SP Energy Networks

Action Plan for Nature













Message from our CEO

At SP Energy Networks (SPEN) we recognise the urgency to act on the loss of species and degradation of our natural environment. As one of the UK's leading energy network operators, we believe that our role extends beyond simply delivering power. We also have a responsibility to help protect and restore the natural world.

SPEN is committed to building a network that facilitates the Net Zero transition while minimizing our environmental impact. The coming decade presents a unique opportunity for change, with significant investments and digital advancements planned in the energy sector. We're seizing this moment to transform our approach to biodiversity.

Our ambitious goals are clear: achieve "No Net Loss" of biodiversity by 2028 and deliver "Nature Positive" for our direct impacts by 2030. This action plan sets out our journey to "Nature Positive" through our route map to 2030, and how we will Identify – Commit – Measure/Value – Act and Transform our approach throughout the business.

In order to better understand the impact we have on nature, we are working to develop and pilot robust methodologies and tools for delivering biodiversity and natural capital assessment on network land and projects. We have committed to generating a natural capital baseline across our Transmission and Distribution networks by 2025, using digital tools to do so.

We are making biodiversity a key consideration at each stage of our new projects, setting out in this plan how we will deliver enhancements for nature together with development. We are also working to increase biodiversity across our existing network to make space for nature, targeting delivery of 20 community partnership biodiversity projects by 2026 and 10% enhancement of biodiversity, through habitat creation, on 25 hectares across our existing Distribution network by 2028.

We know we cannot tackle this challenge alone and we work closely with the other UK network operators, suppliers and stakeholders, and beyond, to develop innovative solutions that deliver for nature, and make us better prepared for future climate scenarios. We're committed to good engagement to ensure our nature recovery investments effectively serve the communities we operate in.



Our commitment to being 'Nature Positive' is not only a moral imperative but also a business necessity. A healthy planet is essential for a thriving economy. By taking action now, we can secure a sustainable future for generations to come. We're excited to share our journey and welcome you to join us.

Thank you for your support.

Vicky Kelsall CEO, SP Energy Networks



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The Need for Action

Today, the Earth's biodiversity is in a state of crisis. Almost half of Britain's natural biodiversity has disappeared since the 1970s, with farming and urban spread triggered by the industrial and agricultural revolutions being blamed as major factors for this loss. This loss poses an existential threat to humanity.

2020

Biodiversity is what provides us with food, medicine, clean air and water, and the natural resources that we depend on for survival. These resources are known as Earth's 'Natural Capital'.

The Biodiversity decline exacerbates the threats that climate change poses to the way we live our lives. Nature helps to regulate the climate and provides us with protection from extreme weather events; acting to mitigate flooding, coastal erosion and as a barrier to extreme winds, to name a few. These benefits, provided by our planet's 'Natural Capital', are known as 'ecosystem services'.

In order to deliver the 'safe, secure and resilient network' we strive to provide at SPEN, we recognise the contribution that our natural environment provides and are committed to protect and restore this.

We have committed across all three of our licences to achieve 'no net loss' of biodiversity from our activities from 2028 and deliver 'Nature Positive' on our direct impacts by 2030.

> Nature Positive for Direct Impacts by 2030

> > 2030

A full recovery by 2050



What is Biodiversity?

Biodiversity is the variety of life on Earth, including all living organisms, such as animals, plants, fungi, and micro organisms like bacteria. Each of these species and organisms play a vital role in ecosystems, supporting life and regulating the climate.

What is Nature Positive?

Halting and reversing the loss of biodiversity to deliver continued recovery that results in positive gains for nature.

What is Natural Capital?

The world's stocks of natural assets, which include geology, soil, air, water, and all living things. It is from this natural capital that humans derive a wide range of services, often called ecosystem services, which make human life possible.



Action for Nature

In our latest <u>Sustainable Business Strategy</u>, we set out our key targets for tackling the Biodiversity crisis and the contribution we make to the UN Sustainable Development Goals.

This 'Action Plan for Nature' sets out how we plan to achieve these targets, looking at:

- How we can better understand and mitigate our impacts
- Opportunities for restoration of nature
- How we respond to changing legislation



Key Targets:

2028 No Net Loss of biodiversity across our activities **2030** Nature Positive for direct impacts

SDG:











Our Vision for a Sustainable Network

"Our vision is to provide an electricity network for people and planet – delivering environmental, social and economic sustainability across everything we do"

The SPEN Strategic Pillars guide our sustainable mission and provide a consistent focus to enable us to deliver our ambitious agenda.



How we will deliver:

Create a network that is resilient to climate change and maximises the role nature plays in reaching Net Zero GHG emissions:

 map areas at greatest risk from climate change, trial and deliver nature based solutions for long term resilience

 deliver a dual approach to Nature Positive and Net Zero GHG emissions through our methodology for carbon removal from the atmosphere

 deliver a safe network through implementing pollution prevention plans on all projects at 132kV and above

 retrofit oil containment measures to substation assets by 2028

 assess and report nature-related risks and dependencies through the Taskforce on Nature-related Financial Disclosures. Collaborate to deliver positive outcomes by choosing the right solutions for nature and our local communities:

- develop biodiversity and natural capital tools and approaches to assessment by 2024
- ensure a strategic approach to biodiversity enhancement delivering 25 hectares of enhancement pilots across our network by 2028
- follow the biodiversity hierarchy to meet our targets and commitments to deliver a minimum no net loss across our activities by 2028.



Collaborate with peers and experts in nature to innovate on areas of challenge:

- maximise benefits to nature, people and planet through identifying and trialling holistic approaches to biodiversity, climate and social sustainability
- drive a Nature Positive approach in our value chain
- investigate new technologies to reduce fluid filled cable leaks
- trial methodologies for polychlorinated biphenyls (PCB) testing and the refurbishment of assets to return them to the network.



Our approach to Nature Positive

In order to achieve our ambitions on nature, we must adopt a strategic approach.

Transform

Embed Nature Positive in our business processes and value chain

Act

Apply Mitigation Hirearchy to business design and operation process

Deliver enhancement on projects and across our network area through strategic collaboration

Review operations to minimise impacts on nature



Action for

Nature

Commit

Measure

Transform

YCX

Identify Identify impacts of our activities on Nature

Commit

Commit to ambitious, time-bound, achievable goals and set out action plan

Measure / Value

Use approved metrics and methodologies to measure impacts and validate enhancements ____



Understanding our impacts on Nature



Key Targets:

- Create baseline map of biodiversity and natural capital across project sites and SPEN land
- Collaborate with Transmission and Distribution Network Operators to develop and pilot robust methodologies and tools for delivering biodiversity and natural capital assessment
- 'Nature Positive' for direct impacts by 2030
- Achieve Net Zero GHG emissions by 2035
- Assess value chain impacts on nature by 2025



Nature's materiality to SPEN

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Across our Transmission and Distribution networks, we manage a diverse landscape of dense urban environments, farmland, forestry, and wild moorlands.

Our network runs adjacent to, and at times through, areas of significant environmental importance, including National Parks and Sites of Specific Scientific Interest, such as lowland raised peat bogs and ancient woodlands.

Working across the UK, we are fortunate to operate in a landscape that is home to a number of rare and iconic species, such as the Red Squirrel, Pine Marten and Hen Harrier.

We know that network infrastructure can fragment habitats. However, the interconnected nature of our network can also act as a corridor for pollinating insects, birds and small mammals, enabling wildlife to move easily through the wider landscape.

Our networks are an essential part of the modern world, and we are committed to managing our infrastructure with care and sensitivity to minimise our impact on nature. We aim to make our network as inconspicuous as possible, and play a neutral role in the natural environment.



Natural Capital

A natural capital baseline is a quantitative and qualitative assessment of natural capital assets and the benefits they provide.

It is a critical step in developing our 'Action Plan for Nature', as it allows us to identify risks and opportunities, set targets, and track progress over time.

By investing in natural capital, we can make our operations more resilient to shocks and stresses, such as extreme weather events.

We will create a baseline map of biodiversity and natural capital across our existing Transmission and Distribution Networks by 2025.



Natural Capital Baseline Tool:

In collaboration with industry partners and other network operators, we are working on the development of a tool that can be used to baseline and track biodiversity and natural capital across our network.

The tool will use data from a variety of sources, such as on-site surveys, remote sensing, and environmental data.

This will allow us to identify and map the habitats that exist on our land, which we need to manage and protect. Additionally, we can understand the monetary and physical value of these assets and highlight opportunities to deliver nature positive enhancements 12

Network Impacts on Nature

Understanding how our transmission and distribution networks interact with the surrounding environment is crucial to informing our approach to managing our impacts.

We identify the following areas as our key impacts:

Network Development	
Climate Change and Greenhouse Gas Emissions	
Suppliers and our Value Chain	
Network Operations	

This section outlines how we are working to further understand and mitigate these under each impact area.

Network Development

Expansion and development of the electricity network is key to delivering a sustainable future. As we continue to develop our network, there are inevitable impacts on land and local habitats.

SPEN recognises the importance of embedding biodiversity considerations early in the development process. Integrating biodiversity planning at an early stage of a project will allow for enhanced ecological design.

We are developing and implementing tools for development projects to embed the principles of the biodiversity mitigation hierarchy in the optioneering process. These tools will help us carefully balance the technical feasibility and economic viability of developments with environmental impacts and nature.



Climate change and **Greenhouse Gas Emissions**

The climate crisis and nature crisis are linked. As we build the smart network of the future to enable wider societal transition, we need to make sure we minimise our own impacts.

By 2035, SPEN will operate as a Net Zero GHG business, having significantly reduced our scope 1, 2 & 3 emissions and therefore our impact on climate and nature.

Since we started publishing our business carbon footprint in 2013, we have reduced our emissions by more than half. In 2021, we aligned our reduction targets with the Science Based Targets Initiative, committing to reducing greenhouse gas emissions across all scopes by at least 4.2% per year – in line with the trajectory necessary to limit global warming to 1.5°C above pre-industrial levels.

For more information on this see our Sustainable **Business Strategy.**



Suppliers and our Value Chain

Our supply chain impacts on nature through GHG Emissions, resource use and waste.

Resource extraction and processing:

The extraction and processing of raw materials used in the construction and maintenance of energy infrastructure can damage habitats and pollute waterways. For example, the mining of copper and other metals used in electrical wiring can lead to soil erosion and water contamination.

Transportation: Impacts nature through GHG emissions and noise pollution.

Waste Disposal: Incorrect disposal of industry waste has the potential to release harmful chemicals into the soil and groundwater.

We are working continuously to improve the sustainability of our supply chain. All SPEN suppliers must meet our environmental compliance standards, we are committed to going beyond this to drive and support 80% of our supply chain to meet enhanced environmental standards. The first stage of this journey is well underway, we have updated procurement processes, including tender specifications, to embed our ambitions.

We are working with UK Transmission Operators to develop an approach to measuring our supply chain impacts on nature. For more information on this see our Sustainable Business Strategy.







Network Operations

Due to the criticality of our network, we carry out vegetation management works in accordance with the Electricity Safety, Quality and Continuity (amendment) regulations (2006) (ESQCR), for both safety and Network resilience.

We undertake safety distance tree cutting to create safe areas around existing Overhead Line Circuits, and also storm resilience tree clearance to remove trees that are within a falling distance of the lines.

We also manage vegetation around our substation sites, to avoid any infringement on assets or access to sites.

We are assessing our current vegetation management process to implement replacement procedures that focus on planting back with native plant and tree species that are found in the areas we operate. This will help to increase biodiversity and provide habitat for a variety of local wildlife. Where trees are not suited due to ESQCR, we will encourage low lying native species of grass and shrubs.

Pollution Prevention

Preventing the pollution of groundwater and water courses from our assets is a high priority. In line with the requirements of ISO14001, we continuously review our environmental risks and impacts and target those of highest priority/impact for reduction.

A large section of the SP Transmission and Distribution asset base, such as transformers and cables, utilise insulating oil due to its excellent insulating properties and its ability to remain stable at higher temperatures.

The main contaminant sources from our assets are:

Insulating oil: Oil leaks can contaminate soil and groundwater.

Transformer fluids and other chemicals: Leaks or spills of these substances can harm wildlife and contaminate water supplies.

Heavy metals: Heavy metals can be released from our assets into the environment during maintenance or decommissioning activities.

To mitigate this risk, we regularly monitor our assets for leaks and oil purity. We also have an oil bund and drainage system refurbishment program in place to ensure that any leaks are adequately contained and not able to reach sensitive receptors.

In addition to these measures, we are working to reduce our reliance on oil-filled assets by investing in alternative technologies, such as dry-type transformers and gas-insulated switchgear.





Invasive Species

The UK landscape is home to a variety of invasive non-native species (INNS), which can cause significant damage to native ecosystems and infrastructure, such as:

- Japanese knotweed
- Giant hogweed, and
- Rhododendron

We regularly encounter these across our network. In 2023 we revised our biosecurity procedures for invasive species on SPEN land and work with our vegetation management teams to control and/or eradicate, the presence of species on our network.

Site-specific management plans are developed where INNS have been identified on projects to ensure the most appropriate biosecurity measures are being implemented.

We will use results from our biodiversity baseline to support the work of the Scottish Invasive Species Initiative (SISI), and invasive species eradication schemes in SPM.

Soil Runoff:

During construction works, silt runoff from the movement and exposure of soils can have a significant impact on rivers and aquatic ecosystems. It can reduce water quality, smother aquatic life, and damage spawning grounds.

There are a number of specific measures that can be taken to manage soils on site and avoid silt runoff into rivers. These measures vary depending on the specific site conditions and the type of construction activity being undertaken, but include seeding stockpiles, silt fencing and SuDS.

We will continue to incorporate good practice principles of Silt Management into our Pollution Prevention Plans.







Delivering enhancements across our network



Key Targets:

- No Net Loss across our activities by 2028
- Nature Positive for direct impacts by 2030
- Target biodiversity enhancement projects on 20 sites of Transmission non-operational land, in partnership with local communities by 2026
- Deliver 10% enhancement of biodiversity on 25 hectares across our existing network, on our nonoperational land and existing linear infrastructure, through collaboration with landowners, communities, and local wildlife groups by 2028
- 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



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Projects and Development

We are committed to making biodiversity a key consideration at each stage of project development and management and ensuring we are aligned with changing policies and planning reforms.

SP Energy Networks Project Lifecycle:

This is the earliest stage of a project, where, for example, a new high-voltage transmission line is requested, a new substation is required, or a major line enhancement is required.When selecting our preferred route or substation site, we must balance technical feasibility, economic viability and environmental impact.Once our preferred route selected, Environment (EIAs) are conducted subject to planning p not subject to planning p undertaken at these so that an initial biodiversity baseline undertaken at information will be undertaken at <b< th=""><th>Project Initiation</th><th>Optioneering</th><th>Development a</th></b<>	Project Initiation	Optioneering	Development a
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Biodiversity :

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ss resulting from the project compensation required nancement target will Landscape plans will be restore and enhance as far site, following the mitigation re it is not possible to deliver hancement on site, off-site

Project Delivery

SPEN is committed to avoiding and minimising environmental impacts during the construction phase of our projects.

We will implement robust measures for onsite mitigation and develop compensation and enhancement plans, in accordance with project requirements and best practice. These plans will be delivered by specialist contractors who have the expertise and experience to ensure high-quality outcomes.

For schemes where on-site delivery is not feasible, we will invest in partnership projects for habitat restoration and creation to offset our impacts, and identify opportunities for net-gain.

Operation

Monitoring and management plans will be implemented to ensure habitat schemes reach an established condition. Time periods will vary depending on the type of habitat being created.

Our progress will be shared through our Annual Environmental Reports.

Enhancements and Compensation

With limited land holdings, and a constantly evolving network within our project site boundary, it is often not possible for us to achieve No Net Loss within our project sites.

Our mission is to deliver real improvements for nature, and we see collaboration as the key to achieving this. By partnering with government agencies, environmental NGOs, wildlife trusts, and local communities, we can collectively invest in projects that make a significant impact.

Whether it's restoring native woodland, creating new wildlife corridors, or enhancing peatland habitats, we want to fund schemes that align with strategic goals for biodiversity across the network footprint.

Hierarchy of mitigation: Biodiversity offsetting will be used after all other measures have been taken to avoid and minimise and restore biodiversity impacts within the project.

No Net Loss and Net Gain: Biodiversity offsetting will be used to achieve no net loss of biodiversity, or a net gain, where possible.

Like for like: Biodiversity offsetting will be used to compensate for the loss of habitats with like-for-like habitats, where possible.

Proximity: Offsetting will be carried out as close to the site as possible – preferably in the Local Authority Area.

Long-term management: Management plans will be part of any offsets, to ensure that the biodiversity benefits are sustained.

For the T2 Transmission License period (2021-2026), we were awarded a dedicated fund to fulfil our "No Net Loss" commitment through a portfolio of targeted projects. This fund presents a valuable opportunity to refine and strengthen our enhancement strategy, fostering continuous learning within the business and enabling us to adapt to the evolving planning landscape. <u>Our Annual Environmental Report</u> details the ongoing progress of this scheme.



These are the key principles of our biodiversity offsetting strategy:

Slamannan Peat Bog Enhancement

Since 2016, SPEN has supported BugLife to restore 260 hectares of ancient and damaged lowland raised bogs at nine locations near Falkirk.

These bogs are 9,000 years old and have suffered from various harmful practices over the years.

Lowlands raised bogs are special wetlands that form on top of clay or other impermeable surfaces in the lowlands of Scotland.

The restoration work involves filling up old ditches and removing scrub to allow sphagnum moss to hold water, grow back and restore peatland.

So far, 116 hectares have been restored, and another 114 hectares are planned.

The benefits of the project include:

- Improved habitat for rare bog-dwelling species and other peatland life
- Nine sites brought under conservation management schemes
- Net carbon sequestration across all restored sites
- Hydrological stabilisation, with less risk of flooding and improved water quality.







Delivering Enhancements on our Operational Network

Across the land associated with our network, we embrace responsible management, striking a balance between the safe and resilient operation of our assets and contributing to a 'Nature Positive' landscape.

The land we own or lease is limited and primarily associated with our substations and their immediate vicinity. We don't own the land beneath the majority of our linear infrastructure. This limits our ability to deliver action for nature in isolation. Our approach to enhancement is focused on collaboration and the development of strategic partnerships.

Distribution Enhancements:

Across our distribution business, we are committed to delivering 10% enhancement of biodiversity on at least 25 hectares of our network through local collaboration by 2028. We will target activity that provides multiple benefits to local communities and nature.

Bio-Paired Project:

As an active member of the communities we operate in, we are seeking opportunities to 'matchmake' community environmental conservation groups with non-operational Transmission land that we own, to deliver biodiversity enhancement projects.

This might include nesting habitats for threatened bird species such as swifts, improving grasslands and wild flower meadows, or removing invasive species.

Not only will this deliver environmental benefits, it will also further enhance our community relations, and help deliver tangible social benefits such as community cohesion and empowerment.

Grounds Maintenance and Vegetation Management:

We're committed to responsible ground and vegetation management across our depots, substations, and linear network. Here's how we're doing it:

Minimising chemical use: In areas requiring weed control, we're exploring alternatives to traditional herbicides, seeking safer and more environmentally friendly solutions.

Smarter vegetation management: We prioritise techniques like crown reduction, pollarding, and coppicing to reduce clear felling and preserve trees whenever possible.

Creating wildlife havens: Where appropriate, we create eco-piles, providing valuable habitats for small mammals and invertebrates, promoting biodiversity.

Continuous improvement: We're constantly reviewing and testing new site maintenance approaches, developing best practices, and supporting our integrated vegetation management licenses.

By using innovative and sustainable methods, we're ensuring the health of our sites while protecting the environment for future generations.

Connectivity:

Linear infrastructure assets can create crucial corridors for pollinating insects, birds and small mammals, enabling wildlife to move through the wider landscape.

Whilst we often own the land our substations are sited on, when it comes to Overhead Line (OHL) routes, we have limited influence on the land beneath.

We want to work with landowners to explore the opportunities our linear network could offer to connect fragmented wildlife habitats.

As active members of the Scottish Linear Infrastructure Environmental Management Group, chaired by NatureScot, we are contributing to industry wide dialogue on this, with the aim of identifying the potential for SPEN to contribute to a national nature recovery network.

SP Manweb North Shropshire Reinforcement

The North Shropshire Reinforcement project invested £18 million to facilitate growth and future development of our Manweb distribution network.

Completed in 2021, it is one of our largest investments in our distribution network in England and Wales to date, with a new 22-kilometre-long 132,000-volt wood pole overhead line constructed between Oswestry and Wem.

In partnership with the Shropshire Wildlife Trust, the project delivered an additional suite of nature enhancement schemes. This included several hedgerow and pond restorations, creation of a wildflower meadow, canal works at a local nature reserve, and wetland restoration.

Restoration delivered through the project to date includes:

- 5 pond restorations
- 2.5km of hedgerow planting
- 500 native species trees planted
- 0.3ha of wildflower meadow creation
- 2.26ha of wetland creation
- 0.5ha of woodland management, and creation of otter holts at 2 sites







Climate Resilience and Nature Based Solutions



Key Targets:

Implement flood risk measures following flood risk assessments at our remaining 10 high risk sites in Transmission network.

Develop design guidance for Nature Based Solutions to improve the resilience of our assets to climate change.

Develop place based stakeholder relations to discuss climate resilience partnership projects in network operational areas.



Climate Resilience and Nature Based Solutions

Our key objective is to maintain a safe and resilient network, therefore it is important that we respond to the changing climate.

Our approach to climate adaptation focuses on actively investing in flood resilience at our infrastructure sites; as well as adapting to longer growing seasons and preparing for extremes of temperature by reviewing our vegetation management procedures and exploring Integrated Vegetation Management Methods (IVM).

We have published our Distribution Climate Resilience Strategy and will publish our Transmission Climate Resilience Strategy by 2025.



Click here to view our Climate Resilience Strategy.



The major risks to our network from climate change include:

Increased temperature: Overhead power lines are susceptible to heat damage, which can reduce their ability to carry current and lower the clearance between the lines and the ground.

River and Coastal flooding: Substations that are flooded by coastal swells, rivers or heavy rainfall may be damaged or rendered inoperable, reducing the reliability of the power supply.

Summer drought: Dry soil around underground cables can reduce their ability to dissipate heat, leading to reduced current carrying capacity.

Landslides: Asset foundations may be more prone to failure caused by landslides in periods of heavy rainfall.

Nature Based Solutions (NbS) are

approaches to design that use nature to solve problems. They can restore ecosystems, conserve biodiversity, manage water, and mitigate climate change. The UN Environment Programme has stated that investment in NbS needs to triple by 2030. NbS provide regulating environments in urban areas by absorbing heat, filtering air pollution, and enhancing water quality. By integrating NbS into our infrastructure design, we can create a safe, resilient network that benefits both nature and society.

Developing Nature-based Solutions (NbS):

We are challenging our traditional approach to problem solving and encouraging the use of sustainable solutions. Across our transmission business, we are undertaking detailed Flood Risk Assessments at our remaining 10 high risk sites and implementing measures to mitigate risk of flooding, which will include NbS.

As well as increasing the resilience of our substations through onsite measures we will develop partnerships to identify opportunities to tackle these climate risks at source which may impact our assets now or in the future e.g. coastal flooding reduction through measures such as coastal restoration, salt marsh reintroduction, and dune naturalisation. These projects will provide wider benefits to communities, as well as other infrastructure owners who are facing risks from climate change.





SP Energy Networks Action Plan for Nature

Environmental Compliance

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Action for Nature

Key Actions:

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Maintain and continually improve our ISO14001 certified Environmental Management System to achieve 'beyond compliance' environmental performance.

Implement role appropriate training on biodiversity for staff across the SPEN business



Environmental Compliance

We take a systematic approach to reducing our environmental impacts by using a documented **Environmental Management** System (EMS). At its core is the risk assessment process we use to decide how the environmental impacts of our activities are prioritised for action.

This system has been externally certified for over a decade to ISO14001:2015 and is fully embedded in our business processes.

SP Energy Networks is committed to complying with all relevant legal and regulatory obligations and seek to go further with our 'Beyond Compliance' ethos.

Competency and Awareness:

We are continuing to upgrade and refresh the training we provide our staff and suppliers to ensure they have the skills and knowledge to allow us and our supply chain to move 'beyond compliance' and achieve our Sustainability Goals. This includes implementing appropriate training on biodiversity for all levels.

We offer our staff the following courses for nature and wildlife:

- Environmental Legislation -Wildlife and Countryside
- Wildlife Law
- Environmental Incident Investigation
- Managing with Environmental Sustainability
- Managing Environmental Risk
- Leading with Environmental Sustainability.

Safeguarding on Network Operations:

Before any works are undertaken on the network, Environmental Risk Assessments (ERA) are undertaken by our staff and contractors to ensure the environmental constraints on a site are considered. This includes any ecology related constraints. Mitigation strategies are developed for any issues relating to protected or invasive species.

Our Transmission and Distribution operational environmental advisors are dedicated to minimising the environmental impact of our business operations. They strive for continuous improvement, assessing the practices required to improve environmental performance and reduce harm to the natural world.

SP Energy Networks Environmental Handbook

August 2023

CONTRACTOR SERVICE SER

Nature Conservation And Biodiversity

Harm may be caused to habitat and wildlife during construction, operation and maintenance activities, for example, during vehicular access, removal of trees/hedgerows or excavation works.

DO

- Identify any activities that will require a wildlife licence
- in place before work starts

Ketworks

- on wildlife and habitats
- Communicate method statements to all staf

- Record any birds, animals or plants you see and tell the team leader/site manager about then

DO NOT

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- Store materials on sensitive habitats
- Pollute or cause unnecessary damage to sensitive habitats or vegetation

Environmental Handbook:

This year we launched our revised Environmental Handbook. This Handbook is used by staff as both a source of advisory notes and a supporting tool for ERA's to ensure that the latest guidance for environmental related risks, including ecology and biodiversity, is readily available to staff.





Governance

Keeping us on Track

As one of the largest Network Operators in the UK, we play a lead role in driving change and delivering best practice for nature.

This is a step change for us as an organisation and we need to ensure we develop the right skills, knowledge, strategy and governance to deliver our ambitions.

Training

We have made training on the Supply Chain Sustainability School (SCSS) available to both our staff and suppliers. We now require all new contractors to sign up to the School and engage with sustainability training.

We have been working with the School to deliver a number of 'Introduction to Biodiversity' courses to our staff, and will continue to deliver early stage and advanced courses as and when required.

We have achieved the SCSS Gold Award in recognition of our commitment to upskilling our colleagues and increasing environmental literacy across our supply chain.

We create and deliver annual environmental and sustainability training and internal communication plans to ensure the business has the requisite awareness, knowledge and skills to embed and deliver protection and enhancement for nature.

Governance

Executive Sustainability Steering Group (ESSG) Established to give board-level prominence to the sustainability agenda within our business. Members including the Chief Executive Officer, Chief Operating Officer, Directors and representatives from the Sustainability Team. The ESSG meets on a quarterly basis to discuss a broad range of sustainability issues including performance and strategy evolution

The Sustainability Stakeholder Working Group (SSWG)

Biannual workshop session to engage with external organisations with strategic interests in sustainability in the licence areas where we operate. There is a wide range of expertise in nature, climate action, circularity and environmental protection.

T2 and ED2 Biodiversity Working Groups Internal working groups of SPEN staff to oversee the implementation of the ED2 and T2 business plan commitments on biodiversity and nature.

Reporting

Each year we publish our Transmission and Distribution Annual Environmental Reports, detailing our performance against the targets in our Sustainable Business Strategy and in this Plan, and the related environmental sustainability commitments we have made in our RIIO-2 regulatory business plans. The reports also provide spotlight case studies for each of our topic areas, including nature.

Our reports are all subject to a rigorous review process.

We also report environmental performance through our parent companies ScottishPower and Iberdrola, and will report on nature through their ESG and TNFD reporting.

SPEN specific nature reporting related to this action plan is under development.



Our Business Plan Commitments

We have ambitious T2 and ED2 commitments which span across our key focus areas regarding nature. These are:



Action for Nature



Preventing Pollution





Climate Action

Environment Management

License	Commitment
Τ2	We will work collaborat to develop and pilot a c Natural Capital assessm
	We will pilot these biod
	We will embed these bi decision making proces
	We will identify, and sub and value of natural cap
	We will work with our lo and identify options for
	We will work with our lo natural capital across o
	We will maintain and co 'beyond compliance' er
	We will eliminate PCBs approach agreed with t
	We will undertake detai identified measures to r
ED2	We will deliver 10% enha land and existing linear
	We will implement a Bio with the aim of increasin
	We will collaborate with methodologies and too
	We will engage with UK capital policy to facilita
	We will identify, and sub and value of natural cap
	We will form strategic p

atively with our stakeholders, including the other Transmission Operators, throughout RIIO-T2 a common approach and robust methodologies for delivering Biodiversity Net Gain alongside sment and enhancement.

odiversity and natural capital assessment methodologies and associated tools on selected RIIO-T2 projects

biodiversity and natural capital assessment methodologies and associated tools in our business esses for projects and the management of existing sites.

ubsequently monitor and annually report, metrics to baseline and track the levels of biodiversity apital on our sites and the achievement of our targets.

local communities, landowners and other stakeholders to deliver 'no net loss' in biodiversity or delivering 'net gain'.

local communities, landowners and other stakeholders to deliver a net positive impact in our existing sites.

continually improve our ISO14001 certified Environmental Management System to achieve environmental performance.

s from our network in compliance with the relevant legislation and in line with the industry the Environmental Regulators.

ailed Flood Risk Assessments at our remaining 10 high risk sites and implement mitigate the risk to the network from flooding.

hancement of biodiversity on 25 hectares across our existing network, on our non-operational or infrastructure through collaboration with landowners, communities and local wildlife groups

iodiversity & Natural Capital Action Plan process to guide local operation implementation ing environmental value across our network.

ith stakeholders, including other DNOs, throughout RIIO-ED2 to develop and pilot robust ools for delivering Biodiversity and Natural Capital assessment.

IK and devolved governments with the aim of influencing biodiversity and natural tate delivery of our biodiversity and natural capital goals.

ubsequently monitor and annually report, metrics to track the levels of biodiversity apital and ecosystem services on our sites and the achievement of our targets.

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.



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Glossary

Biodiversity

The variety of life on Earth, including all plants, animals, and microorganisms.

Baseline

Gathering information to establish a starting point for measuring progress or change. In this context we mean the baseline for nature.

Carbon

We use carbon to refer to all greenhouse gas emissions, our metric is tCO_2e ('Carbon Dioxide equivalent').

Climate Change

Long-term changes in temperature and typical weather patterns in a place. Climate change could refer to a particular location or the planet as a whole.

Climate Resilience

The ability to anticipate, prepare for, and respond to hazardous events, trends, or disturbances related to climate. Improving climate resilience involves assessing how climate change will create new, or alter current, climate-related risks, and taking steps to better cope with these risks.

Decarbonisation

The process of reducing or eliminating carbon emissions from a particular activity or sector of the economy.

Distribution

The local electricity network that consists of conductor and transformers to transfer the power and convert it to the final utilization voltage. In SP Distribution the distribution networks begin at 33kV and ends at the customer supply point. In SP Manweb the distribution network begins at 132kV and ends at the customer supply point.

DNO

Abbreviation for District Network Operator, who is licensed by Ofgem to develop, operate, and maintain the local electricity distribution network. There are 14 licensed distribution network operators (DNOs) in Britain owned by six different companies. Each DNO is responsible for a regional distribution services area.

Ecosystem

A community of living organisms (plants, animals, and microorganisms) and their physical environment, interacting as a system.

Energy Efficiency

Use of less energy to perform the same task or produce the same result.

Energy Transition

The global shift from fossil fuels to renewable energy sources.

GHG (Greenhouse Gas)

Greenhouse gases constitute a group of gases contributing to climate change. Converting them to carbon dioxide (or CO2) equivalents makes it possible to compare them and to determine their individual and total contributions to climate change.

Habitat

The natural environment in which an animal or plant lives.

Invasive Species

An organism that is not native to an ecosystem and that causes harm to the environment, economy, or human health. Invasive species can be plants, animals, or microorganisms. They can be introduced to a new environment by human activities, such as travel, trade, or intentional release.

ISO20400

International standard for Sustainable Procurement.

IS014001

International Standard for Environmental Management System.

Just Transition

Greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.

Nature Positive

Halt and reverse nature loss through increasing the health, abundance, diversity and resilience of species, populations and ecosystems.

Natural Capital

The world's stocks of natural assets, which include geology, soil, air, water, and all living things. It is from this natural capital that humans derive a wide range of services, often called ecosystem services, which make human life possible.

Nature-based Solutions

Solutions that are inspired by, supported by, or replicate natural systems and processes to address a wide range of challenges.

Net Gain

A biodiversity net gain is achieved when development leaves biodiversity in a better state than before.

Net Zero GHG

Achieving balance between Greenhouse Gas (GHG) emissions produced and removed from the atmosphere. Scopes 1, 2 & 3 mandatory, and reported reductions. Must align with a 1.5°C pathway.

No Net Loss

Impacts on biodiversity from activities are balanced or outweighed by measures taken to avoid and minimize, restore affected areas, and offset the residual impacts.











PCBs (Polychlorinated Biphenyls)

PCBs are a group of synthetic chemicals with good dielectric properties and low flammability that were sometimes used in insulating oil in electrical apparatus such as transformers, liquid-filled cables, high and low voltage capacitors, and switches, manufactured prior to 1987. PCBs are a threat to the environment because of their toxicity, persistence, and tendency to bio-accumulate. They have been linked to harmful effects such as liver damage and a reduced ability to fight infection.

Renewable Energy

Energy from sources that are naturally replenished, such as solar, wind, and hydropower.

RIIO

Revenue = Incentives + Innovation + Outputs and is the price control framework set by our Regulator Ofgem.

RIIO2

RIIO-2 is the second set of price controls implemented under the RIIO model.

SPEN

Abbreviation for ScottishPower Energy Networks, holder of the SP Transmission, SP Distribution, and SP Manweb licences awarded by Ofgem, the regulator of the gas and electricity sector.

Sensitive Receptor

An organism or ecosystem that is more susceptible to harm from exposure to contaminants than other organisms or ecosystems.

SuDS

Sustainable Urban Drainage System.

TNFD

The Taskforce on Nature-related Financial Disclosures (TNFD) has developed a set of disclosure recommendations and guidance for organisations to report and act on evolving nature-related dependencies, impacts, risks and opportunities.

Transmission

Ultra-High-voltage system for the transfer of electric power. It consists of transmission lines, substations and switching substations. The network is in between the generation of electricity and the distribution Network, starting at 400kV or 275kV.

SP Energy Networks Biodiversity Action Plan

<u>spenergynetworks.co.uk</u>













