Scottish Power Energy Networks

Net Zero Transition Plan 2025

PlanetMark

Contents

Foreword

Scottish Power Energy Networks (SPEN) is a Distribution and Transmission Network Operator for Central and Southern Scotland, North Wales, Merseyside, Cheshire and North Shropshire. We consist of SP Transmission plc (SPT), SP Distribution plc (SPD) and SP Manweb plc (SPM); and are part of Scottish Power, a subsidiary of Iberdrola[1]. As an electricity distributor to over 3.5 million homes and businesses across the UK, we support the UK's Net Zero ambitions by connecting homes and businesses to renewable electricity suppliers and proactively reducing emissions from transmission and distribution.

With electricity demand forecasted to double in the next 10 years, SPEN will play an active role in enabling the connection of clean renewable energy to the UK's transmission system and as a result further reduce reliance on fossil fuels. The increase in demand for electricity, along with changes in the operating environment of networks due to decentralisation of power generation and network digitalisation, will require unprecedented growth and network transformation to support decarbonisation.

We are regulated by Ofgem, who set 'baseline expectations' around how we manage and develop our assets in support of the UK's Net Zero transition. Our 'Sustainable Business Strategy' goes beyond these expectations already. Our Net Zero strategy must, therefore, be even more ambitious because our own decarbonisation is critical to the decarbonisation of other industries and supports the delivery of UK Net Zero legislation.

Achieving Net Zero will be a challenge, however we are supported in this by the strategic pillars of our central business strategy[2], underpinned by a commitment to our Just Transition principles[3] (Figure 1.1).

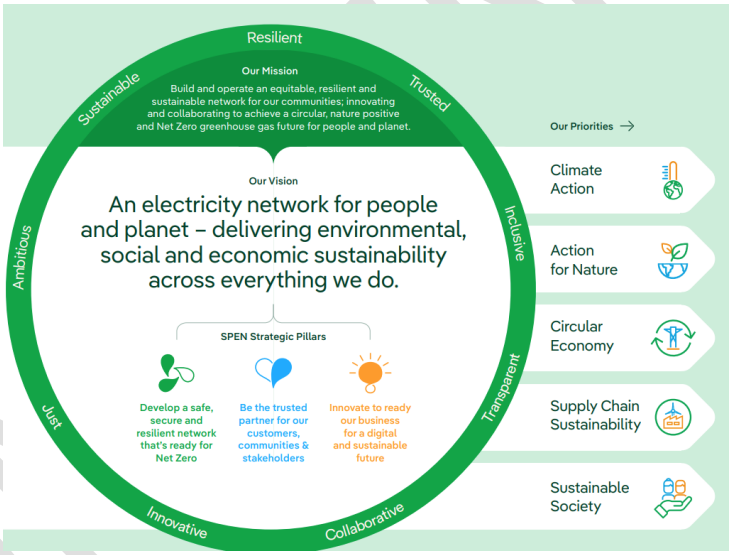


Figure 1.1: SPEN Sustainable Business Strategy

[1] Iberdrola has also recently acquired Electricity North West (ENW), which is in the process of being integrated into SPEN - Iberdrola closes the purchase of the British distributor ENW - Iberdrola. ENW will be included in the next iteration of this Transition Plan.
[2] SPEN, Sustainable Business Strategy. Available at: spenergynetworks.co.uk/userfiles/file/SPEN_SustainabilityStrategy.pdf (Last accessed: 30/07/2025)
[3] SPEN, Just Transition Strategy. Available at: https://www.spenergynetworks.co.uk/pages/our_just_transition_strategy.aspx (Last accessed: 17/06/2025)

Foundations: our vision and strategic approach

What is net zero?

Net Zero means cutting greenhouse gas (GHG) emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere (United Nations[4]).

In accordance with the Science Based Targets initiative (SBTi) Corporate Net Zero Standard[5], an organisation can be considered Net Zero once it has reduced emissions across all three scopes by at least 90% of the baseline**,** with only unavoidable residual emissions (totalling no more than 10%) being neutralised at the Net Zero Target year using carbon removal offsets.

About this document

This Net Zero Transition Plan brings together all work to date to set out SPEN's 2035 Net Zero ambition and the steps we will take to achieve it: evidencing the holistic thinking and strategic planning that ensures our targets are ambitious, achievable and backed by evidence and action.

Our Net Zero Transition Plan is modelled on the Transition Plan Taskforce (TPT) Disclosure Framework[6]: providing a structure to communicate how climate targets are supported by a delivery plan aligned with the overall business strategy. It fulfils the requirement in the draft v2 of the SBTi's Corporate Net Zero Standard for companies to develop detailed transition plans outlining the governance, actions, policies and resources necessary to achieve science-based targets and reach net-zero emissions.

SPEN's net zero ambition

Over 3.5 million homes and businesses across the UK rely in part on us achieving Net Zero on time to support the decarbonisation of their electricity, transport and heat.

SPEN has an aspirational target to achieve Net Zero GHG emissions by 2035.

By setting ambitious targets, we aim to push ourselves to achieve greater emissions reductions than we might with a less ambitious goal. This approach is intended to drive the kind of meaningful reductions needed to help avoid the worst impacts of climate change. We expect our overall emissions reduction trajectory to be non-linear. This means some parts of our carbon footprint may decarbonise in line with the 2035 Net Zero pathway, some may decarbonise faster, and others may lag. The focus is on the overall outcome, meaning any shortfall in one area must be balanced by greater reductions in another. It's also important to note that our Net Zero target is aspirational, and at this stage, we do not yet know exactly how or if it will be fully achieved.

Our Net Zero Targets have been developed in accordance with the SBTi Corporate Net Zero Standard[7]..

[4] United Nations, Climate Action. Available at: https://www.un.org/en/climatechange/net-zero-coalition#:~:text=Put%20simply%2C%20net%20zero%20means,leaving%20zero%20in%20the%20atmosphere. (Last accessed:18/06/2025)
[5] Science Based Targets initiative 'SBTi Corporate Net-Zero Standard Criteria' March 2024, Available at: https://sciencebasedtargets.org/resources/files/Net-Zero-Standard-Criteria.pdf (Last accessed: 18/06/2025)
[6] IFRS, Transition Plan Taskforce Disclosure Framework. Available at: https://www.ifrs.org/content/dam/ifrs/knowledge-hub/resources/tpt/disclosure-framework-oct-2023.pdf (Last accessed: 18/06/2025)
[7] SPEN transmits and distributes electricity only, without being involved in generating of energy or purchasing it and, therefore, does not need to follow the SBTi Power Sector Guidance, but instead the Net Zero Corporate Standard criteria.

Table 2.1: Net Zero Targets and Metrics

	Scope 1 and 2	Scope 3	Supplier engagement
Metric used	tCO_2e	tCO_2e	% of suppliers
Target objective	Reduce Scope 1 and 2 emissions by 95% by 2034/35 from 2018/19 baseline.	Reduce Scope 3 emissions by 90% by 2034/35 from 2018/19 baseline.	Suppliers responsible for 80% of spend to set SBTi aligned (or equivalent) Net Zero targets by 2028
Interim target	Reduce Scope 1 and 2 emissions by 67.5% by 2030/31 from 2018/19 baseline	Reduce Scope 3 emissions by 67.5% by 2030/31 from 2018/19 baseline	
Target boundary	Company operations	Company operations	Company operations
Target period	2018/19 – 2034/35	2018/19 – 2034/35	2018/19 – 2034/35
Base year	2018/19	2018/19	2018/19
Absolute / intensity	Absolute	Absolute	N/A
Alignment with international climate agreements	Aligned with Paris Agreement goal of limiting warming of 1.5°C pathway	Aligned with Paris Agreement goal of limiting warming of 1.5°C pathway	N/A
Alignment with science-based pathways	Science-based target aligned to 1.5°C pathway	Science-based target aligned to 1.5°C pathway	N/A
Methodology used	SBTi Net Zero Standard	SBTi Net Zero Standard	SBTi Net Zero Standard

SPEN reports on emissions and progress against targets annually with this information published on our website in our Transmission and Distribution Annual Environmental Reports.

Recalculation of targets could be triggered by significant changes in company activity levels or structure (e.g. mergers / acquisitions or divestments); in the methodology used for calculating the base year inventory (e.g. improved emissions factors, improved data quality); or in the identification of significant errors.

In line with the SBTi requirement, we will recalculate our base-year emissions (and where needed update targets), when there is a significant change, defined as 5% or more of our total emissions covered by the target boundary[8].

Performance against our targets is monitored through our Net Zero Governance Structure, as outlined in the Governance section of this plan.

Success to date

We have already started our journey to Net Zero:

- Since 2019 we have achieved a number of key milestones across energy use, travel, infrastructure development, and supply chain, including:
- One of SPEN's key objectives is to **end the use of fossil fuels** in our operations, for example, by electrifying our fleet (see below).
- We have transitioned to using 100% UK-based renewable energy in the majority of our buildings and substations, resulting in an estimated carbon savings of 67,992 tCO2e since the start of RIIO-T2, which is equivalent to powering 25,182 UK households for a year.
- Our Business Travel Policy has reduced air travel to just 6% of all journeys, equivalent to approximately 10 tCO_2e saved.

[8] Since the time of creating this plan Energy North West has been acquired as part of SPEN's distribution licence; we will rebaseline and consider any impacts in a update to this document in 2026/7; Science Based Targets initiative 'SBTi Corporate Net-Zero Standard Criteria' March 2024, Available at: https://sciencebasedtargets.org/resources/files/Net-Zero-Standard-Criteria.pdf (Last accessed: 18/06/2025)

- We have begun our journey to a 100% electrified vehicle fleet, installing rapid and ultra rapid chargers across our business sites; trialling a range of EVs within the business and innovating to address storm resilience. By transitioning to a fully EV fleet, we will save 19,273 tCO2e by 2031 across SPT, SPD and SPM.
- We recognise Net Zero will require a significant mindset shift in the decisions and actions our teams take on a daily basis. To enable a sustainable business **culture** across our organisation, we provide topic specific training. We also provide an employee salary sacrifice scheme for public transport, cycle to work and electric vehicle lease schemes.
- We are investing in better decision making processes to ensure that potential high emissions choices are analysed and avoided, for instance:
    - Our circular economy approach avoids significant potential emissions by adopting sustainable resource use practices. For example, in Mossmorran we refurbished and re-used the concrete foundations of a 132kV switchgear replacement, adding around 40 years to the lifespan of the concrete. As a result, we have avoided using 247m^3 of new concrete and saved 106 tCO_2e - equivalent to the energy needed to power 39 households for a year.
    - We are working to embed PAS 2080 across our infrastructure development process aiming for SPEN-wide certification by 2028. PAS 2080 is a global standard for managing carbon emissions within the built environment, specifically focusing on infrastructure projects. It provides a framework for organizations involved in the design, construction, and operation of infrastructure to reduce carbon emissions throughout the entire lifecycle of a project. The standard encourages collaboration, innovation, and a whole-life carbon approach to achieve net-zero goals.
- We have collaborated with other transmission network operators, the UK trade association for energy infrastructure technologies (BEAMA), and our supply chain partners to measure and reduce emissions from necessary capital infrastructure projects.

Dependencies

SPEN cannot reach Net Zero alone, a range of actors and stakeholders will be key in enabling us to deliver on our ambitions. Additionally setting a Net Zero target beyond our current business plan timeframes comes with a level of uncertainty and requires us to acknowledge current and potential factors outside of our direct control that may impact our Net Zero journey. Here we have identified some of these high-level dependencies.

Our assessment is informed by the framework collaboratively developed by the Oxford Sustainable Finance Group and the Smith School of Enterprise and the Environment[9].

Table 2.2: High level dependencies for Net Zero ambition

International and national policy
Long-term, and consistent, national and international policy that provides clarity, stability, and investor confidence across the energy transition will be essential to the delivery of SPEN's Net Zero ambitions, particularly in relation to energy, infrastructure, investment and regulatory frameworks. Government changes, or delays, especially in areas related to renewable energy subsidies, planning consents for grid upgrades, or electric vehicle infrastructure can significantly hinder long-term planning and investor confidence. According to the Climate Change Committee's 2024 Progress Report[10], policy uncertainty is one of the major barriers slowing the pace of decarbonisation of the UK energy sector. Policy consistency is, therefore, essential to maintaining momentum of renewable energy generation, grid upgrades, and electrification of heat and transport to achieve net zero and ensure customer affordability isn't negatively impacted.

[9] Oxford Sustainable Finance Group and the Smith School of Enterprise and the Environment, 'A framework for assessing and managing dependencies in corporate transition plans'. Available at: https://sustainablefinance.ox.ac.uk/wp-content/uploads/2024/08/Corporate-Transition-Plan-Dependencies_Executive-Summary-v2.pdf (Last accessed: 18/04/2025)
[10] Climate Change Committee (2024) 2024 Progress Report to Parliament. Available at: https://www.theccc.org.uk/publication/progress-in-reducing-emissions-2024-report-to-parliament/ (Last accessed: 11/07/2025)

Carbon intensity of the UK grid
SPEN's Net Zero transition is reliant on the government achieving its target to decarbonise the power system by 2035[11]. This is not only necessary to address emissions from SPEN's business energy use but also emissions from electricity lost during its transmission and distribution, which accounted for 47% of SPEN's total GHG footprint in 2024/25. Emissions from losses are outside the direct control of SPEN and while we have an Energy Losses Strategy in place, this needs to be complemented by actual reduction in grid carbon intensity. Greenhouse gas emissions from generating electricity have fallen substantially over the last decade, however, our own analysis shows that grid carbon intensity has not followed the forecasted pattern and only reduced by 24% since 2021. A higher proportion of electricity needs to come from clean, green sources like wind and solar. To accelerate this process, we need to see further investment and political support for grid decarbonisation, integrating more renewables, updating infrastructure, and making the system smarter and more flexible. Only by replacing fossil fuels with cheaper, cleaner, sources of energy, can SPEN reduce emissions its own emissions to Net Zero.
Supply chain
Our supply chain is a significant contributor to SPEN's emissions, primarily from the manufacture and transportation of electrical and civil assets needed to build the network. In 2024/25 these emissions accounted for 73% of our Scope 3 emissions. We, therefore, need to see our entire supply chain take responsibility for addressing their own emissions, helping us address our indirect emissions hotspots in Scope 3 Category 1. Purchased Goods and Services and Category 2. Capital Goods. Ensuring sufficient quantities of low carbon materials at an affordable cost to meet our rising demand is key to decarbonising the electricity network. The Organisation for Economic Co-operation and Development (OECD) has warned that while global reserves of critical materials are adequate, the production and trade of many of these materials is highly concentrated in a few countries, where export restrictions and geopolitical tensions pose significant risks of supply disruption and price volatility. SPEN is committed to the SteelZero initiative and other collaborative efforts that drive the decarbonisation of industrial materials. Steel is one of the key materials necessary for SPEN's operations, and its availability presents a long-term risk in the context of decarbonisation. Currently, less than 1% of global steel production qualifies as near-zero emissions while the overall steel demand is projected to rise 30% by 2050, significantly outstripping the projected growth in capacity. In addition, Net Zero steel carries a premium cost of 25-50% over conventional steel[12]. This combination of limited supply, rising demand, and high cost poses a long-term risk to the resilience of SPEN's supply chain. Without a reliable and affordable supply of low carbon steel, infrastructure projects may face delays, increased costs, or difficulty meeting sustainability targets. To mitigate this risk, coordinated action across the supply chain is urgently needed. Steel producers must accelerate investment in green steel technologies, such as hydrogen-based direct reduced iron (DRI) and electric arc furnaces powered by renewable energy to scale up production capacity. Government must also take a proactive role in enabling the conditions necessary for a viable low carbon steel market.
Technological innovation
Continued technological innovation is critical to SPEN's Net Zero future. SPEN's grid modernisation hinges on the availability of new and innovative technologies. This is particularly important for hard to abate direct GHG hotspots such as SF_6, and for operational transport emissions from 4X4s and HGVs. Realising SPEN's Net Zero ambition is reliant on the development and adoption of new technologies to address these key emissions problem areas.
Continued public support and acceptance

[11] House of Commons, Business, Energy and Industrial Strategy Committee. (2023) Decarbonisation of the Power Sector. Available at: https://committees.parliament.uk/publications/39325/documents/193081/default/ (Last accessed: 11/07/2025)
[12] Jurgens, J. and Rogers, M. (2022). What is net-zero steel and why do we need it? [online] World Economic Forum. Available at: https://www.weforum.org/stories/2022/09/what-is-net-zero-steel-and-why-do-we-need-it/ (Last accessed: 11/07/2025)

Successful Net Zero delivery is dependent on continued public support. In 2022, the BEIS public attitudes tracker showed that 88% of UK adults support renewable energy[13]. That support can diminish, however, when local impacts are experienced from wind farms or they lead to rising energy costs. For instance, while most people are supportive of solar farms in their area, fewer express similar sentiments for onshore wind farms.

According to the Climate Change Committee, Starmer's ambition to reduce emissions by 60% will require changes in consumer behaviour, including the adoption of electric vehicles, heat pumps, and flexible energy usage[14]. While SPEN can provide the tools and infrastructure, success ultimately depends on how readily individuals and businesses are able to adapt and adopt these changes.

Our strategic objectives

Tackling climate change is a moral imperative. We are proud to be leading the way, facilitating the transition to Net Zero as a key part of the UK's energy system and taking steps to become a fully sustainable networks business. This section outlines how our net zero ambition is embedded in our three strategic pillars of the business strategy, which are shown below.

Figure 2: SPEN's three strategic pillars[15]

'Develop a Net Zero GHG network that enables societal decarbonisation'

We are developing and implementing **carbon accounting tools, management methodologies and reduction strategies** to more efficiently deliver wider ranging positive impact. In partnership with infrastructure providers and the industry this collaborative work will enable us to comprehensively assess our entire value chain, focusing on reducing emissions and costs through smarter design and construction practices, ensuring we deliver the best value to our customers and communities by promoting sustainability and efficiency at every project stage.

We are also working to reduce **energy consumption** from our own buildings by an estimated 7.2GWh a year by the end of 2028 to ensure we lead by example.

'Collaborate to deliver a Net Zero GHG future with positive outcomes for our communities'

The road to Net Zero will involve multiple **intersectional challenges** across society and environment. We must adapt to ensure that grid decarbonisation and achievement of business goals deliver fair and equitable outcomes for all. As a stakeholder driven organisation, it is a strategic objective that our Net Zero GHG strategy delivers positive outcomes

[13] Renewableuk.com. (2022). RenewableUK. [online] Available at: https://www.renewableuk.com/news-and-resources/press-releases/public-support-for-renewable-energy-reaches-new-record-high/. (Last accessed: 11/07/2025)

[14] Centre for Climate Change and Social Transformation, 'Starmer at COP29: Can the UK Really Cut Emissions without Behaviour Change? - CAST' (*CAST*April 2025). Available at: https://cast.ac.uk/blog/starmer-at-cop29-can-the-uk-really-cut-emissions-without-behaviour-change/ (Last accessed: 11/07/2025)

[15] SPEN's three strategic pillars. Available at: Stakeholder Engagement - SP Energy Networks (Last accessed: 11/08/2025)

for the wider community. Our vision for this is set out in our **Just Transition Strategy**[16]. A just transition to Net Zero is both a process and a goal, to achieve which we must work collaboratively with stakeholders, including trade unions and communities.

We believe our approach to delivering Net Zero **maximises benefits to all**: people and planet, through identifying and trialling holistic approaches to nature regeneration, climate and social sustainability. Examples include rewilding projects within our local communities to create both local wildlife habitats and carbon sinks. We will continue significantly investing in nature enhancements alongside our network construction activities by applying a natural capital approach to maximise the value to society. Our work to deliver nature enhancement and nature-based solutions for climate change resilience also involve the use of innovation to find new solutions and opportunities. These initiatives will result in carbon removal and reduction and will support achievement of our emissions reduction targets.

'Innovate on areas of challenge in collaboration with peers and experts in climate action'

We operate and maintain over 30,000 substations, 40,000 km of overhead lines and over 60,000 km of underground cables across our network[17]. Our work sits at the heart of the net zero transition as we develop and maintain the critical infrastructure necessary for the decarbonisation of energy, heat and transport. Individually and together with the wider infrastructure sector we are working to develop and participate in shared infrastructure innovation projects to maximise expertise and deliver cost efficiencies in the delivery of carbon emissions reductions.

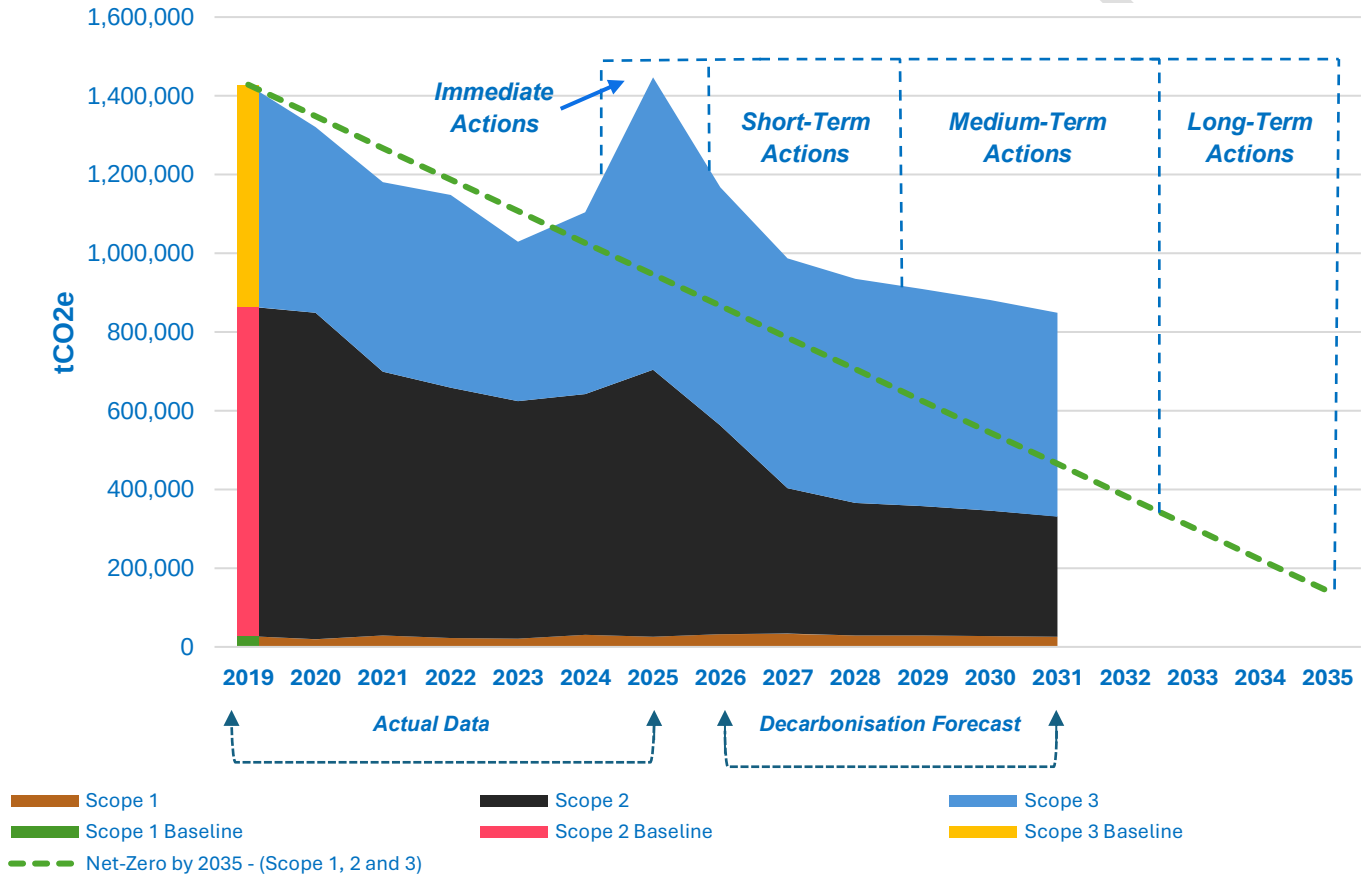
We are also using digitalisation innovatively to better incorporate carbon reduction within our designs and operations, unlocking efficiencies possible by emerging technologies such as digital twins, internet of things and artificial intelligence.

[16] SPEN, Our Just Transition Strategy (2023) Available at: https://www.spenergynetworks.co.uk/pages/our_just_transition_strategy.aspx (Last accessed: 18/06/2025)
[17] SPEN_Guidance_to_Connect_to_Network.pdf

Implementation Plan

Theoretical path to net zero

Graph 3.1 below represents SPEN's anticipated Net Zero trajectory. We have developed a carbon emissions reductions forecast model based on the full implementation of our RIIO-ED2 and RIIO-T3[18] Climate Action Commitments by 2027/28 and 2030/31 respectively. By 2030/31, we forecast a reduction in our total carbon footprint by approximately 41%. Although this reduction is 16% short of our near-term science-based target it positions us well for the development of our RIIO-ED3 business plan to drive further decarbonisation in our Distribution businesses from 2028 onwards.



Graph 3.1: SPEN's decarbonisation pathway (Scope 1, 2 & 3 Emissions Trajectory

We use the trajectory as a guide across the business. Our Net Zero target is very ambitious, and we acknowledge the uncertainties and dependencies on which our pathway is based. It should also be noted that some activities related to our RIIO-ED2 and RIIO-T3 Climate Action Commitments cannot yet be quantified, e.g. the impact of implementing the PAS 2080 standard for managing carbon within the built environment, therefore, the forecast emissions trajectory should be viewed as very conservative.

The graph shows the actual carbon footprint data for years 2018/19 to 2023/24 (below shown as 2019 and 2024 on the graph) while, forecast carbon footprint reductions were calculated for our RIIO-ED2, T2 and T3 business plans up until 2030/31. The trajectory line for 2031/32 to 2034/35 represents the desired decarbonisation required to achieve our Net Zero Target, but we have not yet forecasted any additional reduction activities. We will conduct further detailed forecasting calculations as we progress into the future price control business plans (e.g. RIIO-ED3 for the period 2028-

[18] Ofgem's T3 Final Determination allows SPEN to deliver our decarbonisation activities as laid out in our T3 business plan.

2033) and/or we obtain better data or identify additional carbon reduction opportunities. These changes will be included within revisions of this Transition Plan.

The peak in Scope 2 emissions shown in 2025 is primarily due to increased network losses. These increased network losses also impact our Scope 3 fuel-and-energy-related activities, particularly those associated with the upstream production of electricity lost across our network. Additionally, emissions from purchased goods and services (Categories 1) and capital goods (Categories 2) also contributed significantly. In fact, 2025 recorded the highest emissions from these categories, accounting for 78% of total Scope 3 emissions. Ongoing analysis indicates that the majority of these emissions are linked to infrastructure development.

To address this, we are aligning our practices with the principles of PAS 2080 and deepening our understanding of embodied carbon, both critical to reducing emissions in this area. While emissions appear to have increased significantly, it is important to note that Categories 1 and 2 are currently calculated using spend-based financial proxies. These proxies do not reflect investments in low-carbon materials and technologies, which often have higher upfront costs. Because financial proxies are based solely on expenditure, more expensive low-carbon solutions can appear to have a higher carbon impact, effectively penalising efforts to decarbonise.

Accurately reporting Scope 3 emissions remains complex, due to the diverse and intricate nature of our global supply chain. To improve accuracy, we are trialling several carbon measurement tools tailored to our construction activities. These tools are being customised to align with our operational processes and are currently being tested on selected projects. Once the trials are complete, we plan to adopt the most suitable tool to standardise our methodology and enhance the reliability and consistency of our emissions data.

Solutions for decarbonisation

To facilitate our 2035 Net Zero GHG emissions target we are putting in place a comprehensive decarbonisation approach to be delivered across all business units and supported by a centralised governance model. Our actions are broken down into four time periods. Table 3.1 below shows these time periods and summarises the key actions we have started and will be implementing over the coming years to enable Net Zero. A focus on continuous improvement and investment in innovation straddles all phases of our journey.

Table 3.1: Key Decarbonisation Solutions.

Decarbonisation		Engagement		Governance		Policies	
Immediate actions – these actions will be carried out within the current carbon reporting period, and they directly build on actions that we have undertaken to date, which are set out in the 'success to date' section.							
SF_6 free installations, leakage reduction and retrofitting. Reduce generator emissions intensity by 80%. Decarbonise our operational fleet by replacing 100% of our cars and vans with electric alternatives and install electric vehicle charging infrastructure for our operational fleet at our sites.	Continued use of Renewable Energy Tariffs. Implement processes for carbon management in relevant business activities, aligned with PAS 2080 Carbon Management in Infrastructure Reduce Business Travel emissions by at least 580 tCO_2e	Provide training to relevant staff members on Net Zero including, in relation to reducing carbon in every stage of network activity (all staff, executive team and the Board).	Engagement with all suppliers. Collaborate with stakeholders including the other Distribution and Transmission Network Operators to assess and manage capital carbon on our projects, driving efficiencies throughout our supply chain and sharing best practice.	Ensure relevant KPIs are in place to drive implementation of this Plan. Continue to ensure the quality of our sustainability data is maintained to a high standard through appropriate measures including external verification and transparent reporting of performance and progress.	Ensure that the Transition Plan implementation process is a standing point on the Board's and the Executive Team's agendas. Continue to give board-level prominence to the sustainability agenda within our business and engage with external organisations with strategic interests in sustainability in the license areas	Update Procurement Policies and supplier Code of Conduct to access better data quality for Purchased Goods and Services and Capital Goods.	Continue to require contractors and suppliers to become members of the Supply Chain Sustainability School and undertake relevant sustainability and environmental trainings.

					where we operate[19].		
Short-term actions (2026 - 2028)							
Minimise leakage of SF_6 and replace assets where repair of leaks prove ineffective. Reduce generator emissions intensity by 80%. 100% electric operational fleet (cars and vans). Reduce Business Travel emissions by at least 580 tCO_2e. Adoption of SP Wide Position statement which aims to limit the use of CEM 1 concrete. Continue refurbishing and improving energy efficiency of substations.	Pilot and monitor renewable generation at substation and/or depot sites to offset building energy demand. Implement Losses Reduction Strategy to reduce network losses. Continue to implementing processes for carbon management in relevant business activities, aligned with PAS 2080 Carbon Management in Infrastructure.	Collaborate with suppliers to access low carbon materials and technologies to drive reductions from procurement; and 80% suppliers to set SBTi aligned Net Zero targets. Continue to collaborate with stakeholders including the other Network Operators to assess and manage capital carbon on our projects, driving efficiencies throughout our supply chain and sharing best practice.	Agree mutual Net Zero action plans with key suppliers and engage with suppliers early in the development of projects to propose environmental improvements at concept and design stages. Develop RIIO-ED3 Environmental Action Plan to deliver next stage of carbon reductions from 2028-2033 (Distribution).	Work with HR to ensure there is a process in place to review skills needed for the delivery of Net Zero.	Workforce engagement strategy on Net Zero.	Ensure all relevant policies are reviewed and updated where needed on regular basis to ensure they support the decarbonisation journey.	
Medium-term actions (2029 – 2031)							
SF_6 filled equipment will only be installed if a viable SF_6 free solution is not available. 100% of vans and cars will be decarbonised. **Buy and use 50% low emission steel.**	Reduce energy consumption by refurbishing SPEN buildings. Continued implementation of Losses Reduction Strategy to reduce network losses. Obtain Certification to PAS 2080 Carbon Management in Buildings and Infrastructure.	Further collaboration with some key suppliers on innovative materials and solutions. Develop RIIO-T4 Environmental Action Plan to deliver next stage of carbon reductions from 2031-2036 (Transmission).	Set a cutoff date and put in place an escalation process for supplier reengagement as required.	Consider linking net zero targets with annual bonuses.	Review existing processes and structures to ensure they remain fit for purpose to lead Net Zero.	Continue to update Supplier Code of Conduct and the Procurement Policy to help guide supplier expectations.	Review the need for any additional policies that would support Net Zero ambition.
Long-term enablers (2032 – 2035)							
Testing and piloting new innovative solutions focused on hard to abate GHG hotspots in our direct emissions (e.g., SF_6 and	Continue working with low carbon steel producers. Deliver 10% offsetting of baseline emissions by 2035.	Develop RIIO-ED4 Environmental Action Plan to deliver next stage of carbon reductions from 2033-2038 (Distribution).	Only work with suppliers that align with SPEN's Net Zero requirements.	Ensure that the leadership team has skills to drive the ambition beyond Net Zero.	Ensure that existing Net Zero governance structures enable achievement of the target and are also already looking beyond net zero.	Actions on policies to be determined closer to the timescale reflecting the need.	

[19]SPEN Sustainable Business Strategy. Available at: https://www.spenergynetworks.co.uk/userfiles/file/SPEN_SustainabilityStrategy.pdf (page 24) (Last accessed: 18/06/2025)

EV 4x4s) and value chain.							

The key priorities for addressing our Scope 1 and 2 emissions remains to reduce any SF_6 leaks and install SF_6 free equipment where possible, continue implementing a fleet decarbonisation strategy, focus on addressing our emissions associated with the electricity we procure, and minimising the losses incurred when transmitting electricity across our network as per our Energy Losses Strategies[20].

One of SPEN's key objectives is to **end the use of fossil fuels** in our operations:

- We have begun fleet electrification and will decarbonise 100% of our cars and vans by 2030.
- We are moving to alternative low carbon fuels and electric alternatives for generators used at construction sites and for temporary power backup, in addition to our current use of Hydrogenated Vegetable Oil (HVO).

We are also working to reduce **energy consumption** from our buildings by an estimated 7.2GWh a year by the end of 2028. This will be achieved through:

- A Transmission and Distribution buildings refurbishment programme;
- Continuing to procure 100% renewable energy for our operations.

Some of the key emissions sources for our business are the transmission and distribution **network losses** and **F Gas** leaks, of which SF_6 is the key contributor.

- In RIIO-T2, we committed to continue to require manufacturers to provide equipment with an SF_6 leakage rate, which is half of that of the internationally recognised standards, where technically viable and use alternatives to SF_6 insulating gas for all new circuit-breakers and GIS installations where there are technically feasible market-ready solutions.
- In RIIO-ED2, we committed to reduce our SF_6 leakage rate by 10% over the RIIO-ED2 period compared to RIIO-ED1. We are working with our electrical equipment suppliers to implement new SF_6 free solutions across all voltage levels, ending the addition of new SF_6 assets from 2028 where it is cost effective and technically viable to do so.
- In RIIO-T3, we have committed, subject to Ofgem approval, to reduce emissions from SF_6 leakage in line with the trajectory required to meet our Science-Based Target and install SF_6 free equipment (SF_6 filled equipment will only be installed if a viable SF_6 free solution is not available).
- As part of our price control business plans, we have implemented comprehensive Losses Strategies to address network energy losses. Our goal is to reduce network losses by over 50 GWh by 2028, below the losses level that would otherwise have occurred[21]. This target is based on our estimated losses reduction during the RIIO-T2 and RIIO-ED2 price control periods. Additionally, we have committed to further reducing network losses by an estimated 4.78 GWh during the RIIO-T3 period (subject to Ofgem approval).

Our Scope 3 emissions are mainly associated with the products and services we procure and wider fuel and energy related activities. We work collaboratively with our suppliers to ensure that our GHG impacts associated with **future infrastructure** development are minimised by:

[20] SPEN, Electricity Network Losses. Available at: https://www.spenergynetworks.co.uk/pages/what_are_we_doing_about_network_losses.aspx#tablist1-panel1 (Last accessed: 18/06/2025)
SP Transmissions (T2) Environnemental Action Plan. Available at: https://www.spenergynetworks.co.uk/userfiles/file/RIIO-T2_Annex_7_Environmental_Action_Plan.pdf (Last accessed: 16/06/2025)
SP Distributions Environnemental Action Plan. Available at: https://www.spenergynetworks.co.uk/userfiles/file/Annex_4C_Environmental_Action_Plan_Dec_Final.pdf (Last accessed: 16/06/2025)
SP Transmissions (T3) Environmental Action Plan. Available at: https://www.spenergynetworks.co.uk/userfiles/file/Environmental%20Action%20Plan%20-%20RIIO-T3%20Business%20Plan%20-%20SP%20Energy%20Networks%20-%20Redacted.pdf (Last accessed: 16/06/2025)

[21] Energy losses are expected in increase due to expected increase in electricity demand and the expansion of the network to support connections to low carbon technologies.

- Using **low carbon materials** including low carbon concrete, low carbon steel and transitioning away from on-site diesel use.
- Supporting cost-effective emerging low carbon opportunities across our existing and new infrastructure.
- Working with suppliers across our Transmission & Distribution Licences to ensure 80% (by value) meet enhanced environmental standards and have set or are working towards validated SBTs by 2028.
- Supporting the provision of free to access sustainability and Net Zero training materials for suppliers via our Supply Chain Sustainability School Partner status.

We will also continue working to minimise emissions associated with travel. Despite business travel and employee commuting only contributing marginally to our overall footprint, we believe sustainable Travel Policy will enable the right business culture.

Climate-related risks

Climate risk assessments have been conducted and are documented within our Climate Resilience Strategies[22] for SP Transmission and our Distribution Licences. Climate risk considerations are crucial to managing our network and in designing new and upgraded network assets and low carbon technology connections. The two documents set out the Climate Risk Assessments as well as the Adaptation Solutions and Pathways for the Transmission and Distribution divisions respectively. They build on previous climate assessment work carried out by the SPEN team.

In addition to this Climate Resilience Strategy work, SPEN are rethinking the traditional problem-solving approaches and promoting the use of Nature-based Solutions (NbS). NbS leverage natural processes to avoid carbon intensive resilience and adaptation measures. Beyond carbon savings they deliver wider benefits such as restoring ecosystems, conserving biodiversity and managing water resources. SPEN are currently exploring the implementation of NbS to reduce flood risks and landslides, including Sustainable Drainage Systems (SuDS) and catchment-scale flood alleviation measures. SP Transmission has conducted a comprehensive Flood Risk Assessment of high-risk sites and implemented measures to mitigate identified risks. By integrating NbS into our infrastructure design and risk mitigation activities, we aim to create a safe, resilient network that benefits both nature and society.

Policies and processes

To support decarbonisation, we have reviewed all relevant policies to ensure that they are aligned and support our Net Zero transition. We will regularly review them to ensure their relevance and to reflect and changes to our business. Key policies that continue to be reviewed include:

- **Sustainable procurement policy.** We will continue to update our procurement policies and processes to support our procurement teams to select new and work with current suppliers in a way that aligns with our mission and targets.
- **Supplier Code.** The Supplier Code sets out the minimum standard for any organisation that provides services or goods to SPEN, including reporting of waste, carbon emissions and materials use, and the setting of Science-Based Targets (or equivalent). This Code is currently under review and in its updated form, it will set out additional expectations for suppliers to disclose measured emissions, Net Zero targets and provide evidence of a decarbonisation action plan or that such plan will be prepared in the near future.
- **Sustainable Business Travel Policy.** This policy provides guidance for staff on how to travel more sustainably. It sets out the decision-making process. In addition, we will provide a guidance document outlining the options for business travel examples for our employees.
- **Environmental Policy.** SPEN's Environmental Policy identifies energy efficiency as a priority for us. We have energy efficiency programmes in place to target both our depot and substation buildings energy use and our Engineering Standards are being updated to define how energy efficiency requirements should be considered when designing new buildings. In addition to that, our Environmental Policy identifies waste as a priority for

[22] SPEN, Climate Resilience Strategy (SP Transmissions). Available at: https://www.spenergynetworks.co.uk/userfiles/file/Climate-Resilience-Strategy-RIIO-T3-Business-plan-SP-Energy-Networks.pdf (Last accessed: 18/06/2025); SPEN, Climate Resilience Strategy (SP Distributions). Available at: https://www.spenergynetworks.co.uk/userfiles/file/Annex_4A.7-Climate_Resilience_Strategy.pdf (Last accessed: 18/06/2025)

action. Our waste procedures describe how waste must be managed by applying the waste minimisation hierarchy (to avoid, reduce, reuse, recycle).

- **Re-baselining of carbon emissions.** Given the forecasted increase in network construction activity, we are expecting to be required to recalculate our base year emissions in line with the SBTi Net Zero Corporate Standard (if business grows by more than 5%). At that time, we will ensure that we comply with the rules laid out by the SBTi.

Upskilling and training

To ensure that sustainability and Net Zero training is provided to those in leadership positions across the organisation, SPEN developed and implemented courses for senior and middle managers respectively: 'Leading with Environmental Sustainability' and 'Managing with Environmental Sustainability'. Senior and middle managers also undertake a Climate Literacy course delivered by Keep Scotland Beautiful. Further information about internal training for sustainability and Net Zero for Distribution and Transmission is extensively covered within the relevant price control workforce strategies: Enabling Path to Net Zero roadmap[23], the ED2 Distribution Net Zero Workforce Strategy, the T2 Sustainable Workforce Strategy[24] and the T3 Workforce and Supply Chain Resilience Strategy[25], which set out approaches for ensuring that the team has the relevant skills for the Net Zero future.

In the coming years, we will be continuing with annual training for our leadership and management teams, and we will continue to strategically plan training for all employees that will consist of a mix of e-learning and classroom-based training that will focus on the management of environmental impacts, ISO14001, wider sustainability and Net Zero. Moving forwards, we will ensure that Net Zero and wider sustainability topics are included in the onboarding training for all new starters.

We are a Partner of the Supply Chain Sustainability School[26] and thereby fund and support the development of Net Zero and wider sustainability training for our supply chain, through free access to this learning platform

Financial Planning

In order to deliver towards the Climate Action objectives of our Sustainable Business Strategy (SBS), SPEN will invest £81.9 million in our Distribution Licences by 2028 (RIIO-ED2) and SP Transmission by 2031 (RIIO-T3). In addition, we have investments identified to deliver our SBS objectives for Sustainable Society (£25.02 million) and Action for Nature (£75.47 million). Further financial provision for the years beyond RIIO-ED2 and T3 will be included in future updates to this document.

[23] SPEN, Enabling the path to Net Zero. Available at: https://www.spenergynetworks.co.uk/userfiles/file/35312%E2%80%93SPEN-ED2_ExecutiveSummary_Final_web.pdf (Last accessed: 18/06/2025)
[24] SPEN, Annex 2: T2 Sustainable Workforce Strategy. Available at: https://www.spenergynetworks.co.uk/userfiles/file/RIIO-T2_Annex_2_Sustainable_Workforce_Strategy.pdf (Last accessed: 16/06/2025)
[25] SPEN, Workforce and Supply Chain Strategy. Available at: https://www.spenergynetworks.co.uk/userfiles/file/Workforce%20and%20Supply%20Chain%20Resilience%20Strategy%20-%20RIIO-T3%20Business%20Plan%20-%20SP%20Energy%20Networks%20-%20Redacted.pdf (Last accessed: 16/06/2025)
[26] Supply Chain Sustainability School. Available at: https://www.supplychainschool.co.uk/ (Last accessed: 16/06/2025)

Engagement strategy for our Transition Plan

SPEN has a Stakeholder Engagement Strategy[27] in place to guide engagement with all relevant internal and external stakeholders to ensure that all perspectives are considered when preparing and implementing strategy. The key stakeholder groups relevant to this Net Zero Transition Plan include our customers, suppliers, employees, Scottish Power and Iberdrola, UK Environmental Regulators, Ofgem, UK Governments, local and national NGOs, association bodies and membership organisations, and collaboration groups.

Over the course of implementing this Transition Plan we will continue to engage with all of our key stakeholders through our extensive and robust existing approach to stakeholder engagement.

Different stakeholder groups have different roles and levels of interest in SPEN's Net Zero journey, and require different levels of engagement. The engagement approach tailored to each group is described in Table 4.2. We will adjust our engagement based on direct and in-direct feedback to ensure all needs are met as we progress towards our targets.

Table 4.2: Stakeholder engagement approaches

Employees	Suppliers	Scottish Power	Iberdrola	Customers
Communications We want all our employees to be updated regularly on implementation of the Sustainable Business Strategy and this Net Zero Transition Plan. Accordingly, we use our internal channels for communicating key milestones and required actions. **Training** We want all our employees be part of the delivery of this Transition Plan. Being a proud employer of a very talented team, we believe that with the right tools our employees will take the business in the right direction. We are, therefore, focusing on developing a Net Zero training programme to continue upskilling the team. **KPIs & Incentives** At Director level we have introduced performance KPIs linked with our sustainability objectives. We are	**Updating contracts and procurement requirements** We are continuously updating our approach to specifying requirements and reviewing tenders to ensure we over time strengthen our supplier requirements to align with Net Zero. **Data collection** Accessing good quality data for carbon reporting is one of our key challenges. We are committed to working with our suppliers to facilitate data collection. **Knowledge sharing** We have been on our sustainability journey for a few years, and while we acknowledge that there is still much to learn and improve, we believe that we have some useful insights to share with our suppliers for the benefit of their own Net Zero journeys, and vice versa.	**Annual reporting** We strive for the highest level of transparency towards our parent company and shareholders and, therefore, we engage through comprehensive annual reporting. **Board meetings** Directors report to Scottish Power on a regular basis to ensure both businesses are fully aligned on our Net Zero ambitions. **Director level training** SPEN Directors attend Net Zero and sustainability training provided by Scottish Power.	**Annual reporting** We strive for the highest level of transparency towards our group level owner and shareholders, and we do that through comprehensive annual reporting.	**Stakeholder engagements** We engage our customers through our Stakeholder Engagement Strategy and plans which AccountAbility review on an annual basis. **Partnerships** We utilise partnerships to reach our traditional hard to reach customers, for example rugby partnerships to target landowners and encourage young people to engage in Science, Technology, Engineering and Mathematics (STEM) disciplines.

[27] SPEN, Stakeholder Engagement Strategy 2024. Available at: https://www.spenergynetworks.co.uk/userfiles/file/SPEN_Stakeholder_Engagement_Strategy.pdf (Last accessed 18/06/2025)

looking into expanding these to link them with the achievement of our near-term Net Zero targets.					

Association bodies and memberships	Ofgem	Local NGOs	UK Governments	UK Environmental Regulators	Collaboration groups
Attendance We attend meetings to share knowledge and learn from other members. We will develop a process for monitoring the topics covered to ensure these align with our Net Zero ambition.	**Regulatory compliance** Our business plans and Environmental Action Plans are prepared in line with Ofgem price regulations. We also publish our Annual Environmental Reports.	**Stakeholder engagements** We aim to have a positive impact on our local communities and be transparent about ambitions, learnings, and challenges. We hope that through a collective approach we can drive a transition at the scale needed. Some of the key local NGOs are part of our Sustainability Stakeholder Working Group.	**Stakeholder engagements** We directly engage with the UK Governments to support the national Net Zero target. Scottish Government is part of our Stakeholder Working Group.	**Stakeholder engagements** We directly engage with UK's Environmental Regulators through our Stakeholder Working Group as SPEN's decarbonisation and additional infrastructure development will have to be delivered in an environmentally just manner.	**Attendance** We are part of a number of groups, on a voluntary basis, to ensure we are up to date on best practice and can collaborate to solve common challenges more efficiently and quickly.

Progress tracking

Our annual progress on carbon measurement and reduction is published on our website within our Annual Environmental Reports[28].

ofgem	We are regulated by Ofgem, and we must annually report our carbon footprint as part of our regulatory reporting pack. Ofgem require us to publish an Annual Environmental Report, that must include details of our carbon targets, footprint and reductions. On a 5 yearly cycle we must submit for Ofgem approval our Environmental Action Plans, as part of our overall Business Plans, which must include our plans for achieving our carbon reduction targets.
PlanetMark	Our carbon footprint has been verified by Planet Mark since 2016/2017, in line with their Planet Mark Net Zero Certification Programme. Having this accreditation in place ensures that our emissions and reductions are verified, which gives us the assurance to communicate our progress with confidence.

Approach to carbon offsetting

Offsetting refers to emissions reduction or removal resulting from actions outside our organisation's boundaries used to counterbalance our residual emissions.

Our priority is to reduce our emissions in line with our Science-Based Net Zero Target (95% reduction in Scopes 1 and 2 and 90% reduction in Scope 3 by 2035 taking action to make the most ambitious reductions possible, within technological, regulatory and other constraints. This includes a responsibility to work with and influence our supply chain to work towards achieving Net Zero.

Despite extensive work to directly address emissions, there will be residual emissions that cannot be reduced or addressed fully by our own actions. These residual emissions will reduce over time towards our target deadline as we are able to implement more carbon reduction actions. It is these residual emissions that SPEN will look to mitigate through the purchase of carbon offsets, in line with the goals and principles described below.

The following are our current offsetting commitments:

- RIIO-T2 Commitment to offset a defined subset of our SF6 leakage (ending April 2026).
- RIIO-ED2 Commitment to offset our Scopes 1 and 2 emissions (excluding losses) throughout ED2 (April 2023 to April 2028).
- RIIO-T3 Commitment (awaiting Ofgem approval) to offset a steadily increasing % of our residual emissions on a linear trajectory towards 10% in 2035 (April 2026 to April 2031).

Our Offsetting Principles

Our offsetting approach is guided by the following six principles:

1. **Aligned with Oxford Principles for Net Zero Aligned Carbon Offsetting**

   We are aligned and aim to be continually aligned with The Oxford Principles for Net Zero Aligned Carbon Offsetting to ensure offsetting is robust and credible[29]. In summary the Principles require that we ensure that carbon offsets we purchase:
   - have a high probability of 'additionality',
   - a low risk of 'reversibility',
   - have ongoing monitoring systems in place,
   - are verifiable and accountable,
   - have a low risk of negative unintended consequences to ecosystems and communities.

[28] SPEN, Sustainability, Reports and Publications. Available at: https://www.spenergynetworks.co.uk/pages/reports_and_publications.aspx (Last accessed: 14/06/2025)
[29] The Oxford Offsetting Principles. Available at: https://www.smithschool.ox.ac.uk/research/oxford-offsetting-principles (Last accessed: 16/06/2025)

2. Removal over offsetting reduction

We favour carbon removal offsets over offsetting reduction credits or schemes wherever appropriate and possible. We currently consider reduction schemes aligned to our business purpose, such as opportunities to increase social benefits through application of renewables and energy efficiency programmes for vulnerable consumers.

3. Local

Currently and in the near-term we prioritise offsetting local to our Licence areas, where our Scope 1 and 2 emissions occur. As we move to start offsetting some of our Scope 3 emissions, we will review this strategy to consider whether we should expand our offsetting to initiatives local to our supply chain activities.

4. Benefits to Nature and Society

We mitigate residual emissions in a way which maximises benefit to nature and communities and aligns with our Just Transition principles[30]. We actively support projects that deliver additional environmental and social benefits and this is an essential criterion for our selection of offsets. Currently, this means championing rewilding and nature-based solutions to support holistic environmental improvements and considering carbon reductions via energy efficiency and decarbonisation programmes. Due to the limited availability of offsetting products that comply with our Principles, this will involve working collaboratively and investing resource into emerging market development.

5. Credible, reliable, verifiable and transparent

As the offsetting market currently lacks standardisation, we will look for assurance that carbon offsets on offer are credible, reliable and verifiable. We will continue to support schemes verified under the Woodland Carbon Code and the Peatland Carbon Code and will consider credits from other similar high standard Carbon Codes that come to market in future. Where appropriate, we may participate in pre-verification markets.

For other offsetting schemes our assurance will involve:

- Ensuring all purchased offsets meet the Oxford Principles for Net Zero Aligned Carbon Offsetting.
- Purchasing offsetting products that are registered with known and trusted bodies wherever possible.
- Where offsets are delivered though unverified activities, we will ensure offsets can be evidenced through a robust methodology and are transparently communicated.
- Transparent reporting of our carbon offsetting on our website and in our Annual Environmental Reports.

6. Incremental

We will offset appropriately and incrementally over time, in line with our staged business plan commitments and as the market evolves. Our ultimate goal is to develop our maturity and capacity to offset all that is required to meet our 2035 target, within the rules and quantity permitted by the SBTi.

Offsetting Assumptions and Understandings

Vintages

We are primarily interested in vintages that verify pre-2035 but, due to constraints in market availability and the need to mitigate risk of high prices, we are open to acquiring Pending Issuance Units[31], that verify up to Scotland's 2045 Net Zero target where possible.

[30] SPEN, Just Transition Strategy. Available at: https://www.spenergynetworks.co.uk/userfiles/file/SPEN_Just_Transition_Strategy_March_2023.pdf (Last accessed: 16/06/2025)
[31] Pending Issuance Units, What you can buy - UK Woodland Carbon Code'. Available at: https://woodlandcarboncode.org.uk/buy-carbon/what-are-woodland-carbon-units (Last accessed: 18/06/2025)

Double Counting

The non-carbon environmental attributes of any product purchased by SPEN will not be used to count towards our (or any other organisation's) obligations or commitments relating to Compensatory Planting requirements, Biodiversity Enhancement/Net Gain, Natural Capital benefits or alike.

Stakeholder Engagement with Offsetting

Our stakeholders support our approach to offsetting; they have reinforced that we should follow the Oxford Principles for Net Zero Aligned Carbon Offsetting, that offsetting should (for current Scopes 1 and 2 offsetting commitments) be within Scotland and, for verified credits, be issued under the woodland and peatland carbon codes or any similar standard of carbon codes that might become available in future. Our stakeholders ~~are~~ understand~~ering~~ that as we evolve our offsetting strategy to incorporate Scope 3 emissions we will continue to prioritise to carbon removal offsets, but will consider carbon avoidance opportunities within emerging markets.

Offsetting to date (2025)

SPEN is signed-up to the Environmental Markit Registry, which is an international registry for managing carbon, water and biodiversity projects, issuing, transferring and retiring credits to ensure transparency for all stakeholders[32].

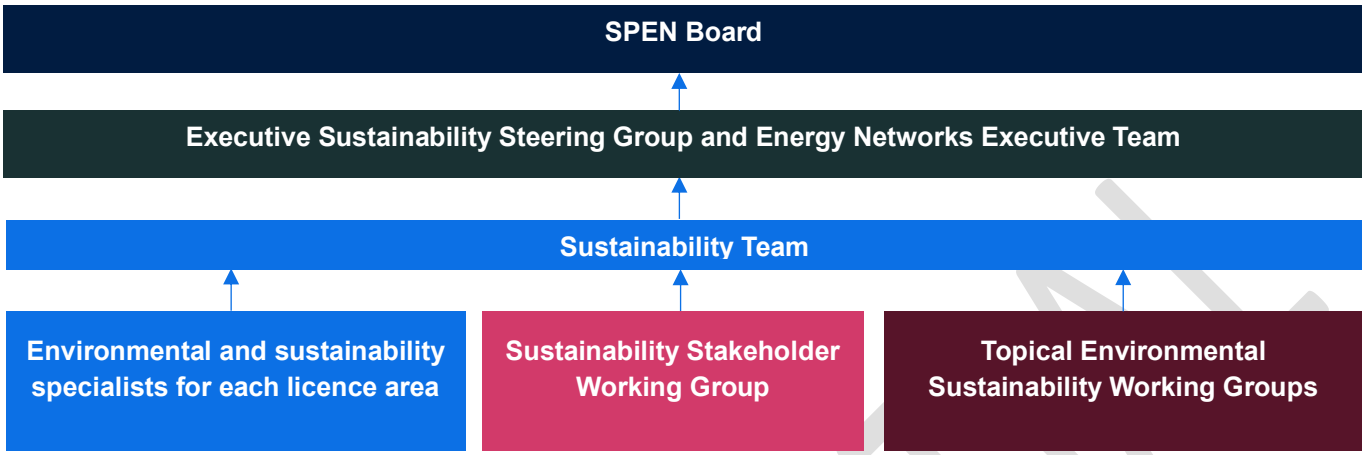
To date, to deliver our RIIO2 carbon offsetting Commitments, we have supported local, woodland schemes verified under the Woodland Carbon Code and are currently working to extend this to include schemes under the Peatland Carbon.

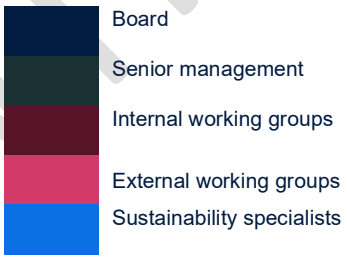
[32] Environmental Markit Registry. Available at: https://www.spglobal.com/commodityinsights/en/ci/products/environmental-registry.html (Last accessed: 18/06/2025)

Governance

Performance against our Net Zero targets is monitored by our Net Zero Governance Structure:

Graph 6.1: Governance Structure





Senior leadership have stewardship obligations that include taking action to address climate change within their organisation and beyond. This includes Streamlined Energy and Carbon Reporting (SECR) and Net Zero as defined by the 2019 Amendment to the Climate Change Act.

This Net Zero Transition Plan will govern SPEN's Net Zero delivery strategy. SPEN is committed to full transparency on its decarbonisation efforts to avoid any reputational, legislative and ethical risks such as accusations of 'greenwashing'. On an annual basis we will review our emissions and report on progress towards our targets and GHG emissions inventory. The annual governance review will ensure that:

- Data is complete and accurate
- Progress against targets is tracked
- Timelines are adjusted as needed
- Actual reductions are in line with estimated
- Forecasts are updated and roadmap remains aligned with targets
- Net Zero targets and baseline are still relevant.

Table 6.1: Governance responsibilities

Governance or delivery	Internal or external	Name	Role in NZTP
Governance	Internal	SPEN Board	Exercises legal Directorship responsibilities over the business strategy and receive annual updates on the progress against the Sustainability Business Strategy and Net Zero Targets.
Governance	Internal	Executive Sustainability Steering Group (ESSG)	Oversees the development and delivery of the Sustainable Business Strategy and environmental and sustainability action plans. It also reviews and approves the Net Zero Transition Plan. The group consists of the CEO, Directors of the Directorates and Licences and key representatives of the Sustainability Team and other relevant support teams and is guided by the ESSG Terms of Reference. The group meets on quarterly basis, with ad hoc interim meetings organised as required.

Governance	Internal	Sustainability Team	Provides expertise to all Directorates within SPEN and are responsible for bringing key sustainability strategies and initiatives to the attention of the ESSG for consideration and approval. The Sustainability Team are also the overall owners of the Net Zero Transition Plan and are directly involved with overseeing and supporting its ongoing review and implementation across the business.
Delivery	Internal	Licence Sustainability Specialists	Each Licence has its own environmental and sustainability specialists that oversee the delivery of sustainability initiatives within the Licence. These specialists work very closely with the Sustainability Team and enable cross-team engagement on environmental issues, sustainability and Net Zero.
Delivery	Internal	Environmental Sustainability Working Groups	SPEN has set up multiple specialists working groups that focus on key sustainability and carbon issues. These provide detailed insight into the key topics for the Sustainability Team and the Executive Sustainability Steering Group to make decisions. These teams are responsible for the identification and delivery of topic specific actions within the business, to achieve the related commitments and goals.
Delivery	External	Sustainability Stakeholder Working Group	The Sustainability Stakeholder Working Group enables stakeholder engagement and input into SPEN's decisions. The Working Group is led by the SPEN Sustainability Team and external members include representatives of Scottish Power, Scottish Government, Scottish Wildlife Trust, SEPA, NatureScot, Keep Scotland Beautiful, Verture (previously SNIFFER), Zero Waste Scotland, BE-ST (Built Environment-Smarter Transformation), Universities of Strathclyde and Edinburgh and Sustainable Scotland Network. The working group meets twice a year with additional meetings or online engagement organised when required.
Delivery	External	Independent Net Zero Advisory Council (INZAC)	SPEN has put in place an independent group of energy industry experts to bring the voice of customers and stakeholders into business strategies and decisions. The INZAC consists of external experts to provide challenge and specialist knowledge to both the Distribution and the Transmission parts of the business.

Incentives and remuneration

We have introduced sustainability and Net Zero related personal goals for all SPEN Directors. In 2024, Director objectives included a sustainability related objective as one of three which have equal weight. 2025 objectives are in the process of being finalised but are expected to follow a similar pattern.

We are currently considering introducing performance KPIs linked with the achievement of our near-term and long-term Net Zero targets. We consider this to be essential for the success of our strategy as it ensures our Net Zero ambitions are aligned and considered alongside business profitability and longevity. We further believe that this sends the right signal to wider stakeholders as it demonstrates our commitment.

Table. 6.2: Incentives and remuneration

	Employee level	Incentive	Details	Goal
Implemented	**Executive Directors**	Sustainability is one of three key objectives.	A number of annual sustainability actions to be delivered by a Director. Total score determines the bonus.	Wider sustainability objectives implemented into the annual bonus scheme help to drive plans and strategies for the business by aligning the ambition and focus across the organisation.
	Senior leadership team	Sustainability is one of three key objectives.	A number of annual sustainability actions to be delivered by Senior Leadership. Total score determines the bonus.	Wider sustainability objectives implemented into the annual bonus scheme help to drive plans and strategies for the business by aligning the ambition and focus across the organisation.
Under Consideration	**Executive Directors/ Board Members**	*To be defined*	N/A	Considering linking the annual bonus KPIs for the Directors to include a target of annual % reductions in absolute emissions from Scope 1, 2 and 3 and progress against the Net Zero Transition Plan implementation.
	Senior leadership team	*To be defined*	N/A	Considering linking the annual bonus KPIs for the Senior Leadership Team to include a target of annual % reductions in absolute emissions from Scope 1, 2 and 3 and progress against the Net Zero Transition Plan implementation.
	All employees	*To be defined*	N/A	Defining relevant internal KPIs for all staff members to ensure that internal goals reflect the Net Zero ambition.

Appendices

Appendix 1: Glossary of terms

Term	Definition
Scope 1 emissions	Scope 1 emissions are direct greenhouse gases emissions that occur from sources that are controlled or owned by SPEN, that could be combustion of fuels in boilers or company vehicles.
Scope 2 emissions	Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. For SPEN, Scope 2 emissions also include emissions associated with energy losses.
Scope 3 emissions	Scope 3 emissions are associated with activities from assets not owned or controlled by SPEN, these include emissions associated with goods and services purchased by SPEN, with business travel and transportation.
SF_6	Sulphur hexafluoride (SF_6) is a commonly used gas in the infrastructure assets of electricity industry. Its role is to keep the networks running safely and reliably. It is a very potent greenhouse gas which if leaked to atmosphere exacerbates global warming.
Energy losses / network losses	Energy losses consist of two types, technical and non-technical losses. Technical losses are the energy that is lost in heat and noise as part of electricity supply process and energy. While non-technical losses are the energy that has been stolen or not fully recorded.
Price controls	Network companies in the UK are regulated by Ofgem. As part of this process, companies submit business plans for set periods of time – known as 'price controls'. These set out what companies will deliver, the benefits, and the costs.
RIIO	Revenue = Incentives + Innovation + Outputs, it is a framework used by the industry regulator to ensure that individual network companies provide a safe and reliable service, value for money, maximise performance, operate efficiently, innovate and ensure the resilience of their networks for current and future customers.

Appendix 2: Transition Plan Taskforce Alignment Index

Fully aligned Partially aligned Not aligned

TPT Disclosure Elements	TPT Disclosure Sub-elements	Relevant section of this report	Alignment	Areas for improvement
1. Foundations	1.1 Strategic ambition	Page 4		Ensure that most up to date climate risks and opportunities are considered when revisiting the strategic ambition.
	1.2 Business model and value chain	Page 5 - 6		Well aligned business modes for the Net Zero future. Ensure there are processes in place for frequent review.
	1.3 Key assumptions and external factors	Pages 6 - 8		Continually review assumptions, external factors and dependencies to ensure you have visibility of all of them.
2. Implementation Strategy	2.1 Business operations	Pages 11 - 13		Already defined decarbonisation plans. Ensure these stay up to date reflecting any changes.
	2.2 Products and services	Pages 11 - 14		Well aligned services with the Net Zero future. Ensure that there are internal process in place for gathering feedback on the adjusted services.
	2.3 Policies and conditions	Page 14		Ensure all existing supporting policies are reviewed and updated and any additional policies are implemented.
	2.4 Financial planning	Page 15		Continue reviewing the impact of Net Zero transition on financial planning on ongoing basis.
3. Engagement Strategy	3.1 Engagement with value chain	Page 19 - 21		Conduct supplier engagement activities as listed in the Transition Plan.
	3.2 Engagement with industry	Page 16 – 19		Engage with key industry peers to enable knowledge sharing and addressing industry wide Net Zero challenges.
	3.3 Engagement with government, public sector, communities, and civil society	Page 16 - 19		Continue wider stakeholder engagement to drive Net Zero transition.
4. Metrics and Targets	4.1 Governance, engagement, business and operational metrics and targets	See Annual Environmental Reports		Defined as per the Annual Environmental Reports and Annual Reports.
	4.2 Financial metrics and targets	N/A		Explain what financial metrics and targets you have implemented to monitor progress against Net Zero transition.
	4.3 GHG metrics and targets	Page 5		Once carbon offsetting strategy is defined, set targets for GHG removals.
	4.4 Carbon credits	Page 22 - 24		Further clarify the approach to carbon offsetting and explain information on co-benefits of the projects.

5. Governance	5.1 Board oversight and reporting	Page 25 - 26		Continue reviewing the governance structure to ensure it is fit for purpose.
	5.2 Management roles, responsibility and accountability	Page 25 - 26		Ensure there is a process for review of skills and competences.
	5.3 Culture	Page 16 - 18		Continue seeking feedback and updating approaches for communications to reach highest level of engagement internally.
	5.4 Incentives and renumeration	Page 26 - 27		Roll out the renumeration policy to the management team and consider implementing wider incentives and KPIs for the wider team.
	5.5 Skills, competences and training	Page 14 - 15		Ensure that re-fresh training is provided on annual basis across all levels of organisation. Continue identifying and addressing skills gap as you get closer to your target year.

Appendix 3: Net-Zero Forecast Graph Methodology

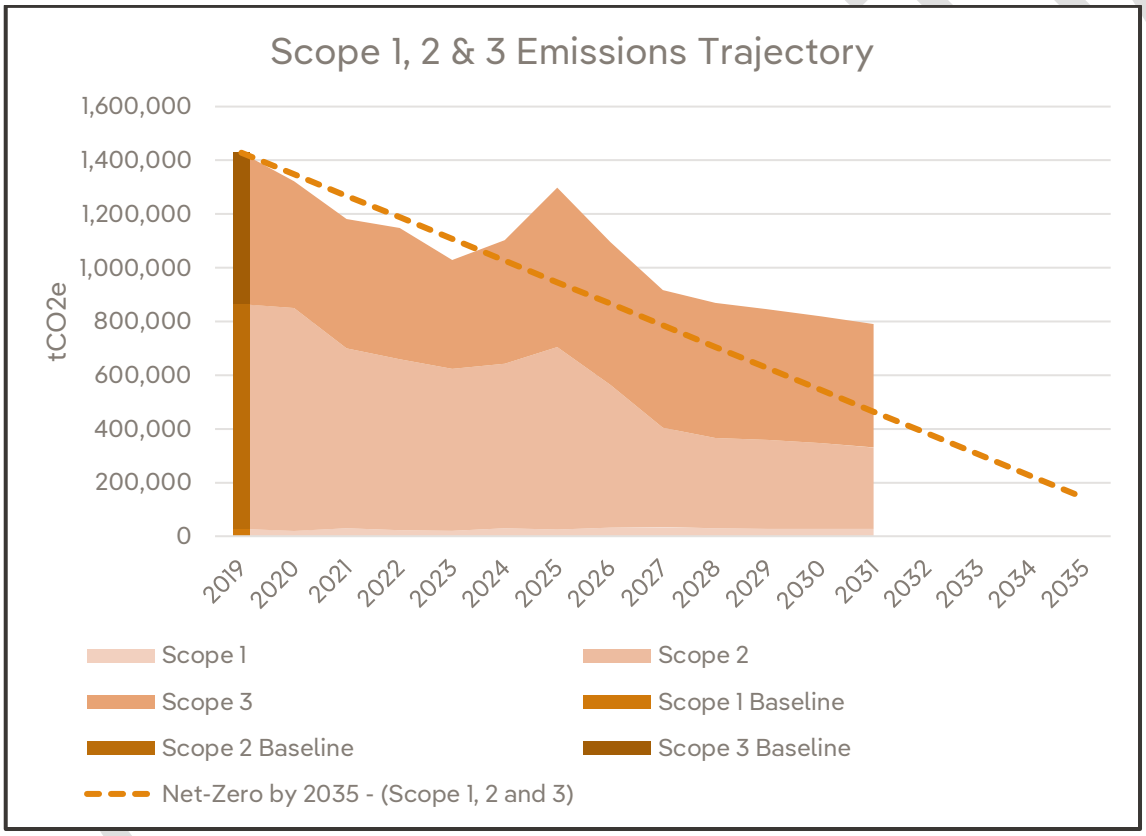
Introduction

The Net-Zero Graph presents emissions data forecast from 2018/19 to 2030/31. The year 2018/19 (referred to as 2019) serves as the baseline from which we have committed to reducing our emissions in accordance with the Science Based Targets (SBT) Net-Zero Corporate Standard. The year 2030/31 marks the end of T3 and represents the furthest point into the future for which we have developed decarbonisation commitments and strategies aligned with our net-zero objectives.

For the Net-Zero Projections, year 2019 – 2025 represents historical data while years 2026 to 2031 represents forecasted data. This data is a combination of historical and forecast emissions from SP Transmission and the Distribution Network (SPM & SPM).

For SPT, the data is forecasted until the 2030/31 which is the final year of the RIIO-T3 price control while SPD and SPM data is forecasted until 2027/28, which is the final year of RIIO-ED2. The emissions are assumed to remain at the same levels in 2028/29 to 2030/31 as the final year of ED2. This is because 207/28 marks the latest point with established commitments and initiatives for driving carbon reduction in the distribution network.

Figure 1 – Scope 1, 2 & 3 Emissions Trajectory



Key Assumptions

The Net-Zero Graph categorises emissions into Scopes 1, 2, and 3, measured in tCO_2e and the tables below provides a more detailed breakdown of Scope 1, 2 and 3 highlighting key assumptions applied to forecast emissions.

Table 1: Scope 1 & 2 Emissions

Scopes	Emissions Categories	Conversion Factor	Activity Data
Scope 1	Transport	Petrol, Diesel and Electric assumed to reduce by 3.9%, 1.3% and 17.2% every 5 years based on historical CF	This has been calculated based on internal fleet electrification projections and targets.

		reductions between 2020 and 2024	
Scope 1	Fugitive emissions & Building Gas Use	SF6 & Natural Gas CF are kept constant	SF6 - Calculated for SPT based on T3 data submission for OFGEM. Calculated as the average SF6 leakage for Distribution between 2021 and 2025 Natural Gas - Energy consumption predicted based on a 0.275% year on year primary energy intensity improvement using the energy consumption data for 2023/24 as baseline.[33]
Scope 1	Fuel combustion	HVO CF is kept constant. Diesel is assumed to reduce in the same pattern as Operational Transport	HVO and Diesel use calculated based on a 900% increase and a 10% decrease respectively for SPD and SPM while SPT is kept constant as the last reporting period of 2024/25.
Scope 2	Electricity purchased - Market based	UK Grid Intensity is forecasted based in the CCC's Sixth Carbon Budget (Page 27)[34]	Energy consumption predicted based on a 0.275% year on year primary energy intensity improvement using the energy consumption data for 2023/24 as baseline.[35]
Scope 2	Electricity Losses	Same as above	Calculated for SPT based on T3 data submission for OFGEM.

Table 2: Scope 3 Emissions

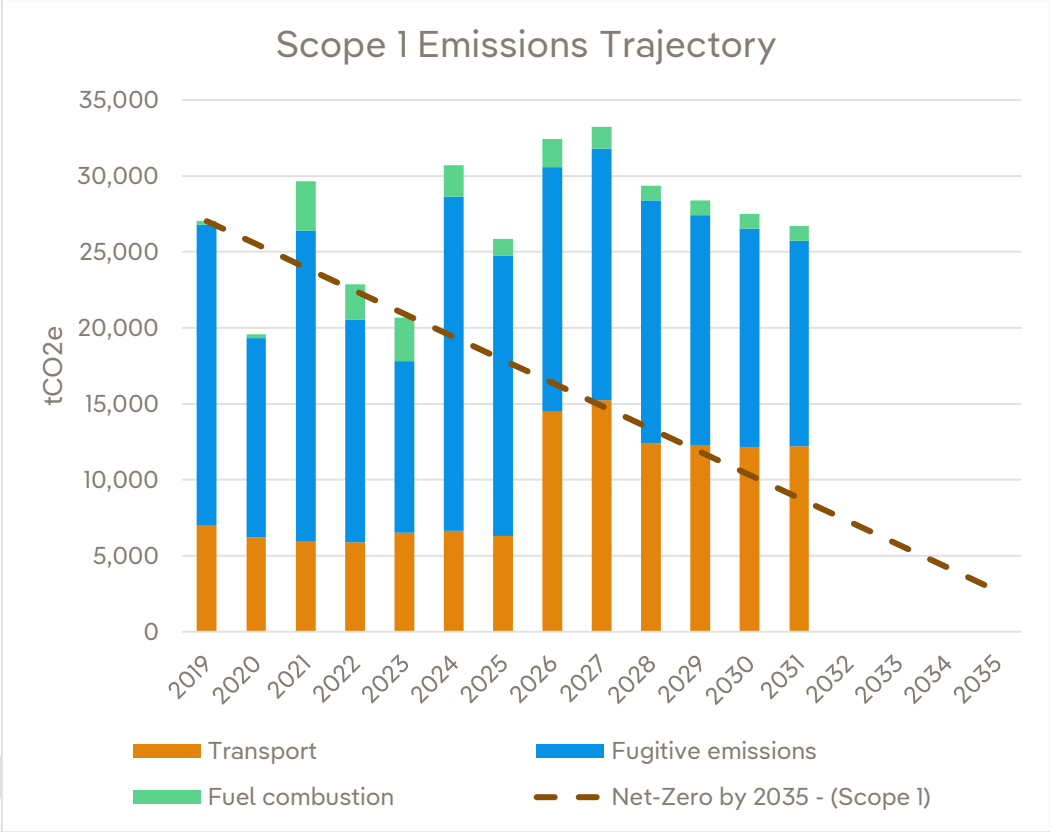
Scopes	Emissions Categories	Emissions
Scope 3	Purchased goods and services	Emissions forecasted based on the assumption that 80% of suppliers will set SBT and reduce their emissions at a 4.2% linear rate
Scope 3	Capital goods	Same as above
Scope 3	Fuel and energy related activities	Follows similar scale of % reduction as the individual emissions scopes that make up CAT 3
Scope 3	Use of Sold Products	Not applicable to SPEN
Scope 3	Transportation and distribution	Emissions forecasted based on the assumption that 80% of suppliers will set SBT and reduce their emissions at a 4.2% linear rate
Scope 3	Waste generated in operations	Emissions predicted to reduce following an increased rate of diversion from landfill from 95% in 2024 to 100% in 2031
Scope 3	Business Travel	CF for Business Travel by Road, Rail and Air is assumed to reduce or increase by the % rate of reduction or increase experienced between 2020 and 2024
Scope 3	Employee commuting & homeworking	Kept constant as the average employee commuting emissions between 2021/22 and 2023/24
Scope 3	Leased assets	Not Applicable to SPEN

[33] Annual primary energy intensity improvement, 2001-2023, and by scenario, 2022-2030 – Charts – Data & Statistics - IEA
[34] The-Sixth-Carbon-Budget-The-UKs-path-to-Net-Zero.pdf
[35] Annual primary energy intensity improvement, 2001-2023, and by scenario, 2022-2030 – Charts – Data & Statistics - IEA

Projected Emissions Reduction by 2030/31 from 2018/19 Baseline

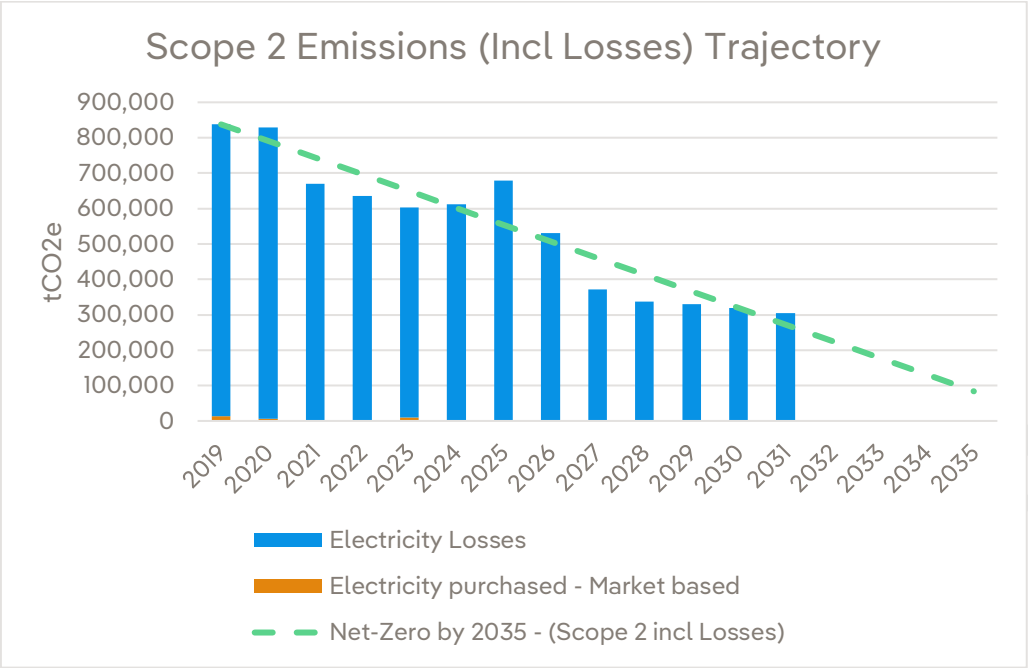
- **Scope 1 emissions:** The emissions forecast trajectory for scope 1 emissions expects that scope 1 emissions will peak in 2027 at 33,219 tCO2e due to an approximate 129% increase in operational transport emissions because of an increase in non-EV~~ev~~ mileage. ~~Fuitive~~Fugitive emissions on the other hand will reduce by 31% with emissions from SF6 will only account for 51% of total scope 1 emissions compared to its 73% share at baseline year. This is primarily due to a This reduction will be driven by our ongoing efforts to minimise SF_6 leakage through prompt leak repairs and, where necessary, the early replacement of assets prior to their expected end of life. However, despite this decline in fugitive emissions, any carbon saving realised is counteracted by operational transport emissions which while it declines by about 20% in 2031 from its 2027 peak as more EV~~ev~~'s are added to SPEN's fleet, is still almost double what it was in 2019. As a result, overall, scope 1 emissions are projected to decrease minimally by **1%** in 2031 compared to its 2019 baseline.

Figure 2 – Scope 1 Emissions Trajectory



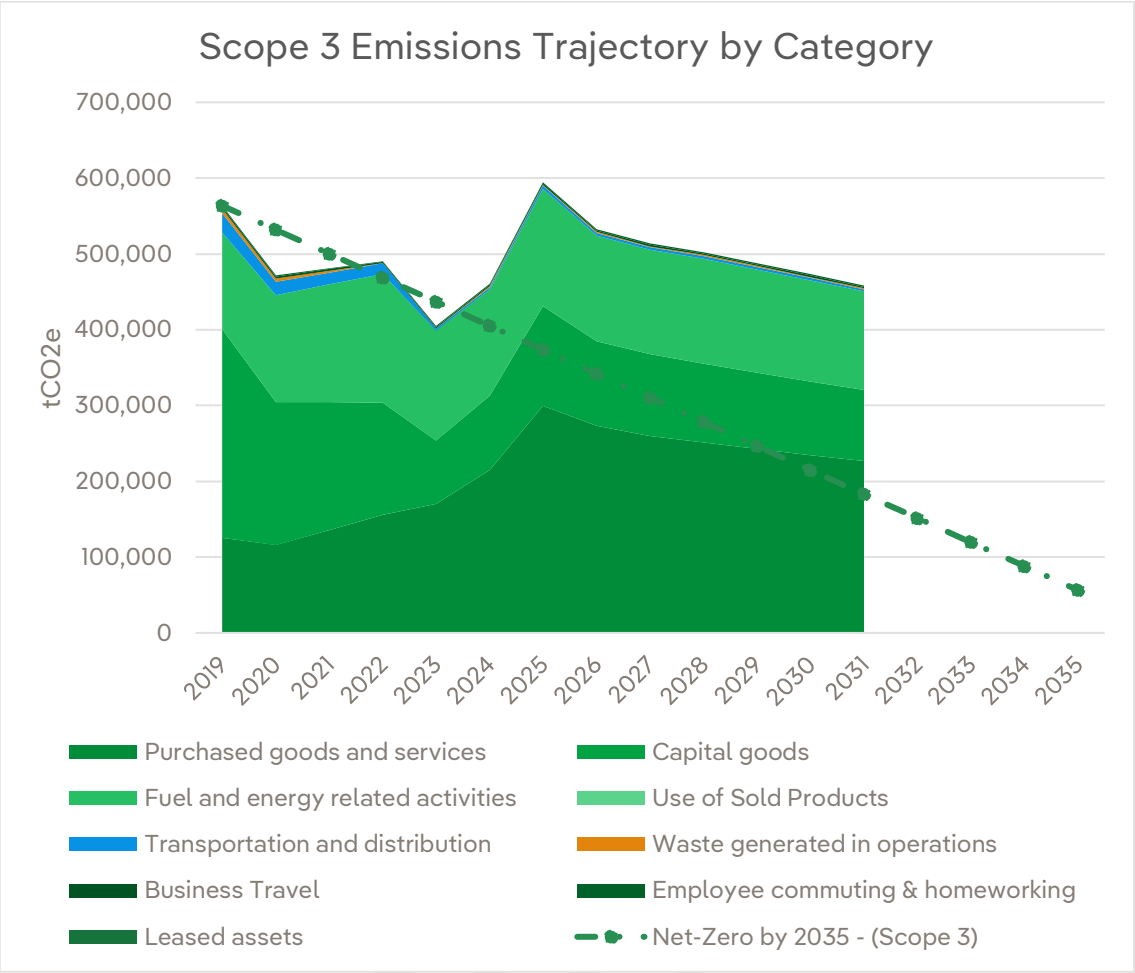
- **Scope 2 emissions** exclusive of losses are projected to fall by almost 100% largely because of the continued purchase of 100% renewable electricity, reduction in building energy consumption. Losses on the other hand are expected to decline by **63%**, largely because of grid decarbonisation, in line with projections from the Climate Change Committee's 6th carbon budget projections.

Figure 3 – Scope 2 Emissions (Incl Losses) Trajectory



- **Scope 3 emissions** are forecasted to fall by **19%**, supported by the commitment of 80% of our suppliers by value to set science-based targets and reduce their emissions by 4.2% year-on-year. Scope 3 emissions for Categories 1, 2, and 4 have historically been calculated using financial proxies based on Environmentally Extended Input-Output (EEIO) factors. As a result, our reported emissions for 2025 was the highest it has ever been, primarily due to SPEN's significant investment in the electricity network. This investment is in anticipation of increased electricity demand driven by the growing adoption of low-carbon technologies such as electric vehicles and heat pumps, as well as the unprecedented levels of renewable energy generation being connected to the grid.

Figure 4 – Scope 3 Emissions Trajectory by Category

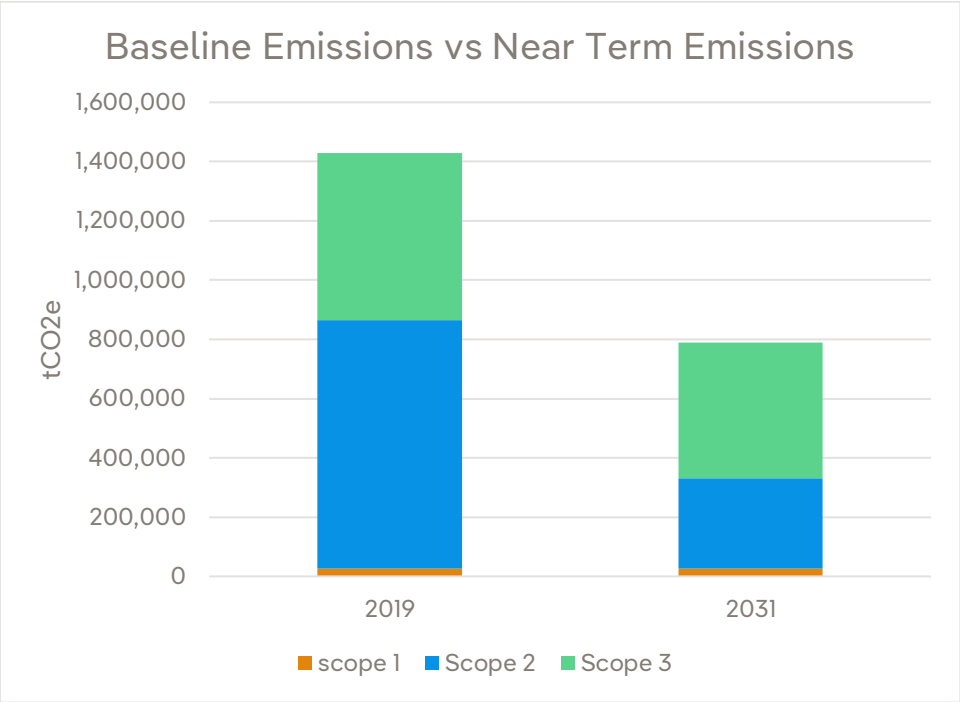


It is important to note that the current method of Scope 3 assessment, which relies on spend-based analysis using EEIO factors, does not fully reflect the positive steps we are taking to make our value chain more sustainable. Investments in low-carbon solutions—such as low-carbon concrete, low-carbon steel, and alternative fuels like HVO—often come with higher upfront financial costs. Under the spend-based methodology, these investments can inadvertently result in higher reported emissions, despite their long-term environmental benefits. As we transition to a hybrid approach for Scope 3 analysis that better captures the impact of our decarbonisation efforts, we expect to see a more accurate representation of our progress and a continued reduction in our carbon footprint, supporting our journey toward net zero

Summary

In conclusion, these combined efforts have lead to an approximate **45% reduction across all Scopes,** which falls short of the **67.5% target** set for our near-term target by 2030/31.

Figure 5 – Baseline Emissions vs Near Term Emissions



Appendix 4: Top 80% Supplier Maturity Assessment

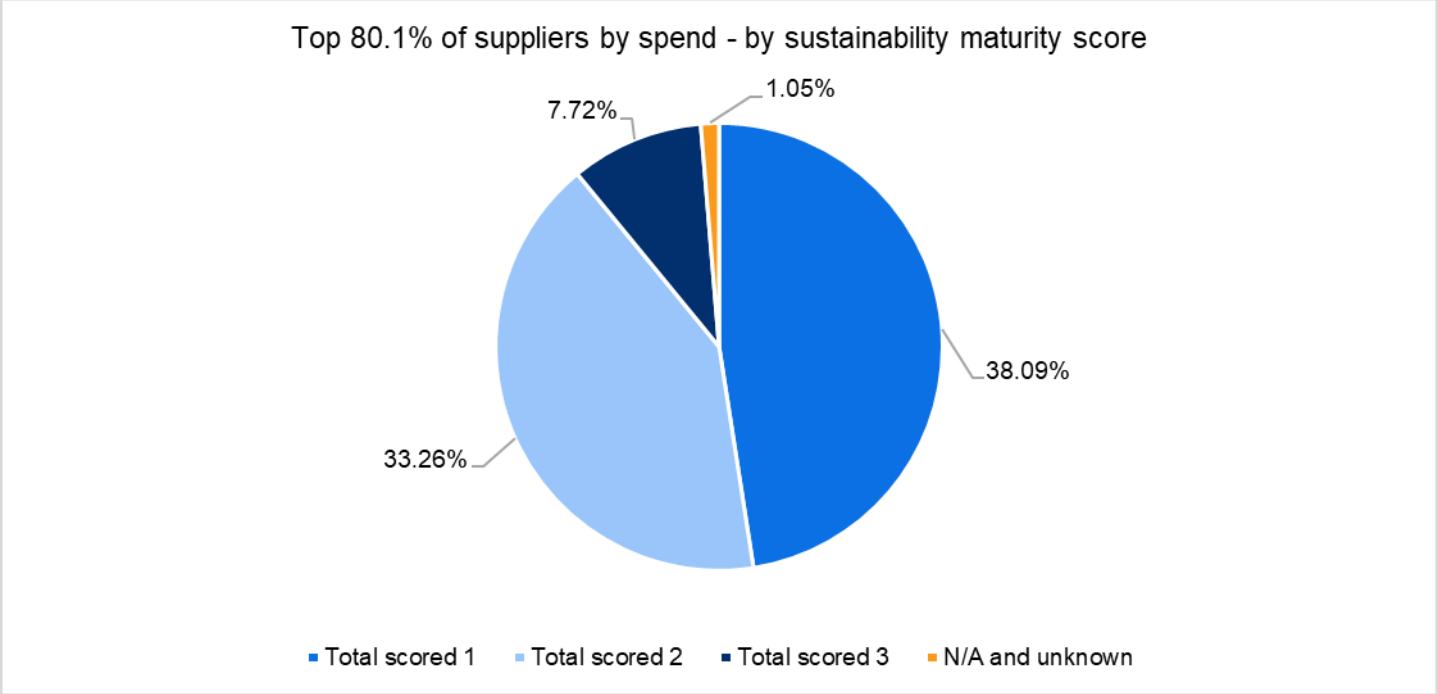
Table 3.2: Summary of Top 11 Suppliers

Supplier code	% of total spend value for Cat.1 and 2[36]	Maturity ranking	Supplier Type	Notes
Supplier 1	6.6%	1	Electrical cables provider	2050 Net Zero target, 47% reduction from Scopes 1 and 2 by 2030 and 28% from Scope 3.
Supplier 2	5.7%	1	Electricity and gas utility	2050 Net Zero target, Scope 1 and 2 emissions reduction by 80% by 2030 and by 90% by 2040. Scope 3 emissions reductions by 37.5% by 2030.
Supplier 3	4.1%	2	Networks repair provider	Part of a group, who have a 50% reduction target by 2030. Unclear on the Scopes coverage.
Supplier 4	4.1%	1	Energy	2050 Net Zero target.
Supplier 5	3.8%	1	Telecom services	Part of a group, who have a 50% reduction target by 2030. Unclear on the Scopes coverage.
Supplier 6	3.1%	1	Construction engineering specialist	2040 Net Zero target, Scope 1 and 2 emissions reductions by 46.2% by 2030 and Scope 3 emissions by 55% by 2030.
Supplier 7	2.4%	1	Technology	2050 Net Zero target.
Supplier 8	2.3%	2	Construction	CSR and Environmental Policy, investment in electric vehicles.
Supplier 9	1.8%	3	Civil engineering	No sustainability information disclosed in public domain.
Supplier 10	1.8%	2	Human Resources	Committed publicly to defining their NZ target in 2023, but never validated this, nor published on their website what the target is.
Supplier 11	1.7%	2	Mechanical and electrical contractors	ISO14001, Environment Policy, Waste and Energy Management Policy.
Total:	37.4%			

The section below presents the summary of the Supplier Maturity Assessment carried out for the top 80% of suppliers by spend value.

Graph A3.1: Top 80.1% of suppliers by spend value. The graph below shows the % spread of the sustainability maturity scores across the suppliers responsible for the 80.1% of total spend value. It shows that as many as 38.09% of suppliers already have net zero targets in place, 33.26% are considered to have begun their sustainability journey, while only less than 9% haven't undertaken any action to date.

[36] Percentage of the total Scope 3 Category 1 Purchased Goods and Services (PG&S) and Category 2 Capital Goods emissions for SPEN.



Graph A3.2: Net Zero Targets of suppliers who were scored 1. The graph below summarised what Net Zero Targets suppliers have committed to. 5 suppliers are committed to achieving net zero by 2040, 2 suppliers by 2045 and 13 by 2050.

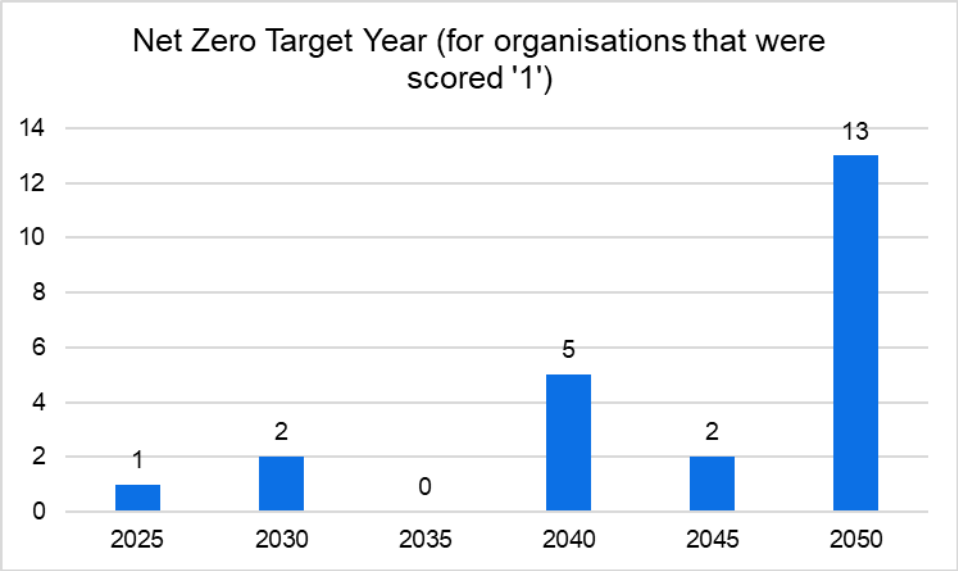


Table A3.1: Summary of top 80.1% suppliers by spend.

Supplier code	Supplier	% of total spend	Maturity ranking	Supplier Type	Notes
Supplier 1	PRYSMIAN	6.6%	1	Electrical cables provider	2050 net zero target, 47% reduction from Scopes 1 and 2 by 2030 and 28% from Scope 3
Supplier 2	NATIONAL GRID	5.7%	1	Electricity and gas utility	2050 net zero target, Scope 1 and 2 emissions reduction by 80% by 2030 and by 90% by 2040. Scope 3 emissions reductions by 37.5% by 2030.
Supplier 3	MORRISON	4.1%	2	Networks repair provider	Part of M Group, who have a 50% reduction target by 2030. Unclear on the Scopes coverage.

Supplier 4	HITACHI	4.1%	1	Hitachi Energy	2050 net zero target for Hitachi Global
Supplier 5	MAGDALENE LIMITED	3.8%	2	Telecom services	Part of M Group, who have a 50% reduction target by 2030. Unclear on the Scopes coverage.
Supplier 6	KELTBRAY	3.1%	1	Construction engineering specialist	2040 net zero target, Scope 1 and 2 emissions reductions by 46.2% by 2030 and Scope 3 emissions by 55% by 2030.
Supplier 7	GENERAL ELECTRIC	2.4%	1	Technology	2050 net zero target
Supplier 8	LUDDON CONSTRUCTION LIMITED	2.3%	2	Construction	CSR and Environmental Policy, investment in electric vehicles.
Supplier 9	D T HUGHES BUILDING CONTRACTORS LTD	1.8%	3	Civil engineering	No sustainability information disclosed in public domain.
Supplier 10	MORSON HUMAN RESOURCES LIMITED	1.8%	2	Human Resources	Committed to defining their NZ target in 2023, but never validated it, nor published on their website what the target is.
Supplier 11	KIRBY GROUP	1.7%	2	Mechanical and electrical contractors	ISO14001, Environment Policy, Waste and Energy Management Policy
Supplier 12	ELECNOR	1.6%	2	Construction engineering	Scope 1 and 2 near-term target to reduce absolute emissions by 38% by 2035
Supplier 13	TOSHIBA	1.6%	1	Technology	2050 net zero target validated by SBTi and a number of sustainability initiatives listed on their website
Supplier 14	O'CONNOR UTILITIES LIMITED	1.5%	1	Utilities and energy design and planning	2050 net zero target and a sustainability report listing several wider ESG initiatives taken and planned
Supplier 15	KOLEKTOR ETRA	1.5%	2	Power generator transformers	Information about sustainability initiatives and environmental policies provided on the supplier's website. No formal net zero target or information about carbon footprint measurement.
Supplier 16	PRICE WATERHOUSE (PcC)	1.4%	2	Audit, assurance, consulting and tax services	2030 net zero target to reduce emissions by 50% and have 100% of suppliers set their own net zero targets by 2025
Supplier 17	SHELL	1.3%	1[37]	Oil and gas company	Shall has committed to a 2050 net zero target, with interim 2030 and 2035 targets, which n the meantime has already been significantly weakened.
Supplier 18	SIEMENS ENERGY	1.3%	1	Energy company	2050 net zero target, absolute Scope 1 and 2 reductions by 90% by 2030; reduce absolute Scope 3 emissions by 30% by 2030 and by 90% by 2050.
Supplier 19	BRITISH GAS TRADING LIMITED	1.3%	1	Energy and home services provider	2045 net zero target; 100% EV fleet by 2030, People and Planet Plan
Supplier 20	C SPRATT MULTI UTILITY LTD	1.2%	3	Utilities contractor	ISO14001, no further sustainability information provided within public domain
Supplier 21	CG GLOBAL	1.1%	2	Electrical engineering	Limited information about Corporate Social Responsibility provided within public domain.

[37] The score '1' was given on the premise that a target has been set, however it is important to caveat a significant amount of external research has been indicating that net zero may not be the key objective of the organisation, and therefore it may pose a decarbonisation risk to SPEN.

Supplier 22	OPUS UTILITY SOLUTIONS LTD	1.1%	3	Civil engineering and utility company	No sustainability information disclosed in public domain.
Supplier 23	CEGELEC	1.1%	1	Electrical engineering	Group level net zero target (Vinci Group) to achieve net zero by 2050; reduce absolute Scope 1 and 2 emissions by 2030 by 40%. Cegelec provides limited information on their internal sustainability initiatives on their website.
Supplier 24	KONCAR (HR)	1.0%	2	Renewable energy generation	Sustainability Strategy in place, near-term net zero target in place to reduce Scope 1 and 2 emissions by 45% by 2030.
Supplier 25	SCHNEIDER	1.0%	1	Digital automation and energy management	2050 net zero target, 25% reduction from Scope 3 emissions by 2030 and Scope 1 and 2 emissions reduced by 100% by 2030. A number of wider sustainability and biodiversity commitments provided on the website.
Supplier 26	FCE PROJECTS LTD	1.0%	1	Civil engineering	2030 net zero target supported by the Impact Report listing the initiatives undertaken and planned.
Supplier 27	GAELTEC UTILITIES UK LTD	1.0%	2	Utilities contractor	Limited sustainability information provided on the website listing upgrades to LED lighting, wate segregation initiatives and ISO 14064-1
Supplier 28	NETWORK PLUS SERVICES LTD	0.9%	1	Utility and infrastructure services	2040 net zero target. Near term target is validated by the SBTi, wider social and environmental initiatives.
Supplier 29	EMERALD POWER LTD	0.9%	3	Utility contractor	No sustainability information disclosed in public domain.
Supplier 30	SIEMENS AG	0.9%	1	Technology	2050 net zero target, absolute Scope 1 and 2 reduction by 90% by 2030; reduce absolute Scope 3 emissions by 30% by 2030 and by 90% by 2050.
Supplier 31	KELTBRAY-IDEC LIMITED	0.8%	1	High voltage power engineering	Keltbray level net zero target of 2040 with the near term targets for Scope 1 and 2 to reduce by 46.2% by 2030 and Scope 3 emissions reduced by 55% by 2030.
Supplier 32	SGB-SMIT	0.8%	2	Transformers manufacturer	CDP reporting EcoVadis Silver rating, within the 2024 Sustainability Report the company sets out a commitment to set a net zero target.
Supplier 33	EDF	0.8%	1	Energy company	2050 net zero target
Supplier 34	ACCENTURE	0.8%	1	Management consultancy	2025 net zero target
Supplier 35	RJ MCLEOD	0.7%	2	Civil engineering and building contractors	CSR Policy, Environmental and Energy Policy and Sustainability Policy in place
Supplier 36	GLENELLY INFRASTRUCTURE SOLUTIONS	0.7%	3	Utility contractor	No sustainability information disclosed in public domain.
Supplier 37	NG BAILEY	0.7%	2	Engineering and infrastructure services	Significant amount of sustainability and carbon initiatives documented in the public domain. SBTi validated near term net zero target to reduce emissions by 50% by 2031.
Supplier 38	ELECTRICITY ASSET SERVICES LTD	0.7%	2	Electrical installation service	Limited sustainability information provided, Environmental Policy listed on the website and available at request.
Supplier 39	OTL ELECTRICAL SERVICES (now Ipsum Power)	0.7%	2	Electrical installation service	ISO14001, Impact Report 2023 lists a number of undertaken initiatives; 100% renewable electricity procurement; electrification of fleet
Supplier 40	CABELTE	0.6%	2	Cable provider	Limited sustainability information provided, Environmental Policy listed on the website.

Supplier 41	TE CONECTIVITY	0.6%	2	Technology	Committed to a near-term net zero target of reducing Scope 1 and 2 absolute emissions by 70% by 2030, and reduce absolute Scope 3 emissions by 30% by 2030. Various supply chain initiatives and company impact descried within public domain.
Supplier 42	VIOHALCO	0.6%	2	Metal processing	Viohalco has set targets specific to steel and cables within its TCFD report. It has also evaluated business activities against the EU Taxonomy. There is no formal group level net zero target in place for the moment.
Supplier 43	HYOSUNG	0.6%	2	Heavy industries	Currently a roadmap to enable carbon reduction to support near term 2030 target.
Supplier 44	GENERATOR POWER LTD	0.5%	2	Generator hire	Limited sustainability information provided within public domain including trailing alternative vehicles for operations (electric, hybrid, ultra-efficient engines), own wind turbines and solar panel systems.
Supplier 45	LUCY ELECTRIC UK LIMITED	0.5%	2	Electrical engineering	Limited sustainability information provided within public domain.
Supplier 46	SMART DCC LIMITED	0.5%	3	Network connections	No net zero and sustainability information linked to company operations provided in the public domain.
Supplier 47	SUEDKABEL	0.5%	2	Project management	Committed to climate neutrality by 2050.
Supplier 48	OFGEM	0.5%	N/A	Regulator	Enabling other organisations to achieve net zero.
Supplier 49	POWER LINES PIPES AND CABLES	0.5%	2	Construction company	Environmental policy in place.
Supplier 50	EXCALON LTD	0.4%	2	Construction engineering	Limited sustainability information provided within public domain.
Supplier 51	AMEY (FERROVIAL)	0.4%	1	Engineering company	2040 net zero target supported by a Roadmap to Net Zero Strategy document.
Supplier 52	SYSTAL TECHNOLOGY SOLUTIONS LIMITED	0.4%	1	IT services	2050 net zero target, 100% electric fleet by 2027
Supplier 53	EA TECHNOLOGY	0.4%	2	Training provider	Provides net zero consultancy, but no information about the organisational net zero ambitions.
Supplier 54	Hawker Siddeley Switchgear	0.4%	3	Electrical manufacturer	No sustainability information disclosed in public domain.
Supplier 55	PROARB	0.4%	3	Tree and vegetation management	No sustainability information disclosed in public domain.
Supplier 56	FUTURE ELECTRICS LTD	0.4%	2	Electrical installation service	Limited sustainability information provided within public domain listing initiatives such as recycling, fuel use reduction.
Supplier 57	ENEIDA GRID INTELLIGENCE SA	0.4%	2	Network monitoring	ENEIDA.IO commits to reduce scope 1 and scope 2 GHG emissions 25% by 2030 from a 2020 base year, and to measure and reduce its scope 3 emissions.
Supplier 58	FOUNDATION SOLUTIONS HV LTD	0.4%	3	Engineering foundations	No sustainability information disclosed in public domain.

Supplier 59	ACRASTYLE LIMITED	0.3%	2	Manufacturer	Iso14001
Supplier 60	ENSTO RENLEY LIMITED	0.3%	3	Manufacturer	No sustainability information disclosed in public domain.
Supplier 61	GEORGE LESLIE LIMITED	0.3%	2	Civil engineering	Limited sustainability information provided within public domain, ISO14001
Supplier 62	ISS FACILITY SERVICES	0.3%	1	Facility management	2040 net zero target, and near term target of reducing Scope 1 and 2 emissions by 100% by 2030.
Supplier 63	KELBURNE CONSTRUCTION LTD	0.3%	2	Civil engineering	ISO14001
Supplier 64	COREAL ALUMINYUM KABLO SAN.TIC.AS.	0.3%	2	Steel and aluminium manufacturing	ISO14001
Supplier 65	SCOTTISH WOODLANDS	0.3%	2	Woodland management and certification	ISO14001
Supplier 66	SHEPHERD & WEDDERBURN	0.3%	1	Law firm	2030 net zero target and ESG statement in place
Supplier 67	CONNORS BUILDING & RESTORATION LTD	0.3%	2	Asset management	ISO14001, and Environmental Policy in place
Supplier 68	IMRIE TREE CARE LTD	0.3%	Unknown	Tree services	Website error
Supplier 69	EMTELLE UK LTD	0.3%	1	Manufacturer	2045 net zero target, reduce Scope 1n 2 and 3 by 50% by 2030, key initiatives: emissions reductions, circular economy and sustainable manufacturing.
Supplier 70	TUDORBORNE LIMITED	0.3%	Unknown	Civil engineering	No website
Supplier 71	JONES LIGHTING LTD	0.3%	2	Street lighting and ICP contractor	ISO14001, various sustainability initiatives such as collection of waste lamps and lanterns, recycling, paper reduction, waste reduction, decarbonisation of the fleet, and procurement of 100% renewable electricity for the head office.
	Total	80.1%			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