



SAY ON CLIMATE assessment

UK



2024

Transparency rating

58%

alignment with FIR
recommendations



PERFORMANCE SCORING
11,2/20

NARRATIVE SCORING
A B C D E

TREND SCORING
=

SSE's climate strategy appears to be well thought out and implemented, with an action plan achieved by scope. However, the Group does not provide any information on its short-term emission reduction targets. Similarly, although a net zero ambition has been declared for the 3 scopes, the commitment has been withdrawn from the SBTi and it remains unclear what the reduction targets beyond 2034 will be to achieve this. Finally, SSE has announced an ambitious investment plan aimed primarily at renewable energies and infrastructure, but this plan lacks transparency and details on the distribution of energies in the networks. Low-carbon activities still only account for 50% of the company's revenues today.

Since 2021, the **French Forum for Responsible Investment (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). In March 2023, the FIR signed again [an agreement with 48 French and European signatories](#), encouraging the development of SOC. Meanwhile, in 2022, FIR began analyzing the climate plans of French companies that submit them to shareholder vote. After joining forces last year, **FIR and ADEME** are extending their partnership by joining forces this year with **Ethos and the World Benchmarking Alliance**, to analyze the climate plans of European companies submitted to a consultative shareholder vote at their annual general meetings in 2024.

In 2022, FIR had published [analysis reports](#) assessing the extent to which French companies' climate strategies were in line with its recommendations. In 2023, as part of the partnership with ADEME, these analysis reports has been enriched with the **ACT assessment tool**, to measure the contribution of corporate strategies and actions to the mitigation objectives of the Paris Agreement.

In 2024, the scope of our analysis has been extended to include European companies which have submitted a SOC. Assessments will be published progressively ahead of their annual general meetings.

As in 2022 and 2023, the FIR wishes to salute the efforts of companies that contribute to improving shareholder dialogue, and encourages them to reiterate the Say on Climate exercise annually.

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In partnership with :



With the contribution of the European Union LIFE program

SSE

Ambition Net Zero 2050

Ambition of carbon neutrality for all three scopes: by 2040 for scopes 1&2 and by 2050 for scope 3

▷ The company does not give the exact contribution from reduction and from the carbon offsetting (nature-based solutions, CCS technologies, etc.) enabling it to achieve its objectives. Furthermore, no details for scope 3.

Reference scenario(s) used

The company's 2030 targets have been validated as 1.5°C aligned by SBTi;

▷ However, beyond 2030, the commitments are identified as "commitment removed" by the SBTi (for Net-zero targets)

Current GHG emissions (2024 vs 2023)

SCOPE 1
4,34 MtCO₂eq (vs 6.08)
47%

SCOPE 2
0,47 MtCO₂eq (vs 0.44)
5%

SCOPE 3
4,46 MtCO₂eq* (vs. 4.81)
48%

Short-term GHG emissions reduction target

▷ No short-term emission reduction target

Medium-term GHG emissions reduction target

Target of 72.5% reduction in absolute emissions from scopes 1&2 by 2030 vs. 2017/2018 (80% in intensity)

Target of 50% reduction in absolute emissions from the use of products sold by 2034 vs. 2017/2018 (represents approx. 45% of scope 3)

▷ Scope 3 targets for only part (approx. 45%)

Long-term GHG emissions reduction target

Net zero target for scopes 1&2 by 2040

Net zero target for Scope 3 by 2050

▷ No precise long-term CO₂ emission reduction target to achieve carbon neutrality for the 3 scopes

Action plan measures

The action plan is well modelled and detailed by scope

The main measures include the following figures:

- Building a renewable energy portfolio: ambition raised to 9GW of capacity by 2027
- Enable at least 20 GW of renewable generation, facilitate 2 million electric vehicles and 1 million heat pumps (SSEN's electricity networks) by 2030
- Engage with 50% of suppliers (expressed as spend) to set science-based targets by 2024 (target achieved with 51%, either engaged or with a SBT target set); the aim is now to transform the 17/51% of engaged suppliers into suppliers with targets set

▷ The company is not transparent about its energy mix over the medium and long term

▷ The objective of 16 GW of net installed renewables capacity by 2032 disclosed in the annual report 2023 is no longer mentioned as clearly in the annual report 2024

▷ Information on the quantified contribution of each action to the reduction targets could be more granular

CAPEX / OPEX investment alignment

£20.5 billion invested between 2023 and 2027, 90% of which will go to renewables and networks (40% for renewables; 50% for networks); 89% of CAPEX are aligned with taxonomy (2023/24)

○ Lack of details on how much of the networks will be used for renewable energy and how much for thermal energy.

Remuneration

▷ Short-term remuneration: 10% variable remuneration based on a sustainability criterion based solely on ratings obtained by non-financial rating agencies.

▷ Long-term remuneration (for 2023 & 2024): 30% related to the Net zero acceleration programme: 15% linked to targets in terms of renewables and networks and 15% linked to the reduction of scope 1 carbon intensity, the targets on renewable, electric vehicles and heat pumps by 2030 & just transition

Annual consultative vote on implementation

An annual vote at the Annual General Meeting is planned**.

Consultative vote on strategy every three years

For the time being, an annual vote is planned, but this does not separate strategy from implementation***.

* including 2.16 MtCO₂eq from gas sold

**until at least 2024/2025, when shareholders will be consulted on the desired frequency of this vote.

***The company plans to consult its shareholders in 2025 on the frequency of its Say On Climate.

Caption:

- Indicates that all the criteria for obtaining all the points have been met, but suggests improvements in terms of transparency
- ▷ Failure to obtain full points

SSE



PERFORMANCE SCORING
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Module	Score	%	Assessment's elements
Targets	14/20	15%	<ul style="list-style-type: none"> SSE has committed to reduce its absolute scope 1 and 2 emissions by 72.5% by 2030, and scope 3 emissions from the use of sold products by 50% by 2034, both from a 2017/18 baseline. Additionally, the company aims to be net zero across scope 1+2 emissions by 2040, and net zero for all remaining scope 3 emissions by 2050. SSE's climate targets are overall climate science-aligned.
Material investment	13/20	22,5 %	<ul style="list-style-type: none"> SSE plans to further increase the proportion of low-carbon CAPEX from 81 to 90% by 2025. The company's emission intensity for generated electricity is reducing in line with its recommended low-carbon pathway and even forecasted to reduce ahead of it.
Intangible investment	3/20	6,4 %	<ul style="list-style-type: none"> While SSE is actively investing in low-carbon activities, the share of R&D investments in mature and non-mature low-carbon activities remains below 30%.
Sold product performance	3/20	15,3 %	<ul style="list-style-type: none"> While oversight responsibility for climate issues lies with the board, SSE could ensure more members have relevant expertise, beyond the Chief Sustainability Officer.
Management	17/20	12%	<ul style="list-style-type: none"> In its transition plan, the company considers several scenarios, from short term up to 2080.
Supplier engagement	14/20	5,9 %	<ul style="list-style-type: none"> SSE requires suppliers to set science-based targets and aims to engage with 50% of them by 2024. It could also disclose a clear process in case of non-compliance.
Client engagement	5/20	7,9 %	<ul style="list-style-type: none"> The company doesn't disclose a clear client engagement strategy or policy. While it describes examples of customer engagement activities, it's not clear what proportion of customers these represent.
Policy engagement	17/20	5%	<ul style="list-style-type: none"> SSE has a policy for engagement with associations, coalitions or think tanks to ensure alignment with its low-carbon ambitions. It could, however, disclose an action plan in case of misalignment.
Business model	13/20	10%	<ul style="list-style-type: none"> While SSE aims to grow its renewable energy business, low-carbon activities still represent less than 50% of revenue.

Consistency of the plan:

Overall, SSE's climate plan is well advanced in many areas. The progress made by SSE in recent years is encouraging. SSE has a detailed transition plan that considers actions and pathway levers to achieve net zero. Additionally, the company is on track to achieve its emissions reduction targets. In 2023, the company has invested 81% of its CAPEX in low-carbon technologies and plans to increase it to 90% by 2025. The company has also set targets to engage with suppliers to set science-based targets.

Identified areas for improvement:

While SSE showcases a strong ambition for low carbon transition, focusing on renewable energy and distribution, the company may need to speed up its emission reduction efforts in order to meet its net zero goals. Additionally, more investment in low-carbon R&D may be needed to ensure a successful implementation of CCUS technology, crucial for reducing carbon intensity of thermal energy generation. SSE could also fill gaps in its engagement policies with action plans for non-compliance.

SAY ON CLIMATE 2023 evaluation grid

based on follow-up to FIR recommendations

	●	●	●
Ambition net zero 2050	If the ambition of contributing to carbon neutrality by 2050 is declared and clear explanations are given on how to achieve this neutrality The level of negative emissions is limited	The ambition to contribute to carbon neutrality by 2050 is declared and the explanations on how to achieve this neutrality are clear. The level of negative emissions is high	A declared ambition, but very little clarity on how the company intends to achieve carbon neutrality (no long-term reduction targets, targets set are not very credible, heavy reliance on offsetting, etc.) or no declared ambition to be carbon neutral by 2050
Reference scenarios used	The company positions its climate strategy in relation to a 1.5°C warming scenario for all scopes	The company uses a reference scenario limiting warming to between 2°C and 1.5°C, or 1.5°C for only part of its scope.	No reference scenario explicitly mentioned or scenario(s) not used to define the strategy
Current GHG emissions	Disclosure of greenhouse gas emissions in absolute terms; breakdown by scope	Insufficiently detailed publication	No public data
Short-term GHG emissions reduction target	If the quantified emission reduction targets before 2030, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated.	If the quantified emission reduction targets before 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the short term, or targets that are not very ambitious in the short term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Medium-term GHG emissions reduction target	If the quantified emission reduction targets for 2030, expressed at least in absolute terms, cover the 3 scopes and respect the alignment with a 1.5°C scenario. This trajectory has been scientifically validated	If the quantified emissions reduction targets for 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the medium term, or targets that are not very ambitious in the medium term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Long-term GHG emissions reduction target	If the quantified emission reduction targets in 2050 or earlier, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated	If the quantified emission reduction targets for 2050 or earlier do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the long term, or targets that are not very ambitious in the long term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Action plan measures	Detailed measures for each scope of the company with a sufficient level of detail, including short- and medium-term figures, to enable the alignment of this plan with the objectives set to be assessed.	Detailed measures for each scope of the company, but insufficient detail to assess the level of alignment with the objectives set (lack of quantified measures in particular)	Measures with little or no detail
Investment alignment (OPEX / CAPEX)	Details the proportion of investments (OPEX and CAPEX) that contribute to meeting short- and medium-term targets, and explains how these investments enable the targets to be met	The information provided on the contribution of investments to the achievement of objectives does not allow an understanding of how the company achieves the objectives set	No investments contributing to the achievement of explicit objectives
Remuneration	All variable parts of the remuneration of corporate officers include at least one criterion that assesses the achievement of greenhouse gas emission reduction targets. The % of remuneration determined by this criterion is published; it represents a significant proportion (10% or more)	At least part of the variable part of the remuneration of corporate officers is covered by a non-diluted criterion for reducing greenhouse gas emissions in line with the reduction trajectory defined by the company	The criterion included in the remuneration of corporate officers relating to the reduction in greenhouse gas emissions is diluted, or does not follow the reduction trajectory defined by the company. or No criteria relating to the reduction of greenhouse gas emissions are included in executive remuneration
Annual consultation on implementation	The company undertakes to consult shareholders on the implementation of its climate change strategy	The company is committed to consult shareholders on the implementation of its climate strategy over the coming years	The company does not undertake to consult shareholders on the implementation of its climate strategy
Consultation on strategy every three years	The company undertakes to consult shareholders on its climate strategy at least every three years	The company undertakes to consult shareholders on its climate strategy over the coming years	The company makes no commitment to consult shareholders on its climate strategy

→ IT'S TIME TO ACT

WHAT IS ACT ?

A joint voluntary initiative of the UNFCCC secretariat Global Climate Agenda.

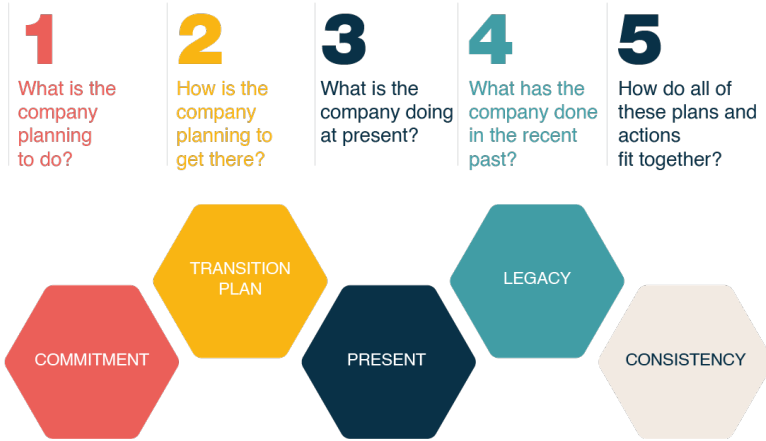
WHY ACT ?

Drive climate action by companies and align their strategies with low-carbon pathways.

HOW DOES ACT WORK ?

ACT provides sectoral methodologies as an accountability framework to assess how companies' strategies and actions contribute to the Paris mitigation goals.

FRAMEWORK



1
What is the company planning to do?

2
How is the company planning to get there?

3
What is the company doing at present?

4
What has the company done in the recent past?

5
How do all of these plans and actions fit together?

INNOVATIVE : ACT is an integrated, long-term approach.

QUANTITATIVE : it measures past, present and future performance

TARGETED: on the main sources of emissions in the value chain

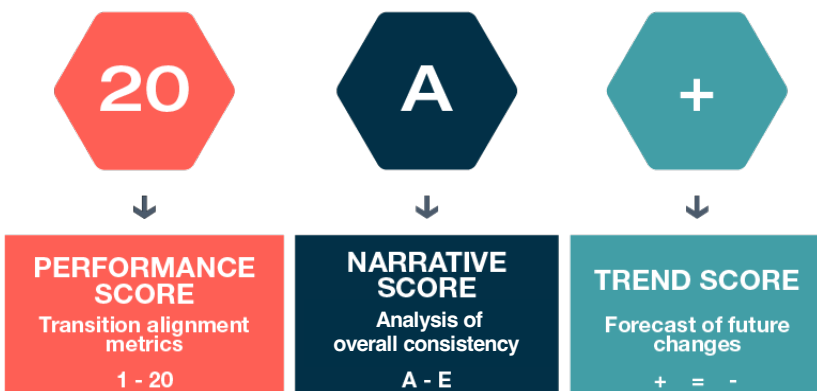
SECTORAL: addressing issues specific to the transition of each sector

TRANSPARENT: through third-party evaluation

ACT ASSESSMENT

For what purpose?
Credibly measure the contribution to the net-zero objective in relation to sectoral low-carbon trajectories.

For whom?
Companies with science-based objectives and/or a transition plan ready for assessment



ACT Methodology Electricity

The full ACT methodology for the Electricity sector can be found on our website. The detailed assessment is summarized in a score based on three criteria : performance, overall consistency and trend. It takes the following form:

- **Performance** : number between 1 and 20
- **Evaluation (consistency)** : letter between A and E
- **Trend** : + (improvement), - (deterioration), = (stable)

Module	Indicator
1. Targets	1.1 Alignment of scope 1+2 emissions reduction targets
	1.2 Alignment of upstream scope 3 emissions reduction targets
	1.3 Time horizon of targets
	1.4 Achievement of previous and current targets
2. Material investment	2.1 Trend in past emissions intensity for generated electricity
	2.2 Locked-in emissions
	2.2 Trend in future emissions intensity for generated electricity
3. Intangible investment	2.3 Share of Low Carbon CAPEX investments
	3.1 R&D spending in low-carbon technologies
4. Sold product performance	3.2 Company low-carbon patenting activity
	4.1 Past performance of retailed electricity
	4.2 Future performance of retailed electricity
	4.3 Contribution to low-carbon electricity generation
	4.4 Energy efficiency services share
5. Management	4.5 Interventions to reduce life-cycle emissions of low-carbon assets
	5.1 Oversight of climate change issues
	5.2 Climate change oversight capability
	5.3 Low-carbon transition plan
	5.4 Climate change management incentives
	5.5 Fossil fuel power incentives
6. Supplier engagement	5.6 Climate change scenario testing
	6.1 Strategy to influence suppliers to reduce their GHG emissions
7. Client engagement	6.2 Activities to influence suppliers to reduce their GHG emissions
	7.1 Strategy to influence client behaviour to reduce their GHG emissions
8. Policy engagement	7.2 Activities to influence customer behaviour to reduce their ghg emissions
	8.1 Company policy on engagement with associations, alliances, coalitions or thinktanks
	8.2 Associations, alliances, coalitions and thinktanks supported do not have climate-negative activities or positions
	8.3 Position on significant climate policies
9. Business model	8.4 Collaboration with regulators and legislators
	9.1 Revenue from low-carbon products and/or services
	9.2 Changes to business models

Narrative scoring

1. Business model and strategy
2. Consistency and credibility
3. Reputation
4. Risks

Trend scoring

1. Probability of emissions' evolution
2. Evolution of business model and strategy