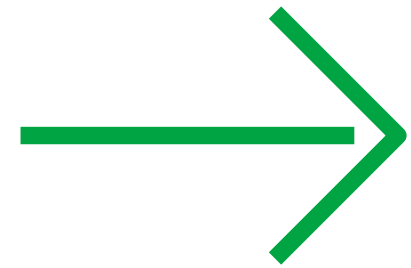




**SP RIIO-T2 Annual Environmental
Report Commitments Update**
2023/2024



| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|--|---|--|---------------------------------------|
| 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 | 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 | A |
| | 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 | 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. | By 2023 | G |
| | We will continue to drive industry-wide collaboration in RIIO-T2 for the benefit of all customers. | Throughout RIIO-T2 | 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 | 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 | G |

Description and expected benefit

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 collaborate 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.

Implementation milestones

- Review of SGA work with SEPA and process restarted after cyber attack
- Agreement of SGA and publish on SPEN website
- Review of existing processes to identify where IESRs are most appropriate
- Update Investment Process to include IESR

Status Update





During regulatory year 2023/24 SPEN maintained our certification of ISO14001 with an external surveillance audit of our Environmental Management System. We are continuing to embed the recommendations and opportunities from this report into our internal systems. In addition, within SPT Major Projects we have implemented a new contractor registration process which requires ISO14001 as a minimum standard for all our contractors. The guidance for the Initial Environmental and Sustainability Reviews (IESRs) has been updated but is yet to be implemented. We are continuing to partner with the Supply Chain Sustainability School to provide training to our staff, contractors and supply chain. This year, we have continued to make progress on our commitments and have begun developing an environmental data and reporting strategy. This strategy outlines our vision for data collection and analysis, as well as the necessary tools and timelines to achieve our goals. More details can be found in the Data and Assurance section at the end of the Annual Environmental Report. We also developed and implemented our sustainability stakeholder engagement plan, that aligns with both our SP Transmission stakeholder engagement plan and wider SPEN business engagement goals. The Independent Net Zero Advisory Council (INZAC), an independent group of energy industry experts created by SPEN to bring the voice of customers and stakeholders into the heart of our business has marked its first anniversary this year. The INZAC brings together 15 external experts to provide challenge and specialist knowledge to both the distribution and the transmission sides of the business - a first for the industry.

Status Update



| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|---|---|---------------------------|---------------|
| 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 | 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 | 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 | 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 | G |
| | We will report on the actual percentage of suppliers (by value) meeting these standards. | By 2023 | G |
| | We will target more than 80% of RIIO-T2 suppliers (by value) meeting these enhanced environmental standards. | By 2026 | 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 | G |
| | We will engage with suppliers throughout the duration of their contracts to continue to reduce impacts and optimise benefits | Throughout RIIO-T2 | 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 | G | |

| Description and expected benefit | Implementation milestones | Status Update | Status Update |
|--|--|--|-----------------|
| <p>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.</p> <p><i>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.</i></p> | <ul style="list-style-type: none"> Enhance environmental management standards and KPIs Commit to consider ISO20400 principles within procurement Supply Chain School Partner >80% T2 suppliers meet env. Standard | <p>We are continuing to work with our supply chain to improve the sustainability of our projects and programmes of work and ensure consistent reporting across all our supply chain.</p> <p>During this regulatory year we reviewed our suppliers and contractors to determine those with the greatest impacts and created our priority suppliers list. These 113 priority suppliers account for 90% of all our suppliers by value. This allows us to focus on the suppliers with the greatest impact on our business while allowing our smaller contractors to benefit from the upskilling support we provide through the Supply Chain Sustainability School (SCSS) and Scottish Business Climate Collaboration (SBCC). The SBCC is a platform that SMEs across all industries can access for free. The Climate Action Hub offers a variety of resources. Over 12 e-learning modules cover topics from climate science to calculating their business carbon emissions and creating a carbon reduction plan. Creating our priority suppliers list has focused our reporting, 71% of our priority suppliers are compliant with our enhanced environmental requirements. These requirements include a review of our supply chain using:</p> <ul style="list-style-type: none"> GoSupply Platform where we assess the environmental, social and governance (ESG) compliance and ambition of our suppliers via a series of scored questions. Supply Chain Sustainability School, a learning platform, to evaluate our suppliers' sustainability performance. <p>Our improved reporting now includes if our supply chain has publicly committed to, or has achieved, validation of their GHG reduction target by the Science Based Targets initiative (SBTi) (or other equivalent external validation process). We are using this as our metric to determine if a supplier or contractor has their own sustainability KPI (as per our T2 commitment).</p> <p>In regulatory year 2023/24 66% of our supply chain have committed to or have a validated SBT.</p> <p>We will continue to engage with and work in collaboration with our supply chain to further progress the implementation of our enhanced environmental standards over the remainder of RIIO-T2.</p> | <p>G</p> |

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

Description and expected benefit

“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 tCO₂e/yr”

Implementation milestones

- Work with external experts to set Science Based Target
- Submit SBTs to SBTi for validation
- Review existing processes to identify gaps and update to align with PAS2080.
- Track our SBT metrics to ensure delivery

Status Update

In 2023/24, our annual BCF (excluding losses) was 18,481 tCO₂e. This is 9% lower than in 2013/14 when we first started measuring our BCF, and 15% lower than our 2018/19 RIIO-T2 baseline.

Our 2023/24 annual BCF emissions increased from the previous year principally due to an ‘exceptional’ SF₆ leakage event which occurred at Hunterston Conversion Station in June 2023. This incident led to 225.8kg of SF₆ being lost to the atmosphere. The event was caused by a disruptive failure of cable termination leading to the loss of insulating and interruption gas (IIG) from the associated gas-insulated switchgear (GIS) gas compartment. This was recognised as an ‘Exceptional Event’ by our regulator, Ofgem, who agreed that the event could not have been reasonably foreseen and prevented. This event led to an increase of 5,311 tCO₂ e which accounts for 29% of this year’s Business Carbon Footprint (excl. Losses). The majority of the rest of the leaks were caused by our older gas insulated switchgear at Torness. We expect to have the majority of known leaks repaired within the next two years.

We continue to make good progress in fixing known leaking assets, through our repair programme and robust fault processes, and we anticipate that we will get back on track for the remainder of RIIO-T2 and continue to decrease our BCF in line with our targets, pending any further exceptional SF₆ leakage events.

Status Update



| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|--|---|--------------------|---------------------------------------|
| 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 | 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 | A |

Description and expected benefit

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: 319tCO2e avoided

Implementation milestones

- Pilot technically viable options
- 100% electrification of cars & vans.

Status Update

We have replaced four combustion vehicles with electric vehicles since the start of RIIO-T2. This is less than our target. We are forecast to electrify all cars and small vans by the end of RIIO-T2, this represents 21% of our fleet when compared to the original target of 72. However, we are unlikely to achieve our ambitious target of fully electrifying medium and large vans and 4x4s by the end of RIIO-T2. This is due to a combination of market availability and performance issues related to range and payload. To address these issues, we continue to work with the industry to support the development of new vehicles. Initial trials of 4x4 and similar Light Commercial Vehicle applications are being pursued, with two model lines identified as suitable for applications within our Transmission business.

After our successful pilot of several models of 22kWh electric vehicle charging points within four different substation environments, we have selected a preferred option which will now be rolled out to our strategic substations during the final two years of RIIO-T2.

We have also identified the need for worksite charging within substation compounds and are working with our engineering teams to develop a new specification for electric vehicle charging infrastructure within substations that will see additional capacity realised to support fleet vehicle charging adjacent to plant.

We are continuing to work with teams across the business to develop the standards and specifications required to ensure that new build Transmission substations will have the provision for ultra-fast EV chargers at strategic locations.

Status Update





| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|---|---|--------------------|--------------------------------------|
| 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 | 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 | 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 anticipated end of life | Throughout RIIO-T2 | 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 | 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 | G |

| Description and expected benefit | Implementation milestones | Status Update | Status Update |
|---|--|---|---|
| <p>“Our SF₆ commitments will ensure that SF₆ emissions are minimised during the price control period in line with our SF₆ strategy.</p> <p><i>Benefits: By delivering our SF₆ Strategy we will avoid adding an estimated 9,700kg of SF₆ to our inventory. This will avoid estimated additional annual emissions of 51.8kg (1,200tCO₂e).</i></p> | <ul style="list-style-type: none"> • Half leakage compared to standard rates • Repair / Replace / minimise leaks • Offset failed repairs • SF₆ alternatives where market ready • Pilot new SF₆ free, supply chain collaboration & drive adoption. | <p>We continue to work with industry and our supply chain to support the implementation of SF₆ free solutions with a view to adopting suitable alternatives on our network, including tendering exclusively for non-SF₆ equipment where possible. Numerous factors, including faults and asset age play a role in annual emissions. Overall, the SPT Insulation and Interrupting Gas (IIG) leakage rate for regulatory period 2023/2024 was 0.54%. However, this includes 226kg of SF₆ lost as a result of a disruptive failure at our Hunterston Converter Station. The failure of a cable termination combined with the design of the switchgear meant all contained gas was immediately vented into the atmosphere. This was an exceptional event under Special Condition 4.13.12 in our licence. Our older gas insulated switchgear at Torness, which made up the bulk of the rest of the leaks, will have the majority of known leaks repaired within the next two years and we are actively looking into innovative approaches to allow repairs at full working pressure to aid with any future leaks.</p> | <div style="background-color: green; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">G</div> |

| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|---|--|----------------|---------------------------------------|
| 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 | A |

| Description and expected benefit | Implementation milestones | Status Update | Status Update |
|---|---|--|--|
| <p>We will undertake a programme of works to install holistic refurbishment solutions, specifically aimed at creating low energy use substation buildings</p> <p><i>Benefits: Energy efficiency measures and renewables to be delivered at one third of our substations with an estimated 328 tCO₂e avoided.</i></p> | <ul style="list-style-type: none"> • Identify Sites • Identify technologies to be installed • Tender and Procure contract • Implementation Plan for roll out of programme of works • Track and monitor | <p>The planning phase of our RIIO-T2 building refurbishment programme has been completed and the framework for the refurbishment works of 48 of our substations was agreed late 2023. These works are behind in delivery however, we have created a new Agile project unit within our SP Transmission Major Projects area, to deliver these high volume, low complexity works. We are confident that we will be able to meet our commitments in this area during the RIIO-T2 period.</p> | <div style="background-color: orange; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">A</div> |

| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|-----------------------------------|--|--------------------|---|
| 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 |  |

| Description and expected benefit | Implementation milestones | Status Update | Status Update |
|--|--|---|---|
| <p>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.</p> <p><i>Benefits: Reduce losses to a lower level than would otherwise be the case through asset replacement using lower loss equipment avoiding 2097tCO2e of emissions.</i></p> | <ul style="list-style-type: none"> Losses Reduction Strategy Reduce losses by 3% from 2018/19 baseline | <p>Aging equipment such as transformers, shunt and series reactors and overhead lines are replaced by new lower loss equipment. To date, asset replacement has been completed on a number of transmission circuits, saving in the order of 400MWh in losses per year, (assuming that the circuit loading follows the same pattern as before the replacement work was carried out). This is a small amount relative to the target, but future asset replacement works are expected to yield higher loss reductions and we expect to reach our target by the end of RIIO-T2. As the size, complexity and loading of our network increases, our losses are also expected to increase, due primarily to increased renewable generation in the North and higher North to South flows generally as a result. The decarbonisation of losses will be principally driven by the decarbonisation of the UK energy mix. While we have little control over the decarbonisation of energy markets, we will ensure that we connect renewable energy sources to the grid as soon as possible, and that we will continue developing the smart grid of the future, which will also enable the decarbonisation of heat and transport.</p> |  |

| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|------------------------------------|--|--------------------|---------------------------------------|
| 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 | 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 | G |
| | We will collaborate with our supply chain and other Transmission Operators to drive scope 3 and embodied carbon footprint reductions. | Throughout RIIO-T2 | 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 | A |
| | 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 | G |

Description and expected benefit

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

Implementation milestones

- Develop PAS2080 Action Plan
- Collaborate on Carbon Tools with supply chain and other TOs
- Pilot tool on selected projects
- Set embodied carbon reduction target

Status Update

We have set Science Based Targets for Scope 3 and we continue to improve the way we measure emissions. The accurate reporting of Scope 3 emissions is a significant challenge, particularly measuring impacts relating to products and services which we procure, given complexity and diversity of our global supply chain. Working with the other Transmission Operators, we have developed a common methodology for reporting embodied carbon. Further information can be found in [Appendix A](#) of the main annual environmental report. Over the past 2-3 years, we have been working closely with suppliers of electrical equipment and the electrical assets industry body BEAMA to understand how we can better collaborate with our supply chain and drive Scope 3 reductions. In 2023/24 we developed a digital Product Carbon Calculator Tool. This measurement tool enables electrical equipment suppliers to submit the carbon footprint of any electrical equipment supplied to us. The focus for next year will be working with suppliers to use the tool and collaborate with the industry to push for a common methodology when requesting this information from our supply chain.

Status Update



| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|---------------------------|---|----------------|--------------------------------------|
| Climate Change Resilience | 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 | 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 | G |

| Description and expected benefit | Implementation milestones | Status Update | Status Update |
|--|--|--|---|
| <p>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.</p> <p><i>Benefits: Risk of flooding is mitigated, ensuring that the network is robust and resilient.</i></p> | <ul style="list-style-type: none"> Flood risk assessments undertaken Mitigation works to beginning Climate Change Adaptation Report | <p>All our Flood Risk Assessments have been completed and remediation works at 4 sites are due to commence during 2024, the contract for these works was awarded during year 3 of the RIIO-T2 period. These works will be undertaken by our new Agile Project Unit which has been created to deliver high volume, low complexity programmes of work.</p> | G |

| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|---------------|---|--------------------|--------------------------------------|
| Net Zero Fund | The RIIO-T2 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 | G |



| Description and expected benefit | Implementation milestones | Status Update | Status Update |
|---|---|---|---|
| <p>The Transmission Net Zero Fund will to 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.</p> <p>Eligible communities can access support to make informed decisions, explore options, and develop projects to address energy needs and issues they face.</p> <p>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</p> <p><i>Benefits: We estimate that this fund will deliver at least £3 worth of social benefits for every £1 invested.</i></p> | <ul style="list-style-type: none"> Identify Projects Engage with communities Build Support Systems Collaboration with experts Support delivery of projects | <p>In August 2022, SP Energy Networks launched the £5 million Net Zero Fund to aid vulnerable communities in Central and Southern Scotland on their path to net zero GHG emissions. The fund, which supports community organisations with decarbonisation goals, operates in three phases: workshops, project planning, and funding. The Net Zero Fund offers two different types of workshops: general workshops which target a broader audience and tailored community workshops which focus more locally. The first general net zero workshop held in January 2023, introduced over 70 stakeholders to net zero solutions. Additionally, the fund has delivered 16 tailored community workshops since November 2022. Over 130 community representatives have these workshops where they explored local challenges and routes to net zero. In December 2023, the fund awarded its first round of grants to six charities and organisations to help them decarbonise and reach their net zero targets sooner by introducing innovative net zero technology. The projects ranged from installation of solar panels and heat pumps, to the purchase of electric vehicles, and retrofitting listed buildings to increase energy efficiency.</p> | G |



| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|----------------------|---|-----------------|---------------------------------------|
| Preventing Pollution | We will target zero environmental regulatory interventions and notifiable breaches | By 2021 | 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 | A |
| | We will implement Pollution Prevention Plans for all future projects for RIIO-T2 and beyond. | By 2026 | G |
| | We will implement a programme to identify, risk assess and address high risk legacy land contamination. | By 2026 | 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 | A |

| Description and expected benefit | Implementation milestones | Status Update | Status Update |
|--|--|--|---|
| <p>This group of commitments deliver pollution prevention and environmental compliance initiatives</p> <p><i>Benefits: PCB removal in line with legislation, upgraded bunds to prevent oil pollution, remediation of legacy land contamination</i></p> | <ul style="list-style-type: none"> Target zero environmental regulatory interventions & notifiable breaches Pollution Prevention Plans Legacy land policy | <ul style="list-style-type: none"> SP Transmission have reported two incidents to the Environmental Regulator, SEPA, in the reporting period. Both related to oil leaks from buried fluid filled cables (FFC) in Edinburgh. Neither leak has resulted in oil contamination of water courses, and no enforcement actions or undertakings resulted from the two incidents notified to the regulator PCBs removal – Work is progressing on the planned removal of PCB contaminated (or potentially contaminated and sealed) assets to ensure that we meet the deadline of 31 December 2025 for the removal of those assets from our Transmission network, however we do have a small number of assets that are at risk of not being removed before the deadline due to outage and project timelines. Several assets are still to be sampled and a plan is being worked through to ensure that we sample and assess all the assets in time to enable decontamination, or replacement if it is needed SPT have continued to regularly monitor our entire oil-filled asset base for leaks, future risk, and oil purity. In doing so we can remain confident that they are fit for service and will cause no adverse effects to the surrounding environment. To further mitigate any leakage, aside from repairing and replacing assets, SPT are continuing to deliver the RIIO-T2 oil bund and drainage system refurbishment programme ensuring our primary and secondary containment systems remain fit for purpose and protect the surrounding environment All major projects within the transmission area now include a Pollution Prevention Plan. This forms part of the risk management process to ensure that environmental risks from the projects are managed appropriately to avoid impacts such as from construction water run-off, in normal and abnormal situations We are continuing the programme to investigate the site conditions at our known sites and have added further site assessments in 2023/24, now including the Westfield site as a legacy contaminated site. All our identified sites are at various stages of assessment using the standard contaminated land phased approach and we will continue to assess, and where required remediate the sites to ensure that the risk to the environment from these sites is low risk. | <div style="background-color: orange; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> A </div> |

| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|---------------------|---|---|---------------------------------------|
| 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 | G |
| | We will pilot these biodiversity and natural capital assessment methodologies and associated tools on selected RIIO-T2 projects | By 2023 | A |
| | 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 | A |
| | 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 | 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 | A |
| | 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 | A |

| Description and expected benefit | Implementation milestones | Status Update | Status Update |
|---|---|---|---|
| <p>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.</p> <p><i>Benefits: No Net Loss</i></p> | <ul style="list-style-type: none"> • Baseline site biodiversity levels • Develop tools and methods • Pilot & embed tools and methods • Net gain in Biodiversity • Positive impact in Natural Capital | <p>During Year 3, using the SSENT metric, we have been able to run data gathered from surveys on the list of projects selected to deliver 'No Net Loss' through our Use It or Lose It fund to calculate the number of biodiversity units required to meet this commitment. Results from these assessments were returned at the end of Year 3, with the data being processed in year 4.</p> <p>The three TOs undertook a review of existing Natural Capital tools over an 18 month period to identify one that best fits Ofgem baseline requirements and network priorities., to provide a quantified account of electricity transmission sector land assets. We also needed a tool that could work with existing GIS systems, be used by non-experts and be used for high level baselining and optioneering with the capability to carry out more accurate analysis as site data matures. We are currently testing the EcoUplift tool, developed in collaboration with AECOM. There continues to be delays with the this tool, however we are working with the other TOs and linear infrastructure organisations to pilot the latest version on several projects.</p> <p>With limited scope to deliver enhancements for biodiversity within our project boundaries, we are committed to working collaboratively with local communities, stakeholders and landowners to deliver habitat creation and improvement schemes.</p> <p>This year we have engaged with a number of stakeholders, including Nature Scot and Fisheries Management Scotland to discuss our 'No Net Loss' objectives, develop our approach to delivering enhancement projects, and start to build a pipeline of investible schemes. We will deliver biodiversity enhancement projects from this list during years 4 and 5 to achieve 'No Net Loss' in line with requirements.</p> | <div style="background-color: orange; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> A </div> |

| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|---|--|--|---|
| 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 |  |
| Description and expected benefit | Implementation milestones | Status Update | Status Update |
| <p>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.</p> <p>Proposal to award to potential projects / community initiatives which support the low-carbon transition.</p> <p><i>Benefits: Our study identified up to 20 sites initially, which conservative estimate 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.</i></p> | <ul style="list-style-type: none"> Review of SPT owned sites Analysis of sites and appropriate interventions available Sites identified Internal Process created. Implement, enhance and embed the process into our BAU Contacting our stakeholders to engage with them and identify groups of interest Outline the legal process that would need to take place | <p>SP Energy Networks are committed to delivering positive effects for biodiversity across our network and is actively developing plans to maximise benefits for the environment across our estate.</p> <p>For RIIO-T2 we have a Customer Value Proposition (CVP) to release unused non-operational land to local community groups for biodiversity projects, allowing them to use sites for free to deliver biodiversity enhancements in local communities.</p> <p>In year 3 we have reviewed this CVP due to the volume of new connections that we now need to supply and the availability of non-operational land being heavily constrained. We will now be delivering the CVP with a mix of community nature volunteering projects within the vicinity of our assets and microgrants for community groups to enhance nature in our neighbourhoods.</p> |  |

| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|---|---|---|---|
| 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 |  |
| Description and expected benefit | Implementation milestones | Status Update | Status Update |
| <p>This allows us to improve visual amenity in protected landscapes such as Areas of Outstanding Natural Beauty and National Scenic Areas.</p> <p><i>Benefits: Visual amenity improvement</i></p> | <ul style="list-style-type: none"> 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 | <p>We developed the VIEW project during the T1 period considering visual enhancement around our existing infrastructure in the Loch Lomond and the Trossachs National Park. We worked directly with communities and other stakeholders to identify potential candidate sites. Following discussions between SPT and Ofgem, there is potential to recommence stakeholder engagement on this project in 2024 with a view to having a defined scheme for potential delivery in 2025. This will be dependent on a number of factors, including engagement with key stakeholder, landowners and communities.</p> |  |

| EAP Section | EAP Commitment | EAP Commitment | RAG Indicator |
|------------------|--|--------------------|---------------|
| Circular Economy | We will embed circular economy principles where relevant throughout our business processes, considering whole life cycle environmental impacts. | By 2023 | 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 | A |
| | We will divert 95% of our waste from landfill. | By Dec 2023 | G |
| | We will require project Waste Management Plans for all new projects in RIIO-T2 and beyond. | By 2026 | 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 | 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 | 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 | 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 | G |

Description and expected benefit

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.

Implementation milestones

- 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

Status Update

Waste data has improved in the first few years of RIIO-T2 but there remains challenges including gathering data for materials. During the remainder of RIIO-T2 we will continue to improve materials data including the % recycled content of materials being used on our projects.

In order to do this, we will explore new and innovative ways of collecting, analysing and reporting resource use data from our site activities.

The waste tonnage for the calendar year Jan 23 to Dec 23 was 52,489 tonnes, of which 98% was diverted from landfill. This is 27,061 tonnes higher than the previous year due to a difference in the timing and type of construction projects underway during this period. The tonnage of waste can vary from year-to-year dependant on number and type of construction projects that are ongoing.

However, despite the increase in overall waste, our waste reused percentage increased from 78% to 91% during the period, mainly due to the reuse of soils and stones on our projects. This demonstrates our commitment to increase our landfill diversion and reuse rates.

Status Update



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