

SP Energy Networks

Just Transition Report

2023/2024



Foreword

Delivering a just transition towards net zero

The publication of the Just Transition Strategy came at a pivotal time for the UK’s energy system, with the cost-of-living and energy security crisis underlining how important it is that no one is left behind as a result of the transition to net zero Greenhouse Gases (GHG).

Aligned with just transition work being undertaken across the UK, we support the principle that building fairness into climate policy acts as an enabler and accelerant rather than a reason for inaction and agree that significant further action is urgently needed to put the UK and its devolved nations on track to deliver a just transition toward their net zero GHG targets.

Our first SPEN Annual Just Transition Report summarises the steps we have taken so far to embed the principles of a fair and equitable transition into everything we do. It outlines the methods we have taken to embed new ways of working, along with showcasing case studies on how we are supporting customers and enabling a transformational change to ensure a more sustainable future for all.

Our vision for a just transition to net zero GHG cannot be achieved alone and will bring many challenges and opportunities to our society. We are committed to reviewing our progress and will continue to work with stakeholders to ensure our priorities align with our customers, regulators, communities and other industry players.

I am proud of the progress we have made in embedding our just transition principles within the business and I am looking forward to the challenges ahead, working together to create a better future for all.

Nicola Connelly
CEO, SP Energy Networks



High level achievements

Achieved Planet Mark certification for the 8th year in a row



PlanetMark

47%

of our suppliers are registered to the Supply Chain Sustainability School

567

Green jobs filled

2024

Launched new Stakeholder Engagement Strategy

91%

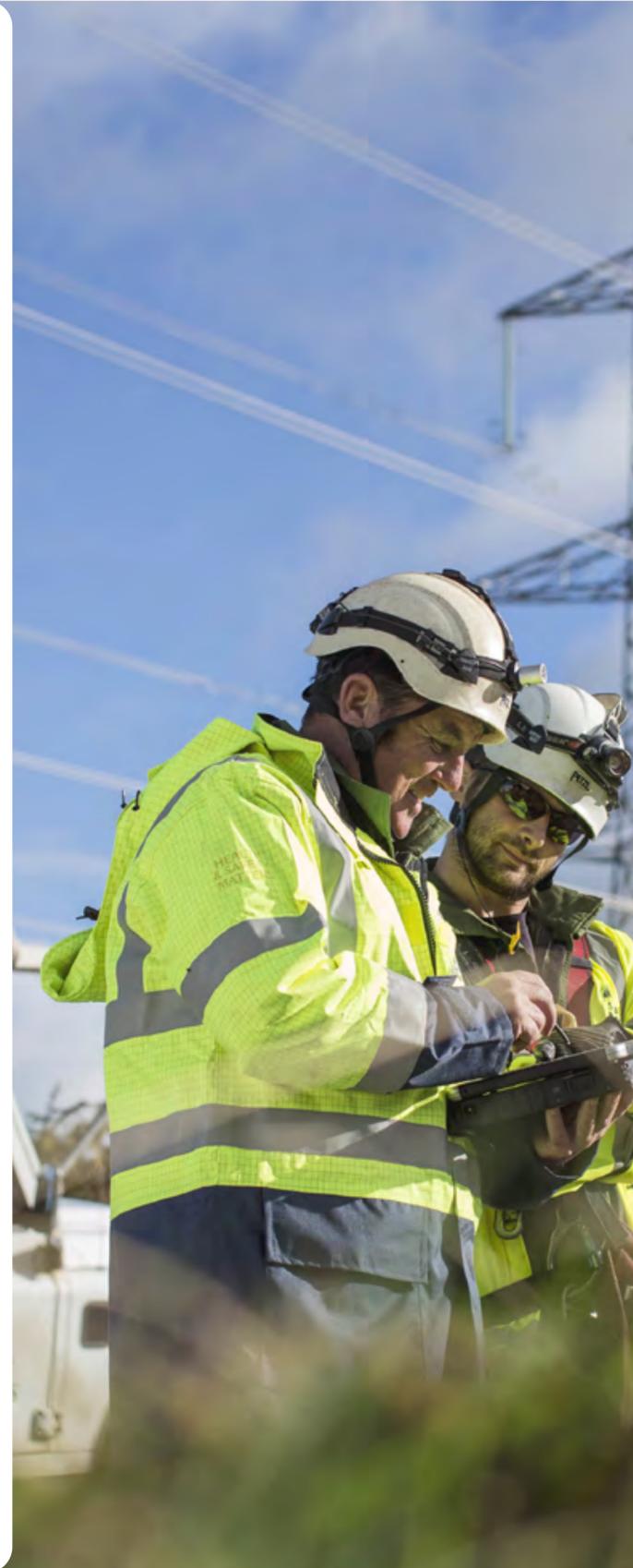
‘Advanced’ AccountAbility rating

9.17/10

Customer satisfaction score for 23/24



Climate Action: Race to Net Zero Award 2023



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Introduction

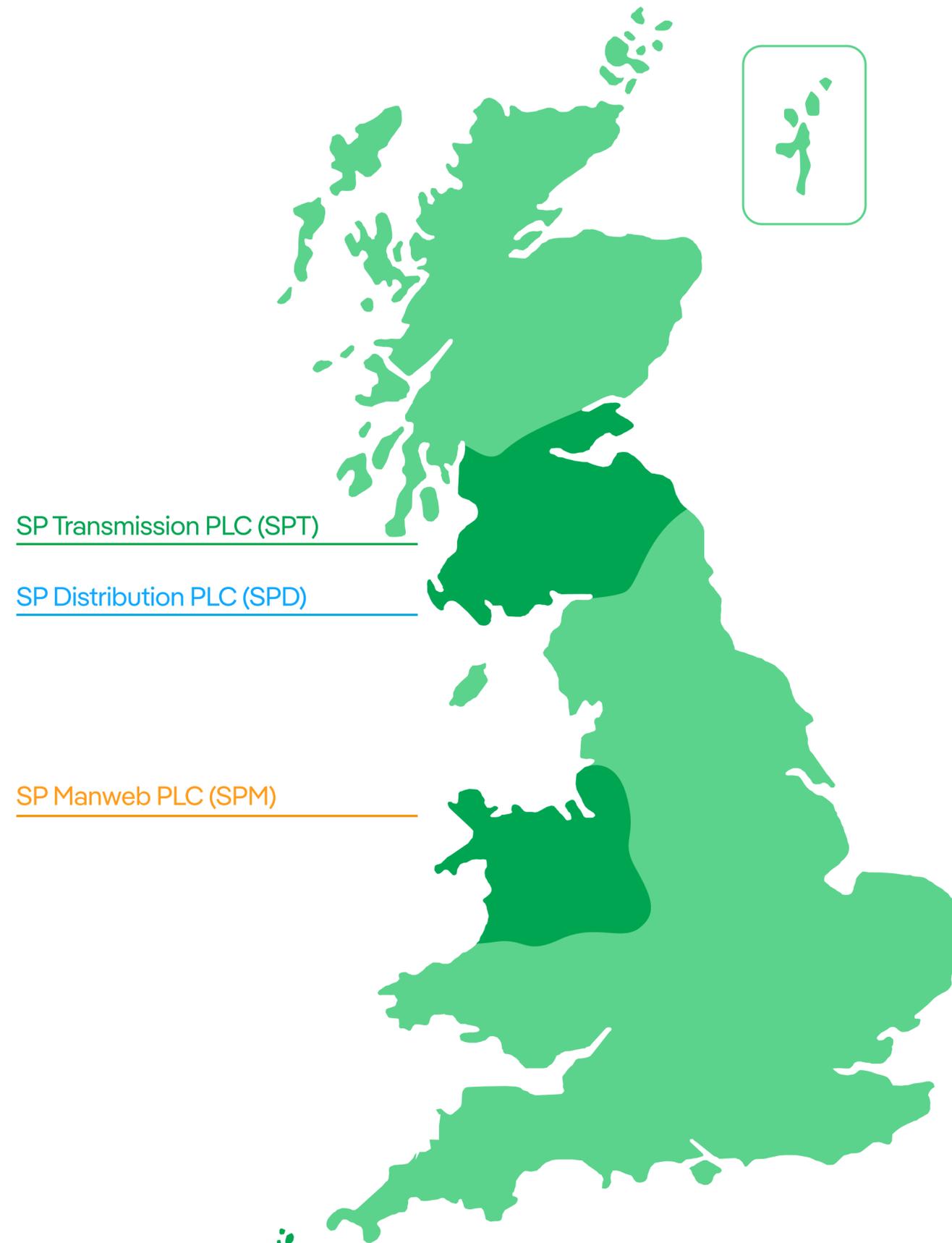
SP Energy Networks is a Transmission and Distribution Network Operator that owns and operates three regulated electricity network businesses in the UK: SP Transmission plc (SPT), SP Distribution plc (SPD) and SP Manweb plc (SPM).

We provide power on behalf of supply companies through a network of cables and power lines to homes and businesses across central & southern Scotland, North Wales, Merseyside, Cheshire and North Shropshire. SP Energy Networks (SPEN) is a subsidiary company of ScottishPower UK plc, which is in turn part of the Iberdrola Group, one of the world's largest sustainable utility companies and a Dow Jones Sustainability Index and Global 100 listed company.

As a business, we are working to enable the decarbonisation of the energy system, whilst ensuring we deliver value and benefits for people and communities across our licence area. A just transition should ensure environmental sustainability, quality work, social inclusion and poverty eradication are all given equal consideration.

The link between the drivers of change and their social impact places the just transition at the heart of our business plans to the electricity network regulator Ofgem. Our stakeholders have told us how important this is to them and we are committed to turning purpose in to action, helping to deliver wider benefits and positive social outcomes in our communities.

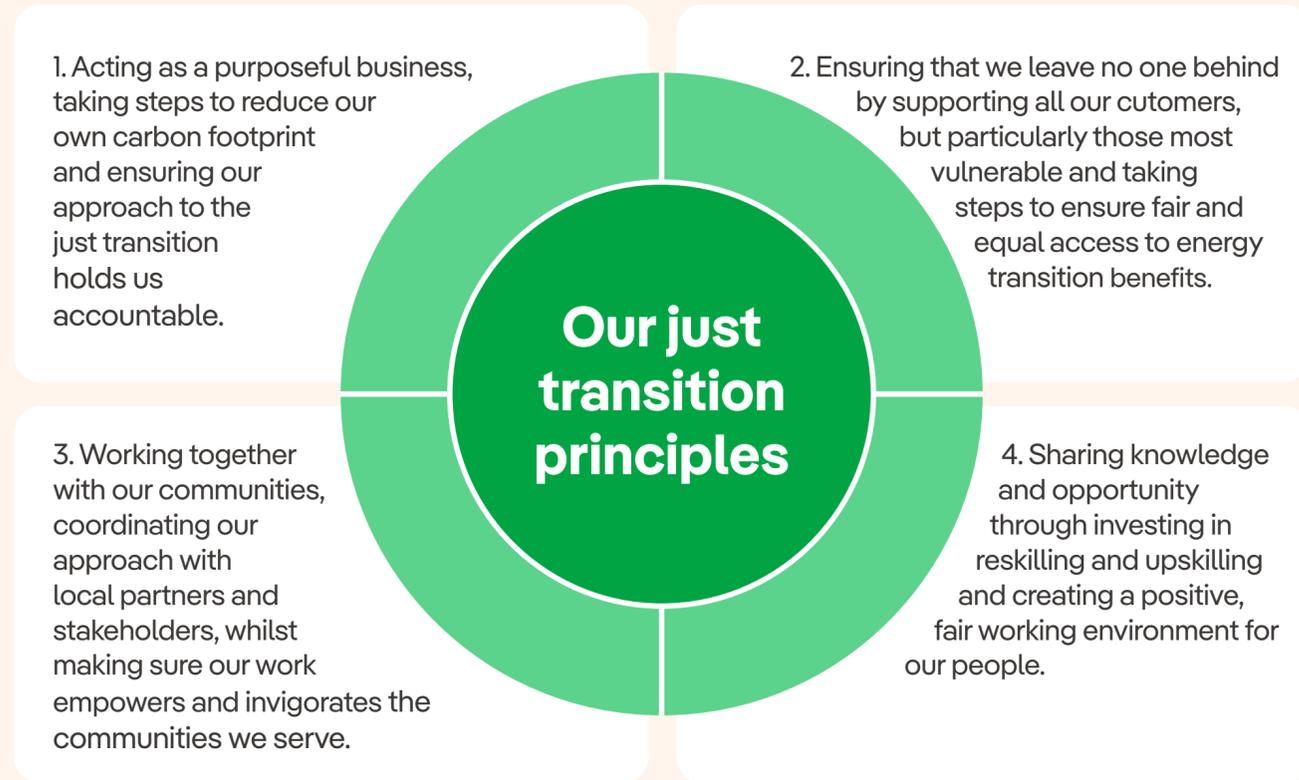
Last year we published our [Just Transition Strategy](#)- the first of its kind for a UK electricity network company. This strategy showcases our strong track record in prioritising the needs of our communities and demonstrating our track record and future plans to support customers and enable transformational change to ensure a more sustainable future for all.



Our just transition principles

Our vision: We will work proactively with the communities we serve to enable a just transition to our net zero GHG future.

Our strategy is based around four principles, which articulate our long-term ambition to a well-managed, socially inclusive transition to net zero GHG:



We have structured this report using these principles, demonstrating how just transition is embedded across all areas of our business.

As part of the global Iberdrola group, we align to the United Nations Sustainable Development Goals (SDGs) and have embraced these as part of our Sustainability Business Strategy and corporate governance system.



1. A purposeful business

Becoming a sustainable networks business

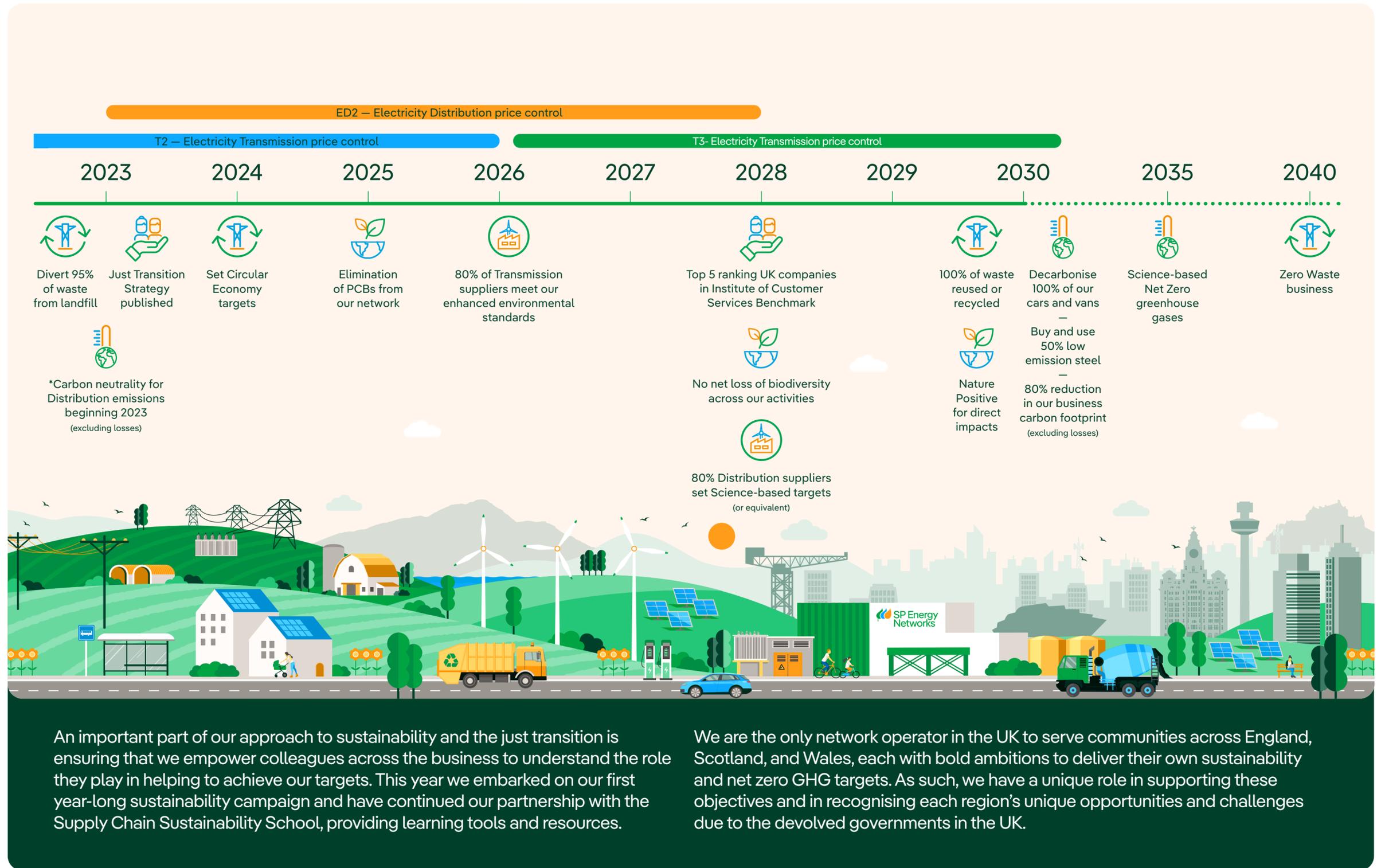
To be successful in achieving our just transition vision, we are committed to embedding our principles in everything we do.

This means understanding the potential impacts we have on the communities we serve and the natural environment in which we operate, maximising positive outcomes wherever possible. We have embedded an enhanced governance structure that ensures our just transition principles are embedded across our organisation and holds us accountable for meeting our aims.

Our vision is to be a sustainable networks business. 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 net zero GHG transition and to achieve neutral or positive environmental and social impacts. Our actions to become a sustainable network operator can only be done in partnership with our supply chain, supporting them to make the step change required and supporting our customers and communities to become more sustainable.

This roadmap shows our sustainability goals and targets on our journey to 2040, setting out clear targets to become a sustainable network.

[Read more about our progress here.](#)



An important part of our approach to sustainability and the just transition is ensuring that we empower colleagues across the business to understand the role they play in helping to achieve our targets. This year we embarked on our first year-long sustainability campaign and have continued our partnership with the Supply Chain Sustainability School, providing learning tools and resources.

We are the only network operator in the UK to serve communities across England, Scotland, and Wales, each with bold ambitions to deliver their own sustainability and net zero GHG targets. As such, we have a unique role in supporting these objectives and in recognising each region's unique opportunities and challenges due to the devolved governments in the UK.

Embedding social return on investment

Everything we do is driven by our stakeholders and includes the opportunity to make a positive impact on the people we serve, our communities and the environment. Our continuous engagement with customers and stakeholders helps us learn about their needs and uncover opportunities and suggestions for improvement. To realise the opportunities they help us uncover, we must embed a consistent, robust and transparent approach to analyse benefits to make the right choices and deliver maximum value to our customers and stakeholders.

The value of projects with additional, traditionally qualitative, impacts can be difficult to measure and compare. We've been working with other network operators to develop a social value framework that incorporates Social Return On Investment (SROI) modelling. This approach builds upon traditional cost benefit analysis by also measuring and accounting for the typically qualitative, social impacts of our projects.

Our new method of modelling SROI is centred around a measurement tool with an agreed governance process. This enables us to measure forecasts and actual benefits of our actions, investments and initiatives on communities and the environment in a consistent manner across our business and with other network operators.

Enhancing our understanding of social value >



Embedding social return on investment

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Our new method of modelling SROI is central to a measurement tool with an agreed governance process. This enables us to measure forecasted actual benefits of our actions, investments and initiatives on communities and the environment in a consistent manner across our business and with other network operators.

Enhancing our understanding of social value

Over the past year, we have delivered training across our teams to improve understanding of social value and how the SROI modelling tool can be used. We've already seen how this can be beneficial, with measurements being made to assess the impact of projects applying to our Net Zero Fund.

We are using SROI calculations in three distinct ways through the Net Zero Fund:

- **Application Stage:** We use SROI calculations as another way to assess projects for funding, with calculations provided to our external panel of experts. We want to ensure projects are delivering social value for their communities, with particular emphasis on vulnerable groups.
- **Delivery Phase:** The SROI tool will also allow us to assess projects during their delivery phase to ensure they are achieving what they set out in their application form.
- **Project Completion:** By gathering appropriate SROI data from the outset we expect to have accurate calculations on the completion of the project.



29

members of staff
trained in 2023/2024

Enhancing our understanding
of social value >

Ensuring transparent governance

A robust approach to delivering a just transition requires a robust governance framework, one which ensures accountability to our stakeholders and customers. We continue to make sure our just transition principles are central to the delivery of our plans. A significant proportion of our work will directly contribute to delivering and enabling a just energy transition, some of which is highlighted in this report.

The development of this Just Transition Report outlines our activities to support and enable a just transition, using existing regulatory reporting structures to track the progress of specific commitments.

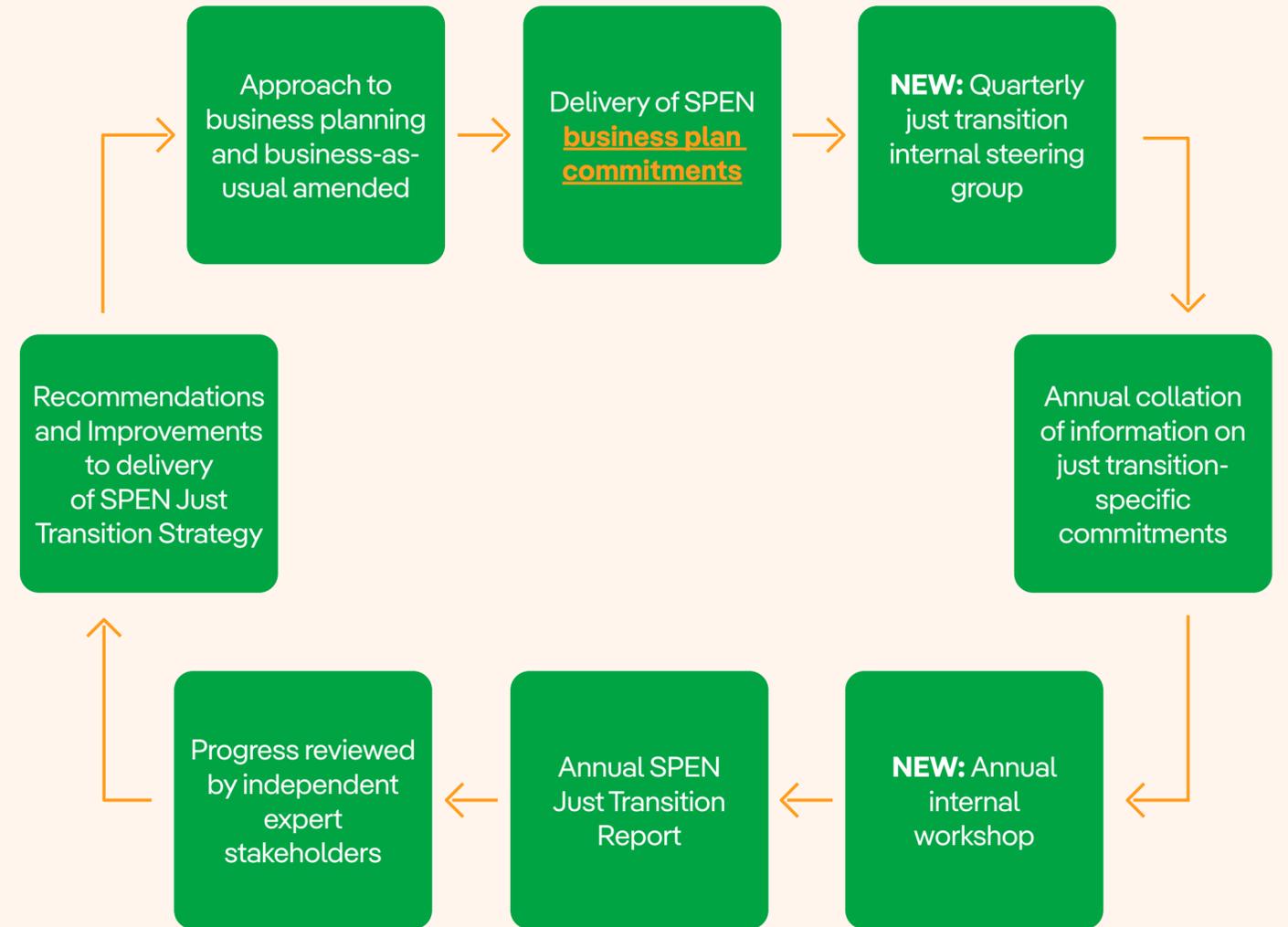
Our annual just transition governance cycle ensures our commitments are being delivered in accordance with our just transition principles.

This year, we have further enhanced our annual just transition governance cycle. We have added two additional steps to oversee the implementation of the Just Transition Strategy. This is to ensure our commitments are being delivered in accordance with our just transition principles. A quarterly steering group with representation from across the business has been established, providing a platform to identify any barriers, overcome challenges and to share areas of collaboration.

Earlier this year, we held our first annual just transition internal workshop, with the purpose helping shape our priority areas for the year ahead. A member of our Independent Net Zero Advisory Council (INZAC) was in attendance, ensuring our strategy and approach remains sufficiently ambitious and fit for purpose. Feedback from this workshop is outlined in this report and will form the basis of the 2024/25 Just Transition Report.

The current energy sector landscape is rapidly changing and we firmly believe our Just Transition Strategy must continue to reflect the needs of our stakeholders and customers. We will remain flexible in our approach to updating our Just Transition Strategy, ensuring we can adapt in response to significant societal, political and regulatory events.

To ensure our Just Transition Strategy remains at the forefront of our work, our annual governance process is overseen by our existing Executive Sustainability Steering Group, with Director level ownership. This Just Transition Report has had input from multiple business areas, helping to embed our just transition principles across our various areas of activity.



2. Leaving no one behind in the energy transition

The energy generation system is changing, moving from a traditional centralised model reliant on fossil fuels to a decentralised net zero GHG model focused on low carbon renewable generation. Our network must be prepared for these changes. While we drive this transition, we must ensure none of our customers are left behind, recognising that those communities and customers who are least likely to have access to low-carbon vehicles or heating will frequently also be the most vulnerable in society.



Supporting our vulnerable and fuel-poor customers

Over the past year, we have built on established processes which allow us to identify vulnerability drivers and their evolution, both in the short term, like the energy crisis and in the long term like the transition to net zero GHG. The expansion, maintenance and use of our Priority Services Register (PSR) data, innovative vulnerability data and models, as well as engagement with experts, are the key enablers. Focusing on the here and now, we have continued to ensure all customers and especially the most vulnerable, receive the support they need before, during and after power cuts.

Stakeholders continue to strongly support our focus on collecting vulnerability data. They believe that while PSR data should remain our primary aim, we should also identify other data sets, such as local authority and government data, which help us paint a clearer picture of the circumstances our customers are in. By using a diverse range of data, it also helps us gather a more granular understanding of the vulnerability indicators within the communities we serve.

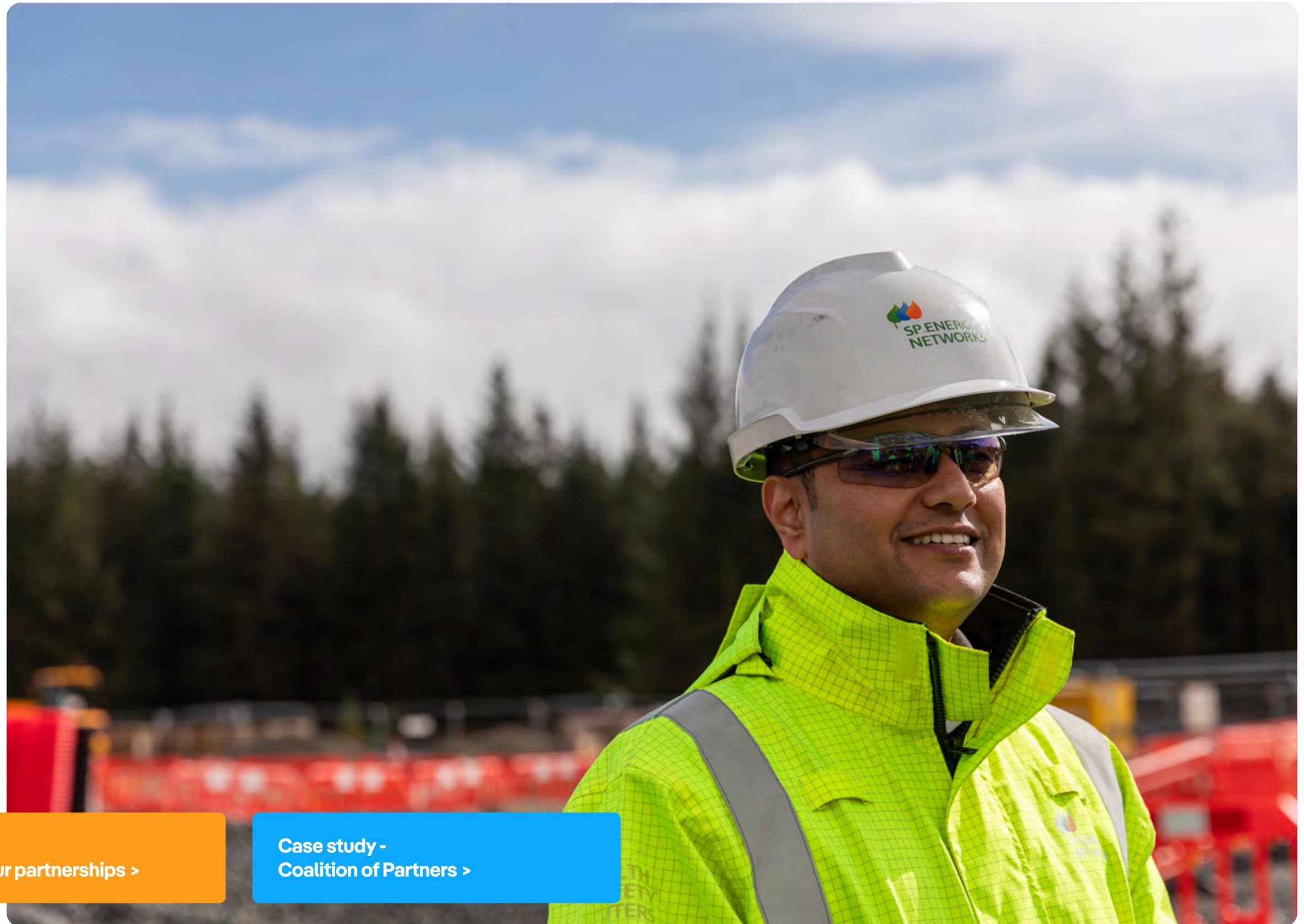
Looking ahead to the challenges customers will face in both the short term and long term, such as the transition to net zero GHG, we have invested heavily in the foundations of our vulnerability strategy.

9.17/10

customer satisfaction score 2023/2024

Case study -
Leveraging our partnerships >

Case study -
Coalition of Partners >



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Leveraging our partnerships

Over the course of the year, we have utilised our strong partnership with Glasgow Warriors to maximise outputs from engagement when it comes to vulnerable customers. This has been delivered by working with social obligation colleagues to identify gaps within PSR, allowing us to interact with these communities and using the partnership to build relationships with new and existing charities and their beneficiaries. Key outcomes include:

- New Glasgow Warriors season ticket packs include PSR and Additional Services leaflet, reaching 5000 households
- Four quiet sessions held in Glasgow Warriors' stadium for vulnerable groups allowing them to enjoy practice session in safe and quiet environments
- Providing sensory packs for vulnerable customers at Glasgow Warriors home games
- Hosting community foodbank in conjunction with Glasgow Warriors



Case study -
Leveraging our partnerships >

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Coalition of Partners

The Coalition of Partners (COP) is a group of trusted organisations who have come together to send and receive referrals for vulnerable customers who may benefit from the services on offer. All members of the COP are part of SPEN's already established network of partners. It is currently being trialled in Glasgow and we are working on expanding across all our districts throughout 2024.

There are currently six organisations signed up: Scottish Fire and Rescue Service, Change Mental Health, British Red Cross, Glasgow's Golden Generation, Food Train and Age Scotland. These organisations deliver various services including a home fire safety visits, befriending, help in or around the home, hot meals, advocacy, benefit and housing advice, IT support for over-60's and a veterans' online group. All of the provided mentioned is supported by volunteers and customers who are interested can also become a volunteer themselves.

This partnership work enables us to:

- Reach all customers who need support, going beyond traditional needs
- Ensure we can deliver effectively through high-quality data and processes
- Deliver services to customers to remove barriers and tackle current and future trends

In 2023/2024, SPEN have made 111 referrals, of which 78 have now received a free service from one of our partners.



9.17/10

customer satisfaction score 2023/2024

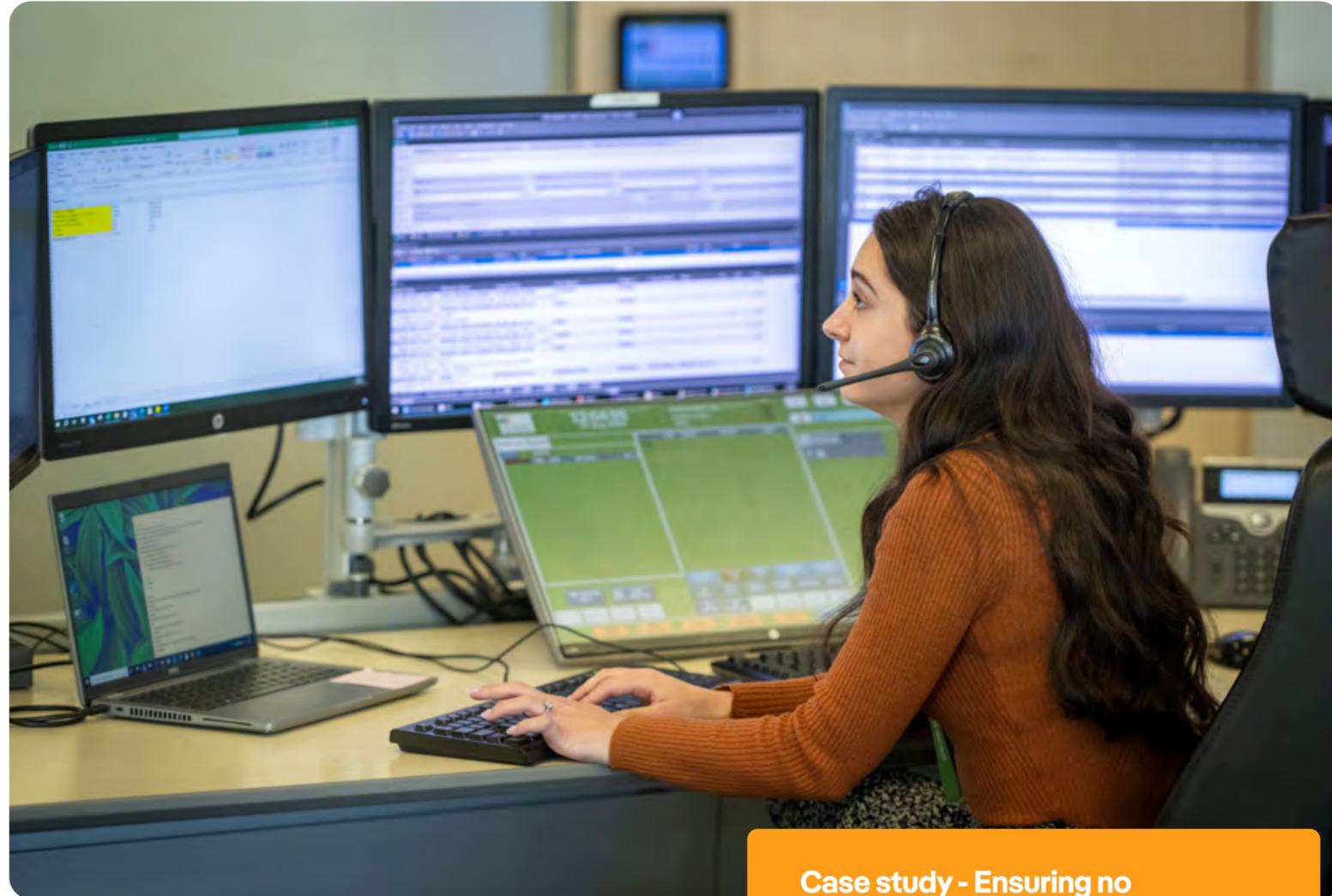
Case study - Leveraging our partnerships >

Case study - Coalition of Partners >

Supporting universal access to energy transition benefits

We need to make sure the benefits of the net zero GHG transition are spread fairly. In 2023/2024 we enabled an additional 48 MW of low carbon, generation to connect to our transmission network.

Through the use of tools and data, we are now able to target communities who are at risk of being left behind in the energy transition.



Case study - Ensuring no community is left behind >



Case study - Supporting community energy projects >

Case study - Leaving a positive legacy in our communities >

Optimising net zero investment for the right long-term solution

We strive to be a fully sustainable networks business for people and planet. Our most recent RIIO-2 Business Plans are our most ambitious to date and see £7.5bn of investment in our networks in a historic decade for both UK and global net zero GHG targets.

As well as enabling an environmentally-sustainable transition to a low-carbon economy, we need to do this in a fair and equitable manner, ensuring no one is left behind.

Supporting Universal Access to Energy Transition Benefits

We need to make sure the benefits of the Net Zero transition are spread fairly. In 23/24 we enabled an additional 175 MW of low carbon capacity to be connected to our transmission network.

Through the utilisation of tools and data, we are working to ensure no one is left behind in the energy transition.

Ensuring no community is left behind

In May 2023, in collaboration with SIRIO strategies, we implemented our new innovation project, Vulnerability in the Energy System Transition (VEST). This tool was developed to bring a wealth of invaluable reporting that allows us to identify where our most vulnerable customers are and what type of support and service we need to deliver.

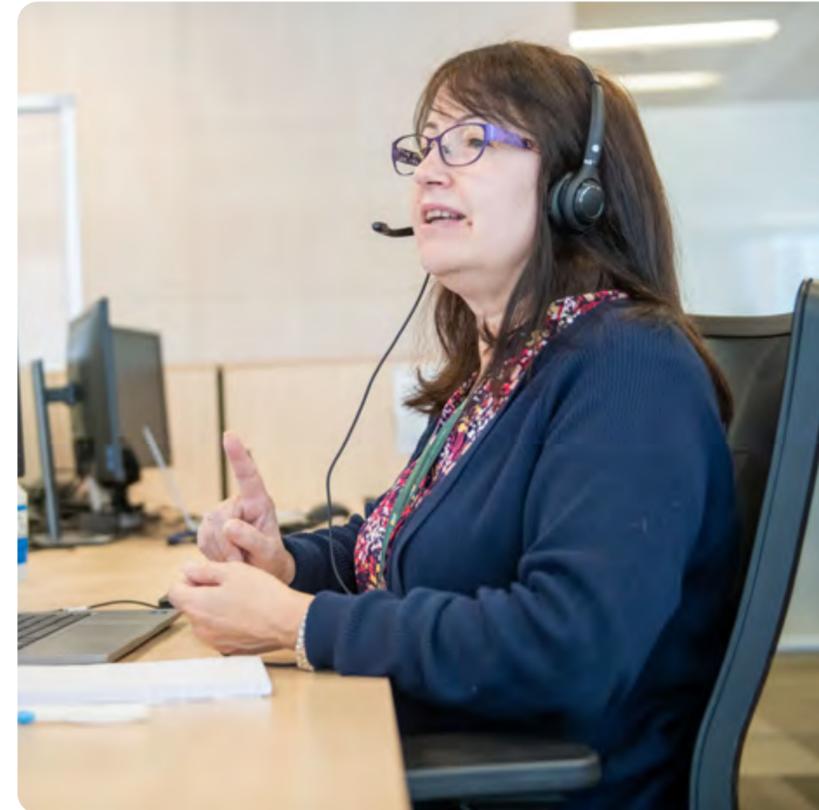
A number of source datasets were used to create the VEST tool, such as local authority and government data (e.g Census data) allowing us to identify gaps in the different types of vulnerable categories. The tool also displays the concentration level of fuel poverty and low-carbon technology in each of our licence areas, again allowing us to identify and support these customers.

Outcomes of the tool so far include:

- Helping us identify gaps in the different types of vulnerable categories, meaning we can tailor our messaging and support depending on needs
- Helping to shape our engagement strategy
- Monitoring the improvements and progress in each of our licence areas

Since implementation, this tool has supported over 4000 referrals to our trusted partner LEAP- who offer energy advice and money-saving services to support vulnerable customers in fuel poverty.

Case study - Ensuring no community is left behind >



Case study - Leaving a positive legacy in our communities >

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Supporting community energy projects

We have a dedicated [Community Energy Strategy](#) which outlines how we plan to build on our existing support to work more closely and strategically with community energy organisations and to address some of the main barriers limiting the growth of essential community energy solutions. In doing so, our aim is to cost-efficiently benefit all our customers and stakeholders by leveraging our unique, central role in the energy sector to help community energy play its essential role in a just net zero transition.

We are committed to supporting community anchor organisations and their community energy projects. By providing the right information and technical support to community projects and undertaking activities to increase the awareness of the energy system transition, we will facilitate local energy growth that will drive customer bill savings and CO2 reductions in our licence areas.

Outputs delivered in 2023/24 include:

- A dedicated team formed to focus on supporting community energy projects and community anchor organisations covering our license areas
- A dedicated area on our website specifically for [Community Energy](#)
- A comprehensive plan to identify areas that Community Energy Groups need support, which allows us to tailor dedicated workshops
- An engagement plan to use various channels to reach out to key stakeholders
- Attendance at conferences across our licenses to engage with our stakeholders
- Strong relationships built with Community Energy Bodies to utilise their platforms to communicate with stakeholders



Case study - Ensuring no community is left behind >

Case study - Leaving a positive legacy in our communities >

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Leaving a positive legacy in our communities

We launched our Net Zero Fund in 2022, supporting community organisations who have green ambitions and are looking to decarbonise their communities across central and southern Scotland. The Net Zero Fund focuses on empowering and delivering social, environmental and economic benefits within local communities to deliver a just transition for all.

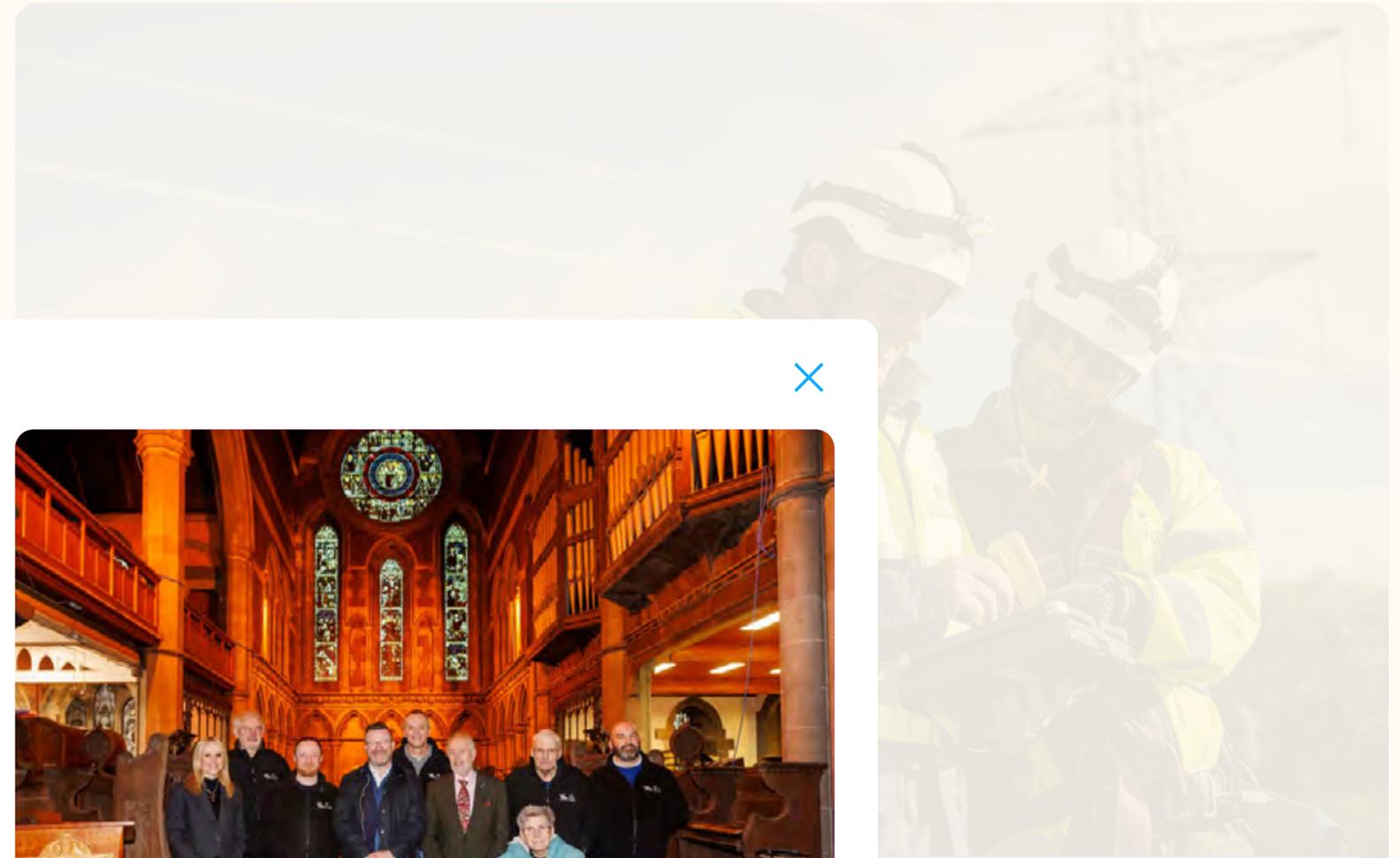
So far the fund has:

- Delivered 16 tailored community workshops, with over 130 community attendees, to explore local challenges on the route to net zero GHG
- Supported 12 communities to develop project feasibility studies

Examples of projects delivered so far:

- Awarded £150,000 grant to the Govan Heritage Trust to install a River Source Heat Pump, which will deliver a 93% reduction in carbon emissions
- Funded an award of £220,000 to Glasgow's Women's Library for insulating their listed building to reduce running costs
- Please see our dedicated [Net Zero Fund news](#) for more information

Case study - Ensuring no community is left behind >



Case study - Leaving a positive legacy in our communities >

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3. Together with our communities

Good engagement means communicating and collaborating. We work together with our stakeholders to ensure mutual understanding, minimise risk, shape projects and ultimately improve what we deliver.

Engaging with stakeholders

Through our newly published [2024 Stakeholder Engagement Strategy](#), we set out five principles which drive our engagement efforts; Inclusive, Authentic, Tailored, Innovative and Deliver Value for Money. These principles are derived from how we currently operate and how we want to operate in the future, allowing us to be responsive to stakeholder needs and help us improve our approach. It also details the nine-step process of how we plan, review and close engagements, with innovative tools to support our approach.



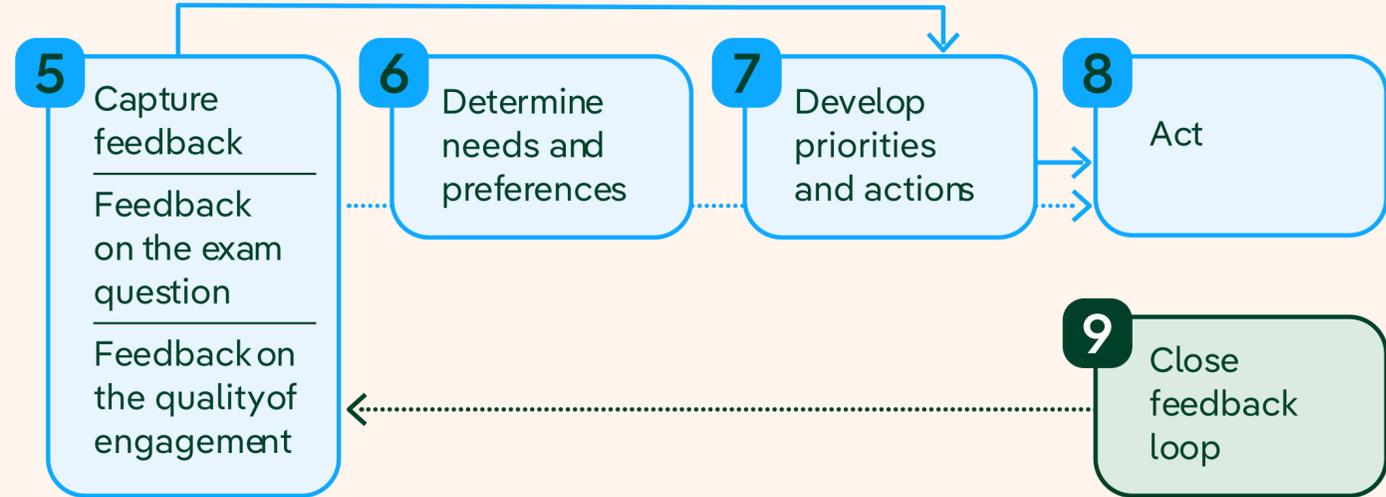
Case study - Our track record >

Case study - Embedding the right tools and processes >

Planning our engagement

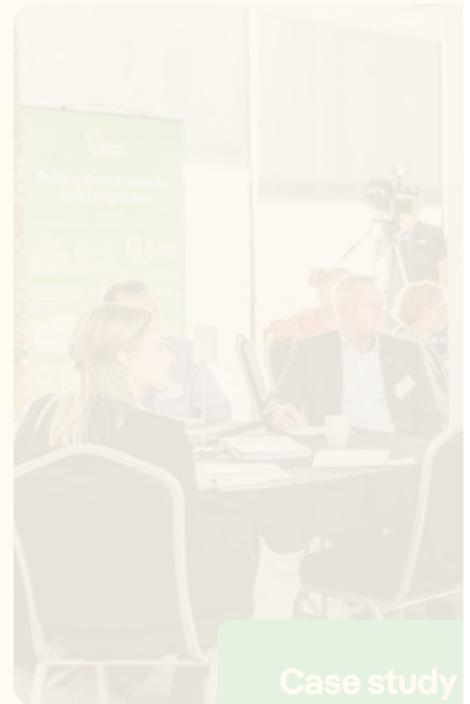


Reviewing our engagement



Engaging with stakeholders

Through our newly published 2024 engagement efforts; Inclusive, Aut from how we currently operate, an needs and look to better our appr engagements, with innovative too



Case study
Our track re

Our track record

We have a strong track record of delivering high quality engagement across our Transmission and Distribution businesses. Each year we ask AccountAbility, owners of the global AA1000SE standard for stakeholder engagement to conduct a Healthcheck of our performance. In 2024, we achieved a score of 91%, up from 89% the previous year. This represents the highest level within AccountAbility's 'Advanced' classification, scoring above average across the utilities sector.

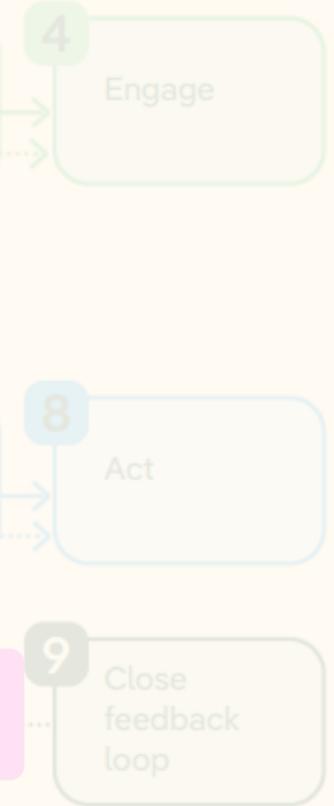
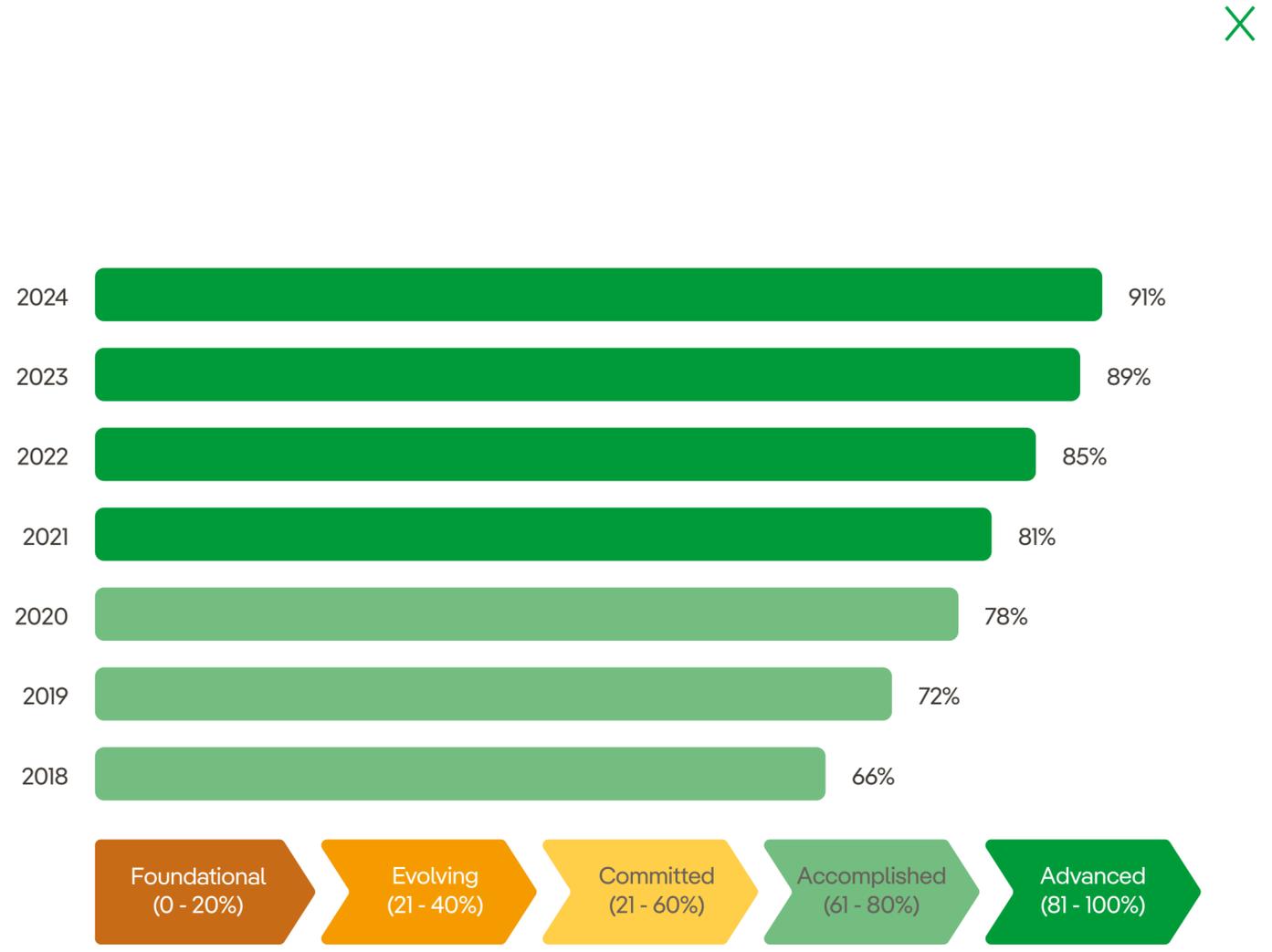
Looking ahead, we remain fully committed to a continual cycle of reviewing and improving our engagement practices. With recommendations from the Accountability Healthcheck, we are continuing to embed high-quality stakeholder engagement through a clear action plan, working together with our stakeholders to deliver meaningful engagement.

“SPEN continues to evidence its firm commitment to Net Zero and being a leader to empower others in this space.”

~ AccountAbility, 2024



Examples of stakeholder engagement range from customer vulnerability information sessions, public safety awareness raising and sustainability workshops to connections consultations, Distribution System Operator conferences and local economic development roundtables.



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Case study -
Our track record >

Embedding the right tools and processes

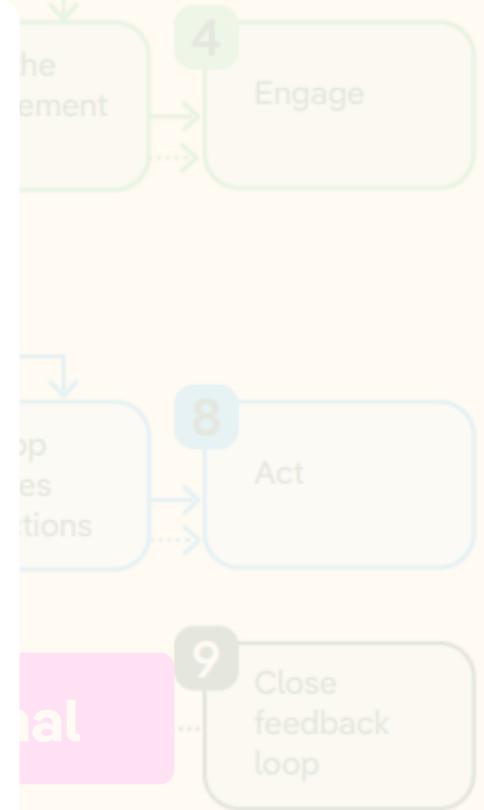
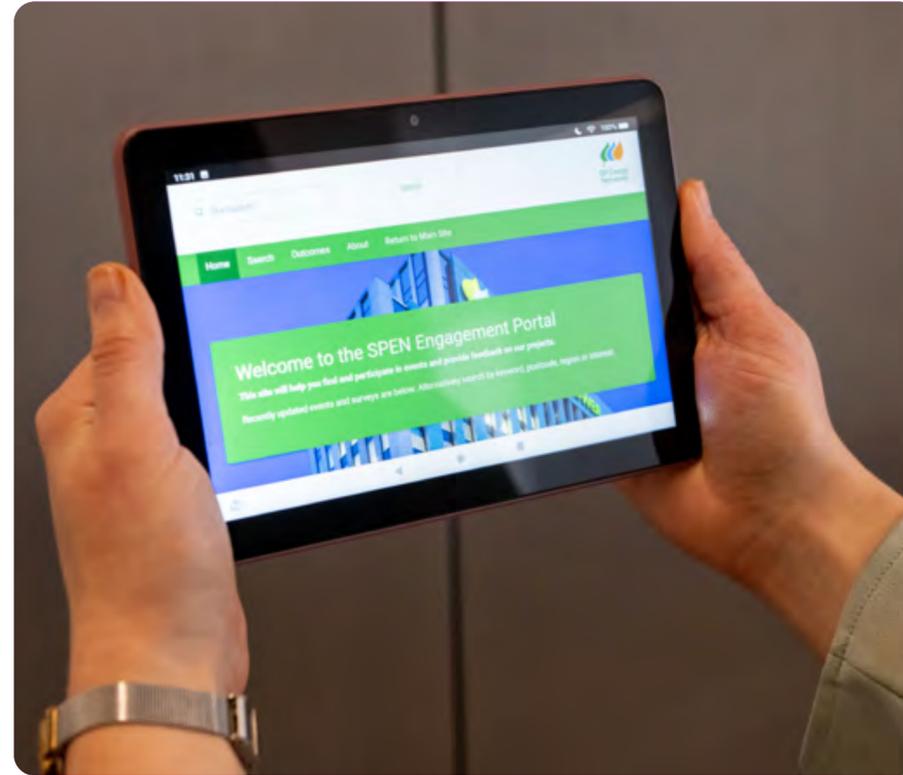
We have continued to build on the strength of our stakeholder management system - Tractivity - and have updated its capacities to provide us with greater flexibility and a wider range of functional tools to manage our engagement.

In January 2024, we launched our online Engagement Portal, powered by Engage-360 from Tractivity. The portal links directly with our management system and enables stakeholders to take part in surveys, register for events and contact us regarding consultations. Importantly, we can share outputs and the impact of our engagements directly with those involved. Our Engagement Portal is accessible via our stakeholder webpages, updated this year, providing a comprehensive overview of how and why we engage.

We have committed to re-testing our engagement priorities with customers and stakeholders on an annual basis and presenting the results to our independent external group every year along with our action plans. We have carried out an annual stakeholder priorities survey to ensure we understand the priorities of our stakeholder and customer groups and reflect those in our engagement. The findings from the survey are integrated into engagement plans across the relevant business areas.



Planning our engagement



Strengthening local supply chain

We are dependent on our supply chain to deliver our sustainability ambitions. We are ensuring that our supply chains' standards and ambitions are reflective of our own. We are working in collaboration with our supply chain to support them and bring them along on this journey with us, ensuring that smaller suppliers are not left behind.

We support our supply chain to become sustainable in a fair and collaborative way, ensuring they are equipped with the tools and knowledge they need to match our ambitions.

67%

of our suppliers are compliant with our enhanced environmental requirements

[Case study - Providing resources to our supply chain >](#)

[Case study - Empowering our small to medium sized enterprises >](#)



Strengthening local supply chain

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67%

of our transmission suppliers are compliant with our enhanced environmental requirements

[Case study - Providing resources to our supply chain](#)

[Case study - Empowering our SMEs >](#)

Providing resources to our supply chain

We have continued our partnership with the Supply Chain Sustainability School, requiring all contractors and suppliers for new contracts to become members and undertake relevant sustainability and environmental training. We have also made the Supply Chain Sustainability School available to all our employees, achieving a Gold Award in recognition of our commitment to upskilling our colleagues and increasing environmental literacy across our supply chain.

47%

of our suppliers are registered to the Supply Chain Sustainability School



Strengthening local supply chain

We are dependent on our supply chain to deliver our sustainability ambitions. We are ensuring that our supply chains' standards and ambitions are reflective of our own. We are working in collaboration with our supply chain to support them and bring them along on this journey with us, ensuring that smaller suppliers are not left behind.

We support our supply chain to become sustainable in a fair and collaborative way, ensuring they are equipped with the tools and knowledge they need to match our ambitions.

47%

of our transmission suppliers are compliant with our enhanced environmental requirements

Case study - Providing resources to our supply chain >

Case study - Empowering our SMEs >

Empowering our small to medium sized enterprises

Eight large Scottish businesses, including ScottishPower, joined forces to form the Scottish Business Climate Collaboration (SBCC) to help lead the fight against climate change and accelerate the just transition to a net zero GHG future. In 2023, the SBCC developed and launched a Climate Action Hub for small to medium-sized enterprises (SME's), providing them access to a range of resources to help businesses calculate and reduce their GHG emissions.

This collaboration supports our supply chain, particularly SME's on their own journeys to net zero GHG.

"The Hub generated a tailored action plan which has supported our decarbonisation journey by providing access to appropriate resources."

~ SME feedback on the Climate Action Hub, 2023.



Energising social partnerships

We sit at the heart of the communities in which we operate. We have a number of key community partnerships such as Glasgow Warriors and Wrexham AFC.

Through these partnerships, it became clear the synergies between sport and business have allowed us to work on joint initiatives such as encouraging females into sport and engineering, breaking barriers and promoting healthy lifestyles.

These partnerships also provide a platform to reach some of our harder to reach stakeholders, delivering our key messages such as 105 and PSR.



Case study -
Breaking barriers >



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Breaking barriers

Working with Glasgow Warriors, we provide a range of activations to inspire young people through STEM and grassroots engagement to making engineering and rugby more inclusive. Through initiatives such as the SPEN Warriors School Championships, we are able to provide an opportunity for young people to learn about teamwork and a healthy lifestyle. Through all our activations we look to inspire the next generation through our STEM and grassroots engagement and to make engineering and rugby more inclusive, ultimately breaking down barriers to make the world of rugby and STEM more accessible to everyone.

- Over **5,000** girls and boys from **28** schools have taken part in the 2023 SPEN Warriors School Championship
- We sponsored the first Glasgow Warriors Women's Team, with three players from the team having played in previous SPEN Warrior School Championships
- We also hosted our first Development Day in May 2023 for schools unable to participate in the School championships and over **275** pupils attended



Case study -
Breaking barriers >

4. Sharing knowledge and opportunity

To reach our net zero GHG targets, we require new ways of thinking and approaching challenges. One of these will be getting the right people, in the right places, to do the right jobs. To ensure we deliver on our work plans and meet our customers' requirements, we must have a sustainable, skilled, efficient, capable and motivated workforce. It is our responsibility to build a workforce that is up to the challenge of reaching net zero GHG.

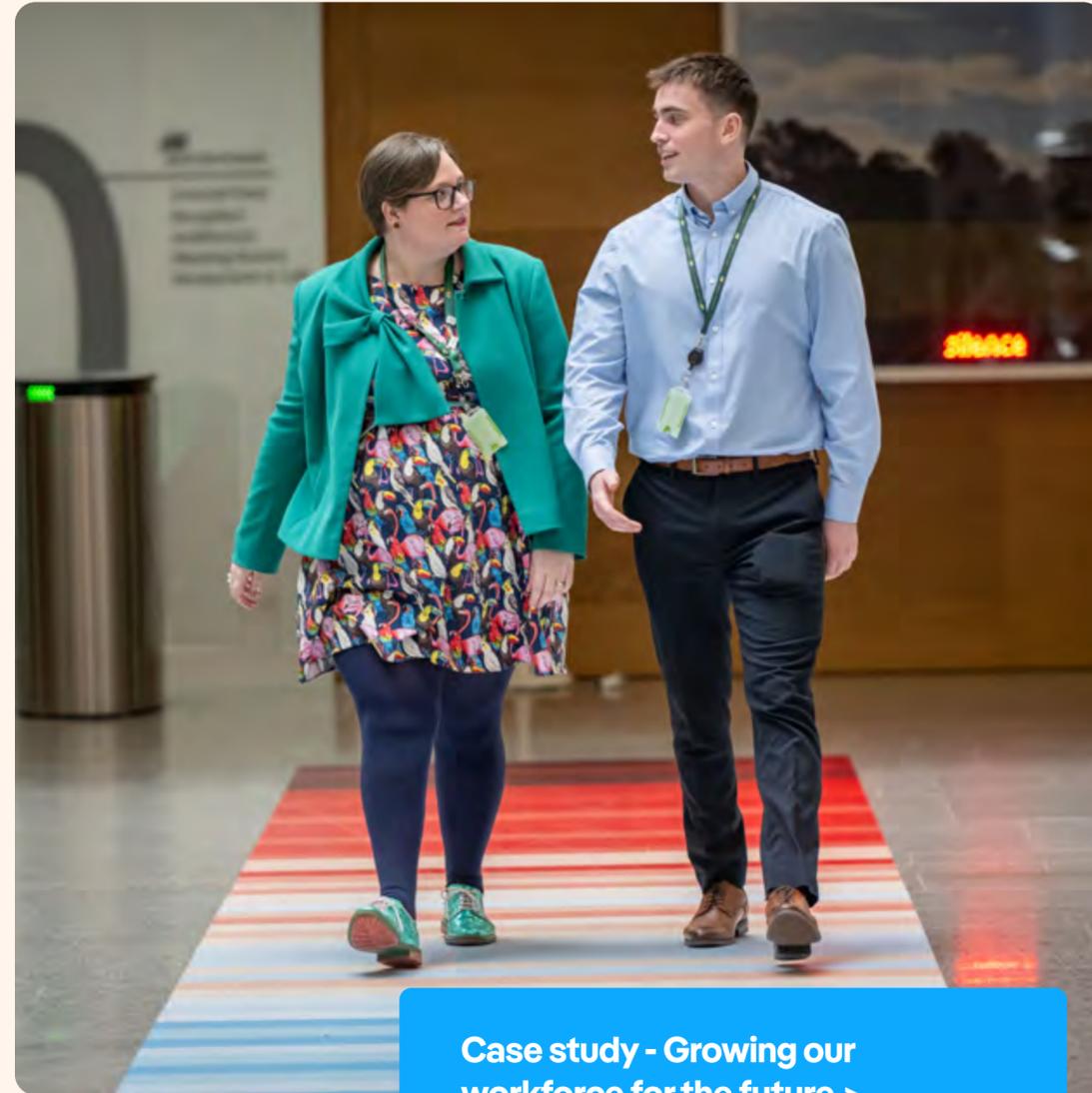


Investing in knowledge sharing and reskilling

As we accelerate towards net zero GHG, our workforce will need to evolve to meet changing workload, technology, sustainability and portfolio requirements. Our existing workforce will need to become more agile and develop new skills and our workforce programmes will need to evolve to meet those new challenges. We will need to maintain our long-term pipeline to address an industry facing skill shortages and continuing high levels of retirement.

As outlined in our [Net Zero Workforce Strategy](#), we are committed to growing our own talent from the communities we serve, ensuring we continue to build a diverse and inclusive workforce. We want to recruit the best talent and support all our employees. This requires investment in the right tools, training and programmes to create an inclusive, supportive and innovative environment.

Our just transition principles sit at the heart of our plans in developing and growing our workforce for the future.



Case study - Growing our workforce for the future >



Case study - Our Year of Sustainability campaign >



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As outlined in our Net Zero Workforce Plan, we are committed to growing our workforce from the communities we serve, and as we continue to build a diverse and inclusive workforce. We want to recruit the best talent and support all our employees. This includes investment in the right tools, training programmes to create an inclusive and innovative environment.

Our just transition principles sit at the heart of our plans in developing and growing our workforce for the future.

Our Year of Sustainability campaign

In 2023, we launched our first ever year-long sustainability campaign, Year of Sustainability (YoS). This campaign was a game-changing approach, targeting all employees, focusing on what each employee could do to make a difference.

All internal channels were utilised to maximise awareness by sharing information internally, encouraging collaboration and developing best practice across the business, preparing our staff for working towards a sustainable future. The YoS campaign delivered 12 months of knowledge sharing, case studies, workshops and challenges to build the necessary skills to actively participate in achieving our environmental sustainability targets and ultimately to deliver a sustainable future.

Our work to embed sustainable practices throughout our organisation is just beginning. The legacy of this campaign will be the continued inspiration and information sharing which will be delivered internally through monthly sustainability themed content in newsletters, emails and more.

Highlights of the Year of Sustainability campaign include:

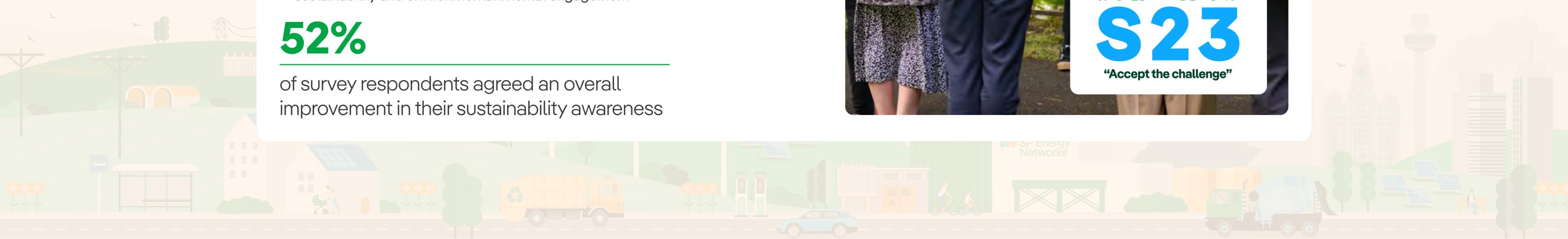
- The number of employees upgrading their vehicles to EVs through our EV Salary Sacrifice Scheme tripled
- A 37% increase in the number of employees registering to the Supply Chain Sustainability School, accessing a wealth of information
- An increase in the number of volunteering days inside working hours of 136 days, with further sessions in the pipeline
- New ways of working, improved practices and new collaboration platforms set up, including on the ground knowledge sharing and collaboration sessions with the SPEN executive team and environmental professionals and further enhanced sustainability and environmental internal engagement

52%

of survey respondents agreed an overall improvement in their sustainability awareness



Our Year of Sustainability campaign >



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Growing our workforce for the future

As a business, we want to grow and retain our workforce. We have embedded a transitional programme which enables our workforce to transition into a new roles and disciplines within our sector. There are no minimum educational qualification criteria so this programme provides people from all different academic backgrounds with the opportunity to apply to the programme.

David's story - David Watson first joined our Adult Craft Trainee transitional programme where he completed technical and on-the-job training. Once he completed the two year programme and spent time perfecting his trade, he was promoted to a planner role. Following time in this role, he applied for another one of our transitional programmes - the internal trainee engineer programme - which he is currently working his way through. By growing our own talent in a sector that has a shortage of skills in both overhead lines and engineering disciplines, these transitional programmes have great benefit to both the business and our workforce.

With everyone in the race to net zero GHG, there is a huge demand on skills, putting us in position where our needs are expanding but the pool of prospective employees is not. Providing this type of progression opportunity builds a loyalty between the company and the employee and is likely to advance longer-serving employees who will promote our company as an employer of choice to friends and family and beyond, which we hope will make us more competitive in the attracting and recruiting staff.



"If you want to progress and are willing to drive your development forward, the company will support you in the direction you want to go"

David Watson
Trainee engineer

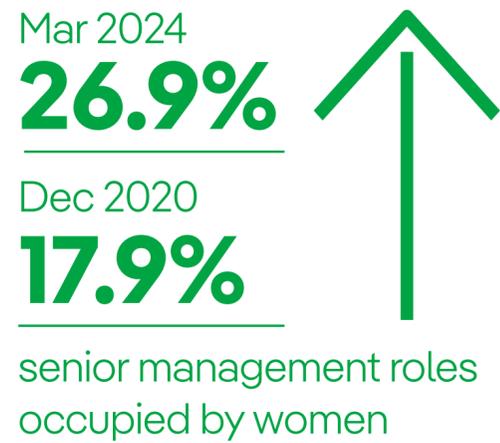


Supporting fair work and conditions for our people

We are an employer that works hard for our people. We have policies and targets in place to deliver a truly inclusive and diverse workforce and training and development is a core part of our workforce model. We engage through our joint trade unions and employee forums on issues that matter to our people. We listen, understand & act on key issues with our continuous listening model via surveys and focus groups.

We safeguard their physical and mental health and wellbeing through, for example, the provision of mental health first aiders and a range of employee led networks. We are committed to driving diversity in the energy industry, embedding an inclusive culture and taking action to address the deepening skills shortage in the sector.

We have created employee-led networks that represent the voices of people with diverse backgrounds and aspirations. We now have seven employee-led networks which are an integral part of our business, running awareness events and supporting initiatives to improve diversity data, reporting and policy developments.



[Case study - Our Connected Women network >](#)

[Case study - Celebrating our SPARC network >](#)



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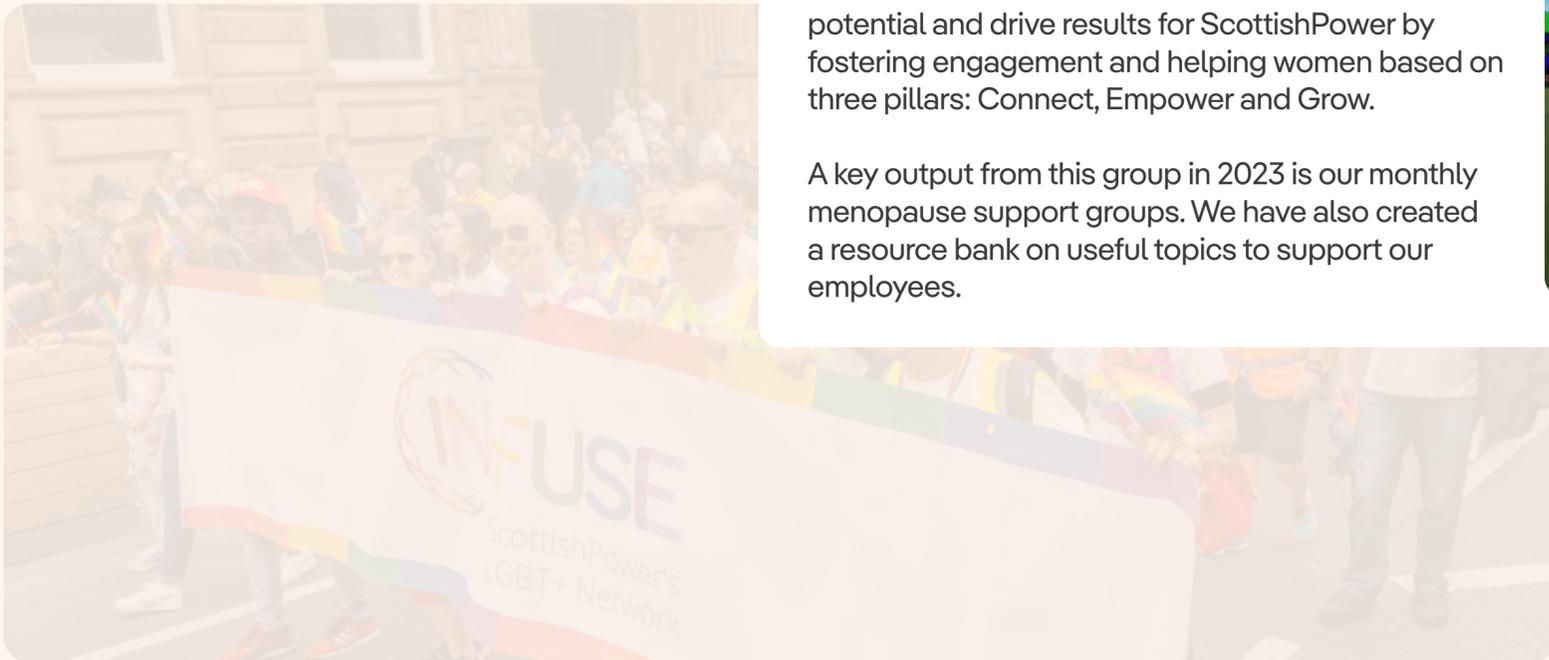
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Our Connected Women network

In September 2023, our Connected Women employee network hosted its first annual conference to raise awareness about National Inclusion Week and help employees learn more about Diversity & Inclusion initiatives within the company. More than 260 employees from across the ScottishPower Group attended, discussing the challenges and opportunities of improving diversity and inclusion within the business.

The Connected Women network provides a platform for its members to meet regularly and share their experiences and ideas both internally and at external events. The network's mission is to unleash women's potential and drive results for ScottishPower by fostering engagement and helping women based on three pillars: Connect, Empower and Grow.

A key output from this group in 2023 is our monthly menopause support groups. We have also created a resource bank on useful topics to support our employees.



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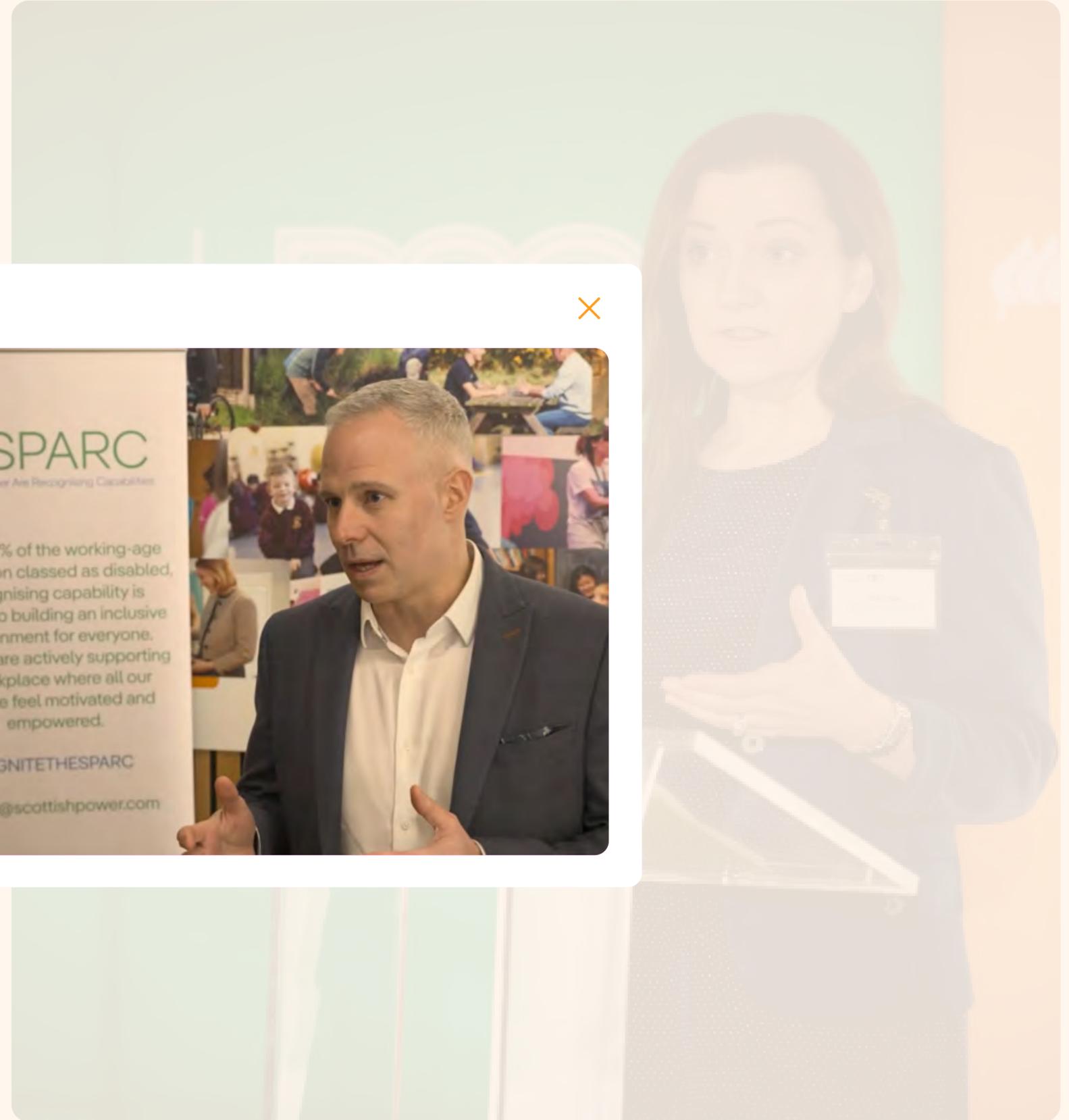


Celebrating our SPARC network

To celebrate the first anniversary of the launch of our ScottishPower Are Recognising Capabilities (SPARC) employee network, hosted an interactive event involving Enable Scotland and ScottishPower leaders. SPARC is the network for people with disabilities and long-term health conditions. This event focused on the changes companies are making in Scotland and our plans for 2024.

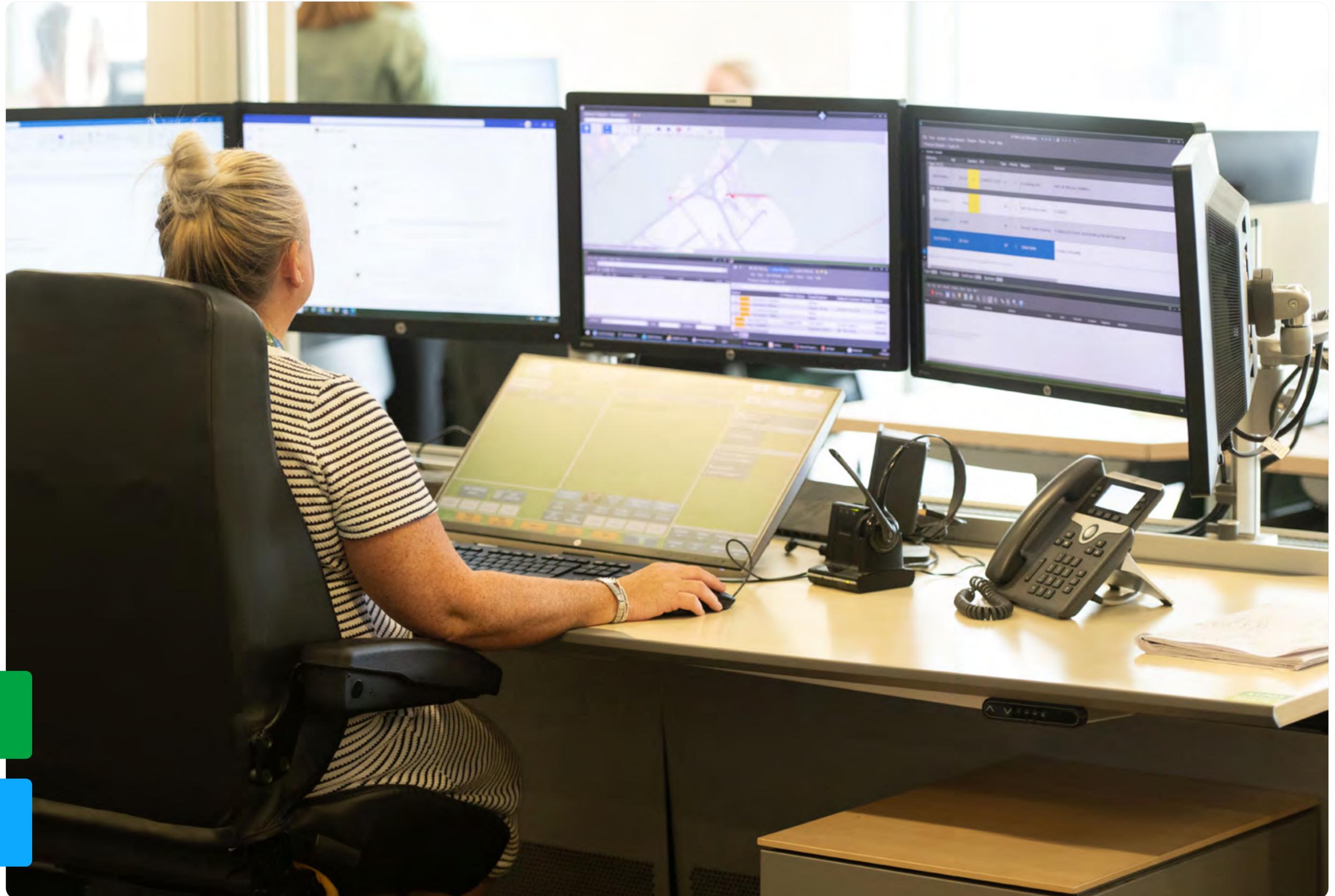
“It is so important to ensure everyone enjoys equal opportunities and is able to maximise their potential to fulfil the requirements of their role”

~ Graham Campbell
Director of Cyber Security



Increasing Access to the Energy System Through Digitalisation

Digitalisation and the better use of data will enable us to drive the modernisation and decarbonisation of our energy system. Digitalisation will improve the services provided to our customers and stakeholders, make our operations more efficient, which will reduce customer bills and drive better engagement and opportunities for our people, all while working towards a fair and just transition.



[Case study - Sharing data efficiently and effectively >](#)

[Case study - Ensuring no one is left behind >](#)

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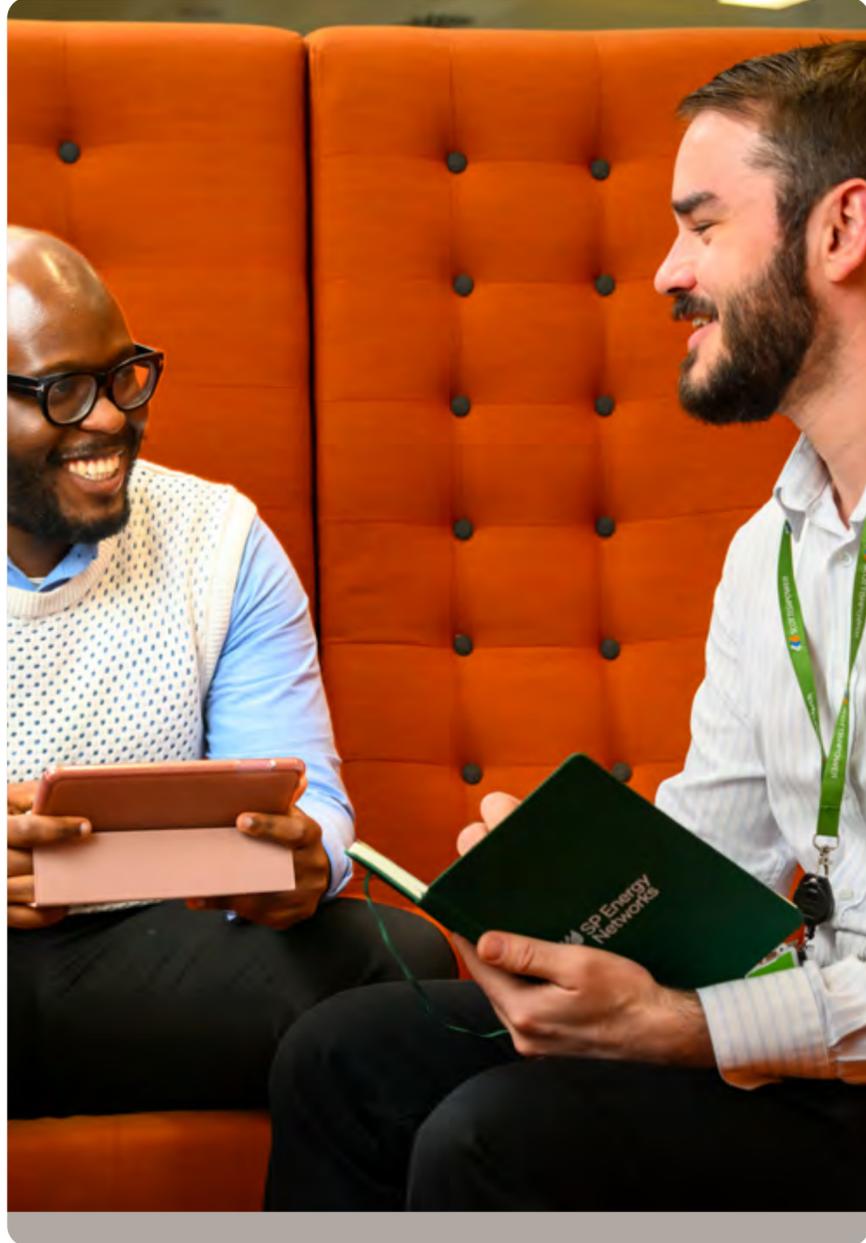
Sharing data efficiently and effectively

To allow us to share our digital data efficiently and effectively, we launched our online Open Data Portal in 2023. This portal can be freely accessed by our customers and stakeholders via our website. Users can easily search our data catalogue, as well as independently download, export and review.

The portal has been developed with our customers and stakeholders and hosts a wide range of information, including demand and generation for our grid and primary substations; generation connection capacity heat maps; embedded capacity registers; shapefiles of our assets; and secondary network ratings and utilisation. Work is underway to further develop the look of the portal, enhancing the experience for users. We have already received positive feedback from stakeholders about the accessibility of our data and are actively working with them to identify opportunities for improvement and future datasets for publication.

Through stakeholder events and a recent survey, stakeholders are continually helping to shape our open data portal, improving the services we provide and ultimately enabling us to facilitate a fair just transition through the better use of data. Examples below.

Stakeholders said	We did
“We would like as much open data as possible”	We are actively building on our open data portal and adding more data as we progress
“More detail on maximum demand and space capacity at distribution level from primary secondary substations to low voltage networks”	We’re developing a new connections self-service portal that will provide customers with a deeper view of our distribution network, the available capacity and estimated connection cost.



Case study - Publication of our Digitalisation Action Plan >

Case study - Establishment of a business 'Centre of Excellence' >

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Ensuring no one is left behind

Digitalisation will improve the services provided to our customers and stakeholders. However we need to make sure our vulnerable and hard-to-reach customers are not left behind.

As part of our programme of work, we are delivering to our vulnerable customers through our digital channels.

- We have systems to capture customers' specific vulnerability needs, which means that during a power cut, we can track these are delivered to ensure our customers are supported
- Dedicated teams work in our communities to reach customers to sign them onto our PSR and discuss wider support services with them. These needs are registered and tracked through our systems to ensure delivery via our network of partners to ensure satisfaction with the service we provide
- We published our [Digitalisation Action Plan](#) every six months from December 2023, outlining our progress in delivering a wide ranging and ambitious programme of digitalisation works

We are also ensuring our hard-to-reach digitally excluded customers are supported by:

- Communicating with customers via land lines if they have no mobile devices and ensure the service is of the same quality
- Engaging face-to-face with customers when we are planning to carry out work. Our field teams visit customers six weeks ahead of work to ensure they understand what will happen and we can meet their needs.



Case study - Publication of our Digitalisation Action Plan >

Case study - Establishment of our business 'Centre of Excellence' >

What's next?

Throughout this report, we have outlined how we have embedded our just transition principles within our business. However, where do we go from here and how do we go further?

We are committed to reviewing our progress and will continue to engage with our stakeholders to ensure our just transition priority areas are fit for purpose.

Since the publication of our Just Transition Strategy in 2023, we have been embedding our principles into our ways of working and identifying areas where we can go further.

We have committed to publish an annual Just Transition Report. We will ensure what we are reporting is relevant and aligns to our stakeholders, customers and our communities. Understanding what our priority areas should be for the year ahead and how we can measure success of our just transition principles is crucial.

This year we held an internal workshop to ensure our just transition principles are still fit for purpose. The workshop was supported by an external facilitator and a member of our INZAC was in attendance, bringing a wealth of experience and expertise to the discussions.

Key outcomes from this workshop:

- Our four principles are still fit for purpose and are aligned to our just transition commitments
- The four principles cover the just transition areas we can influence and control as a network business
- Our partnerships have a crucial role in delivering our just transition commitments
- Internal and external collaboration is key to further embed our principles.



Let us know what you think

The road to net zero GHG will affect us all. So we would like to hear from our communities, customers, employees, suppliers and investors.

We have committed to publishing an annual Just Transition Report, so we need your feedback to make sure we continue to focus on the correct areas to deliver a more sustainable future for all.

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 Just Transition Report, please email: sustainable@spenergy.co.uk

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

Click [here](#) to download a pdf of this Just Transition Report.



Glossary of terms

COP	Abbreviation for Coalition of Partners, which is a group of organisations who have come together to send and receive referrals for vulnerable customers.
DNO	Abbreviation for Distribution Network Operator, which is licensed by Ofgem to develop, operate and maintain the local electricity distribution network. There are 14 licence distribution network operators in Britain owned by six different companies. Each DNO is responsible for a regional distribution services area.
INZAC	The Independent Net Zero Advisory Council (INZAC) is a group of 15 external experts who provide challenge and specialist knowledge to both the distribution and the transmission sides of SPEN business.
Net Zero GHG	Achieving a scale of value-chain emissions reductions consistent with the depth of abatement achieved in pathways that limit warming to 1.5C with no or limited overshoot. Also, neutralising the impact of any source of residual emissions that remains unfeasible to be eliminated by permanently removing an equivalent amount of atmospheric carbon dioxide.
PSR	Abbreviation for Priority Services Register, available to customers who need extra support during a power cut.
RIIO-ED2	Abbreviation for Revenue = incentives + innovation + outputs for electricity distribution 2. RIIO-ED2 is the price control framework set out by our regulator Ofgem which sets the outputs the 14 DNOs must deliver for their customers and the associated revenues the DNOs are allowed to collect for the five-year period from 1 April 2023 to 31 March 2028.
RIIO-T2	Abbreviation for Revenue = incentives + innovation + outputs for electricity transmission 2. RIIO-T2 is the price control framework set out by our regulator Ofgem which sets the outputs the three TOs must deliver for their customers and the associated revenues the TOs are allowed to collect for the five-year period from 1 April 2021 to 31 March 2026.

RIIO-T3	Abbreviation for Revenue = incentives + innovation + outputs for electricity transmission 3. RIIO-T3 is the price control framework currently being developed by Ofgem that would set the outputs that the 3 TOs must deliver for their customers and the associated revenues the TOs would collect for the 5-year period from 1 April 2026 to 31 March 2031.
SDG	The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.
SPD	Abbreviation for ScottishPower Distribution, a wholly-owned subsidiary of SP Energy Networks responsible for the distribution of electricity in central and southern Scotland (33kV and below).
SPEN	Abbreviation for ScottishPower Energy Networks, holder of the SPT, SPD and SPM licences awarded by Ofgem, the regulator for the gas and electricity markets.
SPM	Abbreviation for ScottishPower Manweb, a wholly-owned subsidiary of SP Energy Networks responsible for the distribution of electricity in North Wales and in Merseyside, Cheshire and North Shropshire in England (132kV and below).
SPT	Abbreviation for ScottishPower Transmission, a wholly-owned subsidiary of SP Energy Networks responsible for the transmission of electricity in central and southern Scotland (132kV and upwards).
SROI	Abbreviation for Social Return on Investment, an outcomes-based measurement tool which helps organisations to understand and quantify the social, environmental and economic value they are creating.

