DISTRIBUTION

Annual Performance Report 2025/26



SP Energy Networks

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Welcome

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Our Business

SP Energy Networks (SPEN) owns and operates the electricity distribution networks of SP Distribution plc (SPD) and SP Manweb plc (SPM), as well as the electricity transmission network of SP Transmission plc (SPT).

Together, these networks play a critical role in delivering safe, reliable and affordable electricity to homes, businesses and communities across central and southern Scotland, Merseyside, Cheshire, North Wales and North Shropshire.

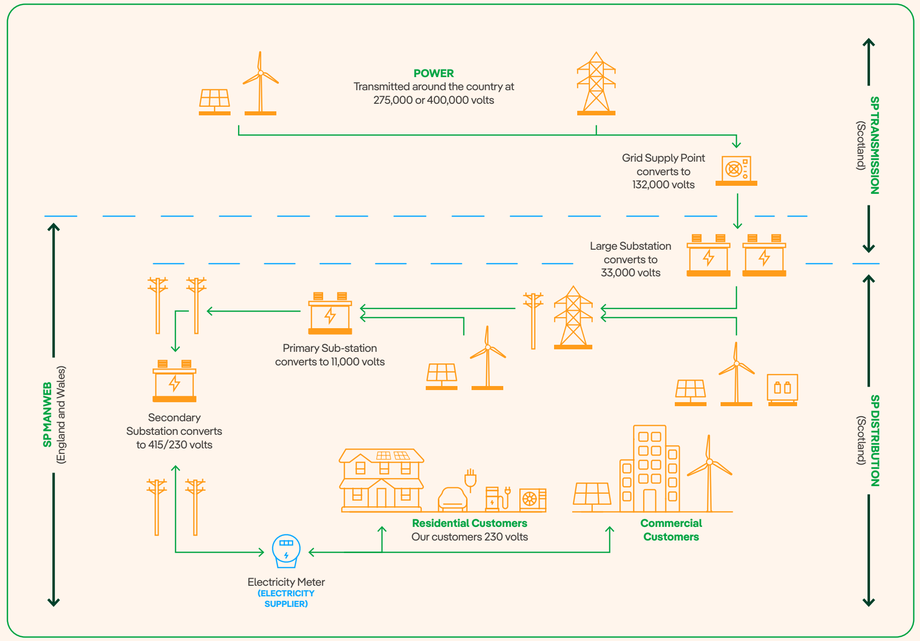
This report relates to the performance of our distribution companies SPD and SPM during 2025/26.[1]

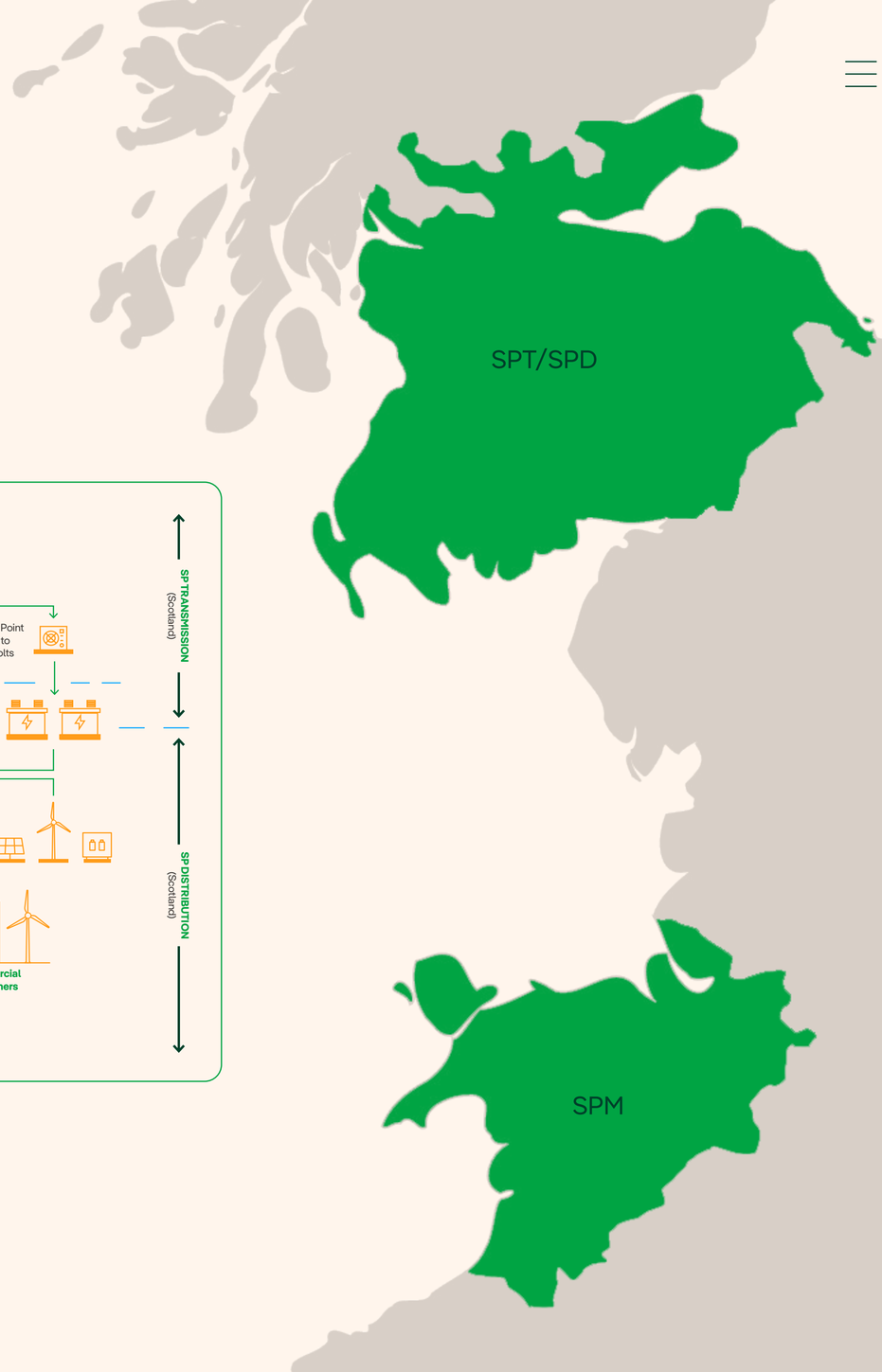
We serve more than 3.5 million homes and businesses across a diverse service area that includes the major cities of Liverpool, Glasgow and Edinburgh, areas alongside rural communities across North Wales, the Scottish Borders and Dumfries & Galloway. We are responsible for maintaining and operating this network, connecting customers to the electricity system enabling power generated from a wide range of sources to reach homes and businesses.

Across SPD and SPM, we operate and maintain 34,550 substations, 38,008km of overhead lines and 70,113km of underground cables. Our colleagues work every day of the year to ensure our network remains safe, resilient and reliable for the customers and communities we serve.

We provide new and upgraded connections to our network for a broad range of customers including housing developments, commercial premises and industrial facilities. As the UK continues its transition to a low carbon future, the nature of the electricity grid is changing. Consumers no longer rely solely on centralised energy generation to meet their electricity demands. There are increasing volumes of smaller distributed generation and low carbon technologies such as electric vehicles being connected to the network. As network operators, we are investing in network capacity, asset modernisation and digitalisation to meet these challenges whilst maintaining a safe, reliable and affordable electricity network for our customers.

[1] *SP Electricity North West (SP ENW) continues to report independently.*





>3.5 million
homes and businesses in three of the UK's largest cities

108,121
Our Distribution network contains 38,008 kilometers of overhead lines and 70,113 kilometers of underground cables

1.5 million
SP Manweb Customers

2 million
SP Distribution customers

Message from our CEO

Welcome to our third Distribution Annual Performance Report for the RIIO-ED2 price control period for April 2025 to March 2026. We continue to work diligently to meet and exceed our Business Plan commitments where possible, and I am delighted to share the significant progress we have made across our licence areas this past year.

As a Distribution Network Operator (DNO), we play a critical role in enabling the opportunities arising from Great Britain's energy transition. We provide a safe, reliable and resilient network while supporting regional growth, connecting low carbon technologies and delivering value for the customers and communities we serve. I am incredibly proud of the progress we have made this year, reflecting our determination to invest ahead of need, modernise our network and support the changing needs of the regions we serve. In this third year of ED2, we have delivered an investment programme of £358m in SPD, and £377m in SPM, an increase of 8% and 12% on the previous year and in line with our allowances set by the regulator. At the same time, we have been working closely with SP Electricity North West to develop our joint ED3 Business Plan, helping shape the investment, innovation and capabilities required for the future.

Our team has developed some beneficial and trusted relationships across our regions, enabling meaningful engagement that captures local priorities, needs and aspirations, translating them into actionable inputs for our network planning process. We have built strategic relationships with all 40 Local Authorities across our licence areas, alongside Regional Growth Bodies, Transport Partnerships and Industrial Clusters. Just one of many examples is our leadership of the Net Zero Industrial Pathway programme, which has helped identify industrial stakeholder demand and develop a more robust understanding of emissions profiles to improve forecasting of future industrial energy needs. This is particularly important given that industrial and commercial customers account for almost 50% of total energy consumption across our operating area, making accurate forecasting critical to supporting economic growth and decarbonisation.

As many households continue to face cost of living pressures, supporting vulnerable customers remains a central priority and a fundamental part of the service we provide. During 2025/26, we were successful in achieving our ED2 commitment to deliver 60,000 fuel poverty support services and continued to expand support for customers seeking to adopt low carbon technologies, such as EVs and heat pumps. These programmes are demonstrating real value, collectively generating more than £34m of benefits across ED2 to date, helping to remove barriers and empower more customers to participate in and benefit from the energy transition.

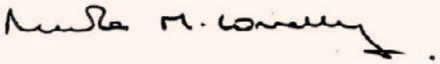


The value of our investment programme is ultimately measured by the experience of our customers, and this year we continued to deliver incredibly strong outcomes across both licence areas. Against a backdrop of four major storm events, our teams demonstrated exceptional commitment in supporting customers and communities, providing communications and tailored support, welfare checks, generators, warm hubs and other practical assistance where it was needed most. We made over 186,000 proactive customer contacts, significantly exceeding our target. In 2025/26, we also ranked as the UK's highest-performing utility company in the Institute of Customer Service Benchmarking and retained independent accreditation for both inclusive and excellent customer service through the BSI Inclusive Service and Service Excellence Kitemarks.

Underpinning these achievements is our unwavering commitment to sustainability and safety. As climate risks become more frequent, we continue to invest heavily in a network that is resilient, safe and fit for the future. During 2025/26, we retained Planet Mark certification and published our Net Zero Transition Plan, setting out our pathway to Net Zero greenhouse emissions by 2035. Our circular economy performance also remained strong, with 94% of waste diverted from landfill last year alongside plans to help us tackle the final 6% by 2040. Through education, digital engagement and strong stakeholder partnerships, we continue to build a stronger culture of electrical safety across the diverse communities we serve. I am especially proud of our work with the award-winning children's author and illustrator Emily MacKenzie which resulted in the publication of our inaugural children's book in February 2026. *'Walter and Skye's Stormy Night'* is designed to help families stay safe if the lights go out, sharing simple, practical tips for getting prepared.

Our progress during the first three years of ED2 demonstrates our ability to meet and exceed our commitments, deliver at scale, adapt to new challenges and support the energy transition. This gives me great confidence in our ability to deliver throughout ED3 and beyond. We will continue to build a reliable and resilient network that enables regional growth and delivers lasting value for generations to come, all while continuing to provide excellent customer service and exceptional value for money for an average of just 42p per day.*

**In today's prices.*



Nicola Connelly
CEO, SP Energy Networks

Performance Snapshot 2025/26

In the third year of ED2, we are proud of our performance, delivering on our commitments and making progress against our targets. We are delivering greater levels of network investment across reinforcement, modernisation, and resilience programmes whilst adopting smarter solutions and delivering greater network monitoring to enable Distribution System Operator (DSO) and flexibility services.

We continued to deliver strong customer service, evidenced through our Customer Interruptions (CI), Customer Minutes Lost (CML) and Broad Measure of Customer Service (BMCS) scores. We also continued to demonstrate strong scores on Stakeholder Engagement and have succeeded in several leading Innovation projects under the Network Innovation Allowance (NIA) mechanisms. These projects allow us to continue to develop a more flexible and cost-effective network in the best interests of the customer.

Our results demonstrate our progress towards becoming an industry leading utility of the future, ensuring that all customers benefit from improved levels of service, and that our network remains resilient. We are ready to facilitate low carbon aspirations and are innovating to ensure the smart networks of the future are flexible, resilient and accessible to all.

Safety

The health and safety of the public and the people who work on our network is central to all business operations. We have complied with legislation, actively engaged with 3rd parties and members of the public to enhance safety awareness and continued to deliver our Occupational Health monitoring programme.

Community Outreach

During 2025/26, we strengthened community relationships through educational outreach, resilience partnerships, and stakeholder engagement. We expanded our presence at agricultural shows, schools, youth festivals, and community events, while building partnerships with charities, businesses, and local organisations. By listening to stakeholders and responding to local needs, we continue to build trust, resilience, and lasting social value.

Independent Stakeholder Group (ISG)

During the past twelve months, engagement around RIIO-ED3 has taken place to understand how customer and stakeholder priorities have changed since the development of the RIIO-ED2 business plan, and the leadership team has worked with the newly created ISG to understand any concerns or opportunities.

Jointly comprised of experts from the SP ENW ISG, and the SP Energy Networks Independent Net Zero Advisory Council, the ISG acts in the interests of current and future customers and stakeholders.

Our panel structure now allows the stakeholder advisory panels to focus on the delivery of our ED2 Business Plan whilst the newly combined ISG will meet the requirements of the ED3 Business Planning process and continue to ensure enduring customer and stakeholder input with the support of our panels.

Environmental

Our Distribution Annual Environmental Report provides a comprehensive update of our performance against key metrics and our ongoing progress to deliver our RIIO-ED2 Environmental Action Plan commitments. It sets out our key activities to progress these commitments and gives examples of how we are supporting the societal transition to a low-carbon economy whilst seeking to minimise our impacts on the environment.

In 2025/26, we published our Net Zero Transition Plan, setting out our pathway to Net Zero greenhouse gas emissions by 2035. Scope 1 and 2 emissions excluding losses increased by around 11% year on year but remain 32% below the 2018/19 baseline. Total Scope 1 and 2 emissions including losses fell by 17%, enabling us to regain Planet Mark certification.

We strengthened sustainability across the business through refreshed training programmes, continued ISO 14001 certification, publication of our second Just Transition Report and new Just Transition KPIs. We also progressed our Action for Nature work through stronger governance, new partnerships and practical biodiversity enhancement projects.

Circular economy performance remained strong, with 94% of waste diverted from landfill in 2025/26. Supply chain engagement also improved, with 71% of priority suppliers meeting enhanced environmental standards and Supply Chain Sustainability School membership increasing from 57% to 60%.

Innovation

Innovation continues to play a vital role in preparing our network for a more electrified, data-driven and decentralised energy system. During 2025/26, our Network Innovation Allowance portfolio focused on developing practical solutions that can be embedded into Business-as-Usual operations, delivering long-term value for customers and supporting a smarter, more resilient network. Since the start of RIIO-ED2, our innovation strategy has delivered £30.45 million of benefits across our distribution network. This year, projects such as Low Carbon Technology (LCT) Determinator and VEST Enhancement demonstrated how AI, machine learning and advanced analytics can enhance asset management, customer insight, network planning and operational decision-making, supporting the transition to a Net Zero energy system.

Vulnerability

Over the past year, SPEN continued to strengthen the support it provides to customers and communities across its licence areas, focusing on understanding need, removing barriers and delivering meaningful help where it can make the greatest difference. In a year shaped by severe storms and ongoing cost of living pressures, teams worked closely with customers, communities and partners to provide practical, accessible and compassionate support. Significant progress was made in extending the reach and quality of the Priority Services Register, helping ensure more customers who rely on additional support are identified before they need it most. The business also met its ED2 commitment to deliver 60,000 fuel poverty support services and further expanded efforts to support households most at risk of being left behind as the energy system evolves. Retaining both the BSI Inclusive Service Kitemark and BSI Service Excellence Kitemark reflects the continued focus on delivering a fair, trusted and high-quality service for all customers. Together, these achievements provide a strong foundation for the future and help shape an ambitious approach to supporting customers as preparations for RIIO-ED3 continue.

Our snapshot SPD

			Actual (in Year)	Status	Year on Year Trend	Comment
Reliability and Availability	**Customer interruptions**	Recorded per 100 customers in 2025/26	31.79	Ahead of Target	↑	Exceeding our CI regulatory target of 40.72.
	Customer minutes lost	Unweighted, including exceptional events	24.42	Ahead of Target	↑	Exceeding our regulatory CML target of 28.42.
Customer Satisfaction	**Customer Satisfaction survey**	score out of 10	9.36	On Target	↑	Making excelled progress to hit our stretch target of 9.4 by the end of ED2.
Connections	**Time to quote (TTQ)**	(single premises)	1.42 days	On Target	↑	Our aim is to reduce how long it takes to provide a connection offer and the time it takes to make it happen. This year we saw large improvements in both the TTQ and the TTC.
	Time to connect (TTC)	(single premises)	16.76 days	On Target	↑	
	Number of completed connections per regulatory year		3,314			
Financials	**Unrestricted Domestic Tariff Charge**	Not including domestic customer rebate	£84.41			At around 23p per day, our charges remain lower than the daily cost of a TV licence and less than half the cost of a typical domestic broadband service.
	Total Expenditure		£358.18m			
	Total expenditure as a % of allowed revenue		106.9%			
Network	**Number of customers**		2,020,019	On Target	↑	
	Total network length	in km	59,951.3	On Target	↑	
Major Connections	**Aggregate customer satisfaction**	Score out of 10	8.74	Ahead of Target	↘	See our Major Connections Report here.
Distribution System Operator (DSO)	**DSO Performance Panel**	Score out of 10	7.71	On Target	↑	We continue to seek out best practice from across the sector and elsewhere and learn from experience to identify further improvements for the remainder of RIIO-ED2.
	Stakeholder Satisfaction	Score out of 10	9.38	On Target	↑	

All costs within the Distribution Annual Report are in 20/21 price basis.

Ahead of Target · On Target · Below Target

↑ Improvement on Previous Year · → In line with Previous Year · ↘ Deterioration on Previous Year · ↓ Substantial deterioration

Our snapshot SPM

			Actual (in Year)	Status	Year on Year Trend	Comment
Reliability and Availability	**Customer interruptions**	Recorded per 100 customers in 2025/26	30.71	Ahead of Target	↑	Exceeding CI regulatory target of 32.79.
	Customer minutes lost	Unweighted, including exceptional events	31.37	Below Target	↑	Below our CML regulatory target of 29.92.
Customer Satisfaction	**Customer Satisfaction survey**	score out of 10	9.25	On Target	↑	Making good progress towards hitting our stretch target of 9.4 by the end of ED2.
Connections	**Time to quote (TTQ)**	(single premises)	1.52 days	On Target	↑	Our aim is to reduce how long it takes to provide a connection offer and the time it takes to make it happen. This year we saw large improvements in both the TTQ and the TTC.
	Time to connect (TTC)	(single premises)	19.06 days	On Target	↑	
	Number of completed connections per regulatory year		3,171			
Financials	**Unrestricted Domestic Tariff Charge**	Not including domestic customer rebate	£150.66			At around 41p per day, our charges remain lower than the daily cost of a TV licence and less than half the cost of a typical domestic broadband service.
	Total Expenditure		£376.78m			
	Total expenditure as a % of allowed revenue		113%			
Network	**Number of customers**		1,534,609	On Target	↑	
	Total network length	in km	48,169.5	On Target	↑	
Major Connections	**Aggregate customer satisfaction**	Score out of 10	8.76	Ahead of Target	↘	See our Major Connections Report here.
Distribution System Operator (DSO)	**DSO Performance Panel**	Score out of 10	7.71	On Target	↑	We continue to seek out best practice from across the sector and elsewhere and learn from experience to identify further improvements for the remainder of RIIO-ED2.
	Stakeholder Satisfaction	Score out of 10	9.38	On Target	↑	

All costs within the Distribution Annual Report are in 20/21 price basis.

Ahead of Target · On Target · Below Target

↑ Improvement on Previous Year · → In line with Previous Year · ↘ Deterioration on Previous Year · ↓ Substantial deterioration

Health and Safety

The health and safety of the public and those who work on our network is at the forefront of our business. We have a long-standing commitment to protecting our workforce, contractors and the public through robust health and safety arrangements and a culture of continuous improvement.

Vision and Culture

We have a duty to ensure that our infrastructure is safe and that our operations uphold the highest standards of health and safety for everyone who interacts with our network. Our vision is to deliver the highest standards of Health and Safety performance, where no injury or ill health is caused by our activities. The wellbeing of our customers, people, suppliers, and the public is our number one priority. We pride ourselves on sharing learning and pushing for best practice in everything we do and as such we are committed to promoting good health, safe behaviour and demonstrating care for the environment. Our safety culture is led by our senior leadership team, defined by our Health and Safety Essentials, and driven by the personal accountability and commitment from every employee.

OHSAS 45001

SPEN successfully maintained OHSAS ISO 45001 Certification in 2025 following a comprehensive surveillance audit. There were numerous strengths identified, reflecting robust working practices and procedures, across our Business. By having an ISO 45001-certified management system our business can rapidly respond to emergency situations whilst also establishing, implementing and maintaining processes to mitigate hazards and reduce risks in the long-term.

Physical and Mental Health

We strongly recognise the ‘Health’ in health and safety and take measures to promote health and wellbeing for all our staff, promoting fitness and health as a lifestyle choice with initiatives such as the daily mile, cycle to work, and access to gym facilities. Mental Health, wellbeing and the impact they can have continued to be a key focus, throughout the year and we provided a wide range of training and support services to staff. In 2026 SPEN have achieved ISO 45003, the first global standard which looks at psychological health and safety in the workplace.

Ahead of Target On Target Below Target

Public Education

Our Public Safety engagement continues around the 4 Key themes, focusing on the information driven by current data/trend analysis and planning for our engagement. We are looking to maximise the use of social media, Influencers, and online channels to ensure the right people are seeing the safety advice and continue our support and partnership working with the Energy Networks Association (ENA).

Customers

- Essential electrical safety advice for our customers
- Children’s Safety Book
- DIY and Gardening
- Powerwise website and Parent Influencers
- Continued promotion of 105 helpline
- Safety Centres & Crucial Crew Events

Agriculture

- Farm and rural community safety
- Agricultural shows and community engagement events
- Farm life Influencers
- Farm Safety Videos
- Royal Highland Educational Trust
- Scottish Association of Young Farmers Club (SAYFC) sponsorship

Construction

- Trade Associations and House builders
- Scottish Plant Owners Association
- Look out-Look up campaigns
- Targeted digital and audio advertising

Specialist Trades

- Trade associations
- Federation of Window Cleaners
- Targeted Social Media campaigns (Relevant interests and Job roles)



To view, visit the SP Energy Networks website.

Summer Safety Campaign

Our 2025 Summer Safety Campaign used a combination of targeted education, digital content, media activity and stakeholder partnerships to deliver important electrical safety messages to a range of audiences across our communities.

A key element of the campaign focused on keeping children and young people safe around electricity. We developed a child-focused Roblox advertisement, using a familiar digital platform to deliver electrical safety messages in an accessible, age-appropriate way. This complemented our wider education programme, including support for Safety Centres, Crucial Crew events, SmartSTEM programmes and the PowerWise online education platform.

Recognising increased risks during summer and harvest activities, we delivered targeted initiatives for farmers and young people entering the industry. Our *Safe by Design* campaign featured young farmers and raised awareness of the dangers of working near electrical infrastructure, including overhead power lines. We continued partnerships with the Scottish Association of Young Farmers, Reaseheath College and Scotland's Rural College. Attendance at agricultural shows across our licence areas provided further opportunities to engage with farmers, contractors and rural communities.

For homeowners undertaking gardening and DIY activities, we developed targeted content featuring Nicki Chapman, providing practical advice on identifying electrical hazards and taking precautions before starting work. This was supported by our wider Safety Matters resources covering DIY, overhead lines, underground cables and leisure activities.

Within the construction sector, we continued proactive and reactive public safety engagement. Construction-focused thought-leadership content was developed alongside tailored safety presentations following incidents and proactive awareness sessions to help businesses and workers identify and manage electrical risks before work begins. We also shared safety information through industry channels, including the Construction Plant-hire Association newsletter, reinforcing key messages on overhead lines and underground cables.

Our specialist trade activity continued to address risks faced by those working close to the electricity network. In partnership with the Federation of Window Cleaners, we distributed safety stickers for extendable tools, providing a visible reminder of the risks of working near overhead power lines. This formed part of our wider approach to practical safety interventions that can be integrated into daily working practices.

We also strengthened community partnerships through sponsorship of three Public Safety Education Centres – DangerPoint, Safety Central and The Risk Factory – which collectively welcomed approximately 24,133 visitors during 2025. These centres delivered immersive scenario-based learning experiences to help visitors understand the risks associated with overhead lines, underground cables and substations.

Our wider programme included attendance at agricultural and community events, engagement with schools and young people, Crucial Crew and SmartSTEM activities, construction industry engagement and continued access to educational resources through PowerWise, dedicated safety webpages and Safety Matters leaflets, ensuring accessible safety information remained available across our licence areas.

Supported by targeted media activity delivered with Stripe Communications and Media Voodoo, the campaign generated more than 125 million impressions and secured coverage across 18 media articles. Content was also shared through our Local Authority Trusted Partner Network, extending the reach of key messages into local communities.

SP Energy Networks partnership with Scottish Association of Young Farmers Club

SPEN continues to build a strong strategic partnership with the Scottish Association of Young Farmers Clubs (SAYFC), helping to raise awareness of electrical safety across Scotland's farming and rural communities.

As Scotland's largest rural youth organisation, with more than 3,500 members, SAYFC provides an important channel for engaging current and future generations of farmers with vital safety information.

Through the partnership, SPEN delivers targeted electrical safety messaging focused on the risks associated with overhead power lines, underground cables and other network infrastructure. This is supported through educational resources, attendance at key agricultural events, engagement with Young Farmers conferences and activities, and a year-round programme of communications designed to embed safe working practices within the agricultural sector.

The partnership also strengthens SPEN's presence at major agricultural shows and industry events, providing opportunities to engage directly with young farmers, farm workers and rural stakeholders. By working collaboratively with SAYFC, we continue to promote a positive safety culture across the farming community and support our shared objective of reducing electrical incidents on farms and in rural environments.



Develop a Network Ready for Net Zero

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Forecasting Network Needs

When planning and developing the network, we look years into the future to establish where, when, and how much capacity we need to accommodate customer growth and decarbonisation, and how best to deliver that in a safe, efficient, and timely manner. The process we follow is detailed in our published Decision-Making Framework and summarised below.

We develop our network to accommodate our customers' demand and generation requirements. The first stage of network planning is to understand what customer requirements are likely to be over the coming decades. We develop Distribution Future Energy Scenarios (DFES) to do this. These are forecasts for a range of customer demand and generation metrics out to 2050. We develop these considering legislated targets, devolved government policies, regional developments, and stakeholder plans. Our stakeholders review our DFES forecasts, and we make changes based on their well-justified feedback. Given the uncertainties out to 2050, we create forecasts for four energy pathways. These represent differing levels of customer ambition, government and policy support, economic growth, and technology development.

A major development this year is the publication of the transitional Regional Energy Strategic Plan (tRESP) by the National Energy System Operator (NESO) in January 2026. This year's DFES is directly driven by NESO's tRESP process, marking a significant shift towards coordinated, whole-system regional planning. Over 18 months, we have worked closely with NESO to apply tRESP consistently at distribution level. As a result, forecast low-carbon technology uptake derived from tRESP pathways is within 1% of our previous DFES modelling, demonstrating continuity through the transition and enabling transparent comparison with NESO's pathways.

A key part of our forecasting process is EV-Up and Heat-Up. These tools provide a highly granular view of how electric vehicles and heat pumps are likely to roll out across our network under each DFES pathway, identifying which households are likely to adopt them and when. This granularity is essential, as EVs and heat pumps are the two main drivers of decarbonised demand growth.

We combine this domestic-level insight with forecasts and connections pipelines for major customers to assess wide-area strategic requirements across all voltage levels. We work closely with Transmission Owners (TOs) and NESO to develop a coordinated, whole-system suite of network interventions, and we continue to collaborate with the tRESP and enduring RESP teams to shape regional pathways.

With this forecast understanding of capacity requirements, the next stage is to understand what we need to do on the network to accommodate them. We do this using network assessments. These show us how the forecast customer growth will impact the network, and where, when, and how much additional capacity we need to create. This assessment is done by our industry-leading Engineering Net Zero (ENZ) Model. This is a complete model of our network, from customers' cut outs up to the transmission network. It allows for complex network planning modelling, simulation, and scenario planning. It is a tool to help us make impartial data-driven investment decisions; and is an advancement on previous modelling techniques.

With this knowledge of network capacity needs, we can go out to market seeking flexibility services and identifying solutions. For High Voltage (HV) and Low Voltage (LV) investments, this process is supported by a linear optimiser, which impartially identifies the best combination and timing of solutions to meet the required network capacity, including the use of flexibility services. At Extra High Voltage (EHV) and above there are fewer constraints and solutions, therefore we conduct more in-depth design studies to support cost benefit and technical analysis across a range of credible solutions and deliverability.

Using this approach, we identify every likely network need and the best intervention decisions for our customers.

Case Study:
Our Engineering Net Zero model enabling granular coordinated assessments of our networks

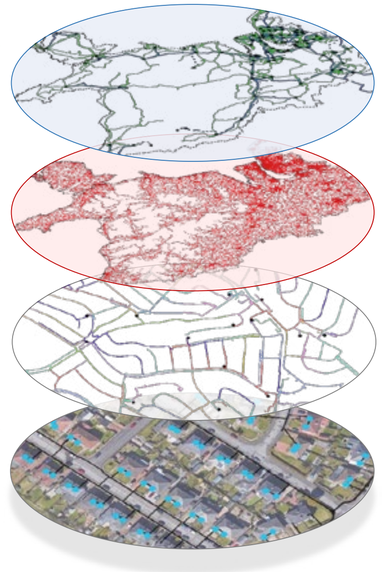
Over the last few years, we have enhanced our forecasting processes considering the underlying driving factors behind Low Carbon Technology (LCT) uptakes to produce micro-level forecasts down to street and property level. These feed into our ENZ model to systematically assess the whole network identifying timing, magnitude, and location of constraints.

This approach has enabled us to prioritise, optimise and coordinate our intervention plans at a granular level. This includes identifying and prioritising proactive interventions on looped service cables in areas where we have greater confidence over requirements and coordinating these works with any other reinforcements required at LV or the local substation.

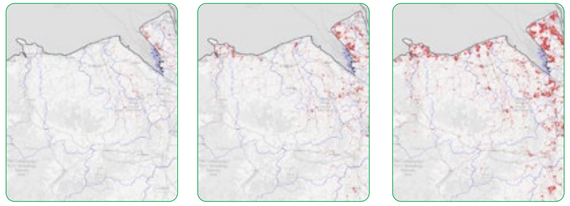
This approach is more cost-efficient, less disruptive, and means the capacity is ready when customers need it.

ENZ Platform:

1. Complete network model with asset data



2. Granular property-level forecasting



Delivering our Investment Proposals

Our RIIO-ED2 plans set out a step increase on RIIO-ED1, and we are delivering greater levels of network investment across reinforcement, modernisation, and resilience programmes whilst adopting smarter solutions and delivering greater network monitoring to enable DSO and flexibility services.

The start of a price control period is a catalyst for new supply and delivery frameworks, embedding regulatory incentives and investment guidance while aligning the business with stakeholder-endorsed objectives.

In Year 1, we established supply chain agreements, adapted plans to market lead times for equipment, and explored innovative workforce solutions. The start of RIIO-ED2 coincided with wider market and socio-economic challenges affecting costs, resources, and delivery programmes. In Years 2 and 3, we increased delivery to remain on track to meet RIIO-ED2 targets.

In 2025/26, we delivered a totex programme of £358.18m in SPD and £376.78m in SPM, increases of 8% and 12% on the prior year and in line with regulatory allowances. Across our Load and Non-load capital investment programmes, we delivered £355.28m of investment, with key outputs outlined below.

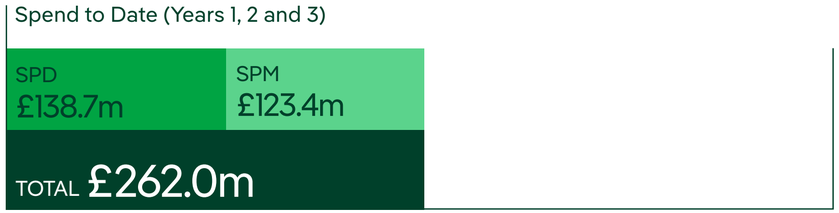
Across ED2 our plans have adapted and flexed to a changing regulatory and technical environment, however we remain on forecast to deliver our outputs and our planned expenditure levels. The ED3 plan has been built on latest forecast data and intervention requirements, and we have confidence that by delivering our ED2 outputs and expenditure we have removed the risk of customers funding the same work twice.

Load – Developing the network of the future

The energy landscape is changing. To help our customers decarbonise, we are developing a network that's ready for Net Zero. Customers are increasingly turning to EVs and heat pumps, and we are seeing a leap in renewable generation as customers are actively participating in the energy system.

Understanding future network requirements is fundamental to the efficient planning, design, construction and operation of our network. In 2025/26, we developed and published our latest Distribution Future Energy Scenarios (DFES), forecasting levels of generation and demand to 2050, and delivered investment plans from our industry leading Engineering Net Zero (ENZ) Model. This forecast is shaped by the National Energy System Operator (NESO)'s transitional Regional Energy System Planning (tRESP) process, marking a shift to coordinated whole-system regional planning.

Over the past 18 months, we've worked closely with NESO to ensure consistent distribution-level application. Our forecast is also developed by working with a wider range of stakeholders, including our Local Authorities, whose plans depend upon the evolution of our network. Going forward, we will continue to work closely with the NESO on the enduring RESP, coordinating network design and developments towards Net Zero goals.





Our Unlooping Programme

Most modern domestic properties will have a single service cable which provides a direct connection to our network. However, many older properties are connected using a shared service cable – which is shared with their neighbour and called 'looped services'. Looped services are designed to accommodate historic levels of domestic electrical demand. However, as customers adopt more Low Carbon Technology (LCT) such as Electric Vehicles (EVs) and Heat Pumps (HPs), their demand increases significantly. The solution is to replace the looped service with a direct supply. We have identified that 560,000 (16%) of our customers are supplied by looped services, which are a potential barrier to adopting LCTs. To address this potential barrier, and support our customers decarbonisation needs, we will unloop over 43,000 homes during RIIO-ED2, with a potential for a further 35,000 as part of our reactive programme to accommodate where these needs arise. So far in RIIO-ED2, SPD and SPM have delivered this intervention to over 12,143 and 17,610 properties respectively.

Our Network Reinforcement Programme

We are continuing to deliver our core network reinforcement programmes, creating new network capacity at higher voltage levels to accommodate customers growing demands. Most reinforcement projects are multi-year and have commenced in year 1.

In SPD:

- We are nearing the completion of the Stonehouse reinforcement project to accommodate demand growth of over 1MW during RIIO-ED2. This major reinforcement project involved the installation of a new 11kV interconnector between Stonehouse and Strathaven utilising new and existing conductor routes.

In SPM:

- At Sandbach, all 11kV and 33kV plant is awaiting commissioning, increasing local network capacity by 7.5MVA and enabling new developments in the area.
- At Middlewich, primary plant assets have been delivered and will shortly be installed ahead of commissioning. When complete this will release a further 2.5MVA of capacity in the local area.
- We have also completed a number of fault level reinforcement works, increasing the amount of renewable generation that can connect to our 33kV system. Works are fully complete to upgrade the 33kV Ring Main Units (RMU) at Mannings Lane, Blundell Street, British Railway Shore Road and Mobil Oil Wallasey.

Responding to Challenges

Due to challenges with the global supply chain, we are facing extended plant lead times we have responded by re-profiling our delivery schedule, accelerated works planned for future years where plant and equipment was available. This included accelerated delivery of our LV unlooping programme, enabling our customers to decarbonise quickly.

Non-Load – Delivering a Safe, Resilient, Reliable and Sustainable Network

Our customers expect our network to be safe and sustainable and are increasingly dependent on a reliable supply of electricity as they transition to Net Zero. The reliability, safety, and environmental impact of our network depends on the risk (condition & criticality) of our assets and their resilience to a range of external factors.

We have achieved a strong start across both our SPD and SPM Licences, laying a solid foundation for accelerated delivery in the years ahead. Our outputs in 2025/26 exceeded our performance targets demonstrating a clear upward trajectory.

Our Asset Modernisation Programme

In SPD:

- In 2025/26, we replaced 1,899 x 6.6/11kV poles, in line with ED2 delivery but an increase of 28% on year 2 (1,489).
- In 2025/26, we replaced 119 x 11kV RMUs, a slight decrease from years 1 and 2, defining the front ended Secondary plant modernisation programme.
- In 2025/26, we replaced 87 x 11kV Transformers (ground mounted), a slight decrease from year 1 and consistent with year 2, aligned with the Secondary plant modernisation programme.
- In 2025/26, we refurbished 3 x 33kV Transformers, a decrease from years 1 and 2.

In SPM:

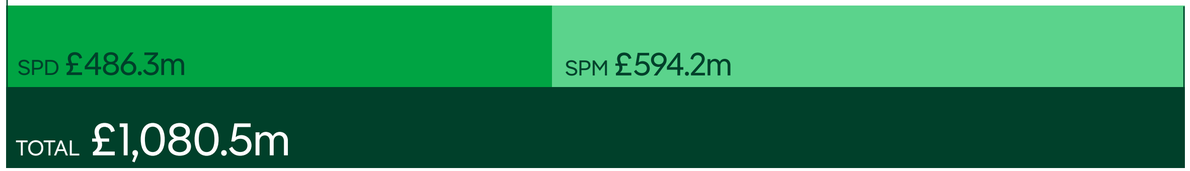
- In 2025/26, we replaced 1,735 x LV poles, a significant increase of 138% (729) from year 1 and an increase of 80% (966) from year 2.
- In 2025/26, we replaced 1,927 x 11kV poles, an increase of 9% (1,771) from year 1 and an increase of 29% (1,496) from year 2.
- In 2025/26, we replaced 181 x 6.6/11kV RMUs, a slight decrease from years 1 and 2, aligned with the Secondary plant modernisation programme.
- In 2025/26, we completed 214 x 132kV Tower refurbishments, a decrease of 25% (285) from year 2.

	In SPD			In SPM		
	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
6.6/11kV Pole replacements	1,652	1,489	1,899	1,771	1,496	1,927
6.6/11kV RMU replacements	168	131	119	221	191	181
6.6/11kV Transformer (GM) replacements	102	85	87	126	79	68
33kV Transformer Refurbishments	12	11	3	0	7	2
132kV Tower refurbishments	N/A	N/A	N/A	273	285	214

Spend to Date (Years 1, 2 and 3)



Total ED2 Forecast Spend



Our Network Resilience Programme

Alongside asset modernisation network assets, we have delivered several initiatives to improve the reliability, performance and resilience of the distribution network.

- We have deployed 3,701 LV monitors in 25/26, providing enhanced network visibility of our connected customers, supporting design and connection works and enabling the early identification of network faults.
- We have deployed more Network Controllable Points (NCPs) on our HV network in year 3, allowing greater network control and automation, meaning power cuts affect fewer customers and don't last as long.
- We have removed 3,833 polychlorinated biphenyl (PCB) contaminated pole mounted transformers this year, reducing the risks associated with leaks and creating Net Zero capacity. This is an increase from 1,763 replacements in year 1 and 3,546 in year 2.

Responding to Challenges

During ED2, SPEN has increased its workforce and contractor capacity to support delivery of our enhanced investment programme. In response to industry wide recruitment challenges and supply chain constraints, particularly in overhead line activities, the company expanded its contractor base and strengthened supply chain partnerships. SPEN continues to invest in workforce development and training to support delivery requirements and maintain the capability needed for future network investment, including the anticipated increase in activity associated with ED3. For example, we have directly recruited 24 Overhead Line Operatives (OLOs) with existing climbing and operational experience from other utilities, providing a strong foundation to develop them into fully trained linespeople over the next few years.



Whole System Strategy

For the energy sector to meet climate change targets, we must ensure our networks can create additional capacity for Low Carbon Technologies (LCTs) and the electrification of sectors like heat, transport, and industry. Enabling this future is dependent not only on network companies but also on effectively co-ordinating with other parties on their decarbonisation journey.

Our Approach

Our strategy embeds Whole System thinking across our business; from innovation and investment decision making, to collaboration within and beyond the energy sector.

Through our role, we coordinate with other network operators, Local Authorities, regional bodies, and utilities to increase effectiveness while improving transparency of our network planning activities. Through network planning and operational data, we create opportunity for innovators and investors to build complementary products and services. Knowledge about our network unlocks benefits for others, and our dedicated teams are working to support the development of our stakeholders' ambitions.

Whole System thinking is a method used to understand how elements and systems are related, and how they influence one another. Whole System thinking helps us to understand linkages among elements, cause and effect, feedback loops and to identify leverage points.



Develop a network that is ready for Net Zero

Think beyond the electricity sector to support other energy vectors including heat, transport, and hydrogen by using innovation, markets and smart grid networks to push the boundaries of Whole System thinking.



Be a trusted partner for customers, communities and stakeholders

Use Whole System thinking to support a just transition to Net Zero to establish Strategic Partnerships and deliver Strategic Optimisation to enhance our approach and achieve better Whole System outcomes.



Ready our business for a digital and sustainable future

Embed Whole System thinking in our organisation, culture, and ways of working to deliver better Whole System outcomes while also considering appropriate Open Data that can support Whole System solutions.

Our Strategic Optimisation Team

Our Strategic Optimisation team work pro-actively with regional and national governments and have built Strategic Relationships with all 40 Local Authorities across our licence areas, alongside building relationships with 12 Regional Growth Deals/Regional Bodies, 3 Regional Transport Partnerships and the 3 large scale Industrial Clusters.

In supporting our stakeholders to develop local, regional and national energy plans, such as local heat and energy efficiency strategies (LHEES) and long-range energy alternatives planning system (LAEPs) we align them with our future network development plans to ensure their ambitions are reflected in our forecasts.

We foster relationships that enable us to understand each regions specific requirements, needs, and aspirations to input into our network planning process to support the development of future infrastructure requirements that can help facilitate each local area's industrial, commercial, and domestic decarbonisation plans.

We support Local Authorities, regional growth deals, regional bodies, regional transport bodies and industrial clusters by:

- Supporting the development of local, regional and national energy plans.
- Providing LCT optioneering to support early-stage development of electric vehicles (EVs), heat pumps (HPs) and solar (PV) infrastructure.
- Informing our Distribution Future Energy Scenarios (DFES) and future network planning.
- Recognising Whole System opportunities and feeding into appropriate plans and registers.

Figure 1:
Our Strategic Optimisation Team: 'What we do'

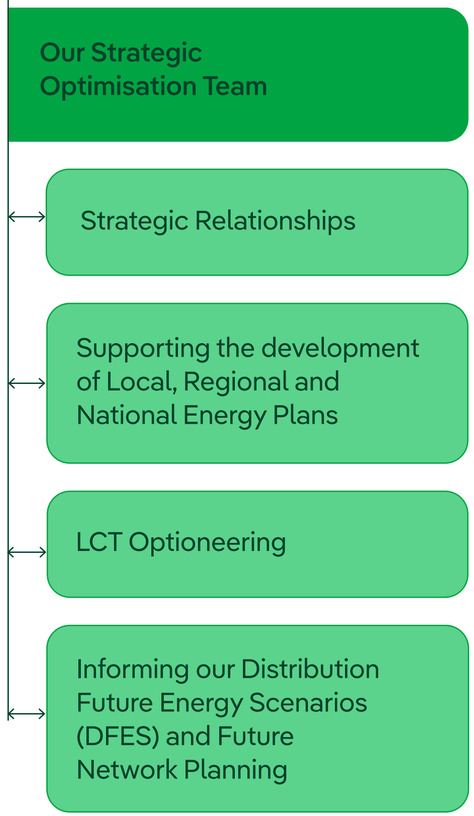


Figure 2:
Our Strategic Relationships





Our Progress in 2025-2026

Our team undertake LCT optioneering, the identification and optimisation of intervention opportunities, to support Local Authorities in understanding how to optimise LCT investment in their network. In the last regulatory year, we have supported the identification and optimisation of over 2,500 EV and Heat Pump sites across our network. Our initial work in 23/24, had our team supporting larger scale Combined Authorities and transport bodies to provide insight that can support the development of their LCT plans.

Some of the key projects we have supported this year include:

- Over 1,750 EV optioneering sites evaluated across eight Local Authorities as part of our work with Glasgow City Region.
- Over 250 EV optioneering sites evaluated across North, East, and South Ayrshire to support their wider growth deal development.
- Over 200 EV optioneering sites evaluated across four Local Authorities as part of our wider work with Liverpool City Region Combined Authority and Enterprise Cheshire & Warrington.

Our Strategic Optimisation team has provided insight into the electricity network through our optimisation analysis and through sign posting what information is available on our Open Data portal. This network analysis and optioneering support has helped stakeholders make more informed decisions on their heat, transport and industrial decarbonisation plans. The early engagement with Local Authorities and other bodies also provides our network planning team with evidence on stakeholder ambitions to inform future forecasting and investment planning requirements.

Through this work we have supported our Strategic Relationships across three main areas:

- **Regional heat decarbonisation**
  we are working with our Strategic Relationships who are undertaking heat decarbonisation planning to ensure they have the information available on network availability, network development plans and future load predictions to best inform their planning decisions.
- **Regional transport partnerships**
  we are working with regional transport authorities to collaborate on improving our EV uptake forecasts in our DFES, share our network information and incorporate regional plans into our network development planning.
- **Industrial cluster decarbonisation plans**
  we are working with the industrial clusters within our licence area to support and understand their ambitions and pathways to decarbonisation and ensuring these are incorporated into the core of our DFES and network development plans.

2,400+
EV optioneering sites evaluated across SPD and SPM

130+
HP optioneering sites evaluated across SPD and SPM



Renewable Generation optioneering
Support and analysis for local energy projects and opportunities.



Heat Pump optioneering
Analysis and cost/timescale estimates for heat pump roll out in off gas grid areas and social housing.

EV Charge Point optioneering
Feasibility studies for the roll out of public EV Chargers.





Managing Asset Risk

We have continued to combat asset risk this year through targeted risk reduction initiatives and improvements to our risk modelling techniques and platforms.

We continuously review our planned interventions to ensure that the highest priority issues are addressed as required within the price control. One example is the VMX HV switchgear issue that initially emerged over 2023 – we developed a targeted approach to mitigate these through advanced inspection with new technology and prioritised replacement and refurbishment of highest risk assets. We have continued this process in the last year to ensure we continue to manage our list of assets for replacement alongside emerging risks from type issues.

We further improved public safety and network resilience this year through a number of technical risk reviews, including a review into the resilience of sites that feed critical national infrastructure, and a review to understand opportunities for new refurbishment interventions for wood poles. We instigate internal technical risk reviews as and when potential hazards arise, to identify mitigations prior to impact and build resilience to risks that could affect our ability to continuously supply our customers safely and efficiently.

We are a key contributor to the Energy Networks Association (ENA) Network Asset Risk Management (NARMs) working group which is currently developing new asset models for inclusion in Common Network Asset Indices Methodology (CNAIM) V3 for use in RIIO-ED3. As part of this we have proposed methods of determining condition and consequence of failure for new assets, using our internal methodology and learnings from data collection and assessment. We are working alongside the wider working group to test the validity of these new models, ensuring that risk is accurately assessed through sufficient data and relevant methods.

Last year we began development of our asset data platform for Overhead Lines (OHL) to combine all asset data into a single model, including LIDAR results, condition information, GIS and weather data. This new digital model has improved our ability to identify the highest risk assets and protection zones for a pilot number of circuits. This includes trialling simulation of storm scenarios using Finite Element Analysis to predict asset failures.

Alongside this work, we have initiated a review into our OHL strategy, assessing all processes from asset data collection, training, and inspection technology, through to investment planning, design of schemes, and governance and assurance. The outputs of this strategy will be embedded in our future business plans to ensure we are leveraging available technology and data to its maximum potential, whilst delivering the correct intervention to the required standard.

Increase performance and reliability

Vegetation Management
Our overhead lines remain in managed cutting cycles in order to meet statutory obligations for safety clearance under Electricity Safety, Quality and Continuity Regulations (ESQCR) legislation and ENATS 43-8 guidance. These cycles reduce the risk of unplanned outages caused by tree related issues. During the regulatory year we have undertaken vegetation clearance cuts on 117,674 spans. Each year we invest in delivering compliance with Engineering Technical Report 132 (ETR 132) to improve network resilience and performance under abnormal weather conditions. We have increased the amount of our network that complies with ETR in the latest reporting year to 33% and 21% in SPD and SPM respectively.

Worst Served Customers
Within the third year of RIIO-ED2 we have commenced 3 new Worst Served Customer (WSC) Schemes, with the ED2 total of 118, affecting around 12,831 customers – similar to the previous year. We have invested £0.74m on these schemes this year, including the strategic deployment of additional network controllable points providing early performance improvement for some of worst served customers.

Network Automation
Strategic deployment of network controllable points (NCPs) allows us to rapidly re-configure the network in fault conditions. We have continued to deploy new NCPs and replace legacy automation systems to improve performance in the third year of RIIO-ED2.

Manage safety and resilience

OHL Safety
Over and above our 6-year visual inspection cycle of our overhead assets, we continue to survey our overhead network at all voltages using LIDAR technology, flying one third of our network per annum.

Flood Resilience
Our original RIIO-ED2 plan front ended the undertaking of detailed risk assessments at substations identified at risk of flooding. Design and delivery of interventions to achieve resilience with industry Flood resilience standard (ETR138) are now being progressed where required following these assessments.

Fire Safety
We have completed fire risk mitigation at 158 substation locations within year 3 of RIIO-ED2. This includes fireproofing, ventilation, retrofitting equipment with lower risk alternatives, and fire compartmentation.

Rising Lateral Mains
Within RIIO-ED2 we are continuing our risk prioritised modernisation programme by upgrading poor condition rising and lateral LV main assets where they are identified. 6,629 customers have benefited from asset replacement investment within the third year of ED2.

Link Boxes and Pillar Replacement
Using industry asset risk-based approach (CNAIM V2.1) for RIIO-ED2, we have proactively replaced 1,305 of our poorest condition LV link boxes and pillars in year 3.

LV Monitoring Deployment
In year 3 of RIIO-ED2 we have installed a further 3,701 LV monitors, to a total of 10,238 so far in ED2. This programme significantly increases our visibility of the LV network improving connection and reinforcement design as well as LV fault finding.

Civils Condition
We have invested over £7.7m on replacing and refurbishing of our poorest condition civil assets, ensuring safety and security of our substation assets while maintaining a safe environment for operation. We are continuing to review network buildings to identify any sites with potential Reinforced Aerated Autoclaved Concrete (RAAC).

Electricity System Restoration (ESR)
We are increasing the resilience of our network to enable ESR, including a further £3.5m on asset resilience in year 3. Last year, we submitted our proposal for the Electricity System Restoration Re-Opener, with initiatives to support the National Electricity System Operator including through Distribution Restart Zones (DRZ) in line with the latest Electricity System Restoration Standard (ESRS) Policy Statement from the Department for Energy Security and Net Zero (DEZNZ). This received a positive draft determination this year, and is due for final determination soon.

Network Resilience, Reliability and Safety

Our customers are increasingly dependent on their electricity supply as they decarbonise transport and heating. The electrification of heat and transport will increase network power flows, meaning our assets are working harder than ever before.

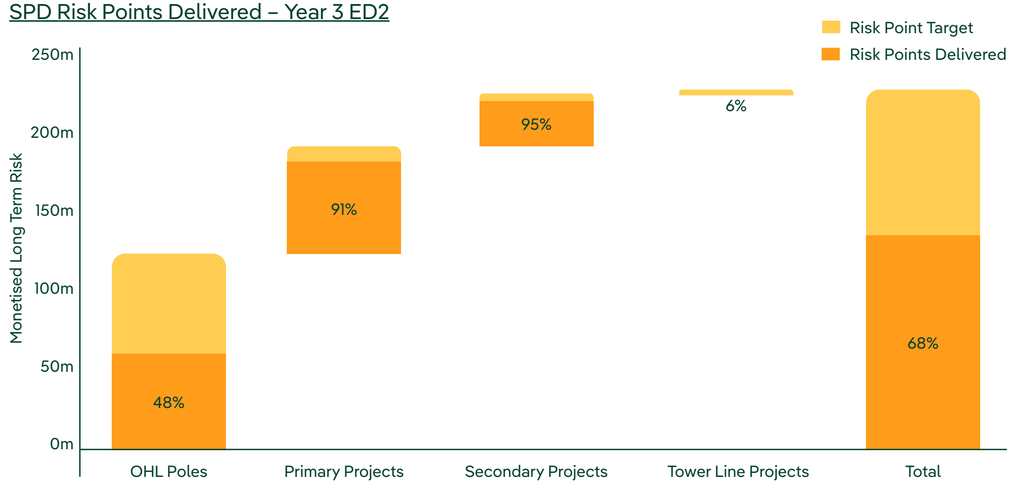
To support our customers, communities, and country with Net Zero we are delivering across three main areas to manage our network's safety, reliability and overall resilience:

- Manage overall risk (health and criticality) of our network.
- Increase the performance and reliability of our network.
- Manage the safety and resilience of our network.

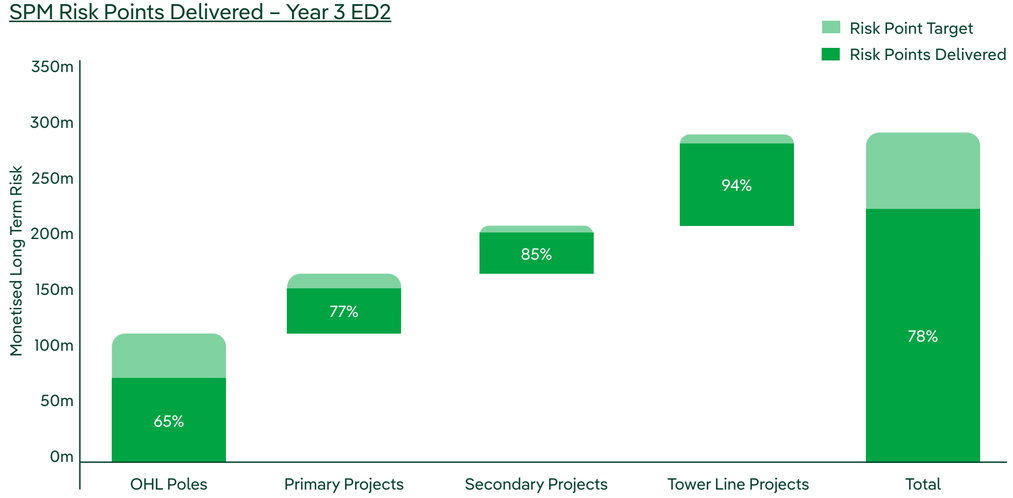
Network Asset Risk Metric (NARM) Assets

- Our RIIO-ED2 asset modernisation programme was developed to target the right assets with the right intervention, at the right time. We utilise CNAIM, developed with all other UK Distribution Network Operators (DNOs) and approved by Ofgem, to determine the future asset risk by assessing health and criticality. Our interventions are underpinned by engineering justifications and are optimised into work packages to ensure we continue to operate a safe, reliable, and resilient electricity network.
- Our plan in RIIO-ED2 is to reduce the long-term monetised risk of our NARM assets by £359.3m in SPD and £454.2m in SPM. This ambitious target builds upon our successful RIIO-ED1 delivery of managing asset risk and continues to focus on modernising our poorest condition assets.
- Our RIIO-ED2 third year outputs have demonstrated that we have delivered 42% and 50% of our 5-year plan in SPD and SPM respectively. This delivery is behind a linear delivery target of 60% for the RIIO-ED2 period and is largely due to external market challenges in OHL programmes and primary projects.
- OHL delivery in the early stages of ED2 has been impacted by a national resource shortage affecting the wider modernisation programme. This has been compounded by a demanding polychlorinated biphenyl (PCB) programme which initially required OHL resource to remove contaminated equipment by December 2025.
- Primary plant projects delivery in years 1 and 2 were impacted by long lead times and delays in equipment delivery, this is starting to be recovered in year 3 and will continue into year 4.
- Our SPM 132kV investment programme is linked to key individual projects, unlike other high-volume programmes with more stable delivery profiles this results in peaks in outputs.
- We remain committed to delivering our original risk targets and are continuously reviewing progress, mitigating risk of shortfall with proactive recovery actions to deliver our total asset risk reduction targets over the remainder of the period.

SPD Risk Points Delivered – Year 3 ED2



SPM Risk Points Delivered – Year 3 ED2



Connections

As the UK's energy transition accelerates, SP Energy Networks (SPEN) is playing an increasingly important role in enabling a cleaner, more resilient and sustainable energy system. Growing electrification, rising demand for network capacity, and the drive to achieve Net Zero and Clean Power 2030 objectives are transforming the sector. As preparations begin for the next regulatory period, investment in network infrastructure, capability and strategic planning will be essential to support future energy needs and deliver long-term benefits for communities, businesses and customers across Great Britain.

Customers remain at the centre of network development and service improvement. Ongoing investment in digital capabilities, clearer communications and streamlined processes is helping to create a simpler and more transparent connections experience. At the same time, evolving regional energy planning and the emergence of Regional Energy Strategic Plans are encouraging a more coordinated approach to network investment, ensuring that future infrastructure is aligned with the needs of local communities, developers and businesses while supporting the UK's long-term decarbonisation ambitions.

During the year, significant progress has been made in implementing industry-wide Connections Reform and enhancing the efficiency of the connections process. Continued collaboration with government, regulators and industry partners has supported the development of a more effective connections framework, helping to ensure that available network capacity is allocated to projects that are most advanced and deliverable. The introduction of strengthened information requirements for larger demand connections, alongside the ongoing benefits of the Significant Code Review, is improving visibility of future network requirements, unlocking capacity and supporting the growth of renewable generation, energy storage, electrification and other low-carbon technologies.

Connections Performance – Time to Quote and Time to Connect

Within our smaller connections we have exceeded regulatory targets for both Time to Quote and Time to Connect with significant year on year improvements.

Within the Major Connections arena, we have continued to focus on improving our Time to Quote in line with our ED2 commitments with positive results being seen in Distributed Generation HV/EHV quotations (average of 7-day improvement across both licence areas) and the Time to Connect metric has seen significant improvement in the low voltage demand category in particular (average of 35-day improvement across both licence areas).

For further information and a comprehensive view of our performance across all market segments, please refer to our annual Major Connections Annual Report (MCAR).



Connections Performance – Customer Satisfaction

As part of our regulatory and stakeholder commitments, SPEN undertakes weekly Broad Measure of Customer Satisfaction (BMCS) surveys on our smaller connections (up to 4 dwellings) and Major Connections Customer Satisfaction Surveys to understand the experiences of our connections customers and identify opportunities to improve our services.

The analysis of these surveys highlights that our customer's requirements continue to evolve, and our engagement activities have been increasingly focused on supporting organisations that are less familiar with the connections process. We recognise that many customers entering the marketplace are developing projects in response to the opportunities created by the transition to a low-carbon economy. Through targeted engagement, educational materials, enhanced digital content and regular stakeholder events, we continue to build customer understanding and confidence throughout the connections journey. This approach supports better customer outcomes while helping improve the overall quality and readiness of applications entering the process.

Future Outlook

We expect the scale, mix and complexity of our portfolio to continue to change and grow over the coming years. Capacity challenges across both local distribution networks and the wider electricity system are driving the need for increasingly sophisticated network solutions, greater coordination between stakeholders and more strategic investment planning. In response, we will continue investing in digital capabilities, engineering expertise, customer engagement and network development to support customers effectively while maintaining efficient and transparent connections processes.



Be the trusted partner for Customer, Communities and Stakeholders

Customer Satisfaction Pg 22

Our Consumer Vulnerability Strategy Pg 23

Stakeholder Engagement Pg 26



Customer Satisfaction

Within our RIIO-ED2 plan we set our ambitious commitment of delivering 9.4/10 Customer Satisfaction across all service areas and channels we offer. We have set targets increasing each year across ED2 to reach 9.4 and remain on track after our year 3 performance.

SPD customer satisfaction in 2025/26

9.36/10

SPM customer satisfaction in 2025/26

9.25/10

Ahead of Target On Target Below Target

Complaint handling

Our customers need to trust us to handle complaints effectively and fairly, and our performance in this area has remained strong. During the year, we managed 7,101 complaints, with 89% resolved within one day and 98% resolved within 31 days. We also recorded zero repeat complaints and had no complaints upheld by the Energy Ombudsman. These results demonstrate consistently strong performance, building on the strong foundations established at the start of RIIO-ED2. We are proud to deliver continued high standards of service and complaint resolution for our customers.

Responding and Communicating

Throughout the year, our teams remained committed to providing timely, clear and reliable support to customers experiencing power cuts. We handled 537,008 customer calls, including 420,635 power cut-related enquiries, while continuing to deliver our ED2 commitment to proactively support vulnerable customers during outages. We attempted 186,145 proactive outbound contacts during the year, with average contact volumes increasing by 25% compared with the previous year, helping ensure customers received timely information, reassurance and support. Despite demand, we achieved an abandoned call rate of just 0.6%, significantly outperforming our 1% target.

Institute of Customer Service Benchmarking

We benchmark regularly against the Top 50 companies in the UK and in 2025/26 we are proud to have achieved a score of 85.6, above the all sector and utility sector performance (all sector 78.2/utility 73.1).

Some of our RIIO-ED2 Customer Satisfaction Highlights

We received zero repeat complaints, and no complaints were upheld by the Energy Ombudsman.



We are on track to deliver our ambitious Customer Satisfaction targets.

Our Consumer Vulnerability Strategy

As we move beyond the halfway point of ED2, we are building on what we have learned so far – using data and insight more effectively, improving how we deliver support, and shaping stronger plans for ED3.

We recognise that not every customer lives in standard accommodation and that vulnerable communities affected by our power cuts may be impacted in different, sometimes unique ways. As such, we are working to better understand these customers and their vulnerabilities through research, community engagement, and networking. At the heart of our approach is a clear mission statement supported by six enablers.

We have published our Annual Vulnerability Report, which provides further detail on our approach to supporting customers in vulnerable circumstances. The report can be accessed here.



Partnership Model

We will transition our partnership model to be proactive by creating a coalition of organisations with shared goals and data-sharing governance to deliver holistic and efficient support.

This change will bring together a range of partner organisations whose purpose is to support people in need. This innovative network of support bodies offers a standardised approach to recording customer needs and sharing referrals across organisations based on the needs that have been identified. Through a centralised function, the Coalition of Partners (CoP) integrates the support of all partners to provide a holistic support package to customers that addresses their situations of vulnerability to bring about material and lasting change.

Status Update

- The CoP platform transitioned from trial to full operation this year. All delivery partners are now onboarded under improved data sharing agreements, with intelligence dashboards and a standardised onboarding and training module embedded across the network. Development of a bulk-upload capability is also underway to accommodate high-volume partners.
- The CoP platform now operates across the full SPEN network, with the transition to contractual partners complete and coverage extended to all fuel poverty and Low Carbon Technology (LCT) services.

Single Shared Vulnerability Register

We will lead the creation of a single vulnerability register which our Priority Services Register (PSR) will be part of, linking the organisations in our coalition partnership model. This 'Register Once' service will make it easy for customers to register for vulnerability services with multiple organisations we work with.

A central register through which referral partners have holistic visibility of customer requirements, beyond common utilities needs codes (e.g. digitally excluded customers, those with low or no qualifications).

Status Update

We developed and implemented an end-to-end process that provides our partners with visibility of our customer needs as part of the CoP. This process includes the following tools – an individual data form, a central database and referral forms that are all in place.

PSR functionality is now fully embedded in the CoP platform, enabling our vulnerability teams and delivery partners to submit PSR referrals through it.

Reaching those who need help

We will register 80% of customers across every common needs code for PSR Registration by 2028 based on nationally available data.

Comprehensive coverage of eligible customers across common need codes will ensure we can support them effectively during different scenarios. We leverage our valued partnerships to drive PSR awareness and uptake. All our partners have a role to play in this.

Status Update

The commitment remains on track to being fully delivered within the ED2 period. This year we extended outreach to hard-to-reach and historically under-represented groups across 279 events, with particular focus on families with children under 5, people with visual impairment, and non-English-speaking communities. In other areas, PSR coverage is now at 80% or more, compared with the 2021 census, for customers over 65, those with hearing impairment, dementia, and mental health conditions.

Broadening PSR to capture wider vulnerability

We will broaden our view of vulnerability, capturing needs broader than common utility codes, and building these into our service offerings and coalition partnership model.

Establishing a broader understanding of the situations of vulnerability beyond the PSR need codes will allow us to better address needs during power cuts, tackle situations of fuel poverty and remove blockers faced to the energy system transition.

Status Update

We completed the exploration of additional datasets to enrich our 'risk of being left behind index'. Through Vulnerability in Energy System Transition (VEST) Enhancement workshops, we scoped a broader set of inputs covering Energy Performance Certificate ratings, insulation status, income segmentation, tenure type, LCT readiness factors, smart-meter insights, storm-impact overlays, and worst-served transformer reporting. Insight supported the production of a more granular, household-level picture of vulnerability across our regions.

Keeping our records updated

We will contact 100% of all our vulnerable customers every 2 years, achieving a minimum of 60% fully validated data.

Frequent customer contact will drive enhanced data quality that is essential to support customers effectively during emergencies and business-as-usual situations. We will employ a range of proactive and reactive channels to contact and update the information of all PSR customers on the register on an ongoing basis.

Status Update

As of the end of 2025/26, we have contacted 100% of all vulnerable customers over the past two years and achieved a validation of 65%. This standard will be maintained at the end of the 2026/27 regulatory year. This year, we registered 165,330 new households, updated 703,414 existing records, and removed 99,794 outdated records.

100%

Vulnerable customers contacted

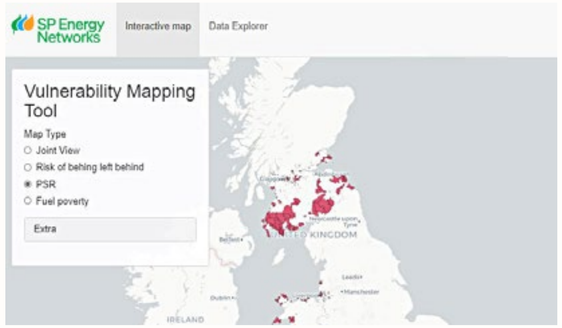
Prioritising customers for Low Carbon Technology support

We will use data and customer insights to identify households that may face barriers to adopting low-carbon technologies. By combining this with housing and technology data, we will better target support and help ensure that no customers are left behind in the energy transition.

Enhanced focused service targeting will allow us to better address the needs of customers and remove blockers they face to the energy system transition. This is closely linked to the 'Broadening PSR to capture wider vulnerability' commitment.

Status Update

We developed an approach to merge Fuel Poverty data, PSR data and the risk of being left behind index to produce a first-of-a-kind unified view of vulnerability. This was achieved via the Network Innovation Allowance (NIA) funded VEST innovation project and continues as part of our commitment to broadening wider vulnerability reach.



Customer needs in a power cut

We will support customers in several ways during a power cut and capture their individual needs through our contact channels with no less than 99% of needs being met.

Offering a range of flexible power cut support services ensures that we can address customers' individual needs flexibly during emergencies. At the same time, capturing and recording their needs, allows us to gather a better understanding of their individual circumstances and address these proactively as required in the future.

Status Update

We supported customers through four major storms this year – Amy, Bram, Claudia and Goretti – offering hotels, hot food vouchers, food trucks, warm hubs, generators, and bespoke support tailored to individual needs. PSR customer satisfaction improved from 9.05/10 in 2024/25 to 9.16/10 in 2025/26.

9.20/10 SPD
9.12/10 SPM

Priority Service Register customer satisfaction performance

Delivering support to customers in all aspects of vulnerability

We will deliver direct support services to 100,000 vulnerable and disadvantaged customers.

We aim to lift customers out of fuel poverty and/or mitigate the negative impact of living in a situation of fuel poverty as well as removing blockers that customers face to the energy system transition. We will work closely with delivery and referral partners to deliver the in-depth support programmes and referrals to welfare services.

Status Update

This year, we achieved our ED2 target to support 60,000 customers through fuel poverty services and accelerated LCT delivery, reaching 9,546 customers. Across ED2 to date, fuel poverty services have generated £32,074,237 in NPV benefits and LCT services £2,335,366, with the latest customer satisfaction scores reaching 9.43/10 and 8.81/10 respectively.

> £32m

Generated across ED2 for fuel poverty services

Ahead of Target · On Target · Below Target

Stakeholder Engagement

Stakeholder engagement sits at the heart of our strategy. Over the past year, we have continued to evolve our approach to ensure it remains targeted, evidence led, and aligned with the needs of a changing energy system, and the priorities of our stakeholders. Our five core engagement principles underpin a disciplined nine step process that enables consistent, collaborative, and insight driven engagement across both our licences.

Throughout 2026, we delivered an extensive programme of ED2 and ED3 engagement, regional workshops, consultations, surveys and targeted stakeholder activity to inform the future direction of our business. This programme generated significant insight and provided stakeholders with multiple opportunities to shape our plans and priorities.

Recognising the scale of engagement undertaken during the year, and the importance of avoiding stakeholder fatigue, we have scheduled our next Annual Stakeholder Priorities Survey for January 2027. This timing will provide stakeholders with an opportunity to reflect on the discussions and activities undertaken throughout 2026, while enabling us to gather fresh insight on emerging priorities as we begin the next phase of our engagement programme.

The survey findings will help validate and refine our Strategic Pillars, ensuring they continue to reflect the issues that matter most to stakeholders. The results will also shape our 2027 engagement programme, supporting more targeted engagement, increased stakeholder participation, and greater use of digital self-service channels through our online engagement portal to improve accessibility, efficiency and stakeholder experience.

1 Driving Engagement

Delivering meaningful engagement relies on strong communication and honest collaboration. We work closely with stakeholders to build mutual understanding and a working relationship that ensures their perspectives are not only heard but visibly shape our strategic decisions. This approach allows us to gather stakeholder insight that is fed into every decision and delivers more positive results for both the business, and our stakeholders. Risks are mitigated, project outcomes are influenced, and a high-quality network for our customers and stakeholders is delivered.

A Tailored Approach

Our Stakeholder Engagement Strategy, first introduced in 2013 and annually refreshed, has now laid the foundation for the delivery of meaningful engagement across the business. Our 2026 framework builds on what has worked well whilst addressing areas where improvements can be made.

As part of our ongoing commitment to stakeholder engagement, we will be conducting our Annual Stakeholder Priorities Survey. Each edition builds on previous surveys, enabling us to monitor evolving trends and ensure our Strategic Pillars remain relevant and reflect the priorities of us as a business, as well as the priorities of our stakeholders.

This survey reaches wider than priorities alone. We will be collecting broader insight on business areas and assessed the effectiveness of our engagement assurance process. The survey was shared with contacts in our tractivity stakeholder management system and promoted through social media channels to maximise reach and participation.

Our Strategic Pillars



Develop a Network thats Ready for Net Zero

- Network Planning
- Distribution System Operator
- Whole systems



Be the trusted partner for customers, communities, and stakeholders

- Customer service
- Consumer Vulnerability
- Community Energy



Ready our business for a digital and sustainable future

- Sustainability
- Net Zero Workforce
- Data & Digitalisation

Stakeholder Workshops

Across February and March 2026, SPEN hosted a series of regional stakeholder workshops in Glasgow, Peebles, Liverpool and Llandudno, bringing together 261 stakeholders from across local government, industry, community organisations, developers and the energy sector to help shape priorities for the future. The workshops, which formed part of our ED3 early stakeholder insight, provided opportunities to test proposals, identify challenges, and uncover the issues that matter most to stakeholders.

A clear theme throughout the discussions was strong support for investing ahead of need. Stakeholders consistently argued that network capacity must be developed proactively to support electrification, economic growth and decarbonisation, with many highlighting connection queues as a key barrier to progress. There was broad recognition that the network must play an enabling role in unlocking future opportunities for homes, businesses and renewable energy projects.

Participants also called for a more collaborative, place-based approach to planning, emphasising the importance of working closely with local authorities, communities and other partners. Stakeholders wanted to see engagement evolve beyond consultation towards genuine collaboration, ensuring regional priorities and local knowledge are reflected in future investment decisions.



The resilience agenda generated significant discussion. Stakeholders recognised that as society becomes increasingly electrified, the consequences of outages become more severe. There was strong support for investment in network resilience, climate adaptation and emergency response capabilities, alongside a focus on protecting vulnerable customers and ensuring reliable service for rural communities.

The workshops also highlighted the importance of people and skills in delivering the energy transition. Stakeholders stressed the need to strengthen the supply chain, provide greater visibility of future investment plans and support the creation of skilled local jobs, ensuring the economic benefits of network investment are felt across the regions served by SPEN.

There was widespread support for smarter, more data-driven networks, with stakeholders recognising the role that innovation, digitalisation and flexibility services can play in improving network performance. However, participants were equally clear that technology must remain accessible and inclusive, with digital solutions complementing rather than replacing human support.

Overall, the workshops demonstrated strong support for SPEN's strategic direction, while reinforcing the need for continued collaboration, transparency and delivery. The feedback gathered provides a baseline for future engagement throughout the ED3 programme. It gives clear reasoning for the need for a resilient, future-ready network that supports economic growth, whilst delivering tangible benefits for customers and communities across all SPEN-served regions.

2 Effective Delivery

Enhancing stakeholder engagement through increased use and integration of digital tools

We're continuing to enhance our stakeholder engagement system, Tractivity, making it more flexible and accessible so teams can interact more effectively. With a database of more than 21,000 contacts and 9,600 organisations, clear and accurate stakeholder categorisation ensures we can quickly identify and engage the people most relevant to each topic.

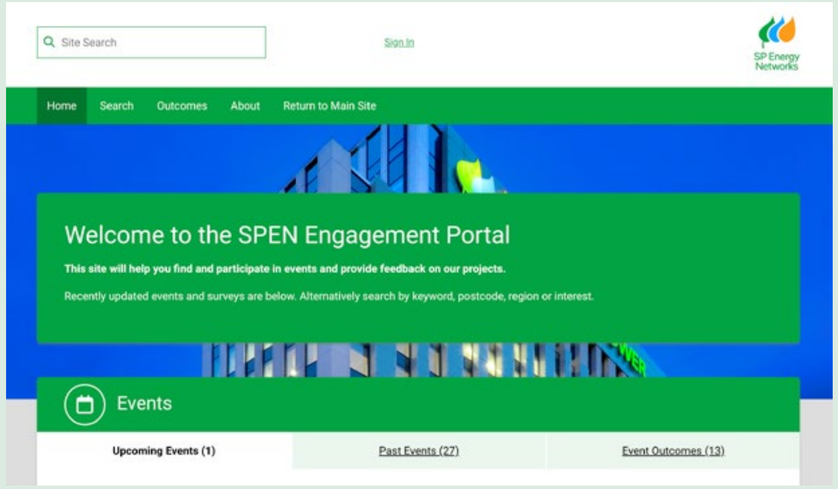
Our Online Engagement Portal, powered by Engage-360, continues to be our hub for event engagement, supporting targeted outreach, publishing surveys and events, and allowing us to gather the outcomes and actions from engagement activities, turning insight into impact. Mixed media content is distributed across web, social media, and email to reach our stakeholders where it is best suited to them.

Mapolitical remains crucial to our delivery, mapping political stakeholders across project routes and regions, using real time geographical data. Since integrating Mapolitical with Tractivity, it has allowed us to consolidate engagement data in one system, increasing engagement efficiency and reducing manual processes. This integrated approach supports delivery across community energy initiatives, project execution, and regional licence operations.

Looking forward we look to further strengthen storm response engagement through collaborating with Mapolitical and Met Office, amalgamating storm data and stakeholder data in a single location enabling us to contact those impacted by adverse weather with more accuracy and confidence.

We've strengthened digital engagement through regular training and specialist support. Updated stakeholder categorisation, more complete stakeholder profiles, and tailored communications has made our outreach more relevant, more effective, and more engaging for stakeholders.

Access to the SPEN Engagement portal can be found here.



Strategic Engagement Programme

Over the past year, we delivered a focused programme of stakeholder engagement that advanced our strategic priorities. Director led activity ensured strong alignment and visible senior buy-in across key forums – including Chambers of Commerce, industry bodies, government organisations, and academia.

These engagements strengthened our position as a thought-leader on priority issues, deepened trust, and enabled more influential collaboration with stakeholders.

Enhancing our Stakeholder Engagement Activities

We enhanced our engagement programme with new strategic events and initiatives, designed to foster collaboration, share critical information, and support stakeholders on their journey toward a Net Zero future.

Over the past 12 months, a total of 482 events have taken place. A collection of:

- In person conferences bringing key stakeholders together around one table.
- Online webinars creating a space for insightful discussion and collaboration with stakeholders.
- Community town halls to give our local stakeholders a chance to voice their concerns about network upgrades, and for their opinions to be heard and acted upon.
- Network Natters sessions across both SPM and SPD licence areas, facilitating engagement with local community groups and charities, community agencies, and delivering services to vulnerable and hard to reach stakeholders.

Flagship Events and Strategic Engagements

- Four stakeholder workshops were held across both SPD and SPM licences looking to test our future investment plans with our stakeholders. In total 261 stakeholders attended. These sessions enabled us to identify where our priorities align with stakeholders', and where adjustments can be made to deliver networks upgrades that best serve the interests of our customers.
- This year we have supported the NESO's transitional Regional Energy Strategic Plan (tRESP) through our stakeholder engagement, ensuring that local, regional and devolved government stakeholders' plans are reflected in the assumptions that will shape future network development. Over 100 meetings with NESO and stakeholders have helped achieve near -perfect alignment between tRESP outputs and our DFES, EV and heat pump forecasts.
- Our annual Flexibility Summit was held this year in our SPM licence area in Liverpool. With over 120 attendees, the event brought together industry specialists, suppliers and generators, local authorities, and DSOs to discuss flexibility now and in the future. Kicking off the day with an entry level "Introduction to Flexibility" the day highlighted stakeholder opportunities, through to animated discussions on future developments and markets.



Youth and Community Engagement

SPEN continues to work in partnership with Smart STEMs (SPD) and All About Futures (SPM) to deliver engaging STEM education programmes for young people. These workshops help students develop an understanding of the electricity network, the transition to Net Zero, and the diverse career opportunities available within the energy sector.

Across our licence areas, SPEN employees have continued to deliver Crucial Crew and Powerwise dedicated safety sessions in local schools. These activities support direct engagement with young people, promoting safe behaviours around the electricity network from an early age.

Through sponsorship of interactive safety education centres, including The Risk Factory, DangerPoint, and Safety Central, SPEN has further extended the reach of its STEM and safety education programmes. These partnerships have enabled more schools and young people across our licence areas to access engaging, practical learning experiences focused on safety and responsible behaviour.

Throughout Summer, SPEN also continued its programme of attendance at Agricultural and County Shows across its operational areas. These events provided valuable opportunities to engage directly with rural and agricultural communities, raising awareness of safe working practices around overhead power lines and electrical infrastructure, promoting support services such as the Priority Services Register (PSR), and facilitating discussions on land access, development, and future network planning.

Knowledge Sharing and Capacity Building

We delivered a varied programme of webinars and in person events designed to strengthen stakeholder capability across priority areas. These sessions provide support on flexibility service provision, connection reform guidance, our initial local investment plans throughout ED3, pathways for adopting low carbon technologies, and routes for accessing community energy support. Combined, this programme looked at improving understanding, enabling informed decision making, and supporting stakeholders to participate confidently in the next stage of our network upgrade.

Commitment to Continuous Improvement

These activities demonstrate our continued commitment to transparent communication, inclusive engagement, and delivering measurable change for communities and businesses. We remain focused on ensuring stakeholders are well informed, have their opinions heard, and are brought along on the journey of shaping the future of their energy network.



3 Ensuring Impact

Storm response

The 2025/26 storm season brought four major weather events. Across these storms, delivering transparent stakeholder engagement was crucial in keeping our stakeholders well informed and communities in the know. We delivered timely, targeted and non targeted communications to local councillors and key stakeholders, ensuring they had clear, area specific information throughout periods of adverse weather.

Our storm communications, distributed via Tractivity Mailshots, peaked at 56% during Storm Amy, exceeding the average UK public-sector email engagement benchmarks which sit at 44-46%. With these communications being targeted for specific stakeholder groups, this indicates encouraging engagement levels with local authorities during crisis.

Storm engagement generated positive feedback and valuable data, helping us refine our communication methods and reinforce confidence in our storm response capability.

Looking towards the 2026/27 storm season, as part of our drive for continuous improvement, we look to use gathered insight alongside the implementation of system improvements to further increase our open rate percentage and push closer to the top 10% of industry benchmarks.



Following Storm Goretti:

"That's the benchmark now probably the best response we have had from a cat 2 in relation to an emergency incident."

Local Councillor, Powys Council

Measuring Social Value

Projects that deliver additional, often qualitative benefits can be challenging to quantify and compare. To address this, we collaborated with other network operators to develop and adopt a consistent social value framework that integrates Social Return on Investment (SROI) modelling. This method enhances traditional cost-benefit analysis by also capturing and valuing the social impacts of our work – those that are typically harder to measure but equally important.

The value types considered include:

- Financial benefits to customers and communities, such as savings or avoided costs
- Economic benefits, like creation of jobs
- Fiscal benefits, like changes in government spending
- Environmental benefits, including biodiversity improvements and reduced emissions
- Social benefits, such as improvements to health and wellbeing.



Strengthening Our Approach to Measuring Social Value

Our SROI model uses a bespoke tool supported by strong governance to measure the forecasted and actual benefits of our actions and investments. We continue to embed its use across the business through training and awareness.

We're also expanding its application into new areas of the business, using social value insights to inform decision making. Two key examples this year include:

Supporting customers in Fuel Poverty

We used the SROI methodology to calculate the value our programme delivers. This includes both immediate savings and longer-term financial improvements for customers. The results show us that our targeted support is not only helping people today, but also delivering lasting benefits. The support delivered this year will unlock value which will continue to benefit our customers in the future.

Metric	Value
Net benefits generated in Y3	£21,497,999
Net benefits generated to date (Y1-Y3)	£32,074,237
Unlocked net benefits by end of ED2 (Overall)	£43,817,617

DSO Benefits Framework

This year we evolved the way we track and measure DSO benefits to reflect this role and capture the full impact of our actions. We built on our core methodology, developed by Frontier Economics, by adding in industry-standard methodology elements agreed through the ENA, and a new bespoke Social Value Framework (SVF) to develop the industry's first integrated approach to DSO benefit measurement.

This year we delivered £14m in net direct benefits bringing our cumulative total to £37m – and a further cumulative total of £608m in indirect benefits.

Our understanding of the broader impact of our DSO activities is driving real change in how we as a business operate in order to help us make more informed, impact driven decisions as we shape a cleaner, more flexible energy system for the future.

Ready our Business for a digital and sustainable future

Environment Pg 31

Data Pg 36

Digitalisation Pg 38

People and Culture Pg 41



Environment

We are committed to becoming a fully sustainable networks business and continue to play our part in enabling societal decarbonisation whilst ensuring our activities have a net positive impact on people and planet. This report highlights the tangible actions we've taken to drive meaningful change.

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

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

Internally, we've continued to strengthen our sustainability foundations through updated training programmes, continued ISO 14001 certification following our external surveillance audit and further progress on our Just Transition agenda. This included publishing our second Just Transition Report and introducing new Key Performance Indicators (KPIs) to the business. Our Action for Nature work also continues through stronger governance, new partnerships and practical biodiversity enhancement projects.

We've made significant progress in embedding circular economy principles across our operations. In 2025/26, we achieved a 94% landfill diversion rate, and the continued implementation of the Qflow tool has enhanced real-time waste tracking.

Sustainability extends beyond our operations. This year, 71% of our priority suppliers met our enhanced environmental standards. We were also pleased to see membership in the Supply Chain Sustainability School increase from 57% to 60%, demonstrating the value our supply chain places on this partnership.

We prepare a Distribution Annual Environmental Report which provides a comprehensive update of our performance against key metrics and our ongoing progress to deliver our RIIO-ED2 Environmental Action Plan commitments. It sets out our key activities to progress these commitments and gives examples of how we are supporting the societal transition to a low carbon economy whilst seeking to minimise our impacts on the environment.



High level Highlights

1 Net Zero Transition Plan Published

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

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

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

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

We anticipate that our emissions reductions will not follow a straight, consistent path. While some parts of our carbon footprint may decarbonise in line with the 2035 Net Zero pathway, some may decarbonise faster and others may lag. The focus is on the overall outcome.

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

2 Showcasing Sustainability Leadership on the Global Stage

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

3 Partnership with The Tree Council

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

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

4 Improving recycling at depots

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

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

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

5 Rollout of Sustainability Training Courses

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

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

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

Climate Action

Scope 1 and 2 emissions, excluding losses, increased by approximately 11% compared with the previous financial year but remain 32% below our baseline year. As a result, we are currently off trajectory to meet our near-term target of a 67.5% reduction by 2030/31, against a 2018/19 baseline. This increase is primarily due to a 22% increase in SF_6 fugitive emissions between 2024/25 and 2025/26.

This is due to increased emissions in SPM, which rose from 155.2kg in 2024/25 to 239.4kg in 2025/26, primarily driven by higher SF_6 disposal emissions. This reflects an increase in SF_6-containing assets being decommissioned, with disposal emissions recognised at the point assets are removed from the network. The increase therefore reflects a higher level of asset replacement and decommissioning activity during the year. Emissions in SPD fell from 114.9kg in 2024/25 to 108.7kg in 2025/26.

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

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

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

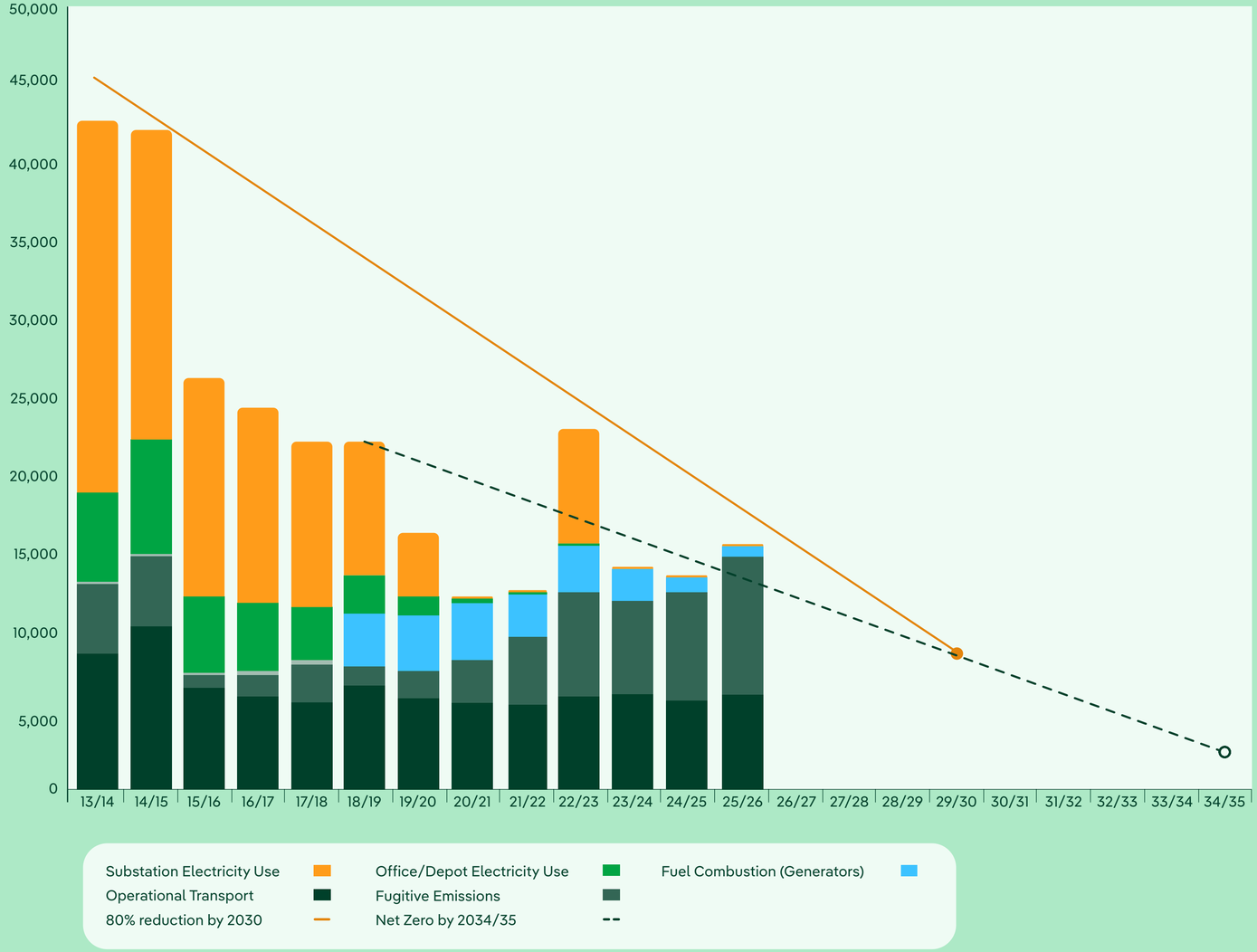
Including network losses, total Scope 1 & 2 emissions decreased by 17% year-on-year, driven by:

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

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

As part of the ED3 planning process we are working on a joint strategy with SP ENW to establish a consistent, lifecycle-based approach across SPD, SPM and SP ENW to reduce emissions and manage the SF_6 bank, combining enhanced leak management, targeted refurbishment and replacement, effective gas recovery and re-use, and SF_6-free solutions by default where feasible, while remaining responsive to evolving technology, regulation and supply-chain conditions.

Business Carbon Footprint Scopes 1 & 2 (excl. Losses tCO_2e)



Sustainable Society

During regulatory year 2025/26 we maintained certification to ISO14001 with an external surveillance audit of our Environmental Management System. We continue to partner with the Supply Chain Sustainability School to provide high-quality sustainability training and resources for our staff, contractors and wider supply chain. This year, we fully refreshed the *Managing with Sustainability* and *Leading with Sustainability* training programmes to ensure they reflect our current priorities, stakeholder expectations and the practical realities of delivering our commitments.

In 2025, we published our second Just Transition Report, providing a detailed overview of our progress, challenges and areas for further action. As part of this work, we introduced a new set of Just Transition KPIs aligned to our four principles. These KPIs provide clear, measurable indicators to help us define what 'good' looks like, track progress year-on-year, enhance transparency and drive continuous improvement across the organisation. We continued to progress our Sustainability Data and Reporting Strategy and digitalisation roadmap, setting out how we will improve data collection, analysis and reporting by the end of RIIO-ED2 and into ED3. This includes reducing reliance on manual processes, improving data ownership and developing digital reporting platforms, dashboards and evidence trails.



Circular Economy

In calendar year 2025, we diverted 94% of waste, including direct operational and construction waste, from landfill. This was just short of our annual target of 96.7% on the path to achieving 100% by 2030. However, we have identified under-reporting of landfill diversion caused by issues with our waste reporting system's categorisation of some waste management routes, particularly exempt onsite activities such as aggregate reuse. To achieve our 2030 goal, we will continue to work with partners across our supply chain and focus on identifying alternative waste management approaches where waste is currently going to landfill.

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

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



Supply Chain

Through close supply-chain collaboration, we are embedding a partnership-based approach that delivers meaningful sustainability benefits. Active supplier engagement is critical to reducing carbon, supporting circular practices, protecting and enhancing nature, and maximising positive societal impact. We also launched innovation projects to better understand specific supply-chain impacts, including biodiversity.

These engagement channels support our commitment to engage suppliers throughout their contracts, optimise benefits and reduce environmental impacts. We will continue enabling suppliers to propose innovative solutions that drive further improvements.

We use our enhanced standards to benchmark the progress of priority suppliers in incorporating sustainability into their businesses.

We have assessed the top 80% of our supply chain by spend; 69% of SPM suppliers and 73% of SPD suppliers now meet our enhanced environmental standards, keeping us on track for 80% compliance by the end of RIIO ED2. We will continue encouraging suppliers without Science Based Targets (SBTs) to set them. As SMEs form a significant proportion of our supply chain and may need additional support to develop credible targets, we updated our Distribution tender documentation to clarify SBTs and acceptable alternatives, reducing barriers. Our work with the Scottish Business Climate Collaboration on the Climate Hub tool for SMEs has strengthened available support. This remains a key focus for 2026/27 and the remainder of RIIO ED2.

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



Action for Nature

Since publishing our Action Plan for Nature in the first year of RIIO-ED2, we have focused on implementing this ambitious strategy. To achieve enhancements on our own land and in partnership with external organisations, we have reviewed our internal processes. The SPEN Nature Board, established in 2024, continues to ensure the right policies, procedures and governance are in place to deliver nature-positive investment effectively.

In 2025, SPM continued offsite enhancement with Cheshire Wildlife Trust (CWT), supporting our ED2 commitment to deliver 25 hectares of 10% biodiversity enhancement. We also partnered with Montgomeryshire Wildlife Trust to deliver further enhancement across 2026/27.

This year, SPD plans to work with Caerlaverock Estate to create meadow, woodland and wildlife corridors. Within the Caerlaverock Cluster's 2,500ha nature restoration and sustainable farming project, SPD will fund creation or conversion of grassland into species-rich native-wildflower meadow in 2026/27, alongside 12 native-shrub wildlife corridors.

In SPM, we use DEFRA's statutory Biodiversity Net Gain (BNG) metric. In Scotland, National Planning Framework 4 (NPF4) requires significant biodiversity enhancement. NatureScot is developing a standard Scottish planning metric. SPEN and SSEN are actively engaging to ensure the emerging metric and guidance support Scotland's biodiversity, natural capital and Net Zero objectives. In the interim, SPD uses the adapted SSENT biodiversity metric.



Performance Dashboard

Climate Action

32% ↓
Reduction in Scope 1 & 2 (excl. losses) from 2018/19 SBT baseline

11% ↑
Increase in Scope 1 & 2 (excl. losses) from last year

22% ↑
Increase in SF_6 emission from last year

PlanetMark Certified
Net Zero Committed
Certified as PlanetMark Net Zero Committed

Supply Chain Sustainability

GOLD
SUPPLY CHAIN SUSTAINABILITY SCHOOL
Supply Chain Sustainability School partner

71% ↑
Suppliers (by value) meeting our enhanced environmental standards (SPD & SPM)

37% ↑
Suppliers with science-based targets

Sustainable Society

10% ↓
Gender pay gap

2.64km ↓
Overhead lines underground for visual amenity

bsi. ISO 14001 Environmental Management
ISO14001EMS certification

Circular Economy

94% —
Waste diverted from landfill



Action for Nature

100% —
Pollution prevention plans implemented on 132kV projects

9 ↑
Reportable environmental incidents

Data

As we support the transition to Net Zero, data remains critical to how we plan, operate and optimise our network. By strengthening our monitoring, analytical and data sharing capabilities, we are enabling more informed decisions, integrated whole system solutions and greater value for customers and stakeholders. These investments are enabling faster decision-making, stronger stakeholder collaboration, and better planning for future network needs.

Harnessing the value of Data

Our strategic Data Hubs have been delivered to improve data accessibility in the organisation – the solution automates data ingestion from source, and transforms data into business ready outputs; improving data quality, accessibility and reuse across the organisation.

Within data hubs we have delivered solutions which include Flexibility Data capabilities that support enhanced analysis of flexibility activities in our DSO, and automated publication to Open Data services that enhance the efficiency and scalability of dataset releases. These datasets ensure that precise, trusted data is delivered for informed decision making both internally and externally; and we will continue developing data using this solution over the coming years.

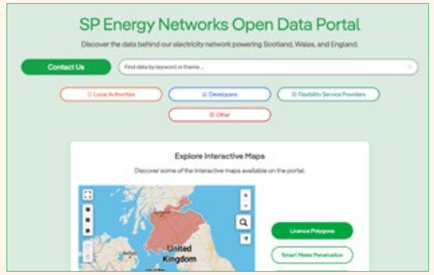
Over the past year, we operationalised the Engineering Net Zero (ENZ) platform, providing a trusted foundation for forecasting future network needs and supporting evidence-based decision-making.

Alongside improved ENZ forecasts, increased volumes of LV monitoring and smart meter data have enhanced network visibility and near-time insights, informing planning and connections decisions.

All together these capabilities are providing deeper insight into network performance and customer demand, supporting targeted investment, network planning and the transition to Net Zero.

Data Governance

Trusted, high-quality data remains fundamental to the effective planning and operation of our network and to delivering value for customers, stakeholders and the wider energy system. Over the past year, we have further matured our data governance capabilities, strengthening data ownership and accountability, expanding our understanding of key data assets, and enhancing how we measure and manage data quality across the organisation. Through our Data Governance platform, Informatica, we are improving visibility of critical datasets, strengthening governance oversight, and driving targeted improvements in data quality where opportunities are identified. These capabilities increase confidence in the data we share through our Open Data Portal and helps us meet the needs of customers, stakeholders, and regulators.



Sharing Data with our Stakeholders

We have successfully delivered our Open Data Roadmap, publishing 18 new datasets, and dashboards tools to improve insight in response to stakeholder feedback.

This helped drive over 3.2 million API calls and increased the value of our data in supporting network planning, decarbonisation, and industry decision-making.

To improve accessibility and user experience, we:

- Redesigned the Open Data Portal homepage and navigation.
- Added new feature pages to improve data discovery.
- Introduced accessibility tools through Recite Me.
- Enhanced data descriptions and introduced a glossary of terms.
- Improved discoverability through the development of our Data Marketplace.

Throughout the year, we maintained close engagement with stakeholders through workshops, webinars, and industry events to ensure our services continue to meet user needs.

Our 2026 Open Data Roadmap sets out the current phase of stakeholder-led improvements.

Data Innovation

Through our involvement in NESO's (National Energy System Operator) Data Sharing Infrastructure (DSI) programme, we are helping to shape the future of secure, standardised energy data sharing across the UK.

As the first organisation to successfully connect to the DSI pilot platform, we have helped demonstrate secure and scalable data sharing across the energy sector.

Building on this success, we continue to support the programme through innovation, delivery expertise, and industry collaboration. This work is helping establish the standards and data-sharing capabilities needed to improve whole-system decision-making and accelerate the transition to a more connected, resilient, and Net Zero energy system.

41,000+
Downloads of data

4,150+
Registered Portal users

2
Additional feature pages added

18
New datasets including dashboards and insight tools

Open Data Roadmap

	Q1 2026	Q2 2026	Q3 2026	Q4 2026
Developing data aligned with our regulatory framework and stakeholder needs	Secondary substation polygons Carbon accounting per Grid Supply Point (GSP)/Primary Historic GSP/Primary demand curves	Embedded Capacity Register (ECR) improvements Updated heat maps Long Term Development Statement (LTDS) CIM Stage 2 (May 2026) Low Carbon Technology (LCT) connection data	Data Best Practice Maturity Assessment carried out Carbon accounting for the substation auxiliaries High Voltage (HV) feeder loading Outage data review & refresh Independent Distribution Network Operator (IDNO) polygons	2027 stakeholder led roadmap published LTDS CIM Stage 3 (November 2026) Electric Vehicle (EV) network feature page Expansion of the smart meter data Low Voltage (LV) feeder voltage events
Improving transparency, accuracy and accessibility	Substation naming convention reference table Initial glossary published	Generation mix dashboard Data governance landing page	Updated risk assessments Refreshed feature pages	ECR dashboard Data standardisation EV network feature page
Opportunities to engage with us	Local Authority Webinar Stakeholder Group Engagement Sessions	Stakeholder Group Engagement Sessions	“Hands on with our Data” webinar	Open Data blog Launch of 2026 stakeholder survey

Key: Analysis, Maps, Stakeholders, Dashboards, Page, Datasets

Digitalisation

Salesforce Experience Cloud Postcode Lookup

The Salesforce Experience Cloud Postcode Lookup capability enhances SP Energy Networks' (SPEN) digital customer experience by providing customers with a highly resilient and modernised version of our self-service method of identifying power outages and planned works.

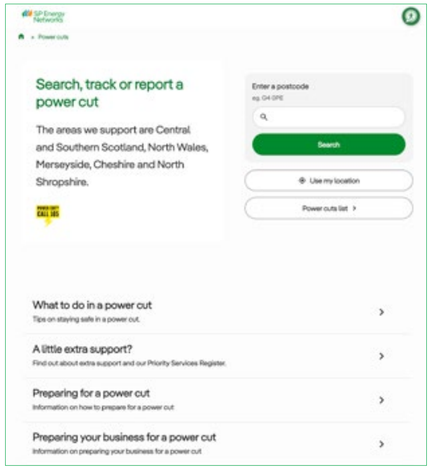
The capability was delivered as part of the Salesforce Optimisation and Experience Cloud roadmap, supporting SPEN's strategic objective of increasing digital self-service, improving customer communications during network incidents, and reducing operational demand on contact centre teams.

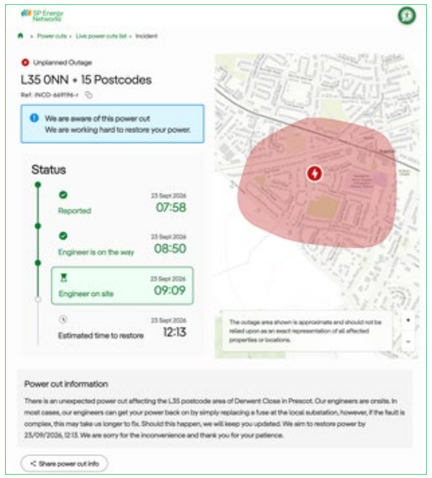
Key enhancements include improved postcode search functionality, map-based incident visualisation, planned outage visibility, location-aware services, and integration with customer support features such as warm spaces and food truck locations.

Overall, the Salesforce Experience Cloud Postcode Lookup represents a key step in modernising customer engagement, providing a digitally enabled, customer-centric service that improves resilience, supports customers more effectively, and strengthens SPEN's ability to manage network events through a single, integrated Salesforce platform.

The business benefits are significant:

- Improved customer experience through faster access to outage and service information.
- Faster dissemination of planned outage, emergency information, and support service e.g. warm spaces information.
- A scalable platform aligned to SPEN's long-term digitalisation strategy and Salesforce investment roadmap.





Mobility & Scheduling

The Mobility & Scheduling Programme established a single digital platform for planning, scheduling, dispatching, executing and reporting work, whilst providing engineers, supervisors, planners and contractors with a consistent mobile experience in the field.

Leveraging Salesforce Field Service capabilities, the programme has streamlined operational processes, reduced manual intervention and increased visibility of field activities in near real time. The platform enabled smarter workforce deployment, improved resource utilisation and enhanced coordination between office and field teams, creating the foundations for a more agile and data-driven operating model.



Inspections & Maintenance

The programme digitised inspection and maintenance activities, enabling engineers to access work orders, asset information, inspection schedules and maintenance records directly from mobile devices. This improved compliance, supported proactive asset management and provided greater visibility of network condition and maintenance performance.

Capital Investment Delivery

For investment workstreams, the programme improved the mobilisation and coordination of resources required to deliver network reinforcement, asset replacement and strategic capital projects. Enhanced scheduling capabilities optimised workforce allocation, improved programme visibility and supported the efficient delivery of regulatory and business investment commitments.

Customer Connections

The platform simplified the end-to-end delivery of customer connections by providing enhanced scheduling, appointment management and field execution processes. Improved coordination between planning, design and field delivery activities increased customer satisfaction, reduced delays and improved transparency throughout the connection lifecycle.

Mobility & Scheduling *continued*

Reactive Operations

The programme is currently enhancing fault response and network restoration activities through intelligent scheduling, improved mobile capabilities and real-time visibility of field resources. This will enable faster mobilisation of engineers, improved incident management and more effective coordination during network events and emergency situations.

Strategic Benefits Delivered

- Increased workforce productivity through optimised scheduling and mobile-first ways of working.
- Reduced manual processes, duplication and administrative effort across operational teams.
- Improved operational visibility through real-time reporting and performance insights.
- Enhanced customer experience through improved appointment management and service delivery.
- Established a scalable digital platform capable of supporting future operational growth, innovation and regulatory commitments.
- To date the new field worker solution has:

175,000
Completed inspections

~30,000
Maintenance work orders undertaken

>18,000
Projects supported with scheduling and execution of 8,500 service appointments

Integrated Flexibility Management Platform (IFMP)

The Integrated Flexibility Management Platform (IFMP) programme delivered a strategic digital capability to support the growth and operationalisation of flexibility markets across SPEN. The programme established an end-to-end platform for managing the complete flexibility trading lifecycle, transforming previously manual and semi-automated processes into a scalable, integrated and future-ready operating model.

The solution was designed to support increasing volumes of flexibility transactions as the Distributed System Operator (DSO) market continues to mature. By automating key business processes, IFMP improved the management of Flexibility Service Providers (FSPs), from onboarding and asset registration through to bidding, scheduling, dispatch, reconciliation and settlement.

A key strategic objective of the programme was to reduce barriers to participation in flexibility markets by simplifying processes for new and existing providers. Through integrated workflows and improved system interoperability, IFMP removed duplication, improved data quality and enabled more efficient engagement with flexibility service providers.

The Integrated Flexibility Management Platform (IFMP) successfully went live in April 2026, transitioning SPEN's flexibility market operations to the Electron Connect platform. The first flexibility market competitions were prepared for mid-April 2026, and flexibility trades have been executed through the new platform since April 2026, establishing SPEN's end-to-end digital capability for flexibility procurement, dispatch and settlement.

Strategic Benefits Delivered

- Established a scalable digital platform capable of supporting increased volume, frequency and complexity of flexibility market transactions.
- Automated key flexibility market processes, reducing reliance on manual administration and spreadsheet-based controls.
- Improved onboarding and management of Flexibility Service Providers through streamlined registration, qualification and contract management capabilities.
- Enhanced scheduling, dispatch and settlement processes to support more effective network flexibility operations.
- Increased data consistency, reporting capability and decision support for flexibility market operations.
- Supported regulatory objectives relating to new market models and flexibility services under the DSO transformation programme.

Market-wide Half-Hourly Settlement (MHHS)

The Market-wide Half-Hourly Settlement (MHHS) programme is delivering one of the most significant industry-wide regulatory transformations in the UK energy sector, ensuring SPEN was prepared for the transition to a modernised electricity settlement model based on half-hourly consumption data.

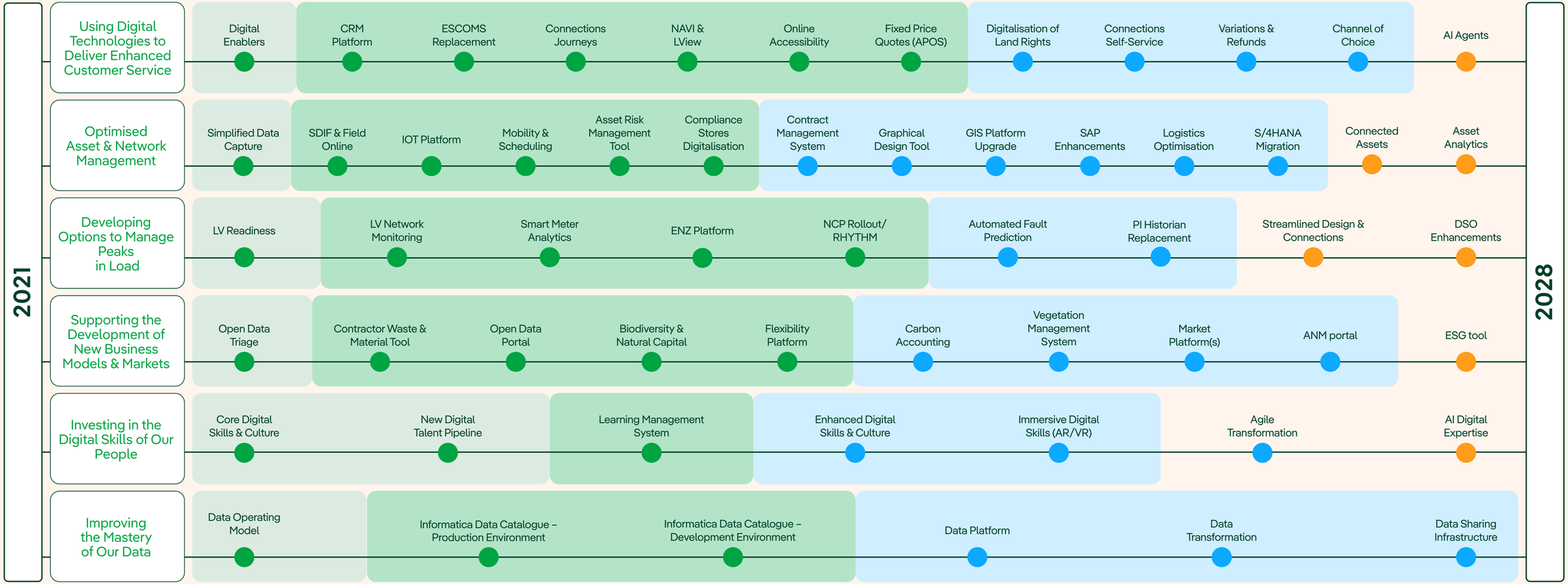
MHHS was designed to modernise how electricity is measured and settled across Great Britain, supporting a smarter, more flexible and lower-carbon energy system. The programme established the capability required to process and exchange more granular energy consumption data, enabling improved settlement accuracy, greater support for flexible energy services and enhanced visibility of network demand patterns.

A major achievement was the successful readiness of SPEN systems and operational processes for the industry M10 go-live milestone in September 2025, enabling the organisation to accept and process MHHS MPANs and support the subsequent migration of customers into the new settlement framework. The programme also introduced new business processes, operational controls, reporting capabilities and support arrangements to manage the transition and subsequent migration phases.

Strategic Benefits Delivered

- Achieved compliance with the Ofgem-mandated MHHS industry programme and associated licence obligations.
- Enabled support for half-hourly electricity settlement and more accurate market reconciliation processes.
- Established the infrastructure and operational capability required to support the transition of metered and unmetered customers to the MHHS framework.
- Enhanced market messaging, registration and data exchange capabilities through integration with new industry platforms and processes.

Digital Roadmap



Legend

Strategy building block

Digital enablers (2021 – 2022)

Digital foundation (2023 – 2024)

Digital operations (2024 – 2026)

Digital core (2026 – 2028)

complete

in progress

planned

Note: The milestones indicate the completion of a mature product or service. In many cases this will be followed by a continuous improvement programme throughout the RIIO-ED2 period.

People and Culture

At SP Energy Networks, our people are the driving force behind our success. As we move through the RIIO-ED2 price control period, we're not just investing in infrastructure – we're investing in individuals. Our People & Culture strategy is shaping a workplace that's inclusive, resilient, and ready for the future of energy.

Listening that Leads to Action

During 2025, our employee continuous listening model, enabled us to respond more quickly and meaningfully to employee feedback. Short, topic-focused pulse surveys now run throughout the year, targeting key stages of the employee journey.

Our 2025 Loop survey revealed:

- **Engagement jumped from** 65% to 68%
- **Satisfaction rose** from 7.0 to 7.3
- **80%** of employees said they are **proud to work here** (up from 73% year on year)
- **90%** feel their manager was **open to feedback** (up from 88% year on year).

We're proud to have maintained **accreditation as a Top Employer** by Top Employer Institute, reflecting our commitment to creating an environment where people feel valued and inspired to perform at their best.

Reaching the Unheard: Listening Where It Matters Most

We've continued to take steps to **better connect with our field and customer service teams** whose voices are vital and ensure additional qualitative insights. In 2025, we facilitated focus groups, creating space for open dialogue and real change. Connecting with our people at their place of work, building relationships and trust, hearing views and opinions, and shaping improvements on what matters most.

Inclusion That Drives Change

Last year saw the implementation of several impactful initiatives aimed at attracting, supporting, and retaining talent while enhancing our inclusive culture, beginning with our improved policy offerings. We introduced an increase of up to eight weeks of paid paternity leave alongside five days of paid caring leave, and up to twelve weeks of paid neonatal care leave, all offered as day one entitlements for our employees.

Another key area of focus was fostering Allyship among our senior leaders, where a dedicated pilot program launched in 2025 is now embedded as a business-as-usual initiative. One of the first participants of the programme, Director of SPM, was named winner of the Allyship Award at the Women in Utilities Awards.

Furthermore, we continued to back our successful employee led networks. We are delighted that these networks have garnered national recognition, with our In-Fuse Network receiving acclaim at the Pride Metro Awards and the European Diversity Awards, whilst our Connected Women's Network celebrated a win at the Women in Utilities Network Awards.

Diversity and Inclusion data collection has increased to 52%, up from 43% the previous year – an important step in measuring and improving representation.



Wellbeing That Works

Supporting the physical and mental wellbeing of our people is a leading priority. Our Occupational Health, Hygiene and Wellbeing team leads a programme of health promotion and improvement, backed by colleagues across ScottishPower.

ScottishPower have partnered with Scottish Action for Mental Health (SAMH) to upskill our people managers in their role to support good mental health and wellbeing at work. A total of 552 people managers within SPEN have completed this training, within the reporting year, which contributed towards achieving the ScottishPower target of training 1200 people managers by December 2025. This training complements our Mental Health First Aid programme – SPEN currently have 96 trained MHFAs, who continue to offer valuable peer support for our employees.

We have started the implementation phase of our participation in the See Me in Work Programme. Using feedback from our employees, we are creating additional training opportunities for all roles to further increase mental health literacy. Another key aspect of this plan is ScottishPower's ambition to become certified in ISO 45003 – the first global standard in supporting the psychological health and wellbeing of employees.

We deliver monthly health and wellbeing campaigns to promote good mental and physical health for all. This includes men's health, women's health, and stress awareness – alongside activities like step count challenges, free health checks, and provisions led by our PowerClub service including fitness classes, on-site gym facilities, and fitness testing.

Growing Talent, Building Futures

We welcomed 259 trainees across our graduate, apprenticeship and trainee programmes, supporting the development of the skills needed to deliver the energy transition.

While engineering and craft roles remain at the heart of our workforce strategy, we have continued to expand opportunities in areas including data and digital technology, software engineering, cyber security, quantity surveying, project management, health and safety, and business management. Through graduate programmes, higher skills apprenticeships and graduate apprenticeships, we are helping to address critical skills gaps and create sustainable career pathways for future talent.

In November 2025, we launched EMPower, a new employability programme designed to support ex-military personnel as they transition into civilian careers. The programme provides meaningful work experience, mentoring and exposure to career opportunities across ScottishPower, helping participants transfer valuable skills into the energy sector while supporting a more diverse and inclusive workforce. So far, 58% of those on programme have converted to permanent roles.

We also introduced the ScottishPower Futures Scholarship, delivered in partnership with The Education Academy Scotland. The programme provides fully funded academic support, mentoring, site visits and career insights for young people studying STEM-related subjects, helping to improve attainment, build confidence and inspire the next generation of talent to pursue careers in energy, engineering and technology.

Workforce Capability and Skills Development

Throughout ED2 we have continued to build organisational capability in response to the future skills requirements identified through workforce planning, strategic workforce analysis, and future skills assessment activities. During 2025/26 this included sustained investment in leadership capability, cyber and digital skills development, and the evolution of our approach to skills and capability management. The development and application of role-based skills frameworks and structured capability pathways in strategic skill areas, is improving our ability to identify current and future capability requirements, target development activity more effectively and support long-term workforce sustainability and resilience.

Recognising the increasing importance of digital technologies to the future operation of energy networks, we have continued to strengthen cyber and digital capability across the organisation. This includes development activity focused on cyber security awareness, specialist technical capability and the skills required to support an increasingly digitised network environment. These activities ensure we maintain the capability needed to manage emerging risks, support digital transformation and enable the continued safe and reliable operation of our networks.

During 2025/26 we continued to invest in leadership capability at key career and leadership transition points, supporting leaders to lead teams effectively, navigate change and deliver business priorities in an increasingly complex operating environment. Underpinned by ScottishPower's leadership framework, these interventions contribute to building high-performing teams, strengthening organisational effectiveness and supporting delivery of our strategic objectives.

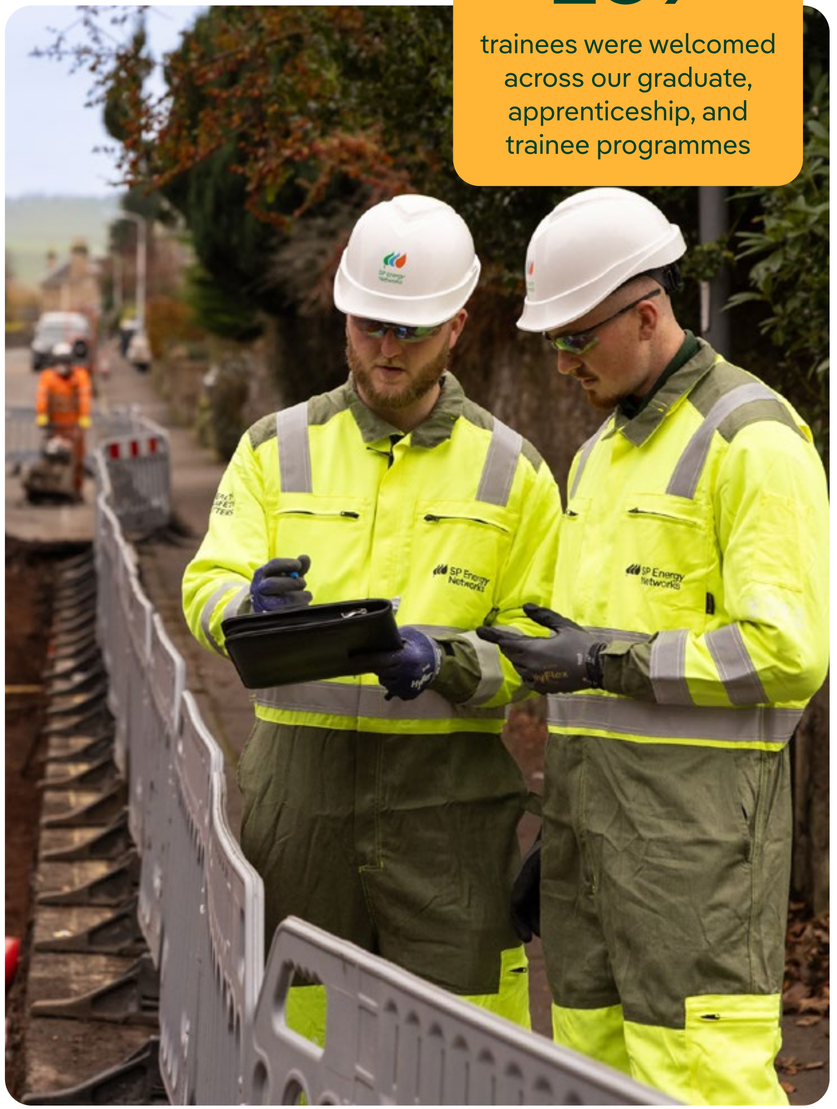
Together, these activities complement our established early careers programmes and form part of a broader capability strategy designed to ensure that ScottishPower maintains a skilled, adaptable and sustainable workforce. This supports delivery of network investment programmes, enables digital transformation, strengthens organisational resilience and helps deliver the capabilities required for the transition to Net Zero.

Looking ahead to future price controls, we continue to explore the long-term role of our Training Centres across both our north and south licence areas, ensuring they are positioned to support the future skills and competence requirements of the business. Building on the introduction of General Safety, Environment, Technical Skills and Non-Technical Skills authorisations in the last reporting period, we are working closely with colleagues in Group Health & Safety to develop role-based competence and knowledge profiles. Given the breadth and complexity of roles across the organisation, initial efforts are focused on those positions that are most critical to safety, operational performance and business resilience. Over time, this work will be expanded more broadly, with profiles providing clearer expectations, supporting consistent standards, and enabling more targeted development pathways across the workforce.

We're committed to investing in the skills, capability and long-term development of our people. Across the 2025/26 reporting period, we delivered over 127,025 hours of training to 2,068 employees across SPD and SPM – a 25% increase from the previous year. This investment is helping to strengthen operational competence, environmental compliance, health & safety awareness, and improve readiness for current and future network delivery; key aspects of ensuring our colleagues have the skills and confidence needed to work safely and effectively as our business and the wider energy system continue to evolve.

259

trainees were welcomed across our graduate, apprenticeship, and trainee programmes



Expenditure and Revenues

Expenditure and Revenue	Pg 44
Bill Impact	Pg 45
Financial Performance	Pg 46



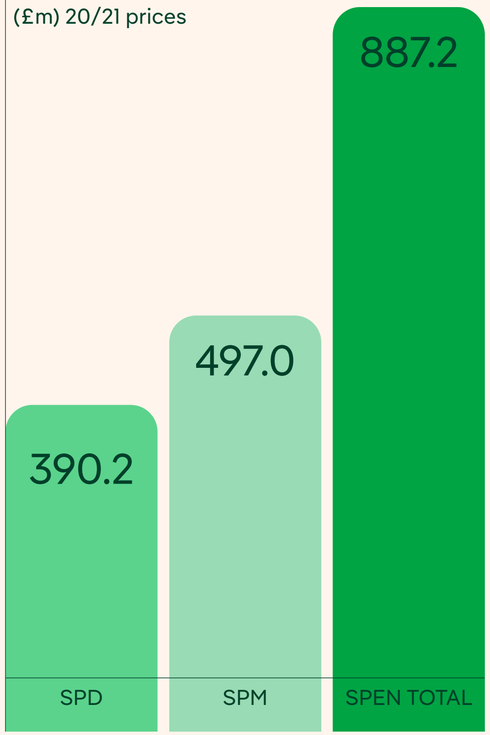
Expenditure and Revenue

Our allowed revenues
Our revenues are set through regulation by Ofgem and represent a recovery of our expenditure that we invest into our networks as well as other unavoidable costs such as business taxes. We are also subject to performance related incentives which are used to drive performance in areas such as reliability, environmental and other policy goals.

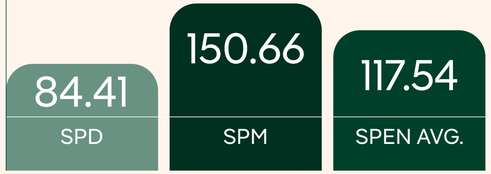
SPEN's Regulated Revenue for the regulatory year 2025/26 was £826.5m, what we are permitted to recover from our customers for using our network services during 2025/26.

This is covered by the Unrestricted Domestic Tariff Charge:

Total Allowed Revenue (£m) 20/21 prices



Domestic Tariff Charge



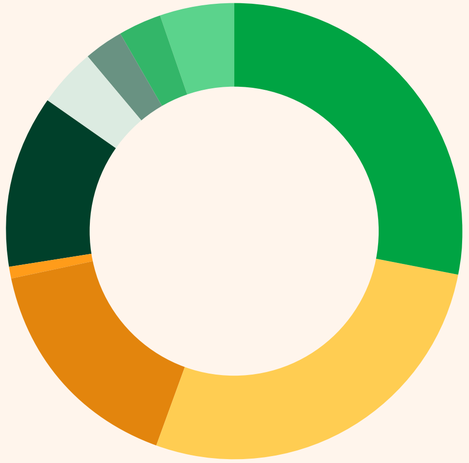
Performance-related financial incentives

How our performance this year translates to rewards or penalties under the various financial incentive mechanisms put in place by the regulator, Ofgem, and applied to all Distribution Network Operators (DNOs).

Output Delivery Incentives (20/21 prices)	SPD (£m)	SPM (£m)
Reward or penalty schemes	25/26	25/26
Broad measure of customer service	2.2	1.5
Interruptions-related quality of service	3.2	*-1.0*
Time to Connect Incentive	1.2	1.3
Distribution System Operator ODI	3.1	3.4
Consumer Vulnerability ODI	0.0	0.0
Penalty-only schemes		
Major connections ODI	0.0	0.0
Total	**9.7**	**5.2**

Reward
In 2025/26, we earned a £15m reward for going above and beyond delivering a safe, secure and reliable service to our customers and meeting our stakeholders' needs (2020/21 prices).

SPEN Expenditure	SPD (£m)	SPM (£m)
Engineering and support activities	106.96	100.89
Asset replacement and refurbishment	91.32	108.65
Network operating costs	55.97	65.53
Rising lateral mains	5.41	4.02
ESQCR low ground clearances	3.22	0.27
General reinforcement	46.68	44.00
Non-operational capex	14.21	13.15
Connections	6.06	10.76
Cyber	11.36	11.42
Others	16.99	18.10
Total	**358.18**	**376.78**
Total combined 20/21 Prices		**734.97**



Engineering and support activities	**28%**
Asset replacement and refurbishment	**27%**
Network operating costs	**17%**
Rising lateral mains	**1%**
ESQCR low ground clearances	**0%**
General reinforcement	**12%**
Non-operational capex	**4%**
Connections	**2%**
Cyber	**3%**
Others	**5%**

Bill Impact

Our strategy is to responsibly invest in our network to balance the large scale of investment required to meet the needs of todays and future consumers, while also ensuring the level of costs to customers, via the network charge on electricity bills, stays at a reasonable level.

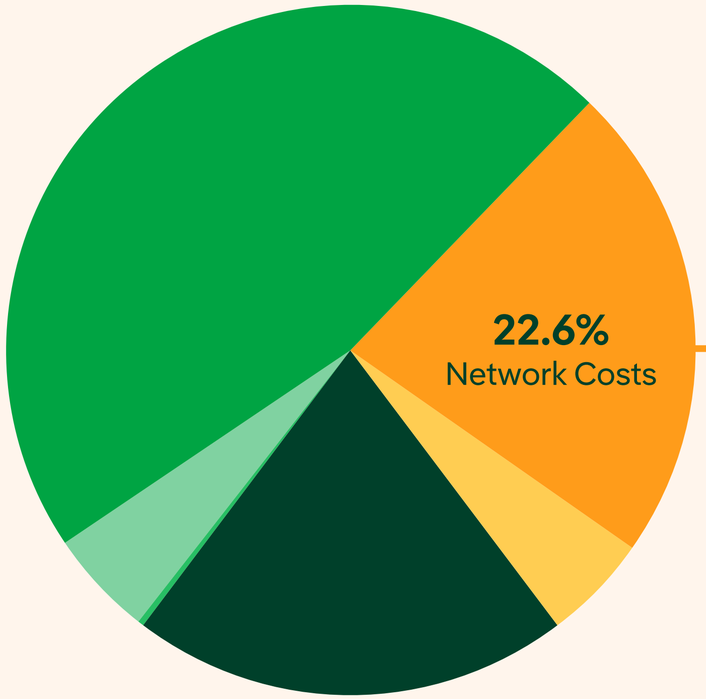
We are proud of our delivery and performance over the RIIO-ED1 period and are working hard to continue this into RIIO-ED2.

42p per day*

To provide our essential services it costs SPEN customers an average of 42p per day.*

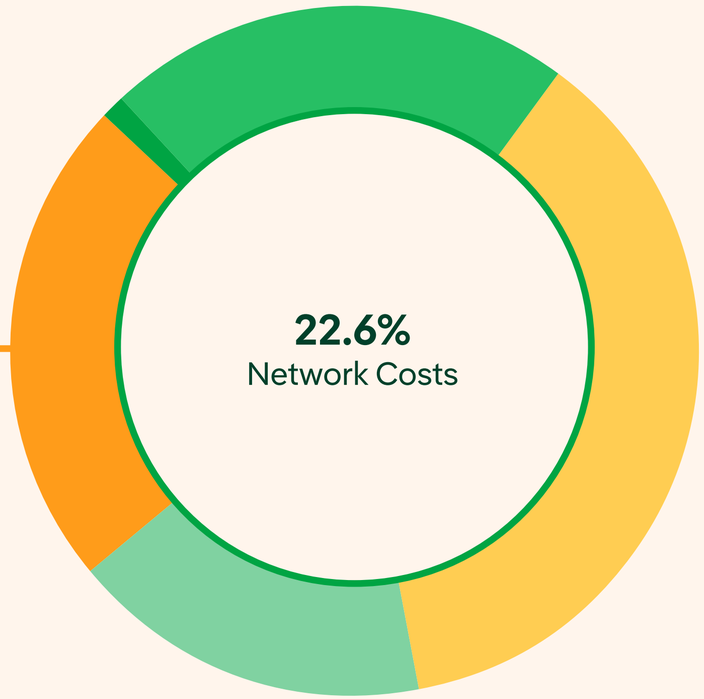
**in today's prices.*

Breakdown of an average electricity bill 2025/26



Wholesale Costs	46.8%
Network Costs	22.6%
SoLR	0.0%
Operating Costs	5.1%
Environmental & Social Obligation Costs	20.4%
Other Direct Costs	0.4%
VAT	4.8%

Further Split 2025/26 Distribution Costs included in Network Costs



Cost of Maintaining the Network	22%
Future Proofing our Network	37%
Business Rates & Other Pass through	17%
Financing	23%
Other	1%

Based on electricity only portion of a dual fuel bill with ave. consumption of 2.7MWh, direct debit payments. Average of Ofgem price cap bill values for the period of 2025/26.

Financial Performance

Our Return on Regulated Equity (RoRE)

Investment into the electricity distribution network is a long-term project, the costs of which are spread out over the lives of assets.

Consistent with the RIIO price control framework Ofgem attached a financial reward/penalty to a number of the incentives. This has the effect of changing our Return on Regulated Equity (RoRE) opposite.

RoRE is calculated based on values in 20/21 prices and represents an average real equity return over the 5-year price control.

For detailed information about our financial performance, please see the SPD and SPM Accounts which are published annually, and our Regulatory Financial Performance Report.

Annual Reports and Accounts – SP Energy Networks

Regulatory Financial Performance Report – SP Energy Networks

5 Year Average RoRE – 2025/26	SPD (%)	SPM (%)
Base Return set by Ofgem for the 5-year period, reflecting movements in market conditions	**5.47**	**5.47**
Totex Efficiency Savings Any savings we make on our investment plan are shared with the consumer, at this early stage in the price control we are forecasting the cost of delivering our business plan commitments will match what we set out in our business plan submission.	***-0.74***	***-1.66***
Time to connect ODI	**0.07**	**0.06**
Broad Measure of Customer Service ODI	**0.23**	**0.22**
Interruptions incentive scheme ODI	**0.27**	**0.01**
Major connections ODI	**0.00**	**0.00**
Consumer Vulnerability ODI	**0.16**	**0.16**
Distribution System Operator ODI	**0.23**	**0.23**
Innovation (NIA, CNIA, SIF)	***-0.01***	***-0.01***
RoRE – Operational performance	5.67%	4.49%

RAV (Regulatory Asset Value)

The Regulatory Asset Value (RAV) is a key building block of the price control and represents the value of outstanding investment yet to be recovered from consumers.

For every pound that we spend, we collect 30% of the costs in the same year and 70% of cost over life of the asset (added to the RAV)

30%	of the costs in the same year
70%	of the cost over life of the asset

Ofgem assumes that we fund this RAV by:

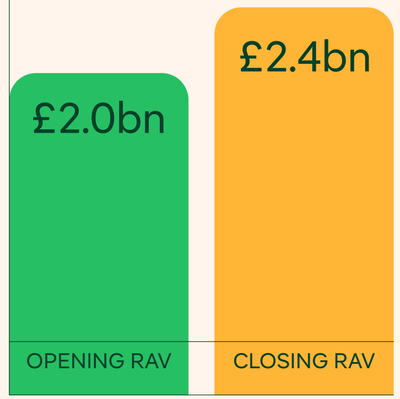
- 60% borrowing of which the allowance for interest payments is 3.19% in 2025/26
- 40% equity with return of 5.45% in 2025/26
- Weighted average cost is 4.09% in 2025/26

40%	equity

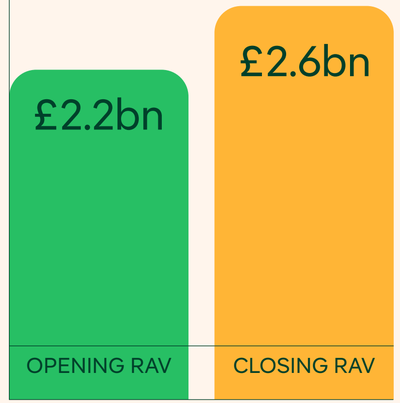
The RAV is the mechanism by which return allowances for shareholder investment and financing are collected over the long-term.

Over the course of the RIIO-ED2 price control, the scale of investment required to deliver a network for today's and future customers means we will see the RAV value growing across the whole period with the RAV for SPD and SPM growing by 23% and 17% respectively.

RIIO-ED2 Growth – SPD (2020/21 prices)



RIIO-ED2 Growth – SPM (2020/21 prices)



Looking Forward

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Innovation and Future Networks

Delivering a Net Zero energy system requires innovation at pace and scale. Across our network businesses, innovation is enabling us to develop more efficient ways of planning, building and operating our networks while improving outcomes for customers.

By leveraging funding through the Network Innovation Allowance and Strategic Innovation Fund, we are developing solutions that strengthen network performance, unlock customer value and support the decarbonisation of the UK energy system.

The impact of our innovation programme is already being realised. Since the start of RIIO-ED2, implemented innovation projects have generated £30.45 million in customer and network benefits across our distribution licence areas.

These achievements reflect our commitment to translating innovation into real-world benefits, with further value expected as projects mature and are adopted more widely across the business.

£30.45m in benefits delivered in RIIO-ED2

SPM **£11.23m**

SPD **£19.22m**

Our innovation strategy is built around six key themes that help us to **develop a balanced portfolio**.

- Power Electronics
- Network Resilience
- Data & Digitalisation
- Whole Energy System
- Sustainability
- Consumer Vulnerability

Our track record of **innovation leadership**, mature innovation processes and **highly skilled workforce** are ensuring we continue to deliver on our strategy and commitment to energy innovation.

Helping accelerate the Energy System Transition while delivering value for consumers

We are using our Network Innovation Allowance (NIA) to accelerate the Energy System Transition and address Consumer Vulnerability challenges. The following project snapshots highlight examples of recent and ongoing innovation activity, demonstrating the types of initiatives supported through NIA and the benefits they are helping to deliver for customers, the network and the transition to Net Zero.

VEST Enhancement

VEST Enhancement successfully upgraded SP Energy Networks' (SPEN) Vulnerability in the Energy System Transition (VEST) framework, providing a more comprehensive understanding of customers who may be at risk of being left behind during the transition to Net Zero. The project combined personal vulnerability indicators with property-level suitability factors to create an enhanced assessment of low-carbon technology readiness and adoption. The resulting VEST V2 framework uses more than 150 variables and provides postcode-level insights across SPEN licence areas, enabling more targeted customer engagement, vulnerability support and low-carbon technology planning.



Outcomes
During the project, the original vulnerability index was refreshed using updated datasets and customer research, while a new property-level assessment capability was developed using EPC data, satellite imagery and advanced analytical techniques. The project delivered technology-specific adoption models for solar PV, heat pumps and battery storage, alongside new adoption scores, market classifications and driver-and-blocker analysis. An interactive mapping platform was also developed, giving SPEN and its partners greater visibility of where low-carbon technology adoption is likely to succeed and where additional support may be required. The enhanced framework is operationally ready and provides a significantly improved evidence base for future vulnerability and energy transition programmes.

Benefits
- Improved identification of communities at risk of being left behind during the energy transition.
- More effective targeting of support programmes and low-carbon technology initiatives.
- Better understanding of barriers and opportunities for heat pump, solar PV and battery storage adoption.
- Enhanced customer engagement through data-driven insights and interactive planning tools.
- Support for a fairer and more inclusive transition to Net Zero through targeted interventions and improved vulnerability planning.

Low Carbon Technology (LCT) Determinator

LCT Determinator is developing a data-driven solution to identify the uptake and location of low-carbon technologies, such as heat pumps and electric vehicle chargers, using existing low-voltage network monitoring data. By detecting the unique electrical signatures of these technologies, the project will provide greater visibility of customer adoption patterns, helping SPEN better understand future demand and plan the network more efficiently as electrification increases.

Progress
During 2025/26, the project successfully established electrical and harmonic signatures for a range of heat pumps and EV chargers and deployed power quality monitors on three test LV networks to collect real-world data. The detection methodology has been refined using network monitoring and field trial data, achieving preliminary detection accuracy of over 80%. Additional analysis has also been undertaken to distinguish low-carbon technologies from other high-demand domestic appliances, improving the reliability of the solution.

Expected Benefits
- Improved visibility of low-carbon technology adoption across the network.
- More accurate demand forecasting and targeted network investment.
- Reduced reinforcement costs through better understanding of network requirements.
- Faster and more efficient connections for customers adopting heat pumps and electric vehicles.
- Enhanced network readiness to support the transition to Net Zero.

Rejuvenation of Underground Cables

Rejuvenation of Underground Cables is exploring innovative techniques to extend the operational life of ageing underground cable assets and reduce the need for premature replacement. Registered during 2025/26, the project will investigate advanced cable life-extension technologies designed to address insulation degradation caused by water treeing, a common factor affecting cable reliability and performance. Through research, modelling and laboratory testing, the project will assess whether cable rejuvenation can provide a practical and cost-effective alternative to traditional asset replacement.

Planned Activities for 2026/27
- Assess the effectiveness of emerging cable rejuvenation technologies.
- Undertake laboratory testing and modelling to evaluate long-term performance.
- Develop evidence to support future asset management decisions.
- Assess the potential for wider deployment across the distribution network.

Expected Benefits
Underground cable replacement can be costly, disruptive and carbon-intensive. Extending the life of existing assets has the potential to improve network resilience, reduce disruption for customers and deliver a more sustainable approach to asset management while maintaining network reliability. Some benefits include:
- Extended operational life of underground cable assets.
- Reduced asset replacement and maintenance costs.
- Improved network resilience and reliability.
- Lower environmental impact compared with large-scale cable replacement programmes.

Delivering a step-change in electricity network planning and operations

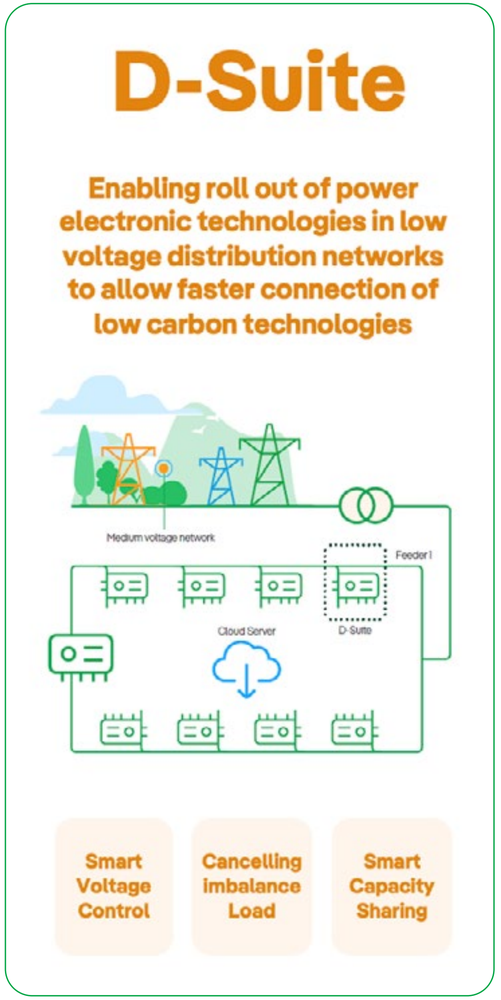
In addition to our NIA, we've successfully secured funding through the Strategic Innovation Fund (SIF) to deliver large-scale, transformative innovation across our Distribution licences.

D-Suite

D-Suite is a SIF project developing a suite of innovative low-voltage power electronic technologies and advanced planning tools to increase network flexibility and accelerate the connection of low-carbon technologies. As demand from electric vehicles, heat pumps and distributed generation continues to grow, traditional network reinforcement can be costly and time-consuming.

D-Suite aims to provide a smarter alternative through the coordinated deployment of Smart Transformers (D-ST), Soft Open Points (D-SOP), Distribution Static Synchronous Compensator (D-STATCOM) devices and an advanced LV Design Tool.

Together, these solutions will help optimise network performance, improve voltage management, increase hosting capacity and make better use of existing network assets. The project is being delivered in partnership with UK Power Networks, Newcastle University and Integrated Powertech and is currently progressing through the Beta phase towards demonstration and deployment.



Why it matters

- Enables faster connection of low-carbon technologies without costly network reinforcement.
- Improves voltage management, network flexibility and resilience.
- Supports greater utilisation of existing network assets while maintaining quality of supply.
- Provides a pathway for increased renewable generation and electrification on LV networks.

What it delivers

- A production-ready LV Design Tool integrated with operational planning processes.
- Deployment-ready D-ST, D-SOP and D-STATCOM power electronic devices.
- A Network Level Control System to coordinate device operation.
- Trial deployments and evidence to support future Business-as-Usual adoption across GB networks.

Progress during 2025/26

D-Suite has continued to progress successfully through the Beta Phase, with delivery remaining aligned to project objectives. The LV Design Tool has advanced significantly, with the core Alpha software backend completed and successfully integrated with SPEN's Network Analyse and View (NAVI) interfaces, while development of frontend and progression towards full Beta functionality continues. Integration with SPEN's NAVI platform is progressing and engagement underway with SPEN cyber security teams to support future Business-as-Usual deployment.

Significant progress has been made on procurement readiness. Technical Specifications for the D-ST, D-SOP and D-STATCOM have been developed, independently reviewed and approved for procurement. Supplier engagement activities have resulted in strong market participation, enabling procurement activities for all three Power Electronic Device (PED) technologies to commence.

Development of the Network Level Control System (NLCS) specification has also progressed. Procurement has been deliberately sequenced behind PED procurement to ensure detailed supplier design information can be incorporated into the final NLCS requirements, reducing integration risks and supporting future deployment. In parallel, a structured trial site selection programme has been completed, with candidate deployment sites identified across the SPM licence area and supporting network studies and deployment preparation activities underway.

Contact us

How you can get involved

Stakeholder engagement
If you are interested in our services and projects, if our work has the potential to impact you, or if you have influence over the work we do, then you are a stakeholder. We want to know your views on our plans, so that we can deliver the best service possible.

We already work with a wide range of stakeholders, including domestic customers, local authorities, charities, other utilities, people wishing to connect to our network, school pupils, vulnerable customers, and innovators amongst others.

Registering as a stakeholder is easy and enables you to have your say on our projects and services. Register as a stakeholder and find out more about our engagement opportunities here:

spen.engage-360.co.uk

General Enquiries

Please call us free on: 0330 1010 444
Email: customercare@spenergynetworks.com

Central and Southern Scotland
Customer Service
SP Energy Networks
SP House
320 St Vincent Street
Glasgow G2 5AD

Cheshire, Merseyside,
N. Wales and N. Shropshire
Customer Service
SP Energy Networks
PO Box 168
Prenton
CH26 9AY



To report a power cut or damage to electricity power lines or substations, call the new national Freephone number – 105.

You can still reach us on our existing numbers:

Central and Southern Scotland
0800 092 9290

Cheshire, Merseyside,
N. Wales and N. Shropshire
0800 001 5400



Appendix A

Our business plan commitments in full

Ensuring our Business Plan Commitments continue to reflect stakeholders' needs

We report on our Commitments across three pillars:

30
Develop a Network thats Ready for Net Zero

35
Be the trusted partner for customers, communities, and stakeholders

35
Ready our business for a digital and sustainable future

There are 96 Commitments* to report on for 2025/26

We have made good progress on the delivery of our Commitments in 2025/26

43 commitments are ahead of target and 32 are on track

21 commitments are currently below target: 7 in Develop a Network thats Ready for Net Zero and 14 in Ready our business for a digital and sustainable future

**4 of the 100 commitments not funded in ED2.*



Develop a network that's ready for Net Zero

Status	Commitment	Target	Actuals	Narrative	5-year target
	We will install innovative fault level monitoring across 41 constrained locations on our HV and EHV network to help safely accommodate more renewable generation.	41	7	We are currently transitioning from innovation to BAU. Work is progressing to finalise the deployment policy, with deployment activity to continue through the remainder of ED2.	41
	We will develop a network that enables our communities to transition to Net Zero with over 590 smart-substations, 750km of cable, and 43,000 service cables. We will size and co-ordinate interventions to 'touch the network once' where this delivers benefits for our customers.	21,574 (Proactive and Reactive Services)	25,151	We have continued to deliver significant proactive and reactive volumes which we anticipate will continue into future years. While the formal review with the regulator on the volume driver has concluded, challenges relating to unit costs remain.	43,384
	We will continue to assess flexibility, smart, and reinforcement solutions for all of our Load related interventions, and carefully select the most efficient, co-ordinated, and economical interventions within RIIO-ED2. This will include assessing energy efficiency actions ahead of starting any work.	50	50	We are currently transitioning from innovation to BAU. Work is progressing to finalise the deployment policy, with deployment activity to continue through the remainder of ED2.	50
	We will increase visibility of our low voltage networks by delivering over 14,100 LV network monitors at large secondary substations and enhancing our use of smart meter data. This will enable us to maximise utilisation of the existing network, identify targeted areas for upgrades, and facilitate customer flexibility.	8,463	10,238	The LV network monitors programme is ahead of target, with delivery volumes exceeding plan, positioning the programme to realise benefits earlier than anticipated.	14,102
	We will deliver £87.2m of savings for our customers in RIIO-ED2 by embedding learnings from our innovation projects into BAU and adopting best practice from successful industry trials. We will keep innovation at the core of everything we do, to continue to deliver benefits for our customers and the wider energy system.	No cumulative target.	£30.45m	In our ED2 business plan, the SPEN Totex request was reduced by £87.2m through the planned BaU deployment of innovation. The impact of our ED1 innovation programme is already being realised. Since the start of RIIO-ED2, implemented innovation BaU rollouts have generated £30.45 million in customer and network benefits across our distribution licence areas. During ED2, we have further leveraged funding through the Network Innovation Allowance and Strategic Innovation Fund, we are developing solutions that strengthen network performance, unlock customer value and support the decarbonisation of the UK energy system.	£87.2m

Ahead of Target On Target Below Target

Develop a network that's ready for Net Zero

Status	Commitment	Target	Actuals	Narrative	5-year target
	We will continuously work with the Electricity System Operator (ESO), UK, Scottish and Welsh governments, and other key stakeholders, to accurately forecast our customers' future needs and to facilitate Net Zero pathways. This will include updating our DFES forecasts annually.	3	3	We are on-target with the latest Distribution Future Energy Scenarios (DFES) 2026 forecasts published May 2026.	5
	We will be a neutral facilitator of an open and accessible distribution flexibility services market during RIIO-ED2. This market will be aligned with industry best practice, utilising a range of services to meet network requirements. This will be supported by efficient dispatch processes and transparent procurement.	852MWh	3,652MWh	Flexibility procurement has exceeded our targets and dispatched over 3GWhs of flexibility services. This can be attributed to our Market Engagement Strategy (published) and the level of Market and Stakeholder engagement we are carrying out.	1,420MWh
	We will deliver a discrete DSO directorate for RIIO-ED2 responsible and accountable for delivering DSO. It will increase transparency and be supported by external assurance and stakeholder input. This directorate will be established by the start of RIIO-ED2.	Creation of a discrete DSO directorate and functional delivery model.	Control Room and DSO Directorate now in place.	We have established a discrete DSO function which has underpinned the increased delivery of our DSO Commitments over the last year. This has been supported by an external structural and governance review, and by the establishment of an independent DSO Advisory Group.	Creation of a discrete DSO directorate and functional delivery model.
	We will share planning, operational, and market data with customers, stakeholders, and market participants through our systems and an online data portal within RIIO-ED2. This will include visibility of our user friendly short & long-term forecasts.	87	109	Open Data Portal has continued to be updated with new, improved and refreshed data. There are now 109 published data tables over 35 collections as well as a suite of feature pages and dashboards.	>141 based on identified licence condition.
	We will implement a dedicated whole system planning function. Using Whole System planning at the start of the investment process, this team will ensure whole system solutions are considered in each of critical decision-making junctures (for example on system design for connections). This will achieve a step change in Whole System planning, solutions and outcomes over the RIIO-ED2 period.	Planning roles appointed.	Planning roles appointed.	No variation between delivery and target – Planning roles appointed and activity ongoing during ED2.	Planning roles appointed.

Ahead of Target On Target Below Target

Develop a network that's ready for Net Zero (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
	We will use a structured process to review our existing policies and procedures, identify gaps and implement required changes, to fully embed Whole System planning as business as usual. This will have oversight at director level with accountability and reporting to our senior executives. We will use this to engage strategically with other electricity network companies, National Grid ESO and licenced utility companies to work towards achieving Whole System outcomes throughout RIIO-ED2.	All appropriate processes or policies reviewed and Whole System process developed.	All appropriate processes or policies reviewed and Whole System process developed.	No variation between delivery and target – All appropriate processes or policies reviewed and Whole System process developed.	All appropriate processes or policies reviewed and Whole System process developed.
	We will engage with all local authorities in SPD and SPM to support the strategic siting of public EV ChargePoint hubs, utilising our extensive network knowledge and working collaboratively with local stakeholders in optioneering, to identify the optimal locations. We will publish a report on our work at the end of the price control, reporting the number of optioneering reports we completed with local authorities and the consumer benefits delivered in relation to reduced connection charges.	1,500	5,802	Variance to target can be explained due to increasing demands and requirements from Local Authorities, Regional Bodies, transport organizations etc and an expectation that the support continues and extends through into ED3.	>500 per annum
	We will provide a dedicated team of specialists (Strategic Optimisers) that will partner with Local Authorities (and regional Governments) to support the development and implementation of Local Heat and Energy Efficiency Strategies (LHEES) and Local Area Energy Plans (LAEPS).	40	40	No variation between delivery and target – local authorities engaged on a regular basis.	40 per annum
	As a steward of critical national infrastructure, we will maintain our ISO55001 accreditation and ensure all our asset managers are certified with the Institute of Asset Management. We will continue our strategic partnership with the IET and our leading contribution to the IEEE, CIGRE and CIRED.	60% of Team Members Accredited.	60% of Team Members Accredited.	80% of our asset management team will have been accredited with the Institute of Asset Management by the end of 2026. We have seen multiple new accreditations this year as well as team expansion, demonstrating our commitment to growing our asset management knowledge.	85% of Team Members Accredited.

Ahead of Target On Target Below Target

Develop a network that's ready for Net Zero (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
🟠	We will continue to optimise the level of network risk, reducing asset deterioration from around 5.4% per year without intervention to around 1.1% through our targeted and optimised asset modernisation programme over RIIO-ED2.	60%	SPD has delivered 42% of RIIO-ED2 NARM target and SPM has delivered 50%. Effect of risk delivery on reduction of asset deterioration determined at end of period.	SPD and SPM year 3 NARM delivery has saw the continual increase of risk point delivered from previous years in both SPD & SPM. However overall NARM delivery is behind a linear delivery target of 60% for the RIIO-ED2 period. This is largely due to under delivery of OHL poles with multiple workstreams competing for resources and external market challenges. The constraint is across all DNOs in the UK, related to OHL wood pole replacements. We are actively reviewing and adjusting our intervention programme to ensure delivery of our outputs and deliver justified interventions that reduce the risk on our network. We remain committed to delivering our original risk targets and are continuously reviewing progress, mitigating risk of shortfall with proactive recovery actions including expansion of OHL contractor base to deliver our total asset risk reduction targets over the remainder of the period.	Annual Deterioration reduction from 5.4% to 1.1% due to ED2 interventions.
🟢	We will improve the reliability of our supply to customers, ensuring that on average customers will be 19% less likely to experience an unplanned interruption, and average duration will reduce by 19%. We will do this over the duration of RIIO-ED2 by investing in new and proven technologies and embedding innovation.	11.4%	SPD: 17.2% reduction in CI, 13.0% reduction in CML. SPM: 2.6% increase in CI, 3.2% increase in CML. SPEN: 9.7% reduction in CI, 5.6% reduction in CML.	We are continuing investment to improve reliability across SPD and SPM through installation of NCPs, targeted projects for WSCs, and traditional asset modernisation along circuits which are deemed high risk.	19%
🔵	We will improve reliability for 7,857 of our 'Worst Served Customers' by reducing their number of interruptions by 33% through delivery of 22 dedicated network circuit performance schemes.	14	52	52 schemes have been completed, with 7,660 customers expected to benefit. 50 schemes (impacting 3,540 customers) for SPD and 16 schemes (impacting 1,631 customers) for SPM are in progress and due to be completed before the end of ED2.	22 schemes
🟢	We will ensure that in an exceptional event, no customer should be off supply for more than 36 hours.	0	SPD = 0 SPM = 0	No customers off >36 hours in the year 2025/26, including during named storms.	0 customers

🔵 Ahead of Target 🟢 On Target 🟠 Below Target

Develop a network that's ready for Net Zero (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
🟠	Building on our extensive RIIO-ED1 work, we will take a proactive approach to overhead line issues by adopting a risk based, digitalised inspection regime with the use of LiDAR (flying one third of our network per annum). In addition to this we will rectify all reported and confirmed overhead line clearance issues within 12 months of discovery.	Rectify all reported and confirmed overhead line clearance issues within 12 months of discovery.	2025/2026 SPD 1,023 LGC sites completed. 2025/2026 SPM 4,693 LGC sites completed.	Performance is currently below 100% target clearance within 12 months. During 2025/2026 SPD have delivered 1,023 0H Vertical or Horizontal Clearance. Split 387 LV/636 HV sites/ SPM have delivered 4,693 0H Vertical or Horizontal Clearance. Split 3,514 LV/1,138 HV/41 EHV sites.	100% OHL defects cleared within 12 months.
🟢	We will continue to improve the flood resilience of our network by working with our regional environment agencies and continue to target 100% compliance as flood maps and assessments evolve during RIIO-ED2.	89.1%	89.1%	We are on track to improve flood resilience of our network and achieve our RIIO-ED2 targets.	100%
🔵	We will improve fire safety at over 1,000 substations integrated in third party buildings, through a prioritised, risk-based investment programme during RIIO-ED2.	375	410	Fire Risk Assessments for third-party buildings require careful planning due to the need for third-party access. Delivery volumes were expected to be lower at the start of ED2, with activity ramping up progressively throughout the period. Performance is currently ahead of target and remains on track to meet the overall ED2 commitment.	1,000 substations
🟠	We will deploy smarter security measures and access restrictions to 100% of our ground mounted substation sites over the course of RIIO-ED2, to reduce unauthorised access and improve traceability and management of our third-party contractors.	10,223	822	We paused our delivery programme in order to review the latest technology and revise our deployment plan alongside broader NIS security measure roll-out at substations. This review has now been complete and deployment will be restarted; original volumes remain the target.	21,793
🟠	We will safeguard around 14,000 residents of flats and tenements each year over RIIO-ED2 by proactively managing the remaining risk associated with deterioration of Rising and Lateral LV Mains (regardless of asset ownership). We will do this through our risk-prioritised modernisation programme by upgrading poor condition assets where they are identified over RIIO-ED2.	33,900	19,702	Volumes are expected to be lower than ED2 forecasts due to a change in intervention scope rather than any delivery shortfall. Updated policy and specification requirements have moved the programme from a like-for-like replacement model (c.£700) to a dedicated service solution (c.£2.6k), resulting in fewer but more comprehensive interventions. Expenditure remains on track, and this represents a change in output type and customer benefit.	71,449
🔵	We will improve public safety risk by replacing over 2,000 of our last remaining poorest condition underground link boxes and modernising nearly 2,000 low voltage pillars in publicly accessible areas during RIIO-ED2.	1,821	2,663	At the end of Regulatory Year 3 SPEN have exceeded their 5-year target, delivering over 1000 replacements in Year 3 alone across SPD and SPM.	2,073

🔵 Ahead of Target 🟢 On Target 🟠 Below Target

Develop a network that's ready for Net Zero (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
	We will offer 100% of customers a pre-quotation consultation, using either face to face or virtual technology, to achieve improved upfront communication with customers by 2025.	100%	100%	We have fully implemented a new customer relationship management (CRM) system (Salesforce) this year which has enabled us to better track our interactions with customers. As part of our standard process we ensure customers are now proactively contacted post application, before they receive their quote, to discuss requirements in detail. Salesforce dashboard allow better visibility of employee/customer engagement.	100%
	We will nominate a point of contact to all customers requesting 30 or more quotations per year, or who have a single project exceeding £1m in value, using dedicated account management to foster better relationships with repeat customers, by 2025.	Four Account Managers in position.	Three Account Managers in position.	We have a team of customer relationship managers supporting our design managers working across our two licences to provide improved account management.	We will embark on a strategy to allocate repeat applications to common designers in order to ensure that customers have common points of contact within SPEN.
	We will offer 80% of HV and EHV customers the choice of a firm and a flexible connection where a known constraint exists to achieve more coordinated network planning by 2025.	80%	100%	We have implemented our curtailable connections process to provide customer more options to achieve a connection through flexibility. This allows customers to receive a restricted connections ahead of network reinforcement. The customer can remain on a curtailed connection or move to a uncurtailable connection when DNO reinforcement work is completed.	80%
	We will quote within 70% of guaranteed standard timescales for Major Connections customers using our improved digital solutions. By 2028, 100% of customers to receive a budget offer at the point of enquiry.	Quote within 70% of guaranteed standard timescales/100% of customers receiving a budget quote by 2028.	57.7%/In progress.	We continue to strive to improve our performance by exceeding Guaranteed Standards timescales for our quote offerings.	Quote within 70% of guaranteed standard timescales/100% of customers receiving a budget quote by 2028.
	We will make increasing amounts of connections related network information available in near real time, including capacity and constraint analysis. This will use increased digital data sets by 2025.	Data Portal implemented.	Data Portal implemented.	We continue to improve customer decision-making before applications through reinforcement heat maps, self-service tools, and our Open Data Portal.	Fully optimised self service solutions using data sets at all voltages.
	We will improve connections delivery timescales by 2% year on year from the start of RIIO-ED2.	4% decrease.	8.1% increase.	We are working hard to improve the TTC timelines associated with increasingly more complex Major Connections projects.	A 7.7% reduction on the baseline figures established by market segment.

Ahead of Target On Target Below Target

Be the trusted partner for our customers, communities and stakeholders

Status	Commitment	Target	Actuals	Narrative	5-year target
●	For customers receiving any service from us, no matter the contact channel, we will deliver satisfaction levels of 9.4 out of 10 by the end of RIIO-ED2.	9.28	SPD = 9.36 SPM = 9.25	Tracking to plan overall and both licences well in reward. CEX program in place to drive improvements towards max reward.	9.4
●	90% of complaints resolved in one working day. At least 99% of complaints resolved in 31 days. We will also target zero repeat complaints in 12 months and for any complaint where the customer engages the Energy Ombudsman, we will ensure none of the findings are against us.	90%/99%	SPD: Day 1 = 90.2% Day 31 = 97.6% Repeat complaints = 0 Ombudsman findings against SPEN = 0 SPM: Day 1 = 86.9% Day 31 = 98.7% Repeat complaints = 0 Ombudsman findings against SPEN = 0	Slightly under target for Day 31 closures in SPD, but overall strong performance and ahead of ED2 complaints scoring target. Slightly under target for Day 1 & 31 closures in SPM, but overall strong performance and ahead of ED2 complaints scoring target.	90%/99%
●	When a customer contacts us to report a power cut or an emergency, we will respond in 10 seconds or less, regardless of the channel used. We will make sure less than 1% of telephone calls in this area are abandoned.	<10 seconds	SPD = 11.3s (0.53% abandoned) SPM = 11.7s (0.53% abandoned)	Slightly over 10s speed of answer target, but main focus is on abandoned call avoidance where we are performing much better than 1% target.	<10 seconds
●	When a customer contacts us regarding a non-urgent matter, we will respond on average within five minutes, providing the customer with key information.	<5 minutes	60 seconds	Well ahead of target.	<5 minutes
●	We will provide a service for customers to register their preferred method of contact and language and will use this during any contact with them throughout RIIO-ED2. We will promote this in our awareness campaigns every year.	In place by end of price control.	Preferred method of contact in place. Full ability to satisfy all customers with language of choice in all interactions in progress.	Preferred method of contact is in place. Now have the ability to capture preferred language against customer (including accessibility options such as BSL). Full ability to be able to satisfy all customers with language of choice in all interactions is still in progress and is tied to our AI program. Once preferred language is in place this will be added to the annual awareness campaigns.	Provision of a new service for customers to register their preferred method of contact and evidence of promotion of this to customers.

● Ahead of Target ● On Target ● Below Target

Be the trusted partner for our customers, communities and stakeholders (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
	Any customer will be able to register with us to receive proactive contact through their preferred method of communication when a power cut occurs. This will include updates throughout the power cut and notification when power is restored. We will contact at least 99% of those who have requested this using their preferred method.	In place by end of price control.	In place for PSR customers. Require integrated website and Salesforce CRM solution to enable this for non PSR customers. This functionality has been included in scope of new SPEN website by CofE.	In place for PSR customers. Require integrated website and Salesforce CRM solution to enable this for non PSR customers. This functionality has been included in scope of new SPEN website by CofE.	99%
	We will talk to customers face to face in advance of a planned power cut and ensure we speak with 95% of those on our PSR or classed as high risk.	95%	SPD = 88.8% SPM = 81.4%	This is prioritised by risk therefore where targets are not achieved, we have ensured that the most vulnerable customers are prioritised.	95%
	We will proactively contact all customers registered on our Priority Services Register when a power cut occurs via their preferred method of contact including updates throughout the power cut and notification when power is restored. For those customers in our high risk groups (e.g. medically dependent on electricity or struggle with mental health) we will proactively contact them with a personalised phone call to provide additional comfort.	100%	100%	Target being achieved.	100%
	During an unplanned loss of supply, at least 99% of updates provided will include the following information: Expected Restoration Times, Resources Attending (Name), Reason for the outage, Location of the cause, Support available for vulnerable customers.	99%	100%	Target being achieved.	99%
	During an unplanned loss of supply, at least 80% of customers will have their electricity supply restored within the restoration time initially stated.	80%	SPD = 86.9% SPM = 82.1% SPEN = 84.6%	Outperfoming target in both licences areas.	80%
	All customers will be notified in writing at least 10 working days ahead of a planned outage, with at least 90% notified by preferred method of contact 48 hours before work starts. At least 99% of letters will include 5 key pieces of information our customers tell us are important.	99%	SPD = 100% SPM = 100%	Target being achieved.	99%

Ahead of Target On Target Below Target

Be the trusted partner for our customers, communities and stakeholders (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
●	When customers ask us to carry out safety checks, we will make sure 99% or more are visited within three hours of the initial contact.	99%	SPD = 91.1% SPM = 81.7%	Resources are prioritised on a risk basis to ensure any issue with a genuine safety issue is attended within the target. Due to the classification of jobs, some jobs are included in this overall number that dont pose a safety risk to customers, hence the number is lower than 99% target.	99%
●	When customers ask us to support requirements such as new earthing, shrouding or maintenance work, we will deliver 90% of this work to the customers required date (subject to access and traffic management).	In place by end of the price control.	In progress.	This depends on Salesforce mobility solution deployment. Should be in place by end of ED2.	90%
●	We will undertake a Power Cut Risk assessment for all Commercial Customers signing up to our Advice Services and our Proactive Contact service. We will review the Risk Assessment for these customers and record appropriate actions within 3 months of registration.	In place by end of Reg year.	Commercial customers now included in planned pre vet process.	Commercial customers now included in planned pre vet process.	Rate of compliance to follow up actions at 90%.
●	We will transition our partnership model to be proactive by creating a coalition of organisations with shared goals and data sharing governance to deliver holistic and efficient support.	COP model in place.	COP model in place.	COP model in place.	COP model in place.
●	We will lead the creation of a single vulnerability register which our PSR will be part of, linking the organisations in our coalition partnership model. This "Register Once" service will make it easy for customers to register for vulnerability services with multiple organisations.	Built into our COP model.	Built into our COP model.	PSR functionality is now fully embedded in our Coalition of Partners platform, enabling our vulnerability teams and delivery partners to submit PSR referrals through it.	Built into our COP Model.
●	We will register 80% of customers across every common needs code for PSR Registration by 2028 based on nationally available data.	80%	SPD = 111% SPM = 107%	Significantly ahead of target.	80%

● Ahead of Target ● On Target ● Below Target

Be the trusted partner for our customers, communities and stakeholders (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
	We will widen our view of vulnerability, capturing needs broader than common utility codes, building these into our service offerings and coalition partnership model.	Built into our VEST tool.	Built into our VEST tool.	We completed the exploration of additional datasets to enrich our 'risk of being left behind index'. Through VEST Enhancement workshops, we scoped a broader set of inputs covering Energy Performance Certificate ratings, insulation status, income segmentation, tenure type, LCT readiness factors, smart-meter insights, storm-impact overlays, and worst-served transformer reporting. Insight supported the production of a more granular, household-level picture of vulnerability across our regions.	Built into our VEST tool.
	We will contact 100% of all our vulnerable customers every 2 years, achieving a minimum 60% fully validated data.	100%	100%	As of the end of 2025/26, we have contacted 100% of all vulnerable customers over the past two years and achieved a validation of 65%. This standard will be maintained at the end of the 2026/27 regulatory year. This year, we registered 165,330 new households, updated 703,414 existing records, and removed 99,794 outdated records.	100%
	We will use data creatively to understand those customers likely to face barriers in accessing low carbon technology (LCT) due to social factors and overlay this with technology data creating an LCT prioritisation ranking to enable us to best target our services.	Built into our VEST tool.	Built into our VEST tool.	We developed an approach to merge Fuel Poverty data, PSR data and the risk of being left behind index to produce a first-of-a-kind unified view of vulnerability. This was achieved via the NIA-funded VEST innovation project and continues as part of our commitment to broadening wider vulnerability reach.	Built into our VEST tool.
	We will benchmark our service externally every year to measure up against best practice, achieving relevant recognized international standards and score in Top 5 UK companies through ICS (Institute of Customer Service) service benchmark.	Achieving top 5 place in ICS benchmark. BSI standard maintained.	Achieving position in ICS benchmark. BSI standard maintained.	Achieving position in ICS benchmark. BSI standard maintained.	Achieving top 5 place in ICS benchmark. BSI standard maintained.
	We will support customers in a number of ways during a power cut and capture their individual needs through our contact channels with no less than 99% of needs being met.	99%	SPD = 98.2% SPM = 97.3%	Vast majority of customer needs delivered in the year. Needs are assessed on an individual basis, and where it is determined that the specific service cannot be delivered, we find alternative support arrangements	99%
	We will deliver direct support services to 100,000 vulnerable and disadvantaged customers.	86,237	73,642	Whist volume of services is slightly behind target, the value of services delivered to customers has vastly exceeded our target. We are still on track to deliver the full 100,000 services by end of ED2 with signifcant increase in value delivered to customers.	100,000

Ahead of Target On Target Below Target

Be the trusted partner for our customers, communities and stakeholders (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
	We will work in partnership with local support organisations to deliver community energy awareness campaigns at scale and educational outreach activities to raise knowledge and awareness of the changes coming to the energy sector and how individuals and their communities can participate and benefit. We will review our engagement, including who/how best to deliver information, throughout ED2 and remain flexible and innovative in our approach.	Work in partnership with Community Energy England, Scotland and Wales and other relevant support organisations to deliver community energy awareness and outreach activities across our licence areas. Continue to expand our stakeholder network and review our engagement approach to improve the reach and accessibility of community energy information.	There has been no variance to target. Delivery of community awareness activity remains on track, supported by ongoing partnerships and stakeholder engagement across our licence areas.	SPEN has continued to work in partnership with Community Energy England, Scotland and Wales to deliver community energy awareness and outreach activities across our licence areas. Through coordinated communications, stakeholder workshops and ongoing engagement, we have strengthened our relationships with community energy organisations and expanded the reach of our awareness activities. This has been supported by the development and promotion of accessible resources, including the Community Energy Journey and supporting guidance, helping communities understand the opportunities available to them.	Ensure engagement evolves to meet the needs of our stakeholders and commitments set within ED2.
	We will submit a Community Energy Strategy with our RIIO-ED2 business plan to clearly show how we will embed community energy thinking across our business and set our approach to leveraging resources to cost-effectively support community anchor organisations and their community energy projects across our licence areas. Our strategy will be independently reviewed every year to make sure we are learning as we go and adjusting to changes in the external environment.	Review and update our Community Energy Strategy annually throughout ED2, incorporating stakeholder feedback, lessons learned and changes in the external environment. Continue to develop and publish supporting community energy resources to help groups progress their projects and improve awareness of the support available.	There has been no variance to target. Development and delivery of the strategy is progressing as planned, supported by ongoing stakeholder engagement and alignment with ED2 objectives.	SPEN reviewed and published its 2025/26 Community Energy Strategy in October 2025 and has continued to develop its strategic approach in line with ED2 commitments and emerging ED3 priorities. Ongoing engagement with community energy organisations, local authorities and delivery partners has helped shape the strategy and ensure it reflects stakeholder needs and changes in the external environment. We have also continued to develop and publish practical community energy resources and supporting guidance through our website.	Over the next 5 year period we will ensure that the CE strategy evolves to meet the needs of our stakeholders and commitments set within ED2.

Ahead of Target On Target Below Target

Be the trusted partner for our customers, communities and stakeholders (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
	Through dedicated Community Energy advisors (who will work with our Whole System advisors), we will offer technical advice and optioneering as well as sign-posting to impartial, local support organisations and local energy planning activities and hand-hold local groups in need of additional support through our connections process.	Events supported.	Events supported.	We have a dedicated Community Energy team, supported by colleagues across the business who attend events and engage with communities to support local energy projects.	Support Community Energy Engagement events.
	We will publish our Just Transition Strategy by the start RIIO-ED2. We will embed the principles of a Just Transition into our business planning throughout RIIO-ED2 and continue to engage our customers and stakeholders to understand local needs. We will review our progress via an independent annual review.	Report Published.	Report Published.	The 'Just Transition' Annual Report was published September 2025.	Report published annually.
	We will deliver industry leading stakeholder engagement through the principles of inclusivity, materiality, responsiveness and impact. To validate this and help inform our continuous improvement we will seek achievement of the AA1000SE industry standard for stakeholder engagement. We will aim to reach the highest categorisation phase possible on the AccountAbility maturity ladder following a robust evidence check and senior manager interviews – demonstrating our commitment to industry leading engagement practices.	81%	93%	We recieved a score of 93 from AccountAbility on the AA100SE maturity ladder in 2025.	81%
	We will re-test our priorities with customers and stakeholders on an annual basis and present results to our independent external group every year along with our action plans. Our plans will be inclusive ensuring our engagement covers all stakeholder and customer groups.	3 completed stakeholder surveys.	3 completed stakeholder surveys.	Annual surveys make sure we are aware of and can respond to stakeholder feedback.	One stakeholder survey per year.
	We will launch a fit-for-purpose online tool, which gives our stakeholders easy access to a collaboration and engagement platform where they can engage with relevant content and influence our decision making. We will ensure better targeting of stakeholder communications, increasing active participation rates by 20% by the end of RIIO-ED2.	15%	23.3%	Tool has been launched and is used for all external engagement. The platform gives visability to our stakeholders on how and where they can engage with us. We have recorded a 23.3% increase in participation to date.	20% increase in stakeholder participation.

Ahead of Target On Target Below Target

Be the trusted partner for our customers, communities and stakeholders (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
	By embedding an annual programme of engagement across each of our strategic topic areas, we'll give stakeholders the chance to influence our decisions and assess the delivery of our plans. At an executive level, we will hold director-led strategic stakeholder engagement events demonstrating senior-level buy in and engagement with our stakeholders. We will measure the effectiveness of our engagement through impact delivered and stakeholder satisfaction.	6	6	Annual programme of events avalible for stakeholders via our online platform, including Director-led engagement opportunities.	10 strategic stakeholder events held – including director-led.
	We will report annually on our latest engagement performance through transparent stakeholder reporting, including social return on investment generated by our stakeholder initiatives. We will commit to achieving a positive social value for every £1 spent on a project or initiative over a 5-year period.	SROI published in annual report.	SROI published in annual report.	Our SROI model uses a bespoke tool supported by strong governance to measure the forecasted and actual benefits of our actions and investments.	One report on SROI published per year.

Ahead of Target On Target Below Target

Ready our business for a digital and sustainable future

Status	Commitment	Target	Actuals	Narrative	5-year target
	We will embed environmental sustainability considerations in our business processes whilst maintaining and continually improving our ISO14001 certified Environmental Management System. This will enable us to achieve 'beyond compliance' environmental performance and our sustainability goals.	Maintenance of ISO14001 certification.	Maintenance of ISO14001 certification.	In September 2025, SPEN maintained our certification of ISO14001 with an external surveillance audit of our Environmental Management System.	Annual maintenance of ISO14001 certification.
	We will continue to provide transparent reporting of our environmental and sustainability performance by publishing an annual report of our progress against all environmental and sustainability commitments – in line with metrics and a format developed in collaboration with the other DNOs.	Publish annual environment report.	Report Published.	An Annual Environmental Report has been created providing an update on progress towards meeting our commitments to stakeholders. The report provides a narrative update, case studies and relevant KPIs to present our performance against targets.	Publish annual environmental report.
	We will improve the quality of environmental data collected and analysed at all stages of the asset lifecycle, investing in enhanced IT systems and formalising data sharing collaborations with key stakeholders.	Data Strategy published (internal).	Data Strategy published (internal).	Sustainability Data Gap Analysis was carried out and collaboration with DNO's was carried out on common methodologies for Business Carbon Footprint and Annual Environmental Reporting.	Progress against strategy route maps in annual environmental report.
	We will continue to ensure that our staff, contractors and suppliers have the skills and knowledge to allow us and our supply chain to move beyond compliance and achieve our Sustainability Goals, by identifying and ensuring delivery of appropriate environmental training.	90%	95%	95% of staff training was delivered. 60% of our suppliers and contractors are members of the Supply Chain Sustainability School which provides resources such as training, webinars and events to improve skills and knowledge on sustainability topics.	90%
	We will further enhance environmental sustainability standards and performance metrics in our contracts by 2023 and will collaborate with our supply chain to target more than 80% of RIIO-ED2 suppliers (by value) meeting these standards.	70%	71%	71% of our Distribution suppliers (by value) meet our environmental sustainability standards. This will continue to engage to increase this in line with this commitment.	>80%
	We will deliver efficient and economic actions to reduce our scope 1, 2 & 3 business carbon footprint by 67.2% by 2035 from a 2018/19 baseline, in line with validated Science-Based Targets aligned to a 1.5-c pathway.	-29%	-24%	Emissions have followed a non-linear reduction pathway. While emissions increased in 2025/26 compared to the first two years of ED2, we still expect to remain on track to meet our Net Zero ambitions. The increase has been driven by higher emissions from operational transport, fugitive emissions, and business travel, while emissions from generator fuels and building energy use have continued to decrease.	-38%

Ahead of Target On Target Below Target

Ready our business for a digital and sustainable future (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
●	We will minimise our carbon footprint to achieve Net Zero carbon by 2035.	15,525 tCO_2e	14,974 tCO_2e	This looks at Scope 1 & 2 only (excluding losses). Emissions have followed a non-linear reduction pathway. While emissions increased in 2025/26 compared to the first two years of ED2, we still expect to remain on track to meet our Net Zero ambitions. The increase has been driven by higher emissions from operational transport and fugitive emissions, while emissions from generator fuels and building energy use have continued to decrease.	12,755 tCO_2e
●	We will achieve Carbon Neutrality by 2023 for our Scope 1 & 2 business carbon footprint excluding Losses.	64,405	0	In year 3 of RIIO-ED2, we ran a competitive tender and developed a procurement approach for carbon offsets, but no units were purchased. This purchase will be completed early in year four, and will cover 42% of years one to three RIIO-ED2 reported emissions. We intend to purchase further units later in year four to cover both year four emissions and the remaining 52% of year one to three emissions.	101,315
●	We will decarbonise our operational fleet by 2030, replacing 100% (over 800) of our cars and vans with electric alternatives in line with the Iberdrola EV100 commitment and will seek to further accelerate this to 2028.	91%	11%	We have replaced 98 of our petrol/diesel cars and small vans with electric alternatives to date. We are behind our target; electric alternatives to our larger vans which must travel long distances and carry heavy loads are not yet commercially available. We are working with our fleet teams to accelerate the transition to electric vehicles where we can during RIIO-ED2.	100%
●	We will reduce our SF6 leakage by 10% over the RIIO-ED2 period compared to RIIO-ED1.	8%	18%	During the regulatory year 2025/26, we beat our third year target of a 8% reduction in SF6 leakage. The recorded SF6 leakage was lower than the amount needed to meet this 8% reduction target. As a result we exceeded our target as the less we leak, the higher the percentage reduction. It is important to note that the reported leakage pertains solely to SF6 used for top-ups and does not account for any disposals.	10%
●	We will analyse our generator use and set targets for reduction in carbon emissions to be achieved by end of RIIO-ED2.	165 $kgCO_2e$ per MWh	40 $kgCO_2e$ per MWh	We have set a target to reduce generator emissions per MWh of power supplied by 76% by the end of RIIO-ED2. We are targeting a linear reduction towards our target. We are ahead of our target for 2025/26.	63 $kgCO_2e$ per MWh

● Ahead of Target ● On Target ● Below Target

Ready our business for a digital and sustainable future (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
🟠	We will continue to purchase green electricity through a 100% UK-based renewable energy tariff backed by Power Purchase Agreements (PPA) for all our buildings. Beyond this, we will reduce our buildings and substations energy consumption by a minimum of 15.2GWh (8%) over the RIIO-ED2 period.	5.0GWh	0.5GWh	Energy efficiency measures were carried out on 96 primary substations, the works included replacement of all heating, lighting and controls to bring into line with the latest Civil specification. These updates have resulted in cumulative savings of 0.38GWh for the year 3 of ED2. Two depot developments at Bonnybridge and Glenrothes are planned and have progressed through the design and planning stage during the RIIO-ED2 price control.	15.2GWh
🟠	In RIIO-ED2, we will continue to implement our Losses Strategy to avoid an estimated 36 GWh of network losses, thereby limiting losses to a lower level than would otherwise be the case.	13.8GWh	2.96GWh	We are proactively mitigating technical losses increase through our programme of replacement of high loss transformers. These transformers are fully financially depreciated, but would otherwise not be replaced under a condition or risk-driven lifecycle program for 10+ years. Progress is on target, with 596.21MWh (SPD) and 338.22MWh (SPM) (934.43MWh) mitigated through transformer replacement in 2023-2024, and 1529.93MWh (SPD) and 497.2MWh (SPM) (2027.13MWh) in 2024-2025, totalling 2961.56MWh (or 2.96GWh) over these two years through high loss transformer replacements alone.	36GWh
🔵	We will continue to implement our 2021 Business Travel Policy to reduce business travel emissions by at least 580 tCO_2e during RIIO-ED2.	278 tCO_2e savings	366 tCO_2e savings	The implementation of our Travel Policy has led to approximately 56% reduction in combined miles travelled by rail and domestic flights (using 2019/20 as a baseline year). We estimate that this has led to a savings of 117 tCO_2e in 2025/26 and a cumulative savings of 366 tCO_2e since the beginning of ED2.	580 tCO_2e savings
🟠	We will require strategic suppliers to set Science-Based Targets within 5 years, aiming for 80% of our supply chain by value.	48%	37%	We have seen an increase from 34% to 37% to date, engagement sessions will be held with our supply chain leads to discuss how to move towards 80%.	80%
🟠	We will continue to target zero environmental regulatory interventions and notifiable breaches.	0	10	There were 10 regulatory interventions/notifiable breaches in 2025/26 (4 in SPD and 6 in SPM), however no further enforcement actions or undertakings resulted.	0

🔵 Ahead of Target 🟢 On Target 🟠 Below Target

Ready our business for a digital and sustainable future (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
	We will implement Pollution Prevention Plans at 100% of our RIIO-ED2 132kV projects.	100%	100%	We set a target to implement pollution incident response plans in all of our 132kV projects in SPM and we achieved this in the 2024/25 reporting period. Ongoing as BAU in 2025/26.	100%
	We will reduce the volume of fluid (oil) used to top up our pressurised cables by around 3,490 litres (10%) by replacing 19.429km of our leakiest fluid filled cable.	9.715km	7.72km	The next cable modernisation project(s) for Kirkby and Bootle Circuits are in the RIIO-ED2 plan and programmed for sectional completion starting in late 2025, with completion in 2027. This will reduce length of fluid filled cable in service and continually improve our leakage rate. 5.32km of cables were replaced in 2025/26.	19.429km
	We will eliminate PCBs from our network by the end of 2025, in line with legislation and the risk-based industry approach agreed with the environmental regulators.	13,398	11,702	Work has accelerated on the planned removal of PCB contaminated (or potentially contaminated sealed) assets as the deadline of 31 December 2025 for removal of these assests from our Distribution network was not met. In line with our plans, developed via the Energy Networks Association PCB Working Group, we are continuing to identify contaminated equipment. This Contaminated Equipment Disposal Plan involves a challenging rate of equipment replacement and we are on target to remove the remainder in 2026.	13,398 PCBs removed.
	We will use low carbon alternatives to concrete bunding for our RIIO-ED2 retrofit projects where technically feasible.	123	127	We have used lower carbon concrete (Concrete mix that contains 40% Ground Granulated Blast Furnace Slag (GGBS) replacement for Portland cement)on a total of 127 of the projects for the RIIO-ED2 period in Primary Projects, for Plinths/Bunds.	203
	We will continue to proactively minimise the impacts of noise resulting from the construction, maintenance and operation of our electrical infrastructure and take timely action to rectify noise complaints from our plant and sites.	18	76	We received 27 noise complaints in the 2025/26 reporting year, these were investigated and fully rectified. Through compliance with our Noise Management Procedure, we are continuously educating colleagues on how to better manage noise.	30 noise complaints.

Ahead of Target On Target Below Target

Ready our business for a digital and sustainable future (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
	We will remove 35km of overhead lines in Areas of Outstanding Natural Beauty, National Parks, and National scenic areas.	17km	10.3km	Completed projects include 'The Shelf' and Fron Bache water tower (Clwydian Range AONB), Bodorgan Gardens & Plas Bach (Anglesey AONB) and Bryn Canaid & Penarfynydd (Lleyn Penisula). In 2026, further projects are underway scheduled to be completed this year. We continue to actively engage with all 'National Landscapes' officers, to identify further locations for consideration for 2027 and beyond into ED3. SPD has fewer designated visual amenity areas than SPM and therefore has only one major named project for RIIO-ED2: Holy Island.	35km
	We will divert 100% of our waste from landfill by 2030, excluding compliance waste.	97%	94%	In calendar year 2025 we diverted 94% of waste (direct operational and construction waste) from landfill, just short of our annual target of 96.7%, on the path to achieve 100% by 2030. However, we have identified an under-reporting of landfill diversion caused by issues with our waste reporting system's categorisation of some waste management routes, particularly exempt onsite activities such as aggregate reuse. We have marked this as amber in our RAG status, however, are enacting a plan to address these issues to get back on track to meet the 2030 target.	98.3%
	We will establish a baseline and targets for waste reduction per £1m of total annual expenditure, to be achieved by the end of RIIO-ED2 and 2030 in line with our zero waste to landfill date.	TBA	In progress	Baseline being established, targets to be set during 2026.	Baseline and targets set.
	We will grow our own talent from the communities we serve through a blended approach of multiple inclusive trainee and upskilling programmes and direct recruitment, to achieve a safe, skilled workforce. We will do this on an annual basis throughout RIIO-ED2, by filling 90% of our roles for our field staff and 50% for our engineering and technical workforce using our trainee programmes.	50% Eng 90% Craft	54% Eng 74% Craft	Building on our commitment to developing a skilled and resilient workforce, we have continued to evolve our recruitment approach in line with future business needs. The uplift in transitioner and operative roles has created new pathways into our craft based roles which has resulted in a lower percentage converting from trainees, this was a strategic approach and has allowed us to recruit those from declining industries into similar roles.	Continue to build on programmes, with continued yearly increase in trainees and development of programmes in line with future business needs.

Ahead of Target On Target Below Target

Ready our business for a digital and sustainable future (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
	We will create opportunities for our staff to develop new skills through development, upskilling and training plans aligned to our digital transition and journey to Net Zero to achieve a workforce who are motivated and confident to embrace the challenges we face. We will do this through annual internally recruited trainee programmes and annual upskilling plans for our people.	Continue to build on programmes, with continued yearly increase in trainees and development of programmes in line with future business needs.	462,592 training hours delivered.	Building on more than 462,592 training hours delivered during RIIO-ED2 to date, ScottishPower will continue to strengthen workforce capability through targeted development programmes, expanded trainee pathways and enhanced competence management arrangements. Progress will be evidenced through training activity, capability assessments, competence progression, authorisation readiness and continued growth in trainee, apprentice and graduate populations, ensuring the workforce remains equipped to deliver an increasingly digital, low-carbon energy network.	Continue to build on programmes, with continued yearly increase in trainees and development of programmes in line with future business needs.
	We will continue our relentless drive to achieve a truly inclusive and diverse workforce through our improved policies, recruitment processes and by supporting and training our people leaders in Diversity & Inclusion (D&I) Legal training, inclusive recruitment and inclusive leadership by 2025. We will aspire to achieve D&I collection rates of 60% or more for our existing workforce to support the measurement of our diversity improvements by 2028.	43.25%	52.06%	D&I collection rates have continued to grow from 42.95% in 2024/25 to 54.59 in 2025/26. At the point of recruitment all candidates are asked if they wish to share their D&I as part of the Workday application process.	Aspiration to increase to 60% D&I data capture.
	We will continue our long-standing commitment to safeguard the physical and mental health and wellbeing of our people to achieve a resilient, engaged workforce. We will engage with staff and implement actions plans from their feedback through our LOOP survey every two years and specific topic PULSE surveys and we will increase the number of our mental health first aiders to a 1:25 standard by 2024.	Loop Annual 55% response rate Mental Health First Aiders 100 – 119.	Loop Response Results 36% Mental Health First Aiders 92.	We have moved to a more continuous listening strategy approach rather than annual surveys with not all employees to be surveyed every time. Loop Survey has changed format to focus on day to day working. Due to the continuous approach, there is an expectation that survey responses for Day to Day Survey will be lower than previous scores on an annual basis. Actions plans are in place across SPEN following the Loop.	Complete Mental Health Leadership training for all People Leaders. Maintain Loop response rate.

Ahead of Target On Target Below Target

Ready our business for a digital and sustainable future (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
●	We will embed a digital and sustainable culture within our workforce to support our journey to Net Zero. We will do this through ensuring our current and future workforce benefits from new and enhanced capabilities, providing them with necessary skills for the future through RIIO-ED2.	Continue to build on strategic skills capabilities and solutions.	7,901.79 hours	The implementation of the framework has established a consistent, data-driven approach to understanding and developing critical digital and cyber capabilities. Skills assessments and capability gap analysis are informing workforce planning and targeted development investment, while role-based learning pathways are supporting the growth of specialist capability across both IT and operational technology environments. Collectively, these initiatives are strengthening cyber resilience, supporting the protection of critical infrastructure and ensuring the workforce is better equipped to support network digitalisation and the transition to Net Zero.	Global Cyber-IT Skills Framework implemented, including capability assessments, gap analysis and learning pathways. OT Cyber Skills Strategy developed and implemented, establishing structured capability development pathways to support workforce digitalisation, cyber resilience and future skills requirements.
●	We will operate a risk-based approach to the management of vulnerabilities and threats to the cyber-security and resilience of our IT and OT estate and data. We will continually assess our current position, review the threat landscape and create action plans to apply proportionate technical and organisational mitigation steps. This will be a stepped increase from ED1 as cyber threats evolve.	Action plans complete.	Action plans complete.	Plans are in place and have been communicated annually to Ofgem.	Create appropriate action plans.
●	We will create a new Digital environment to meet our customers', stakeholders' and business' future plans and strategies. We will build a Digital representation of our energy system and operation. Metrics will be published in line with our Digitalisation Strategy & Action Plan (DSAP).	2	2	The ED2 requirement to refresh and publish the Digital Strategy every two years has been met, with the second update published in April 2025. The next update is scheduled for publication in April 2027. We have delivered Digital Initiatives in line with DSAP.	Digital initiatives delivered in line with DSAP.

● Ahead of Target ● On Target ● Below Target

Ready our business for a digital and sustainable future (continued)

Status	Commitment	Target	Actuals	Narrative	5-year target
●	We will track, measure and publish our progress via the Digitalisation Strategy & Action Plan (DSAP). The Digitalisation Strategy will be refreshed and published at least every 2 years, and the Action Plan at least every 6-months.	7	7	Our most recent action plan was published in June 2026. Next update due at end of Dec 2026.	Bi-Annual DSAP publication.
●	We will treat data as an asset and make data more accessible for more people (internally and externally) so that we can deliver more value for our customers and stakeholders. We will make our data presumed open by applying the principles from Ofgem's Data Best Practice Guidance.	Data Initiatives delivered in line with Data Strategy.	Data Initiatives delivered in line with Data Strategy.	Significant progress has been made across a range of activities including development of; the first Data Hubs, the continuance of Open Data developments and early design work on establishing our connection to the industry DSI which is building on our industry leading collaboration on the DSI innovation project with the NESO.	Data Initiatives delivered in line with Data Strategy.
●	We will deliver 10% enhancement of biodiversity on 25 hectares across our existing network, on our non-operational land and existing linear infrastructure through collaboration with landowners, communities and local wildlife groups.	15 hectares	1.22 hectares	Within both of our licence areas, biodiversity enhancement has been delivered in the form of meadow, woodland, hedgerow, pond, and wildlife corridor creation. Correction made to 2024/25 results, 2024/25 reported full area of site opposed to the enhanced area.	25 hectares

● Ahead of Target ● On Target ● Below Target

Appendix B

Glossary

Glossary

Biodiversity Net Gain (BNG)
An approach to development and land management that results in a measurably better state for the natural environment compared to before the development took place.

BMCS
A performance and incentive metric used in utility regulation that tracks customer satisfaction, complaints, and stakeholder engagement.

Climate Action Hub
A free-to-use platform that is intended to help small and medium-sized businesses understand climate risk and develop decarbonisation plans to support the global ambition of Net Zero.

Coalition of Partners (CoP)
Collaborative support network.

Community Energy Bodies
Organisations that manage local, renewable energy projects, such as solar and wind power in partnership with or owned by the community itself.

Community Energy Strategy
A strategic initiative designed to support and accelerate community-led energy projects. It aims to empower local groups to develop renewable energy, improve energy efficiency, and adopt low-carbon technologies. The strategy provides guidance, resources, and streamlined processes to help communities overcome barriers and contribute to Net Zero goals across SPEN's operational areas.

Customer Interruptions (CI)
The number of customers in every 100, whose supplies have been interrupted per year over all incidents, where an interruption of supply lasts for three minutes or longer, excluding re-interruptions to the supply of customers previously interrupted during the same incident.

Customer Minutes Lost (CML)
The duration of interruptions to supply per year – average customer minutes lost per customer per year, where an interruption of supply to customer(s) lasts for three minutes or longer.

Customer Relationship Management (CRM)
A strategy and a technology that businesses use to manage, analyse, and improve their interactions with current and potential customers to foster loyalty, increase satisfaction, and drive revenue growth.

Distribution Future Energy Scenarios (DFES)
Annual, granular forecasts created by electricity network companies to predict the future of electricity demand and generation within their specific distribution areas.

Distribution Network Operator (DNO)
A company licenced to operate and maintain the electricity distribution network in a specific geographic area within the UK. DNOs are responsible for delivering electricity from the high-voltage transmission network to homes and businesses via lower-voltage local networks. They do not sell electricity but ensure the infrastructure is safe, reliable, and capable of meeting demand.

Distribution System Operator (DSO)
The DSOs role will be to maintain system security and quality of service in distribution networks in order to serve network customers. The DSO will help with market facilitation, encourage transparent and non-discriminatory access, and ensure security of system and quality of service.

DRZ
A localized section of an electrical distribution network that can be isolated and independently re-energized using Distributed Energy Resources during a national power blackout.

Electric Vehicle Uptake Modelling (EV-Up)
One of SPENs NIA projects with the aim to develop an evidence base for estimating the effects of electric vehicle uptake on the SPEN area in Scotland, England and Wales.

Electricity Distribution 1 (ED1)
ED1 (Electricity Distribution) price control set the outputs that the 14 electricity Distribution Network Operators (DNOs) need to deliver for their consumers and the associated revenues they are allowed to collect for the eight-year period from 1 April 2015 to 31 March 2023.

Electricity Distribution 2 (ED2)
ED2 (Electricity Distribution) price control set the outputs that the 14 electricity Distribution Network Operators (DNOs) need to deliver for their consumers and the associated revenues they are allowed to collect for the five-year period from 1 April 2023 to 31 March 2028.

Electricity Distribution 3 (ED3)
ED3 (Electricity Distribution) price control set the outputs that the 14 electricity Distribution Network Operators (DNOs) need to deliver for their consumers and the associated revenues they are allowed to collect for the five-year period from 1 April 2028 to 31 March 2033.

EMPower Programme
A structured, year-long initiative course for ex-military designed to foster professional growth through mentorship, industry knowledge, and hands-on experience. Participants gain insights into SP Energy Networks and develop the skills and capabilities needed to succeed in their future careers.

ESR
The series of actions necessary to restore electricity supplies to customers following a total or widespread partial shutdown of the GB Transmission System.

Finite Element Analysis
A computational method for predicting how a product or structure will behave under real world forces like stress, vibration and heat.

Flexible Services
Market-based solutions to manage grid demand.

Fugitive Emissions
Emissions released unintentionally from a range of sources such as leaks from equipment, accidental releases, or diffuse emissions.

Heat Pump Uptake Modelling (Heat-Up)
One of SPENs NIA projects which will enable us to develop evidence of the impact of heat pump domestic retrofits on our electricity network in Scotland, England and Wales.

IFMP
A centralized software and IT system that coordinates, optimizes, and trades energy flexibility across distributed energy resources (DERs) in real time to balance power grids.

Just Transition Strategy
A just transition seeks to ensure that the benefits of the transition to a low carbon world are shared equally. It goes beyond trying not to leave those most disadvantaged behind and puts them at the heart of this vital societal shift.

Low carbon technology (LCT)
Technologies designed to reduce the amount of carbon we use, including electric vehicles, heat pumps, wind turbines and solar panels.

LView
Previously called NetView. It is a platform used for analytics and data exports from the grid.

LV Network Splitter Systems
A protection and automation solution used to enhance the safety and reliability of low voltage electricity networks. These systems automatically isolate faulted sections during high voltage faults, preventing LV cable damage and enabling quicker restoration of supply. They support safe operation of interconnected LV networks without the need for complex HV protection schemes, particularly in Y-Type configurations.

Glossary (continued)

MHHS
A UK electricity market reform that replaces estimated or profiled energy usage with actual half-hourly (every 30 minutes) consumption data for all domestic and non-domestic meters.

NatureScot
Scottish biodiversity metric development.

Network Asset Risk Management (NARM)
A regulatory metric used by Ofgem to quantify and measure the benefit of a company's asset management activities for consumers.

Network Controllable Points (NCPs)
Plant and apparatus that has automation fitted to carry out operations on the network remotely. This remote switching reduces the need for field engineers on-site and allows quicker restoration of customers during fault operations. It also enables the ability to apply schemes to specific circuits which can restore customers based on alarms and indications without human input, making our network smarter and safer.

NIA
A set amount of funding provided by Ofgem to energy network licensees as part of the RIIO price control framework.

NESO
The independent, publicly owned body responsible for planning and operating Great Britain's high-voltage electricity transmission system and managing strategic gas network planning.

Open Data Portal / Data Governance / Informatica
Digital tools and platforms.

Output Delivery Incentive (ODI)
A regulatory mechanism that rewards energy network companies for outperforming targets on agreed-upon outputs, which are measurable and valuable services for customers and the environment, while imposing penalties for under performance.

PI historian
An enterprise data management and analytics platform for industrial time-series data.

Polychlorinated biphenyl (PCB)
Hazardous substances in older transformers.

Priority Services Register (PSR)
Our register of vulnerable customers, enabling us to provide additional support when required.

Qflow
Waste tracking and reduction.

Register Once Service
Unified vulnerability registration.

Regulatory Asset Value (RAV)
The value of capital assets used by a utility in a regulated industry, as determined by the economic regulator.

Reinforced Aerated Autoclaved Concrete (RAAC)
Structural material under review.

Re-opener
A type of RIIO uncertainty mechanism that allows network companies to apply for adjustments to their financial allowances, outputs or delivery dates during a price control due to changing circumstances.

Return on Regulated Equity (RoRE)
A regulatory metric that estimates the financial return shareholders receive from regulated companies during a price control period, allowing regulators to compare actual performance against the returns they originally allowed in the settlement.

Revenue = Incentives + Innovation + Outputs (RIIO)
Regulatory framework used by Ofgem, the UKs energy regulator, to set the revenue for monopoly gas and electricity network companies.

Ring Main units (RMUs)
A factory-assembled, metal-enclosed switchgear cabinet for medium-voltage power distribution systems that integrates switches and protective devices like circuit breakers or fuses to control and protect distribution transformers on a ring-type network.

S/4HANA
SAP's next-generation enterprise resource planning (ERP) suite built on the SAP HANA in-memory database. It streamlines business processes across finance, supply chain, manufacturing, and more, offering real-time data processing, simplified data models, and an improved user experience.

SAP
Acronym for Systems, Applications, and Products in Data Processing. Referring to a leading ERP (Enterprise Resource Planning) software company that integrates key business functions – such as finance, human resources, and supply chain – into a unified system.

Science Baseline Target (SBT)
Are emissions reductions goals for companies and organisations that are aligned with the latest climate science which specify what is needed to limit global warming to 1.5 degrees Celsius, as set out in the Paris Agreement.

Smart Meter Analytics
Advanced gas and electricity metering technology that offers customers more information about, and control over, their energy use (such as providing information on total energy consumption in terms of value, not only volume), and/ or allows automated and remote measurement.

Social Return on Investment (SROI)
Applying financial proxies to quantify outcomes not typically valued in monetary terms, generating a ratio.

Stakeholder Engagement and Consumer Vulnerability Incentive(SECV)
An incentive which drives network companies to engage with stakeholders and address consumer vulnerability issues, rewarding network companies for high quality activities or outcomes that go beyond business as usual.

Sulphur hexafluoride (SF_6)
Potent greenhouse gas used in switchgear.

Supplier of Last Resort (SoLR)
Process established by Ofgem to ensure energy customers supply is not disrupted when their energy supplier fails.

Time to Connect (TTC) and Time to Quote (TTQ)
Incentive which measures the time taken from initial application received to the issue of a quotation and the time taken from quotation acceptance to connection completion. The incentive captures minor connections customers. No exemptions apply.

T.O.P Leadership Model
Transformational Leader; Objectives Orientated; Taking Care of People.

Whole System
To use a holistic approach to identify and create value for customers, business and the whole energy system, enabling a more efficient and just transition to Net Zero.

Y-type networks
An electricity distribution network configuration that is solidly interconnected at high voltages (33kV and 11kV), while adopting a less interconnected or "radial" structure at the low voltage (LV) level.

Distribution

Annual Performance Report

2025/26

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