market rate changes is continually changing. The calculations are based on linear extrapolations of rate changes which may not reflect the actual result which would impact upon the Group.

The majority of these contracts are held to limit exposure to foreign currency movements on asset procurement contracts. A 10% change in foreign currency exchange rates would have had the following impact on profit after taxation, based on the assumptions presented above:

|      | Equity                    |                           | Income statement          |                           |
|------|---------------------------|---------------------------|---------------------------|---------------------------|
|      | At 31 March<br>2026<br>£m | At 31 March<br>2025<br>£m | At 31 March<br>2026<br>£m | At 31 March<br>2025<br>£m |
| Euro | 187.6                     | 167.5                     | 22.2                      | 35.9                      |

The impact of a decrease in rates would be an identical reduction in the annual charge.

## A6.6 Interest rate risk

Interest rate risk arises from the Group's exposure to changes in the value of financial assets and liabilities, and to variability in future cash flows, resulting from movements in market interest rates.

The Group manages this risk by maintaining a fixed interest rate profile. At each reporting period end, the Group's policy is to ensure that at least 80% of debt is fixed for the following 12 months, at least 70% is fixed for the 12 month period commencing in 12 months' time and at least 60% is fixed for the 12-month period commencing in 24 months' time, either directly through the debt instruments themselves or through the use of derivative financial instruments. Floating rate borrowings are provided by banks including the European Investment Bank (EIB) and the short term issuance on the €1.5bn commercial paper programme. Derivative instruments used to manage interest rate risk include interest rate swaps and options, forward rate agreements and, where debt is raised in currencies other than Sterling, cross-currency interest rate swaps. These practices serve to reduce the volatility of the Group's financial performance.

Interest rate derivatives are primarily used to hedge risk relating to existing borrowings; in certain circumstances, derivatives may also be used to hedge forecast borrowings. Any such pre-hedging is unwound at the time of pricing the underlying debt, either through cash settlement on a net present value basis or by transacting offsetting trades. Floating rate borrowings mainly comprise term loans from the European Investment Bank (EIB), and other relationship banks as well as outstanding commercial paper issuance. At the reporting date, the Group also held a surplus cash of £1,542.9m (2025: £1,090.5m), which gives rise to interest rate exposure.



The impact of a change in interest rates is dependent on the specific details of the financial asset or liability in question. Changes in fixed rate financial assets and liabilities, which account for the majority of cash, loans and borrowings, are not measured at fair value through the income statement and are therefore not sensitive to interest rate movements in the profit or loss. Changes in variable rate assets and liabilities, including those arising from floating rate working capital arrangements and forecast interest cash flows, are managed through the use of derivative financial instruments, including fixed-to-floating cross-currency interest rate swaps. Where fair value hedge accounting is applied, changes in the fair value of both the hedged items and the hedging instruments that are attributable to interest rate risk are recognised in the income statement. Where cash flow hedging accounting is applied, the effective portion of movements in the hedging instruments is initially recognised in other comprehensive income and subsequently reclassified to the income statement as the hedged cash flows affect profit or loss. Accordingly, the interest rate exposure reflects the Group's variable rate debt, forecast interest cash flows and related derivative instruments, rather than its fixed rate instruments.

The net exposure to interest rates at the balance sheet date can be summarised thus:

|                                                         | 2026<br>Carrying<br>amount<br>£m | 2025<br>Carrying<br>amount<br>£m |
|---------------------------------------------------------|----------------------------------|----------------------------------|
| <b>Interest bearing/earning assets and liabilities:</b> |                                  |                                  |
| – fixed                                                 | (9,424.5)                        | (9,901.8)                        |
| – floating                                              | 913.8                            | 349.1                            |
|                                                         | <b>(8,510.7)</b>                 | <b>(9,552.7)</b>                 |
| <b>Represented by:</b>                                  |                                  |                                  |
| Cash and cash equivalents                               | 1,542.9                          | 1,090.5                          |
| Derivative financial assets/(liabilities)               | 67.6                             | (38.8)                           |
| Loans and borrowings                                    | (9,664.5)                        | (10,149.4)                       |
| Lease liabilities                                       | (456.7)                          | (455.0)                          |
|                                                         | <b>(8,510.7)</b>                 | <b>(9,552.7)</b>                 |

The table below illustrates the expected impact on the income statement of a change of 100 basis points parallel shift in short term interest rates at the reporting date. The analysis assumes that the interest rate change occurs at the balance sheet date and all other variables remain constant.

The sensitivity is calculated based on the Group's interest rate risk exposures outstanding at the balance sheet date, reflecting the proportion of fixed to floating instruments at that date, and is stated after the effect of taxation. The analysis incorporates the impact of derivative instruments designated in hedge accounting relationships, where applicable.

The sensitivity analysis is indicative only. The Group's exposure to interest rate movements changes over time as the level and mix of debt and derivative instruments vary, and year-end balances are not necessarily representative of average exposures during that period. The calculation is based on linear extrapolations of interest rate movements and may not reflect the actual impact on the Group's results.

|                  | 2026<br>£m | 2025<br>£m |
|------------------|------------|------------|
| Income statement | 4.7        | 5.6        |

A decrease in interest rates of an equal magnitude would result in a corresponding reduction in the annual charge. There is no impact on equity as the analysis relates to the Group's net exposure at the balance sheet date.



## Accompanying information continued

## A7. Fair value of financial instruments

## A7.1 Fair value of financial instruments within the Group

The fair values of the primary financial assets and liabilities of the Group together with their carrying values are as follows:

|                                                     | 2026                                | 2026                                   | 2026                          | 2026             | 2025                                   | 2025                                   | 2025                          | 2025             |
|-----------------------------------------------------|-------------------------------------|----------------------------------------|-------------------------------|------------------|----------------------------------------|----------------------------------------|-------------------------------|------------------|
|                                                     | Amortised cost <sup>(i)</sup><br>£m | FVTPL/<br>FVTOCI <sup>(ii)</sup><br>£m | Total carrying<br>value<br>£m | Fair value<br>£m | Amortised<br>cost <sup>(i)</sup><br>£m | FVTPL/<br>FVTOCI <sup>(ii)</sup><br>£m | Total carrying<br>value<br>£m | Fair value<br>£m |
| <b>Financial assets</b>                             |                                     |                                        |                               |                  |                                        |                                        |                               |                  |
| <b>Current</b>                                      |                                     |                                        |                               |                  |                                        |                                        |                               |                  |
| Trade receivables                                   | 1,370.2                             | –                                      | 1,370.2                       | 1,370.2          | 1,480.2                                | –                                      | 1,480.2                       | 1,480.2          |
| Other receivables                                   | 6.8                                 | –                                      | 6.8                           | 6.8              | 6.6                                    | –                                      | 6.6                           | 6.6              |
| Cash collateral and other deposits                  | 25.3                                | –                                      | 25.3                          | 25.3             | 19.2                                   | –                                      | 19.2                          | 19.2             |
| Cash and cash equivalents                           | 1,542.9                             | –                                      | 1,542.9                       | 1,542.9          | 1,090.5                                | –                                      | 1,090.5                       | 1,090.5          |
| Derivative financial assets                         | –                                   | 651.4                                  | 651.4                         | 651.4            | –                                      | 178.4                                  | 178.4                         | 178.4            |
|                                                     | 2,945.2                             | 651.4                                  | 3,596.6                       | 3,596.6          | 2,596.5                                | 178.4                                  | 2,774.9                       | 2,774.9          |
| <b>Non-current</b>                                  |                                     |                                        |                               |                  |                                        |                                        |                               |                  |
| Unquoted equity investments                         | –                                   | 7.6                                    | 7.6                           | 7.6              | –                                      | 8.8                                    | 8.8                           | 8.8              |
| Loan note receivable                                | 220.0                               | –                                      | 220.0                         | 220.0            | 193.5                                  | –                                      | 193.5                         | 193.5            |
| Loans to associates and jointly controlled entities | 1,621.2                             | –                                      | 1,621.2                       | 1,621.2          | 1,510.3                                | –                                      | 1,510.3                       | 1,510.3          |
| Derivative financial assets                         | –                                   | 193.9                                  | 193.9                         | 193.9            | –                                      | 63.5                                   | 63.5                          | 63.5             |
|                                                     | 1,841.2                             | 201.5                                  | 2,042.7                       | 2,042.7          | 1,703.8                                | 72.3                                   | 1,776.1                       | 1,776.1          |
|                                                     | 4,786.4                             | 852.9                                  | 5,639.3                       | 5,639.3          | 4,300.3                                | 250.7                                  | 4,551.0                       | 4,551.0          |
| <b>Financial liabilities</b>                        |                                     |                                        |                               |                  |                                        |                                        |                               |                  |
| <b>Current</b>                                      |                                     |                                        |                               |                  |                                        |                                        |                               |                  |
| Trade payables                                      | (898.7)                             | –                                      | (898.7)                       | (898.7)          | (710.7)                                | –                                      | (710.7)                       | (710.7)          |
| Outstanding liquid funds                            | (271.3)                             | –                                      | (271.3)                       | (271.3)          | (82.5)                                 | –                                      | (82.5)                        | (82.5)           |
| Loans and borrowings <sup>(iii)</sup>               | (1,112.1)                           | (12.5)                                 | (1,124.6)                     | (1,123.7)        | (1,924.3)                              | 28.8                                   | (1,895.5)                     | (1,937.0)        |
| Lease liabilities                                   | (79.8)                              | –                                      | (79.8)                        | (79.8)           | (68.5)                                 | –                                      | (68.5)                        | (68.5)           |
| Financial guarantee liabilities                     | –                                   | (2.4)                                  | (2.4)                         | (2.4)            | –                                      | (2.4)                                  | (2.4)                         | (2.4)            |
| Derivative financial liabilities                    | –                                   | (641.1)                                | (641.1)                       | (641.1)          | –                                      | (126.3)                                | (126.3)                       | (126.3)          |
|                                                     | (2,361.9)                           | (656.0)                                | (3,017.9)                     | (3,017.0)        | (2,786.0)                              | (99.9)                                 | (2,885.9)                     | (2,927.4)        |
| <b>Non-current</b>                                  |                                     |                                        |                               |                  |                                        |                                        |                               |                  |
| Loans and borrowings <sup>(iii)</sup>               | (8,536.7)                           | (3.2)                                  | (8,539.9)                     | (8,133.3)        | (8,313.7)                              | 59.8                                   | (8,253.9)                     | (7,960.4)        |
| Lease liabilities                                   | (376.9)                             | –                                      | (376.9)                       | (376.9)          | (386.5)                                | –                                      | (386.5)                       | (386.5)          |
| Financial guarantee liabilities                     | –                                   | (19.0)                                 | (19.0)                        | (19.0)           | –                                      | (23.1)                                 | (23.1)                        | (23.1)           |
| Derivative financial liabilities                    | –                                   | (289.2)                                | (289.2)                       | (289.2)          | –                                      | (167.7)                                | (167.7)                       | (167.7)          |
|                                                     | (8,913.6)                           | (311.4)                                | (9,225.0)                     | (8,818.4)        | (8,700.2)                              | (131.0)                                | (8,831.2)                     | (8,537.7)        |
|                                                     | (11,275.5)                          | (967.4)                                | (12,242.9)                    | (11,835.4)       | (11,486.2)                             | (230.9)                                | (11,717.1)                    | (11,465.1)       |
| <b>Net financial liabilities</b>                    | <b>(6,489.1)</b>                    | <b>(114.5)</b>                         | <b>(6,603.6)</b>              | <b>(6,196.1)</b> | <b>(7,185.9)</b>                       | <b>19.8</b>                            | <b>(7,166.1)</b>              | <b>(6,914.1)</b> |

(i) Financial assets and liabilities that are measured at amortised cost.

(ii) Financial assets and liabilities that are measured at either Fair Value through Profit and Loss (Derivative Financial Assets and Liabilities) or Fair Value through other comprehensive income (Unquoted Equity Investments)

(iii) The fair value through profit or loss attributable to loans and borrowings totalling £15.7m (2025: £88.6m) relates to fair value hedges that are in place against the Group's loans and borrowings. At 31 March 2026, Scottish Hydro Electric Transmission plc had no drawings under its revolving credit facility (2025: £340.0m). The £340.0m drawn at 31 March 2025 was classified as non-current within debt maturing in two to five years in accordance with IAS 1 paragraph 75A. The debt was repaid in April 2025, subsequent to the balance sheet date.



### A7.1.1 Basis of determining fair value

Certain assets and liabilities have been classified and carried at amortised cost on inception in line with IFRS 9 criteria. The carrying value of these assets are approximately equivalent to fair value due to short term maturity aside from loans and borrowings which are subject to longer maturity dates.

All other financial assets and liabilities are measured at either Fair Value through Profit and Loss ("FVTPL") or Fair Value through Other Comprehensive Income ("FVTOCI"). Fair values for energy derivatives are based on unadjusted quoted market prices, where actively traded. For energy derivatives that are not actively traded, interest rate instruments, foreign currency hedge contracts and cross currency swap contracts associated with foreign currency denominated long term fixed rate debt, the fair values are determined by reference to closing rate market prices for similar instruments. Fair values for unquoted equity instruments are derived from venture capital or growth equity firm valuation statements. Fair values for financial guarantee contracts are equal to the premium or fee received/charged.

The fair values are stated at a specific date and may be different from the amounts which will actually be paid or received on settlement of the instruments. The fair value of items such as property, plant and equipment, internally generated brands or the Group's customer base are not included as these are not considered financial instruments.

### A7.2 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from unadjusted quoted market prices for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

|                              | 2026          |               |               |             | 2025          |               |               |             |
|------------------------------|---------------|---------------|---------------|-------------|---------------|---------------|---------------|-------------|
|                              | Level 1<br>£m | Level 2<br>£m | Level 3<br>£m | Total<br>£m | Level 1<br>£m | Level 2<br>£m | Level 3<br>£m | Total<br>£m |
| <b>Financial assets</b>      |               |               |               |             |               |               |               |             |
| Energy derivatives           | 460.3         | 213.1         | 11.6          | 685.0       | 71.5          | 80.9          | 5.8           | 158.2       |
| Interest rate derivatives    | –             | 116.8         | –             | 116.8       | –             | 68.9          | –             | 68.9        |
| Foreign exchange derivatives | –             | 43.5          | –             | 43.5        | –             | 14.8          | –             | 14.8        |
| Unquoted equity investments  | –             | –             | 7.6           | 7.6         | –             | –             | 8.8           | 8.8         |
|                              | 460.3         | 373.4         | 19.2          | 852.9       | 71.5          | 164.6         | 14.6          | 250.7       |
| <b>Financial liabilities</b> |               |               |               |             |               |               |               |             |
| Energy derivatives           | –             | (787.8)       | (56.1)        | (843.9)     | –             | (80.8)        | (81.3)        | (162.1)     |
| Interest rate derivatives    | –             | (49.2)        | –             | (49.2)      | –             | (107.8)       | –             | (107.8)     |
| Foreign exchange derivatives | –             | (37.2)        | –             | (37.2)      | –             | (24.1)        | –             | (24.1)      |
| Loans and borrowings*        | –             | (15.7)        | –             | (15.7)      | –             | 88.6          | –             | 88.6        |
|                              | –             | (889.9)       | (56.1)        | (946.0)     | –             | (124.1)       | (81.3)        | (205.4)     |

\* At 31 March 2025, the £88.6m relates to fair value hedges that are in place against the Group's loans and borrowings and has been included in the table above within financial liabilities, as it is presented in loans and borrowings liabilities in the balance sheet.

The table above excludes financial guarantee liabilities measured in accordance with IFRS 17. There were no significant transfers out of Level 1 into Level 2 and out of Level 2 into Level 1 during the current and prior year. There were no significant transfers out of Level 2 into Level 3 or out of Level 3 into Level 2 during the current and prior year.

The Group has an Affiliate Contract for Difference ("ACfD") agreement with Seagreen Wind Energy Limited ("SWEL") with a 5 year term. SWEL is a wholly owned subsidiary of Seagreen Holdco 1 Limited, a joint venture between the Group (49%) and TotalEnergies (25.5%) and PTT Exploration & Production Public Company Limited (PTTEPP) (25.5%) and TOTAL SE has an equivalent ACfD with SWEL. The Group also has some smaller commercial CfD arrangements with non-government third parties that are also classified as derivatives. The ACfD and the commercial CfDs meet the definition of financial instruments and are classified as Level 3 on the fair value hierarchy due to significant unobservable inputs in the determination of fair value.

The fair value measurement impact in the income statement attributable to Level 3 CfDs was a gain of £30.0m (2025: £23.9m gain). The fair value was determined using the income approach with reference to future market prices which are beyond the liquid period in the forward market.

The non-government CfDs were issued for £nil consideration, being the deemed transaction price. The Group has calculated that the contracts had a fair value on day 1, being the difference between the strike price per the contract and the forward market spot price. This valuation is based on unobservable inputs and is considered judgemental. Key assumptions applied when deriving the fair value are related to discount rates; electricity volumes; and electricity prices. In line with IFRS 9, the day 1 gain is deferred and will be recognised over the life of the contract.



## Accompanying information continued

### A7. Fair value of financial instruments continued

#### A7.2 Fair value hierarchy continued

The following table represents the difference between the Level 3 financial instruments at fair value at the start of the reporting period and at the reporting date:

|                                                              | 2026<br>£m    | 2025<br>£m    |
|--------------------------------------------------------------|---------------|---------------|
| Level 3 financial instrument fair value at 1 April           | (66.7)        | (97.6)        |
| Additions                                                    | (3.4)         | 3.4           |
| Transfer from financial assets                               | –             | 4.6           |
| Disposals in year                                            | (2.9)         | (0.1)         |
| Cash settlement                                              | (28.6)        | (38.5)        |
| Re-measurement gain recognised in income statement           | 37.4          | 5.2           |
| Re-measurement loss recognised in other comprehensive income | 0.1           | (0.8)         |
| Additions – new instruments entered in the year              | (10.3)        | 342.3         |
| Deferred day 1 gains on instruments entered in the year      | 10.3          | (342.3)       |
| Instruments derecognised in the year                         | –             | (342.0)       |
| Deferred day 1 gains derecognised in the year                | –             | 370.7         |
| Amortisation of day 1 gains in the year                      | 27.2          | 28.4          |
| <b>Level 3 financial instrument fair value at 31 March</b>   | <b>(36.9)</b> | <b>(66.7)</b> |

The following table details the valuation technique, significant unobservable inputs and the range of values for the energy derivatives measured at fair value on a recurring basis and classified as Level 3.

|               | Carrying value (net)<br>£m | Valuation technique  | Significant unobservable<br>input         | Market price range (min-<br>max) £/MwH |
|---------------|----------------------------|----------------------|-------------------------------------------|----------------------------------------|
| 31 March 2026 | 45.5                       | Discounted cash flow | Electricity prices,<br>Generation volumes | 49 – 100                               |
| 31 March 2025 | 75.5                       | Discounted cash flow | Electricity prices,<br>Generation volumes | 49 – 99                                |

#### Deferred measurement differences

|                                                                            | 2026<br>£m | 2025<br>£m |
|----------------------------------------------------------------------------|------------|------------|
| Deferred measurement difference at 1 April                                 | 356.7      | 413.5      |
| Deferred measurement difference adjustment in the year                     | (5.0)      | –          |
| Deferred measurement difference arising during the year on new instruments | (10.3)     | 342.3      |
| Deferred measurement differences derecognised in the year                  | –          | (370.7)    |
| Deferred measurement difference recognised during the year                 | (27.2)     | (28.4)     |
| Deferred measurement difference at 31 March                                | 314.2      | 356.7      |

The following table shows the impact on the fair value of the Level 3 energy derivatives when applying reasonably possible alternative assumptions to the valuation obtained using the discounted cash flow model.

| Assumption    | At 31 March 2026                       |                                                                         | At 31 March 2025                       |                                                                         |
|---------------|----------------------------------------|-------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------|
|               | Increase/<br>decrease in<br>assumption | Effect on fair<br>value of deferred<br>measurement<br>differences<br>£m | Increase/<br>decrease in<br>assumption | Effect on fair<br>value of deferred<br>measurement<br>differences<br>£m |
| Discount rate | +1%/-1%                                | (10.6)/11.5                                                             | +1%/-1%                                | (12.8)/13.9                                                             |
| Volumes       | +10%/-10%                              | 28.4/(28.4)                                                             | +10%/-10%                              | 26.5/(28.7)                                                             |
| Prices        | +10%/-10%                              | 115.1/(115.1)                                                           | +10%/-10%                              | 87.5/(87.5)                                                             |

## A8. Hedge accounting

### A8.1 Cash flow hedges

The Group designates qualifying derivative contracts as either as cash flow hedges or fair value hedges for hedge accounting purposes. Cash flow hedges are used to hedge exposures to variability in cash flows from forecast transactions, primarily arising from changes in interest rates or foreign currency exchange rates. The Group's accounting policy on hedge accounting is set out in the Accompanying Information section A1.

Following adoption of IFRS 9 on 1 April 2019, the Group elected to continue to apply IAS 39 for hedge accounting. The Group will adopt the hedge accounting requirements of IFRS 9 from 1 April 2026 to align its hedge accounting more closely with the Group's risk management objectives. The impact of adoption is disclosed in note 2.2.

The following table indicates the contractual maturity profile of forecast transactions and the associated qualifying cash flow hedging instruments. Non-Sterling denominated contractual cash flows have been translated using the relevant forward foreign exchange rates.

|                                            | 2026                  | 2026                      | 2026                | 2026              | 2026              | 2026            | 2025                  | 2025                      | 2025                | 2025              | 2025              | 2025            |
|--------------------------------------------|-----------------------|---------------------------|---------------------|-------------------|-------------------|-----------------|-----------------------|---------------------------|---------------------|-------------------|-------------------|-----------------|
|                                            | Carrying amount<br>£m | Expected cash flows<br>£m | 0 – 12 months<br>£m | 1 – 2 years<br>£m | 2 – 5 years<br>£m | > 5 years<br>£m | Carrying amount<br>£m | Expected cash flows<br>£m | 0 – 12 months<br>£m | 1 – 2 years<br>£m | 2 – 5 years<br>£m | > 5 years<br>£m |
| <b>Cash flow hedges</b>                    |                       |                           |                     |                   |                   |                 |                       |                           |                     |                   |                   |                 |
| <b>Interest rate swaps:</b>                |                       |                           |                     |                   |                   |                 |                       |                           |                     |                   |                   |                 |
| Assets                                     | 33.6                  | 34.8                      | 7.1                 | 20.5              | (13.8)            | 21.0            | 15.4                  | 16.5                      | 5.9                 | 5.3               | 5.3               | –               |
| Liabilities                                | (2.9)                 | (3.0)                     | –                   | (0.4)             | (14.3)            | 11.7            | –                     | –                         | –                   | –                 | –                 | –               |
|                                            | 30.7                  | 31.8                      | 7.1                 | 20.1              | (28.1)            | 32.7            | 15.4                  | 16.5                      | 5.9                 | 5.3               | 5.3               | –               |
| <b>Cross currency swaps:</b>               |                       |                           |                     |                   |                   |                 |                       |                           |                     |                   |                   |                 |
| Assets                                     | 62.2                  | 85.9                      | 16.2                | (37.4)            | (17.1)            | 124.2           | 32.7                  | 48.5                      | 7.9                 | 7.2               | (46.1)            | 79.5            |
| Liabilities                                | (26.7)                | (19.6)                    | (22.5)              | (22.2)            | (34.1)            | 59.2            | (74.2)                | (75.4)                    | (43.2)              | (13.4)            | (37.1)            | 18.3            |
|                                            | 35.5                  | 66.3                      | (6.3)               | (59.6)            | (51.2)            | 183.4           | (41.5)                | (26.9)                    | (35.3)              | (6.2)             | (83.2)            | 97.8            |
| <b>Forward foreign exchange contracts:</b> |                       |                           |                     |                   |                   |                 |                       |                           |                     |                   |                   |                 |
| Assets                                     | 41.9                  | 3,011.6                   | 435.9               | 1,913.4           | 642.9             | 19.4            | 9.6                   | 584.8                     | 292.9               | 133.5             | 158.4             | –               |
| Liabilities                                | (34.6)                | 2,410.9                   | 447.5               | 780.3             | 1,183.1           | –               | (19.7)                | 861.1                     | 234.8               | 182.2             | 444.1             | –               |
|                                            | 7.3                   | 5,422.5                   | 883.4               | 2,693.7           | 1,826.0           | 19.4            | (10.1)                | 1,445.9                   | 527.7               | 315.7             | 602.5             | –               |

### A8.2 Net investment hedge

The Group's net investment hedge consists of debt issued in the same currency (€) as the net investment in foreign subsidiaries with € denominated functional currencies being the Airtricity Supply business within Energy Customer Solutions, the thermal plants in Ireland and wind farms in Ireland and Southern Europe. The hedge compares the element of the net assets whose functional cash flows are denominated in € to the matching portion of the € borrowings held by the Group. This therefore provides protection against movements in foreign exchange rates. There is no net investment hedge in relation to SSE Pacifico as the Group has no JPY denominated debt.

Gains and losses on the hedging instruments are recognised in equity and will be transferred to the income statement on disposal of the foreign operation (2026: £87.5m loss, 2025: £36.0m gain). Gains and losses on the ineffective portion of the hedge relationship are recognised immediately in the income statement (2026: £nil, 2025: £nil).



## Company balance sheet

as at 31 March 2026

|                                                                   | Note | 2026<br>£m      | 2025<br>£m      |
|-------------------------------------------------------------------|------|-----------------|-----------------|
| <b>Assets</b>                                                     |      |                 |                 |
| Equity investments in joint ventures and associates               | 3    | –               | 4.0             |
| Loans to joint ventures and associates                            | 3    | 86.7            | 83.5            |
| Investments in subsidiaries                                       | 4    | 1,991.6         | 1,976.2         |
| Trade and other receivables                                       | 5    | 13,522.7        | 9,412.2         |
| Derivative financial assets                                       | 11   | 20.8            | 25.1            |
| Retirement benefit assets                                         | 10   | 364.3           | 353.7           |
| <b>Non-current assets</b>                                         |      | <b>15,986.1</b> | <b>11,854.7</b> |
| Trade and other receivables                                       | 5    | 524.5           | 2,317.8         |
| Cash and cash equivalents                                         |      | 1,411.7         | 987.6           |
| Derivative financial assets                                       | 11   | 13.2            | 22.1            |
| <b>Current assets</b>                                             |      | <b>1,949.4</b>  | <b>3,327.5</b>  |
| <b>Total assets</b>                                               |      | <b>17,935.5</b> | <b>15,182.2</b> |
| <b>Liabilities</b>                                                |      |                 |                 |
| Loans and other borrowings                                        | 8    | 824.6           | 1,895.5         |
| Trade and other payables                                          | 6    | 2,161.9         | 1,638.6         |
| Current tax liability                                             | 7    | 44.7            | 36.5            |
| Financial guarantee liabilities                                   | 12   | 9.1             | 9.3             |
| Provisions                                                        | 14   | 32.4            | 23.9            |
| Derivative financial liabilities                                  | 11   | 0.5             | 53.6            |
| <b>Current liabilities</b>                                        |      | <b>3,073.2</b>  | <b>3,657.4</b>  |
| Loans and other borrowings                                        | 8    | 3,727.7         | 3,940.7         |
| Deferred tax liabilities                                          | 7    | 76.4            | 83.5            |
| Financial guarantee liabilities                                   | 12   | 73.1            | 90.8            |
| Provisions                                                        | 14   | 158.7           | 177.7           |
| Derivative financial liabilities                                  | 11   | 36.6            | 53.0            |
| <b>Non-current liabilities</b>                                    |      | <b>4,072.5</b>  | <b>4,345.7</b>  |
| <b>Total liabilities</b>                                          |      | <b>7,145.7</b>  | <b>8,003.1</b>  |
| <b>Net assets</b>                                                 |      | <b>10,789.8</b> | <b>7,179.1</b>  |
| <b>Equity</b>                                                     |      |                 |                 |
| Share capital                                                     | 9    | 607.7           | 555.6           |
| Share premium                                                     |      | 2,738.9         | 812.6           |
| Capital redemption reserve                                        |      | 52.6            | 52.6            |
| Hedge reserve                                                     |      | 24.7            | 37.3            |
| Retained earnings                                                 |      | 4,380.1         | 3,838.6         |
| <b>Equity attributable to ordinary shareholders of the parent</b> |      | <b>7,804.0</b>  | <b>5,296.7</b>  |
| Hybrid equity                                                     | 9    | 2,985.8         | 1,882.4         |
| <b>Total equity</b>                                               |      | <b>10,789.8</b> | <b>7,179.1</b>  |

### Result for the year

In accordance with the concession granted under section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the Company have not been separately presented in these financial statements. The profit for the year dealt with in the financial statements of the Company was £1,186.4m (2025: £1,338.2m) including dividends received from subsidiaries of £1,175.5m (2025: £1,615.0m).

These financial statements were approved by the Board of Directors on 27 May 2026 and signed on their behalf by:

**Barry O'Regan,**  
Chief Financial Officer

**Sir John Manzoni,**  
Chairman

SSE plc

Registered No: SC117119



## Company statement of changes in equity

for the year ended 31 March 2026

|                                                | Share capital<br>£m | Share<br>premium<br>£m | Capital<br>redemption<br>reserve<br>£m | Hedge reserve<br>£m | Retained<br>earnings<br>£m | Total<br>attributable to<br>ordinary<br>shareholders<br>£m | Hybrid<br>equity<br>£m | Total<br>equity<br>£m |
|------------------------------------------------|---------------------|------------------------|----------------------------------------|---------------------|----------------------------|------------------------------------------------------------|------------------------|-----------------------|
| <b>At 1 April 2025</b>                         | <b>555.6</b>        | <b>812.6</b>           | <b>52.6</b>                            | <b>37.3</b>         | <b>3,838.6</b>             | <b>5,296.7</b>                                             | <b>1,882.4</b>         | <b>7,179.1</b>        |
| <b>Profit for the year</b>                     | –                   | –                      | –                                      | –                   | <b>1,113.5</b>             | <b>1,113.5</b>                                             | <b>72.9</b>            | <b>1,186.4</b>        |
| <b>Other comprehensive income</b>              | –                   | –                      | –                                      | <b>(12.6)</b>       | <b>(1.6)</b>               | <b>(14.2)</b>                                              | –                      | <b>(14.2)</b>         |
| <b>Total comprehensive income for the year</b> | –                   | –                      | –                                      | <b>(12.6)</b>       | <b>1,111.9</b>             | <b>1,099.3</b>                                             | <b>72.9</b>            | <b>1,172.2</b>        |
| Dividends to shareholders                      | –                   | –                      | –                                      | –                   | <b>(734.1)</b>             | <b>(734.1)</b>                                             | –                      | <b>(734.1)</b>        |
| Scrip dividend related share issue             | <b>3.2</b>          | <b>(3.2)</b>           | –                                      | –                   | <b>133.0</b>               | <b>133.0</b>                                               | –                      | <b>133.0</b>          |
| Issue of shares net of costs                   | <b>48.9</b>         | <b>1,929.5</b>         | –                                      | –                   | –                          | <b>1,978.4</b>                                             | –                      | <b>1,978.4</b>        |
| Issue of treasury shares                       | –                   | –                      | –                                      | –                   | <b>17.4</b>                | <b>17.4</b>                                                | –                      | <b>17.4</b>           |
| Distributions to Hybrid equity holders         | –                   | –                      | –                                      | –                   | –                          | –                                                          | <b>(72.9)</b>          | <b>(72.9)</b>         |
| Issue of Hybrid equity                         | –                   | –                      | –                                      | –                   | –                          | –                                                          | <b>1,103.4</b>         | <b>1,103.4</b>        |
| Credit in respect of employee share awards     | –                   | –                      | –                                      | –                   | <b>38.7</b>                | <b>38.7</b>                                                | –                      | <b>38.7</b>           |
| Investment in own shares <sup>(i)</sup>        | –                   | –                      | –                                      | –                   | <b>(25.4)</b>              | <b>(25.4)</b>                                              | –                      | <b>(25.4)</b>         |
| <b>At 31 March 2026</b>                        | <b>607.7</b>        | <b>2,738.9</b>         | <b>52.6</b>                            | <b>24.7</b>         | <b>4,380.1</b>             | <b>7,804.0</b>                                             | <b>2,985.8</b>         | <b>10,789.8</b>       |

for the year ended 31 March 2025

|                                                | Share capital<br>£m | Share<br>premium<br>£m | Capital<br>redemption<br>reserve<br>£m | Hedge reserve<br>£m | Retained<br>earnings<br>£m | Total<br>attributable to<br>ordinary<br>shareholders<br>£m | Hybrid<br>equity<br>£m | Total<br>equity<br>£m |
|------------------------------------------------|---------------------|------------------------|----------------------------------------|---------------------|----------------------------|------------------------------------------------------------|------------------------|-----------------------|
| <b>At 1 April 2024</b>                         | <b>548.1</b>        | <b>820.1</b>           | <b>52.6</b>                            | <b>17.0</b>         | <b>3,016.6</b>             | <b>4,454.4</b>                                             | <b>1,882.4</b>         | <b>6,336.8</b>        |
| <b>Profit for the year</b>                     | –                   | –                      | –                                      | –                   | <b>1,264.5</b>             | <b>1,264.5</b>                                             | <b>73.7</b>            | <b>1,338.2</b>        |
| <b>Other comprehensive income</b>              | –                   | –                      | –                                      | <b>20.3</b>         | <b>5.3</b>                 | <b>25.6</b>                                                | –                      | <b>25.6</b>           |
| <b>Total comprehensive income for the year</b> | –                   | –                      | –                                      | <b>20.3</b>         | <b>1,269.8</b>             | <b>1,290.1</b>                                             | <b>73.7</b>            | <b>1,363.8</b>        |
| Dividends to shareholders                      | –                   | –                      | –                                      | –                   | <b>(671.0)</b>             | <b>(671.0)</b>                                             | –                      | <b>(671.0)</b>        |
| Scrip dividend related share issue             | <b>7.5</b>          | <b>(7.5)</b>           | –                                      | –                   | <b>268.9</b>               | <b>268.9</b>                                               | –                      | <b>268.9</b>          |
| Issue of treasury shares                       | –                   | –                      | –                                      | –                   | <b>17.8</b>                | <b>17.8</b>                                                | –                      | <b>17.8</b>           |
| Distributions to Hybrid equity holders         | –                   | –                      | –                                      | –                   | –                          | –                                                          | <b>(73.7)</b>          | <b>(73.7)</b>         |
| Share buyback                                  | –                   | –                      | –                                      | –                   | <b>(71.7)</b>              | <b>(71.7)</b>                                              | –                      | <b>(71.7)</b>         |
| Credit in respect of employee share awards     | –                   | –                      | –                                      | –                   | <b>22.3</b>                | <b>22.3</b>                                                | –                      | <b>22.3</b>           |
| Investment in own shares <sup>(i)</sup>        | –                   | –                      | –                                      | –                   | <b>(14.1)</b>              | <b>(14.1)</b>                                              | –                      | <b>(14.1)</b>         |
| <b>At 31 March 2025</b>                        | <b>555.6</b>        | <b>812.6</b>           | <b>52.6</b>                            | <b>37.3</b>         | <b>3,838.6</b>             | <b>5,296.7</b>                                             | <b>1,882.4</b>         | <b>7,179.1</b>        |

(i) Investment in own shares is the purchase of own shares less the settlement of Treasury shares for certain employee share schemes.



# Notes to the Company financial statements

for the year ended 31 March 2026

## 1. Principal accounting policies

### 1.1 General information

SSE plc (the "Company") is a company domiciled in Scotland. The address of the registered office is given on the back cover. The Company financial statements present information about the Company as a separate entity and not about the Group.

### 1.2 Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101, "Reduced Disclosure Framework".

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement and related notes.

It has also taken advantage of the following disclosure exemptions available under FRS 101.

- A cash flow statement and related notes;
- Related party disclosures;
- Disclosures in respect of capital management; and
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of SSE plc include the equivalent disclosure, the Company has also taken advantage of the exemptions, under FRS 101, available in respect of the following disclosure:

- Certain disclosures required by IFRS 13 "Fair value measurement" and the disclosures required by IFRS 7 "Financial instrument disclosures".

The Company previously assessed that, on the basis of materiality, the disclosures required under IFRS 2 "Share-based Payment" should be removed. The Company has assessed that at 31 March 2026 these disclosures continue to be immaterial to the Company's financial statements.

### New standards, amendments and interpretations effected or adopted by the Company

During the year ended 31 March 2026, the Company adopted the amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates". Adoption of this amendment had no impact on these financial statements.

Following adoption of IFRS 9 on 1 April 2019, the Company elected to continue to apply IAS 39 for hedge accounting. From 1 April 2026, the Company will adopt the hedge accounting requirements of IFRS 9 to align its hedge accounting more closely with the Group's risk management objectives. In the period to 31 March 2026, the Company assessed its existing IAS 39 hedging relationships and concluded that those relationships continue to meet the IFRS 9 hedge accounting criteria. These hedging relationships will be designated as continuing hedges upon adoption of IFRS 9.

The Company will apply the prospective basis as permitted by IFRS 9, whereby comparative information is not restated. The impact on the income statement is immaterial.

The Company has elected to apply the cost of hedging approach, under which certain elements of the fair value of hedging instruments (such as forward points and currency basis spread) are recognised in other comprehensive income rather than profit or loss. These amounts will be accumulated in a cost of hedge equity reserve within equity and subsequently reclassified to profit or loss in the same period the hedged item affects profit or loss. On adoption, the cost of hedge reserve will be £0.3m. There is no impact on total equity as a result of this reclassification.

There were no other standards, amendments to standards or interpretations relevant to the Company's operations which were adopted during the year.

### Going Concern

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future (further details are contained in A6 Accompanying Information of the consolidated financial statements). The financial statements are therefore prepared on a Going Concern basis.

### Basis of measurement

The financial statements of the Company are prepared on the historical cost basis except for derivative financial instruments and assets of the Company pension scheme which are stated at their fair value, and liabilities of the Company pension scheme which are measured using the projected unit credit method. The Directors believe the financial statements present a true and fair view. The financial statements of the Company are presented in pounds Sterling and all values are rounded to the nearest million to one decimal place (£m), unless otherwise stated.



### Critical accounting judgements and estimation uncertainty

In the process of applying the Company's accounting policies, management necessarily makes judgements and estimates that have a significant effect on the amounts recognised in the financial statements. Changes in the assumptions underlying the estimates could result in a significant impact to the financial statements. The Group's key accounting judgement and estimation areas are noted in [note 4.1](#) of the consolidated financial statements, with the most significant financial judgement areas as specifically discussed by the Audit Committee being highlighted separately. In particular, [note 4.1\(ii\)](#) Retirement benefit obligations, and the related disclosures in [note 23](#), [note 4.1\(iv\)](#) Valuation of other receivables and [note 4.3](#) Decommissioning costs, of the consolidated financial statements are relevant to the Company.

### Material accounting policies

The material accounting policies applied in the preparation of these individual financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

### Investments in subsidiaries

Investments in subsidiaries are carried at cost less any impairment charges.

### Interests in joint arrangements and associates

Associates are those investments over which the Company has significant influence but neither control nor joint control.

The Company's joint ventures and associates are stated at cost less any impairment.

### Applicable Group accounting policies

The following material accounting policies are consistent with those applied for the Group consolidated financial statements:

- Equity and equity-related compensation benefits (Supplementary information [A1.2](#))
- Defined benefit pension scheme (Supplementary information [A1.2](#))
- Taxation (Supplementary information [A1.2](#))
- Financial instruments (Supplementary information [A1.2](#) and [A6](#))
- Financial guarantee liabilities (Supplementary information [A1.2](#))

## 2. Supplementary financial information

### 2.1 Auditor's remuneration

The amounts paid to the Company's auditor in respect of the audit of these financial statements was £0.4m (2025: £0.4m).

Amounts paid to the Company's auditor in respect of services to the Company other than the audit of the Company's financial statements have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

### 2.2 Employee numbers

The average number of people employed by the Company (including Executive Directors) during the year was 2 (2025: 3).

The costs associated with the employees of the Company, who are the Executive Directors of the Group, are borne by Group companies. No amounts are charged to the Company.

### 2.3 Directors' remuneration and interests

Information concerning Directors' remuneration, shareholdings, options, long term incentive schemes and pensions is shown in the Remuneration Report on [pages 116 to 135](#). No Director had, during or at the end of the year, any material interest in any other contract of significance in relation to the Group's business.



## Notes to the Company financial statements continued

for the year ended 31 March 2026

### 3. Investments in associates and joint ventures

| Share of net assets/cost       | 2026         |             |             | 2025         |             |             |
|--------------------------------|--------------|-------------|-------------|--------------|-------------|-------------|
|                                | Equity<br>£m | Loans<br>£m | Total<br>£m | Equity<br>£m | Loans<br>£m | Total<br>£m |
| At 1 April                     | 4.0          | 83.5        | 87.5        | 34.6         | 69.8        | 104.4       |
| Additions                      | –            | 9.3         | 9.3         | –            | 25.9        | 25.9        |
| Repayment of shareholder loans | –            | –           | –           | –            | (12.2)      | (12.2)      |
| Impairment                     | (4.0)        | (6.1)       | (10.1)      | (30.6)       | –           | (30.6)      |
| <b>At 31 March</b>             | <b>–</b>     | <b>86.7</b> | <b>86.7</b> | <b>4.0</b>   | <b>83.5</b> | <b>87.5</b> |

The impairment recognised in the current and prior year relates to the investment in Neos Networks Limited. The current year impairment of £4.0m (2025: £30.6m) aligns the Company's investment value (cost less impairment) with the carrying value in the Group financial statements where the investment is equity accounted and a £6.1m expected credit loss impairment charge recognised against loans payable by Neos Networks Limited.

### 4. Subsidiary undertakings

Details of the Company's subsidiary undertakings are disclosed in the Accompanying Information section (A3 [🔗](#)).

#### Investment in subsidiaries

|                                                                        | 2026<br>£m     | 2025<br>£m     |
|------------------------------------------------------------------------|----------------|----------------|
| At 1 April                                                             | 1,976.2        | 1,963.6        |
| Increase in existing investments <sup>(i)</sup>                        | 29.6           | 24.5           |
| Investment decrease in respect of financial guarantees <sup>(ii)</sup> | (14.2)         | (11.9)         |
| <b>At 31 March</b>                                                     | <b>1,991.6</b> | <b>1,976.2</b> |

(i) The overall increase in investments held by the Company primarily relates to equity shares in the Company awarded to the employees of the subsidiaries of the Group under the Group's share schemes, which are recognised as an increase in the cost of investment in those subsidiaries as directed by IFRIC 11 (2026: £29.6m; 2025: £24.5m (both before tax)).

(ii) The investment decrease in respect of financial guarantees relates to £14.8m (2025: £18.6m) of unwind and expiry of guarantee contracts, less £0.6m (2025: £6.7m) for the fair value of fees receivable on guarantees granted to subsidiary investments during the year.

### 5. Trade and other receivables

The balances of current and non-current trade and other receivables in the current and prior financial year predominantly consists of amounts owed by subsidiary undertakings. At 31 March 2026 the Company assessed its exposure to expected credit losses on related party receivables under IFRS 9 and held a provision against future losses of £55.2m (2025: £54.3m).

During the year ended 31 March 2026 the Company provided capital contributions of £164.8m to its subsidiaries (2025: waived £510.3m of intercompany funding receivables due from other SSE Group companies), in both years the related charge has been expensed in the income statement.

### 6. Trade and other payables

The balances of current trade and other payables in the current and prior financial year predominantly consists of amounts due to subsidiary undertakings.

### 7. Taxation

#### Current tax liability

|                           | 2026<br>£m | 2025<br>£m |
|---------------------------|------------|------------|
| Corporation tax liability | 44.7       | 36.5       |



## Deferred taxation

The following are the deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting periods:

|                                             | Fair value<br>gains/(losses) on<br>derivatives | Retirement<br>benefit<br>obligations | Other         | Total        |
|---------------------------------------------|------------------------------------------------|--------------------------------------|---------------|--------------|
|                                             | £m                                             | £m                                   | £m            | £m           |
| At 31 March 2024                            | 1.6                                            | 84.8                                 | (3.9)         | 82.5         |
| Charge/(credit) to income statement         | 0.8                                            | 1.7                                  | (8.7)         | (6.2)        |
| Charge to other comprehensive income        | 3.1                                            | 1.9                                  | –             | 5.0          |
| Charge to equity                            | –                                              | –                                    | 2.2           | 2.2          |
| At 31 March 2025                            | 5.5                                            | 88.4                                 | (10.4)        | 83.5         |
| <b>Charge to income statement</b>           | <b>1.5</b>                                     | <b>3.5</b>                           | <b>0.9</b>    | <b>5.9</b>   |
| <b>Credit to other comprehensive income</b> | <b>(3.4)</b>                                   | <b>(0.5)</b>                         | <b>–</b>      | <b>(3.9)</b> |
| <b>Credit to equity</b>                     | <b>–</b>                                       | <b>–</b>                             | <b>(9.1)</b>  | <b>(9.1)</b> |
| <b>At 31 March 2026</b>                     | <b>3.6</b>                                     | <b>91.4</b>                          | <b>(18.6)</b> | <b>76.4</b>  |

Certain deferred tax assets and liabilities have been offset, including the asset balances analysed in the tables above. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

|                                   | 2026<br>£m    | 2025<br>£m |
|-----------------------------------|---------------|------------|
| Deferred tax liabilities          | <b>95.2</b>   | 94.3       |
| Deferred tax assets               | <b>(18.8)</b> | (10.8)     |
| <b>Net deferred tax liability</b> | <b>76.4</b>   | 83.5       |

The deferred tax assets/liabilities disclosed include the deferred tax relating to the Company's pension scheme liabilities.

## 8. Loans and borrowings

|                                   | 2026<br>£m     | 2025<br>£m |
|-----------------------------------|----------------|------------|
| <b>Current</b>                    |                |            |
| Other short term loans            | <b>824.6</b>   | 1,895.5    |
|                                   | <b>824.6</b>   | 1,895.5    |
| <b>Non-current</b>                |                |            |
| Loans                             | <b>3,727.7</b> | 3,940.7    |
|                                   | <b>3,727.7</b> | 3,940.7    |
| <b>Total loans and borrowings</b> | <b>4,552.3</b> | 5,836.2    |

### 8.1 Borrowing facilities

The Company maintains a diversified portfolio of funding sources, including committed bank facilities, bond issuances, a €1.5bn commercial paper programme and private placements to support its liquidity requirements and investment programme. At 31 March 2026, £501.2m of the Company's €1.5bn commercial paper programme was outstanding (2025: £890.5m).

At 31 March 2026, the Company had access to a total of £1.5bn of committed facilities (2025: £1.5bn), comprising revolving credit facilities and other committed arrangements. As at 31 March 2026 there were no drawings on the revolving credit facilities (2025: undrawn).

The committed facilities are in place to ensure the Company has sufficient liquidity headroom when making significant capital investment. The £1.5bn revolving credit facility for the Company is in place to provide back-up to the commercial paper programme and support the Group's capital expenditure plans.

On 31 March 2026, the Company signed an additional commitment letter which allows the Company to enter a £1.5bn committed facility between 31 March 2026 and 30 June 2026.

The revolving credit facilities include sustainability-linked features which may or may not adjust the interest margin applicable. The rate of interest is calculated annually, subject to fulfilling certain ESG KPIs and applied prospectively. At 31 March 2026, these features had no impact on the carrying value of the borrowings.

During the year to 31 March 2026, the Company issued a total of £1.6bn of new borrowings, including £1.1bn of dual-tranche equity accounted hybrid bonds (see [note 22.5](#) ) and £0.5bn of commercial paper rolled at maturity. A total of £1.9bn of debt instruments matured in the period, including £1.0bn of Eurobonds and £0.9bn of commercial paper.

On 7 April 2026, subsequent to the balance sheet date, the Company issued a €400m (£346m) two-year floating rate note.



**Notes to the Company financial statements** continued  
for the year ended 31 March 2026

## 8. Loans and borrowings continued

### 8.1 Borrowing facilities continued

#### Analysis of borrowings

|                                                                      | 2026                                 | 2026             | 2026             | 2026                     | 2025                                 | 2025             | 2025             | 2025                     |
|----------------------------------------------------------------------|--------------------------------------|------------------|------------------|--------------------------|--------------------------------------|------------------|------------------|--------------------------|
|                                                                      | Weighted<br>average<br>interest rate | Face value<br>£m | Fair value<br>£m | Carrying<br>amount<br>£m | Weighted<br>average<br>interest rate | Face value<br>£m | Fair value<br>£m | Carrying<br>amount<br>£m |
| <b>Current</b>                                                       |                                      |                  |                  |                          |                                      |                  |                  |                          |
| Other short term loans – non-amortising <sup>(ii)</sup>              | 2.4%                                 | 502.2            | 503.7            | 501.2                    | 5.0%                                 | 901.7            | 906.6            | 890.5                    |
| 1.25% Eurobond repayable 16 April 2025                               | –                                    | –                | –                | –                        | 1.3%                                 | 531.4            | 531.2            | 531.4                    |
| 0.875% €600m Eurobond repayable 8 September 2025                     | –                                    | –                | –                | –                        | 0.9%                                 | 502.6            | 499.2            | 502.4                    |
| US Private Placement 8 June 2026                                     | 3.1%                                 | 64.0             | 64.4             | 64.0                     | –                                    | –                | –                | –                        |
| US Private Placement 6 September 2026                                | 3.2%                                 | 247.1            | 259.0            | 246.9                    | –                                    | –                | –                | –                        |
| <b>Within one year</b>                                               |                                      | <b>813.3</b>     | <b>827.1</b>     | <b>812.1</b>             |                                      | <b>1,935.7</b>   | <b>1,937.0</b>   | <b>1,924.3</b>           |
| Fair value adjustment <sup>(iii)</sup>                               |                                      |                  |                  | 12.5                     |                                      |                  |                  | (28.8)                   |
| <b>Total current borrowings</b>                                      |                                      | <b>813.3</b>     | <b>827.1</b>     | <b>824.6</b>             |                                      | <b>1,935.7</b>   | <b>1,937.0</b>   | <b>1,895.5</b>           |
| <b>Non-current</b>                                                   |                                      |                  |                  |                          |                                      |                  |                  |                          |
| Bank loans – non amortising <sup>(i)</sup>                           | 4.7%                                 | 100.0            | 102.1            | 100.0                    | 5.5%                                 | 100.0            | 102.5            | 100.0                    |
| US Private Placement 8 June 2026                                     | –                                    | –                | –                | –                        | 3.1%                                 | 64.0             | 63.0             | 63.8                     |
| US Private Placement 6 September 2026                                | –                                    | –                | –                | –                        | 3.2%                                 | 247.1            | 258.9            | 246.2                    |
| US Private Placement 6 September 2027                                | 3.2%                                 | 35.0             | 34.0             | 34.9                     | 3.2%                                 | 35.0             | 33.3             | 34.8                     |
| 1.375% €650m Eurobond repayable 4 September 2027 <sup>(iv)(v)</sup>  | 1.4%                                 | 591.4            | 576.0            | 591.1                    | 1.4%                                 | 591.4            | 573.7            | 590.9                    |
| 8.375% Eurobond repayable on 20 November 2028                        | 8.4%                                 | 500.0            | 538.7            | 498.9                    | 8.4%                                 | 500.0            | 554.3            | 498.5                    |
| 2.875% Eurobond repayable on 1 August 2029 <sup>(vi)</sup>           | 2.9%                                 | 567.6            | 560.0            | 566.8                    | 2.9%                                 | 544.5            | 539.3            | 543.3                    |
| 1.750% Eurobond repayable 16 April 2030 <sup>(vi)</sup>              | 1.8%                                 | 442.9            | 413.9            | 442.9                    | –                                    | –                | –                | –                        |
| <b>Between two and five years</b>                                    |                                      | <b>2,236.9</b>   | <b>2,224.7</b>   | <b>2,234.6</b>           |                                      | <b>2,082.0</b>   | <b>2,125.0</b>   | <b>2,077.5</b>           |
| 1.750% Eurobond repayable 16 April 2030 <sup>(vi)</sup>              | –                                    | –                | –                | –                        | 1.8%                                 | 442.9            | 413.9            | 442.9                    |
| 6.25% Eurobond repayable on 27 August 2038                           | 6.3%                                 | 350.0            | 350.5            | 348.0                    | 6.3%                                 | 350.0            | 350.7            | 347.9                    |
| 4.00% €750m Eurobond repayable 5 September 2031 <sup>(iv)(vii)</sup> | 4.0%                                 | 655.0            | 664.5            | 653.7                    | 4.0%                                 | 628.2            | 646.5            | 626.8                    |
| 3.50% €600m Eurobond repayable 18 March 2032 <sup>(iv)(viii)</sup>   | 3.5%                                 | 524.0            | 516.2            | 521.4                    | 3.5%                                 | 503.5            | 501.3            | 500.5                    |
| <b>Over five years</b>                                               |                                      | <b>1,529.0</b>   | <b>1,531.2</b>   | <b>1,523.1</b>           |                                      | <b>1,924.6</b>   | <b>1,912.4</b>   | <b>1,918.1</b>           |
| Fair value adjustment <sup>(iii)</sup>                               |                                      |                  |                  | (30.0)                   |                                      |                  |                  | (54.9)                   |
| <b>Total non-current borrowings</b>                                  |                                      | <b>3,765.9</b>   | <b>3,755.9</b>   | <b>3,727.7</b>           |                                      | <b>4,006.6</b>   | <b>4,037.4</b>   | <b>3,940.7</b>           |
| <b>Total borrowings</b>                                              |                                      | <b>4,579.2</b>   | <b>4,583.0</b>   | <b>4,552.3</b>           |                                      | <b>5,942.3</b>   | <b>5,974.4</b>   | <b>5,836.2</b>           |

(i) Balances include term loans and EIB debt and is a mixture of fixed and floating rate debt.

(ii) Balances include Commercial Paper and facility advances (£501.2m of Commercial Paper outstanding at 31 March 2026).

(iii) The fair value adjustment relates to the change in the carrying amount of the borrowings as a result of fair value hedges that are in place. The movement in the fair value adjustment is recognised in the income statement with a corresponding movement on the hedging instrument also being recognised in the income statement.

(iv) Bonds have been issued under the Group's Sustainability Financing Framework (previously the Group's Green Bond Framework).

(v) The 1.375% €650m Eurobond maturing 4 September 2027 has been swapped to Sterling giving an effective interest rate of 2.56%.

(vi) The 1.750% €500m Eurobond maturing 16 April 2030 has been swapped to Sterling giving an effective interest rate of 2.89%.

(vii) The 4.00% €750m Eurobond maturing 5 September 2031 has been left in Euros as a net investment hedge for the Group's Euro denominated subsidiaries.

(viii) The 3.50% €600m Eurobond maturing 18 March 2032 has predominantly been left in Euros as a net investment hedge for the Group's Euro denominated subsidiaries.



## 9. Equity

Details regarding SSE plc's share capital, hybrid equity and capital redemption reserve can be found in [note 22](#) of the Group consolidated financial statements. The Company's hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedge derivative instruments related to hedging transactions that have not yet occurred.

## 10. Retirement benefit obligations

### Defined benefit scheme

The Company has a funded final salary pension scheme ("Scottish Hydro Electric Pension Scheme") which provides defined benefits based on final pensionable pay. The scheme is subject to an independent valuation at least every three years. The future benefit obligations are valued by actuarial methods on the basis of an appropriate assessment of the relevant parameters. Further details regarding SSE plc's defined benefit pension scheme can be found in [note 23](#) of the Group consolidated financial statements, including details of the latest actuarial valuation, contributions, valuation assumptions, sensitivity analysis, and discussion of the pension scheme assets, obligations, policies, risks and strategy.

### 10.1 Valuation of pension scheme

|                                             | Quoted<br>£m | Unquoted<br>£m | Value at<br>31 March 2026<br>£m | Quoted<br>£m | Unquoted<br>£m | Value at<br>31 March 2025<br>£m |
|---------------------------------------------|--------------|----------------|---------------------------------|--------------|----------------|---------------------------------|
| Government bonds                            | 448.5        | –              | 448.5                           | 396.0        | –              | 396.0                           |
| Insurance contracts                         | –            | 432.4          | 432.4                           | –            | 454.4          | 454.4                           |
| Other investments                           | 325.3        | –              | 325.3                           | 373.1        | –              | 373.1                           |
| Total fair value of plan assets             | 773.8        | 432.4          | 1,206.2                         | 769.1        | 454.4          | 1,223.5                         |
| Present value of defined benefit obligation |              |                | (841.9)                         |              |                | (869.8)                         |
| Surplus in the scheme                       |              |                | 364.3                           |              |                | 353.7                           |
| Deferred tax thereon <sup>(i)</sup>         |              |                | (91.1)                          |              |                | (88.4)                          |
| Net pension asset                           |              |                | 273.2                           |              |                | 265.3                           |

(i) Deferred tax is recognised at 25% (2025: 25%) on the surplus.

### 10.2 Movements in the defined benefit assets and obligations during the year

|                                                 | 2026           |                   |              | 2025           |                   |              |
|-------------------------------------------------|----------------|-------------------|--------------|----------------|-------------------|--------------|
|                                                 | Assets<br>£m   | Obligations<br>£m | Total<br>£m  | Assets<br>£m   | Obligations<br>£m | Total<br>£m  |
| At 1 April                                      | 1,223.5        | (869.8)           | 353.7        | 1,328.6        | (989.3)           | 339.3        |
| <b>Included in income statement</b>             |                |                   |              |                |                   |              |
| Current service cost                            | –              | (6.5)             | (6.5)        | –              | (6.7)             | (6.7)        |
| Past service cost                               | –              | (0.6)             | (0.6)        | –              | (3.8)             | (3.8)        |
| Interest income/(cost)                          | 68.5           | (48.2)            | 20.3         | 62.4           | (46.1)            | 16.3         |
|                                                 | 68.5           | (55.3)            | 13.2         | 62.4           | (56.6)            | 5.8          |
| <b>Included in other comprehensive income</b>   |                |                   |              |                |                   |              |
| Actuarial (loss)/gain arising from:             |                |                   |              |                |                   |              |
| Demographic assumptions                         | –              | 6.3               | 6.3          | –              | 3.8               | 3.8          |
| Financial assumptions                           | –              | 17.2              | 17.2         | –              | 108.6             | 108.6        |
| Experience assumptions                          | –              | (5.4)             | (5.4)        | –              | 3.8               | 3.8          |
| Return on plan assets excluding interest income | (20.2)         | –                 | (20.2)       | (108.5)        | –                 | (108.5)      |
|                                                 | (20.2)         | 18.1              | (2.1)        | (108.5)        | 116.2             | 7.7          |
| <b>Other</b>                                    |                |                   |              |                |                   |              |
| Contributions paid by the employer              | 0.9            | –                 | 0.9          | 0.9            | –                 | 0.9          |
| Benefits paid                                   | (66.5)         | 65.1              | (1.4)        | (59.9)         | 59.9              | –            |
|                                                 | (65.6)         | 65.1              | (0.5)        | (59.0)         | 59.9              | 0.9          |
| <b>Balance at 31 March</b>                      | <b>1,206.2</b> | <b>(841.9)</b>    | <b>364.3</b> | <b>1,223.5</b> | <b>(869.8)</b>    | <b>353.7</b> |

The return on pension scheme assets is as follows:

|                                        | 2026<br>£m | 2025<br>£m |
|----------------------------------------|------------|------------|
| Return/(loss) on pension scheme assets | 48.3       | (46.1)     |



## Notes to the Company financial statements continued

for the year ended 31 March 2026

### 11. Financial instruments

For financial reporting purposes, the Company classifies derivative financial instruments as financing derivatives. These include interest rate and foreign exchange derivatives designated at fair value or cash flow hedging relationships, as well as derivatives not designated for hedge accounting. Derivatives not designated in a hedging relationship are accounted for as held for trading and measured at fair value through profit or loss.

The derivative financial assets and liabilities are represented as follows:

|                                         | 2026<br>£m    | 2025<br>£m |
|-----------------------------------------|---------------|------------|
| <b>Derivative financial assets</b>      |               |            |
| Non-current                             | 20.8          | 25.1       |
| Current                                 | 13.2          | 22.1       |
| <b>Total derivative assets</b>          | <b>34.0</b>   | 47.2       |
| <b>Derivative financial liabilities</b> |               |            |
| Non-current                             | (36.6)        | (53.0)     |
| Current                                 | (0.5)         | (53.6)     |
| <b>Total derivative liabilities</b>     | <b>(37.1)</b> | (106.6)    |
| <b>Net liability</b>                    | <b>(3.1)</b>  | (59.4)     |

Information on the Group's Financial risk management and the fair value of financial instruments is available at A6 and A7

### 12. Financial guarantee liabilities

|                                              | 2026<br>£m  | 2025<br>£m |
|----------------------------------------------|-------------|------------|
| <b>Non-current liabilities</b>               |             |            |
| Financial guarantee liabilities              | 73.1        | 90.8       |
| <b>Current liabilities</b>                   |             |            |
| Financial guarantee liabilities              | 9.1         | 9.3        |
| <b>Total financial guarantee liabilities</b> | <b>82.2</b> | 100.1      |

SSE plc has provided guarantees in respect of certain activities of subsidiaries, former subsidiaries and to certain current joint venture investments both held directly and indirectly by the Company's subsidiaries with carrying values as follows:

|                                 | 2026                              |                                                      |                                    | 2025        |             |
|---------------------------------|-----------------------------------|------------------------------------------------------|------------------------------------|-------------|-------------|
|                                 | SSE on behalf of subsidiary<br>£m | SSE on behalf of joint operations and ventures<br>£m | SSE on behalf of 3rd parties<br>£m | Total<br>£m | Total<br>£m |
| Financial guarantee liabilities | 61.5                              | 11.5                                                 | 9.2                                | 82.2        | 100.1       |

On transition to IFRS 17 on 1 April 2023, the Company elected to apply IFRS 9 "Financial Instruments" to the in scope financial guarantee contracts and the contracts were valued on initial recognition and subsequently measured at the higher of the loss allowance for expected credit loss and the initial value less any income recognised.

The decrease in financial guarantee liabilities during the year is primarily driven by the unwind and expiry of guarantee contracts of £20.6m, relating to guarantees entered into on behalf of subsidiaries of £15.9m, joint ventures of £3.6m and former subsidiaries of £1.1m. During the year, the Company provided new guarantees with a value of £2.1m on behalf of its subsidiaries and £0.6m on behalf of its joint ventures.

The Company continues to provide a guarantee to Group Trustee Independent Trustees in respect of SSE Southern Group of the Electricity Supply Pension Scheme in respect of funding required by the scheme.

On behalf of Scottish Hydro Electric Transmission plc, SSE plc continues to provide a guarantee to ABB Limited in connection with the use of HVDC Replica Control Panels for Caithness-Moray Project.

Furthermore, on behalf of SSE E&P (UK) Limited, previously a wholly owned subsidiary of the Company, now owned by a third party, SSE plc has provided the following three guarantees: a guarantee to Hess Limited in respect of decommissioning liabilities, a guarantee to Britoil Limited and Arco British Limited in respect of the acquisition of the Sean Field and also a guarantee to Perenco UK Limited in respect of a Sale and Purchase Agreement for the Minerva, Apollo and Mercury Fields.

## 13. Commitments and contingencies

### Guarantees, indemnities and other contingent liabilities

#### Internal guarantees

The Company has in issue perpetual and long term guarantees of £2.3bn (2025: £2.3bn) in order to maintain the stand-alone credit ratings of certain subsidiaries and to support electricity distribution licence conditions. These guarantees are not expected to be called.

#### Letters of credit

The Company indemnifies letters of credit issued to the following:

|                                                  | 2026<br>£m | 2025<br>£m |
|--------------------------------------------------|------------|------------|
| UK subsidiaries and certain joint ventures       | 965.8      | 949.3      |
| European subsidiaries and certain joint ventures | 167.7      | 162.4      |
| Former UK subsidiaries                           | 170.8      | 182.0      |
|                                                  | 1,304.3    | 1,293.7    |

#### Letters of credit in substitution of cash collateral

The Company provides standby letters of credit in substitution for cash covering initial and delivery margins for exchange traded products and is repayable on demand. As at 31 March 2026, there were letters of credit covering £nil (2025: £100.0m) of initial and variation margins.

Subsidiaries have provided guarantees on behalf of the Company as follows:

|                 | 2026<br>£m | 2025<br>£m |
|-----------------|------------|------------|
| Bank borrowings | 447.8      | 447.8      |

## 14. Provisions

|                                       | 2026<br>£m | 2025<br>£m |
|---------------------------------------|------------|------------|
| At 1 April                            | 201.6      | 219.7      |
| Decrease in decommissioning provision | (12.6)     | (17.9)     |
| Unwind of discount                    | 10.7       | 8.9        |
| Utilised during the year              | (8.6)      | (9.1)      |
| At 31 March                           | 191.1      | 201.6      |
| Non-current                           | 158.7      | 177.7      |
| Current                               | 32.4       | 23.9       |
|                                       | 191.1      | 201.6      |

### Decommissioning provision

The Company recognises a provision for the estimated net present value of decommissioning of Gas Production assets (retained as part of the disposal agreement for this business). Estimates are based on the forecast remediation or clean-up costs at the projected date of decommissioning and are discounted for the time value of money. Within the agreement for the disposal of its Gas Production assets to Viaro Energy through its subsidiary RockRose Energy Limited on 14 October 2021, the Company agreed to retain 60% of the decommissioning provision within the business. £12.6m has been removed (2025: £17.9m removed) from decommissioning during the current year due to reassessment, movements in inflation and discounting assumptions. It is expected that the costs associated with decommissioning of these Gas Production assets will be incurred through to 2044.



## Independent Auditor's Report to the Members of SSE plc

### Opinion

In our opinion:

- SSE plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2026 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SSE plc (the "parent company") and its subsidiaries (the "group") for the year ended 31 March 2026 which comprise:

| Group                                                                                                            | Parent company                                                                                     |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Consolidated income statement for the year then ended                                                            |                                                                                                    |
| Consolidated statement of comprehensive income for the year then ended                                           |                                                                                                    |
| Consolidated balance sheet as at 31 March 2026                                                                   | Balance sheet as at 31 March 2026                                                                  |
| Consolidated statement of changes in equity for the year then ended                                              | Statement of changes in equity for the year then ended                                             |
| Consolidated cash flow statement for the year then ended                                                         |                                                                                                    |
| Related notes 1 to 25 and A1 to A8 to the financial statements, including material accounting policy information | Related notes 1 to 14 to the financial statements including material accounting policy information |

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

### Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the Going Concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the Going Concern basis of accounting included:

- Confirming our understanding of management's Going Concern assessment process as well as the review of controls in place over the preparation of the group's Going Concern model and the memorandum on Going Concern;
- Engaging early with management to ensure all key matters were considered in their assessment;
- Obtaining management's board approved forecast cash flows, covenant forecasts and sensitivities to 31 December 2027, ensuring the same forecasts are used elsewhere within the group for accounting estimates and that the forecasts reflect all committed spend;
- Testing the models for arithmetical accuracy, as well as checking the net debt position at the year end date which is the starting point for the model;
- Assessing the reasonableness of the cashflow forecasts by analysing management's historical forecasting accuracy. We also ensured climate change considerations were factored into future cash flows;
- Performing reverse stress testing to understand how severe the downside scenarios would need be to result in negative liquidity or a covenant breach and the plausibility of the scenarios. Both management's and EY's assessment included consideration of all maturing debt through to 31 March 2028 to consider any significant repayments falling due after the end of the going concern assessment period;
- Reviewing management's assessment of downside scenarios, and potential uncommitted capex reductions available to the group to reduce cash flow spend in the Going Concern period, to determine their plausibility and whether such actions could be implemented by management. We have obtained support to determine whether these are within the control of management;
- Reading the borrowing facilities agreements to assess their continued availability to the group and to ensure completeness of covenants identified by management;
- Reviewing market data for indicators of potential contradictory evidence to challenge the company's Going Concern assessment including review of profit warnings within the sector and review of industry analyst reports. We held discussions with the Audit Committee to confirm the Going Concern position prepared by management; and
- Considering whether management's disclosures in the financial statements sufficiently and appropriately reflect the Going Concern assessment and outcomes.

The audit procedures performed in evaluating the directors' assessment were performed by the group audit team. We also considered the financial and non-financial information communicated to us from our component teams for sources of potential contrary indicators which may cast doubt over the Going Concern assessment.

## Our key observations

The group is forecast to continue to be profitable and generate positive cashflows during the Going Concern period. Our reverse stress test scenario assumed full repayment of debt maturing over the Going Concern period, and also extended three months beyond management's Going Concern period to 31 March 2028, no new refinancing over the Going Concern period, no uncommitted disposal proceeds, and a £230m cash flow contingency to mitigate any downside performance against budget; offset by mitigating actions within management's control. We consider such a scenario to be highly unlikely.

Having considered our severe downside and reverse stress test scenarios, we have not identified a plausible scenario where the group would be unable to maintain cash flow liquidity and covenant headroom during the Going Concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a Going Concern for a period to 31 December 2027.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the Going Concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to Going Concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a Going Concern.

## Overview of our audit approach

|                         |                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit scope             | – We performed an audit of the complete financial information of 17 components and audit procedures on specific balances for a further 26 components and central procedures on pensions, derivatives, payroll, loans and taxation                                                                                                                                         |
| Key audit matters (KAM) | <ul style="list-style-type: none"> <li>– Impairment of specific non-current assets (being Southern Europe development assets and goodwill, Pacifico development assets and goodwill, and Equity investment in Triton Power Holdings Limited ("Triton"))</li> <li>– Group and parent pension obligation</li> <li>– Accounting for estimated revenue recognition</li> </ul> |
| Materiality             | – Overall group materiality of £109.5m which represents 5% of adjusted profit before tax                                                                                                                                                                                                                                                                                  |

## An overview of the scope of the parent company and group audits

### Tailoring the scope

We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the group financial statements, we considered our understanding of the group and its business environment, the potential impact of climate change, the applicable financial framework, the group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that following components are subject to centralised procedures

| Key audit area on which procedures were performed centrally | Component subject to central procedures |
|-------------------------------------------------------------|-----------------------------------------|
| Pensions                                                    | 2                                       |
| Derivatives                                                 | 16                                      |
| Payroll                                                     | 19                                      |
| Loans                                                       | 11                                      |
| Taxation                                                    | All                                     |

We then identified 31 components as individually relevant to the group due to relevant events and conditions underlying the identified risks of material misstatement of the group financial statements being associated with the reporting components (or a pervasive risks of material misstatement of the group financial statements or a significant risk or an area of higher assessed risk of material misstatement of the group financial statements being associated with the components).

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the group significant financial statement account balance.

We then considered whether the remaining group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. We selected a further 12 components of the group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.



## Independent Auditor's Report to the Members of SSE plc continued

Of the 43 components selected, we designed and performed audit procedures on the entire financial information of 17 components ("full scope components"). For 12 components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components"). For the remaining 14 components, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

### Involvement with component teams

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the group audit engagement team, or by component auditors operating under our instruction.

The group audit team interacted regularly with the component teams where appropriate during various stages of the audit. For the full and specific scope components there were regular calls held between the lead audit engagement partner and component partners, with file reviews performed by the group audit team over audit documentation that has not been retained within the group audit file, or retention of key audit documentation within the group audit file. In total out of the 44 components, this split into a total of 9 component teams.

This was the fourth year where a non-EY auditor was involved in a specific scope component, being the group's equity investment in Triton. We issued instructions, held regular calls with them and attended an on-site file review and closing meeting. Other than the Irish Airtricity and Triton entities in scope, all other entities in scope were based within Scotland (Perth and Glasgow), where lead audit partner William Binns visited UK component teams throughout the year end audit. Management meetings were held in person and remotely throughout the year across both the UK and Ireland. Members of the group audit team also visited the non-EY component auditors of Triton.

The component teams and non-EY component team visits involved discussion of audit approach, attending planning and closing meetings (some of which were held virtually), meeting with local management and reviewing relevant audit working papers on risk areas. The group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process.

This, together with the additional procedures performed at group level, gave us appropriate evidence for our opinion on the group financial statements.

### Climate change

The financial statement and audit risks related to climate change and the energy transition remain an area of audit focus in 2026. Stakeholders are increasingly interested in how climate change will impact SSE plc. SSE operates principally within the UK and Ireland, and both are seeking to achieve net zero across their economies by 2050.

SSE has determined that the most significant future impacts from climate change on its operations will be from accelerated wind investment and accelerated Transmission growth, and the greatest risk is in relation to wind generation price, which is due to a reduction in average electricity price as wind generation capacity increases. These are explained on [pages 69 to 72](#) in the required Climate-related financial disclosures. These disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information". As described in [note 4](#), the financial statement impact of climate is considered to have the most impact on the valuation of property, plant and equipment, impairment assessment of goodwill, valuation of decommissioning provisions, defined benefit schemes and Going Concern and viability statement.

In planning and performing our audit we assessed the potential impacts of climate change on the group's business and any consequential material impact on its financial statements. The group has explained in [note 4](#) how they have reflected the impact of climate change in their financial statements including where assumptions applied align with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050.

Significant judgements and estimates relating to climate change are included in [note 4](#).



Government and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of IAS 36. Budgets and forecasts for SSE plc reflect the spend to come on the announced £33bn investment programme. In [notes 15 and 20](#) to the financial statements, supplementary sensitivity disclosures reflecting the impact of climate with regards to valuation of property, plant and equipment, impairment assessment of goodwill and valuation of decommissioning provisions and the impact of reasonably possible changes in key assumptions have been provided and significant judgements and estimates relating to climate change have been described within the aforementioned notes. We have ensured the completeness of climate consideration as part of our impairment and Going Concern audit procedures, including those referred to within our impairment KAM below.

In order to respond to the impact of climate change, we ensured we had the appropriate skills and experience on the audit team, utilising climate change internal specialists. Our audit team included professionals with significant experience in climate change and energy valuations. Our audit procedures were carried out by the group and component teams, with the component teams working under the direction of the group team.

Our audit effort in considering climate change focused on ensuring that the effects of material climate related risks disclosed on [pages 69 to 72](#) have been appropriately reflected within the Going Concern cashflows, asset values and useful life and associated disclosures where values are determined through modelling future cash flows, being impairment considerations over Intangible assets and Property, Plant & Equipment and in the timing and nature of liabilities recognised, being decommissioning provisions. In addition, we performed detailed testing of the sensitivities noted in the accounts. Details of our procedures and findings on impairment are included in our KAMs below.

In FY26 as in the previous year SSE conducted scenario analysis of its material climate related opportunities and risks. With the support of our climate change internal specialists, we considered management's scenario planning and modelling of the three risks and five opportunities disclosed on [pages 65 to 72](#). We challenged the impact pathways developed and basis of the key assumptions included within these scenarios. We checked the transition risk scenario frameworks used within the modelling to challenge the appropriateness, applicability to SSE's current and future business model to check the accuracy of the financial impact ranges disclosed on [pages 69 to 72](#).

We challenged the directors' considerations of climate change in their assessment of Going Concern and viability and associated disclosures. We also read the "Other information" in the annual report, and in doing so, considered whether the "Other information", which includes SSE's climate targets, is materially consistent with the financial statements. We also considered consistency with other areas of assumptions, judgements and estimates and where applicable the procedures performed have been included within our KAMs below.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the following key audit matters: Impairment of specific non-current assets (being Southern Europe development assets and goodwill, Pacifico development assets and goodwill, Equity investment in Triton). Details of the impact, our procedures and findings are included in our explanation of KAMs below.

### Key audit matters (KAMs)

Key audit matters (KAMs) are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.



## Independent Auditor's Report to the Members of SSE plc continued

| Risk                                                                                                                                                                                                                                                      | Our response to the risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Key observations communicated to the Audit Committee                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Impairment of specific non-current assets (Southern Europe development assets and goodwill, Pacifico development assets and goodwill, Equity investment in Triton (Impairment reversal 2026 £29.4m; Impairment charge 2025: £249.5m))</b></p>       | <p><b>Scoping:</b></p> <p>Testing was performed over this risk area, covering both full and specific scope components (covering three components), which represented 100% of the risk amount.</p> <p>All audit work in relation to this key audit matter was undertaken by the component audit teams, with oversight from the group audit team.</p> <p>We obtained management's assessment of potential indicators in accordance with IAS 36 for each of these risk areas.</p>                            | <p><b>Renewables developments – Southern Europe and Pacifico</b></p> <p>We confirmed that it is appropriate to recognise no impairment charge for SSE Southern Europe and SSE Pacifico.</p>                 |
| <p><i>Refer to the Audit Committee Report <a href="#">page 104</a> ; Accounting policies – significant judgements <a href="#">page 159</a> ; and <a href="#">Note 15</a>  of the Consolidated Financial Statements <a href="#">page 182</a> </i></p>      | <p><b>Audit procedures included:</b></p> <p>We have understood management's process and methodology for assessing assets for indicators of impairment, including indicators of reversal and, where applicable, we have understood management's modelling of cash flows including the source of the key input assumptions.</p>                                                                                                                                                                             | <p>We have concluded that the methodology applied is reasonable, the forecast period is appropriate, and the impairment models are mathematically accurate.</p>                                             |
| <p><b>Renewables developments– Southern Europe and Pacifico</b></p>                                                                                                                                                                                       | <p>We checked the historical accuracy of management's forecasting and verified that the assumptions are consistent with those used in other areas such as PPE useful life and decommissioning provision. We also considered contradictory indicators and any external facts and circumstances to assist us in challenging management's assessment.</p>                                                                                                                                                    | <p>We considered the appropriateness of the related disclosures provided in <a href="#">note 15</a> , considering whether any reasonably possible change</p>                                                |
| <p>There is a risk that due to the early stage of the SSE Southern Europe and SSE Pacifico developments, there could be an impairment charge over the goodwill and development assets.</p>                                                                | <p>We also considered contradictory indicators and any external facts and circumstances to assist us in challenging management's assessment.</p>                                                                                                                                                                                                                                                                                                                                                          | <p>disclosures were required based upon the headroom within the sensitivity analysis. We are satisfied that management's disclosures are aligned with the requirements of IAS36.</p>                        |
| <p>This is due to the early stages of development, the passage of time between acquisition date, development progress and full operationalisation, and the high sensitivity of models to changes in key assumptions.</p>                                  | <p><b>Renewables developments – Southern Europe and Pacifico</b></p> <p>Due to the early stage of development of both the SSE Southern Europe and SSE Pacifico platforms, a fair value less costs to sell ("FVLCS") assessment was performed for each, based on discounted post-tax cash flows.</p>                                                                                                                                                                                                       | <p><b>Equity investment in Triton</b></p> <p>We confirmed that we concurred with the impairment reversal recognised for the equity investment in Triton.</p>                                                |
| <p>For SSE Southern Europe, the key assumptions are power price, discount rate and the development probability of success, including greenfield and its related volumes.</p>                                                                              | <p>We engaged EY specialists in our assessment: a discount rate specialist and a specialist with experience of assessing forward prices in the overseas market. We consulted with colleagues in Japan and in Southern Europe, with deep experience of the renewables sector. Using our sector experience and our specialists, we assessed any unusual or unexpected trends identified within the cashflows year on year and assessed the impact on the overall forecasted position.</p>                   | <p>We communicated that the pricing assumptions applied were appropriate. We communicated that the discount rates used were materially in line with our comparative range determined by our specialist.</p> |
| <p>For SSE Pacifico, the key assumptions include revenue support contract price, generation volumes, capital expenditure, operating expenditure, discount rate and projected probability of success.</p>                                                  | <p>We assessed the appropriateness of the model parameters and clerical accuracy of the models used.</p>                                                                                                                                                                                                                                                                                                                                                                                                  | <p>We also noted that we are satisfied with the adequacy of disclosure within the group financial statements including climate related disclosures.</p>                                                     |
| <p><b>Equity investment in Triton</b></p>                                                                                                                                                                                                                 | <p>We applied sensitivities to management's models to evaluate headroom. For SSE Southern Europe, this included sensitivities relating to discount rate, merchant price exposure, and the probability of success of each project. In performing our procedures, we independently calculated an estimated range for the recoverable amount of the CGU. For SSE Pacifico, this included sensitivities relating to discount rate, fixed prices, generation volumes and the debt-to-equity funding ratio.</p> |                                                                                                                                                                                                             |
| <p>We determined that the investment in Triton is at risk of impairment or impairment reversal. This is due to a number of global and national factors reducing or increasing fair value less costs of disposal, triggering an impairment assessment.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                             |
| <p>The key assumptions include future power prices, price volatility, uncontracted capacity income, forecast power demand, carbon prices, load factors and discount rate.</p>                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                             |
| <p>The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows as a result of the above factors.</p>                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                             |



Risk

Our response to the risk

Key observations communicated to the Audit Committee

### Equity investment in Triton

We considered prior period impairments for indication of reversal. This involved considering indicators of reversal, focussed on demand, load factors, prices and other internal factors.

We engaged EY specialists in our assessment: a discount rate specialist and a specialist with industry experience of assessing forward energy prices and gross margin. Using our sector experience and our specialists, we assessed any unusual or unexpected trends identified within the cashflows year on year and assessed the impact on the overall forecasted position.

We assessed the appropriateness of the model parameters and clerical accuracy of the models used.

We applied sensitivities to management's models to evaluate the reversal, including sensitivities relating to discount rate, price and capacity market revenue.

### Key assumptions (all relevant assets):

Using our sector experience and our specialists, we benchmarked to industry sources, where appropriate, the directors' judgement on the key assumptions.

For SSE Southern Europe this included power price, discount rate, and the development probability of success, including, greenfield and its related volumes.

For SSE Pacifico, this included revenue support contract price, generation volumes, capital expenditure, operating expenditure, discount rate and projected probability of success.

For the equity investment in Triton, this included future power prices, forecast power demand, carbon prices, load factors, discount rate, useful economic life and operating expenditure.

We verified that the assumptions are consistent with those used in other areas.

### Disclosures

We assessed the accuracy and adequacy of the disclosures in line with IAS 36, ensuring key assumptions are included and that the disclosures adequately reflect the risks inherent in the valuation of non-current assets and the impact of changes in assumptions on the impairment booked.



## Independent Auditor's Report to the Members of SSE plc continued

| Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Our response to the risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Key observations communicated to the Audit Committee                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Group and parent pension obligation (2026: £459.8m surplus, 2025: £501.8m surplus)</b></p> <p><i>Refer to the Audit Committee Report <a href="#">page 105</a>; Accounting policies – significant judgements <a href="#">page 159</a>; and <a href="#">Note 23</a> of the group financial statements <a href="#">page 203</a></i></p> <p><b>Subjective valuation:</b></p> <p>Small changes in the assumptions and estimates used to value the group and parent company pension obligations (before deducting scheme assets) would have a significant effect on the carrying value of those pension obligations.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the group and parent company pension obligation has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.</p> <p>The principal assumptions considered include rate of increase in pensionable salaries and pension payments, discount rate and mortality rates.</p> <p>There has been no change in this risk from the prior year.</p> | <p><b>Scoping:</b></p> <p>We performed audit procedures over this risk area centrally by the group team, which covered 100% of the risk amount. Our procedures included:</p> <p><b>Assessing management process:</b></p> <p>We have understood management's process and methodology for calculating the pension liability for each scheme, including discussions with management's external actuaries, walkthrough of the processes, understanding the key inputs and the design and implementation of key controls. We performed a fully substantive audit approach rather than testing the operating effectiveness of key controls.</p> <p><b>Assessing management experts:</b></p> <p>We have assessed the independence, objectivity and competence of the group's external actuaries, which included understanding the scope of services being provided and considering the appropriateness of the qualifications of the external actuary.</p> <p><b>Assessing source data:</b></p> <p>We tested a sample of the membership data used by the actuaries to the group's records.</p> <p><b>Benchmarking assumptions:</b></p> <p>With the support of our pension actuarial specialists, we assessed the appropriateness of the assumptions adopted by the directors by comparing them to the expectations of our pension actuarial specialists which they derived from broader market data.</p> <p><b>Disclosure:</b></p> <p>We considered the adequacy of IAS 19 disclosures, including presentation of commitments associated with deficit recovery plans and in respect of sensitivity of the defined benefit obligation to changes in the key assumptions.</p> | <p>We conclude that management's actuarial assumptions are appropriate and sit within our independently determined range. We are satisfied with the adequacy of disclosure within the financial statements.</p> |



| Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Our response to the risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Key observations communicated to the Audit Committee                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Accounting for estimated revenue recognition</b></p> <p><b>Unbilled revenue (2026: £547.2m, 2025: £521.1m)</b></p> <p><i>Refer to the Audit Committee Report <a href="#">page 105</a>; Accounting policies – significant judgements <a href="#">page 159</a>; and <a href="#">Note 18</a> of the group financial statements <a href="#">page 193</a></i></p> <p><b>Subjective estimate:</b></p> <p>45% of the unbilled revenue year end balance recognised within the Energy Customer Solutions segment relates to Business Energy component only, and is based on estimates of values and volumes of electricity and gas supplied to the year end date, less invoices raised.</p> <p>The method of estimating such revenues is complex and judgemental for UK business customers.</p> <p>The key estimates and assumptions are in relation to:</p> <ol style="list-style-type: none"> <li>1. the volumes of electricity and gas supplied to the customers between the meter reading and year end;</li> <li>2. the value attributed to those volumes in the range of tariffs; and</li> <li>3. embedded impairment risk over the unbilled revenue.</li> </ol> <p>As a result of the estimation uncertainty this has been identified as a significant risk.</p> <p><b>Scoping:</b></p> <p>The balance subject to the significant risk relates to one component, Business Energy. Testing was performed covering 100% of the unbilled balance in Business Energy. Unbilled revenue in Airicity in the Republic of Ireland and Northern Ireland was not included in the scope of this KAM due to reduced judgement and estimation complexity.</p> <p>All audit work in relation to this key audit matter was undertaken by the component audit team with oversight from the group audit team.</p> | <p><b>Audit methodology:</b></p> <p>Our response to the assessed risk included understanding the process for estimating unbilled revenue, testing selected IT general and key application controls, and undertaking substantive audit procedures and revenue data analytics.</p> <p><b>Tests of detail:</b></p> <p>We agreed the opening unbilled revenue to the closing 31 March 2025 balance sheet.</p> <p>We agreed the volume data for customer usage of energy in the year used in the calculation to external settlement systems and agreed the volume data in relation to customer billings for the year to SSE's internal billing systems to assess consistency and to understand remaining estimation risk. We have understood and tested the historical accuracy of management's forecasting of final settlement volumes.</p> <p>We have tested the unbilled unit pricing by agreeing historical pricing to sample bills, tested a sample of billing dates from the listing to confirm billing frequency and agreeing to post year end billing prices.</p> <p>We have also obtained and tested post year end billings to substantiate the basis of the unbilled revenue estimate at 31 March 2026.</p> <p>Within the unbilled revenue balance, we estimated the impact of operational billing delays.</p> <p><b>Analytical review:</b></p> <p>Using a bespoke analytics tool, we set benchmark expectations as to the likely level of total unbilled revenue, and compared this with the actual unbilled revenue accrual, obtaining explanation for significant variances. Benchmark expectation was derived from the external settlements data combined with billing frequency, usage and price movement from last billing date to year end. We also tested the appropriateness of manual adjustments made by management.</p> <p><b>Disclosure:</b></p> <p>We assessed the adequacy of the group's disclosures about the degree of estimation and judgement involved in arriving at the estimated revenue.</p> | <p>Overall, through procedures performed within Business Energy, we are satisfied that the unbilled revenue is appropriately recognised by management.</p> <p>We are satisfied with the adequacy of disclosure within the financial statements.</p> |



## Independent Auditor's Report to the Members of SSE plc continued

We have refined the Impairment KAM, removing Great Island power station, reflecting the increased headroom and lower risk at this power station.

### Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

#### Materiality

*The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.*

We determined materiality for the group to be £109.5 million (2025: £111.8 million), which is 5% (2025: 5%) of adjusted profit before tax. Our key criterion in determining materiality remains our perception of the needs of SSE's stakeholders. We consider which earnings, activity or capital-based measure aligns best with their expectations.

We determined materiality for the Parent Company to be £215.9 million (2025: £143.6 million), which is 2% (2025: 2%) of net assets. The materiality has been capped at the group materiality of £109.5 million.

|                |                                                                                                                                                                                                                    |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Starting basis | <ul style="list-style-type: none"> <li>– Profit before tax – <b>£1,837.3m</b></li> </ul>                                                                                                                           |
| Adjustments    | <ul style="list-style-type: none"> <li>– Movement on operating and financing derivatives – <b>£139.8m</b></li> <li>– Non-recurring exceptional items – <b>£162.6m</b></li> <li>– JV Tax – <b>£51.2m</b></li> </ul> |
| Materiality    | <ul style="list-style-type: none"> <li>– Totals <b>£2,190.9m</b> adjusted profit before tax</li> <li>– Materiality of <b>£109.5m</b> (5% of materiality basis)</li> </ul>                                          |

During the course of our audit, we reassessed initial materiality and amended it for final adjusted profit before tax figures.

#### Performance materiality

*The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.*

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 75% (2025: 75%) of our planning materiality, namely £82.1m (2025: £83.8m). We have set performance materiality at this percentage due to a low number and value of corrected and uncorrected misstatements in the prior year audit, with misstatements in the current year relating to one-off matters or having an immaterial impact on the consolidated income statement.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £11.8m to £37.6m (2025: £13.0m to £36.0m).

#### Reporting threshold

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £5.5m (2025: £5.6m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.



## Other information

The "Other information" comprises the information included in the annual report set out on [pages 1 to 142](#) , including the strategic report and the directors' report (Governance section) set out on [pages 1 to 76 and 77 to 142](#)  respectively other than the financial statements and our auditor's report thereon. The directors are responsible for the "Other information" contained within the annual report.

Our opinion on the financial statements does not cover the "Other information" and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the "Other information" and, in doing so, consider whether the "Other information" is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the "Other information", we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Corporate Governance Statement

We have reviewed the directors' statement in relation to Going Concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the Going Concern basis of accounting and any material uncertainties identified set out on [page 76](#) .
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on [page 76](#) .
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on [page 76](#) .
- Directors' statement on fair, balanced and understandable set out on [page 103](#) .
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on [pages 56 to 63](#) .
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on [pages 107 to 109](#) .
- The section describing the work of the Audit Committee set out on [pages 102 to 109](#) .

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on [page 142](#) , the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a Going Concern, disclosing, as applicable, matters related to Going Concern and using the Going Concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## Independent Auditor's Report to the Members of SSE plc continued

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are IFRS, FRS 101, the Companies Act 2006 and UK Corporate Governance Code and relevant tax compliance regulations in the jurisdictions in which the group operates. We also considered non-compliance of regulatory requirements, including the Office of Gas and Electricity Markets (Ofgem) and regulations levied by the UK Financial Conduct Authority and Prudential Regulatory Authority. We confirmed our understanding with the Internal Head of Regulation.
- We understood how SSE plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures. We verified our enquiries through our review of board minutes and papers provided to the Audit Committee.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence on efforts made by management to manage earnings. We considered the programmes and controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: journal entry testing, with a focus on consolidation journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of legal counsel, group management, internal audit, business area management at all full and specific scope components; and focused testing. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and accounts with all applicable requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities> . This description forms part of our auditor's report.

### Other matters we are required to address

- Following the recommendation from the Audit Committee we were appointed by the company on 18 July 2019 to audit the financial statements for the year ended 31 March 2020 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 7 years, covering the years ended 31 March 2020 to 31 March 2026.
- The audit opinion is consistent with the additional report to the Audit Committee.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### William Binns (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

27 May 2026

## Glossary

|                                                                                              |                                                                               |                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AIP</b><br>Annual Incentive Plan that applies to salaries                                 | <b>ETS</b><br>Emissions Trading Scheme                                        | <b>RAV</b><br>Regulated Asset Value as applies to SSE's networks businesses                                                                                                             |
| <b>AGM</b><br>Annual General Meeting                                                         | <b>EV</b><br>Electric Vehicle                                                 | <b>RCF</b><br>Retained Cash Flow                                                                                                                                                        |
| <b>APM</b><br>Alternative Performance Measures used to track financial performance           | <b>FID</b><br>Final Investment Decision                                       | <b>REFIT</b><br>Renewable Energy Feed-in Tariffs                                                                                                                                        |
| <b>ASTI</b><br>Ofgem's Accelerated Strategic Transmission Investment framework               | <b>FFO</b><br>Funds From Operations                                           | <b>REGO</b><br>Renewable Energy Guarantee of Origin                                                                                                                                     |
| <b>BLET</b><br>Business of Leading the Energy Transition summit hosted by SSE                | <b>GAAP</b><br>Generally Accepted Accounting Principles                       | <b>REMA</b><br>The UK Government's Review of Electricity Market Arrangements                                                                                                            |
| <b>CAGR</b><br>Compound Annual Growth Rate                                                   | <b>GDPR</b><br>General Data Protection Regulation                             | <b>RIIO</b><br>The "Revenue = Incentives + Innovation + Outputs" regulatory framework by which SSE's networks businesses are remunerated.                                               |
| <b>Capex</b><br>Capital expenditure                                                          | <b>GHG</b><br>Greenhouse gas, used in relation to GHG emissions               | <b>Scope 1, 2 and 3 emissions</b><br>Scope 1 and 2 are those emissions that are owned or controlled by SSE. Scope 3 emissions are from sources not directly owned or controlled by SSE. |
| <b>CCGT</b><br>Combined Cycle Gas Turbine                                                    | <b>GW</b><br>Gigawatt                                                         | <b>Spark spread</b><br>The difference between the price received by SSE for electricity produced and the cost of the natural gas needed to produce that electricity.                    |
| <b>CCS</b><br>Carbon capture and storage                                                     | <b>HVDC</b><br>High Voltage Direct Current                                    | <b>TCFD</b><br>Task Force on Climate-related Financial Disclosures                                                                                                                      |
| <b>CfD</b><br>Contract for Difference                                                        | <b>HVO</b><br>Hydrotreated Vegetable Oil, a fossil-free alternative to diesel | <b>tCO<sub>2</sub>e</b><br>Tonnes of carbon dioxide equivalent                                                                                                                          |
| <b>CHP</b><br>Combined Heat and Power                                                        | <b>IEA</b><br>International Energy Agency                                     | <b>Totex</b><br>Total expenditure                                                                                                                                                       |
| <b>COP30</b><br>The 30th Conference of Parties climate summit held in Belém in November 2025 | <b>IPCC</b><br>International Panel on Climate Change                          | <b>TRIR</b><br>Total Recordable Injury Rate (SSE's preferred measure of safety performance)                                                                                             |
| <b>DNO</b><br>Distribution Network Operator                                                  | <b>KPI</b><br>Key Performance Indicator                                       | <b>TWh</b><br>Terawatt-hour                                                                                                                                                             |
| <b>DSO</b><br>Distribution System Operator                                                   | <b>kV</b><br>Kilovolt                                                         | <b>VAR</b><br>Value at Risk                                                                                                                                                             |
| <b>EBITDA</b><br>Earnings before interest, taxes, depreciation, and amortisation             | <b>LOTI</b><br>Ofgem's Large Onshore Transmission Investment plan             | <b>WACC</b><br>Weighted Average Cost of Capital                                                                                                                                         |
| <b>EBRS</b><br>The UK Government's Energy Bill Relief Scheme                                 | <b>LTI</b><br>Lost Time Incidents                                             |                                                                                                                                                                                         |
| <b>EGL</b><br>The UK Government's Energy Generator Levy                                      | <b>MW</b><br>Megawatt                                                         |                                                                                                                                                                                         |
| <b>EGL2</b><br>The planned HVDC undersea transmission link from Peterhead to Yorkshire       | <b>NESO</b><br>National Energy System Operator                                |                                                                                                                                                                                         |
| <b>EPS</b><br>Earnings Per Share                                                             | <b>NIC</b><br>National Infrastructure Commission                              |                                                                                                                                                                                         |
| <b>ESG</b><br>Environment, Social and Governance                                             | <b>OCGT</b><br>Open-cycle Gas Turbine                                         |                                                                                                                                                                                         |
|                                                                                              | <b>ORESS</b><br>Ireland's Offshore Renewable Energy Support Scheme            |                                                                                                                                                                                         |
|                                                                                              | <b>PSR</b><br>Priority Services Register                                      |                                                                                                                                                                                         |



## Shareholder information

### Shareholder enquiries

The Company's register of members is maintained by our Registrar, Computershare Investor Services PLC (Computershare). For queries about shareholdings, contact Computershare directly at:

Computershare Investor Services PLC,  
The Pavilions, Bridgwater Road,  
Bristol BS99 6ZZ

Phone: +44 (0) 345 143 4005

Web: [www-uk.computershare.com/investor/#contact/enquiry](http://www-uk.computershare.com/investor/#contact/enquiry)

### Investor Centre

**Manage your shares online at [www.sse-shares.com](http://www.sse-shares.com)**

You can manage your holdings online using Investor Centre, the free and secure online portal provided by Computershare. It's easy to register for Investor Centre: log on to [www.sse-shares.com](http://www.sse-shares.com), enter your postcode and Shareholder Reference Number (SRN) which can be found on any recent communications from SSE, and follow the instructions. Once registered, you can:

- View, update and calculate the market value of your shareholdings;
- Change address details and dividend payment instructions; and
- See share price data and trading graphs of listed companies.

### Website

Our website, [sse.com](http://sse.com), provides shareholders with information about the Company and its performance. It includes a dedicated Investors section where you can find electronic copies of Company reports and a wide range of other information including:

- share price information;
- regulatory news;
- dividend history and trading graphs;
- terms and conditions of the Scrip Dividend Scheme; and
- Registrar contact details.

### Digital news

We use a dedicated news and views website (available at [www.sse.com/news-and-views](http://www.sse.com/news-and-views)) and LinkedIn ([www.linkedin.com/company/sse-plc](http://www.linkedin.com/company/sse-plc)) to keep shareholders, investors, journalists, employees and other interested parties up to date with news from the Company.

It is also possible to sign up for email alerts for regulatory news and press releases relating to SSE at [www.sse.com/investors/regulatory-news/](http://www.sse.com/investors/regulatory-news/).

### Electronic communications

Receiving electronic communications from SSE is better for shareholders, SSE and the environment. It has the following benefits:

- **Fast access:** immediate notification by email when new shareholder documentation is available – nothing lost or delayed in the post.
- **Cost-effective:** reduced printing and postage costs saves the Company and its shareholders money.
- **Environmentally friendly:** reducing the environmental impact of printing and delivering paper documents aligns with our commitment to sustainability.

You must actively choose to receive SSE investor communications electronically. You can easily do this and change your communication preferences in the online Investor Centre, [www.sse-shares.com](http://www.sse-shares.com) or by contacting Computershare.

All new shareholders are automatically registered to access shareholder documentation through the Investors section of our website but will be notified by post when new shareholder documentation is available. We only send printed copies of documentation where shareholders specifically request a copy.

### Financial calendar

|                                                        |                     |
|--------------------------------------------------------|---------------------|
| Publication of Annual Report 2026                      | 12 Jun 2026         |
| Q1 Trading Statement                                   | 16 Jul 2026         |
| AGM 2026                                               | 16 Jul 2026         |
| Ex-dividend date for final dividend                    | 23 Jul 2026         |
| Record date for final dividend                         | 24 Jul 2026         |
| Final date for Scrip elections                         | 20 Aug 2026         |
| Payment date for final dividend                        | 17 Sept 2026        |
| Trading Update                                         | Around 30 Sept 2026 |
| Interim results for six months ended 30 September 2026 | 18 Nov 2026         |

### Dividend payments direct to your bank account

The Company typically pays dividends twice yearly. Interim dividends are paid in January/February, and final dividends are paid in September once approved by shareholders at the AGM. All dividends are credited to a shareholder's nominated UK bank/building society account. You can register or change your UK bank/building society account details on the online Investor Centre, [www.sse-shares.com](http://www.sse-shares.com), or by contacting Computershare.

If you don't have a UK bank or building society account, you can have your dividends paid directly into a non-UK bank account using Computershare's International Funds Transfer (IFT).

For more information, please visit [www.sse-shares.com](http://www.sse-shares.com) or contact Computershare.

### SSE shareholder tracing programme in association with Georgeson

SSE has engaged Georgeson (a trading name of Computershare) to locate and unite lost shareholders with their outstanding dividends and/or shares. It is important that shareholders who are contacted either respond to Georgeson's correspondence or contact Computershare in their capacity as Registrar to reclaim their dividends and/or shares. Fees apply should shareholders wish to use Georgeson's services.

In accordance with SSE's Articles of Association, SSE may in certain circumstances forfeit the shares of shareholders who have been uncontactable for over 12 years. To ensure the efficient management of the Register of Members, SSE may do so in circumstances where Georgeson are unable to locate such shareholders. Further details on the programme are available on the Company's website, [sse.com](http://sse.com).

### Scrip dividend

You can choose to join our Scrip Dividend Scheme to receive future dividends as additional new shares. Details of the Scheme are available at [www.sse.com/investors/shareholder-services/dividends-and-scrip-scheme/](http://www.sse.com/investors/shareholder-services/dividends-and-scrip-scheme/). Shareholders who choose this Scheme should also complete a bank mandate to make sure they continue to receive future dividend payments should they withdraw from the Scheme.

### Share dealing

Please go to [www.computershare.com/dealing/uk](http://www.computershare.com/dealing/uk) for a range of dealing services provided by Computershare. To speak to the Computershare Dealing Services team directly, please call +44 (0) 370 703 0084.

### American Depositary Receipts

SSE has established a sponsored Level 1 American Depositary Receipt (ADR) programme with Deutsche Bank Trust Company Americas (Deutsche Bank). Each ADR represents one SSE Ordinary Share. More information and Deutsche Bank's contact details can be found at [www.sse.com/investors/adrs](http://www.sse.com/investors/adrs).



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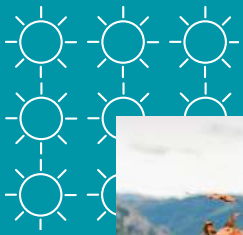
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**sse.com**



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