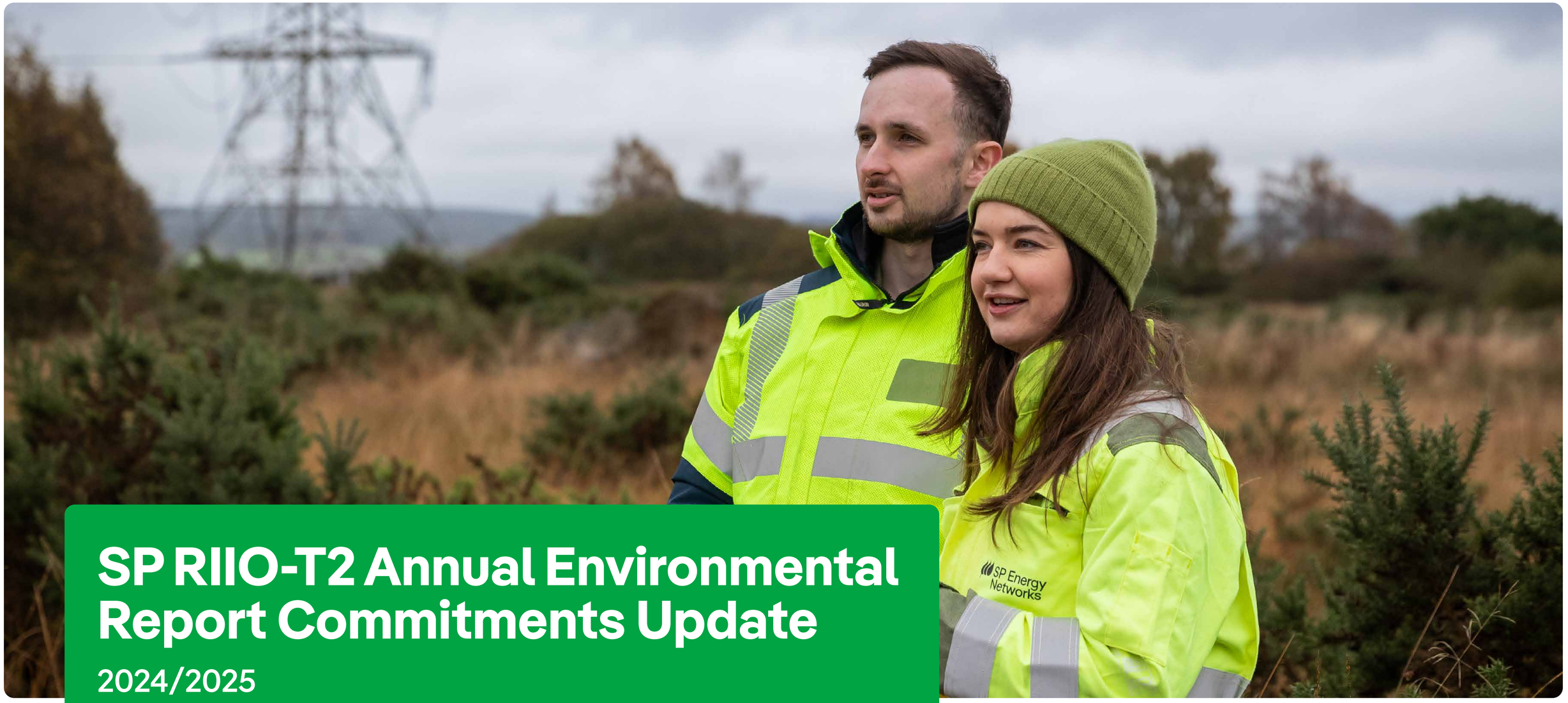
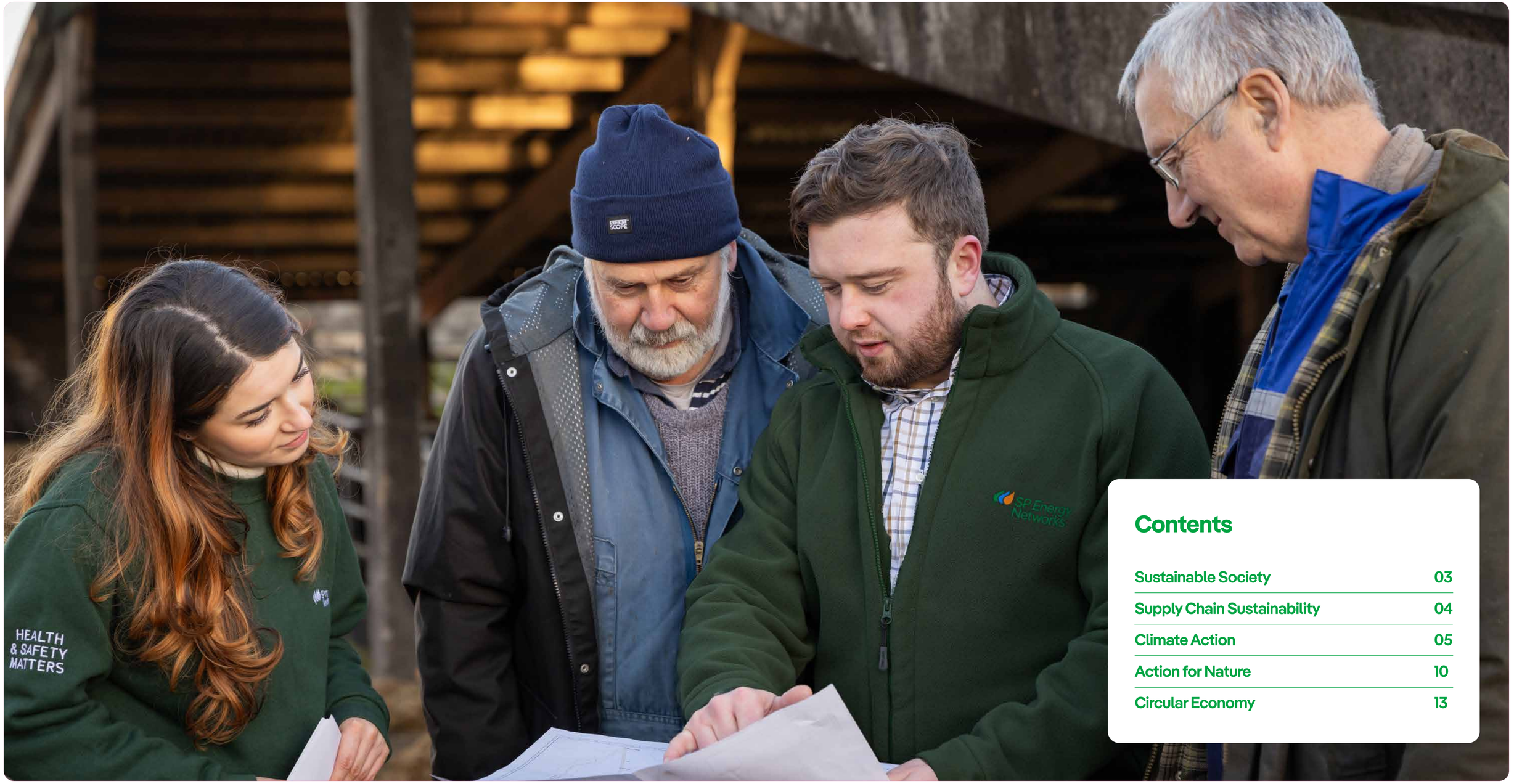


SP RIIO-T2 Annual Environmental Report Commitments Update

2024/2025

SP Energy Networks



Contents

Sustainable Society

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Achieving the Sustainability step-change	We will maintain and continually improve our ISO14001 certified Environmental Management System to achieve 'beyond compliance' environmental performance.	Throughout RIIO-T2	Ongoing	G
	We will embed a process for Initial Environmental and Sustainability Reviews (IESRs) for all relevant projects, to identify potential environmental issues and opportunities at the earliest stage.	By 2021	Complete	G
	We will improve the quality of environmental data collected and analysed at all stages of the asset lifecycle, investing in enhanced geospatial systems and formalising data sharing collaborations with key stakeholders.	By 2023 - amended date to Throughout RIIO-T2	Complete	G
	We will continue to ensure that our staff, contractors and supply chain have the skills and knowledge to move beyond compliance and achieve our Sustainability Goals.	Throughout RIIO-T2	Ongoing	G
	We will continue to drive industry-wide collaboration in RIIO-T2 for the benefit of all customers.	Throughout RIIO-T2	Ongoing	G
	We will continue to engage our key environmental stakeholders via our Sustainable Stakeholder Working Group, ensuring progress via collaboration activities arising from this engagement.	Throughout RIIO-T2	Ongoing	G
	We will continue to provide transparent reporting of our environmental and sustainability performance publishing an annual report of our progress against all environmental and sustainability commitments (as detailed in our Environmental Action Plan in Annex 7) in line with metrics and a format developed in collaboration with the other TOs.	Throughout RIIO-T2	Ongoing	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
Our commitments to accommodate the sustainability step change provide a framework to move 'beyond compliance', improve the quality and completeness of our environmental data, improve our environmental training provision for staff and build on our ongoing collaboration with other networks and infrastructure companies. **Benefits:** Delivering this group of commitments will allow us to deliver our strategic goals, shift the focus upstream from operational impacts to those occurring in our supply chain and during the design and construction of our assets, ensure that training is provided in the new processes and systems introduced to deliver compliance with our T2 commitments and identify and share best practice by working together with our peers to find practical and optimal solutions.	• Annual satellite audits conducted • IP2 Guidance updated to include environmental considerations • Environmental Data Strategy created • Staff training planned, with annual completion percentage reported • Supply chain engagement with SCSS monitored and included in supply chain reporting • Stakeholder Engagement Plan delivered • Annual Environmental Report (AER) published	G	In the 2024/25 regulatory year, SPEN retained its ISO 14001 certification following a successful external audit of its Environmental Management System. Recommendations from the audit are being integrated to support continuous improvement. SPT Major Projects continued implementing a contractor registration process requiring ISO 14001 certification as a minimum standard. All SPT projects have an environmental review at IP2 stage - technical approval, this is then continued into project development where all projects have EIA or Environmental Baseline Assessments (EBA) to highlight environmental risks and mitigation measures before projects move to delivery teams. SPEN also launched its Sustainability Data and Reporting Strategy, outlining its vision for data collection, analysis, and digital tools to support sustainability goals. Additionally, the Stakeholder Engagement Strategy was enhanced, identifying nine workstreams through collaboration with the Independent Net Zero Advisory Council (INZAC) and internal leadership. Each workstream conducted stakeholder mapping and was paired with an INZAC "buddy group" to ensure informed, balanced engagement and effective scrutiny of strategies.

R Red - at risk and highly likely to be unachievable

A Amber - delayed but still likely to be achieved

G Green - On track and progressing as planned

Supply Chain Sustainability

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Supply Chain Sustainability	We will increase our internal supply chain management resources to enable the collection and analysis of enhanced data and a greater level of collaborative working.	By 2021	Complete	G
	We will become a Supply Chain Sustainability School Partner, requiring contractors and suppliers for all new contracts to become members and undertake relevant sustainability and environmental training.	By 2023	Complete	G
	We will further enhance environmental management standards and KPIs within contract specifications and supplier codes of conduct (including requirements for public disclosure of metrics) and cascade to all relevant suppliers.	By 2021 - amended to 2023	Complete	G
	We will introduce consideration of environmental sustainability in our procurement processes in line with ISO20400 Sustainable Procurement Standard, including a carbon metric as a minimum.	By 2023	Complete	G
	We will report on the actual percentage of suppliers (by value) meeting these standards.	Throughout RIIO-T2	Ongoing	G
	We will target more than 80% of RIIO-T2 suppliers (by value) meeting these enhanced environmental standards.	By 2026	Ongoing	G
	We will engage with suppliers early in the development of projects to enable them to propose environmental improvements at concept and design stages	By 2026	Ongoing	G
	We will engage with suppliers throughout the duration of their contracts to continue to reduce impacts and optimise benefits	Throughout RIIO-T2	Ongoing	G
	We will work in collaboration with our suppliers and industry peers to develop a suite of targets and impact metrics designed to drive environmental improvements throughout our value chain.	Throughout RIIO-T2	Ongoing	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
Our supply chain commitments will minimise environmental impacts, set enhanced environmental standards and drive industry-wide environmental improvements, drawing on the huge breadth and depth of expertise and services within our supply chain. **Benefits:** Delivering this commitment will enable us to deliver our strategic vision of being a sustainable network business, reduce our environmental impacts, drive best practice within the industry, identify new processes to drive sustainable procurement and ensure our staff, contractors and suppliers have the knowledge and skills to move beyond compliance and achieve our Sustainability Goals.	• New job roles created to support supply chain sustainability • SCSS (Supply Chain Sustainability School) Partner status achieved • Environmental standards updated in supplier contracts • Alignment with ISO 20400 (Sustainable Procurement) • Enhanced supply chain reporting to measure new requirements • Supplier engagement plan developed, including creation of supply chain metrics	G	SPT continues to strengthen collaboration with its supply chain to enhance project sustainability and improve reporting consistency. A comprehensive supplier review led to the creation of a priority suppliers list—153 suppliers representing 90% of total supplier value—enabling targeted engagement. Support for smaller contractors is maintained through initiatives like the Supply Chain Sustainability School (SCSS) and the Scottish Business Climate Collaboration (SBCC), which offers free e-learning to SMEs across Scotland. Key achievements include: • 78% of priority suppliers meeting enhanced environmental standards • Use of the GoSupply platform to assess ESG performance • Tracking of supplier commitments to Science-Based Targets initiative (SBTi), with 59% of suppliers committed or validated. SPT will continue to embed these standards and collaborate with suppliers to advance sustainability throughout the remainder of RIIO-T2.

R Red - at risk and highly likely to be unachievable

A Amber - delayed but still likely to be achieved

G Green - On track and progressing as planned

Climate Action

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Strategic Carbon Reduction	We will adopt a science based target for scope 1 & 2 carbon reduction.	By 2021	Complete	G
	We will identify, and subsequently monitor, metrics to track progress towards our science-based carbon reduction targets.	By 2021	Complete	G
	We will adopt a science based target for scope 3* carbon reduction.	By 2023	Complete	G
	We will implement processes for carbon management in relevant business activities, aligned with PAS 2080 Carbon Management in Infrastructure.	Throughout RIIO-T2	Ongoing	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
We will set science-based targets in line with the Science Based Targets Initiative methodologies and align our processes with PAS2080 standards. **Benefits:** By setting validated science based targets we will publicly commit to reducing our BCF by an average of 4.2% per year during the RIIO-T2 period. This is equivalent to a reduction of 4,500 tCO_2e/yr	• Collaborated with external experts to define Science-Based Targets (SBTs) • Submitted SBTs to the Science Based Targets initiative (SBTi) for validation • Reviewed and updated internal processes to align with PAS 2080 requirements • Established tracking of SBT metrics to monitor progress and ensure delivery	G	In 2024/25, the annual Business Carbon Footprint (BCF), excluding losses, was 14,294 tonnes of CO_2 equivalent, marking a 29% reduction since 2013/14 and a 34% decrease from the 2018/19 RIIO-T2 baseline. Although fugitive emissions were lower than the previous year, they exceeded forecasts due to a leak, which has now been repaired. The organisation is making steady progress through its repair programme and fault management processes, and expects further reductions in BCF, assuming no major SF_6 leakage incidents occur. Transport emissions are projected to decline as electric vehicle solutions are implemented. Scope 2 emissions have risen compared to the previous year, but the launch of a substation refurbishment programme is expected to save over 10MWh of electricity annually. Of the 48 substations planned for upgrade, 32 will be completed in 2025, with the remainder scheduled for 2026. We have developed our PAS 2080 Carbon Management Plan to improve our processes and have a greater influence over emissions related to construction activities.

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Business Carbon Footprint - Other - Fleet - Scope 1	We aim to decarbonise our operational fleet by replacing 100% of our 72 cars and vans with electric alternatives by the end of T2.	By 2026	Ongoing	R
	We will strive to lead the decarbonisation of fleet vehicles, working with suppliers and other fleet operators to pilot technically viable alternatives to drive technical advancements and early adoption.	Throughout RIIO-T2	Ongoing	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
Our fleet commitments will accelerate the electrification of our operational fleet, targeting the end of T2. This ambitious target will require the early adoption of new technology and considerable effort to address the various technological, regulatory and economic challenges. **Benefits:** 319tCO_2e avoided	• Pilot technically viable options • 100% electrification of cars & vans	R	Four internal combustion engine vehicles have been replaced with electric alternatives, and a plan is in place to expand this to ten by the end of 2025. The organisation remains on track to fully electrify all cars and small vans by the end of the RIIO-T2 period, which will represent 21% of the total fleet—below the original target of 72 vehicles. However, we will not meet our ambitious goal of fully electrifying medium and large vans, as well as 4x4 vehicles, within the same timeframe. This shortfall is primarily due to limited market availability and ongoing challenges with vehicle range and payload capacity. To address these issues, the organisation is working with industry partners and trialling electric 4x4s, with two promising models identified. The success of the electrification strategy also depends on robust charging infrastructure. In Year 4 of the RIIO-T2 period, EV charging points began being installed at substations, with a total of 300 sockets planned. A 'home start' initiative has also been launched to install chargers at employees' homes, supporting flexible charging. Additionally, partnerships with third-party providers are being pursued to ensure nationwide coverage, especially in areas where internal infrastructure may not be viable.

R Red - at risk and highly likely to be unachievable

A Amber - delayed but still likely to be achieved

G Green - On track and progressing as planned

Climate Action

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Business Carbon Footprint – Sulphur Hexafluoride (SF_6) - Scope 1	We will continue to require manufacturers to provide equipment with an SF_6 leakage rate which is half that of the internationally recognised standards, where technically viable.	Throughout RIIO-T2	Complete	G
	We will use alternatives to SF_6 insulating gas for all new circuit-breakers and GIS installations where there are technically feasible market-ready solutions.	Throughout RIIO-T2	Complete	G
	We will continue to carefully monitor and manage our assets to minimise SF_6 leakage, repair leaks quickly, and where this is not possible, replace the asset before its anticipate end of life	Throughout RIIO-T2	Ongoing	G
	Where a repair to a leaking asset proves ineffective and the asset requires to be replaced, we will offset the SF_6 emissions from that asset until its replacement via a Carbon Offsetting partner.	Throughout RIIO-T2	Ongoing	G
	We will drive the development and adoption of SF_6-free technologies, collaborating with supply chain and industry peers and piloting new technologies where technically viable.	Throughout RIIO-T2	Ongoing	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
Our SF_6 commitments will ensure that SF_6 emissions are minimised during the price control period in line with our SF_6 strategy. **Benefits:** By delivering our SF_6 Strategy we will avoid adding an estimated 9,700kg of SF_6 to our inventory. This will avoid estimated additional annual emissions of 51.8kg (1,200tCO_2e).	• Set Enhanced Equipment Standards • Adopt SF_6 Alternatives in New Installations • Strengthen Asset Monitoring and Management • Offset Emissions from Irreplaceable Leaking Assets • Accelerate SF_6-Free Technology Development	G	The organisation continues to work closely with industry partners and its supply chain to promote the adoption of SF_6-free technologies, prioritising the procurement of alternatives where possible. Emissions levels are affected by factors such as equipment faults and the age of assets. For the 2024/25 regulatory period, the SPT Insulation and Interrupting Gas leakage rate improved to 0.39%, following a exceptional event during the previous year. Alongside its SF_6 repair programme, the operations team has maintained strict monitoring of all gas-filled assets, enabling early detection and rapid response to issues. Circuit breakers previously identified as leaking and not included in the T2 repair plan are now tracked with agreed interventions in place. The organisation is also collaborating with suppliers to deliver SF_6-free equipment, including a new agreement with Hitachi Energy to deploy their EconiQ 420kV GIS at two upcoming substations. SPT remains committed to preparing for the integration of alternative gas technologies, ensuring teams are trained and equipped to manage various gas types and mixtures effectively.

R Red - at risk and highly likely to be unachievable

A Amber - delayed but still likely to be achieved

G Green - On track and progressing as planned

Climate Action

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Business Carbon Footprint - Other - Buildings Energy Reductions - Scope 2	We will implement energy efficiency measures as part of our RIIO-T2 building refurbishment programme at 48 substations (representing around 1/3 of our sites) with the aim of reducing energy consumption by more than 1000MWh per year.	By 2026	Ongoing	A

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
We will undertake a programme of works to install holistic refurbishment solutions, specifically aimed at creating low energy use substation buildings **Benefits:** Energy efficiency measures and renewables to be delivered at one third of our substations with an estimated 328 tCO_2e avoided.	• Identify Sites • Identify technologies to be installed • Tender and Procure contract • Implementation Plan for roll out of programme of works • Track and monitor	A	During this regulatory year, significant progress has been made on the RIIO-T2 building refurbishment programme, with eight sites completed and work continuing at the remaining locations. Alongside these refurbishments, photovoltaic systems are being installed where appropriate, and structural improvements to concrete and steel elements within substation buildings are being carried out as needed. These upgrades aim to extend the lifespan of existing infrastructure, reduce the demand for new construction, and lower energy consumption across substation facilities. The organisation remains confident in meeting its commitments in these areas throughout the RIIO-T2 period.

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Losses Carbon Footprint - Scope 2	We will implement our T2 Losses Reduction Strategy to reduce losses on the network by an estimated 14,500 MWh (circa 3% of 2018/19 losses), thereby limiting losses to a lower level than would otherwise be the case, where this is economic and provides benefit to customers.	Throughout RIIO-T2	Ongoing	A

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
Implementation of our RIIO-T2 Losses strategy to reduce losses on the transmission system where it is economic to do so and provides benefit for customers. **Benefits:** Reduce losses to a lower level than would otherwise be the case through asset replacement using lower loss equipment avoiding 2097tCO_2e of emissions.	• Losses Reduction Strategy • Reduce losses by 3% from 2018/19 baseline	A	The replacement of aging infrastructure such as transformers, reactors, and overhead lines with modern, energy-efficient equipment has led to significant energy savings, with completed upgrades on several transmission circuits contributing an estimated 5370 MWh in lifetime savings. This represents 38% of the target set for the T2 period, with major projects expected to conclude in the fifth year. As the network expands due to increased renewable energy generation in the North and greater power flows from North to South, transmission losses are anticipated to rise. Reducing the carbon impact of these losses will largely depend on the overall decarbonisation of the UK's energy mix. While the organisation has limited control over market forces, it remains committed to accelerating the integration of renewable energy and developing infrastructure that supports a low-carbon future.

R Red - at risk and highly likely to be unachievable

A Amber - delayed but still likely to be achieved

G Green - On track and progressing as planned

Climate Action

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Reducing Embodied Carbon - Scope 3	We will identify, and subsequently monitor and report, metrics to track progress towards our Scope 3 science-based carbon reduction target.	By 2023	Complete	G
	We will work collaboratively with our stakeholders, including the other Transmission Operators, throughout RIIO-T2 with the aim of assessing and managing capital carbon on our projects, driving efficiencies throughout our supply chain, and sharing best practice.	Throughout RIIO-T2	Ongoing	G
	We will collaborate with our supply chain and other Transmission Operators to drive scope 3 and embodied carbon footprint reductions.	Throughout RIIO-T2	Ongoing	G
	We will, in collaboration with the other Transmission Operators, introduce a measurement tool for embodied carbon in new projects, in order to establish a baseline and set a reduction target.	By 2023	Ongoing	G
	We will collaborate with our supply chain to implement sustainable project sites to reduce carbon and other impacts, for example energy efficiency, diesel use, re-use of materials and reducing impact of transportation.	By 2023	Ongoing	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
We will develop a PAS2080 Implementation Plan and collaborate with our supply chain and other TOs to introduce an embodied carbon measurement tool and metrics to track performance. **Benefits:** This will allow us to cost projects in terms of carbon emissions, which will allow us to understand, report and take action to reduce carbon, in line with recommendations from PAS 2080 Carbon Management in Infrastructure Specification	• Develop PAS2080 Action Plan • Collaborate on Carbon Tools with supply chain and other TOs • Pilot tool on selected projects. • Set embodied carbon reduction target	G	Embodied carbon assessments have been carried out for ten SPT projects, covering a range of activities such as switchgear replacements, transformer upgrades, fault mitigation, and cable reinforcement. Unlike previous assessments that focused mainly on civil engineering works, this year's findings highlight that electrical assets and cables are the primary sources of emissions, contributing around 73% of the total. Overhead line projects were not included, which might have revealed different emission hotspots due to the presence of steel towers. Concrete and steel together made up 12% of emissions, while roads and aggregates contributed 6%. Identifying these key sources of emissions is essential for directing reduction efforts. Current initiatives in civil works include trials of lower-carbon concrete alternatives, such as increased use of precast elements, 3D-printed concrete, and mixes with recycled content. For steel, engagement with suppliers is ongoing to explore low-carbon options and assess future requirements. In terms of aggregates, the focus is on maximizing the use of recycled materials and identifying opportunities for reuse across different sites.

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Climate Change Adaptation	We will undertake detailed Flood Risk Assessments at our remaining 10 high risk sites and implement identified measures to mitigate the risk to the network from flooding.	By 2026	Ongoing	G
	We will publish a report in line with the 3rd Round of Adaptation Reporting under the Climate Change Act, in line with the Energy Networks Association work to produce a sector report.	By 2026	Complete	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
We will undertake detailed Flood Risk Assessments (FRA) at all 10 identified high risk sites and implement mitigation measures which will mitigate the risk to the network from flooding. **Benefits:** Risk of flooding is mitigated, ensuring that the network is robust and resilient.	• Flood risk assessments undertaken • Mitigation works completed • Climate Change Adaptation Report	G	All ten of our Flood Risk Assessments have been completed, identifying four sites requiring remediation. Work has been finalised at one location, with progress ongoing at two others, both expected to be completed by the end of 2025. The final site cannot be completed within the RIIO-T2 period due to current planning conditions. We continue to engage with the local authority and stakeholders to find an efficient, cost-effective solution and complete the necessary works as soon as possible.

R At risk and highly likely to be unachievable A Delayed but still likely to be achieved G On track and progressing as planned

Climate Action

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Net Zero Fund	The RIIO-T2 Net Zero Fund (NZF) is a £5m Use It Or Lose It (UIOLI) Fund, intended to provide guidance and support to consumers and communities in vulnerable situations and contribute to the UK's Net Zero objectives. This fund builds upon the previous Green Economy Fund which supported community initiatives aligned to Scotland's and the UK's ambitious Net Zero targets (details of our existing Green Economy Fund projects can be found on our website).	Throughout RIIO-T2	Ongoing	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
The Transmission Net Zero Fund will assist communities in vulnerable circumstances to build their capacity to address their energy issues, engage with the low carbon transition and contribute to the UK's net zero objective. Eligible communities can access support to make informed decisions, explore options, and develop projects to address energy needs and issues they face. The fund will operate in three phrases including providing workshops which will be tailored to respond to the needs of each community group based on where they are in the net zero journey, developing formal plans and supporting communities to realise their Net Zero ambitions **Benefits:** We estimate that this fund will deliver at least £3 worth of social benefits for every £1 invested.	• Identify projects • Engage with communities • Build support systems • Collaboration with experts • Support delivery of projects	G	SP Energy Networks launched its £5 million Net Zero Fund in 2022 to support communities across central and southern Scotland in progressing their net zero ambitions, with a focus on those most at risk of being left behind. Since its inception, the fund has facilitated 16 community workshops and 16 feasibility studies, helping local groups shape and prepare their projects for implementation. To date, over £3.7 million has been awarded to 27 community organisations and charities for initiatives such as installing heat pumps, adopting renewable energy, purchasing electric vehicles, and retrofitting historic buildings for energy efficiency. These projects are expected to save nearly 29,000 tonnes of CO_2 equivalent, with an estimated social return of £3.10 for every £1 invested. Beyond environmental benefits, the fund is also driving social equity by supporting vulnerable communities with cleaner, more efficient spaces and improved access to essential services, contributing to a just and inclusive transition to net zero.

R Red - at risk and highly likely to be unachievable

A Amber - delayed but still likely to be achieved

G Green - On track and progressing as planned

Action for Nature

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Preventing Pollution	We will target zero environmental regulatory interventions and notifiable breaches	Throughout RIIO-T2	Ongoing	R
	We will deliver our RIIO-T2 programme of mitigation measures (oil containment) for pollution prevention, developed via a condition-based asset risk assessment process.	By 2026	Ongoing	A
	We will implement Pollution Prevention Plans for all future projects for RIIO-T2 and beyond.	By 2026	Ongoing	G
	We will implement a programme to identify, risk assess and address high risk legacy land contamination.	By 2026	Ongoing	G
	We will eliminate PCBs from our network in compliance with the relevant legislation and in line with the industry approach agreed with the Environmental Regulators.	By end Dec 2025	Ongoing	A

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
This group of commitments deliver pollution prevention and environmental compliance initiatives **Benefits:** PCB removal in line with legislation, upgraded bunds to prevent oil pollution, remediation of legacy land contamination	• Target zero environmental regulatory interventions & notifiable breaches • Delivery of bunding programme • Pollution Prevention Plans • Legacy land remediation • Removal of PCB assets from network	A	As we continue to lead the low carbon transition, we remain committed to protecting the environment through pollution prevention, biodiversity enhancement, and sustainable resource use. This year, SP Transmission reported two environmental incidents to SEPA, both effectively contained with no watercourse contamination or regulatory enforcement. Pollution Prevention Plans are now standard across all major projects, ensuring robust environmental risk management. We've also advanced our PCB removal programme, with 125 units replaced and testing underway to meet the 2025 regulatory deadline. Oil top-ups remain closely monitored, with a significant reduction in fluid added to cables due to major leak repairs. Our proactive maintenance and investment in emergency spill response equipment further strengthen our environmental safeguards. Additionally, we continue to refurbish oil bunds and drainage systems to ensure containment infrastructure remains effective. Across our 200 substations, site-specific drainage plans and emergency protocols are now in place, reinforcing our commitment to environmental protection and continuous improvement.

R Red - at risk and highly likely to be unachievable

A Amber - delayed but still likely to be achieved

G Green - On track and progressing as planned

Action for Nature

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Land & Biodiversity	We will work collaboratively with our stakeholders, including the other Transmission Operators, throughout RIIO-T2 to develop and pilot a common approach and robust methodologies for delivering Biodiversity Net Gain alongside Natural Capital assessment and enhancement.	By 2021 - amended date Throughout RIIO-T2	Ongoing	G
	We will pilot these biodiversity and natural capital assessment methodologies and associated tools on selected RIIO-T2 projects	By 2023	Complete	G
	We will embed these biodiversity and natural capital assessment methodologies and associated tools in our business decision making processes for projects and the management of existing sites.	By 2023	Complete	G
	We will identify, and subsequently monitor and annually report, metrics to baseline and track the levels of biodiversity and value of natural capital on our sites and the achievement of our targets.	By 2021 - amended date Throughout RIIO-T2	Ongoing	G
	We will work with our local communities, landowners and other stakeholders to deliver 'no net loss' in biodiversity and identify options for delivering 'net gain'.	By 2026	Ongoing	G
	We will work with our local communities, landowners and other stakeholders to deliver a net positive impact in natural capital across our existing sites.	By 2026	Ongoing	A

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
Our biodiversity and natural capital commitments will allow us to develop biodiversity and natural capital actions plan in collaboration with our stakeholders, local communities and other TOs to protect and enhance the natural environment in which we work. **Benefits:** No Net Loss	• Baseline site biodiversity levels • Develop tools and methods • Pilot & embed tools and methods • Net gain in Biodiversity • Positive impact in Natural Capital	G	In 2024/25, SPT maintained its 'no net loss' biodiversity commitment through planning requirements and the UIOLI fund, focusing on off-site habitat improvements due to limited land availability. Collaboration with stakeholders, including NatureScot and Fisheries Management Scotland, helped shape a pipeline of biodiversity projects. Alongside other UK Transmission Operators, SPTis trialling the EcoUplift tool to support natural capital assessments, aiming to apply it to network developments by the end of RIIO-T2. SPT is enhancing biodiversity through a revised Consumer Value Proposition (CVP), releasing non-operational land for community-led projects despite growing network demands. In 2024/25, this included nature volunteering with BugLife at five substations and microgrants for local initiatives. Projects supported ranged from community gardens to pollinator planting and nature-based education, ensuring continued environmental impact while aligning with operational needs.

R Red - at risk and highly likely to be unachievable

A Amber - delayed but still likely to be achieved

G Green - On track and progressing as planned

Action for Nature

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Maximising environmental benefit from operational land	We will release unused non-operational land to local community energy projects, allowing them to use sites for free to generate and deliver energy to their local communities.	Throughout RIIO-T2	Ongoing	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
Throughout RIIO-T2, we will release unused non-operational land to local community energy projects, allowing them to use sites for free to generate and deliver energy to their local communities. Proposal to award to potential projects / community initiatives which support the low-carbon transition. **Benefits:** Our study identified up to 20 sites initially, which conservative estimates suggest could support upwards of 4MW of new renewable generation. This initiative will promote pathways and realised opportunities for community-driven Low Carbon Generation (LCG) schemes.	• Assess and confirm the availability of five non-operational land sites for biodiversity use. • Collaborate with Buglife and internal operational teams to implement community-focused projects at the identified sites. • Engage with local community groups located near SP Transmission assets to encourage participation and input. • Distribute 15 microgrants to support grassroots biodiversity initiatives led by community organisations.	G	SPT is enhancing biodiversity through a revised CVP, releasing non-operational land for community-led projects despite growing network demands. In 2024/25, this included nature volunteering with BugLife at five substations and microgrants for local initiatives. Projects supported ranged from community gardens to pollinator planting and nature-based education, ensuring continued environmental impact while aligning with operational needs

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Enhancing Visual Amenity	Where supported by visual amenity assessment and stakeholder engagement, and when cost effective to do so, we will deliver visual amenity mitigations for those existing assets not identified for upgrade or refurbishment during RIIO-T2.	By 2026	Complete	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
This allows us to improve visual amenity in protected landscapes such as Areas of Outstanding Natural Beauty and National Scenic Areas. **Benefits:** Visual amenity improvement	• Examine the visual impact of our networks in landscape areas which are eligible for the RIIO-T2 visual amenity incentive • Collaborate with stakeholders to develop a range of visual amenity improvement initiatives • Focus on Overhead lines	G	SP Energy Networks continues to prioritise visual amenity in planning, recognising that some older infrastructure still affects landscapes due to evolving land use and community development. Through the VIEW project, launched in the T1 period, SPEN has worked with stakeholders in Loch Lomond and the Trossachs National Park to identify enhancement opportunities. In 2024/25, SP Transmission contributed to Ofgem consultations to expand visual amenity funding and began developing a company-wide biodiversity policy to improve landscaping and visual standards across its network.

R Red - at risk and highly likely to be unachievable

A Amber - delayed but still likely to be achieved

G Green - On track and progressing as planned

Circular Economy

EAP Section	EAP Commitment	Target Year	Commitment Completion Stage	RAG
Circular Economy	We will embed circular economy principles where relevant throughout our business processes, considering whole life cycle environmental impacts.	By 2023	Ongoing	A
	As part of our revision of design processes, we will include considerations of operational and end of life stages with the aim of designing out waste.*	By 2023	Ongoing	A
	We will divert 95% of our waste from landfill.	By Dec 2023	Complete	G
	We will require project Waste Management Plans for all new projects in RIIO-T2 and beyond.	By 2026	Complete	G
	We will implement metrics to measure the sustainability of our resource use, with the aim of establishing a baseline to enable target setting during RIIO-T2.	By 2023	Complete	G
	We will set targets for recycled/reused materials as a % of total input materials to be achieved by end RIIO-T2, 2030 and 2050.	By 2026	Complete	G
	We will continue our work to minimise the environmental impacts of our use of aggregates (soils and stones) via collaboration with other TOs, our supply chain and membership on infrastructure resource optimisation groups** with the aim of identifying and implementing solutions to reduce the use and disposal of aggregates, including increased use of secondary aggregates.	Throughout RIIO-T2	Ongoing	G
	We will continue to collaborate with environmental / waste regulators, other infrastructure companies** and our supply chain to drive sustainable resource use and waste minimisation in order to meet our RIIO-T2 and Sustainability Goals.	Throughout RIIO-T2	Ongoing	G

Description and expected benefit	Implementation milestones	RAG Indicator	Status Update
Delivering this group of commitments will allow us to understand our waste streams and embed considerations of resource use and waste minimisation in our processes. **Benefits:** Reduction of waste to landfill and overall waste produced.	• Minimise aggregates disposal • Continued waste minimisation • Divert 95% landfill waste • Measure resource use • Design out waste strategy • Embed circular principles • Implement recycled/reused targets • Mandate project site Waste Management Plans	G	In 2024, we introduced Qflow, an AI-powered tool that enables real-time waste and resource tracking through photographic evidence and data validation. This has significantly improved transparency and accuracy in waste reporting, helping us better understand waste generation, treatment, and material composition, including recycled content. Despite a rise in total waste to 253,520 tonnes—driven by the scale and timing of construction projects—our reuse and recycling rate remained high at 94.4%, and landfill diversion held steady at 97.9%, exceeding our 95% target. As we transition to more accurate reporting, we anticipate short-term fluctuations in diversion rates, but this will ultimately support better decision-making. We are also developing a supply chain engagement plan and a circular economy strategy to embed sustainable practices across all stages of project delivery. Although progress has been delayed due to the complexity of implementation, we are actively collaborating with internal teams and suppliers to get the programme back on track. These efforts reflect our commitment to achieving 100% waste reuse or recycling by 2030 and advancing circular economy principles across our operations.

R Red - at risk and highly likely to be unachievable

A Amber - delayed but still likely to be achieved

G Green - On track and progressing as planned

* See related commitment to align with PAS2080 in Decarbonising our network and assets and supply chain collaboration

** Via the Scottish Infrastructure Circular Economy Forum and Major Infrastructure Resource Optimisation Group.

SP Energy Networks