



SP Distribution Annual Environmental Report

2025/2026



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A message from our CEO

As we reflect on the third year of RIIO-ED2, I am proud of the progress we’ve made towards becoming a fully sustainable networks business for people and planet. Sustainability remains central to how we plan, build, operate and maintain our network, helping to deliver a cleaner, more resilient energy system for our customers and communities.

This year we published our Net Zero Transition Plan, setting out our pathway to Net Zero greenhouse gas emissions by 2035 and supporting our Planet Mark Verified – Net Zero Committed status. We continued to reduce emissions through renewable electricity, lower-carbon fuels, building energy improvements and innovation, while embedding whole-life carbon into project delivery. Although Scope 1 and 2 emissions excluding losses increased year on year, they remain well below our 2018/19 baseline, and when including losses, emissions fell by **17%**.

This year, we’ve also made good progress across our supply chain. I’m pleased to report that more suppliers are meeting our enhanced environmental standards and participating in the Supply Chain Sustainability School, helping us to retain the Supply Chain Sustainability School Gold partner status. We’ve strengthened our engagement with our suppliers through sustainability newsletters, our director-led Supply Chain Forum and targeted working groups, including work on waste classification and the Street Works UK Excavation Waste Protocol. We are also providing clearer guidance and practical support to help suppliers, particularly small and medium sized entities (SME’s) set science-based targets.

Internally, we’ve continued to strengthen our sustainability foundations through updated training programmes, continued ISO 14001 certification following our external surveillance audit and further progress on our Just Transition agenda. This included publishing our second Just Transition Report and introducing new Key Performance

Indicators to the business. Our Action for Nature work also continues through stronger governance, new partnerships and practical biodiversity enhancement projects.

Despite strong progress across many areas, challenges remain in reducing carbon emissions, electrifying our fleet and improving waste performance. Although we maintained a **94%** landfill diversion rate, we must increase momentum to meet our **100%** target by 2030. To address this, we are strengthening governance, enhancing delivery plans and improving data, tools and partnerships to accelerate progress through the rest of RIIO-ED2 and into RIIO-ED3.

I am proud of the commitment and dedication shown by our employees, contractors and partners. Although challenges remain and progress is not always linear, we remain committed to continuous improvement and delivering on our ambitions. Together, we will continue building a cleaner, fairer and more resilient energy network for future generations.

Nicola Connelly
CEO, SP Energy Networks



Highlights

Net Zero Transition Plan published

Net Zero Transition Plan published

The [Net Zero Transition Plan](#) brings together our progress so far in reaching our Net Zero aspiration and the steps we'll take to achieve it.

This is a pivotal step as it signals our intent not just to support the UK's Net Zero transition, but to lead it.

Our Net Zero Transition Plan was created with the support of [Planet Mark](#) and highlights our journey to Net Zero and key milestones we've achieved.

While we've made progress, our Net Zero strategy is ambitious. As a key facilitator for UK decarbonisation, we believe, and our stakeholders agree, that we need to be a leader in decarbonisation of our own impacts. By setting bold targets, we aim to push ourselves to achieve greater emissions reductions than we might with a less ambitious goal.

We anticipate that our emissions reductions will not follow a straight, consistent path. While 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.

By achieving Net Zero across our own operations, we're showing what's possible and setting the standard for others to follow.



Highlights



Showcasing sustainability leadership on the global stage

Showcasing sustainability leadership on the global stage

In 2026 members of our Central Sustainability Team joined policy leaders at the UN Climate Action Platform for Europe and North America, highlighting our growing role in international climate discussions. Our Lead Sustainability Specialist Alix Medlyn Davies spoke on a panel addressing one of the biggest challenges facing organisations worldwide: reducing Scope 3 emissions across supply chains. Alix outlined the progress made during the RIIO ED2 period in cutting direct operational emissions and emphasised the shift toward tackling indirect emissions linked to materials, suppliers and major infrastructure projects. Scope 3 emissions represent a significant share of our carbon impact and are often the hardest to influence. Participation in the UN platform marks a step change in our approach and reinforces our commitment to supporting a Net Zero energy system.



Highlights



Partnership with The Tree Council

Partnership with The Tree Council

Two years into our partnership with The Tree Council, staff volunteers are helping transform green spaces across central and southern Scotland. Employees have taken part in tree planting and care events, including recent restoration work at Elder Park in Govan, where volunteers managed vegetation, tended fruit trees and revitalised a historic rose garden. Colleagues also supported the creation of a community tree nursery, giving residents the chance to grow and plant trees locally. So far, our collaboration with The Tree Council has seen **15,845** trees and hedgerows planted throughout Scotland in a variety of projects.

With applications now open for the new grants, we hope to expand this partnership’s community reach and create more volunteering opportunities. Future projects will include hedgerow planting, community orchards and other greening initiatives. SP Distribution Director Aileen Rourke said the partnership helps communities “go greener, embrace nature and tackle climate change” creating a lasting natural legacy across cities, towns, villages and the surrounding countryside.



Highlights



Improving recycling at depots

Improving recycling at depots

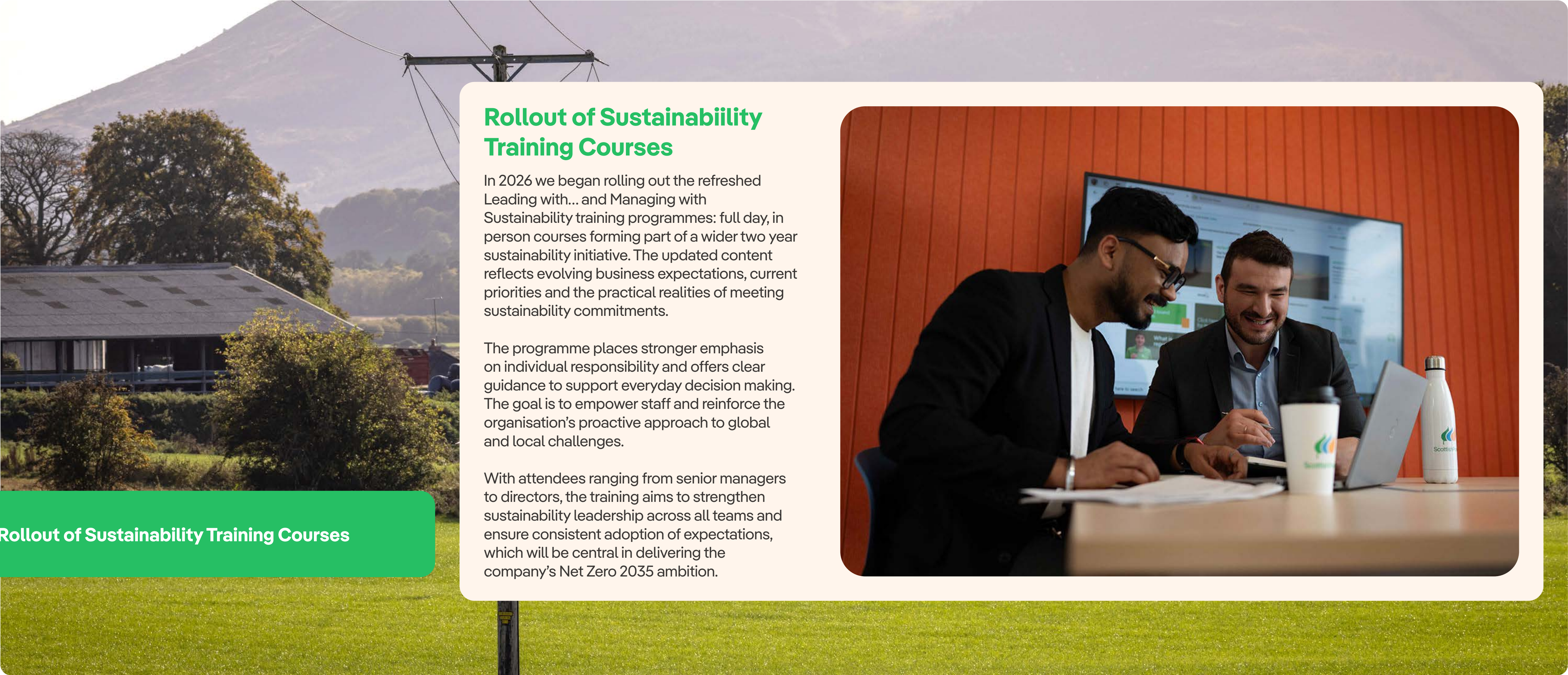
To maintain progress towards our target of recycling 100% of waste by 2030, new waste and recycling signage has been introduced in some Depots to make correct disposal easier and address challenges identified during depot visits. Employee involvement is key to driving progress and leading by example in sustainable operations.

The new signage will help staff to follow updated guidance, support contractors in using the correct skips and provide contact details for environmental specialists to resolve issues e.g. for additional signage.

Improved recycling will enhance cost efficiency, support the circular economy and help us meet our 2030 target. Waste collected across depots is processed at advanced Material Recovery Facilities, where materials are sorted and sent for reprocessing across the UK and Europe.



Highlights



Rollout of Sustainability Training Courses

In 2026 we began rolling out the refreshed Leading with... and Managing with Sustainability training programmes: full day, in person courses forming part of a wider two year sustainability initiative. The updated content reflects evolving business expectations, current priorities and the practical realities of meeting sustainability commitments.

The programme places stronger emphasis on individual responsibility and offers clear guidance to support everyday decision making. The goal is to empower staff and reinforce the organisation’s proactive approach to global and local challenges.

With attendees ranging from senior managers to directors, the training aims to strengthen sustainability leadership across all teams and ensure consistent adoption of expectations, which will be central in delivering the company’s Net Zero 2035 ambition.



Introduction

Purpose of this Report

This Distribution Annual Environmental Report for regulatory year 2025-26 (1st April 2025 to 31st March 2026) published on 30th October 2026, provides an overview of our performance against key metrics and our ongoing progress to deliver our [RIIO-ED2 Environmental Action Plan](#) commitments. It sets out our key activities to progress these commitments and gives examples of how we are supporting the societal transition to a low carbon economy whilst seeking to minimise our impacts on the environment.

Who we are

SP Energy Networks (SPEN) is responsible for the safe and reliable transmission and distribution of electricity across key regions of the UK. We operate through four regulated network businesses: SP Transmission Plc (SPT), SP Distribution Plc (SPD), SP Manweb plc (SPM), and SP Electricity North West (SP ENW).

SP Distribution plc (SPD) and SP Manweb plc (SPM) operate in three of the UK’s largest cities (Liverpool, Glasgow & Edinburgh) accounting for 1.6m (43%) of our customers, as well as three significant rural areas (North Wales, Scottish Borders and Dumfries & Galloway). Our highly trained and specialist staff work 24/7 to maintain the performance and safe condition of our electricity network, respond to customer enquiries and restore the supply as quickly as possible when a fault occurs on the network.

SPEN is a subsidiary of ScottishPower UK plc, part of the Iberdrola Group—a global leader in clean energy and one of the world’s most sustainable utilities, consistently recognised in the Dow Jones Sustainability Index and the Global 100. To learn more about our work and our commitment to a smarter, greener energy future, visit [What We Do – SP Energy Networks](#).

34,500

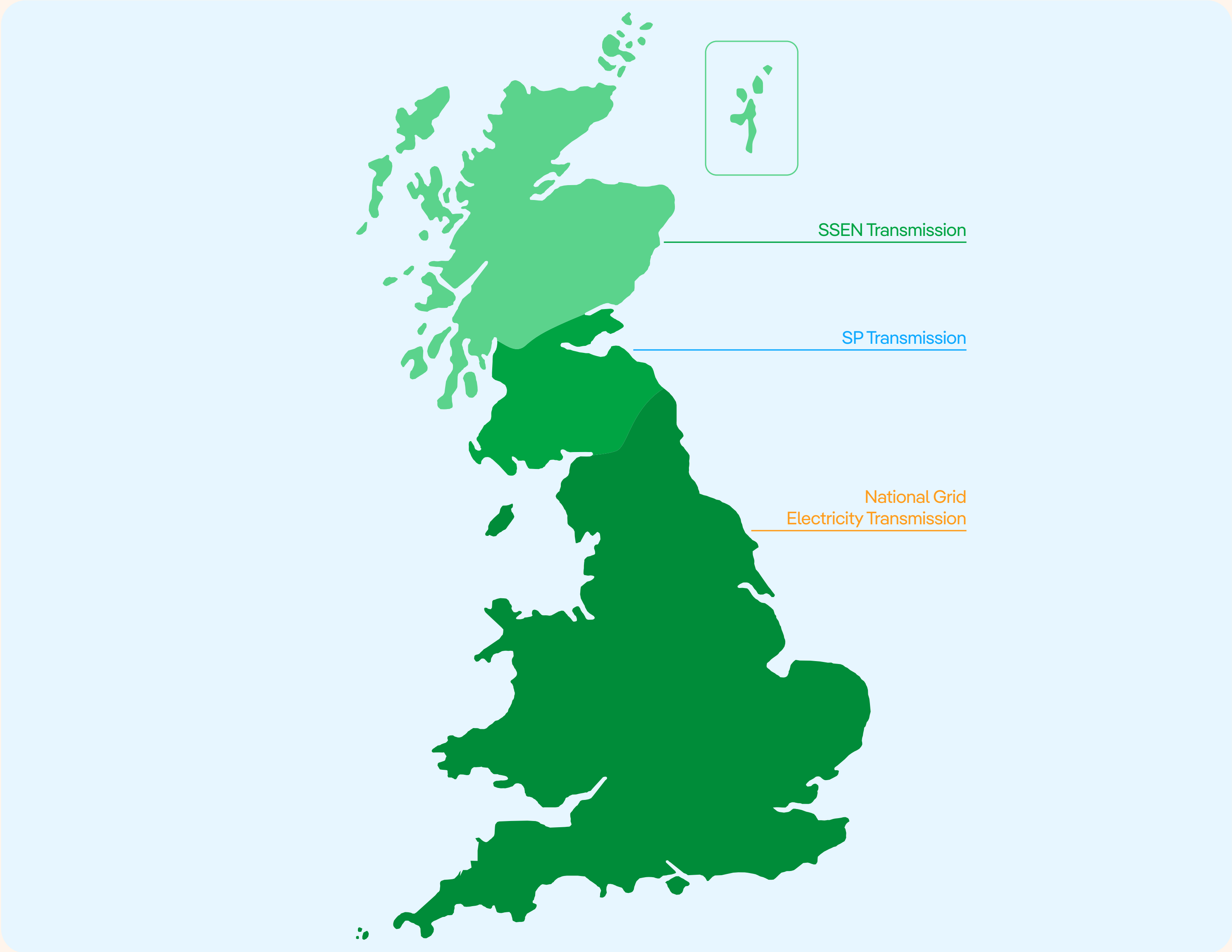
substations

38,000km

overhead lines
(once around the globe)

70,100km

underground cables



Sustainable Business Strategy

A sustainable electricity network connects renewable energy from generators to consumers. Whilst SPEN distributes energy from all sorts of generators, we are building the network to facilitate more renewable generation to meet the UK's Net Zero GHG ambitions. While building and operating our network to deliver renewable energy and connect low carbon technologies, we must ensure that our operations are sustainable from an environmental, social and economic perspective.

Our [Sustainable Business Strategy](#) has been developed through several years of collaboration with our stakeholders and is regularly updated in response to internal and external policy developments. Our aim in publishing this Strategy is to develop and share our approach to meeting the climate and biodiversity emergencies while delivering social, environmental and economic value to our customers and stakeholders.

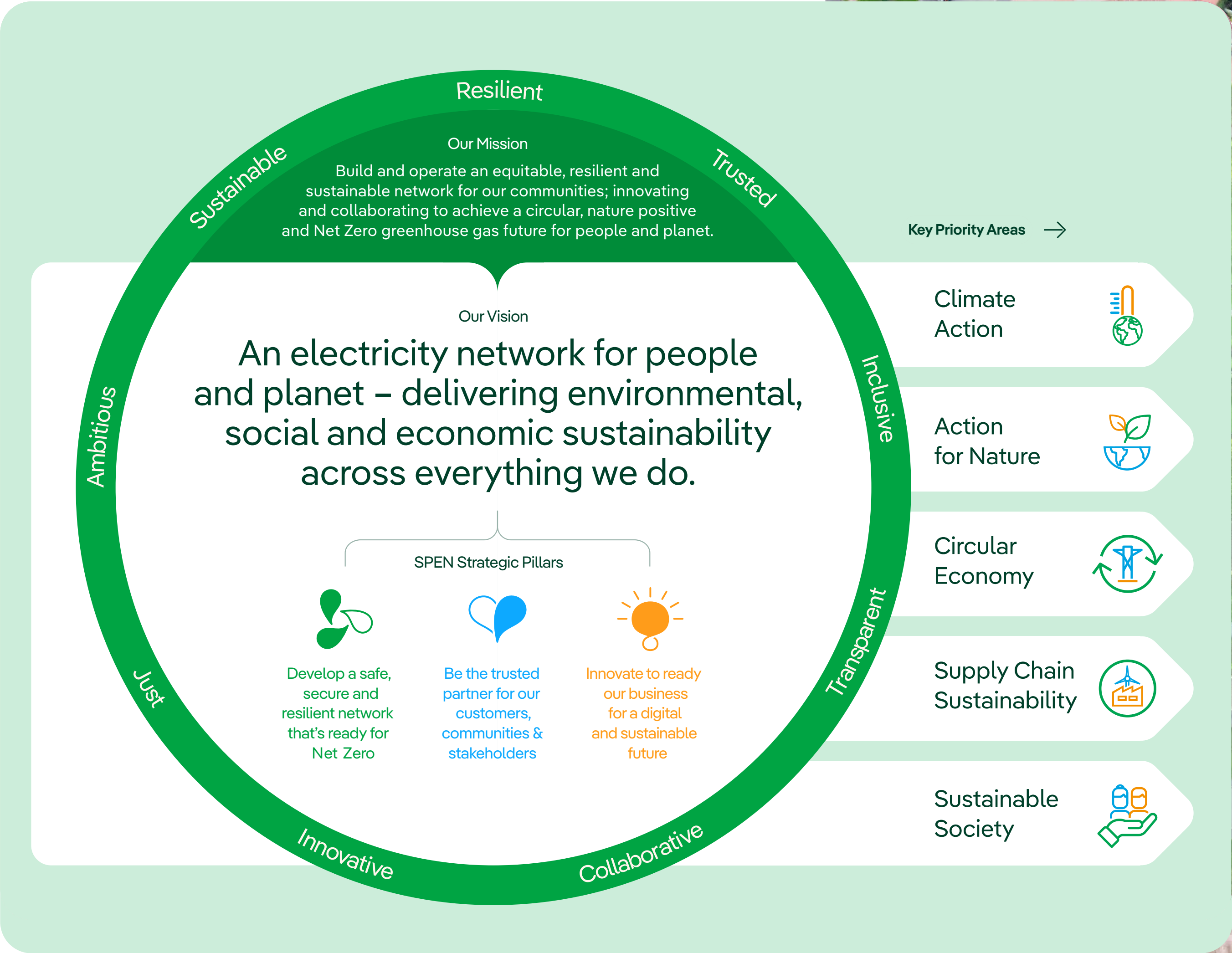
Our Sustainability Priorities

We have a clear picture of our sustainability impacts through:

- Stakeholder engagement
- Our environmental management system
- Delivery of our actions to date.

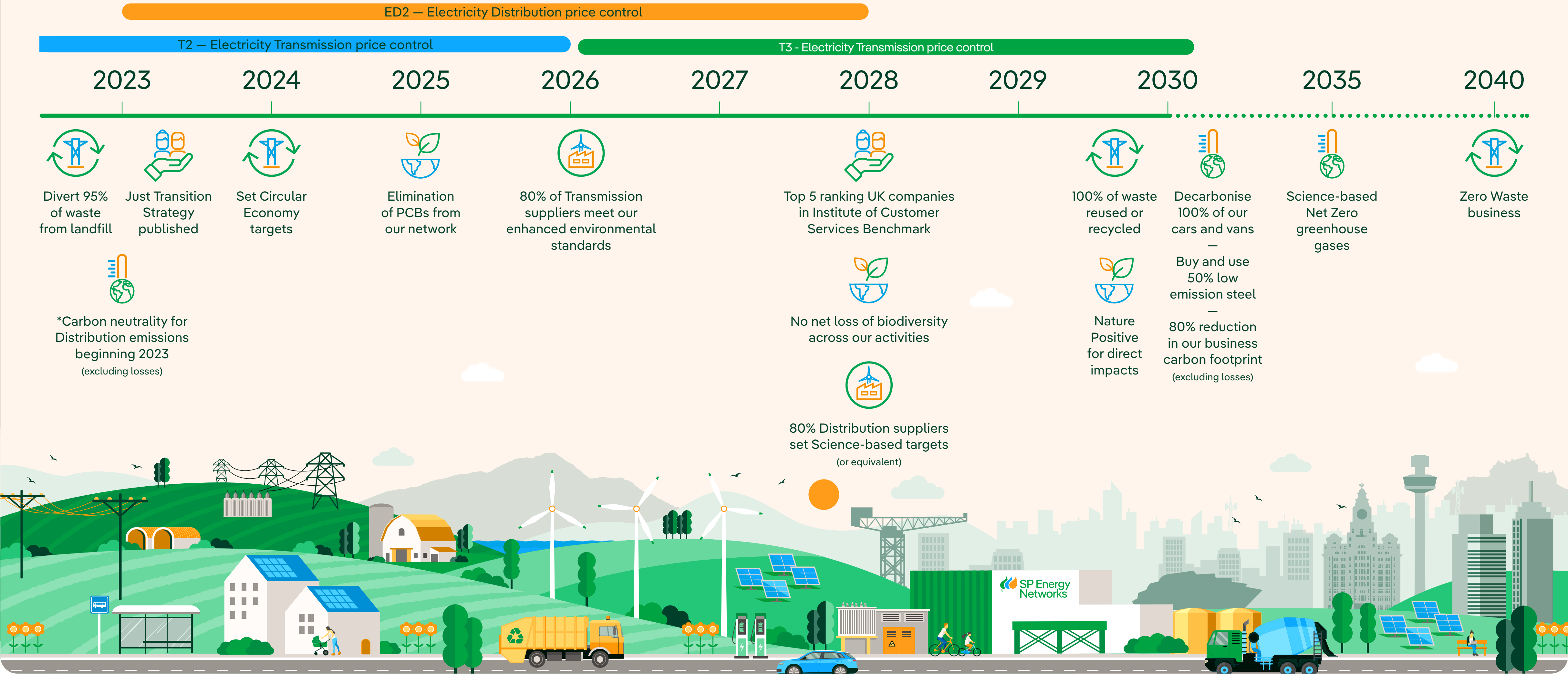
From these impacts, we have created five priority areas for action, identified by the icons in this graphic.

Click here to access all [SPEN Sustainability Reports and Publications](#).



Our Roadmap to a Sustainable Network

The roadmap below shows our sustainability goals and targets on our journey to 2040



UN Sustainable Development Goals

As part of the global Iberdrola group, we align with the United Nations Sustainable Development Goals (SDGs) and actively use the SDGs to guide the development of our business plans and strategies.

As an electricity network operator, our core reason for being focusses on enabling the connection of clean energy generation to our network and transporting this to end users. Therefore, our greatest contributions are to goals:



When considering the breadth of our activities in areas such as Net Zero GHG work and skills, network construction and maintenance, working collaboratively, diversity and inclusion, digitalisation and customer service we make a significant contribution, directly or indirectly, to the wider SDGs. Through internal and external collaboration, we mapped the SDGs to our key sustainability priorities, at the centre of our SDG wheel. The long SDGs on the infographic represent our direct contribution, and the shorter indirect. As our supply chain contributes to each of the 4 priority areas in the infographic, it has not been mapped separately. Our supply chain accounts for many of the indirect contributions.

The mapping exercise also identified areas of opportunity to enhance our contribution to the SDGs:

- **Climate change resilience:** integrated in our Climate Action and Action for Nature Priorities.
- **Water efficiency and protection:** integrated in our Circular Economy and Action for Nature Priorities.
- **Sustainable Society and Circular Economy:** distinct priority areas.

SDG and key priority area mapping



Commitments update

We have numerous, ambitious RIIO-ED2 commitments which span our Key Priority Areas, the 26 Principal Commitments are listed below. The progress towards meeting these commitments is also highlighted within the relevant sections of this report and more details on all 71 commitments can be found in the [Commitments Update Annex](#). List of high-level commitments as per below table:



Sustainable Society



Supply Chain Sustainability



Climate Action



Action for Nature



Circular Economy

Key Priority Area	Commitment	Units	Target	Actual	RAG	Status Update
Sustainable Society	We will publish our Just Transition Strategy by the start RIIO-ED2. We will embed the principles of a Just Transition into our business planning throughout RIIO-ED2 and continue to engage our customers and stakeholders to understand local needs. We will review our progress via an independent annual review.		Annual review	Annual Review Published	<div>G</div>	Our Just Transition Strategy was published in March 2023. Our first annual report was published in Q2 2024.
	We will embed environmental sustainability considerations in our business processes whilst maintaining and continually improving our ISO14001 certified Environmental Management System. This will enable us to achieve ‘beyond compliance’ environmental performance and our sustainability goals.		Yes	Yes	<div>G</div>	In September 2025 we maintained our certification of ISO14001 with an external surveillance audit of our Environmental Management System.
	We will continue to provide transparent reporting of our environmental and sustainability performance by publishing an annual report of our progress against all environmental and sustainability commitments – in line with metrics and a format developed in collaboration with the other DNOs.		Report Published	Report Published	<div>G</div>	An Annual Environmental Report has been created providing an update on progress towards meeting our commitments to stakeholders. The report provides a narrative update, case studies and relevant KPIs to present our performance against targets.
	We will improve the quality of environmental data collected and analysed at all stages of the asset lifecycle, investing in enhanced IT systems and formalising data sharing collaborations with key stakeholders.		Publication (internal) of Data Strategy	Data Strategy published (internally)	<div>G</div>	A Sustainability Data Gap Analysis has been carried out internally and there has been collaboration with DNO's on common methodologies for BCF and AER reporting. Our Sustainability Digitalisation programme is also progressing with work underway to begin developing a Sustainability Reporting Platform.
	We will continue to ensure that our staff, contractors and suppliers have the skills and knowledge to allow us and our supply chain to move beyond compliance and achieve our Sustainability Goals, by identifying and ensuring delivery of appropriate environmental training.	%	90%	95%	<div>G</div>	For calendar year 2025 95% of staff environmental training was delivered. 60% of our suppliers and contractors are members of the Supply Chain Sustainability School which provides resources such as training, webinars and events to improve skills and knowledge on sustainability topics.
Supply Chain	We will further enhance environmental sustainability standards and performance metrics in our contracts by 2023 and will collaborate with our supply chain to target more than 80% of RIIO-ED2 suppliers (by value) meeting these standards.	%	48%	71%	<div>G</div>	71% of our Distribution suppliers (by value) met our environmental sustainability standards. We will continue to engage to increase this in line with our commitment.

Commitments update (cont.)

Key Priority Area	Commitment	Units	Target	Actual	RAG	Status Update
Climate Action	We will deliver efficient and economic actions to reduce our scope 1, 2 & 3 business carbon footprint by 67.2% by 2035 from a 2018/19 baseline, in line with validated Science-Based Targets aligned to a 1.5oC pathway.	% reduction from 18/19 baseline	-29%	-24%	A	These emission relate to Scope 1 & 2 (excl. Losses), incl. Business Transport - our Business Carbon Footprint. While emissions increased in 2025/26 compared to the first two years of ED2, we still expect to remain on track to meet our Net Zero ambitions. Emissions have followed a non-linear reduction pathway. The increase has been driven by higher emissions from operational transport, fugitive emissions, and business travel, while emissions from generator fuels and building energy use have continued to decrease.
	We will minimise our carbon footprint to achieve Net Zero carbon by 2035.	tCO ₂ e (Sc 1+2 excl Losses)	15,525	14,974	A	This looks at Scope 1 & 2 only (excluding losses), in line with the KPI report. While emissions increased in 2025/26 compared to the first two years of ED2, we still expect to remain on track to meet our Net Zero ambitions. The increase has been driven by higher emissions from operational transport and fugitive emissions, while emissions from generator fuels and building energy use have continued to decrease.
	We will achieve Carbon Neutrality by 2023 for our Scope 1 & 2 business carbon footprint excluding Losses.	tCO ₂ e offset	20,263	0	A	This year we ran a competitive tender and developed a procurement approach for carbon offsets, but no units were purchased. This purchase will be completed early in year four, and will cover 42% of years one to three RIIO-ED2 reported emissions. We intend to purchase further units later in year four to cover both year four emissions and the remaining 58% of year one to three emissions.
	We will decarbonise our operational fleet by 2030, replacing 100% (over 800) of our cars and vans with electric alternatives in line with the Iberdrola EV100 commitment and will seek to further accelerate this to 2028.	%	91%	11%	R	We have replaced 98 of our petrol/diesel cars and small vans with electric alternatives to date. We are behind our target; electric alternatives to our larger vans which must travel long distances and carry heavy loads are not yet commercially available. We are working with our fleet teams to accelerate the transition to electric vehicles where we can during RIIO-ED2.
	We will reduce our SF ₆ leakage by 10% over the RIIO-ED2 period compared to RIIO-ED1.	%	8%	18%	G	During the regulatory year 2025/26, we bettered our third year target of a 8% reduction in SF ₆ leakage. The recorded SF ₆ leakage was lower than the amount needed to meet this 8% reduction target. As a result we exceeded our target as the less we leak, the higher the percentage reduction. It is important to note that the reported leakage pertains solely to SF ₆ used for top-ups and does not account for any disposals.
	We will analyse our generator use and set targets for reduction in carbon emissions to be achieved by end of RIIO-ED2.	kgCO ₂ e per MWh	165	40	G	We have set a target to reduce generator emissions per MWh of power supplied by 76% by the end of RIIO-ED2. We are targeting a linear reduction towards our target. We are ahead of our target for 2025/26.

R

Red - at risk and highly likely to be unachievable

A

Amber - delayed but still likely to be achieved

G

Green - on track and progressing as planned

Commitments update (cont.)

Key Priority Area	Commitment	Units	Target	Actual	RAG	Status Update
Climate Action	We will continue to purchase green electricity through a 100% UK-based renewable energy tariff backed by Power Purchase Agreements (PPA) for all our buildings. Beyond this, we will reduce our buildings and substations energy consumption by a minimum of 15.2GWh (8%) over the RIIO-ED2 period.	GWh	4.7	0.5	R	<p>The GHG emissions from Buildings electricity (Office & Depots, Substations and Radio Base Stations) was approximately 150 tCO₂e in 2025/26 as most of the electricity except for unmetered substations and radio base stations were purchased through a REGO tariff backed by Power Purchase Agreements (PPA). Energy efficiency measures were carried out on 96 primary substations, the works included replacement of all heating, lighting and controls to bring into line with the latest Civil specification. These updates have resulted in cumulative savings of 0.38GWh for the year 3 of ED2.</p> <p>Two depot developments at Bonnybridge and Glenrothes are planned and have progressed through the design and planning stage during the RIIO-ED2 price control. Energy Statements produced for both sites confirm the inclusion of rooftop solar PV systems to offset operational building energy demand. However, during RIIO-ED2 these activities are limited to design, specification, and planning approval for now. The implementation and in-use monitoring of renewable generation at these sites is expected to take place during the RIIO-ED3 price control period.</p> <p>No refurbishments works have been undertaken in SPM during the RIIO-ED2 period. The strategic approach has now changed and we will be moving to new sites in the RIIO-ED3 period rather than refurbishing existing sites. While this means we will not meet the RIIO-ED2 target, we will be able to deliver greater improvements and long-term results in RIIO-ED3.</p>
	In RIIO-ED2, we will continue to implement our Losses Strategy to avoid an estimated 36 GWh of network losses, thereby limiting losses to a lower level than would otherwise be the case.	GWh	13.8	3.0	A	<p>We are proactively mitigating technical losses increase through our programme of replacement of high loss transformers. These transformers are fully financially depreciated, but would otherwise not be replaced under a condition or risk-driven lifecycle program for 10+ more years. We also have a number of non-technical losses programmes including theft in conveyance and revenue protection.</p> <p>Across the three-year period, a total of 343 (*count includes 78 in 2025/26) high-loss transformers have been replaced. Transformers replaced under this programme in 2023-2025 will deliver cumulative lifetime savings of over 66 GWh of energy and approximately 13,880 tCO₂e, demonstrating the continued success of this targeted loss-reduction programme. In ED2 across all losses programmes we have already achieved a 57GWh reduction in losses. *Note, due to changes in regulatory reporting, 2025/26 losses savings associated with high-loss transformer replacements will not be claimed until 2026/27.</p>
	We will continue to implement our 2021 Business Travel Policy to reduce business travel emissions by at least 580 tCO ₂ e during RIIO-ED2.	tCO ₂ e saved	116	117	G	<p>The implementation of our Travel Policy has led to approximately 56% reduction in combined miles travelled by rail and domestic flights (using 2019/20 as a baseline year). We estimate that this has led to a savings of 117 tCO₂e in 2025/26 and a cumulative savings of 366 tCO₂e since the beginning of ED2.</p>
	We will require strategic suppliers to set Science-Based Targets within 5 years, aiming for 80% of our supply chain by value.	%	48%	37%	A	<p>We have seen a increase from 34% to 37% to date, we will be holding engagement sessions with our supply chain leads to discuss how to move towards 80%.</p>

R

Red - at risk and highly likely to be unachievable

A

Amber - delayed but still likely to be achieved

G

Green - on track and progressing as planned

Commitments update (cont.)

Key Priority Area	Commitment	Units	Target	Actual	RAG	Status Update
Action for Nature	We will continue to target zero environmental regulatory interventions and notifiable breaches.	No.	0	10	R	There was 1 regulatory intervention and 9 notifiable breaches in 2025/26, 1 regulatory intervention in SPD, 3 notifiable breaches in SPD and 6 in SPM, however no further enforcement actions or undertakings resulted.
	We will implement Pollution Prevention Plans at 100% of our RIIO-ED2 132kV projects.	%	100%	100%	G	We set a target to implement pollution incident response plans in all of our 132kV projects in SPM and we achieved this in the 2025/26 reporting period.
	We will reduce the volume of fluid (oil) used to top up our pressurised cables by around 3,490 litres (10%) by replacing 19.429km of our leakiest fluid filled cable.	km	9.715	5.320	A	Cable modernisation projects for Kirby and Bootle Circuits are ongoing and will complete in 2027. Once completed, this will remove 14.4 km of fluid filled cable from our network and fulfill our RIIO-ED2 target. 5.32 km of cables were replaced in 2025/26.
	We will continue to proactively minimise the impacts of noise resulting from the construction, maintenance and operation of our electrical infrastructure and take timely action to rectify noise complaints from our plant and sites.	No.	6	27	R	We received 27 noise complaints in the 2025/26 reporting year, these were investigated and fully rectified. Through compliance with our Noise Management Procedure, we are continuously educating colleagues on how to better manage noise.
	We will eliminate PCBs from our network by the end of 2025, in line with legislation and the risk-based industry approach agreed with the environmental regulators.	No. of assets changes	2,643	5,169	R	Work has accelerated on the planned removal of PCB contaminated (or potentially contaminated sealed) assets and we have removed almost twice as many assets as targeted. However, the deadline of 31 December 2025 for removal from our Distribution network was not met as updates to the Energy Networks Association PCB statistical model has added a substantial number of assets onto our PCB register and we were unable to achieve complete removal. In line with our plans, developed via the Energy Networks Association PCB Working Group, we continue to identify contaminated equipment. This Contaminated Equipment Disposal Plan involves a challenging rate of equipment replacement and we are on target to remove the remainder in 2026.
	We will use low carbon alternatives to concrete bunding for our RIIO-ED2 retrofit projects where technically feasible.	No.	123	127	G	We have used lower carbon concrete on a total of 127 of the projects for the RIIO-ED2 period in Primary Projects, for Plinths / Bunds. (Concrete mix that contains 40% Ground Granulated Blast Furnace Slag (GGBS) replacement for Portland cement).
	We will deliver 10% enhancement of biodiversity on 25 hectares across our existing network, on our non-operational land and existing linear infrastructure through collaboration with landowners, communities and local wildlife groups.	hectares	5	1.22	A	Within both of our licence areas, biodiversity enhancement has been delivered in the form of meadow, woodland, hedgerow, pond, and wildlife corridor creation. Correction made to 2024/25 results, 2024/25 reported full area of site opposed to the area subject to biodiversity enhancement.
	We will remove 35km of overhead lines in Areas of Outstanding Natural Beauty, National Parks, and National scenic areas	km	9.0	2.6	A	In 2025 we have seen several Visual Amenity projects completed across our three designated National Landscapes areas in SPM. For 2027, there are already 5km of OHL removals scheduled in SPM through ongoing projects and projects currently going through the approval process. We continue to actively engage with all ‘National Landscapes’ officers, to identify further locations for consideration for 2027 and beyond into ED3. In addition to that, we have also established additional stakeholder engagement with Awdurdod Parc Cenedlaethol Eryri National Park Authority to develop a program of visual amenity projects for consideration by SPEN going forward. SPD has fewer designated visual amenity and therefore has only one major named project for RIIO-ED2: Holy Island. Physical works have not yet commenced on this project due to a complicated consents process, but it is still expected to be completed within the RIIO-ED2 period. This year, 2.09 km of overhead lines were removed from the Ynys Môn (Anglesey), Bryniau Clwyd A Dyffryn Dyfrdw and Llyn Peninsular Areas of Outstanding Natural Beauty in the SPM licence area, and 0.55km were removed from the East Stewartry designated area in the SPD licence area.

R

Red - at risk and highly likely to be unachievable

A

Amber - delayed but still likely to be achieved

G

Green - on track and progressing as planned

Commitments update (cont.)

Key Priority Area	Commitment	Units	Target	Actual	RAG	Status Update
Circular Economy	We will divert 100% of our waste from landfill by 2030, excluding compliance waste.	%	97%	94%	A	In calendar year 2025 we diverted 94% of waste (direct operational and construction waste) from landfill, just short of our annual target of 96.7%, on the path to achieve 100% by 2030. However, we have identified an under-reporting of landfill diversion caused by issues with our waste reporting system's categorisation of some waste management routes, particularly exempt onsite activities such as aggregate reuse. We have marked this as amber in our RAG status, however, are enacting a plan to address these issues to get back on track to meet the 2030 target.
	We will establish a baseline and targets for waste reduction per £1m of total annual expenditure, to be achieved by the end of RIIO-ED2 and 2030 in line with our zero waste to landfill date.		TBA	In Progress	A	Baseline being established, targets to be set during 2026.

Performance dashboard

Climate Action

32%

↓

Reduction in Scopes 1 & 2 (excl. losses) from 2018/19 SBT baseline

11%

↑

Increase in Scopes 1 & 2 (excl. losses) from last year

22%

↑

Increase in SF₆ emission from last year

PlanetMark Certified

Net Zero Committed

Verified as Planet Mark Net Zero Committed

Supply Chain Sustainability

SUPPLY CHAIN SUSTAINABILITY SCHOOL

GOLD

Supply Chain Sustainability School partner

71%

↑

Suppliers (by value) meeting our enhanced environmental standards (SPD & SPM)

37%

↑

Suppliers with science-based targets

Circular Economy

94%

—

Waste diverted from landfill

Sustainable Society

10%

↓

Gender pay gap

2.64km

↓

Overhead lines undergrounded for visual amenity

bsi. ISO 14001 Environmental Management

ISO14001 EMS certification

Action for Nature

100%

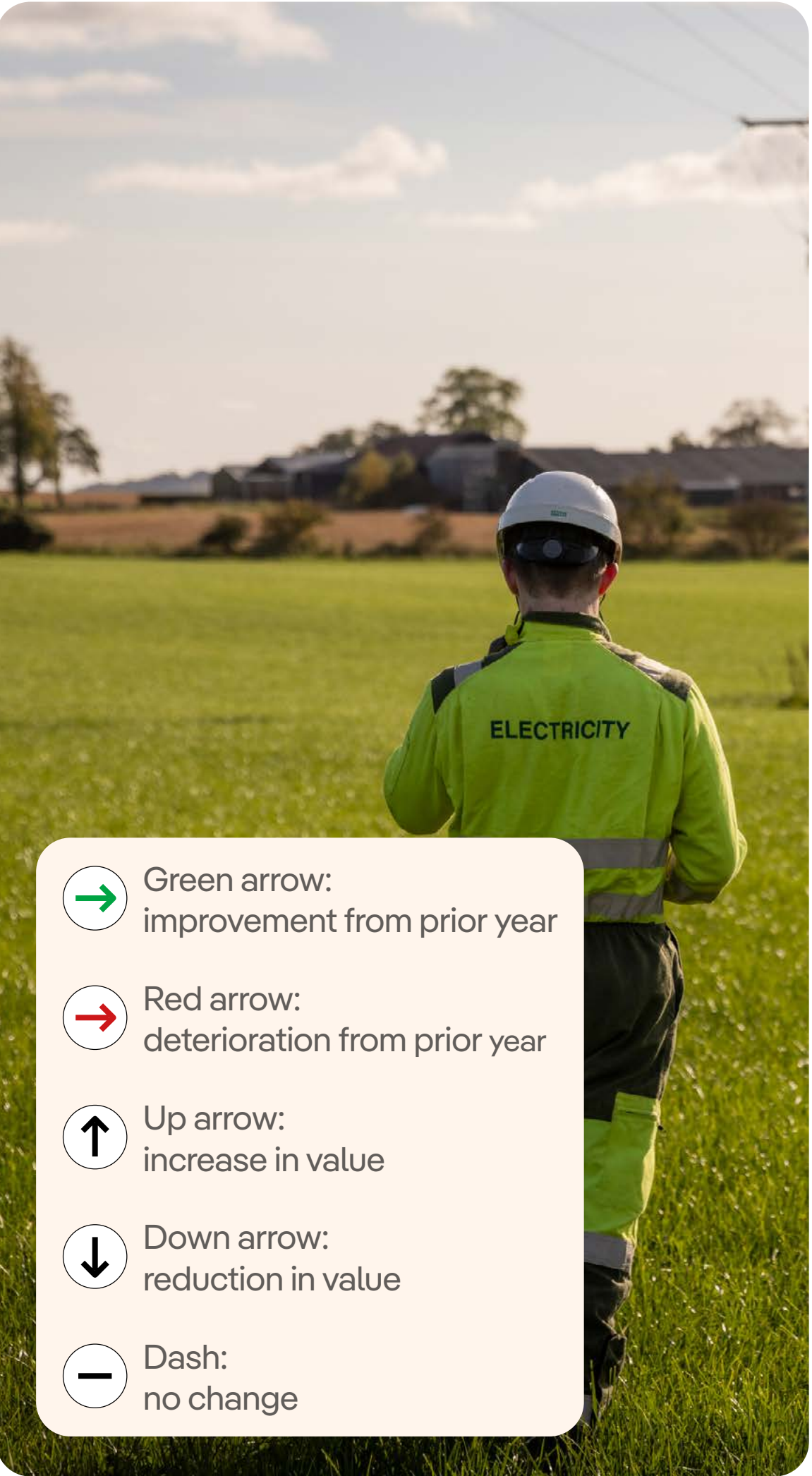
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Pollution prevention plans implemented on 132kV projects

10

↑

Reportable environmental incidents





Delivering a more sustainable network

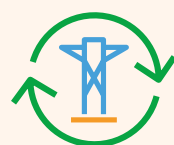
Our vision is to be an electricity network for people and planet – delivering environmental, social and economic sustainability across everything we do. We embed the principles of sustainability in our decision-making. We work with our stakeholders to efficiently manage and develop our networks in support of the low-carbon transition, and to achieve neutral or positive environmental and social impacts. Our actions to become a sustainable networks business will drive our supply chain and support our customers and communities to become more sustainable. During the remainder of RIIO-ED2, we will continue to drive industry-wide collaboration for the benefit of all customers and will keep engaging our environmental stakeholders through our Sustainability Stakeholder Working Group.

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Sustainable Society
- 

Supply Chain Sustainability
- 

Climate Action
- 

Action for Nature
- 

Circular Economy



Sustainable Society

Achieving the sustainability step-change

This year we strengthened the foundations of sustainability across our organisation and supply chain through refreshed training, stronger partnerships and enhanced governance. Supported by over a decade of ISO 14001 certification, we continued to embed environmental best practice while advancing our Just Transition agenda through the publication of our second report and its supporting KPIs and the completion of stakeholder-led maturity assessments. These actions ensure we remain resilient, future-focused and committed to delivering a fair and inclusive transition for the communities we serve.

Status update
During regulatory year 2025/26 we maintained certification to ISO14001 with an external surveillance audit of our Environmental Management System. We are continuing to embed the recommendations and opportunities provided in the audit report into our internal systems.



Sustainability is everyone’s responsibility and it is critical to how we operate as expectations of our business continue to evolve. This year, we fully refreshed the Managing with Sustainability and Leading with Sustainability training

programmes to ensure they reflect our current priorities, stakeholder expectations and the practical realities of delivering our commitments.

The updated content places a stronger focus on “what does this mean for my role?”, offering clear, practical guidance to support day-to-day decision-making across all disciplines and showcasing business best practice that delivers sustainable outcomes. These refreshed materials will form the basis of a two-year rollout beginning in 2026, helping to embed sustainability knowledge, skills and behaviours consistently across the organisation.

We want our people to feel empowered working for a company that takes proactive actions on both global and local issues. This programme plays an important role in achieving that ambition, helping everyone understand the contribution they can make to delivering a fair, responsible and sustainable transition.

We continue to partner with the [Supply Chain Sustainability School](#) to provide high-quality sustainability training and resources for our staff, contractors and wider supply chain. We are proud to maintain our Gold membership status, a recognised accreditation awarded to organisations that demonstrate leadership in sustainability learning, actively engage with



the School’s programmes and contribute to improving sustainability capability across their workforce and supply chain. This year, we strengthened our partnership further, giving us greater access to specialist training, collaborative networks and industry best practice. This expanded collaboration is helping us share knowledge more effectively, deepen engagement across our workforce and supply chain and drive stronger alignment on sustainability expectations.

In 2025, we published our second [Just Transition Report](#), providing a detailed overview of our progress, challenges and areas for further action. As part of this work, we introduced a new set of Just Transition KPIs aligned to our four principles. These KPIs provide clear, measurable indicators to help us define what ‘good’ looks like, track progress year-on-year, enhance transparency and drive continuous improvement across the organisation.

To ensure our approach remains robust and forward-looking, we also held a stakeholder workshop facilitated by an external consultant. The session focused on reviewing our current position, assessing whether our Just Transition principles remain fit for purpose and identifying the actions needed to move towards our desired future state. This process is helping to ensure our principles remain relevant, aligned with evolving stakeholder expectations and grounded in recognised best practice.



Case study - Embedding Just Transition across ScottishPower businesses

As part of the annual ScottishPower Sustainability Festival, we hosted a dedicated Just Transition event to strengthen understanding across the wider ScottishPower Group and highlight how each business area contributes to an equitable transition. The session brought together colleagues from SPEN, Customer Business and ScottishPower Renewables, anchored by a shared commitment to ensuring that customers, communities and the supply chain are not left behind as the energy system decarbonises. The event opened with scene-setting from Action Sustainability, providing a clear and accessible overview of what a Just Transition means in practice. This foundation enabled each business to reflect on how the principles apply to their own operations and to explore the practical steps already taken to embed fairness, inclusion and opportunity within their programmes.

The session also spotlighted best practice from across the group. We shared how our Just Transition Strategy is being actively embedded within core operations, supported by case studies demonstrating real customer and community outcomes. The importance of this work was also spotlighted at the SPEN Leadership Conference. Customer Business outlined its work on social tariffs and ScottishPower Renewables showcased its approach to community benefits and local engagement.



Commitments

Commitment	RAG
We will embed environmental sustainability considerations in our business processes whilst maintaining and continually improving our ISO14001 certified Environmental Management System. This will enable us to achieve ‘beyond compliance’ environmental performance and our sustainability goals.	G
We will continue to ensure that our staff, contractors and suppliers have the skills and knowledge to allow us and our supply chain to move beyond compliance and achieve our Sustainability Goals, by identifying and ensuring delivery of appropriate environmental training.	G
We will embed a process for Initial Environmental and Sustainability Reviews (IESRs) for all relevant projects, to identify potential environmental issues and opportunities at the earliest stage.	G
We will publish our Just Transition Strategy by the start RIIO-ED2. We will embed the principles of a Just Transition into our business planning throughout RIIO-ED2 and continue to engage our customers and stakeholders to understand local needs. We will review our progress via an independent annual review.	G

Metrics

Year		2023-2024	2024-2025	2025-2026
ISO14001:2015 certification	Certification	Yes	Yes	Yes
Training Plan Delivery Staff	Completion %	99%	76%	95%
Training Plan Delivery Contractors	% priority suppliers registered with SCSS	45%	57%	60%

Supply Chain Sustainability

Building strong, collaborative relationships with our supply chain is critical to delivering our sustainability ambitions. Our diverse network of suppliers supports every stage of the asset lifecycle, from design and construction through to operation and end-of-life management. By working closely with them, we not only ensure works are safe, efficient and compliant, but also drive down environmental impacts, raise environmental performance standards and embed best practice across the wider industry. We are fortunate to work with suppliers who bring a broad range of specialist expertise, and this depth of capability plays a vital role in helping us deliver on our environmental and sustainability goals.

Status update

We recognise the importance of creating a supportive environment and strong relationships to enable effective collaboration between us and our supply chain. To strengthen this, we have launched new bi-annual Sustainability Newsletters to maintain clear, consistent communication and visibility of expectations, achievements and opportunities for improvement.

Building on this, we held our first director-led Supply Chain Forum in June 2025, bringing suppliers together to share insights, discuss challenges and shape future priorities. These priorities have helped shape our 2026 Supply Chain Engagement Programme. Following supplier feedback, we have also established targeted sub-groups focused on specific knowledge gaps to support capability building and drive collective progress.

One example of this collaborative approach is our excavation waste management sub-group, which brought together SPEN teams and service partners to support implementation of the Street Works UK Excavation Waste Protocol. The Protocol, developed collaboratively by

Street Works UK, the Energy Networks Association and environmental regulators, provides an alternative risk based method for classifying excavation waste while maintaining appropriate environmental controls and compliance.

Recognising the importance of consistent application across operational activities, we engaged with service partners through a programme of workshops, practical training and online updates. These sessions helped build understanding of the Protocol requirements, share best practice and support a consistent approach to waste classification and management.

- Engagement activities included:
- SPEN Street Works Protocol online process update – 6 May 2025
 - Street Works Protocol Workshop North practical session, Glasgow – 26 June 2025
 - Street Works Protocol Workshop South practical session, Chester – 9 July 2025
 - Waste: Understanding Waste Transfer Note Requirements online update – 28 January 2026

This early engagement has helped drive successful implementation of the Protocol and contributed to the strong assessment accuracy results reported through the Street Works UK framework.

By collaborating closely with our supply chain on areas of challenge and innovation, we are embedding a partnership-based approach that delivers meaningful sustainability benefits. Active supplier engagement is critical to achieving carbon reduction, supporting circular practices, protecting and enhancing nature, and maximising positive societal impact. We have also

launched innovation projects to further understand supply chain impacts in specific areas, such as biodiversity.

These engagement channels enable us to deliver our commitment to engage with suppliers throughout their contracts, optimise benefits and reduce environmental impacts. We will continue to engage with suppliers to allow them to propose additional and/or innovative solutions that drive further improvements.

We use our enhanced environmental supplier standards to enable us to benchmark the progress of our priority suppliers in incorporating sustainability into their businesses. These standards include:

- GoSupply Platform assessment – used to assess suppliers’ environmental, social and governance (ESG) performance through a structured, scored questionnaire.
- Supply Chain Sustainability School membership – a free-to-access learning platform that helps evaluate and improve suppliers’ sustainability knowledge and capabilities.

We have assessed the top 80% of our supply chain by spend, with **69% of SPM** suppliers and **73% of SPD** suppliers now meeting our enhanced environmental standards. This progress keeps us on track to achieve our target of 80% compliance by the end of RIIO-ED2.

We will continue engaging with new suppliers that have not yet set Science Based Targets (SBTs), encouraging them to do so. We recognise that a significant proportion of our supply chain is made up of SMEs, many of whom may require additional support to develop credible targets. To provide clarity and reduce barriers, we have updated our Distribution tender documentation to

clearly define what we mean by SBTs or acceptable alternatives. Our work with the [Scottish Business Climate Collaboration](#) on the Climate Hub tool for SMEs has also helped strengthen the support available. This remains a key area of focus for 2026/27 and throughout the remainder of RIIO-ED2.

We are encouraged to see increasing engagement from priority suppliers, with registration to the Supply Chain Sustainability School rising from 44% in 2023/24 to 57% in 2024/25 and now **60% in 2025/26**.

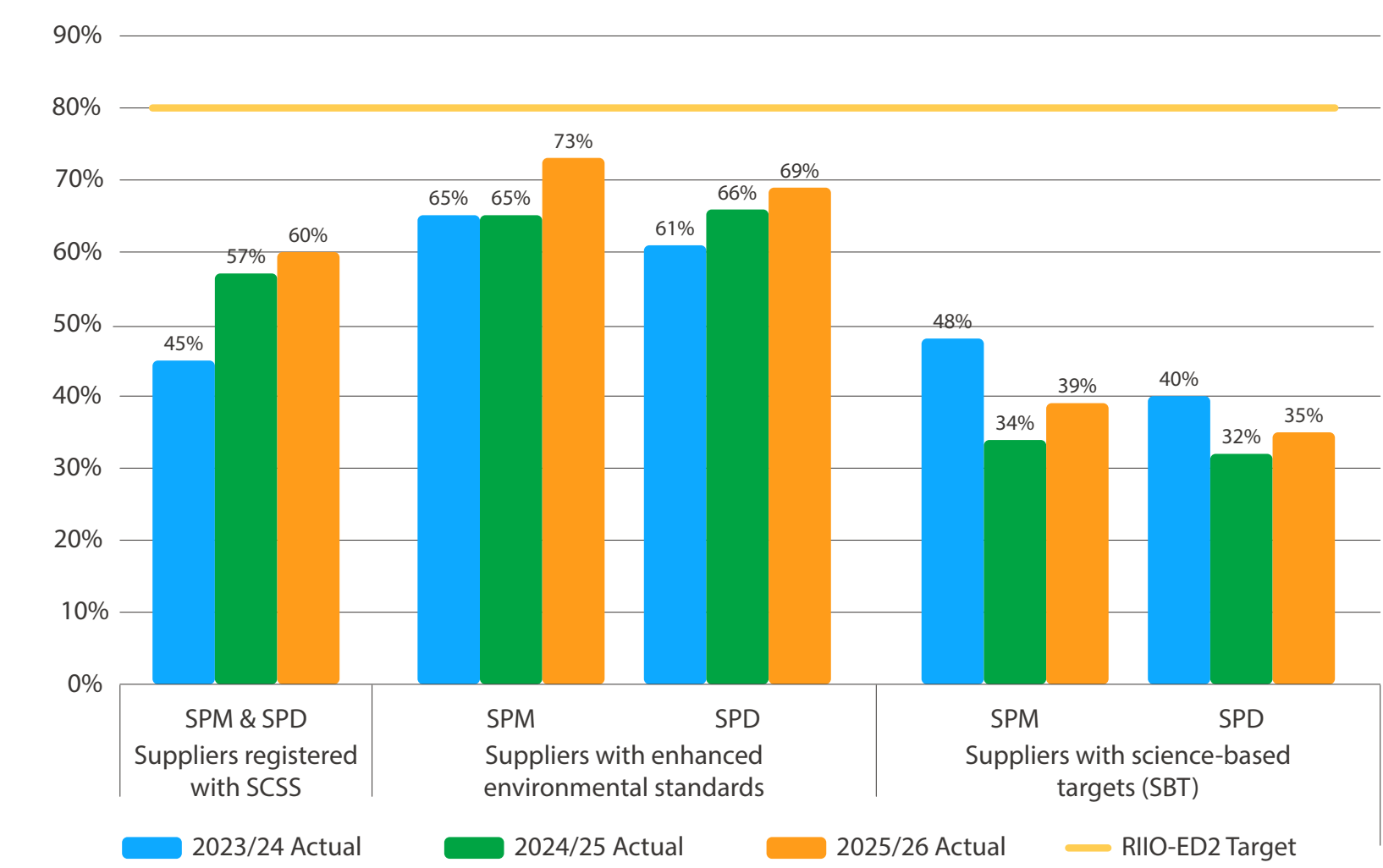
We continue to maintain Gold partnership status with the Supply Chain Sustainability School. This membership provides the training resources and materials needed to help our supply chain upskill and meet our sustainability standards. This year, we hosted events for our supply chain and staff on waste and a Just Transition.



Commitments

Commitment	RAG
We will further enhance environmental sustainability standards and performance metrics in our contracts by 2023 and will collaborate with our supply chain to target more than 80% of RIIO-ED2 suppliers (by value) meeting these standards.	G
We will increase consideration of environmental sustainability in our procurement processes in line with ISO20400 Sustainable Procurement Standard, including a carbon metric as a minimum.	G
We will continue to be a Supply Chain Sustainability School Partner, requiring contractors and suppliers for all new contracts to become members and undertake relevant sustainability and environmental training.	G
We will engage with suppliers early in the development of projects to enable them to propose environmental improvements at concept and design stages.	G
We will engage with suppliers throughout the duration of their contracts to continue to reduce impacts and optimise benefits.	G
We will require strategic suppliers to set Science-Based Targets within 5 years, aiming for 80% of our supply chain by value.	A

Metrics





Climate Action

The most impactful way for us to mitigate climate change is by enabling the large-scale connection of low-carbon technologies to support the decarbonisation of the UK electricity system. Alongside this, we continue to reduce the carbon footprint of our operations and strengthen the resilience of our network to climate-related risks.

As our ambition matures, our focus is increasingly on embedding whole-life carbon considerations into decision-making, improving the quality and granularity of our data, and driving decarbonisation across our supply chain. Delivering against our targets will require sustained transformation across our business, our delivery partners and the wider value chain.

Greenhouse Gas Emissions

Since 2013, we have published our annual Business Carbon Footprint (BCF), providing transparent reporting on the emissions we directly control and influence. We have continued to strengthen our approach through the adoption of Science-Based Targets (SBTs), aligning with a 1.5°C pathway and committing to a target of Net Zero by 2035, with an interim target of 67.5% by 2030, against a 2018/19 baseline. This supercedes our previous target of an 80% reduction by 2030 against 2013/14 baseline in scope 1 and 2 emissions (excluding losses), reflecting our increased climate ambition.

Our Net Zero trajectory will be tracked across both direct and indirect emissions, and our reporting will continue to align with the GHG Protocol, structured across three defined scopes:

- Scope 1:** Direct emissions associated with fuel use, SF₆ and other refrigerant gas leakage from assets we own or control.
- Scope 2:** Indirect emissions associated with energy consumed in assets we own or control, and electricity lost as we transport electricity from supply to our customers.
- Scope 3:** All other emissions that occur as a result of our activities. These are upstream emissions predominantly associated with our supply chain.

Status update

Scope 1 and 2 emissions, excluding losses, increased by approximately **11%** compared with the previous financial year but remain **32%** below our baseline year. As a result, we are currently off trajectory to meet our near-term target of a 67.5% reduction by 2030/31, against a 2018/19 baseline.

However, the observed increase aligns with our expectation of a non-linear decarbonisation pathway, where annual emissions may fluctuate due to operational factors. These variations are anticipated and do not change our overall expectation of achieving the 2030/31 target. Further information can be found in our [Net Zero Transition Plan](#), developed and published within this reporting period, which aligns with the Transition Plan Taskforce (TPT) Disclosure Framework: the UK’s gold standard for corporate net-zero reporting.

Despite the increase from previous year, there have been notable reductions in key emission sources. Scope 1 emissions from fuel combustion declined due to the successful rollout of Hydrotreated Vegetable Oil (HVO) as a replacement for diesel in mobile generators used for temporary power supply.

We have also achieved reductions in building-related emissions, driven by decreased gas consumption and continued procurement of renewable electricity under the Green Source tariff. In parallel, there has been an increase in electric vehicle mileage, reflecting progress in fleet electrification and supporting the decarbonisation of operational transport.

Conversely, emissions from SF₆ leakage and operational transport increased. This was primarily driven by:

- Higher SF₆ emissions, driven by increased SF₆ top-up activity on an ageing asset base and a greater volume of SF₆-containing assets being retired from the network. Disposal emissions are recognised at the point of asset removal and therefore increase in line with asset decommissioning activity. As a result, SF₆-related emissions were the single largest contributor to the overall increase in emissions this year.

- Increased fuel consumption and mileage within SPD, driven by higher operational activity and vehicle utilisation. While SPM recorded reductions in vehicle usage, overall emissions did not decrease due to the higher diesel emissions factor applied this year (+58 gCO₂e per litre), reflecting updated emissions factors published annually by the UK Government (DESNZ). The rate of emissions reduction was also constrained by delays in the rollout of electric vehicles, resulting in continued reliance on diesel-powered vehicles for operational activities.

Including network losses, total Scope 1 and 2 emissions decreased by 17% year-on-year, driven by:

- A slight reduction in electricity distributed; and
- A 15% reduction in UK grid carbon intensity.

Third-party verification of our carbon footprint is provided annually by [Planet Mark through their Net Zero Committed Certification](#).

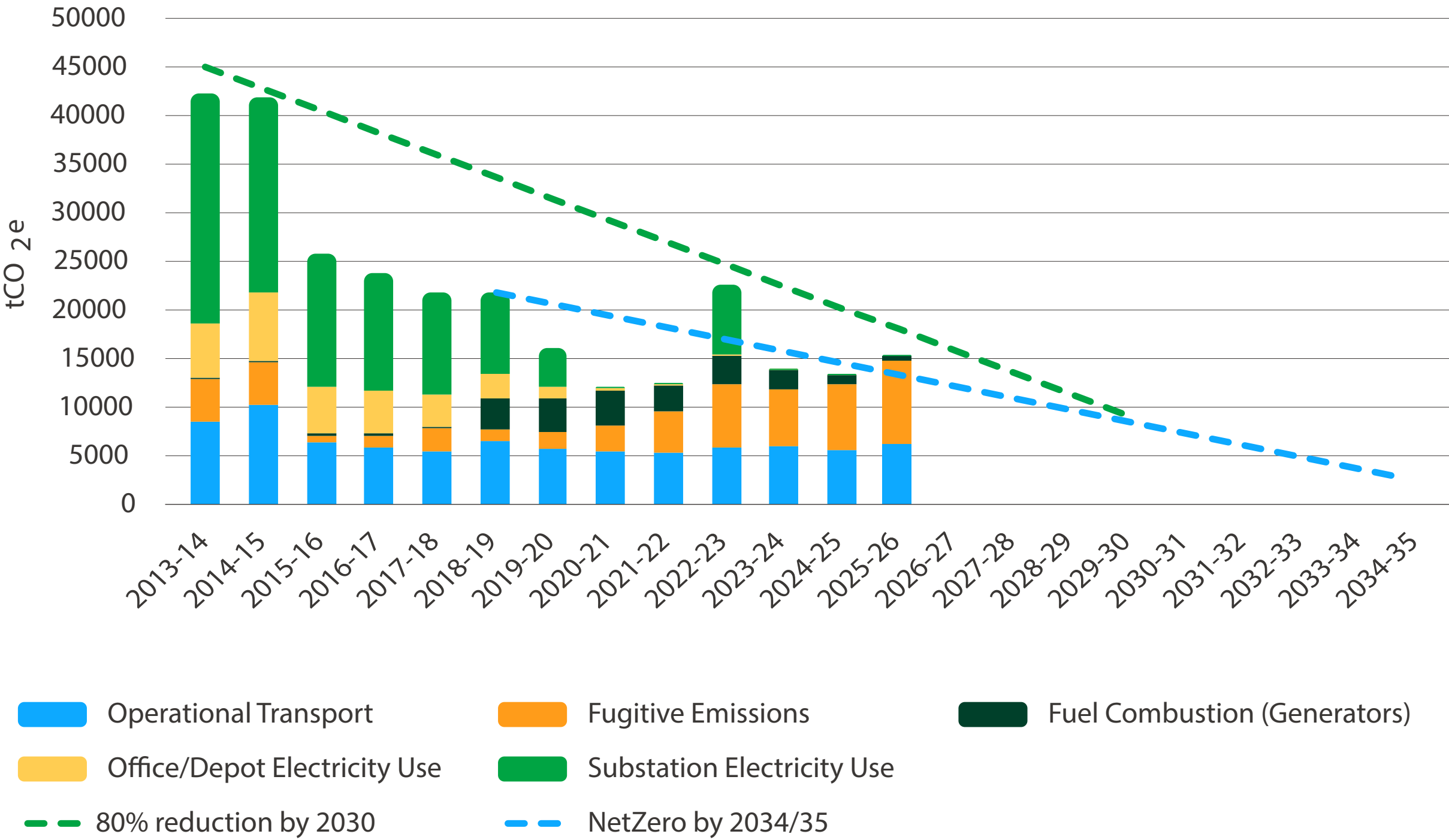


Metrics

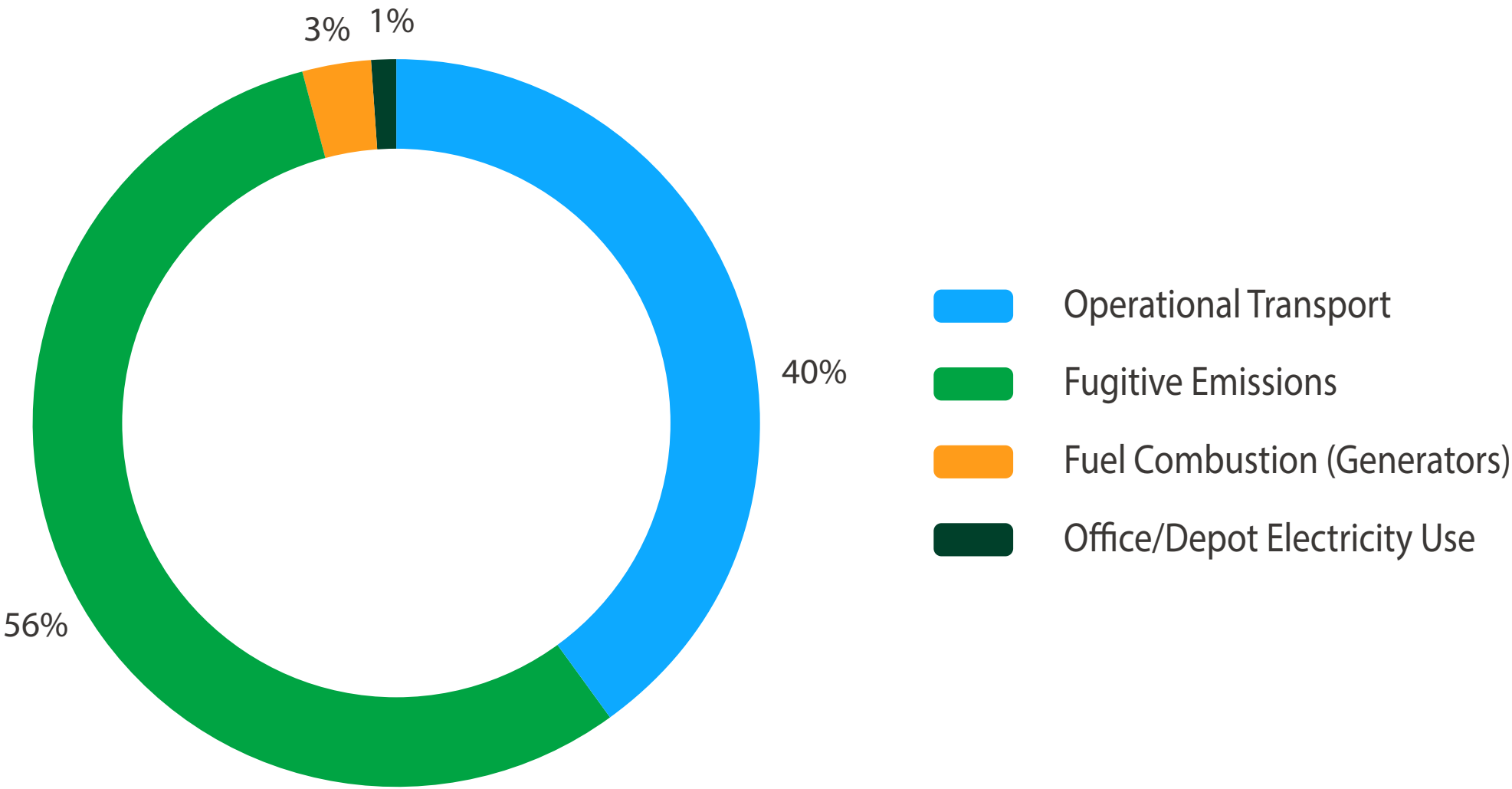
Business Carbon Footprint tCO₂e table by scope and category.

Emissions in tCO ₂ e	Scope	Baseline 2018-2019	2022-2023	2023-2024	2024-2025	2025-2026
Operational Transport	1	6,536	5,917	6,087	5,682	5,985
Fugitive Emissions	1	1,272	6,506	5,827	6,761	8,374
Fuel Combustion & Building Gas Use	1	3,235	3,010	1,967	983	562
Total Scope 1		11,043	15,433	13,881	13,288	14,921
Building Energy Use	2	10,947	7,313	55	60	51
Scope 1&2 Excl. Losses		21,990	22,746	13,936	13,485	14,972
Electricity Losses	2	620,489	428,143	461,776	524,251	430,818
Scope 1&2 Incl. Losses		642,479	450,889	475,712	537,736	445,790

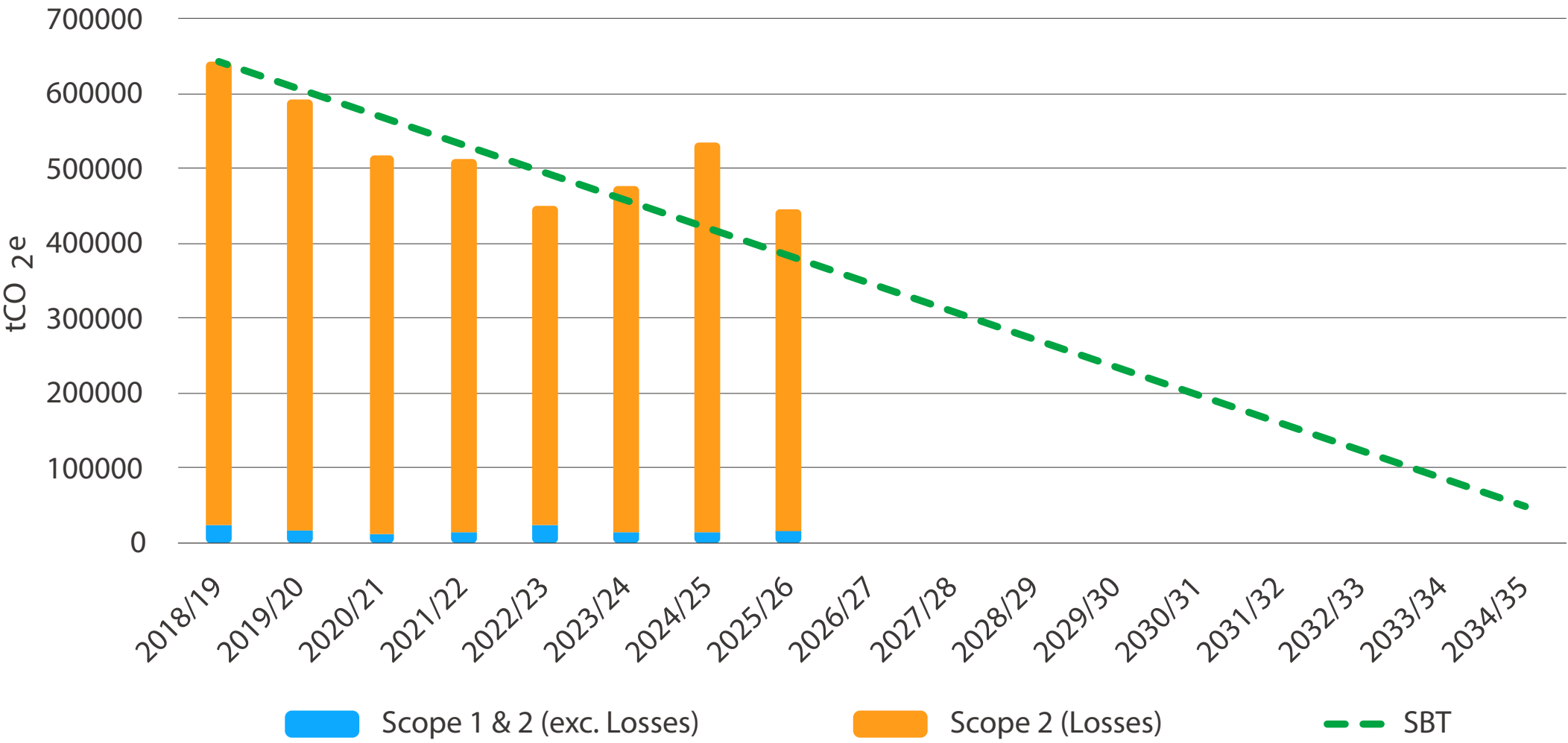
Business Carbon Footprint Scopes 1+2 excluding Losses tCO₂e



BCF Scopes 1+2 excluding Losses



Graph Scopes 1+2 (inc. losses) with SBTi Target



Commitments



Commitment	RAG
We will deliver efficient and economic actions to reduce our scope 1, 2 & 3 business carbon footprint by 67.2% by 2035 from a 2018/19 baseline, in line with validated Science-Based Targets aligned to a 1.5°C pathway.	A
We will minimise our carbon footprint to achieve Net Zero GHG by 2035.	A
We will identify metrics, and associated targets, for RIIO-ED2 to track the impact of implementing actions and the overall progress towards our carbon reduction targets.	G



Scope 1 emissions

Operational transport

Operational transport includes all emissions associated with our vehicle fleet. Across SPD and SPM, we have more than **800** vehicles that are critical to the operation and maintenance of our network. Our business plan commits us to decarbonising our full fleet, including larger vans, by 2030.

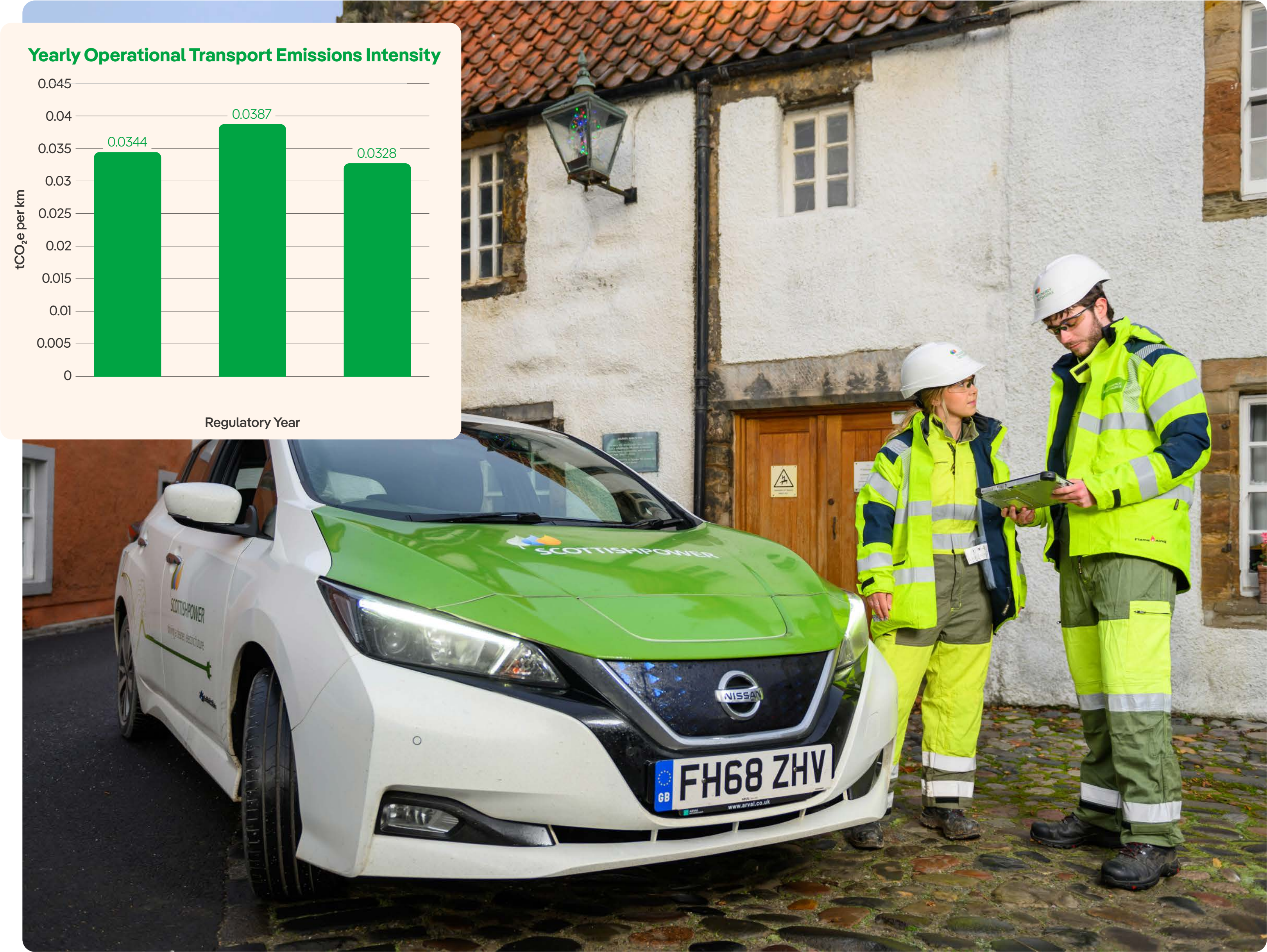
As we progress through the RIIO-ED2 price control, we remain committed to this goal and will continue to work closely with our supply chain to identify and implement viable solutions.

We currently have **98** electric vehicles, up from 39 last year. This means that 11% of our total business fleet has now been electrified. We will continue to implement our rollout plan to increase this number by the end of RIIO-ED2, recognising that the transition to EVs represents a significant change to business-as-usual systems and refuelling processes.

Reliable charging infrastructure remains critical to fleet electrification. In 2025/26, early delivery was slower than planned due to site power constraints, supplier onboarding challenges, the liquidation of a core supplier and limited specialist EV infrastructure capability. Despite this, charger installation accelerated in the second half of the year as solutions were redesigned and delivery partners were mobilised.

To maintain momentum, we deployed temporary and mobile chargers, introduced a RightCharge card to provide access to public charging, explored battery-supported solutions where site upgrades were constrained and continued the Home Start scheme, installing **21** home chargers for eligible fleet drivers. These actions have helped sustain fleet electrification while building the infrastructure, skills and delivery experience needed for longer-term decarbonisation.

Despite this progress, we do not currently expect to fully electrify our medium and large vans or 4x4 vehicles within the RIIO-ED2 timeframe. This is primarily due to the limited market availability of vehicles that can meet the operational range and payload requirements of these fleet categories.



Commitments

Commitment	RAG
We will decarbonise our operational fleet by 2030, replacing 100% (over 800) of our cars and vans with electric alternatives and will seek to further accelerate this to 2028.	R
We will install electric vehicle charging infrastructure for our operational fleet at our sites	A
We will strive to lead the decarbonisation of fleet vehicles, working with suppliers and other fleet operators to pilot technically viable alternatives to drive technical advancements and early adoption.	G



Scope 1 emissions

Fugitive emissions

The installation of modern SF₆ filled switchgear has improved the operational safety of our asset base and reduced maintenance costs. SF₆ is a colourless, odourless gas used for insulation and arc interruption, offering exceptional dielectric strength that enables compact and cost effective switchgear. Although it has no detectable local environmental impact when released, it is a highly potent greenhouse gas with a global warming potential 23,500 times greater than CO₂.

We have therefore committed to using alternatives to SF₆ insulating gas for all new circuit breakers, Ring Main Units and Gas Insulated Switchgear installations at all voltages, where there are technically feasible market-ready solutions available.

Status Update

Addressing SF₆ emissions presents several challenges, including variations across voltage levels and applications, and the limited availability of alternative gases with comparable insulating properties. We continue to work with suppliers to support the introduction of SF₆ free technologies and will adopt suitable alternatives where technically feasible market-ready solutions are available. This includes tendering exclusively for non SF₆ equipment when technically equivalent options are available.

We prioritise projects that deliver the greatest reduction in SF₆ emissions where feasible and in customers’ interests. For example, we have installed two 11kV Ring Main Units using an alternative gas with zero global warming potential and plan to install 20 more. We are confident that such innovations will support continued reductions in our business carbon footprint.

None-the-less, in the short term, the volume of SF₆ on our network is expected to increase as we replace end-of-life

oil-filled switchgear where no market-ready technically equivalent SF₆-free alternatives exist. For example, whilst we have recently approved for network installation a SF₆-free Y-Type (200A) 11kV RMU, there is no X-Type (630A) available on the market to date that is SF₆-free. This means there is no current solution available for the unit protected urban network around Liverpool/Wirral/Cheshire.

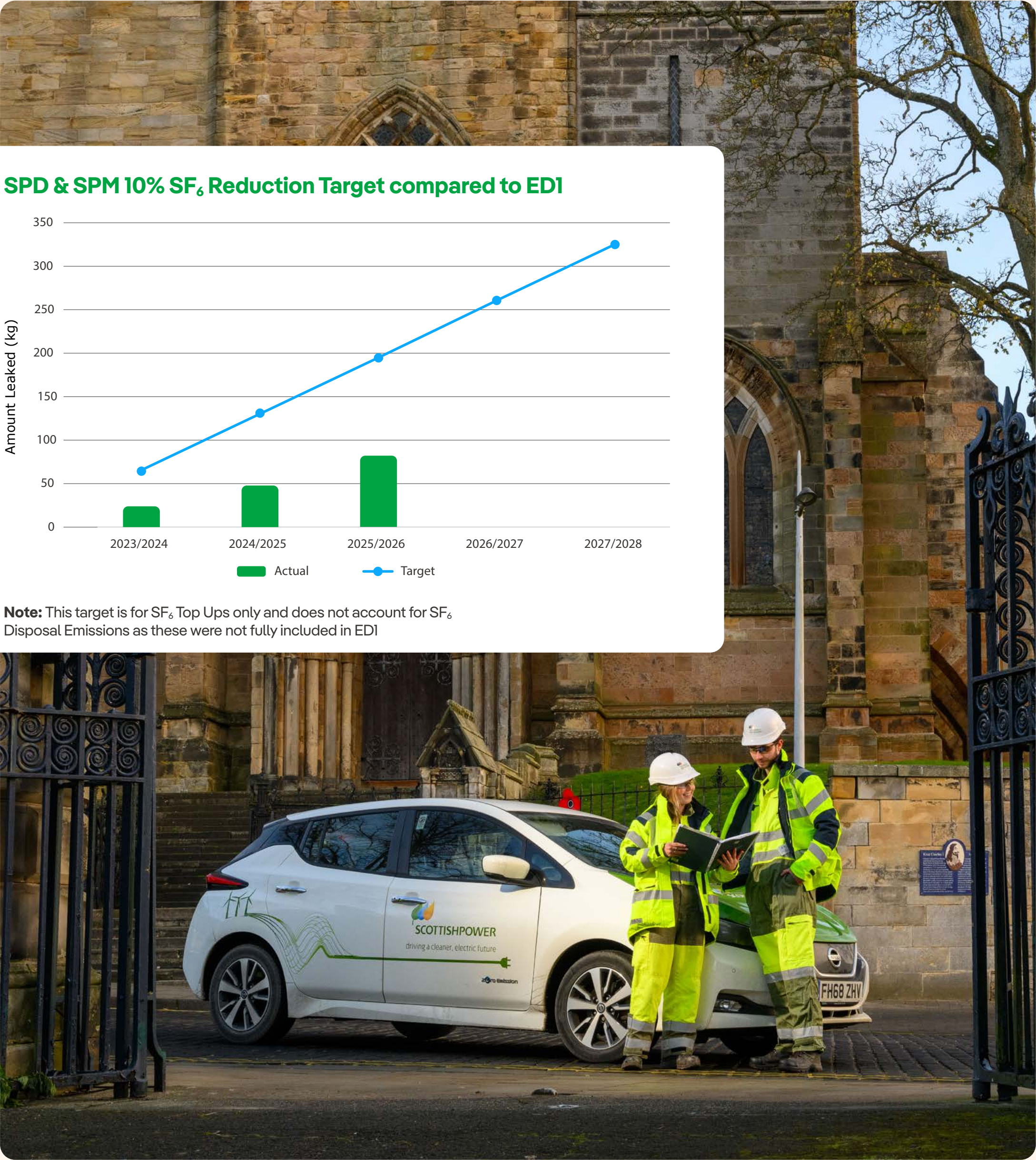
Minimising SF₆ leakage remains a priority, and repairing or replacing leaking assets is essential to reducing our carbon footprint. This includes a planned programme targeting repairs to the GEC OX36 33kV circuit breaker fleet.

In SPD, top-ups (which quantify leakage) decreased from 10.3kg in 2023/24 to 9.85kg in 2024/25, and then to 6.21kg in 2025/26. Emissions from sealed assets disposed of during the year decreased from 125kg in 2023/24 to 105kg in 2024/25, and then to 102.49kg in 2025/26, taking total emissions to 108.70kg.

In SPM, SF₆ top-ups increased slightly from 13.9kg in 2023/24 to 14.7kg in 2024/25, before rising further to 28.3kg in 2025/26. This was mainly due to gas bottle volume reconciliations, although the actual top-up volume also increased compared with the previous year. Final disposal emissions were 211.1kg, taking total emissions to 239.4kg.

We are working with our scrap contractors to improve data quality and management processes relating to SF₆ recovered from disposed assets, and we expect these emissions to reduce over the coming years.

Further details relating to SF₆ and alternative insulation and interrupting gases (IIG) can be found in the KPI tables.



Metrics

SPD:

Category	Voltage	Baseline 2018-2019	Decarbonisation Target & Metric to End of RIIO-ED2 (2028)	Unit of Measure	2023/2024	2024/2025	2025/2026
SF ₆ Bank	All Voltages	Total no. of assets containing SF ₆		No. of Assets	23,031	23,789	24,637
		Total amount of SF ₆ on network		kg	23,490	24,490	25,474
		No. of SF ₆ assets replaced (per annum)		No. of Assets	68	39	215
		No. of SF ₆ alternative assets (per annum)		No. of Assets	0	0	0
		% of assets containing SF ₆ (% of bank)		%	50%	52%	53%
		No. of SF ₆ assets installed (per annum)		No. of Assets	575	596	356
SF ₆ Emissions	All Voltages	Leakage (per annum)		kg	136	115	108.70
		Leakage rate (% of bank)		%	0.58%	0.48%	0.44%
		Interventions (per annum)		#	0	0	9
		Impact of Interventions		kg	0	0	4.2

SPM:

Category	Voltage	Baseline 2018-2019	Decarbonisation Target & Metric to End of RIIO-ED2 (2028)	Unit of Measure	2023/2024	2024/2025	2025/2026
SF ₆ Bank	All Voltages	Total no. of assets containing SF ₆		No. of Assets	16,833	17,672	18,603
		Total amount of SF ₆ on network		kg	27,117	28,310	29,751
		No. of SF ₆ assets replaced (per annum)		No. of Assets	29	26	64
		No. of SF ₆ alternative assets (per annum)		No. of Assets	0	0	11
		% of assets containing SF ₆ (% of bank)		%	36%	37%	31%
		No. of SF ₆ assets installed (per annum)		No. of Assets	575	508	403
SF ₆ Emissions	All Voltages	Leakage (per annum)		kg	112	171	239
		Leakage rate (% of bank)		%	0.41%	0.97%	1.29%
		Interventions (per annum)		#	0	1	25
		Impact of Interventions		kg	0	1.46	18

Commitments

Commitment	RAG
We will reduce our SF ₆ leakage by 10% over the RIIO-ED2 period compared to RIIO-ED1.	G
We will use alternatives to SF ₆ insulating gas for all new circuit breakers, Ring Main Units and Gas Insulated Switchgear installations at all voltages, where there are technically feasible market-ready solutions.	A
We commit to reporting on total SF ₆ Bank and leakage reduction rates using a common Distribution Network Operator (DNO) methodology.	G
We will continue to carefully manage our assets in line with our SF ₆ Strategy to minimise SF ₆ leakage, repair leaks quickly, and where this is not possible, replace the asset before its anticipated end of life.	G
We will continue to require manufacturers to provide equipment with a SF ₆ leakage rate which is half that of the internationally recognised standards, where technically viable.	A
We will drive the development and adoption of SF ₆ – free technologies, collaborating with supply chain and industry peers and piloting new technologies where technically viable.	G

Case study - Non-SF₆ Switchgear Energised

Non-SF₆ Switchgear Energised
Installed at a substation in our Mid-Cheshire district, and now also at a substation in Lanarkshire, the Lucy Sabre EcoTec ring main unit (RMU) replaces the potent greenhouse gas SF₆ with synthetic air, significantly reducing the environmental impact of our operations. This marks an important step in our grid decarbonisation journey and supports the anticipated UK ban on SF₆ in the near future.

Designed to meet UK distribution network specifications, the Sabre EcoTec RMU provides a smooth transition from traditional switchgear. It uses the same footprint and can be mounted directly to transformers, avoiding costly infrastructure changes and offering a practical, scalable solution for sustainable substation development.

These installations mark more than a technical milestone; they demonstrate our collaborative approach to innovation.





Scope 1 emissions

Generator fuel use

Generators are primarily used to provide temporary power to customers during supply interruptions. Emissions arise from the combustion of diesel, petrol and Hydrotreated Vegetable Oil (HVO) within the generator fleet, which accounts for approximately 3% of SPEN’s Scope 1 and 2 emissions.

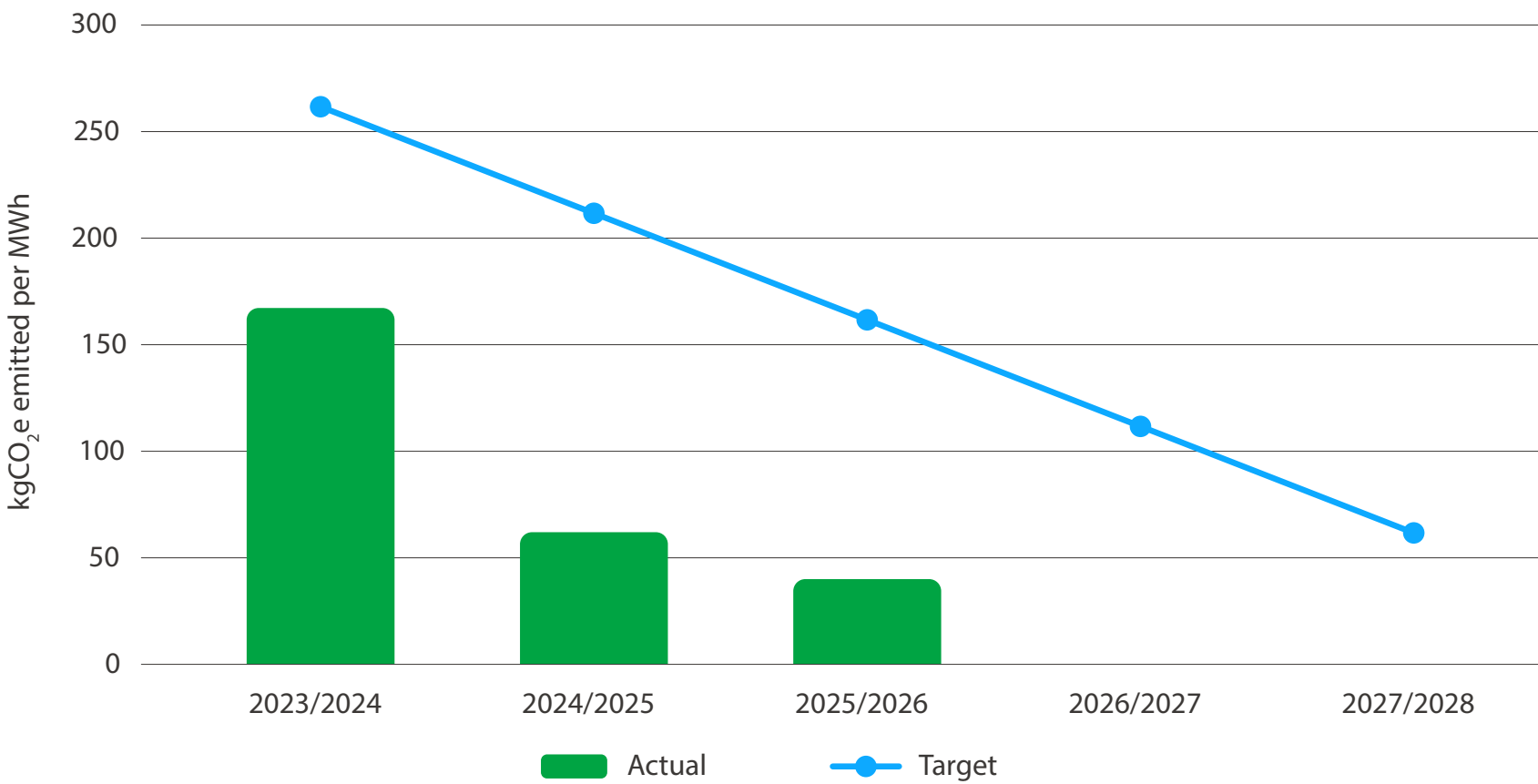
Our principal decarbonisation strategy is to replace conventional diesel with HVO wherever operationally feasible. While HVO still generates emissions during combustion, its lifecycle greenhouse gas emissions are significantly lower than those of conventional fossil diesel, making it an effective transitional solution for reducing operational emissions. In 2025/26 we developed and published a policy on the Sustainable Sourcing and Use of HVO and communicated this across the business. However, due to the war in Iran, HVO prices have faced intense upward pressure and volatility, meaning that we have had to pause enforcement of this policy due to cost concerns. We continue to monitor HVO prices with the aim of reinstating this as soon as possible. In parallel, we continue to explore and trial battery-powered alternatives for temporary power applications. However, these technologies remain at an early stage of deployment and further work is required to understand their operational suitability, infrastructure requirements and scalability before they can be adopted more widely.

Status Update
We have set a target to reduce generator emissions per MWh of power supplied by 76% by the end of RIIO-ED2.

Our target for 2025/26 was to achieve a carbon intensity of 165 kgCO₂e per megawatt hour of power supplied. For reference, before HVO was introduced as a viable alternative, the emissions intensity associated with generator fuel use was 267 kgCO₂e/MWh in 2021/22. In 2025/26, the average emissions intensity associated with generator fuel consumption was 36 kgCO₂e/MWh, representing an 87% reduction compared with 2021/22.

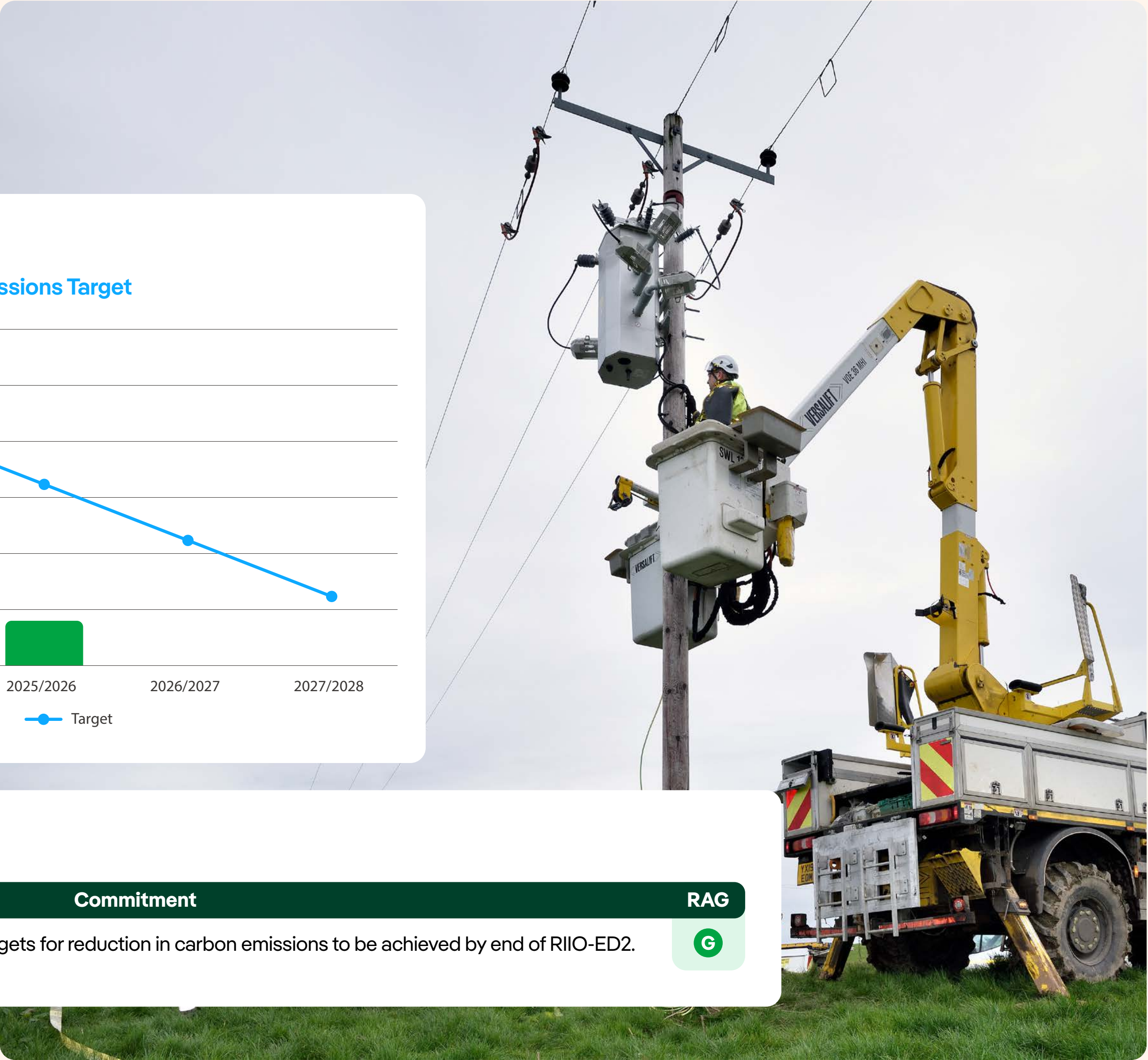
Metrics

Graph RIIO-ED2 Generator Fuel Use Emissions Target



Commitments

Commitment	RAG
We will analyse our generator use and set targets for reduction in carbon emissions to be achieved by end of RIIO-ED2.	G



Case study - Transition to HVO

The transition from conventional diesel to HVO has been one of our most successful operational decarbonisation initiatives. Since 2022/23, it has delivered an estimated 6,890 tCO₂e of avoided emissions, with SPD contributing 3,755 tCO₂e and SPM contributing 3,135 tCO₂e.

Input 6,890 tCO₂e



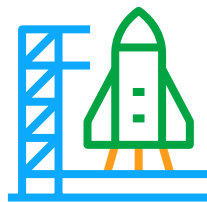
Flying from London to Australia 2,297 times (one way)



Equivalent to carbon dioxide sequestered by 766 hectares of broadleaved woodland in 1 year



Equivalent to manufacturing 49,927 tonnes of concrete



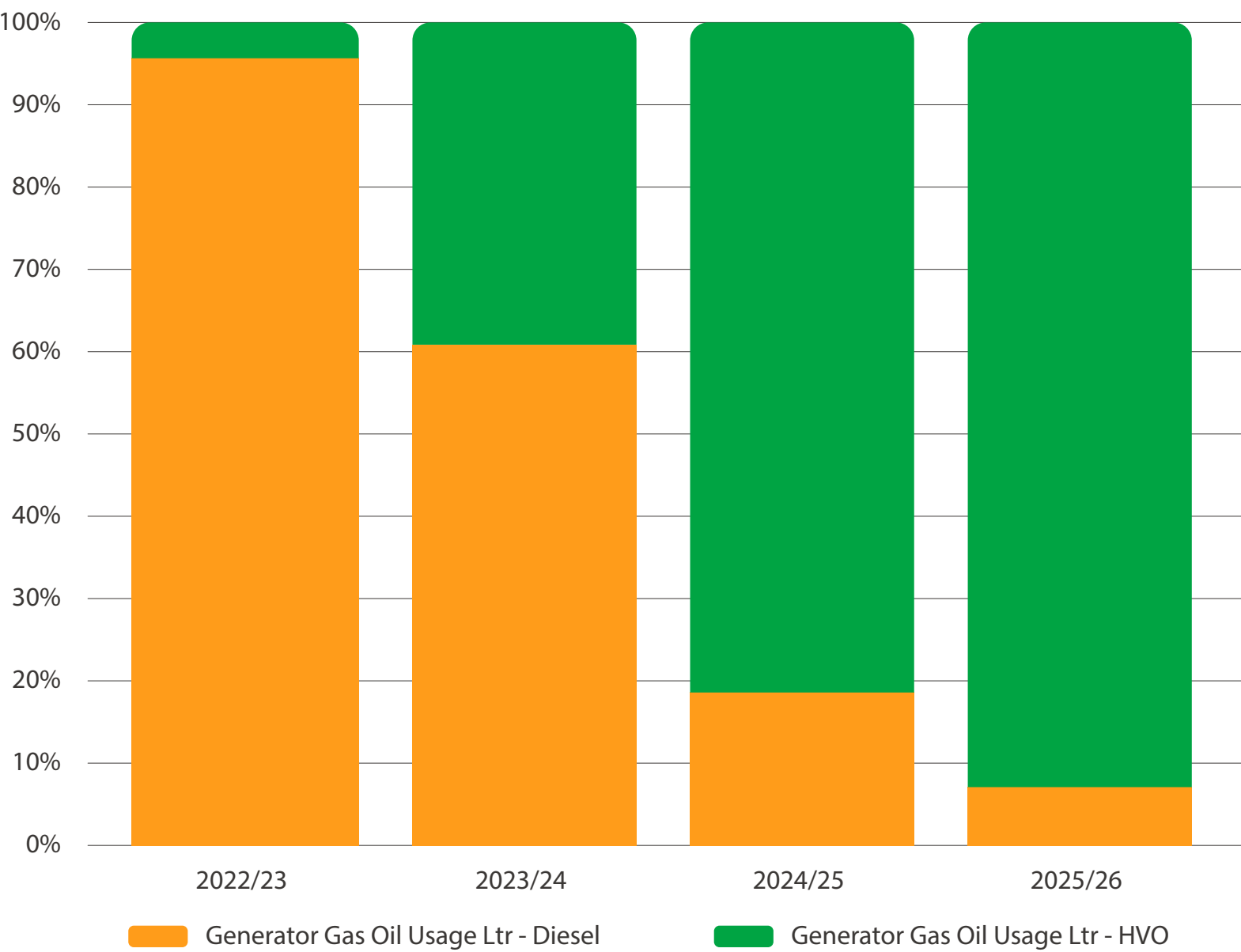
Equivalent to launching 23 rockets into space



Equivalent to running 2,552 households for a year

This reduction has been achieved through the progressive replacement of diesel across the generator fleet. In 2022/23, diesel accounted for approximately 95% of generator fuel consumption, with HVO representing only a small proportion of fuel use. Since then, HVO adoption has increased significantly, accounting for around 39% of generator fuel use in 2023/24, 81% in 2024/25 and approximately 93% in 2025/26. As a result, diesel now represents only a small fraction of the fuel used to provide temporary customer supplies.

SP Distribution Generator Fuel Volume Used by Type





Scope 2 emissions

Buildings energy usage

Buildings energy use includes all indirect emissions associated with electricity consumption in our substations, depots and offices. Our primary strategies for reducing the emissions associated with buildings energy use include:

- Reducing the carbon intensity of the electricity we use by purchasing electricity through a Renewable Energy Guarantees of Origin (REGO) tariff;
- Reducing overall energy consumption through the refurbishment of our substations and depots; and
- Piloting renewable generation at substation and/ or depot sites to offset buildings energy demand.

Status update

Greenhouse gas emissions associated with buildings electricity consumption remained close to zero in 2025/26, as electricity was purchased through a REGO-backed tariff supported by Power Purchase Agreements (PPAs). Overall, total energy consumption from electricity and gas was 41,649 MWh, representing a 13% increase from 36,784 MWh in 2024/25. While this reflects increased energy use across the estate, it should be considered alongside growth in network assets, with the number of substations increasing from 34,323 to 34,550 during the year.

Office and Depot Energy Use

During 2025/26, we continued to progress our depot and operational estate investment programme, with a combination of new-build, refurbishment and upgrade projects underway across SPD and SPM. Multiple new-build projects remain in development, with Glenrothes and Currie expected to mobilise on site, while several other proposed facilities remain subject

to planning and design approvals. In parallel, major refurbishment projects, including Knowsley Hub, have progressed through design development, with further refurbishment schemes continuing to be developed for delivery.

We continue to apply a fabric-first design approach and are developing minimum sustainability standards to be incorporated into new-build and refurbishment projects. These standards include enhanced building fabric performance, highly efficient building services, electrified heating systems based on air-source heat pumps, roof-mounted solar photovoltaic generation, improved airtightness standards and energy-efficient electrical systems. We continue to prioritise demand reduction and energy efficiency.

In addition, we have continued to develop strategic plans for sustainable depot buildings and the application of PAS 2080 and wider decarbonisation requirements for the RIIO-ED3 period. While this work remains at an early stage, it provides an important foundation for embedding whole-life carbon management and operational carbon reduction into future office and depot developments.

Substation Energy Use

Our commitment to reduce substation energy use is currently rated Amber because we are behind the level of progress needed to meet the RIIO-ED2 target. By 2025/26, the Business Plan target is to achieve 1.24 GWh of energy savings from primary substation improvements, but current delivery is 0.38 GWh. This means we have achieved around 31% of the target so far.

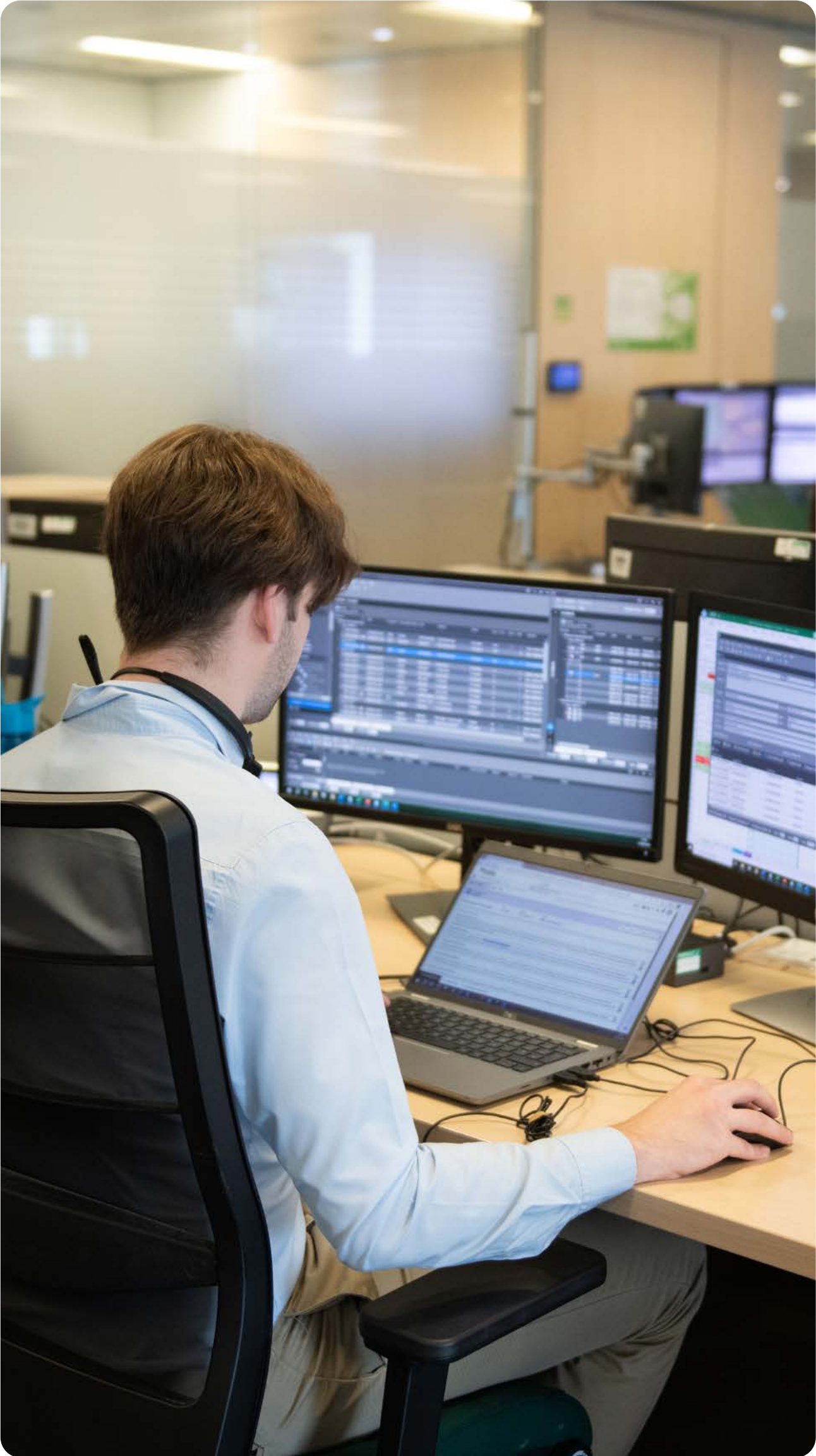
This slower progress is mainly due to a slower start to the refurbishment programme in the early years of ED2. However, refurbishment and rewiring works have increased significantly in recent years and are expected to continue accelerating throughout the remainder of ED2. As a result, we expect energy savings to increase more rapidly over the next few years, with most of the savings forecast to be delivered during the final two years of the price control period.

We will continue to review and improve our methodology and data to ensure that reported energy savings are as accurate and robust as possible.

Since the start of RIIO-ED2, a total of **96** primary substations across SPD and SPM have undergone refurbishment. In addition, SPD has delivered a further 177 lighting-only and 57 heating-only refurbishment schemes. Rewiring activities at these substations included replacing heating, lighting and control systems in line with current civil engineering specifications. These interventions have delivered cumulative energy savings of approximately 0.03 GWh in year one, 0.15 GWh in year two and **0.38 GWh** in year three of the RIIO-ED2 period.

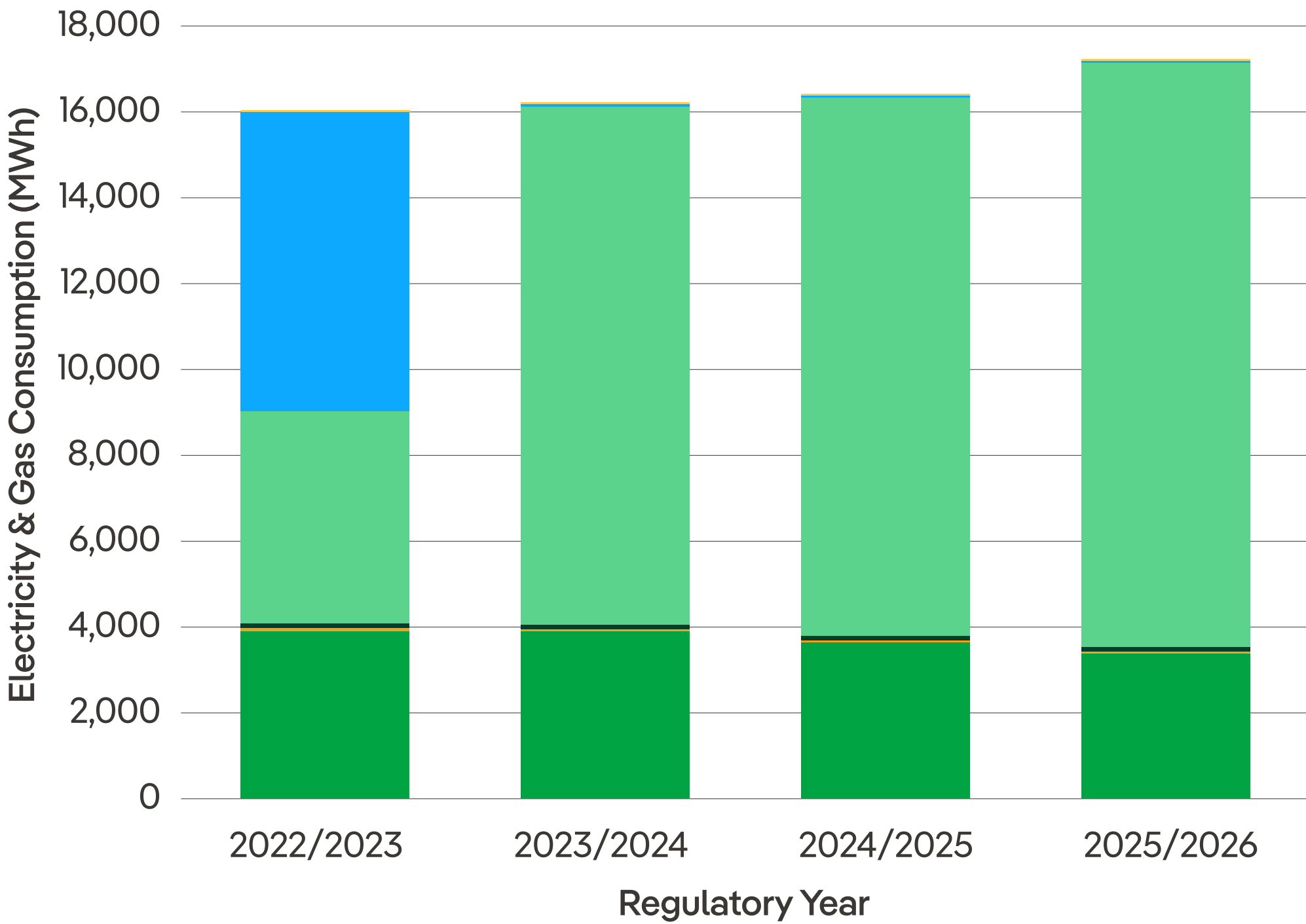
In parallel, refurbishment works have also been undertaken at secondary substations, with 158 completed in SPD and 244 completed in SPM since the start of RIIO-ED2.

Energy savings have been quantified using SPEN's Energy Savings Methodology, which was developed to estimate commitment delivery and support the setting of performance targets.

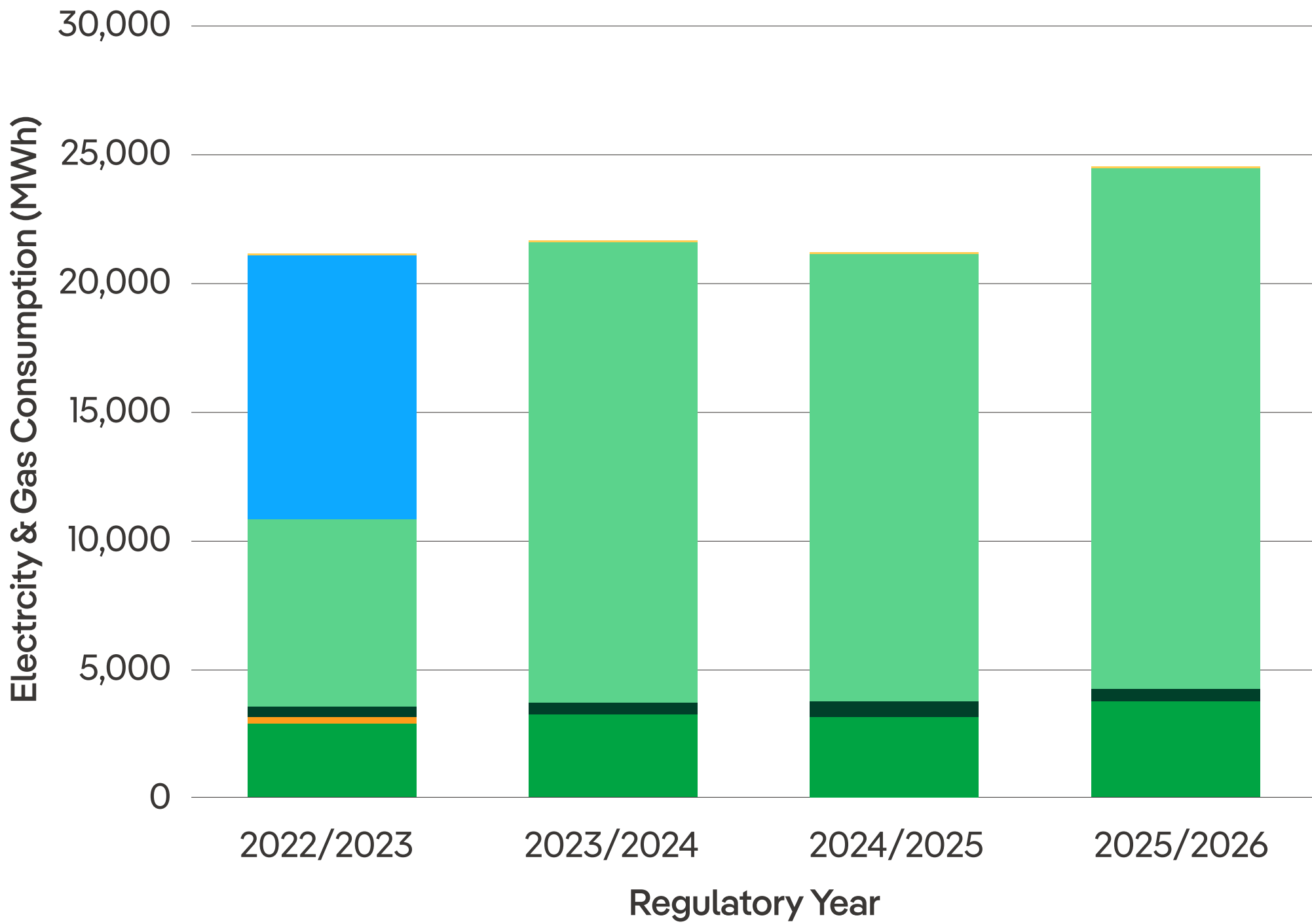


Metrics

SPM Energy Consumption



SPD Energy Consumption



- Office and depot usage electricity - green tariff
- Office and depot usage electricity - standard tariff
- Office/depot natural gas use
- Substation usage electricity - green tariff
- Substation usage electricity - standard tariff
- Radio base station electricity use

Commitments

Commitment	RAG
We will continue to purchase green electricity through a 100% UK-based renewable energy tariff backed by Power Purchase Agreements (PPA) for all our buildings. Beyond this, we will reduce our buildings and substations energy consumption by a minimum of 15.2GWh (8%) over the RIIO-ED2 period.	R
We will reduce energy consumption by a total of 3.4GWh at 650 of our primary substations by applying our recently updated civil specifications (including improvements to heating, lighting and insulation).	A
We will refurbish 8 of our strategic office and depot sites, implementing energy efficiency measures to achieve BREEAM ratings of ‘excellent’ for new build and ‘very good’ for refurbishments, to reduce consumption by 11.7GWh over the RIIO-ED2 period.	R
We will pilot and monitor renewable generation at substation and/or depot sites to offset building energy demand.	A



Scope 2 emissions

Network losses

Around 8% of the electricity entering the distribution system is lost before it reaches end users. These losses fall into two categories:

- **Technical losses:** These are unavoidable and occur as electricity flows through wires and equipment, primarily dissipating as heat and noise.
- **Non-technical losses:** These include electricity that is consumed but not billed, due to theft, metering inaccuracies or unmetered supplies like public lighting.

Losses create a gap between the electricity measured entering the system and what is recorded at customer meters. As electricity use grows with the shift to Net Zero GHG, network losses are expected to rise. While grid decarbonisation reduces the carbon impact of these losses, the cost is still shared by all consumers. We pursue cost-effective measures to minimise losses and improve efficiency for customers’ benefit.

Update on our Commitments

As part of our ED2 submission, we committed to continue implementation of our losses strategy to avoid an estimated 36GWh of network losses, thereby limiting losses to a lower level than would otherwise be the case during RIIO-ED2.

In addition to losses savings through transformer replacements, we are utilising several other strategies to reduce losses.

*The savings reported for each year relate solely to the transformers replaced during that reporting year and represent the total estimated savings over their 10-year action lifetime. Due to a 2026 change in regulatory losses-reporting policy, savings from 2023/24 are reported in 2024/25, savings from 2024/25 are reported in 2025/26, and savings from 2025/26 will be reported in 2026/27.

Advanced Network Intelligence

- We are on track to install over 14,000 LV monitors during RIIO-ED2, enabling more accurate identification of technical and non-technical losses. By combining LV monitoring with smart meter data and advanced analytics, we aim to save up to 15 GWh annually by the end of the period. These insights support smarter asset decisions and inform future policy through our Engineering Net Zero platform and LV Support Room.

Replacement of High-Loss Transformers

High-loss transformers replaced under this programme are typically removed from service around 10 years earlier than their expected end of life. The figures below therefore show the total action lifetime savings attributable to the transformers replaced in each year, calculated as the cumulative energy and carbon savings delivered over the 10 years following replacement.

In 2023/24*, we proactively replaced 116 high-loss ground-mounted transformers, approximately 10 years ahead of schedule. These replacements deliver lifetime savings of over 9 GWh of energy and more than 1,900 tCO₂e.

In 2024/25*, a further 148 high-loss transformers were replaced around 10 years before they otherwise would have been. These replacements alone deliver savings of 10.9 GWh of energy and 2,270 tCO₂e over those 10 years.

In 2025/26*, 78 high-loss transformers were replaced. These replacements will deliver savings of over 8 GWh of energy and 1,650 tCO₂e over the next 10 years.

Theft in Conveyance

- In 2023/24, over 320 cases of theft in conveyance were investigated, including unregistered meters and unmetered supply inaccuracies, resulting in estimated savings of 110 MWh over the action lifetime.
- In 2024/25, 295 cases of theft in conveyance were investigated, resulting in estimated savings of 102 MWh over the action lifetime.
- In 2025/26, 276 investigations took place and this resulted in approximately 5.4 GWh of losses savings over the action lifetime.

Internal/External Revenue Protection Investigations

- In 2023/24, our Revenue Protection programme enabled 11,400 site visits, avoiding more than 20 GWh of stolen electricity, equivalent to nearly 4,300 tCO₂e. This was achieved through enhanced smart meter data analysis, advanced network intelligence, and collaboration with stakeholders including police, fire services and housing associations.
- In 2024/25, we’ve conducted 9,720 visits, avoiding 35.5 GWh of stolen energy and saving 7,320 tCO₂e.
- In 2025/26, over 6200 visits were carried out, saving 47.6 GWh of stolen electricity.





Scope 2 emissions

Network losses (cont.)

Energy savings delivered through the above approaches are reported in the table below.

Intervention Action	Year/Metric	2023/2024			2024/2025			2025/2026			ED2 Cumulative		
		#	MWh	tCO ₂ e	#	MWh	tCO ₂ e	#	MWh	tCO ₂ e	#	MWh	tCO ₂ e
Early replacement of lossy 6.6/11kV transformers	SPD*	76	*0	*0	120	*596	*123	61	*1,530	*317	257	*2,126	*440
	SPM*	40	*0	*0	28	*338	*70	17	*497	*103	85	*835	*173
Theft Prevention - Conveyance	SPD	181	8	2	119	13	3	128	92	19	428	113	24
	SPM	140	3	1	92	6	1	148	450	93	380	459	95
Internal/External Revenue Protection Inspections	SPD	6,338	6,017	1,246	5,127	12,769	2,644	3,275	21,753	4,503	14,740	40,539	8,393
	SPM	5,119	14,706	3,045	4,593	22,586	4,676	3,012	25,871	5,355	12,724	63,163	13,076
TOTAL		11,894	20,734	4,294	10,079	36,308	7,517	6,641	50,193	10,390	28,614	107,235	22,201

Despite the measures taken above, electricity losses are still expected to increase due to higher network utilisation. We continue to monitor losses in our network and work toward keeping them as low as possible for our customers. SPD and SPM losses figures during ED2 to date are illustrated in the table below.

*Due to updated Regulatory Instructions and Guidance (RIGs) introduced in 2026, the losses benefits associated with transformer replacements are not recognised until the following reporting year. As a result, savings achieved in 2023/24 are reported in 2024/25, savings from 2024/25 are reported in 2025/26, and savings from 2025/26 will be reported in 2026/27. Consequently, the cumulative ED2 benefits currently reported comprise only the 2023/24 and 2024/25 replacement programmes. The 2025/26 losses savings shown (in MWh and tCO₂e) reflect the benefits attributable to transformers replaced during that year but will not be formally recognised and included in cumulative reporting until 2026/27.

Overall System Losses over Time	2023/2024			2024/2025			2025/2026		
	Annual Losses (GWh)	Share of Total Electricity Distributed (%)	Carbon Equivalent (tCO ₂ e)	Annual Losses (GWh)	Share of Total Electricity Distributed (%)	Carbon Equivalent (tCO ₂ e)	Annual Losses (GWh)	Share of Total Electricity Distributed (%)	Carbon Equivalent (tCO ₂ e)
SPD	1277	7.68	264,434	1442	8.63	298,566	1396	8.37	247,092
SPM	953	6.88	197,342	1095	7.82	225,685	1038	7.42	183,726
TOTAL	2230	7.28% (average)	461,776	2537	8.225% (average)	524,251	2,434	7.89 (average)	430,818



Commitments

Commitment	RAG
In RIIO-ED2, we will continue to implement our Losses Strategy to avoid an estimated 36 GWh of network losses, thereby limiting losses to a lower level than would otherwise be the case.	G
We will continue to drive the development and understanding of losses by contributing to the evidence base on the proportion of losses that network companies can influence/control, collaborating with supply chain and industry peers and piloting new technology such as the MAAV.	G
We will continue to consider and minimise network losses throughout all design and connections activities.	G
We will pro-actively target high-loss legacy assets for replacement with modern low-loss alternatives.	G
We will report on the progress of implementing the losses strategy and associated performance measures.	G
We will use a minimum underground mains cable size of 300mm2 to further reduce losses, where it is cost effective and appropriate to do so.	G
We will continue to use a minimum pole mounted transformer size of 25kVA to further reduce losses on our network.	G

Case study - MAAV

This year a trial of the MAAV (Mobile Asset Assessment Vehicle) was carried out initially conducting surveys in Central and Fife district. This is a purpose built, vehicle-mounted mobile electric field detection system designed to improve public safety and network reliability.

What is MAAV?

MAAV is a mobile electric field detection system that enables the inspection of hazardous stray and contact voltages (CVs). While in motion, MAAV can simultaneously detect voltage across multiple surfaces, including:

- Streetlights
- Manholes and hand-hole cover
- Fences
- Roads and pavements

Why does this matter?

Contact Voltages occur when live electrical equipment unintentionally energises surfaces that people or animals can touch. While these voltages don't always trigger protective devices, they can pose serious safety risks, cause energy losses, and lead to customer interruptions.

Early detection allows us to:

- Improve Safety
- Reduce Environmental impacts
- Enhance Network Reliability

MAAV will initially operate across SPD, before moving to SPM during 2026.

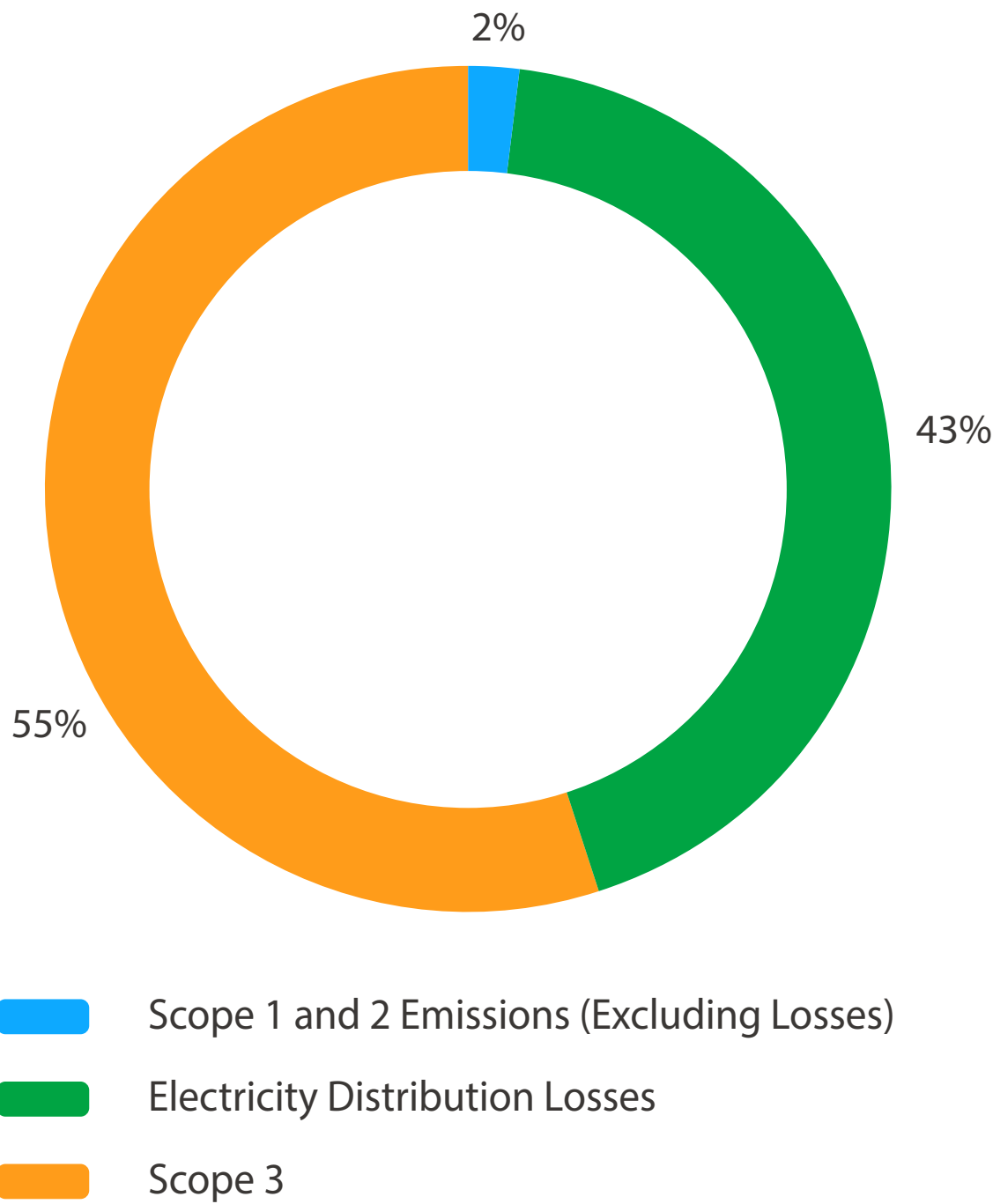




Scope 3 emissions

Scope 3 emissions for 2025/26 account for approximately 55% of our overall footprint. These emissions include upstream impacts associated with our supply chain.

SPD and SPM Scope 1, Scope 2 and Scope 3 Emissions



Approximately 76% of our Scope 3 emissions arise from the products and services we purchase and from capital goods, with a further 21% coming from upstream well-to-tank emissions from fuel and energy consumed either directly or indirectly. Other, less significant emissions streams include waste, upstream transport and distribution, business travel from non-fleet activity and employee commuting.

Category	Source	GHG Emissions (tCO ₂ e)
1	Purchased Goods & Services	121,568
2	Capital Goods	282,201
3	Fuel and Energy (well to tank)	115,795
4	Upstream Transport & Distribution	15,201
5	Waste	10,283
6	Business Travel	1,865
7	Employee Commuting	4,082
Total		550,994

In last year’s AER, we highlighted the significant challenge of accurately reporting Scope 3 emissions, particularly for Category 1, Purchased Goods and Services, and Category 2, Capital Goods, due to the complexity and diversity of our global supply chain. Since then, we have made substantial progress in transitioning away from spend-based proxies, which are high-level estimates that do not reflect actual on-network activity, towards a more practical, asset-based approach. This shift enables more meaningful influence over design and procurement decisions and supports credible reporting to Ofgem. The methodology was developed for consistent application across our transmission and distribution businesses and wider industry adoption. Further detail is provided in the case study below.

For this reporting period, Categories 1, 2 and 4 continue to be calculated using the spend-based method. However, we are targeting a full or partial transition to an average-data approach from FY2026/27.

We have also strengthened our approach across other Scope 3 categories:

- Category 5, waste, is now based on improved [Qflow waste reporting software](#), allowing greater efficiency in data collection and providing a more reliable dataset.
- Category 7, employee commuting, is informed by the [Mobilityways Commuter Census 2025](#), which analysed commuting patterns across the UK workforce. SPEN used the findings from this study to estimate employee commuting emissions by applying the national commuting patterns to its workforce. To improve the accuracy of future reporting, SPEN has now launched an internal employee commute survey via The Buzzer to collect SPEN-specific commuting data.

- Emissions from water supply and treatment have been incorporated within Categories 1 and 5, respectively.

Our approach to reducing Scope 3 emissions includes implementing our Business Travel Policy, aligning with PAS 2080 principles, investing in low-carbon materials and solutions, and continuing to develop the tools, governance and systems needed to manage and reduce carbon emissions associated with our network infrastructure. Improving our data will also enable us to make more informed decisions about where to target our reduction efforts.

Status update

Scope 3 emissions increased by 5% compared with the previous year. This increase was primarily driven by higher levels of network investment, supporting a more resilient and secure electricity system, including the infrastructure required to connect low-carbon technologies and support wider grid decarbonisation.

Since the start of RIIO-ED2, a dedicated resource has been established to drive Scope 3 carbon management and reduction. In Year 1, activities focused on improving data quality and developing calculation methodologies. In Year 2, this progressed to enhanced stakeholder engagement, including our Supplier Sustainability Forum, and the co-development of tools to support a transition towards a hybrid Scope 3 calculation approach.

In Year 3, the focus has shifted to embedding carbon management within core business processes and RIIO-ED3 planning. This has included advancing Scope 3 and capital carbon methodologies, integrating PAS 2080 principles and carbon costing into design processes, and applying these approaches to project delivery, including embodied carbon assessments for major 132kV schemes and investment in lower-carbon materials and solutions.

In parallel, engagement with the supply chain, innovation programmes and industry groups has continued to support improved data quality and enable more consistent, carbon-informed decision-making across the business.

Case study - Material Inputs Tool – improving visibility of Scope 3 emissions

Reducing carbon emissions in network construction requires a detailed understanding of the materials used to build and maintain our assets. Historically, this has been a challenge across the energy networks sector due to limited availability of asset level data and the lack of consistent embodied carbon information for key components.

During the 2025/26 reporting period, we developed a Material Inputs Tool in collaboration with Mott MacDonald, a leading engineering consultancy, to improve how we quantify and manage Scope 3 emissions associated with our capital programme. The tool provides a structured assessment of the types and quantities of materials deployed across our network infrastructure, alongside their associated embodied carbon impacts.

Turning asset data into carbon insights

The Material Inputs Tool combines multiple data sources to provide a more robust and transparent view of material related emissions:

- Electrical assets are captured using existing Ofgem regulatory reported data, such as asset volumes, enabling a consistent and scalable approach across network investment programmes.
- Civil engineering materials are incorporated using project level data sources, including tools such as Qflow, to reflect real construction activities.

- Embodied carbon factors are applied to all materials to estimate emissions, with the flexibility to update these as improved data becomes available.

This approach allows us to move away from high level, spend based methodologies towards a more material driven calculation of Scope 3 emissions, directly linked to the assets we build.

Supporting better decision making

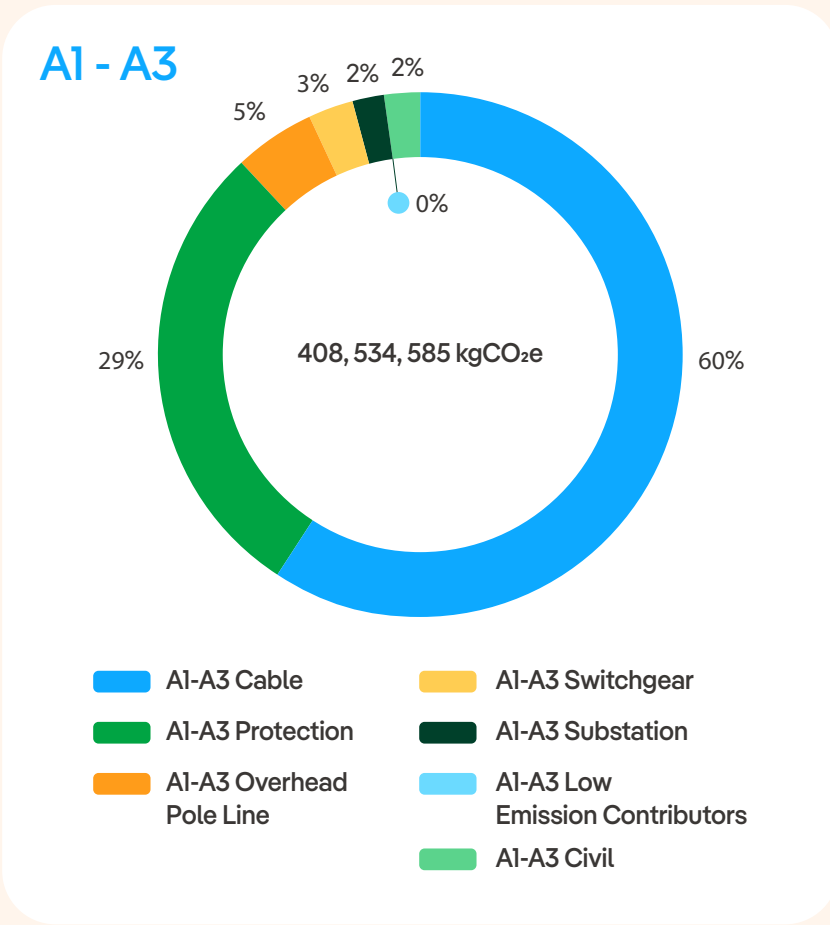
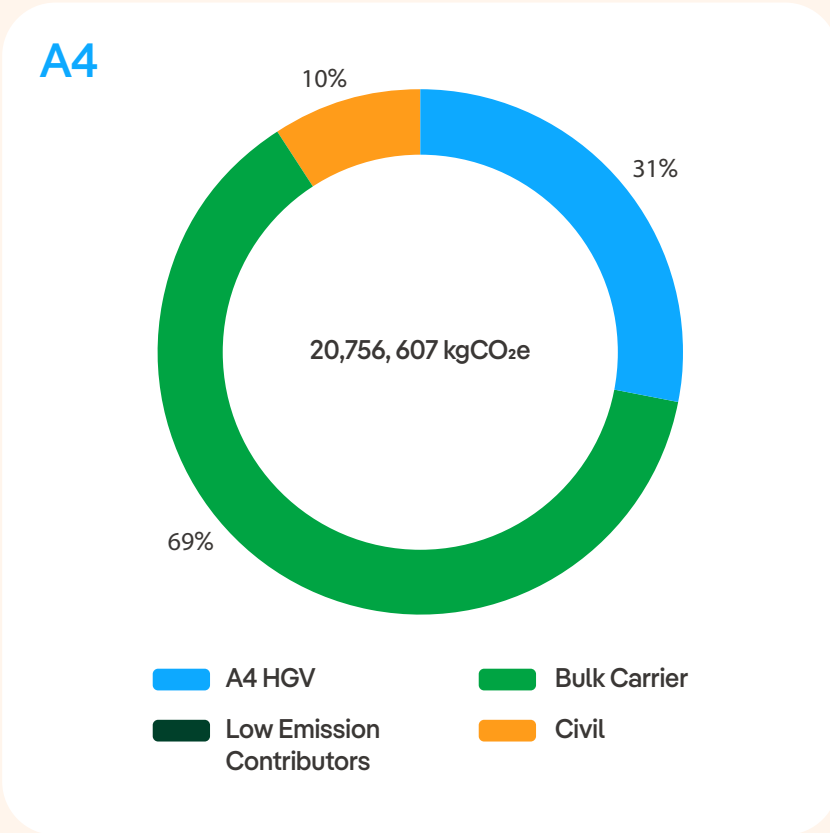
The tool has been designed to support both reporting and investment decisions through:

- Automated calculation of total material volumes and associated embodied carbon
- Dashboard visualisation of emissions by asset type, material category and licence area
- Filtering capabilities across SP Distribution, SP Transmission and SP Manweb

By linking material quantities to carbon outputs, the tool enables us to clearly understand how investment decisions influence Scope 3 emissions, supporting the transition to lower carbon infrastructure delivery. The tool outputs are visualised through an interactive dashboard, providing a clear view of material volumes and associated embodied carbon across the network.

SPEN Material Tool Summary*

Total 429,291,192 kgCO₂e



*Data shown is for illustration purposes only and should be interpreted as indicative. Outputs are based on current tool assumptions and are subject to further validation and refinement.

Addressing an industry gap

This work addresses a recognised gap across the sector. Many existing tools and trials lack the granularity of embodied carbon data specific to energy network assets, particularly where Environmental Product Declarations (EPDs) are limited or unavailable.

The Material Inputs Tool helps to bridge this gap by:

- Prioritising supplier specific and EPD based data where available
- Supplementing gaps with engineering assumptions and proxy data where required
- Using existing regulatory datasets (such as asset volumes), meaning the approach is readily transferable across DNOs and TNOs, which operate using similar reporting templates

This creates an opportunity for wider industry adoption, supporting more consistent and comparable Scope 3 reporting across the UK energy networks sector.

Early insights and future development

The tool is already improving our understanding of material use and associated carbon emissions across our network. It provides a first step towards fully integrating embodied carbon considerations into investment planning, enabling us to:

- Track the carbon impact of our capital programme
- Identify opportunities to reduce the use of virgin materials
- Capture the benefits of wider industrial

decarbonisation as supply chain emissions reduce over time

- Improve the quality and robustness of data used to inform ED3 Business Planning, supporting more credible forecasting of Scope 3 emissions and investment impacts

Important considerations

The Material Inputs Tool in its current form should be used with appropriate caution:

- Results provide an initial estimate of material-related emissions but are not yet fully representative of our assets, as they rely on proxy data, generic EPDs and engineering assumptions.
- All assumptions should be reviewed and validated by our engineers to ensure technical accuracy and alignment with asset specifications.
- The accuracy of the tool can be improved through the inclusion of more detailed inputs, such as equipment datasheets, bills of materials and SPEN-specific design information.
- Additional data from SPEN and suppliers, particularly manufacturer-specific embodied carbon data, will significantly improve confidence in the calculated carbon values.

Looking ahead

As we continue to refine the tool, our focus will be on improving data quality, increasing the use of supplier specific information, and embedding the tool into business as usual processes. This will enable more accurate reporting and support better decision making, helping us to reduce Scope 3 emissions and deliver a more sustainable network.

Commitments

Commitment	RAG
We will create a new role in RIIO-ED2 to drive actual reduction in Scope 3 carbon emissions in our supply chain by 100k tCO ₂ e	G



Scope 3 emissions

Business Travel

Business travel emissions include indirect emissions from vehicles not owned by SPEN, such as employee-owned cars and the use of rail and air travel. In the third year of RIIO-ED2, emissions associated with business travel were 1,865 tCO₂e.

Status Update

As part of RIIO-ED2, we committed to reducing business travel emissions by at least 580 tCO₂e through the implementation of our business travel policy.

Prior to implementing this policy, 42% of domestic journeys on public transport were taken by plane. Our travel policy now states that domestic air travel is only permitted when no reasonable rail alternative exists. The application of this policy has successfully reduced the proportion of miles travelled by domestic flights to approximately 12% (using 2019/20 as a baseline year). We estimate that this has resulted in a saving of 117 tCO₂e in 2025/26 and 366 tCO₂e cumulatively since the beginning of RIIO-ED2, putting us on track to meet our target.

Commitments

Commitment	RAG
We will continue to implement our 2021 Business Travel Policy to reduce business travel emissions by at least 580 tCO ₂ e during RIIO-ED2.	G

Metrics

Metrics	2023/24	2024/25	2025/26
Target Avoided Emissions (tCO ₂ e)	92	93	93
Actual Avoided Emissions (tCO ₂ e)	132	117	117





Scope 3 emissions

Embodied carbon & carbon management in infrastructure

Embodied carbon, as defined by the UK Green Building Council, refers to the greenhouse gas emissions generated during the construction of a built asset. This includes emissions arising from the extraction and manufacture of materials and equipment, including raw material production and the energy required to produce finished products, as well as emissions from transportation and construction activities. In an ED2 context, it includes all carbon impacts associated with material production, delivery and on-site construction processes involved in delivering a distribution network infrastructure project.

Status update

As part of our RIIO-ED2 commitment to align relevant business activities with PAS 2080, we have developed a Carbon Management Implementation Plan (CMIP) for SPD, SPM and our internal facilities management division. The CMIP sets out the governance, roles, tools, processes and resources needed to manage and reduce whole-life carbon emissions across distribution infrastructure and depot projects. It provides a structured route for embedding carbon management into business-as-usual delivery.

The plan supports delivery of the RIIO-ED2 Environmental Action Plan commitments, including PAS 2080 alignment, capital carbon measurement, baselines and reduction targets, Scope 3 monitoring and collaboration with other network operators. It also identifies the need to embed carbon management into project governance, procurement, supply chain

engagement, training, data management and continual improvement.

The CMIP covers three project types: SPM 132kV major projects, SPD and SPM 33kV and below distribution projects and depot projects. For major projects, it applies the PAS 2080 carbon reduction hierarchy during needs definition, optioneering and design, supported by whole-life carbon assessments, project baselines, reduction targets and carbon opportunities registers. For 33kV and below projects, it focuses on embedding low-carbon requirements into design standards, procurement frameworks and future SAP-based carbon assessments. Our internal facilities management division has also participated to identify carbon management opportunities for future buildings and facilities commitments in ED3.

Implementation is underway. Work to date includes testing carbon assessment tools, reviewing whole-life carbon methodologies, identifying data and tool gaps and engaging delivery teams on carbon management requirements. A phased action plan covers governance, resources, training, tool development, documentation, pilot projects and progressive implementation. This will embed carbon management across relevant activities and create the foundation for PAS 2080 certification by RIIO-ED3.

We have continued to test carbon management tools to improve assessment accuracy and identify the best fit for our delivery approach. This has included One Click LCA, SimaPro and an internal Whole Life Carbon (WLC) tool developed with Mott MacDonald.

This year, we moved from One Click LCA to the internal WLC tool, which is already used in SPT. As SPT and SPM deliver projects of similar scale and follow comparable processes, using a common tool improves alignment and comparability. The Excel-based tool assesses capital carbon A1–A5 for SPM 132kV major projects at detailed design stage, using data from the CAT database and a consolidated internal dataset. Further development will add end-of-life emissions C1–C4, with analysis expected next year.

Using the WLC tool, we assessed 12 SPM 132kV projects. Bills of Quantities were used as the primary data source, with emissions factors applied to listed materials to calculate A1–A5 emissions for each project. The results are presented below.

For low-cost, high-volume 33kV and below projects, our current carbon accounting approach is limited by how project and material data are captured, as well as by the availability of suitable emissions factors and low-carbon alternatives. As these projects are managed in SAP, we are working to incorporate carbon estimation directly into SAP while continuing to assess other suitable reporting tools.



Metrics

We have estimated the total embodied carbon of RIIO-ED2 132kV projects completed between April 2025 and March 2026. These estimates are based on final design information and, as mentioned earlier, were calculated using our internal tool.

The scope of the assessment includes emissions associated with the product stage, as well as transport and construction activities. Embodied carbon emissions were estimated for the following projects:

- 10 substation projects
- 1 overhead line project
- 1 customer connection

The total embodied carbon for these 12 projects is estimated at 1,511 tCO₂e, which equates to 285 tCO₂e/£m. For the one OHL project, this equated to 11.3 tCO₂e/km of OHL.

The infographic below presents the percentage breakdown of embodied carbon by material type and highlights key carbon hotspots across the portfolio, helping to identify opportunities for targeted carbon reduction.

The results show that embodied carbon in 132kV SPM projects is heavily concentrated within electrical assets, which account for approximately 78% of total emissions. This reflects the nature of the projects delivered in the reporting year, which were predominantly substation-based and therefore driven by the installation of high-carbon electrical equipment, such as transformers and switchgear. This demonstrates that, for these types of projects, the manufacture and supply of electrical equipment is a primary driver of carbon impacts. Secondary contributions come from other materials, at around 10%, and cables and towers, at 4%.

As a result, meaningful carbon reduction will depend on targeting electrical assets through supplier engagement, lower-carbon design specifications and increased circularity.

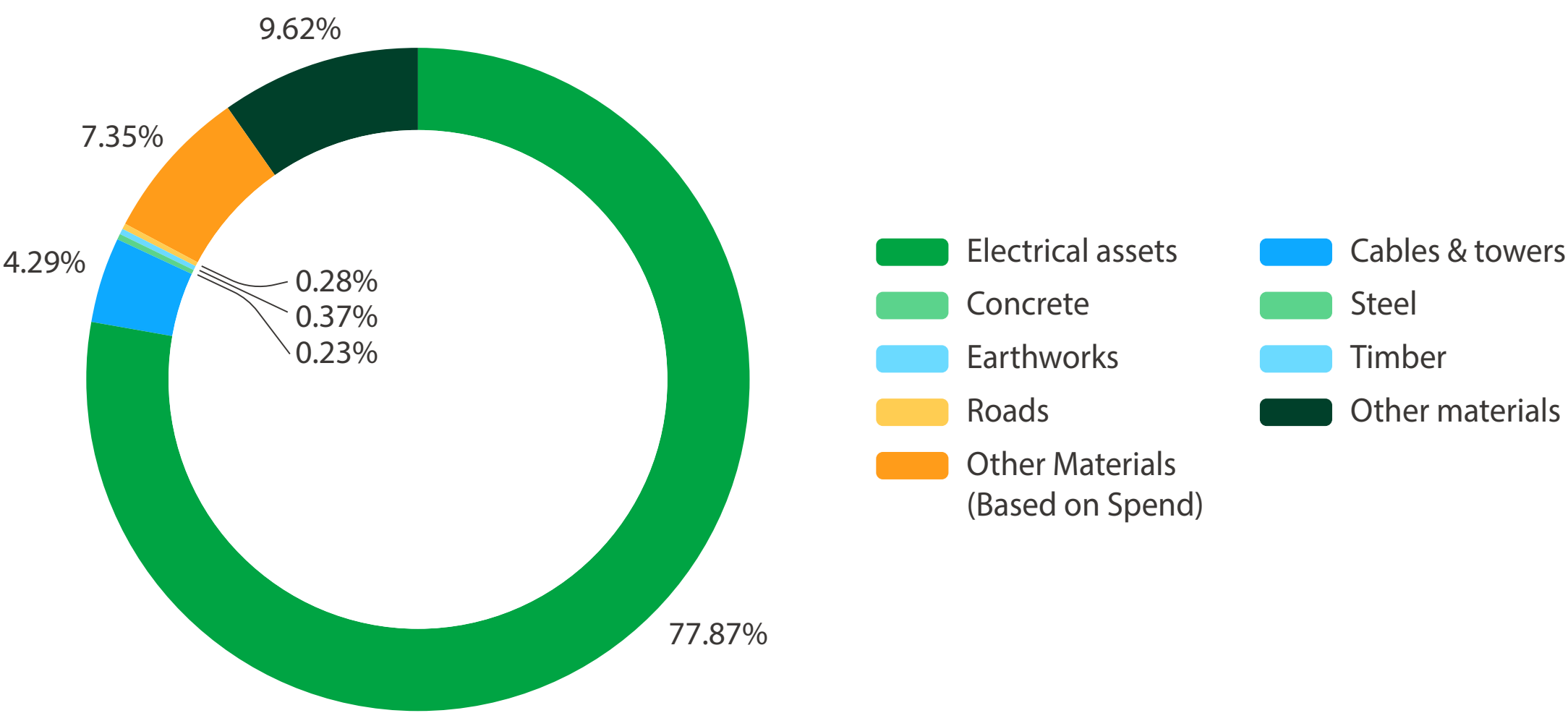
The infographic below presents the breakdown of embodied carbon across the different project lifecycle stages. The lifecycle stages shown are:

- **A1–A3** represents the emissions associated with producing the materials and assets used in a project.
- **A4** represents the emissions associated with transporting those materials and assets to site.
- **A5** represents the emissions generated during construction and installation activities
- **A1–A5** captures the total embodied carbon associated with the manufacture, transport and construction of project assets.

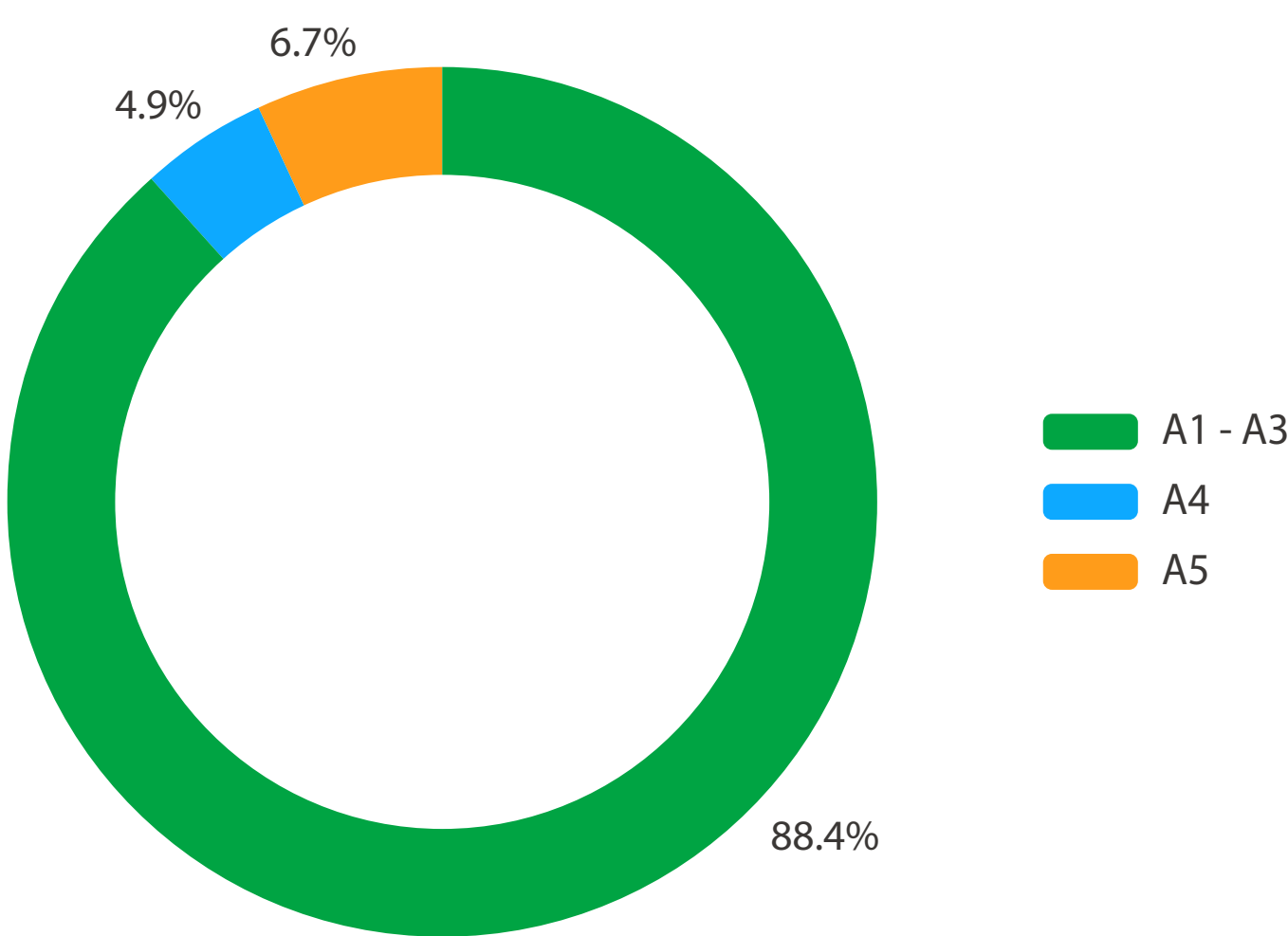
The analysis highlights that the A1–A3 product stage is the primary emissions hotspot, accounting for approximately 88% of total A1–A5 emissions. This demonstrates that the greatest opportunity for carbon reduction lies within the manufacture and supply of materials and assets. As a result, the most effective interventions are likely to come from specifying lower-carbon materials, adopting lower-carbon design solutions and increasing the use of low-carbon manufactured assets throughout project delivery.

To reduce emissions at this stage, we will continue to strengthen supplier engagement and develop a more comprehensive understanding of our material supply chains and manufacturing processes. This will enable us to identify targeted improvement areas and support suppliers in embedding lower-carbon practices as business as usual.

Breakdown of embodied carbon emissions by resource type for SPM 132kV major projects.



Breakdown of embodied carbon emissions by lifecycle stage for SPM 132KV Major Projects



Commitments

Commitment	RAG
We will implement processes for carbon management in relevant business activities, aligned with PAS 2080 Carbon Management in Infrastructure.	G
We will introduce a measurement tool for embodied carbon and other capital carbon emissions to establish a baseline and a set a target to reduce carbon on new projects during RIIO-ED2.	G
We will work collaboratively with our stakeholders, including the other Distribution and Transmission Network Operators, throughout RIIO-ED2 with the aim of assessing and managing capital carbon on our projects, driving efficiencies throughout our supply chain, and sharing best practice.	G
We will monitor and report on embodied carbon in new projects.	G



Carbon Offsetting

Given the urgent need to reduce greenhouse gas emissions and mitigate the effects of climate change, it is important that we develop our network in support of the Net Zero GHG transition in a way that achieves neutral or positive environmental and social impacts. To do this, we must reduce carbon emissions as far as possible within technological and regulatory boundaries. However, despite this work, some unavoidable emissions will remain.

We are committed, during RIIO-ED2, to offsetting our residual Scope 1 and 2 emissions, excluding losses, throughout the price control period.

Work to date
We have 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. We have also developed an approach to carbon offsetting that prioritises carbon removal in line with [The Oxford Principles for Net Zero Carbon Aligned Carbon Offsetting](#). Our offsetting principles are set out in our [Net Zero Transition Plan](#), published within this reporting period. Aligning with best practice, this ensures a high probability of ‘additionality’ and low probability of ‘reversibility’.

Through market research, we identified the UK Woodland Carbon Code and UK Peatland Carbon Code as well aligned with our offsetting principles. These codes also aim to deliver additional environmental and social benefits in the UK, where practical.

Status Update
Our stakeholders continue to support our approach to offsetting, including that we should follow the Oxford Principles for Net Zero Aligned Carbon Offsetting; that, for current Scope 1 and 2 offsetting commitments, our offsetting should be within our operational areas as far as possible; and that verified credits should be issued under the Woodland Carbon Code, the Peatland Carbon Code or any similar carbon code standard that may become available in future. Our stakeholders understand that, as we evolve our offsetting strategy to incorporate Scope 3 emissions, we will continue to prioritise carbon removal while also considering carbon avoidance opportunities. Our approach to carbon offsetting is set out in more detail in our [Net Zero Transition Plan](#).

To deliver on our commitment to achieve carbon neutrality across our controllable greenhouse gas emissions, Scope 1 and 2 excluding losses, we have calculated the emissions that cannot currently be addressed through direct prevention or mitigation activities. We are developing a route to market by creating a procurement approach which has included working with external expert legal advisers to progress the purchase of relatively new offsetting products using established procurement routes and practices. We have also taken steps to embed environmental and social co-benefits into our offsetting procurement to deliver these additional benefits where practical.

This approach will allow us to acquire Pending Issuance Units (PIUs), enabling us to deliver against our commitments. PIUs represent a forward-looking commitment to carbon sequestration, based on scientifically modelled predictions of carbon uptake by new woodland or peatland. These units will transition

into Woodland or Peatland Carbon Units (WCUs/PCUs) once the carbon sequestration is verified through ongoing monitoring and reporting. Third-party verification is required under the Woodland Carbon and Peatland Codes, under which all these projects have been developed. The purchase of an initial tranche of PIUs to cover approximately 15% of our total RIIO-ED2 commitment is currently in progress, which represents 42% of our total reported emissions in years one to three of RIIO-ED2. Full details will be provided in our next AER. This purchase has highlighted a gap between the funded unit cost and current and forecast market pricing for high-integrity carbon removals projects. This gap poses a risk to us meeting our RIIO-ED2 Carbon Neutrality Commitment within funded costs. Therefore, we are currently reviewing internally how we can secure the units required to meet the remainder of our RIIO-ED2 Commitment at lowest cost while still adhering to our offsetting principles.

These investments aim not only to support our Net Zero ambitions, but also to contribute to the expansion of UK woodland and peatland and support the development of local offsetting markets, ensuring that rewilding, nature-based and wider co-benefits are realised close to our customers.

Additionally, this initial purchase has highlighted a gap between the funded unit cost and current and forecast market pricing for high-integrity carbon removals projects; a gap which poses a risk to us meeting our RIIO-ED2 Carbon Neutrality Commitment within funded costs. Therefore, we are currently reviewing internally how we can secure the units required to meet the remainder of our RIIO-ED2 Commitment at lowest cost while still adhering to our offsetting principles.



Commitments

Commitment	RAG
We will achieve Carbon Neutrality by 2023 for our Scope 1 & 2 business carbon footprint excluding Losses.	A
We will align our offsetting approach to the Oxford Principles for Net Zero Aligned Carbon Offsetting, ensuring high probability of ‘Additionality’ and low probability of ‘Reversibility’, delivering additional environmental and social benefits where practical.	G



Action for Nature

While we deliver the low-carbon transition and reduce our own carbon impact, we must also prevent pollution and protect and enhance biodiversity. Protection of the environment is a key component of how we operate our business.

[Contents](#)



Action for Nature

Pollution prevention

PCB Removal - Status Update

Since PCB removal legislation was introduced in 2000 and updated in 2020, we have adopted a systematic and transparent approach to identifying, decontaminating, and removing PCB-contaminated assets, with the aim of meeting the regulatory deadline. We have played a leading role in the industry response, including developing the ENA Statistical Model and engaging extensively with UK environmental regulators (SEPA, EA, and NRW) and other stakeholders.

While substantial progress has been made towards achieving full compliance, a small number of assets remain in service due to a range of operational and practical challenges. Key barriers include:

- **Specialist resource and supply chain constraints**, particularly the limited availability of skilled engineers, contractors, and design expertise needed to develop replacement solutions for critical assets.
- **Land access and environmental restrictions**, including adverse weather conditions and agricultural activities that can limit safe access to sites and delay planned works.
- **Customer vulnerability considerations**, where outages must be carefully managed to minimise impacts on vulnerable customers, essential services, schools, care facilities and businesses.
- **Legal and wayleave complexities**, including land access permissions, negotiations with landowners, and asset ownership issues that can delay asset replacement programmes.

Despite these challenges, we remain committed to completing the removal programme and achieving full compliance as quickly and safely as practicable.

Work has accelerated on the planned removal of PCB-contaminated (or potentially contaminated sealed) assets to drive towards the deadline of 31 December 2025 for their removal from our Distribution network. This target has not been achieved but considerable effort and resource has ensured all identified assets will be removed in 2026.

During the third year of RIIO-ED2, SP Distribution replaced 1887 assets, and SP Manweb replaced 2,158 assets. Overall, SPD has replaced 4,998 assets and SPM 5,581 assets at this stage of the plan. SPD have 340 assets and SPM have 1,346 assets left remaining to be removed from the network during 2026.

In line with the plans developed through the ENA PCB Working Group and the related ongoing sampling of sealed assets removed from the UK distribution network, we are continuing to identify contaminated equipment (CE), as shown in the charts below. The charts show the number of assets identified based on test results and year of asset manufacture, demonstrating our continued progress in identifying any residual potentially contaminated equipment for removal from the network.

The Contaminated Equipment Disposal Plan will be successfully demonstrated through the removal, replacement or decontamination of all equipment identified through this process. This will remove the associated risk and update the register of contaminated equipment, with the ultimate goal of eliminating all contaminated equipment from the register.

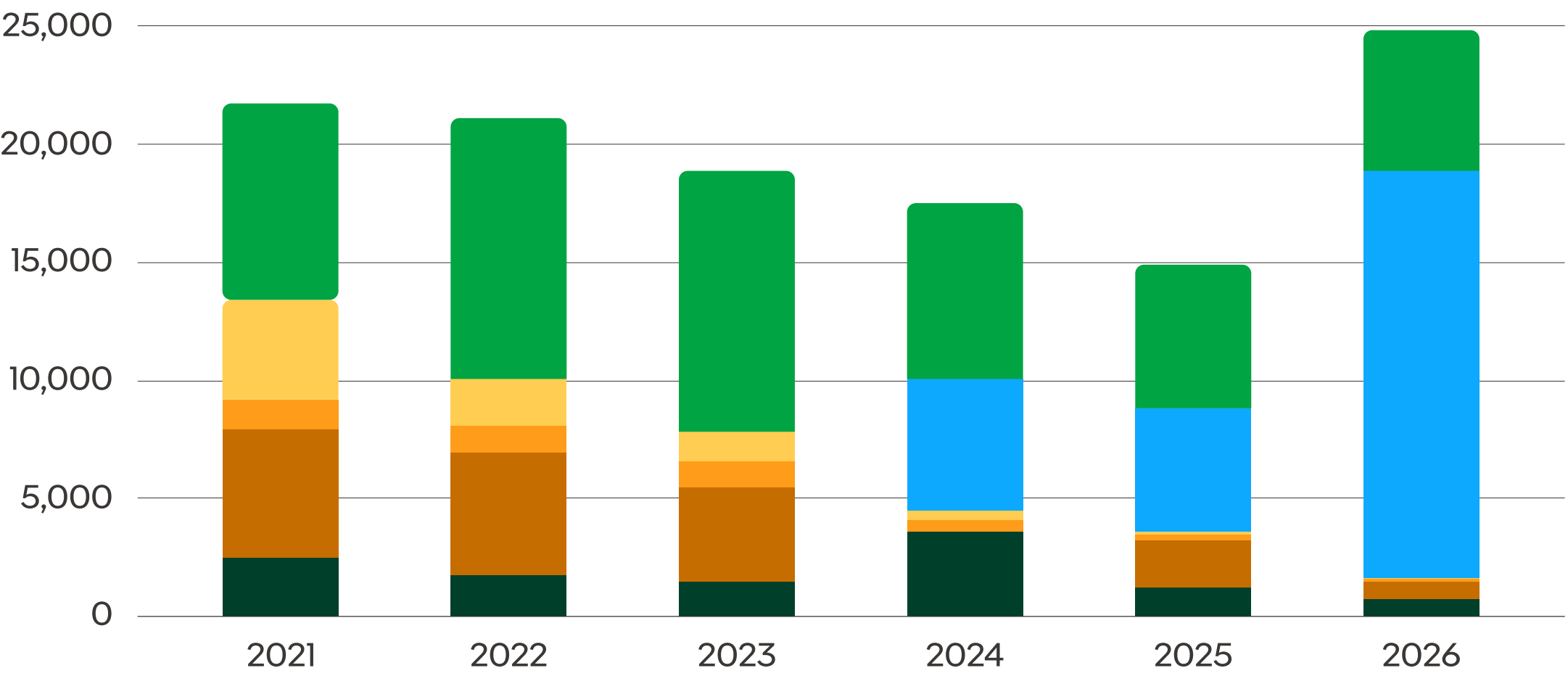
This Contaminated Equipment Disposal Plan requires a challenging rate of equipment replacement, but we remain committed to removing all such equipment from our network this year.

Further information is available within the KPI data tables report.

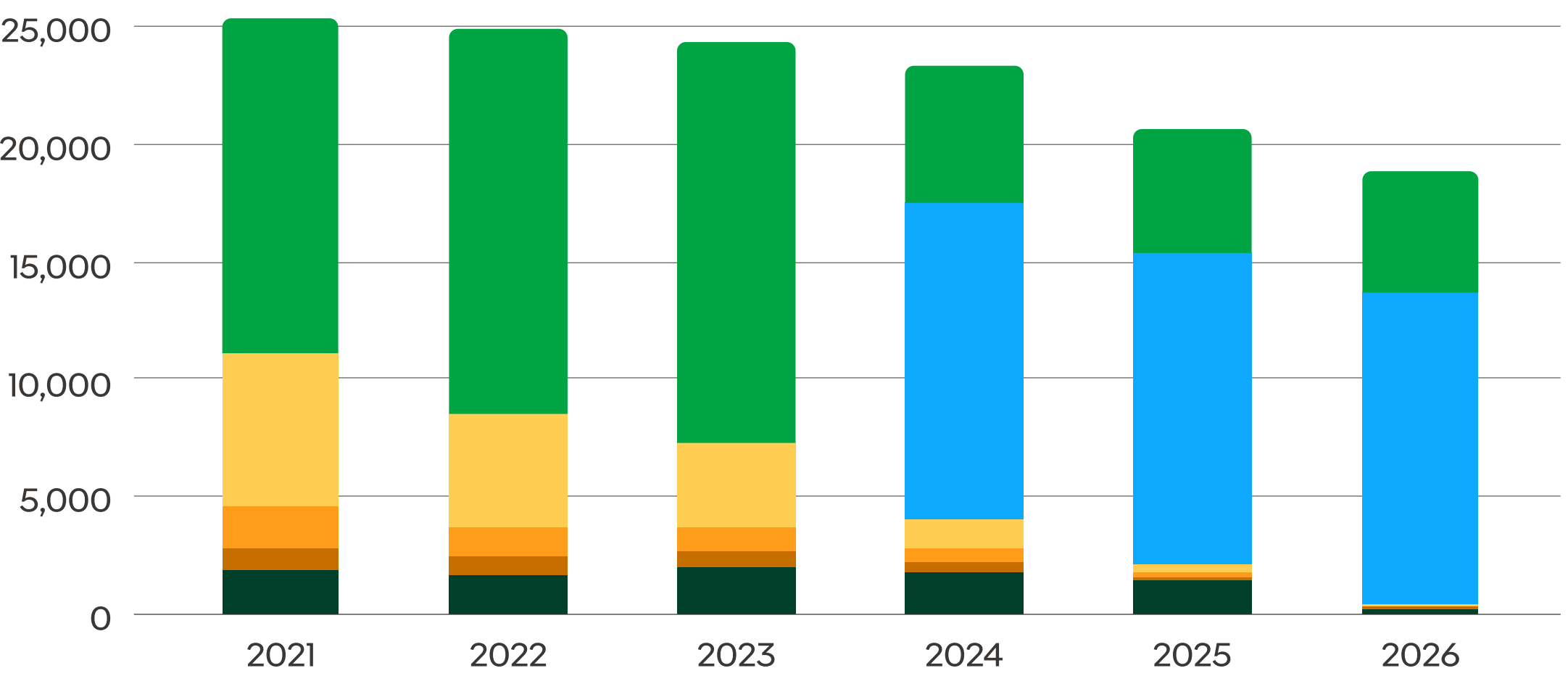


Metrics

Total Commissioned PMT Equipment in England & Wales by ENA Category



Total Commissioned PMT Equipment in Scotland by ENA Category



The categories in the graph above are grouped into six bands:

- Band 0 - not in use or no longer in scope

Band 1 - do not contain PCBs (statistical analysis)

Band 2 - data suggests no PCBs but is inconclusive
- Band 3 - insufficient data

Band 4 - reasonable likelihood contains PCBs

Band 5 - PCB containing or high likelihood



Action for Nature

Pollution prevention

Fluid Filled Cables - Status Update

At the start of RIIO-ED2, we set a target to reduce leakage in our fluid-filled cables by replacing 19.5km of our leakiest cables. We continue to regularly monitor our entire oil-filled cable asset base for leaks and future risks.

The cable modernisation project(s) for Kirkby and Bootle Circuits are in the RIIO-ED2 plan and started sectional completion in late 2025, with completion programmed for 2027. This will reduce and continually improve our leakage rate. 5.12km of cables within the Kirkby and Bootle circuits were replaced in 25/26 in SPM. At this stage of the plan, we have replaced a total of 6.02Km of the target, but we are expecting to achieve the full 19.5Km replacement of the Kirkby and Bootle circuits by the end of RIIO-ED2.

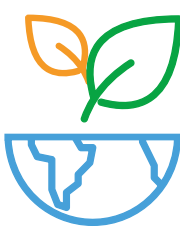
SPM has 145 km of fluid-filled cables and topped up a total of 4,328 litres in the 2025/26 reporting year with a leakage rate of 0.68%, down from 0.85% in the previous year. This downward trend is due to the replacement of leaking sections of the Kirkby and Bootle circuits. Of the 4,328 litres topped up, the majority was across three circuits, Speke – Halewood (1,579ltrs), Kirkby – Bootle (972ltrs) and Prescot – Rainhill (676ltrs). The remaining amount were moderate top ups across a further 8 circuits.

SPD currently has 30.90 km of fluid-filled cables in service. In the 2025/26 reporting year a leakage rate of 0.019% was recorded, following one top-up event totalling 18 litres in the Central & Fife district, a reduction of 44 litres from the previous year. During this period 0.20km of cable was replaced in SPD.



Metrics

	SPM	SPD	Total
Fluid filled cable in service (km)	144.5	30.9	175.4
Volume of oil in fluid filled cables (ltrs)	638,016	92,700	730,716
Fluid filled cable oil top ups (ltrs)	4,328	18	4,346
Fluid filled cable oil top ups as % of oil in service	0.68%	0.02%	0.59%
Leak Reduction/Increase from last year (ltrs)	-1,264	-44	-1,308
Volume of oil recovered (ltrs)	1,895	0	1895



Action for Nature

Incidents and noise pollution

Environmental Incident Reporting

Environmental incident reporting has improved across the Distribution Licences through the review of existing guidance and reporting tools, as well as by sharing lessons learned. The majority of environmental incidents are reported and managed internally, but there are occasions when external reporting is required. In 2025/26, there were three notifiable environmental incidents in SPD and six in SPM, which is a slight increase from the previous year for SPM. It should be noted that one of the three incidents in SPD relates to 2024/25 as it was omitted from the 2024/25 AER report. All notifiable incidents were reported to the appropriate external regulatory bodies and fully investigated. To raise internal awareness of requirements, an incident management audit was conducted, environmental communications have been delivered and procedures to support work in ecology, hydrology and archaeology developed last year are now in practice.

Source	Business Unit	2023/2024	2024/2025	2025/2026
Notifiable Environmental Breaches of Legislation.	SPD	0	3	3
Notifiable Environmental Breaches of Legislation.	SPM	0	1	6
Total		0	4	9

Noise Management

We seek to minimise the impacts of noise resulting from the construction, maintenance and operation of our electrical infrastructure. New infrastructure, or changes in the local environment around existing infrastructure, can sometimes negatively affect the local area. The strategy is both proactive and reactive in mitigating and reducing these impacts. We operate a 24-hour customer helpline where customers, contractors and staff can report network problems, including noise issues. Enquiries regarding noise are logged in our customer complaints system and passed to regional contacts with actions and deadlines. We have a strong

record of mitigating the effects of issues raised relating to our static assets. We assess noise at the complaint location, identify appropriate actions to reduce the impact, and inform relevant parties once the issue is resolved.

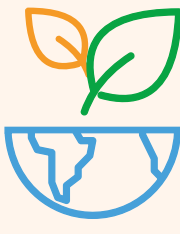
In the 2025/26 reporting year, 11 noise complaints were recorded within SPD of which only 1 was substantiated and involved intervention and 16 in SPM, of which only 2 were substantiated and involved intervention representing an increase from the previous year. All noise complaints received were investigated and, following interventions, were fully rectified. Through compliance with our Noise Management Procedure, we are continuously educating colleagues on how to better manage noise.

Below is a table showing the number of Noise complaints and those leading to intervention across RIIO-ED2 so far. Although there is variation of the number of complaints year on year, the complaints leading to intervention has remained relatively low across the RIIO-ED2 period so far. The complaints leading to intervention were those that were substantiated as SPEN being the source, therefore requiring action to be taken.

SPD Noise	2023/2024	2024/2025	2025/2026
Number of Complaints Received	0	27	11
Number of Complaints Leading to Intervention	3	3	1

SPM Noise	2023/2024	2024/2025	2025/2026
Number of Complaints Received	9	13	16
Number of Complaints Leading to Intervention	1	4	2





Action for Nature

Other pollution prevention updates

Pollution prevention plans

In SPM, we set a target to implement pollution incident response plans across all 132kV projects. During the 2025/26 reporting period, we achieved 100% of this target by implementing pollution prevention plans for all 13 of our 132kV projects.

Moving forward, all 132kV projects within the SPM distribution area now include a Pollution Prevention Plan as part of the risk management process, ensuring that environmental risks are managed appropriately and impacts are minimised. These plans ensure that risks are identified, appropriate controls are implemented, and resources are allocated to support effective risk management.

Legacy land contamination

As part of our efforts to reduce pollution across our distribution network, we have developed an annual programme to identify and investigate legacy contaminated sites within each licence area. Phase 1 and Phase 2 site investigations are undertaken at these locations, and measures are implemented to rectify and remediate the land. The status of each site is documented on a contamination tracker to help prioritise the remediation programme.

Low carbon alternatives to concrete bunding

To further reduce our environmental impact and adopt new technologies, we have used lower-carbon concrete, containing 40% Ground Granulated Blast Furnace Slag

(GGBS) as a replacement for Portland cement, on 84 projects during the RIIO-ED2 period. These projects include transformer bund replacements and new cable cell installations for 33kV switchgear. 50 of the planned bund replacements have taken place in the RIIO-ED2 period so far, with 23 of those completed in 2025/26. This has reduced project carbon emissions. High-Density Polyethylene (HDPE) is also being considered for bunds, and we continue to work with our project teams and contractors to identify the most effective solutions.

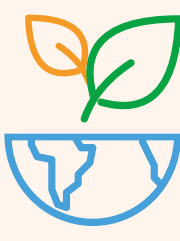
Wood Poles

At the start of RIIO-ED2, we committed to continue to collaborate with other DNOs and our supply chain to develop innovative alternatives to creosote-treated wood poles. We have completed an £18 million major reinforcement project in North Shropshire, which will facilitate new growth across the region and enhance network resilience for 30,000 homes and businesses. Throughout the project, our team worked closely with the local wildlife trust in Shropshire and other key stakeholders to undertake several environmental initiatives, including habitat and hedgerow enhancements and pond and wetland restoration. As part of the upgrade, and in a UK first, we trialled new treatments on 10% of the new wood overhead line poles. These poles were treated with copper oil, a more environmentally friendly alternative to traditional creosote.



Commitments

Commitment	RAG
We will continue to target zero environmental regulatory interventions and notifiable breaches.	R
We will implement Pollution Prevention Plans at 100% of our RIIO-ED2 132kV projects.	G
We will reduce the volume of fluid (oil) used to top up our pressurised cables by around 3,490 litres (10%) by replacing 19.429km of our leakiest fluid filled cable.	A
We will continue to proactively minimise the impacts of noise resulting from the construction, maintenance and operation of our electrical infrastructure and take timely action to rectify noise complaints from our plant and sites.	R
We will eliminate PCBs from our network by the end of 2025, in line with legislation and the risk-based industry approach agreed with the environmental regulators.	R
We will use low carbon alternatives to concrete bunding for our RIIO-ED2 retrofit projects where technically feasible.	G
We will adopt new technologies, where appropriate, to support the ongoing proactive management of our fluid filled cables.	A
We will continue to report on noise pollution incidents and actions taken to reduce them.	G
We will report on volumes of PCB contaminated equipment on and removed from the network.	G
We will upgrade existing or install new bunds at 203 of our Primary and Grid transformers as part of our RIIO-ED2 programme of oil mitigation measures, where adequate bunding is not in place.	A
We will implement a programme to identify, risk assess and address high risk legacy land contamination.	G
We will continue to collaborate with other DNOs and our supply chain to develop innovative alternatives to creosote wood poles.	G



Action for Nature

Biodiversity & Natural Capital

Across our Distribution business, we remain committed to protecting and enhancing nature in the areas where our network operates. Our [Action Plan for Nature](#) recognises the global biodiversity crisis and sets out the actions we plan to take to address it. We apply the mitigation hierarchy throughout our operations, prioritising the avoidance and minimisation of environmental impacts during construction, and only then looking to restore or compensate for any residual effects. Our goal is to achieve ‘No Net Loss’ of biodiversity and, where feasible, deliver measurable enhancement, or ‘Net Gain’, as we work towards our target of becoming Nature Positive by 2030.

Status Update

Since publishing our Action Plan for Nature in the first year of RIIO-ED2, we have focused on implementing and delivering this ambitious strategy. To achieve enhancements both on our own land and in partnership with external organisations, we have reviewed our internal processes. The SPEN Nature Board, established in

2024, continues to ensure that the right policies, procedures and governance processes are in place to deliver nature-positive investment effectively.

Enhancement Projects

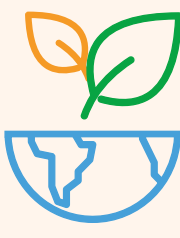
In 2025, we continued to deliver offsite enhancement with Cheshire Wildlife Trust (CWT), working towards achievement of our commitment to deliver 25 hectares of 10% biodiversity enhancement during ED2. We have also formed partnerships with Montgomeryshire Wildlife Trust and Caerlaverock Estate to deliver further biodiversity enhancement, which will be realised across 2026/27.

SPM has funded biodiversity enhancement on 1.22 hectares (ha) of land to date and has created a pipeline of future projects for delivery in upcoming years. This year, wildflower grassland and wetland enhancement work was undertaken by CWT at Bickley Hall Farm.

Delivery Year	Licence Area	Site Name	Delivery Partner	Initial Assessment Suggestions	Unit Type	Enhancement (Ha)
2024 / 2025	SPM	CWT Bickley Hall Farm (combined Wetlands for Waders and Boost for Bees)	Cheshire Wildlife Trust	Wild flower Grassland enhancement	Area habitat	0.61
2024 / 2025	SPM	CWT Bickley Hall Farm (combined Wetlands for Waders and Boost for Bees)	Cheshire Wildlife Trust	Wetland enhancement	Watercourse	0.17
2025 / 2026	SPM	CWT Bickley Hall Farm	Cheshire Wildlife Trust	Hedgerow enhancement	Hedgerow	0.33
2025 / 2026	SPM	CWT Gowry meadows	Cheshire Wildlife Trust	Hedgerow enhancement	Hedgerow	0.12
Total Enhancement 2025/26						1.22

Correction made to 2024/25 results: previously the full area of site was reported as opposed to the enhanced area.





Action for Nature

Biodiversity & Natural Capital (cont.)

SPD plans to work with Caerlaverock Estate to deliver biodiversity enhancement this coming year, creating additional meadow, woodland and wildlife corridors. As part of the Caerlaverock Cluster 2,500ha nature restoration and sustainable farming project, SPD will fund the creation or conversion of grassland into species-rich meadow with native wildflowers in 2026/27. Twelve wildlife corridors, consisting of native shrubs, such as blackthorn, trees and rough grassland, will be established over the same period.

SPM has defined work to be delivered by Montgomeryshire Wildlife Trust on biodiversity enhancement projects at Dolydd Hafren and Rhos Farch nature reserves, creating ponds, hedgerows and meadows. This will create 4.2ha of biodiversity enhancement, which will be delivered in 2026/27.

These projects are expected to deliver over 8 hectares of biodiversity enhancement, providing habitat for pollinators, birds and other wildlife while contributing to long-term ecosystem resilience.

Measurement Tools

In SPM, we use DEFRA’s statutory Biodiversity Net Gain (BNG) metric. In Scotland, nature-positive development is guided by National Planning Framework 4 (NPF4), particularly Policy 3b, which requires significant biodiversity enhancement. Scotland does not yet have a standard metric, so NatureScot is developing one for the Scottish planning system. In the interim, SPEN use the adapted SSENT biodiversity metric. SPEN is actively engaging in this process, alongside SSEN Distribution, to help ensure the emerging metric and NPF4 guidance support delivery of Scotland’s biodiversity, natural capital and Net Zero objectives.

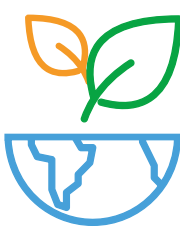
Natural Capital

As well as measuring biodiversity enhancement across our network, we have ambitions to track and report on the value of natural capital and ecosystem services on our sites. We are working with consultants to develop a biodiversity and natural capital baseline for our estate, against which we will begin to report and track the value of natural capital and ecosystem services on our sites, as well as progress towards our targets. The aim is to complete the first iteration of the natural capital baseline in 2026.



Commitments

Commitment	RAG
We will deliver 10% enhancement of biodiversity on 25 hectares across our existing network, on our non-operational land and existing linear infrastructure through collaboration with landowners, communities and local wildlife groups	A
We will implement a Biodiversity & Natural Capital Action Plan process to guide local operation implementation with the aim of increasing environmental value across our network.	G
We will collaborate with stakeholders, including other DNOs, throughout RIIO-ED2 to develop and pilot robust methodologies and tools for delivering Biodiversity and Natural Capital assessment.	G
We will engage with UK and devolved governments with the aim of influencing biodiversity and natural capital policy to facilitate delivery of our biodiversity and natural capital goals.	G
We will identify, and subsequently monitor and annually report, metrics to track the levels of biodiversity and value of natural capital and ecosystem services on our sites and the achievement of our targets.	A
We will form strategic partnerships with local ecological protection organisations to support our activities to improve habitats for wildlife and to support people's access to nature.	G



Action for Nature

Enhancing visual amenity

Historically, distribution networks in the UK have been constructed using overhead lines, following the most expedient routes to reach electricity consumers.

We have more than 38,000 km of overhead lines, supported by more than 600,000 poles and towers across our operating area. Some of these assets are in, or adjacent to, protected sites such as National Parks, Areas of Outstanding Natural Beauty (AONBs) and National Scenic Areas (NSAs), as these areas have become designated over time. These overhead lines may affect the visual amenity of these sites and visitors’ enjoyment of them.

A fund is available to network operators to mitigate the visual impacts associated with pre-existing electricity distribution infrastructure by removing selected overhead lines and replacing them with underground cables. Using this fund, our approach is to proactively underground overhead lines that have the greatest impact on nationally designated and protected landscapes, following a five-stage process:

- 1

Develop an approach to initiation and identification of distribution infrastructure.
- 2

Meet with relevant stakeholders.
- 3

Review nominations from relevant stakeholders.
- 4

Develop and implement undergrounding proposals.
- 5

Review undergrounding work.

Status update

In 2025, several visual amenity projects were completed across our three designated National Landscape areas: Clwydian Range and Dee Valley, Ynys Môn/Anglesey, and Pen Llŷn/Llŷn Peninsula. Completed projects include The Shelf and Fron Bache Water Tower in the Clwydian Range AONB, Bodorgan Gardens and Plas Bach in the Anglesey AONB, and Bryn Canaid and Penarfynydd in the Llŷn Peninsula. In 2026, further projects are underway and scheduled to be completed this year, including Gwyddel in the Llŷn Peninsula, Bryn Aber and Cemlyn in the Anglesey AONB, and Llangar Old Church in the Clwydian Range AONB.

We continue to actively engage with all National Landscapes officers to identify further locations for consideration in 2027 and beyond into ED3. In addition, we have established further stakeholder engagement with Awdurdod Parc Cenedlaethol Eryri National Park Authority to develop a programme of visual amenity projects for SPEN to consider going forward.

SPD has fewer designated visual amenity areas and therefore has only one major named project for RIIO-ED2: Holy Island. Physical works have not yet commenced on this project due to a complex consents process, but it is still expected to be completed within the RIIO-ED2 period. SPD also has some smaller projects within the Dumfries and Galloway District, focusing on low-voltage overhead lines within villages in visual amenity areas. By working closely with stakeholders to help them access the visual amenity allowance, we have not only improved the landscapes of our National Parks and enhanced the resilience of our network but also strengthened our relationships with local communities.

This year, 2.09 km of overhead lines were removed from the Ynys Môn/Anglesey, Bryniau Clwyd a Dyffryn Dyfrdwy, and Llŷn Peninsula Areas of Outstanding Natural Beauty in the SPM licence area, and 0.55 km were removed from the East Stewartry designated area in the SPD licence area.



Commitments

Commitment	RAG
We will remove 35km of overhead lines in Areas of Outstanding Natural Beauty National Parks, and National scenic areas.	A

Metrics

Location of OHL	Designated Site	OHL removed (km) 2023/24	OHL removed (km) 2024/25	OHL removed (km) 2025/26	RIIO-ED2 Total To Date
SP Distribution Area	Fleet Valley/ East Stewartry Coast	2.07km	0.1km	0.55km	2.72km
SP Manweb Area	Snowdonia National Park, YnysMon/Anglesey, Bryniau Clwyd A Dyffryn Dyfrdw and Llyn Peninsular	2.89km	2.58km	2.09km	7.56km
Total Distribution		4.96km	2.67km	2.64km	10.27km
RIIO-ED2 Target Removal		4.00km	4.00km	9km	17.00km

Circular Economy

As a sustainable networks business, we are committed to incorporating circular economy principles into our policies, procedures and project delivery. We work collaboratively with our supply chain to improve the circularity of resources, recognising the value of keeping them in use for as long as possible and retaining their value. We have set challenging business targets to divert 100% of our waste from landfill by 2030, excluding ‘compliance waste’ that must legally be disposed of to landfill.

Although challenges remain, including the collection of certain data types, we have continued to improve our waste and materials data. We have done this by investing in a new AI-driven data capture tool - Qflow, which is helping us record and manage our waste more efficiently. This data provides a robust waste output baseline and gives further insight into project material inputs. We will continue to develop the functionality of this tool, including improving our understanding of the recycled and reused content of project materials and identifying opportunities to move material outflows up the waste hierarchy. By investing in these holistic and user-friendly systems, we will be better able to work with our supply chain to identify and target priority areas, helping us, for example, increase the percentage of our waste that is reused or recycled.

Status update

To support our progress towards the zero waste to landfill target by 2030 and our longer-term 2040 Zero Waste Target, we are working to establish a baseline, metrics and targets for waste reduction per £1m of total annual expenditure. We are also working with planning and design teams to gather the data needed to set these targets.

In calendar year 2025, we **diverted 94% of waste**, including direct operational and construction waste, from landfill. This was just short of our annual target of 96.7% on the path to achieving 100% by 2030. However, we have identified under-reporting of landfill diversion caused by issues with our waste reporting system’s categorisation of some waste management routes, particularly exempt onsite activities such as aggregate reuse. We have marked this as amber in our RAG status and are implementing a plan to address these issues and get back on track to meet the 2030 target. To achieve our 2030 goal, we will continue to work with partners across our supply chain and focus on identifying alternative waste management approaches where waste is currently going to landfill.

Our ED2 commitment relates to both direct operational waste and construction waste. When considering only direct operational waste, we achieved a **99%** diversion from landfill rate, representing a 1% improvement on the previous year. The graphs below represent all waste; waste data specifically related to our direct operations is provided in the KPI tables section at the end of this report.

We are continuing to improve the functionality of Qflow, our waste and resource tracking tool, which we launched in November 2024. This innovative system enables our supply chain to capture and record waste data in real time using photographic evidence and has provided a robust, granular baseline for the waste and materials used across the network. This allows us to focus effort where it will have the greatest impact. Qflow performs multiple data validation checks, flagging unclear Waste Transfer Notes (WTNs) as non-compliant.



Circular Economy

This ensures a transparent and reliable record of waste movements and custody. The enhanced data provided by Qflow is giving us a much clearer understanding of waste generation, treatment and final destination. We use this data to inform conversations with suppliers on how to continue improving our approach to managing waste and moving resource outflows up the waste hierarchy.

Qflow is also helping us improve our materials data, particularly regarding the percentage of recycled content in materials used during project delivery. By capturing key information from material deliveries, we will be able to track and report on the recycled content performance of our key materials for RIIO-ED3 and beyond. We are continuing to work with suppliers to better understand the recycled content of the materials we use and to ensure this information is reflected on delivery notes so it can be more accurately reported in Qflow. In addition, we have plans in place to improve Qflow’s functionality to support more detailed reporting on recycled or reused content of materials in future.

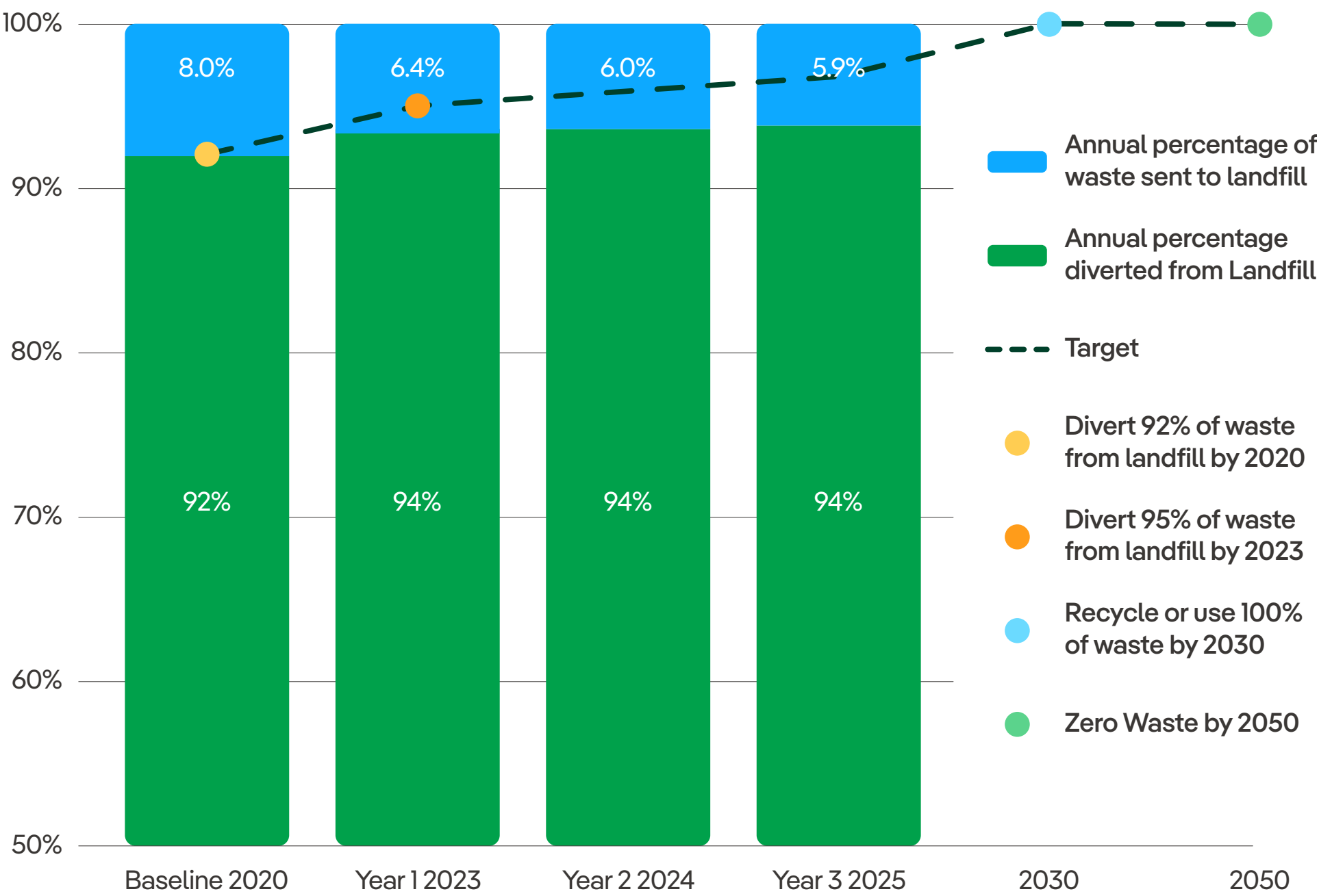
To drive circularity across the business we are working to align operational practices with British Standards 8001 (BS8001:2017). Over the past year this work has focused on reviewing our Engineering and Design Standards and updating those standards to encourage greater consideration of material reuse in civil works projects. As we implement PAS2080 within the carbon management space we will consider how the PAS2080 framework can support greater circularity. We will also consider how the recently launched Global Circularity Protocol can support development of circularity metrics within SPEN, allowing us to more closely monitor our progress towards our zero waste ambition

To help us tackle the final 6% of waste still going to landfill and support our ambition of becoming a zero-waste business by 2040, we are developing a Circular Economy Strategy and Action Plan to focus our activity for the remainder of RIIO-ED2 and beyond. The strategy will set clear annual targets and outline the activity required to achieve them. We expect to publish this strategy in the next reporting period, before the end of 2026.

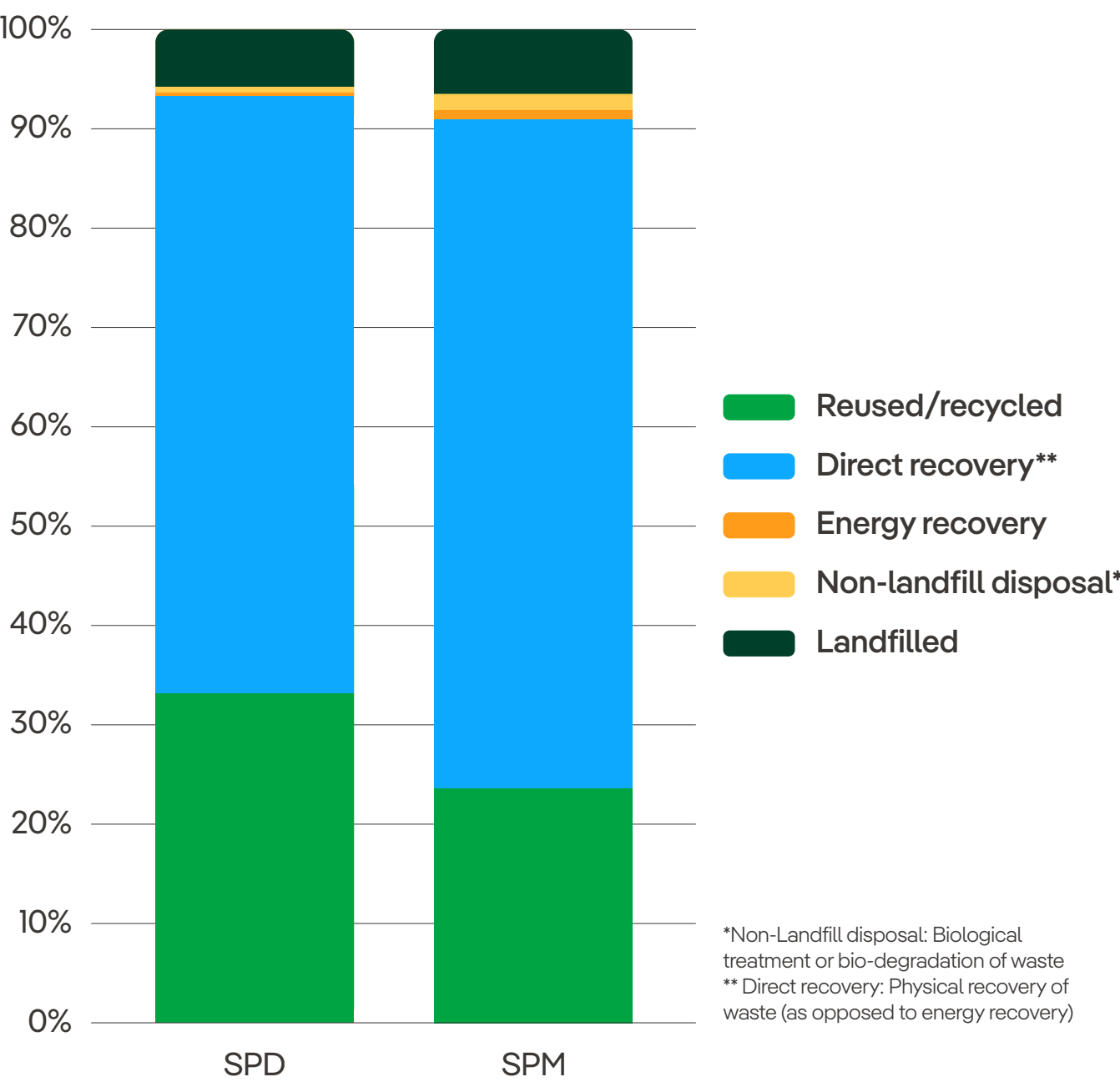


Metrics

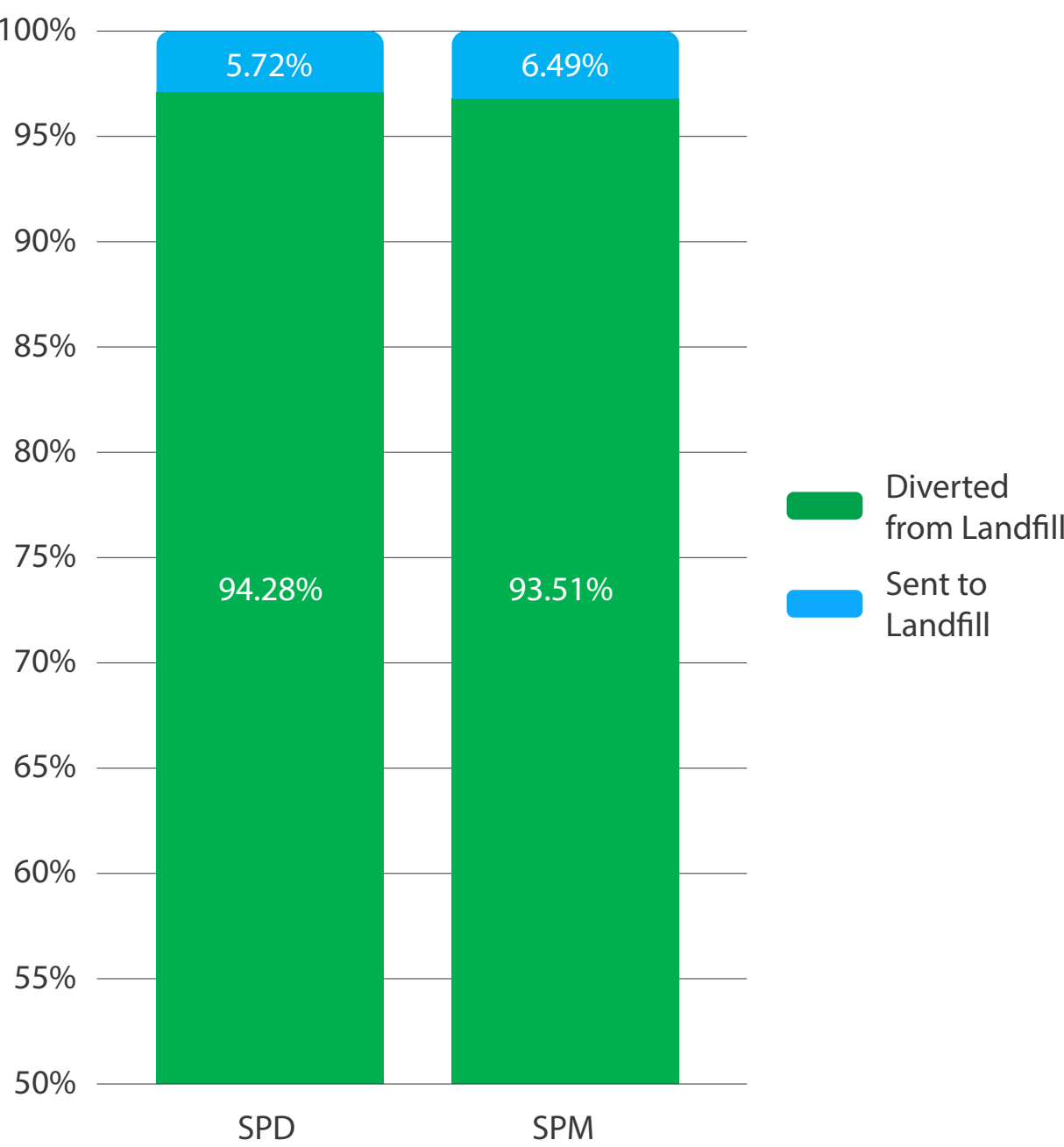
Waste to landfill reduction



% Waste fate by distribution licence



2025 waste landfill diversion by licence



Commitments

Commitment	RAG
We will divert 100% of our waste from landfill by 2030, excluding compliance waste.	A
We will establish a baseline and targets for waste reduction per £1m of total annual expenditure, to be achieved by the end of RIIO-ED2 and 2030 in line with our zero waste to landfill date	A
We will continue to collaborate with environmental/ waste regulators, other infrastructure companies and our supply chain to drive sustainable resource use and waste minimisation in order to meet our RIIO-ED2 and Sustainability Goals.	G
We will implement metrics to measure the sustainability of our resource use, with the aim of establishing a baseline to enable target setting during RIIO-ED2.	G
We will continue to report on actual waste to landfill, recycling and reuse as a percentage of total and we will commence reporting on all new waste and resource use metrics.	G
We will set targets for recycled & reused materials as a % of total input materials to be achieved by end RIIO-ED2 and 2030.	G
We will follow an appropriate, recognised standard such as BS8001 to embed circular economy principles where relevant throughout our business processes.	G

Case study - Personal protective equipment recycling and reuse

In 2025, we partnered with ACS Clothing to trial a circular workwear recovery model aimed at reducing textile waste, extending garment life and improving the sustainability of operational clothing. The pilot assessed 65 returned workwear items to understand their condition, recovery potential and opportunities for reuse within a circular system.

This initiative directly supports our commitment to waste reduction, resource efficiency and responsible consumption, aligning with wider circular economy principles. The pilot identified that 38% of returned garments retained usable value, demonstrating clear potential for reuse.

The pilot revealed that many garments currently treated as end-of-life still hold significant residual value. By extending garment life through enhanced cleaning, repair and refurbishment, ScottishPower can:

- Reduce textile waste sent to landfill.
- Lower the carbon impacts associated with manufacturing new garments.
- Reduce PPE replacement costs.

We are currently considering a second-phase trial to strengthen the circularity of workwear.

This will include:

- Exploring alternative end-of-life routes, including de-branding, donation and recycling.
- Developing approaches for the repair and redeployment of PPE.
- Considering a loan model for staff who only use PPE occasionally, to drive PPE reuse and reduce overall textile waste.





Data and assurance

Our RIIO-ED2 plan continues to strengthen data maturity, assurance and transparency across our key priority areas. We have made further progress this year by improving reporting methodologies, developing digital tools and strengthening internal controls to support more robust sustainability reporting.

As part of ED3 planning, we have worked with the Energy Networks Association and other DNOs to develop common methodologies, definitions and performance indicators. This will improve consistency and comparability across areas such as carbon, losses, biodiversity, circular economy and wider sustainability reporting. We have also undertaken a gap analysis across our current commitments and metrics to identify where data quality, calculation methods and governance need to be strengthened.

We continued to progress our Sustainability Data and Reporting Strategy and digitalisation roadmap, setting out how we will improve data collection, analysis and reporting by the end of RIIO-ED2 and into ED3. This includes reducing reliance on manual processes, improving data ownership and developing digital reporting platforms, dashboards and evidence trails.

Qflow has played an important role in improving waste and materials data since its implementation in November 2024. By using Optical Character Recognition to scan Waste Transfer Notes and material delivery records, it has improved data completeness, contractor engagement and compliance checks. It is also providing better insight into waste routes, material inputs and circular economy performance, while highlighting areas where categorisation and waste route mapping need further refinement.

We have also strengthened internal controls across our reporting processes. Our assurance framework, aligned with the Data Assurance Guidance Licence Requirement, includes risk assessment, method statements, second-person review and senior manager sign-off. Our Business Carbon Footprint continues to be independently verified by Planet Mark under ISO 14064-3:2019, providing external verification of our greenhouse gas reporting.

[Planer Mark SPEN Verification Statement](#)



Commitments

Commitment	RAG
We will continue to provide transparent reporting of our environmental and sustainability performance by publishing an annual report of our progress against all environmental and sustainability commitments – in line with metrics and a format developed in collaboration with the other DNOs.	G
We will improve the quality of environmental data collected and analysed at all stages of the asset lifecycle, investing in enhanced IT systems and formalising data sharing collaborations with key stakeholders.	G

Data Maturity Matrix



Overall, our 2025/26 position is broadly aligned with the RIIO-ED2 mid-point maturity ambition, with several areas already at or moving beyond the expected level. Strong progress has been made in Supply Chain Sustainability and Scope 3 greenhouse gas emissions, while established areas such as Scope 1 and 2 emissions, pollution prevention and visual amenity remain mature. Further focus is required on Natural Capital and Biodiversity, Sustainable Resource Use and Waste Reduction to strengthen baselines, improve data quality and embed consistent metrics. The remainder of RIIO-ED2 will focus on closing these gaps and improving assurance and digital reporting capability.

Let us know what you think

The road to Net Zero GHG will affect us all. So, we would like to hear from you – our communities, customers, employees, suppliers and investors. We have committed to publishing an Annual Environmental Report and we seek your feedback to make sure we continue to focus on the correct areas to deliver a more sustainable future for all and report our plans and progress transparently.

Throughout the year, we share updates on our successes and our annual reports on our [website](#).

If you would like to contact us about our Annual Environmental Report, please email: sustainable@spenergynetworks.co.uk.

For more information on our [Sustainable Business Strategy](#), [click here](#).

Key Performance Indicators Annex

Business Carbon Footprint Scopes 1 & 2 - SPM

BCF Scope 1 & 2			Total Baseline Reduction		2023/2024	2024/2025	2025/2026	
	Category	Sub-Category	Target tCO ₂ e RIIO-ED2 2028	Unit				
	Operational Transport	Total		tCO ₂ e	2,966	2,875	2,917	
		Road		tCO ₂ e	2,966	2,875	2,917	
		Marine		tCO ₂ e	0	0	0	
		Air		tCO ₂ e	0	0	0	
	Building Energy Usage	Total		tCO ₂ e	69	72	60	
		Electricity		tCO ₂ e	17	20	21	
		Other fuels		tCO ₂ e	0	0	0	
		Substation electricity		tCO ₂ e	32	33	22	
		Gas		tCO ₂ e	19	19	16	
	Fuel Combustion	Total		tCO ₂ e	993	564	189	
		Diesel (excluding transport)		tCO ₂ e	993	505	120	
		Diesel (embedded stations)		tCO ₂ e	0	0	0	
		Other		tCO ₂ e	0	59	69	
	Fugitive Emissions	Total		tCO ₂ e	2,639	4,022	5,743	
		SF ₆		tCO ₂ e	2,639	4,019	5,627	
		Other IIG		tCO ₂ e	0	3	116	
	Total Scope 1 and 2 Emissions (Excluding Losses)			6,792	tCO ₂ e	6,666	7,533	8,909
	Electricity Distribution Losses				tCO ₂ e	197,342	225,685	183,726
	Total Scope 1 and 2 Emissions (Including Losses)			180,572	tCO ₂ e	204,007	233,218	192,635
Carbon Offsets					2023/2024	2024/2025	2025/2026	
	Category		Unit					
	Total Carbon offsets		tCO ₂ e		0	0	0	

Business Carbon Footprint Scopes 1 & 2 - SPD

BCF Scope 1 & 2			Total Baseline Reduction		2023/2024	2024/2025	2025/2026	
	Category	Sub-Category	Target tCO ₂ e RIIO-ED2 2028	Unit				
	Operational Transport	Total		tCO ₂ e	3,122	2,807	3,068	
		Road		tCO ₂ e	3,122	2,807	3,068	
		Marine		tCO ₂ e	0	0	0	
		Air		tCO ₂ e	0	0	0	
	Building Energy Usage	Total		tCO ₂ e	95	125	90	
		Electricity		tCO ₂ e	0	0	0	
		Other fuels		tCO ₂ e	0	0	0	
		Substation electricity		tCO ₂ e	6	7	7	
		Gas		tCO ₂ e	89	119	83	
	Fuel Combustion	Total		tCO ₂ e	866	281	275	
		Diesel (excluding transport)		tCO ₂ e	866	152	105	
		Diesel (embedded stations)		tCO ₂ e	0	0		
		Other		tCO ₂ e	0	130	170	
	Fugitive Emissions	Total		tCO ₂ e	3,188	2,739	2,633	
		SF ₆		tCO ₂ e	3,188	2,701	2,554	
		Other IIG		tCO ₂ e	0	38	78	
	Total Scope 1 and 2 Emissions (Excluding Losses)			6,887	tCO ₂ e	7,271	5,952	6,065
	Electricity Distribution Losses				tCO ₂ e	264,434	298,566	247,092
	Total Scope 1 and 2 Emissions (Including Losses)			219,050	tCO ₂ e	271,705	304,518	253,157
Carbon Offsets					2023/2024	2024/2025	2025/2026	
	Category			Unit				
	Total Carbon offsets			tCO ₂ e	0	0	0	

Key Performance Indicators Annex (cont.)

SF₆ and other IIGs - SPM

Category	Voltage	Sub-Category (where applicable)	Decarbonisation Target & Metric to End of RIIO-ED2 (2028)	Unit of Measure	2023/ 2024	2024/ 2025	2025/ 2026
SF ₆ Bank	HV	Total no. of assets containing SF ₆	No. of Assets	14,849	15,601	16,438	
		Total amount of SF ₆ on network	kg	16,400	17,194	18,243	
		No. of SF ₆ assets replaced (per annum)	No. of Assets	25	25	55	
		No. of SF ₆ alternative assets (per annum)	No. of Assets	0	0	4	
		% of assets containing SF ₆ (% of bank)	%	36%	37%	39%	
		No. of SF ₆ assets installed (per annum)	No. of Assets	463	414	355	
SF ₆ Emissions	HV	Leakage (per annum)	kg	96.51	144.78	163	
		Leakage rate (% of bank)	0.31%	%	0.59%	0.93%	0.99%
		Interventions (per annum)	#	0	1	25	
		Impact of Interventions	kg	0.00	1.46	18.28	

Category	Voltage	Sub-Category (where applicable)	Decarbonisation Target & Metric to End of RIIO-ED2 (2028)	Unit of Measure	2023/ 2024	2024/ 2025	2025/ 2026
SF ₆ Bank	132kV	Total no. of assets containing SF ₆	No. of Assets	97	99	99	
		Total amount of SF ₆ on network	kg	2,566	2,575	2,575	
		No. of SF ₆ assets replaced (per annum)	No. of Assets	1	0	0	
		No. of SF ₆ alternative assets (per annum)	No. of Assets	0	0	7	
		% of assets containing SF ₆ (% of bank)	%	6%	6%	6%	
		No. of SF ₆ assets installed (per annum)	No. of Assets	15	1	0	
SF ₆ Emissions	132kV	Leakage (per annum)	kg	11.66	6.13	10	
		Leakage rate (% of bank)	0.31%	%	0.45%	6.19%	10.59%
		Interventions (per annum)	#	0	0	0	
		Impact of Interventions	kg	0.00	0.00	0.00	

Category	Voltage	Sub-Category (where applicable)	Decarbonisation Target & Metric to End of RIIO-ED2 (2028)	Unit of Measure	2023/ 2024	2024/ 2025	2025/ 2026
SF ₆ Bank	EHV	Total no. of assets containing SF ₆	No. of Assets	1,887	1972	2066	
		Total amount of SF ₆ on network	kg	8,151	8,541	8,933	
		No. of SF ₆ assets replaced (per annum)	No. of Assets	3	1	9	
		No. of SF ₆ alternative assets (per annum)	No. of Assets	0	0	0	
		% of assets containing SF ₆ (% of bank)	%	45%	47%	49%	
		No. of SF ₆ assets installed (per annum)	No. of Assets	97	93	48	
SF ₆ Emissions	EHV	Leakage (per annum)	kg	4.11	20	66	
		Leakage rate (% of bank)	0.31%	%	0.05%	1.02%	3.18%
		Interventions (per annum)	#	0	0	0	
		Impact of Interventions	kg	0.00	0.00	0.00	

Category	Voltage	Sub-Category (where applicable)	Decarbonisation Target & Metric to End of RIIO-ED2 (2028)	Unit of Measure	2023/ 2024	2024/ 2025	2025/ 2026
SF ₆ Bank	All	Total no. of assets containing SF ₆	No. of Assets	16,833	17,672	18,603	
		Total amount of SF ₆ on network	kg	27,117	28,310	29,751	
		No. of SF ₆ assets replaced (per annum)	No. of Assets	29	26	64	
		No. of SF ₆ alternative assets (per annum)	No. of Assets	0	0	11	
		% of assets containing SF ₆ (% of bank)	%	36%	37%	31%	
		No. of SF ₆ assets installed (per annum)	No. of Assets	575	508	403	
SF ₆ Emissions	All	Leakage (per annum)	kg	112.28	171.02	239	
		Leakage rate (% of bank)	0.31%	%	0.41%	0.97%	1.29%
		Interventions (per annum)	#	0	1	25	
		Impact of Interventions	kg	0.00	1.46	18	

Key Performance Indicators Annex (cont.)

SF₆ and other IIGs - SPD

Category	Voltage	Sub-Category (where applicable)	Decarbonisation Target & Metric to End of RIIO-ED2 (2028)	Unit of Measure	2023/ 2024	2024/ 2025	2025/ 2026
SF ₆ Bank	LV	Total no. of assets containing SF ₆		No. of Assets	0	0	0
		Total amount of SF ₆ on network		kg	0	0	0
		No. of SF ₆ assets replaced (per annum)		No. of Assets	0	0	0
		No. of SF ₆ alternative assets (per annum)		No. of Assets	0	0	0
		% of assets containing SF ₆ (% of bank)	0.31%	%	0%	0%	0%
		No. of SF ₆ assets installed (per annum)		No. of Assets	0	0	0
SF ₆ Emissions	LV	Leakage (per annum)		kg	0	0	0
		Leakage rate (% of bank)	0.31%	%	0%	0%	0%
		Interventions (per annum)		#	0	0	0
		Impact of Interventions		kg	0	0	0

Category	Voltage	Sub-Category (where applicable)	Decarbonisation Target & Metric to End of RIIO-ED2 (2028)	Unit of Measure	2023/ 2024	2024/ 2025	2025/ 2026
SF ₆ Bank	EHV	Total no. of assets containing SF ₆	No. of Assets	1,223	1,274	1,358	
		Total amount of SF ₆ on network	kg	5,280	5,563	5,759	
		No. of SF ₆ assets replaced (per annum)	No. of Assets	6	0	16	
		No. of SF ₆ alternative assets (per annum)	No. of Assets	0	0	0	
		% of assets containing SF ₆ (% of bank)	%	50%	51%	55%	
		No. of SF ₆ assets installed (per annum)	No. of Assets	58	34	18	
SF ₆ Emissions	EHV	Leakage (per annum)	kg	52.80	35	5	
		Leakage rate (% of bank)	0.31%	%	1.00%	2.71%	0.35%
		Interventions (per annum)	#	0	0	0	
		Impact of Interventions	kg	0.00	0.00	0	

Category	Voltage	Sub-Category (where applicable)	Decarbonisation Target & Metric to End of RIIO-ED2 (2028)	Unit of Measure	2023/ 2024	2024/ 2025	2025/ 2026
SF ₆ Bank	HV	Total no. of assets containing SF ₆	No. of Assets	21,808	22,515	23,279	
		Total amount of SF ₆ on network	kg	18,211	18,927	19,714	
		No. of SF ₆ assets replaced (per annum)	No. of Assets	62	39	199	
		No. of SF ₆ alternative assets (per annum)	No. of Assets	0	0	0	
		% of assets containing SF ₆ (% of bank)	%	51%	52%	53%	
		No. of SF ₆ assets installed (per annum)	No. of Assets	517	562	338	
SF ₆ Emissions	HV	Leakage (per annum)	kg	82.86	80.412	104	
		Leakage rate (% of bank)	0.31%	%	0.45%	0.36%	0.45%
		Interventions (per annum)	#	0	0	9	
		Impact of Interventions	kg	0.00	0.00	4.236	

Category	Voltage	Sub-Category (where applicable)	Decarbonisation Target & Metric to End of RIIO-ED2 (2028)	Unit of Measure	2023/ 2024	2024/ 2025	2025/ 2026
SF ₆ Bank	All	Total no. of assets containing SF ₆	No. of Assets	23,031	23,789	24,637	
		Total amount of SF ₆ on network	kg	23,490	24,490	25,474	
		No. of SF ₆ assets replaced (per annum)	No. of Assets	68	39	215	
		No. of SF ₆ alternative assets (per annum)	No. of Assets	0	0	0	
		% of assets containing SF ₆ (% of bank)	%	50%	52%	53%	
		No. of SF ₆ assets installed (per annum)	No. of Assets	575	596	356	
SF ₆ Emissions	All	Leakage (per annum)	kg	135.66	114.92	108.70	
		Leakage rate (% of bank)	0.31%	%	0.58%	0.48%	0.44%
		Interventions (per annum)	#	0	0	9	
		Impact of Interventions	kg	0.00	0.00	4.2	

Key Performance Indicators Annex (cont.)

SF₆-alternative gases - SPM

Category	Voltage	Sub-Category (where applicable)	Unit of Measure	2023/2024	2024/2025	2025/2026
Synthetic Air	HV	No of Assets with IIG	#	0	0	4
		Amount of IIG	kg	0	0	1.4
		Global Warming Potential of IIG	CO ₂ Comparison Constant	0	0	0
		Leakage	kg	0	0	0
C4FN (3.5-13)	EHV	No of Assets with IIG	#	0	0	7
		Amount of IIG	kg	0	0	38.5
		Global Warming Potential of IIG	CO ₂ Comparison Constant	0	0	300
		Leakage	kg	0	0	5.5

SF₆-alternative gases - SPD

Category	Voltage	Sub-Category (where applicable)	Unit of Measure	2023/2024	2024/2025	2025/2026
Synthetic Air	HV	No of Assets with IIG	#	0	0	0
		Amount of IIG	kg	0	0	0
		Global Warming Potential of IIG	CO ₂ Comparison Constant	0	0	0
		Leakage	kg	0	0	0
C4FN (3.5-13)	EHV	No of Assets with IIG	#	0	0	0
		Amount of IIG	kg	0	0	0
		Global Warming Potential of IIG	CO ₂ Comparison Constant	0	0	0
		Leakage	kg	0	0	0

Key Performance Indicators Annex (cont.)

Distribution Losses - SPM

Electricity Distribution Losses	Target RII02-ED2 2028	Unit	2023/2024	2024/2025	2025/2026
Annual Losses	970	GWh	953	1095	1038
Share of Total Electricity Distributed		%	6.88%	7.82%	7.42%
Carbon Equivalent	189,238	tCO ₂ e	197,342	225,685	183,726
Annual Interventions completed	225	#	40	28	17
Impact of Interventions (per annum)	8,699	MWh	338	497	497
Impact of Interventions (per annum)	1,788	tCO ₂ e	70	103	88

Interventions Description	Unit	2023/ 2024	2024/ 2025	2025/ 2026	Unit	2023/ 2024	2024/ 2025	2025/ 2026	Unit	2023/ 2024	2024/ 2025	2025/ 2026
Undertake early replacement of high loss 6.6/11kV Transformer (GM)	#	40	28	17	MWh	0	338	597	tCO ₂ e	0	70	106
Theft in Conveyance Investigations	#	140	92	148	MWh	3	6	450	tCO ₂ e	1	1	80
Funding of Internal and External Revenue Protection Inspections	#	5,119	4,593	3,012	MWh	14,706	22,586	25,871	tCO ₂ e	3,045	4,676	4,579

Distribution Losses - SPD

Electricity Distribution Losses	Target RII02-ED2 2028	Unit	2023/2024	2024/2025	2025/2026
Annual Losses	1,218	GWh	1,277	1442	1396
Share of Total Electricity Distributed		%	7.68%	8.63%	8.37%
Carbon Equivalent	237,563	tCO ₂ e	264,434	298,566	247,092
Annual Interventions completed	574	#	76	120	61
Impact of Interventions (per annum)	27,294	MWh	596	1530	1530
Impact of Interventions (per annum)	5,615	tCO ₂ e	123	317	271

Interventions Description	Unit	2023/ 2024	2024/ 2025	2025/ 2026	Unit	2023/ 2024	2024/ 2025	2025/ 2026	Unit	2023/ 2024	2024/ 2025	2025/ 2026
Undertake early replacement of high loss 6.6/11kV Transformer (GM)	#	76	120	61.00	MWh	0	596	1,530	tCO ₂ e	0	123	271
Theft in Conveyance Investigations	#	181	119	128	MWh	8	13	92	tCO ₂ e	2	3	16
Funding of Internal and External Revenue Protection Inspections	#	6,338	5,127	3,275	MWh	6,017	12,769	12,769	tCO ₂ e	1,246	2,644	2,260

Key Performance Indicators Annex (cont.)

Supply Chain Management - SPM

Supply Chain Management	Unit	Target by end of RIIO-2 ED2 2028	2023/2024	2024/2025	2025/2026
Percentage of suppliers meeting licencees supplier code	Cumulative % by Annual Spend	80%	61%	66%	69%

Resource Use and Waste - SPM

Waste Destination - Non Hazardous/Non Special	Unit	2023/2024	2024/2025	2025/2026
Total Waste Produced directly by Licencee	Tonnes	1,866	904	887
% Reused/Recycled	%	76.0%	59.8%	42.0%
% Energy from Waste	%	12.9%	30.4%	33.1%
% Sent to Landfill	%	4.2%	1.8%	0.5%
% Other - (Recovery/Non-Landfill Disposal)*	%	6.9%	8.1%	24.3%
% of Waste Diverted from Landfill (excluding compliance waste)	%	95.8%	98.2%	99.5%

Waste Destination - Hazardous/Special	Unit	2023/2024	2024/2025	2025/2026
Total Waste Produced directly by Licencee	Tonnes	611	175	1,735
% Reused/Recycled	%	87.7%	81.6%	93.4%
% Energy from Waste	%	0.0%	0.0%	0.0%
% Sent to Landfill	%	2.4%	0.3%	0.0%
% Other - (Recovery/Non-Landfill Disposal)*	%	9.9%	18.1%	6.5%
% of Waste Diverted from Landfill (excluding compliance waste)	%	97.6%	99.7%	100.0%

* Recovery - Physical recovery of waste (as opposed to energy recovery)
Non-Landfill Disposal - Biological treatment or bio-degradation of waste

Supply Chain Management - SPD

Supply Chain Management	Unit	Target by end of RIIO-2 ED2 2028	2023/2024	2024/2025	2025/2026
Percentage of suppliers meeting licencees supplier code	Cumulative % by Annual Spend	80%	65%	65%	73%

Resource Use and Waste - SPD

Waste Destination - Non Hazardous/Non Special	Unit	2023/2024	2024/2025	2025/2026
Total Waste Produced directly by Licencee	Tonnes	1,527	985	1,208
% Reused/Recycled	%	76.8%	57.8%	37.6%
% Energy from Waste	%	17.4%	35.9%	31.7%
% Sent to Landfill	%	2.7%	4.7%	3.0%
% Other - (Recovery/Non-Landfill Disposal)*	%	3.1%	3.5%	27.7%
% of Waste Diverted from Landfill (excluding compliance waste)	%	97.3%	95.3%	96.97%

Waste Destination - Hazardous/Special	Unit	2023/2024	2024/2025	2025/2026
Total Waste Produced directly by Licencee	Tonnes	1,305	1,130	2,217
% Reused/Recycled	%	99.7%	100.0%	97.7%
% Energy from Waste	%	0.0%	0.0%	0.0%
% Sent to Landfill	%	0.0%	0.0%	0.0%
% Other - (Recovery/Non-Landfill Disposal)*	%	0.3%	0.0%	2.3%
% of Waste Diverted from Landfill (excluding compliance waste)	%	100.0%	100.0%	100.0%

Key Performance Indicators Annex (cont.)

Visual Amenity - SPM

Visual Amenity Scheme	Units	2023/2024	2024/2025	2025/2026
Removal of overhead lines (due to a visual amenity scheme)	km	2.89	2.58	2.09
No. of Amenity Schemes	#	8	2	5
Other (if applicable)				

Noise Pollution - SPM

Noise	Units	2023/2024	2024/2025	2025/2026
No of Complaints Received	#	9	13	16
No of Complaints Leading to Intervention	#	1	4	2

Visual Amenity - SPD

Visual Amenity Scheme	Units	2023/2024	2024/2025	2025/2026
Removal of overhead lines (due to a visual amenity scheme)	km	2.07	0.10	0.55
No. of Amenity Schemes	#	1	1	1
Other (if applicable)				

Noise Pollution - SPD

Noise	Units	2023/2024	2024/2025	2025/2026
No of Complaints Received	#	0	27	11
No of Complaints Leading to Intervention	#	3	3	1

Key Performance Indicators Annex (cont.)

PCB - SPM

PCBs - Pole Mounted Transformers	Units	2023/2024	2024/2025	2025/2026
No. of assets PCB contaminated or statistically likely to be contaminated (i.e. no. remaining on PCB register held with environmental regulator)	#	4,419	3,572	1768
No. of assets PCB negative or statistically likely to be negative (i.e. no. that can be removed from PCB register held with environmental regulator)	#	2,190	1912	660
No. of asset replacements due to known or statistically likely PCB contamination	#	1179	1511	1993
No. of assets tested to confirm levels of PCB contamination	#	0	0	0

PCBs - Ground Mounted Transformers	Units	2023/2024	2024/2025	2025/2026
No. of assets PCB contaminated or suspected to be contaminated (i.e. no. remaining on PCB register held with environmental regulator)	#	0	2	1
No. of assets PCB negative (i.e. no. that can be removed from PCB register held with environmental regulator)	#	0	0	1
No. of asset replacements due to known or suspected PCB contamination	#	0	0	0
No. of assets remediated due to known or suspected PCB contamination	#	0	0	0
No. of assets tested to confirm levels of PCB contamination	#	0	0	0

PCBs - Other assets	Units	2023/2024	2024/2025	2025/2026
No. of assets PCB contaminated or suspected to be contaminated (i.e. no. remaining on PCB register held with environmental regulator)	#	3	3	3
No. of assets PCB negative (i.e. no. that can be removed from PCB register held with environmental regulator)	#	0	0	0
No. of asset replacements due to known or suspected PCB contamination	#	324	409	514
No. of assets remediated due to known or suspected PCB contamination	#	0	0	0
No. of assets tested to confirm levels of PCB contamination	#	0	0	0

PCB - SPD

PCBs - Pole Mounted Transformers	Units	2023/2024	2024/2025	2025/2026
No. of assets PCB contaminated or statistically likely to be contaminated (i.e. no. remaining on PCB register held with environmental regulator)	#	4,156	2,197	422
No. of assets PCB negative or statistically likely to be negative (i.e. no. that can be removed from PCB register held with environmental regulator)	#	39	77	577
No. of asset replacements due to known or statistically likely PCB contamination	#	583	2035	1840
No. of assets tested to confirm levels of PCB contamination	#	204	0	0

PCBs - Ground Mounted Transformers	Units	2023/2024	2024/2025	2025/2026
No. of assets PCB contaminated or suspected to be contaminated (i.e. no. remaining on PCB register held with environmental regulator)	#	0	0	0
No. of assets PCB negative (i.e. no. that can be removed from PCB register held with environmental regulator)	#	0	0	0
No. of asset replacements due to known or suspected PCB contamination	#	1	0	1
No. of assets remediated due to known or suspected PCB contamination	#	0	0	0
No. of assets tested to confirm levels of PCB contamination	#	0	0	0

PCBs - Other assets	Units	2023/2024	2024/2025	2025/2026
No. of assets PCB contaminated or suspected to be contaminated (i.e. no. remaining on PCB register held with environmental regulator)	#	0	323	248
No. of assets PCB negative (i.e. no. that can be removed from PCB register held with environmental regulator)	#	0	0	0
No. of asset replacements due to known or suspected PCB contamination	#	79	413	821
No. of assets remediated due to known or suspected PCB contamination	#	0	0	0
No. of assets tested to confirm levels of PCB contamination	#	0	0	0

Key Performance Indicators Annex (cont.)

FFC - SPM

Fluid Filled Cables Oil Loss	Sub Category	Unit	2023/2024	2024/2025	2025/2026
	FFC in service	km	150.5	149.6	144.5
	Oil in Service	Litres	662,200	661,001	638,016
	Cable Oil Top Up	Litres	2,538	5,592	4,328
	Fluid Used to Top Up Cables as a percentage of volume in service	%	0.38%	0.85%	0.68%
	Removal of FFC	km	0	0.9	5.12
	Leak (Reduction)/Increase	Litres	-10,883	3,054	-1264
	Oil Recovered	Litres	65	257	1895

FFC - SPD

Fluid Filled Cables Oil Loss	Sub Category	Unit	2023/2024	2024/2025	2025/2026
	FFC in service	km	31.1	31.1	30.9
	Oil in Service	Litres	93,300	93,300	92,700
	Cable Oil Top Up	Litres	70	62	18
	Fluid Used to Top Up Cables as a percentage of volume in service	%	0.08%	0.07%	0.02%
	Removal of FFC	km	0	0	0.2
	Leak (Reduction)/Increase	Litres	45	-8	-44
	Oil Recovered	Litres	0	0	0

Commitments Annex

Key Priority Area	Impact Area	EAP Commitment	Timeline	2025/26 Status Update	RAG Status
Sustainable Society	Step Change	We will publish our Just Transition Strategy by the start RIIO-ED2. We will embed the principles of a Just Transition into our business planning throughout RIIO-ED2 and continue to engage our customers and stakeholders to understand local needs. We will review our progress via an independent annual review.	Throughout RIIO-ED2	Our Just Transition Strategy was published in March 2023. Our first annual report was published in Q2 2024.	<div>G</div>
		We will embed environmental sustainability considerations in our business processes whilst maintaining and continually improving our ISO14001 certified Environmental Management System. This will enable us to achieve 'beyond compliance' environmental performance and our sustainability goals.	Throughout RIIO-ED2	In September 2025 we maintained our certification of ISO14001 with an external surveillance audit of our Environmental Management System.	<div>G</div>
		We will continue to provide transparent reporting of our environmental and sustainability performance by publishing an annual report of our progress against all environmental and sustainability commitments – in line with metrics and a format developed in collaboration with the other DNOs.	Throughout RIIO-ED2	An Annual Environmental Report has been created providing an update on progress towards meeting our commitments to stakeholders. The report provides a narrative update, case studies and relevant KPIs to present our performance against targets.	<div>G</div>
		We will improve the quality of environmental data collected and analysed at all stages of the asset lifecycle, investing in enhanced IT systems and formalising data sharing collaborations with key stakeholders.	Throughout RIIO-ED2	A Sustainability Data Gap Analysis has been carried out internally and there has been collaboration with DNO's on common methodologies for BCF and AER reporting. Our Sustainability Digitalisation programme is also progressing with work underway to begin developing a Sustainability Reporting Platform.	<div>G</div>
		We will continue to ensure that our staff, contractors and suppliers have the skills and knowledge to allow us and our supply chain to move beyond compliance and achieve our Sustainability Goals, by identifying and ensuring delivery of appropriate environmental training.	Throughout RIIO-ED2	For calendar year 2025 95% of staff environmental training was delivered. 60% of our suppliers and contractors are members of the Supply Chain Sustainability School which provides resources such as training, webinars and events to improve skills and knowledge on sustainability topics.	<div>G</div>
		We will embed a process for Initial Environmental and Sustainability Reviews (IESRs) for all relevant projects, to identify potential environmental issues and opportunities at the earliest stage.	By 2023	We have reviewed and amended Internal approval papers to include an assessment of Carbon, Biodiversity and Natural Capital.	<div>G</div>

Commitments Annex (cont.)

Key Priority Area	Impact Area	EAP Commitment	Timeline	2025/26 Status Update	RAG Status
Supply chain sustainability	Supply chain sustainability	We will further enhance environmental sustainability standards and performance metrics in our contracts by 2023 and will collaborate with our supply chain to target more than 80% of RIIO-ED2 suppliers (by value) meeting these standards.	By 2028	71% of our Distribution suppliers (by value) met our environmental sustainability standards. We will continue to engage to increase this in line with our commitment.	<div>G</div>
		We will increase consideration of environmental sustainability in our procurement processes in line with ISO20400 Sustainable Procurement Standard, including a carbon metric as a minimum.	By 2023	Work is underway to commission a consultancy study that will highlight and evaluate supply chain engagement in alignment with ISO 20400 sustainable procurement principles.	<div>G</div>
		We will continue to be a Supply Chain Sustainability School Partner, requiring contractors and suppliers for all new contracts to become members and undertake relevant sustainability and environmental training.	Throughout RIIO-ED2	As a Supply Chain Sustainability School partner, we require contractors and suppliers on all new contracts to become members and complete relevant sustainability and environmental training. Priority supplier registration with the SCSS has increased from 57% to 60%. We are holding engagement sessions with our Supply Chain leads to drive progress towards our 80% target	<div>G</div>
		We will engage with suppliers early in the development of projects to enable them to propose environmental improvements at concept and design stages.	By 2025	We are engaging suppliers earlier in project development through our supply chain forums creating structured opportunities for them to propose environmental improvements at concept and design stages, where the greatest whole life carbon and cost benefits can be realised	<div>G</div>
		We will engage with suppliers throughout the duration of their contracts to continue to reduce impacts and optimise benefits.	Throughout RIIO-ED2	We continue to engage suppliers across the full contract lifecycle through our supply chain forums working collaboratively to reduce environmental impacts and optimise social and environmental benefits as delivery progresses	<div>G</div>

Commitments Annex (cont.)

Key Priority Area	Impact Area	EAP Commitment	Timeline	2025/26 Status Update	RAG Status
Climate Action	Science Based Targets & Net Zero Target	We will deliver efficient and economic actions to reduce our scope 1, 2 & 3 business carbon footprint by 67.2% by 2035 from a 2018/19 baseline, in line with validated Science-Based Targets aligned to a 1.5oC pathway.	By 2028	These emission relate to Scope 1 & 2 (excl. Losses), incl. Business Transport - our Business Carbon Footprint. While emissions increased in 2025/26 compared to the first two years of ED2, we still expect to remain on track to meet our Net Zero ambitions. Emissions have followed a non-linear reduction pathway. The increase has been driven by higher emissions from operational transport, fugitive emissions, and business travel, while emissions from generator fuels and building energy use have continued to decrease.	A
		We will minimise our carbon footprint to achieve Net Zero carbon by 2035.	Throughout RIIO-ED2	This looks at Scope 1 & 2 only (excluding losses), in line with the KPI report. While emissions increased in 2025/26 compared to the first two years of ED2, we still expect to remain on track to meet our Net Zero ambitions. The increase has been driven by higher emissions from operational transport and fugitive emissions, while emissions from generator fuels and building energy use have continued to decrease.	A
		We will achieve Carbon Neutrality by 2023 for our Scope 1 & 2 business carbon footprint excluding Losses.	Throughout RIIO-ED2	This year we ran a competitive tender and developed a procurement approach for carbon offsets, but no units were purchased. This purchase will be completed early in year four, and will cover 42% of years one to three RIIO-ED2 reported emissions. We intend to purchase further units later in year four to cover both year four emissions and the remaining 58% of year one to three emissions.	A
		We will align our offsetting approach to the Oxford Principles for Net Zero Aligned Carbon Offsetting, ensuring high probability of ‘Additionality’ and low probability of ‘Reversibility’, delivering additional environmental and social benefits where practical.	Throughout RIIO-ED2	We are aligned with The Oxford Principles for Net Zero Aligned Carbon Offsetting to ensure our offsetting approach is robust and credible. This commitment was published as part of the Net-Zero Transition Plan .	G
		We will identify metrics, and associated targets, for RIIO-ED2 to track the impact of implementing actions and the overall progress towards our carbon reduction targets.	By 2023	Commitment Tracker Delivered since 2023/24 and still used consistently	G
		We will implement processes for carbon management in relevant business activities, aligned with PAS 2080 Carbon Management in Infrastructure.	By 2025	Since April 2025, SPD & SPM have made strong progress toward implementing PAS 2080-aligned carbon management, beginning with cross-functional workshops and a gap analysis to assess current practices. This informed the development of a Carbon Management Implementation Plan (CMIP), which sets out governance, roles, processes, and supporting tools to embed carbon management across the infrastructure lifecycle. Following stakeholder engagement to refine and align the approach with existing delivery frameworks, a prioritised action plan has been agreed to integrate PAS 2080 principles into project gateways, decision-making, and supply chain processes marking a shift from concept to practical implementation.	G

Commitments Annex (cont.)

Key Priority Area	Impact Area	EAP Commitment	Timeline	2025/26 Status Update	RAG Status
Climate Action	Operational Transport	We will decarbonise our operational fleet by 2030, replacing 100% (over 800) of our cars and vans with electric alternatives in line with the Iberdrola EV100 commitment and will seek to further accelerate this to 2028.	By 2028	We have replaced 98 of our petrol/diesel cars and small vans with electric alternatives to date. We are behind our target; electric alternatives to our larger vans which must travel long distances and carry heavy loads are not yet commercially available. We are working with our fleet teams to accelerate the transition to electric vehicles where we can during RIIO-ED2.	<div>R</div>
		We will install electric vehicle charging infrastructure for our operational fleet at our sites	Throughout RIIO-ED2	Reliable charging infrastructure remains critical to fleet electrification. In 2025/26, early delivery was slower than planned due to site power constraints, supplier onboarding challenges, the liquidation of a core supplier and limited specialist EV infrastructure capability.	<div>A</div>
		We will strive to lead the decarbonisation of fleet vehicles, working with suppliers and other fleet operators to pilot technically viable alternatives to drive technical advancements and early adoption.	Throughout RIIO-ED2	As of July 2025 SPEN has trailed 7 different types of EV on across the business, with this number growing within the year. This will include testing a 8 tonne truck in SPT in the next quarter. This will support our greatest challenge in this area: replacing large diesel vans and 4x4s with electric alternatives.	<div>G</div>
SF ₆		We will reduce our SF ₆ leakage by 10% over the RIIO-ED2 period compared to RIIO-ED1.	By 2028	During the regulatory year 2025/26, we bettered our third year target of a 8% reduction in SF ₆ leakage. The recorded SF ₆ leakage was lower than the amount needed to meet this 8% reduction target. As a result we exceeded our target as the less we leak, the higher the percentage reduction. It is important to note that the reported leakage pertains solely to SF ₆ used for top-ups and does not account for any disposals.	<div>G</div>
		We will use alternatives to SF ₆ insulating gas for all new circuit breakers, Ring Main Units and Gas Insulated Switchgear installations at all voltages, where there are technically feasible market-ready solutions.	Throughout RIIO-ED2	<p>We have implemented our Policy for the Procurement of Equipment Containing Dielectric Gas, prioritising SF₆-free solutions where feasible. Most new 132kV installations now use alternative technologies unless the carbon cost calculator indicates SF₆ remains the lower-impact option. At lower voltages, we're progressing with our first 11kV Ring Main Unit using a gas with zero global warming potential.</p> <p>We've now installed 1 x SF₆-free RMU at 11kV in SPD & SPM, marking early progress despite higher costs and limited product availability. While not yet mandated, we're gradually integrating these units as part of our transition strategy</p> <p>SF₆ may still be authorised in exceptional cases due to technical or supply chain constraints, but our approach ensures environmental impact is weighed alongside operational needs.</p>	<div>A</div>
		We commit to reporting on total SF ₆ Bank and leakage reduction rates using a common Distribution Network Operator (DNO) methodology.	By 2023	We are reporting SF ₆ Bank and Leakage in line with the Energy Networks Association (ENA) Engineering Recommendation S38 guidance.	<div>G</div>
		We will continue to carefully manage our assets in line with our SF ₆ Strategy to minimise SF ₆ leakage, repair leaks quickly, and where this is not possible, replace the asset before its anticipated end of life.	Throughout RIIO-ED2	Recorded leakage rates (based on gas usage) decreased in SPD (-3.6kg), but increased in SPM (+14. kg) relative to last year and we are working to fix leaks as quickly as possible in line with EREC S38. Delays to repairs can occur due to lead times with specialist suppliers, in particular at 132kV for SPM	<div>G</div>
		We will continue to require manufacturers to provide equipment with a SF ₆ leakage rate which is half that of the internationally recognised standards, where technically viable.	Throughout RIIO-ED2	We set guidelines on leakage rates for new plant items which are purchased. These are generally much lower than the minimum international standards for closed pressure systems. Some circuit breaker types where we'd like to achieve half the international standard is sometimes just not possible based on current available specifications	<div>A</div>
		We will drive the development and adoption of SF ₆ – free technologies, collaborating with supply chain and industry peers and piloting new technologies where technically viable.	Throughout RIIO-ED2	Still in flight, but works going ahead in collaboration with Original Equipment Manufacturers to develop SF ₆ free solutions.	<div>G</div>

Commitments Annex (cont.)

Key Priority Area	Impact Area	EAP Commitment	Timeline	2025/26 Status Update	RAG Status
Climate Action	Generators	We will analyse our generator use and set targets for reduction in carbon emissions to be achieved by end of RIIO-ED2.	By 2023	We have set a target to reduce generator emissions per MWh of power supplied by 76% by the end of RIIO-ED2. We are targeting a linear reduction towards our target. We are ahead of our target for 2025/26.	G
	Building Energy Use	We will continue to purchase green electricity through a 100% UK-based renewable energy tariff backed by Power Purchase Agreements (PPA) for all our buildings. Beyond this, we will reduce our buildings and substations energy consumption by a minimum of 15.2GWh (8%) over the RIIO-ED2 period.	By 2028	<p>The GHG emissions from Buildings electricity (Office & Depots, Substations and Radio Base Stations) was approximately 150 tCO₂e in 2025/26 as most of the electricity except for unmetered substations and radio base stations were purchased through a REGO tariff backed by Power Purchase Agreements (PPA). Energy efficiency measures were carried out on 96 primary substations, the works included replacement of all heating, lighting and controls to bring into line with the latest Civil specification. These updates have resulted in cumulative savings of 0.38GWh for the year 3 of ED2.</p> <p>Two depot developments at Bonnybridge and Glenrothes are planned and have progressed through the design and planning stage during the RIIO-ED2 price control. Energy Statements produced for both sites confirm the inclusion of rooftop solar PV systems to offset operational building energy demand. However, during RIIO-ED2 these activities are limited to design, specification, and planning approval for now. The implementation and in-use monitoring of renewable generation at these sites is expected to take place during the RIIO-ED3 price control period.</p> <p>No refurbishment works are due to be undertaken for SPM during the RIIO-ED2 price control, as these have all now been moved into RIIO-ED3 price control.</p>	R
		We will reduce energy consumption by a total of 3.4GWh at 650 of our primary substations by applying our recently updated civil specifications (including improvements to heating, lighting and insulation).	Throughout RIIO-ED2	<p>Only primary substations were included in the review. Since the beginning of ED2 until 2025/26, a total of 96 primary substations were completed across SPD and SPM. Additionally, SPD has delivered an additional 177 lighting only and 57 heating only refurbishment works. The rewiring works for these substations included the replacement of all heating, lighting, and control systems to comply with the latest Civil specification. These upgrades resulted in a cumulative energy savings of approximately 0.03 GWh in year one and 0.15 GWh in year two and 0.38 GWh in year 3 of RIIO-ED2.</p> <p>The energy savings were calculated by the Sustainability Team using the Energy Savings methodology, which was originally developed to estimate commitment savings and set performance targets.</p>	A
		We will refurbish 8 of our strategic office and depot sites, implementing energy efficiency measures to achieve BREEAM ratings of ‘excellent’ for new build and ‘very good’ for refurbishments, to reduce consumption by 11.7GWh over the RIIO-ED2 period.	Throughout RIIO-ED2	<p>Two depot developments at Bonnybridge and Glenrothes are planned and have progressed through the design and planning stage during the RIIO-ED2 price control. Energy Statements produced for both sites confirm the inclusion of rooftop solar PV systems to offset operational building energy demand. However, during RIIO-ED2 these activities are limited to design, specification, and planning approval for now. The implementation and in-use monitoring of renewable generation at these sites is expected to take place during the RIIO-ED3 price control period.</p> <p>No refurbishment works are due to be undertaken for SPM during the RIIO-ED2 price control, as these have all now been moved into RIIO-ED3 price control.</p>	R
		We will pilot and monitor renewable generation at substation and/or depot sites to offset building energy demand.	By 2028	The commitment is partially fulfilled across Bonnybridge and Glenrothes depot sites — deployment of renewables is evidenced, but the “pilot and monitor” element is not demonstrated in these documents.	A

Commitments Annex (cont.)

Key Priority Area	Impact Area	EAP Commitment	Timeline	2025/26 Status Update	RAG Status
Climate Action	Losses	In RIIO-ED2, we will continue to implement our Losses Strategy to avoid an estimated 36 GWh of network losses, thereby limiting losses to a lower level than would otherwise be the case.	Throughout RIIO-ED2	<p>We are proactively mitigating technical losses increase through our programme of replacement of high loss transformers. These transformers are fully financially depreciated, but would otherwise not be replaced under a condition or risk-driven lifecycle program for 10+ more years. We also have a number of non-technical losses programmes including theft in conveyance and revenue protection.</p> <p>Across the three-year period, a total of 343 (*count includes 78 in 2025/26) high-loss transformers have been replaced. Transformers replaced under this programme in 2023-2025 will deliver cumulative lifetime savings of over 66 GWh of energy and approximately 13,880 tCO₂e, demonstrating the continued success of this targeted loss-reduction programme. In ED2 across all losses programmes we have already achieved a 57GWh reduction in losses. *Note, due to changes in regulatory reporting, 2025/26 losses savings associated with high-loss transformer replacements will not be claimed until 2026/27.</p>	A
		We will continue to lead the Energy Networks Association Technical Losses Group to improve industry understanding of losses.	Throughout RIIO-ED2	The ENA Technical Losses Working Group has not yet been reconvened for RIIO-ED2 and it appears unlikely to reconvene.	G
		We will continue to drive the development and understanding of losses by contributing to the evidence base on the proportion of losses that network companies can influence/control, collaborating with supply chain and industry peers and piloting new technology such as the MAAV.	Throughout RIIO-ED2	We are continuing to improve our modelling and understanding of losses through development of analytical tools and use of smart meter and LV monitoring data. We are currently establishing our Contact Voltage detection programme using the MAAV. There have been delays in deployment of the MAAV but it remains in ED2 plans for deployment.	G
		We will continue to consider and minimise network losses throughout all design and connections activities.	Throughout RIIO-ED2	We continue to apply our policy of a losses-aware approach to all design and asset replacement activities. Our Losses Strategy is based upon a high-level vision that we will consider all reasonable measures that can be applied to reduce losses and will adopt those measures which provide benefit for customers.	G
		We will pro-actively target high-loss legacy assets for replacement with modern low-loss alternatives.	By 2028	We continue our programme of early replacement of highest-loss secondary transformers.	G
		We will report on the progress of implementing the losses strategy and associated performance measures.	Throughout RIIO-ED2	This report summarises the progress of our RIIO-ED2 losses strategy initiatives.	G
		We will use a minimum underground mains cable size of 300mm2 to further reduce losses, where it is cost effective and appropriate to do so.	Throughout RIIO-ED2	The losses strategy demonstrated which cases where a minimum 300m2 cable size (over a 185mm2 cable size) is likely to provide value: this is generally where the load factor is over 0.5. This minimum cable size is now part of our construction standard.	G
		We will continue to use a minimum pole mounted transformer size of 25kVA to further reduce losses on our network.	Throughout RIIO-ED2	We will continue to use a minimum pole mounted transformer size of 25kVA, and have developed a template for how to assess where in fact a larger transformer size is more appropriate. This is part of our construction standard.	G

Commitments Annex (cont.)

Key Priority Area	Impact Area	EAP Commitment	Timeline	2025/26 Status Update	RAG Status
Climate Action	Business Transport	We will continue to implement our 2021 Business Travel Policy to reduce business travel emissions by at least 580 tCO ₂ e during RIIO-ED2.	Throughout RIIO-ED2	The implementation of our Travel Policy has led to approximately 56% reduction in combined miles travelled by rail and domestic flights (using 2019/20 as a baseline year). We estimate that this has led to a savings of 117 tCO ₂ e in 2025/26 and a cumulative savings of 366 tCO ₂ e since the beginning of ED2.	<div>G</div>
Supply chain sustainability	Embodied carbon	We will require strategic suppliers to set Science-Based Targets within 5 years, aiming for 80% of our supply chain by value.	By 2028	We have seen a increase from 34% to 37% to date, we will be holding engagement sessions with our supply chain leads to discuss how to move towards 80%.	<div>A</div>
Climate Action	Embodied carbon	We will create a new role in RIIO-ED2 to drive actual reduction in Scope 3 carbon emissions in our supply chain by 100k tCO ₂ e	By 2023	New role created has led to improvements such as: Development of capital carbon tools, Scope 3 data improvement, PAS 2080 implementation, Supply chain engagement etc.	<div>G</div>
		We will introduce a measurement tool for embodied carbon and other capital carbon emissions to establish a baseline and a set a target to reduce carbon on new projects during RIIO-ED2.	By 2023	<p>Since April 2025, SPEN has made strong progress in delivering this commitment by developing and implementing tools and processes to measure and manage capital carbon across its projects. This has included the development of in-house Whole Life Carbon and Materials Inputs tools to quantify embodied carbon across electrical and civil assets, with civil asset data being integrated from Qflow. These tools have been expanded to capture additional lifecycle stages, including A5 emissions, with work ongoing to incorporate end-of-life (C1–C4) emissions.</p> <p>In parallel, work is underway to embed carbon measurement directly into business processes, including integration into SAP through material codes to enable more carbon thinking to be embedded during the design and delivery of 33kv and lower infrastructure projects which are high volume low cost projects. This is being supported by wider PAS 2080 implementation activity, through which SPEN is exploring approaches to target setting across different project types and embedding carbon considerations into decision-making.</p> <p>SPEN is also working to align embodied carbon reporting with Scope 3 emissions reporting, improving traceability between project-level carbon data and organisational disclosures. This remains an industry-wide gap within energy networks, and SPEN is taking a leading role in developing practical approaches to address it.</p>	<div>G</div>
		We will work collaboratively with our stakeholders, including the other Distribution and Transmission Network Operators, throughout RIIO-ED2 with the aim of assessing and managing capital carbon on our projects, driving efficiencies throughout our supply chain, and sharing best practice.	Throughout RIIO-ED2	We have worked collaboratively with other Transmission & Distribution Network Operators through the ENA Carbon Working Group to align our approach in measuring and reporting embodied carbon emissions.	<div>G</div>
		We will monitor and report on embodied carbon in new projects.	Throughout RIIO-ED2	<p>We have continued to develop and refine our approach to embodied carbon measurement during ED2. In the first two years, embodied carbon was reported using One Click LCA, which supported assessment of civil assets. However, recognising limitations in capturing emissions from electrical assets, we have transitioned to using an in-house spreadsheet tool this year, enabling more accurate and tailored quantification across our network asset base.</p> <p>This has been supported by significant work to calculate embodied carbon factors for key electrical assets and align these with available EPD data, helping to address a wider industry gap. In parallel, we have also procured a SimaPro licence to trial alternative approaches.</p> <p>Overall, the focus is on identifying and embedding the most appropriate tools across key project stages, ensuring carbon measurement can effectively inform decision-making and drive reductions in embodied carbon.</p>	<div>G</div>

Commitments Annex (cont.)

Key Priority Area	Impact Area	EAP Commitment	Timeline	2025/26 Status Update	RAG Status
Action for Nature	Preventing Pollution	We will continue to target zero environmental regulatory interventions and notifiable breaches.	Throughout RIIO-ED2	There was 1 regulatory intervention and 9 notifiable breaches in 2025/26, 1 regulatory intervention in SPD, 3 notifiable breaches in SPD and 6 in SPM, however no further enforcement actions or undertakings resulted.	<div>R</div>
		We will implement Pollution Prevention Plans at 100% of our RIIO-ED2 132kV projects.	Throughout RIIO-ED2	We set a target to implement pollution incident response plans in all of our 132kV projects in SPM and we achieved this in the 2025/26 reporting period.	<div>G</div>
	Fluid Filled Cables	We will reduce the volume of fluid (oil) used to top up our pressurised cables by around 3,490 litres (10%) by replacing 19.429km of our leakiest fluid filled cable.	By 2028	The next cable modernisation project(s) for Kirkby and Bootle Circuits are in the RIIO-ED2 plan and programmed for sectional completion starting in late 2025, with completion in 2027. This will reduce length of fluid filled cable in service and continually improve our leakage rate. In 2025/26, 5.12km of cable was replaced in SPM and 0.20km was replaced in SPD.	<div>A</div>
	Noise	We will continue to proactively minimise the impacts of noise resulting from the construction, maintenance and operation of our electrical infrastructure and take timely action to rectify noise complaints from our plant and sites.	Throughout RIIO-ED2	We received 27 noise complaints in the 2025/26 reporting year, these were investigated and fully rectified. Through compliance with our Noise Management Procedure, we are continuously educating colleagues on how to better manage noise.	<div>R</div>
	PCBs	We will eliminate PCBs from our network by the end of 2025, in line with legislation and the risk-based industry approach agreed with the environmental regulators.	By end of 2025	Work has accelerated on the planned removal of PCB contaminated (or potentially contaminated sealed) assets as the deadline of 31 December 2025 for removal of these assets from our Distribution network was not met. In line with our plans, developed via the Energy Networks Association PCB Working Group, we are continuing to identify contaminated equipment. This Contaminated Equipment Disposal Plan involves a challenging rate of equipment replacement and we are on target to remove the remainder in 2026.	<div>R</div>
	Bunding	We will use low carbon alternatives to concrete bunding for our RIIO-ED2 retrofit projects where technically feasible.	By 2028	We have used lower carbon concrete on a total of 127 of the projects for the RIIO-ED2 period in Primary Projects, for Plinths / Bunds. (Concrete mix that contains 40% Ground Granulated Blast Furnace Slag (GGBS) replacement for Portland cement).	<div>G</div>
	Fluid Filled Cables	We will adopt new technologies, where appropriate, to support the ongoing proactive management of our fluid filled cables.	Throughout RIIO-ED2	We are currently behind target on this commitment and we will work towards fulfilling the requirements as we progress through RIIO-ED2.	<div>A</div>
	Noise	We will continue to report on noise pollution incidents and actions taken to reduce them.	Throughout RIIO-ED2	We received 27 noise complaints in the 2025/26 reporting year, these were investigated and fully rectified. Through compliance with our Noise Management Procedure, we are continuously educating colleagues on how to better manage noise.	<div>A</div>
	PCBs	We will report on volumes of PCB contaminated equipment on and removed from the network.	Throughout RIIO-ED2	We report on volumes of PCB contaminated equipment on and removed from the network in the AER KPI tables and also report these to the Environmental Regulators - EA, NRW and SEPA on an annual basis	<div>G</div>
	Bunding	We will upgrade existing or install new bunds at 203 of our Primary and Grid transformers as part of our RIIO-ED2 programme of oil mitigation measures, where adequate bunding is not in place.	Throughout RIIO-ED2	29 bund upgrade/installation works have been completed out of a proposed 35 across the Distribution network in 2025/26.	<div>A</div>
	Preventing Pollution	We will implement a programme to identify, risk assess and address high risk legacy land contamination.	Throughout RIIO-ED2	As part of our plans to reduce pollution across our distribution network, we have developed a programme to identify and investigate legacy contaminated sites within each licence. Site investigations (Phase 1 and 2) are undertaken at these sites and measures are implemented to rectify and remediate the land. Each site identified is ranked in terms of risk on a contamination tracker and the remediation programme tailored to commence at the highest risk sites first.	<div>G</div>
	Creosote	We will continue to collaborate with other DNOs and our supply chain to develop innovative alternatives to creosote wood poles.	Throughout RIIO-ED2	During RIIO-ED2, we have worked closely with the local wildlife trust in Shropshire and other key stakeholders to undertake several environmental initiatives including habitat and hedgerow enhancements and pond and wetland restoration. As part of the upgrade, in a UK first we trialled new eco-friendly treatments on 10% of the new wood overhead line poles. They were treated with copper oil, which is kinder to the environment than traditional creosote.	<div>G</div>

R

Red - at risk and highly likely to be unachievable

A

Amber - delayed but still likely to be achieved

G

Green - on track and progressing as planned

Commitments Annex (cont.)

Key Priority Area	Impact Area	EAP Commitment	Timeline	2025/26 Status Update	RAG Status
Action for Nature	Biodiversity & Natural capital	We will deliver 10% enhancement of biodiversity on 25 hectares across our existing network, on our non-operational land and existing linear infrastructure through collaboration with landowners, communities and local wildlife groups.	By 2028	Within both of our licence areas, biodiversity enhancement has been delivered in the form of meadow, woodland, hedgerow, pond, and wildlife corridor creation. Correction made to 2024/25 results, 2024/25 reported full area of site opposed to the enhanced area.	A
		We will implement a Biodiversity & Natural Capital Action Plan process to guide local operation implementation with the aim of increasing environmental value across our network.	By 2023	The SPEN Nature Board has now been established and is operating to provide oversight of our biodiversity enhancement projects for off-site schemes. We continued to dedicate time during the past year implementing our Action Plan for Nature.	G
		We will collaborate with stakeholders, including other DNOs, throughout RIIO-ED2 to develop and pilot robust methodologies and tools for delivering Biodiversity and Natural Capital assessment.	Throughout RIIO-ED2	Stakeholder collaboration has been key to developing the SPEN biodiversity process and delivering our Action Plan for Nature. Over the past year we have continued to feed in to government consultations on nature policy, and work with the ENA Nature working group where we have the chance to collaborate with other DNOs across the country.	G
		We will engage with UK and devolved governments with the aim of influencing biodiversity and natural capital policy to facilitate delivery of our biodiversity and natural capital goals.	Throughout RIIO-ED2	We have continued to support the Scottish Government and NatureScot on the development of a Scottish Biodiversity Metric by taking part in government round table discussion and feeding in to consultations.	G
		We will identify, and subsequently monitor and annually report, metrics to track the levels of biodiversity and value of natural capital and ecosystem services on our sites and the achievement of our targets.	By 2023	We continue to support the use of biodiversity metrics to quantify levels of biodiversity across our sites and on projects. In SPM we use the UK government statutory metric for Biodiversity Net Gain (BNG). For SPD we will continue to use the SSENT adapted biodiversity metric until such a time that the Scottish Metric is developed by Nature Scot and the Scottish Government.	A
		We will form strategic partnerships with local ecological protection organisations to support our activities to improve habitats for wildlife and to support people's access to nature.	Throughout RIIO-ED2	We are focused on developing relationships with a number of key stakeholders across our areas of operation in SPM and SPD. We are buildings up a pipeline of potential opportunities for SPEN to support these organisations.	G
	Visual amenity	We will remove 35km of overhead lines in Areas of Outstanding Natural Beauty National Parks, and National scenic areas.	By 2028	<p>In 2025 we have seen several Visual Amenity projects completed across our three designated National Landscapes areas in SPM. We continue to actively engage with all ‘National Landscapes’ officers, to identify further locations for consideration for 2027 and beyond into ED3. In addition to that, we have also established additional stakeholder engagement with Awdurdod Parc Cenedlaethol Eryri National Park Authority to develop a program of visual amenity projects for consideration by SPEN going forward.</p> <p>SPD has fewer designated visual amenity and therefore has only one major named project for RIIO-ED2: Holy Island. Physical works have not yet commenced on this project due to a complicated consents process, but it is still expected to be completed within the RIIO-ED2 period. This year, 2.09 km of overhead lines were removed from the Ynys Môn (Anglesey), Bryniau Clwyd A Dyffryn Dyfrdw and Llyn Peninsular Areas of Outstanding Natural Beauty in the SPM licence area, and 0.55km were removed from the East Stewartry designated area in the SPD licence area.</p>	A

Commitments Annex (cont.)

Key Priority Area	Impact Area	EAP Commitment	Timeline	2025/26 Status Update	RAG Status
Circular Economy	Sustainable resource use and waste reduction	We will divert 100% of our waste from landfill by 2030, excluding compliance waste.	Throughout RIIO-ED2	In calendar year 2025 we diverted 94% of waste (direct operational and construction waste) from landfill, just short of our annual target of 96.7%, on the path to achieve 100% by 2030. However, we have identified an under-reporting of landfill diversion caused by issues with our waste reporting system’s categorisation of some waste management routes, particularly exempt onsite activities such as aggregate reuse. We have marked this as amber in our RAG status, however, are enacting a plan to address these issues to get back on track to meet the 2030 target.	A
		We will establish a baseline and targets for waste reduction per £1m of total annual expenditure, to be achieved by the end of RIIO-ED2 and 2030 in line with our zero waste to landfill date	By 2023	Baseline being established, targets to be set during 2026.	A
		We will continue to collaborate with environmental/ waste regulators, other infrastructure companies and our supply chain to drive sustainable resource use and waste minimisation in order to meet our RIIO-ED2 and Sustainability Goals.	Throughout RIIO-ED2	We are working on demolition audits process to create best practice for asset demolition to prioritise onsite reuse. We are working on a webinar focusing on concrete reuse in asset management	G
		We will implement metrics to measure the sustainability of our resource use, with the aim of establishing a baseline to enable target setting during RIIO-ED2.	By 2025	Ongoing	G
		We will continue to report on actual waste to landfill, recycling and reuse as a percentage of total and we will commence reporting on all new waste and resource use metrics.	Throughout RIIO-ED2	We continue to report on waste to landfill, recycling and reuse and are working towards reporting all waste and resource use metrics during RIIO-ED2	G
		We will set targets for recycled & reused materials as a % of total input materials to be achieved by end RIIO-ED2 and 2030.	By 2023	We have set a target of 30% recycled content/reused material cumulatively across our top three materials by volume, those being concrete, steel and aggregate.	G
		We will follow an appropriate, recognised standard such as BS8001 to embed circular economy principles where relevant throughout our business processes.	Throughout RIIO-ED2	We are committed to embedding this by 2028.	G

