

SSEN Distribution

# SUSTAINABILITY STRATEGY

October 2023



Scottish & Southern  
Electricity Networks

# INTRODUCTION

Following the launch of our first Sustainability Strategy at the start of 2021, we have completed a strategic update to show key sustainability ambitions during the RIIO-ED2 price control.

We continue to recognise that embedding sustainability throughout all our operations is crucial to not only meeting net zero legislation, but also for continuing to create a better planet for future generations. We are committed to pushing our business forward to achieve our sustainability goals.

This strategy embeds our Environmental Action Plan (EAP), which outlines environmental ambitions during the RIIO-ED2 price control (2023 - 2028). We will include a sustainability progress report in the Annual Environment Report that will be released annually from October 2024.

Our first Sustainability Strategy that was launched in 2021.



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# WHO WE ARE

We are the electricity Distribution Network Operator (DNO) responsible for delivering power to 3.9 million homes and businesses across central southern England and the north of Scotland. We serve some of the most diverse and unique geographies across the UK, and keep customers and communities connected whilst developing the flexible electricity network vital to achieving net zero.

Our network serves some of the UK's most remote communities and also some of the most densely populated. Our two networks cover the greatest land mass of any of the UK's DNOs, covering 72 local authority areas and 75,000km<sup>2</sup> of extremely diverse terrain.

## OUR DISTRIBUTION NETWORK AT A GLANCE

Over **3.9million** homes and businesses

More than **888,000** customers on our Priority Services Register

Over **128,000km** of overhead lines and underground cables

Over **460km** of subsea cables powering our island communities

Over **4,100** employees across the country

*Figures as of October 2023*



# OUR SUSTAINABILITY AMBITIONS

SSEN Distribution's five sustainability ambitions are at the heart of all its sustainability work and drive the agenda for the net zero pathway.



## 1. RELIABLE NETWORK

- 1.1 Business-as-usual reliable network
- 1.2 Decent work and economic growth
- 1.3 A climate-resilient decarbonised network
- 1.4 Asset management
- 1.5 Asset policy
- 1.6 ISO 55001

## 2. ENABLING NET ZERO

- 2.1 Whole system approach
- 2.2 DFES
- 2.3 Smart and flexible networks
- 2.4 Decarbonisation of transport and heat
- 2.5 Future connections and LCT supply
- 2.6 Innovation

## 3. CLIMATE ACTION

- 3.1 ISO 14001
- 3.2 Reducing distribution carbon footprint
- 3.3 Reducing electricity losses
- 3.4 Efficiently manage SF<sub>6</sub>
- 3.5 Reducing embodied carbon
- 3.6 Sustainable supply chain
- 3.7 Reducing resource consumption
- 3.8 Enhancing biodiversity and natural capital
- 3.9 Efficiently manage FFCs
- 3.10 Minimising noise pollution
- 3.11 Efficiently manage PCB containing assets
- 3.12 Additional sustainability initiatives

## 4. SERVING OUR CUSTOMERS

- 4.1 Stakeholder engagement strategy
- 4.2 Customers at the heart of service offerings
- 4.3 Customers in vulnerable situations
- 4.4 Strong and strategic partnerships
- 4.5 Just Transition

## 5. OUR PEOPLE

- 5.1 Investing in workforce resilience
- 5.2 Enabling inclusive and accessible workplaces
- 5.3 Enabling inclusive and accessible products and services

# WHAT ARE THE SUSTAINABLE DEVELOPMENT GOALS?

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At the heart are the United Nations Sustainable Development Goals (SDGs), which are a collection of 17 global goals introduced by the United Nations in 2015. They form a global framework, aimed at policymakers to ensure a sustainable world. The 17 SDGs are integrated – they recognise that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability, also known as the three pillars of sustainable development.

The SDGs are the foundation for our sustainability strategy and we have ensured that every ambition and commitment is directly linked to the relevant SDGs, to make it easy to understand the areas we hope to impact with the activities we propose.

At the halfway point to 2030, the world is not on track to achieve the SDG ambitions launched back in 2015. We are at a critical turning point, and we need to take action now.



*I'm pleased to present a strategic update to our Sustainability Strategy, with this being our first edition in the RIIO-ED2 price control.*

*This strategy highlights key initiatives which we are delivering on as a business, and shows how our five sustainability ambitions encapsulate all the work we do in SSEN Distribution to drive sustainability forward and ensure a Just Transition for all. Net zero is ultimately only a mark in time and our core purpose for driving real change within the business is to create a better planet for future generations to thrive.*



**Shirley Robertson**  
SSEN's Head of Strategic Planning and Sustainability

# SUSTAINABLE DEVELOPMENT GOALS

Our eight material SDGs are

<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 
<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>13</b> CLIMATE ACTION 
<b>15</b> LIFE ON LAND 	<b>17</b> PARTNERSHIPS FOR THE GOALS 

# 1. RELIABLE NETWORK

*We will work collaboratively to build trust and ensure legitimacy in everything that we do, for the greater good of our local communities and GB*



## 1.1 BUSINESS-AS-USUAL RELIABLE NETWORK

We are proposing to invest over £1.1bn to build the strong foundations required to support the transition to net zero and deliver high levels of reliability for our customers, now and in the future. Tackling climate change is the most important challenge facing society and we will continue to deliver a safe and resilient network that meets our customers needs whilst supporting the greater electrification of heat and transport.

- We will reduce the average duration of unplanned power cuts by 20% by 2028
- We will improve network performance for at least 75% of customers deemed worst-served across both our networks

During the RII0-ED2 price control we will make greater use of new technology and data, which will enable us to better target safety-related activities, such as tree cutting and overhead line clearances, and coordinate our activities to manage the network efficiently. Our choice of intervention is in each case carefully assessed, with a focus on selecting options that will deliver the greatest long-term value at an efficient cost.

Tree and vegetation growth represents a real risk to the safety of the electricity distribution network and must be managed effectively. We have over 60,000km of OHL network across both our regions, and unmanaged tree and vegetation growth can pose a serious safety risk to the public, our employees, and partners and cause significant damage to our network. Our proposed investment will support cutting of approximately 465,000 spans of overhead line across all voltage levels over RII0-ED2 and is based on a three-year cycle in SEPD and a four-year cycle in SHEPD. It also includes all costs associated with carrying out LiDAR (Light Detection and Ranging) surveys for both SEPD and SHEPD once every four years, to quickly and accurately determine exactly where trees impact our overhead lines to guide an efficient tree cutting delivery programme. An effective tree cutting programme will contribute to wider benefits, such as reliability improvements and ensure there is less dependencies on customer outages and mobile generation.

## 1.2 DECENT WORK AND ECONOMIC GROWTH

Over 2022/23, SSEN Distribution contributed £1.46bn to UK GDP and supported 12,330 jobs.

2023 is the year that SSE is proud to celebrate ten years of being a Living Wage employer. Being a Living Wage employer doesn't just mean that our direct employees earn a living wage, but our contractors and supply chain do as well. We're working towards a better and fairer world for all, and our people are at the centre of that.



### TOPICS:

- 1.1 Business-as-usual reliable network
- 1.2 Decent work and economic growth
- 1.3 A climate resilient decarbonised network
- 1.4 Asset management
- 1.5 Asset strategy
- 1.6 Maintaining a safe, reliable and resilient network



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Secondary linked  
UN SDGs



SUSTAINABLE  
DEVELOPMENT  
GOALS

### 1.3 BUILDING A CLIMATE-RESILIENT DECARBONISED NETWORK FOR THE FUTURE SUPPLY

The path to climate resilience is detailed, complex and multi-faceted, which requires a risk management plan with many factors, variables and uncertainties. Through our Climate Resilience Strategy (CRS), climate change risks are studied, assessed, and prioritised, and the climatic difference between our northern and southern regions are investigated. Interdependencies of our operation with other stakeholders (such as telecoms, electricity transmission, water, utilities etc) are understood, to highlight the key vulnerabilities for both us and our stakeholder. You can find our Climate Resilience Strategy on the SSEN Distribution website ([ssen.co.uk](https://www.ssen.co.uk)).

### 1.4 ASSET MANAGEMENT

Careful stewardship of our network is key to managing risk and ensuring our network is resilient to longer-term threats, building strong foundations for net zero. Our rigorous programme of asset management allows us to optimise our investments and minimise costs for customers. We focus on four key areas to ensure we efficiently respond to faults and target proactive intervention only where the likelihood and impact of failure are highest.

#### INSPECTING OUR ASSETS



We use this to understand asset condition and to keep our colleagues, partners and the public safe.

#### REPLACING OUR ASSETS



Inspection data and analysis also allows us to manage assets over the long-term, and decide when asset replacement is necessary, or a better option than repairing and maintaining assets.

#### MAINTAINING OUR ASSETS



We use inspection information to assess and score the overall health of our assets, so we know where maintenance, repairs or refurbishment may be required.

#### FIXING OUR ASSETS



On the occasions that our assets do fail, we minimise the impact to our customers by undertaking immediate repairs and strengthening our equipment for the future.

Our Investment Portfolio and Asset Data teams play a huge role in ensuring we maintain a strong asset management system, security-of-supply for our customers and ensure the business is equipped with the correct information to plan for environmental impacts and the future of our network. Some of the key areas our team work on are:

- ✓ Monitoring the network-aggregated environmental risks of our assets
- ✓ Investigating use of geographic datasets identifying national parks

- ✓ Issuing programmes of work so that our SF<sub>6</sub> and oil-filled assets are regularly inspected and maintained
- ✓ Identifying assets at high risk of flooding in extreme weather events so we can plan to complete an upgrade

Our Investment Planning team also has the responsibility to ensure our subsea cables are being inspected and maintained regularly. The team has recently made changes to how we inspect our subsea cables by improving commercial arrangements for our offshore ROV inspections, including the grouping of our cables by inspection type and location. This has subsequently meant our contractor who supplies us with a vessel is doing less mileage and ultimately reducing our Scope 3 emissions.



## 1.5 ASSET POLICY, STANDARDS AND SPECIFICATION TEAM

Our Asset Policy, Standards and Specification team is an integral part of the business and ensures that we maintain a resilient network that will withstand future climate changes. It specifies the equipment/plant that the business can procure, introduces new equipment technologies and practices, sets procedures for installation of new equipment upon the network, has ownership of inspection and maintenance procedures, investigates network faults looking for failures or issues that impact our equipment and looks to strengthen the feedback loop on what we learn from operational feedback and equipment/network failures so we can improve specification, installation or inspection and maintenance practice.

**Standardisation has multiple benefits and has been used and developed within industrial environments for a long period of time. Our team is implementing a 'Strategy for Standardised Design' which will have the following benefits:**

- ✔ Greater clarity and predictability
- ✔ Reduced costs
- ✔ Knowledge retention
- ✔ Greater flexibility
- ✔ Consistent and improved quality
- ✔ Reduced waste
- ✔ Known cradle-to-grave requirements



## 1.6 ISO 55001 CERTIFICATION

SSEN is certified to the requirements of ISO 55001, an International Standard that sets the framework for an organisation to effectively manage its assets. With input from our stakeholders, we set performance objectives for the network, and our Asset Management System enables us to make and act on decisions to invest in and maintain assets to achieve those objectives. Throughout the whole asset lifecycle, we aim to optimise the balance of cost, risk, and performance to deliver the best overall long-term value for customers. We continually seek and implement improvements to our asset management capability to help us realise better value from our assets.



## 2. ENABLING NET ZERO

*We will support the global drive to net zero by committing to a climate science backed net zero goal, which is also considerate of wider societal impact*



### 2.1 WHOLE SYSTEM APPROACH TO THE ENERGY TRANSFORMATION

The energy sector will play a crucial role in meeting the UK and Scottish Governments' net zero targets. The transition to net zero energy will blur the boundaries between electricity, gas and transport and other sectors, and create interdependencies that necessitate a coordinated, or whole system approach.

SSEN Distribution is embedding a whole system approach across its entire business that embraces opportunities to collaborate with others both internally and externally to enhance consumer benefits and societal outcome. This whole system approach will be to build on the use of non-network solutions such as flexible generation and demand to make the most of existing network assets. The whole systems approach allows the collaboration and coordination between sectors, and SSEN can aid this by taking on the role of a neutral market facilitator.

We have led the way in developing whole systems solutions, from our South West Active Network Project (SWAN) saving customers in excess of £500m in deferred transmission reinforcement, through to the new energy solution for Shetland.

### 2.2 DISTRIBUTION FUTURE ENERGY SCENARIOS (DFES)

SSEN has been using the DFES analysis which provides high-granularity scenarios for the energy generation (low carbon and conventional), demand and storage technologies connecting to the distribution network. This analysis helps SSEN understand how the demands on their networks will likely change over the next decade and beyond based on a variety of different scenarios which weight up different volumes of low carbon technology take-up, demand-growth based on electrical vehicles (EV) and decarbonisation of transport and heat.

The DFES also form part of an integrated network planning and investment appraisal process, allowing us to make initiative investment to prepare and support the net zero transition.

SSEN Distribution will continue to engage with a wide array of stakeholders, including Local Authorities and developers to obtain their short- and long-term energy requirements (5 to 30 years). This information is fed into the future load profiles, which feeds into the DFES. We use the load projections provides by stakeholders by capturing it and investing appropriately so that the network is ready when our customers are ready to energise. The data produced can be used by stakeholders within our network area to assist in planning their future energy needs. We have a range of different platforms stakeholders can utilise to create their net zero energy plans for the future:

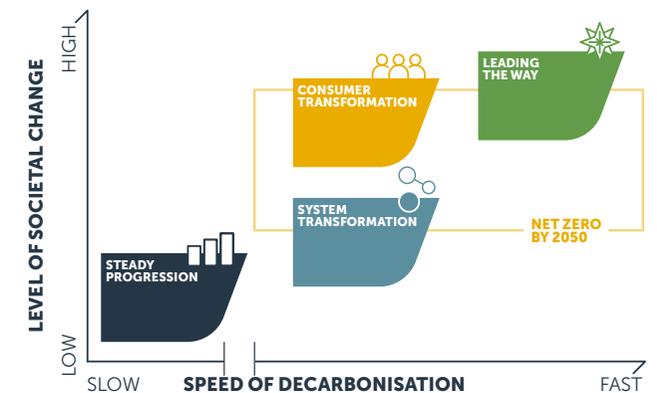
- LENZA – (Local Energy Net Zero Accelerator)
- NerDA (Near Real-time Data Access)
- Open Data Portal

Every year, we strive to make improvements to the delivery and information that the DFES produce, to ensure we meet developing and this year we have a new feature of the DFES delivery:

- A local authority short-report which will offer another key area of interaction.
- A visualisation tool which will include load profiles for local areas under different scenarios.
- A vulnerability analysis, which will overlay vulnerability metrics with our scenario and distribution modelling to better understand where changes are likely to impact vulnerable consumers.

#### TOPICS:

- 2.1 Whole system approach
- 2.2 DFES
- 2.3 Smart and flexible networks
- 2.4 Decarbonisation of transport and heat
- 2.5 Future Connections and LCT Supply
- 2.6 Innovation for the net zero transition



Secondary linked UN SDGs

SUSTAINABLE DEVELOPMENT GOALS



## 2.3 SMART AND FLEXIBLE MARKETS AS A DISTRIBUTION SYSTEM OPERATOR (DSO)

The local distribution networks are key to unlocking the benefits of the low-carbon transition. Creating opportunities for consumers to generate and sell electricity and provide network flexibility services is crucial to cost effectively delivering net zero at pace.

Our vision for DSO is to make the best use of our electricity networks, data and emerging technology to facilitate the decarbonisation of transport and heat at maximum pace, and at minimal cost to consumers.

Our RIIO-ED2 plan puts us on a trajectory to do this at the most efficient cost for customers by investing once, at the right time in the right part of the whole-system. We expect to save customers up to £46.3m through deferring reinforcement and avoiding capital expenditure during RIIO-ED2.

### INVESTING AND PREPARING FOR DSO



## 2.4 DECARBONISATION OF TRANSPORT AND HEAT

### Principle 1: Using data and analytics to anticipate issues, support decision making and make sure our networks are ready for EV uptake

We have unlocked the value of smart meter data, data from several thousand LV (Low Voltage) monitoring devices, and a detailed load model to provide visibility of network loading and issues across our entire network. This is helping to inform the most effective investment decisions needed to support EV uptake. We have also launched the **SSEN Data Portal** which is providing a raft of open data sets available for stakeholders to use to help inform their investment decisions.

### Principle 2: Having a suite of tools available to support widespread EV uptake

After several years of development through an innovation project and trials with three local authorities, we have launched our 'Local Energy Net Zero Accelerator' (LENZA) tool, which provides data on network capacity and other features in areas, empowering planners to make better informed decisions about where to install new assets in their local areas. We have also launched **Near Real-time Data Access portal** (NeRDA), our portal that provides access to available power flow information from a range of sources on our network via an API or dashboard for interested parties. Finally, we have launched our Global Call for Flexibility, which is seeking to use flexibility services to help manage networks and increase LCT connections.

### Principle 3: Using Local Development Plans inform and establish strategic investment programmes

In addition to the LENZA, we recently created the Whole System team to work with stakeholders in developing their Local Area Energy Plans (LAEPs) in our southern licence area, and Local Heat and Energy Efficiency Strategies (LHEES) in our northern licence area. This combination is helping to establish their plans whilst also informing the network investment necessary to make them a reality.

### Principle 4: Using innovation, digitalisation, new skill sets and operational capabilities to meet the forecast growth

We have published our **SSEN Digital Strategy** which summarises the different needs of stakeholder groups and how we will meet those needs through our digital products and services today and in the longer term. We have also published our **Digital Action Plan**, which shares the progress we have made in delivering the products and services we have committed to in our Digital Strategy. There are projects like Skyline which is innovating how we use data by establishing data sharing agreements with companies so that we can get early visibility of customer orders for electric vehicles, giving us the ability to assess networks before they are delivered and start charging, and make timely investments to meet the imminent connections on our network.

### Principle 5: Supporting stakeholder and customer ambitions to decarbonise

Another newly established team is our Customer Relationship Management team, which has been created to support customers with all aspects of the connections process, and they are working alongside the Whole System team to make sure short, medium and long-term ambitions are taken into account and supported at every stage of the journey.

## 2.5 FUTURE CONNECTIONS AND LOW CARBON TECHNOLOGY (LCT) SUPPLY

We will facilitate 1.3 million electric vehicles and 800,000 heat pumps on our network, as well as 8GW of distributed generation and storage – this will deliver £110m carbon benefits and £120m customer financial benefits, enabled by ensuring low carbon technology customers are able to connect on time.



We are proposing to invest over £120m for the deployment of proven innovation in RIIO-ED2 across our business plan, which will deliver over £175m of benefits in the long term, avoiding over 125,000 tonnes of CO<sub>2</sub>.

## 2.6 INNOVATION FOR THE NET ZERO TRANSITION

Innovation will be essential in supporting the transition to net zero, delivering more for less, and enabling all our customers, including those in vulnerable situations, to benefit from a greener world. Embedding a culture of innovation will be key to delivering our four strategic outcomes.

A review of our RIIO-ED1 experience and feedback received from our stakeholders has identified five key principles to drive our innovation strategy in RIIO-ED2:



### Collaborative and open

Collaborating and co-creating with stakeholders, our peers and the supply chain



### Agile

Adapting fast through learning by doing



### Relevant

Connected to what our stakeholders and business need



### Data-driven

Securely using data and analytics to support our findings



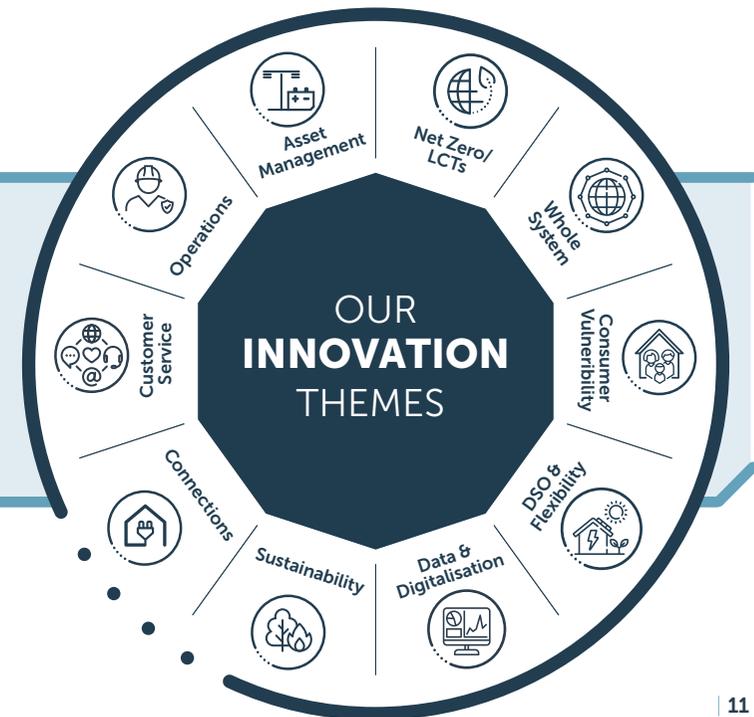
### Innovation culture

Further developing our culture to ensure that we achieve optimum value from our innovation work

We are proposing to invest over £120m for the deployment of proven innovation in RIIO-ED2 across our business plan, which will deliver over £175m of benefits in the long term, avoiding over 125,000 tonnes of CO<sub>2</sub>.

The breadth of our proposed innovation activity in RIIO-ED2 will identify opportunities across all areas of our business, helping to deliver our strategic outcomes and have a positive societal impact. Our objectives delivered through innovation in RIIO-ED2 include:

- Improving network reliability and resilience
- Reducing the impact of outages on our customers
- Improving the efficiency of our operations
- Better understanding and managing our assets
- Enhancing our digital capabilities
- Delivering our DSO capabilities
- Enabling the take up of low carbon technologies
- Reducing our carbon footprint through targeted innovation
- Delivering our consumer vulnerability ambitions
- Improving our customer service



# 3. CLIMATE ACTION

*We will ensure a net positive impact on environments we disrupt and commit to no further degradation to our local environments*



## 3.1 ISO 14001

SSEN Distribution recently achieved ISO 14001 certification. ISO 14001 is part of a suite of international standards developed by the International Organisation for Standardisation and assists organisations to enhance and improve environmental performance, provides a framework to ensure regulatory compliance and set, monitor and achieve environmental objectives.

Achieving ISO 14001 certification is a rigorous process that required us to demonstrate that our Environmental Management System (EMS) complied with the requirements of the standard and had been implemented within the business.

Achieving ISO 14001 certification is a significant achievement for the business and will assist SSEN Distribution with managing its environmental and sustainability responsibilities in a systematic manner and progress our RIIO-ED2 environmental and sustainability business plan objectives.



### TOPICS:

- 3.1 ISO 14001
- 3.2 Reducing our business carbon footprint
- 3.3 Reducing electricity losses
- 3.4 Efficiently manage sulphur hexafluoride (SF6)
- 3.5 Reducing embodied carbon
- 3.6 Sustainable supply chain
- 3.7 Reducing resource consumption
- 3.8 Enhancing biodiversity and natural capital
- 3.9 Efficiently manage fluid-filled cables
- 3.10 Minimising noise pollution
- 3.11 Efficiently manage PCB
- 3.12 Additional sustainability initiatives



### 3.2 REDUCING OUR BUSINESS CARBON FOOTPRINT

Our Science-based Target (SBT) allows us to target reductions in our Scope 1 and 2 emissions as well as our Scope 3 supply chain emissions, through our voluntary set engagement target. Activities to address these emissions include:

- Working with our supply chain to explore low carbon alternatives to replace our diesel assets and sources;
- Transforming to a fully-electrified operational fleet by 2030 as part of our commitment to the EV100 programme;
- Reducing energy consumption of our buildings and operations, and targeted reduction of distribution network losses, through the implementation of low carbon technologies and energy efficiency measures; and
- Exploring flexibility options and local solutions to reduce the reliance of back-up generators to ensure security of supply to our local communities.

### 3.3 REDUCE ELECTRICITY DISTRIBUTION LOSSES

We have obligations to ensure distribution losses are as low as practicably possible to help meet decarbonisation targets and ensure costs to consumers are minimised as much as possible, in line with Just Transition principles. We are currently focused on reviewing and refining our Losses Strategy and implementing RIIO-ED2-funded loss reduction initiatives, including installation of low-loss compliant transformers, implementation of Transformer Auto Stop Start (TASS) and On-Load Tap Changing (OLTC) technology.

### 3.4 EFFICIENTLY MANAGE SULPHUR HEXAFLUORIDE (SF<sub>6</sub>)

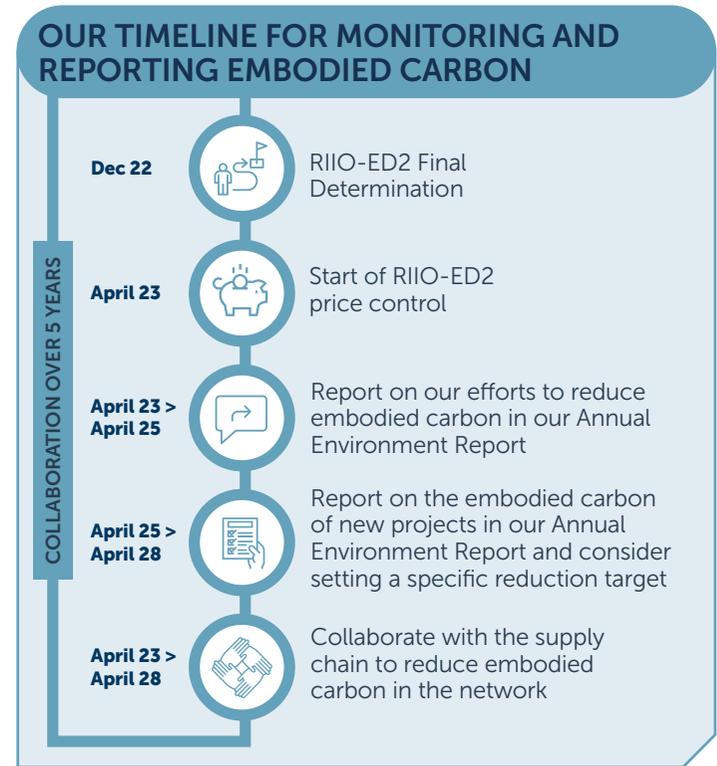
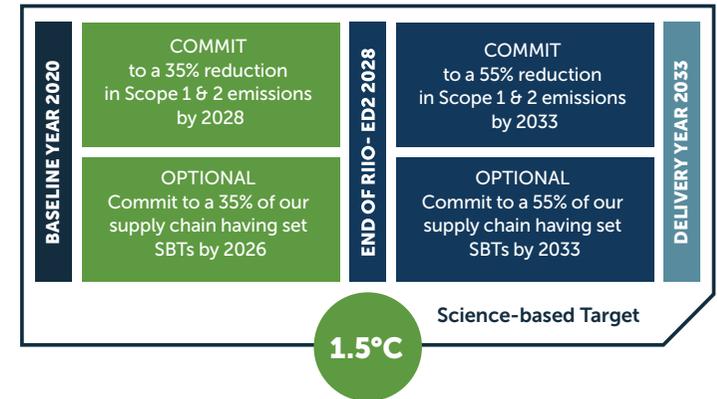
SF<sub>6</sub> is an extremely effective electrical insulator that is used in our circuit breakers, switchgear, and other electrical equipment. It has significant advantages over alternative materials. It is non-flammable, a critical safety requirement in the high-voltage applications and because of its excellent insulating properties, it takes up less volume than alternatives such as oil. However, it is also a very potent greenhouse gas; one kg of SF<sub>6</sub> is equivalent to approximately 23,500kg of carbon dioxide equivalent.

Therefore, we are committed to minimising the amount of SF<sub>6</sub> that leaks from our assets and continue to work with our supply chain to investigate alternatives on the market in order to meet our science-based emissions reduction targets. We have established a working group to address SF<sub>6</sub> leakage, are utilising a more pro-active approach to the SF<sub>6</sub> switchgear repairs process and are implementing changes to internal systems to better target leaking SF<sub>6</sub> assets for replacement or intervention. Our revised SF<sub>6</sub> strategy and associated interventions have led positive reductions in SF<sub>6</sub> leakage in RIIO-ED1, and we are focusing efforts to continue to reduce SF<sub>6</sub> emissions through to RIIO-ED2.

### 3.5 REDUCING EMBODIED CARBON

Embodied carbon is defined as “the total greenhouse gas emissions generated to produce a built asset. This includes emissions caused by extraction, manufacturing/processing, transportation and assembly of every product and element in an asset”<sup>1</sup>. We are working collectively with other Distribution Network Operators (DNO) as part of an ENA working group to produce a list of carbon factors for all assets. These carbon factors can then be used to measure the amount of embodied carbon produced in any new construction projects from 2025. We are also working closely with our supply chain to further refine these carbon factors to ensure they are as accurate as possible.

<sup>1</sup> UK Green Building Council (UKGBC) [www.ukgbc.org](http://www.ukgbc.org)



### 3.6 SUSTAINABLE SUPPLY CHAIN

In May 2023 we launched our Sustainable Supplier Code. Our Code, which is formed of eleven metrics covering all areas of sustainability and is designed to reduce our scope 3 emissions whilst also reducing our suppliers' scope 1 and 2 emissions. The code will forge stronger relationships, enhance innovation and improve the management of shared risks and opportunities, whilst also delivering greater value and outcomes for the environment, society and local economies. During RIIO-ED2 we aim to have 80% of our supply chain (by spend) signed up to our code.

### 3.7 REDUCE RESOURCE CONSUMPTION

SSEN is committed to reducing its reliance on resources and have set an ambitious target to have zero waste to landfill by 2028<sup>1</sup>. We will achieve this through the following actions:

- Working with suppliers to reduce packaging around our goods;
- By 2024 we will have a Waste Management Duty of Care Procedure in place that will ensure compliance and provide guidance on waste reduction;
- By the end of 2023 we will have a waste management working group in place.

### 3.8 ENHANCING BIODIVERSITY AND NATURAL CAPITAL

SSEN Distribution has committed to the following deliverables as part of its RIIO-ED2 Business Plan:

- Baseline the biodiversity and natural capital value of our networks and land assets. Tracking changes to biodiversity and ecosystem service flows as a result of our capital project and land management delivery. This will provide robust tools for our project and operational teams to avoid, and minimize, impacts to areas and seek to deliver the most appropriate conservation and enhancement for habitats and species, in line with the mitigation hierarchy;
- Embedding a Biodiversity Net Gain approach to ensure compliance with legal, planning policy and best practice requirements;
- Employ nature-based solutions for carbon removal through working with partners to achieve 258 hectares of woodland creation and 522 hectares of peatland restoration across our licence areas;
- Similarly, we will work collaboratively to plant 17 hectares of seagrass habitat in the seas around our licence areas, delivering environmental benefits to the communities we serve.

Looking forward, SSEN Distribution's Nature Positive Strategy, which is currently in development, will detail how we will go about achieving our commitments as well as understanding the wider impacts and dependencies the business has on nature through its value chain, ensuring we play our part in helping to deliver the Global Biodiversity Framework and to halt and reverse biodiversity loss.



<sup>1</sup> We interpret zero waste to landfill to be at least 99% of generated waste being diverted away from landfill

### 3.9 EFFICIENTLY MANAGE FLUID-FILLED CABLES

We are committed to reducing our environmental impact in the areas where we operate. An important element of this is to ensure that any oil contained in our assets does not cause damage to the surrounding area.

Oil is widely used as an insulating material or cooling medium across a wide variety of electrical equipment, including fluid-filled cables and some types of electrical switchgear and transformers. We have robust processes in place to maintain and operate these assets, so that we ensure that any potential leakage is minimised. If there are any incidents, then we are committed to a fast response and to addressing and resolving any issues thus ensuring that there are no adverse environmental impacts seen as a result.

A focus of our oil leak monitoring is oil within fluid-filled cables (FFC), which can leak due to age, wear, or third-party damage.

In our RIIO-ED1 business plan, we made a commitment to achieve a 15% reduction in oil leakage from fluid-filled cables, relative to 2012/13 levels, and to replace 76 km across both our networks.

We are proud to have achieved a 45% reduction in oil leakage in 2022/23 compared to 2012/13 levels, thus achieving, and exceeding, our RIIO-ED1 target. We have also successfully continued with our tagging and replacement programmes.

In addition to our pro-active oil leakage strategy, we have a comprehensive range of specialist equipment to ensure that we can provide a robust response to any oil leakage event. We have also established service agreements with specialist contractors for support in the event of an incident.

**In RIIO-ED2 we have funding to complete 20.9km of FFC replacement across SEPD.**

### 3.10 MINIMISE NOISE POLLUTION

Our noise complaints are monitored via a key performance indicator every month and we actively take action against them. We aim to explore noise reduction equipment through our supply chain and look to see how we can utilise new technology to reduce noise pollution.

### 3.11 EFFICIENTLY MANAGE PCB CONTAINING ASSETS

Polychlorinated biphenyl (PCB) is a man-made organic chemical with excellent electrical insulating qualities, often used in electrical equipment such as transformers and switchgear. If allowed to escape, PCB can have implications for both human health and the environment. In line with statutory requirements, we will remove all PCB-contaminated equipment from our network by 2025.



### 3.12 ADDITIONAL SUSTAINABILITY INITIATIVES

It is now a mandatory requirement for a Sustainability Assessment and Action Plan (SAAP) to be used for all projects over £10m. The SAAP enables project teams to identify the risk associated with sustainability impacts and develop an action plan to mitigate the risks. It also identifies opportunities to provide a sustainability benefit, and enables the project team to create an action plan to implement these opportunities.

ESG KPI - SSEN Distribution has signed its first ever sustainability-linked Revolving Credit Facility (RCF), further reinforcing the company's commitment to sustainability in line with its Environmental Action Plan and broader sustainability ambitions, including serving public interest and inclusive service provision.

The facility, which was originally signed in November 2022, has been upgraded to include three key performance indicators, which are aligned with SSEN Distribution's Sustainability Strategy, and each indicator will be assessed annually during the term of the loan, thus bringing greater alignment between SSEN Distribution's sustainability and financing strategies.



**31%**

ESG KPI 1 – By 2026/27 we will have achieved a 31% emissions reduction from our 2019/20 baseline year



**39%**

ESG KPI 2 – By 2026/27 we will have 39% of our supply chain (by spend) with SBTi targets



**PSR +**

ESG KPI 3 – By 2026/27 we will have 990,672 customers on our SSEN Distribution PSR

## 4. SERVING OUR CUSTOMERS

*Our five sustainability ambitions are at the heart of all our work and are essential to drive a net zero Just Transition for our customers*



### 4.1 ENHANCED ENGAGEMENT

Whilst creating our RIIO-ED2 business plan, our key learning was that the voice of the stakeholder is the key to overcoming the ESG challenges we face. We have confidence that the commitments in our final determinations with Ofgem will deliver improvements to mitigate and restore human caused climate change, and the issues that these have created for society as a whole. Through extensive engagement we have built a set of business plan commitments that we know will make a difference. Our previous stakeholder engagements have driven our business plan to be more ambitious, robust and to be a key enabler to save the planet. We will make every effort to keep this engagement going, we know that we don't have all the answers - but as a collective we do.

Our stakeholder and community voices are getting louder and holding us to account to ensure we are achieving demonstrable progress against all our commitments. Our engagement has also helped us to drive policy change, and through our Ofgem negotiations we have pushed boundaries on Science Based Targets, Losses, SF6 and nature. Most importantly we want to show our customers how we are delivering against our proposed commitments. During ED2 we aim to publish a performance dashboard once a quarter.

*To deliver engagement that is purposeful, accessible and dynamic, using insight and collaborative partnerships to achieve positive and tangible outcomes for customers, stakeholders, and society*

**To support these objectives, following extensive deliberation across the organisation, we chose four principles to define how we engage that have been applied to our enhanced engagement activities:**

- **Inclusive:** We have been careful to gather the views of all stakeholder segments across both of our regions, including 'seldom heard' voices and others with whom we have not engaged before
- **Insightful:** We have conducted thorough engagement in a way that generates meaningful discussion and debate that led to actionable insight
- **Impactful:** Participants can clearly trace the 'golden thread' of genuine influence from their input and challenge to our business plan
- **Iterative:** We have evolved the way in which we've engaged with stakeholders by incorporating learning and new best practice throughout the process

### TOPICS:

- 4.1 Develop a stakeholder engagement strategy
- 4.2 Customers at the heart of service offerings
- 4.3 Support customers in a vulnerable situation
- 4.4 Maintain strong and strategy partnerships
- 4.5 Ensure a Just Transition for all

**We further set the bar high by giving ourselves three aligned objectives:**

1. To develop a business plan that is focused on, created with and, ultimately, trusted by our customers and stakeholders
2. To ensure the plan is rigorously tested by a wide range of stakeholders so that it meets customer needs, especially the most vulnerable, delivers value for money for consumers and a social return for communities and wider society
3. To create a robust, ambitious and deliverable stakeholder engagement strategy for RIIO-ED2 that is fully informed by customer and stakeholder input and is flexible to the needs of consumers in the energy transition

Secondary linked  
UN SDGs

SUSTAINABLE  
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### 4.3 CUSTOMERS AT THE HEART OF SERVICE OFFERINGS

Our RIIO-ED2 Business Plan is designed to respond flexibly to our customers' evolving needs and expectations, against a backdrop of wider societal and network change. Our extensive stakeholder engagement gives us confidence that our plan will deliver industry-leading and value for money services for all our customers.

We have co-created with stakeholders six customer service promises.



### PROVIDING A VALUED AND TRUSTED SERVICE FOR CUSTOMERS AND COMMUNITIES

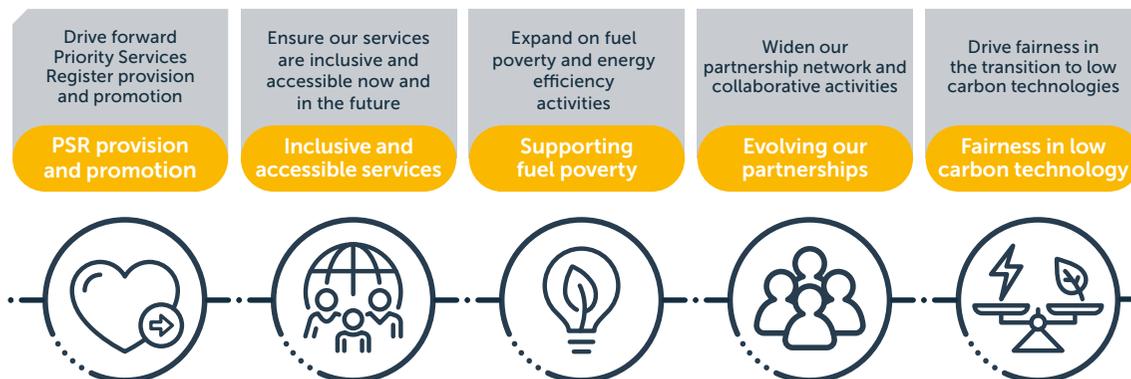
Some of our promised outputs between now and 2028 are:

- We will maintain or improve our industry leading Digital Customer Satisfaction Score at 9.3
- We will improve our average speed to answer the telephone for power cuts to 20 seconds, and improve our social media response time to 5 minutes
- We will provide tailored updates during a power cut by the preferred channel at a frequency agreed with the customer
- As a result, we aim to resolve 75% of complaints at first contact, 90% of complaints within a day, and 99% of complaints within a month. We aim to reduce complaints by 5% each year, with no Ombudsman complaints upheld
- We will establish a Customer Focus Group to challenge and inform us as we continue to shape our service offering
- We will introduce a skilled team dedicated to identifying, testing and implementing new and innovative customer service technology and processes, ensuring we are always at the forefront of new developments throughout RIIO-ED2

### 4.4 SUPPORT CUSTOMERS IN A VULNERABLE SITUATION

Our RIIO-ED2 Business Plan ensures that we will treat all customers fairly, leaving no customer behind, supporting and safeguarding those in vulnerable situations and those who need us most. We will evolve to meet changing needs and to serve them as they have come to expect from their other customer experiences.

Our five consumer vulnerability promises delivered through our vulnerability strategy:



### KEY OUTPUTS

- Reach over 1 million registered for Priority Services in RIIO-ED2
- Improve PSR satisfaction to 9.4 in RIIO-ED2
- A shareholder-funded £2.5m 'Powering Communities to Net Zero' fund available in RIIO-ED2
- Embed partnerships to deliver education on LCT to the most vulnerable and hard to reach customers
- Help 50,000 households, equivalent to 114,000 customers, with fuel poverty
- Have in place a vulnerability champion at board level supported by 200 dedicated vulnerability champions throughout all areas of our business

## 4.5 MAINTAIN STRONG AND STRATEGIC PARTNERSHIPS

We will continue to build an extensive network of partnerships throughout RII0-ED2, supported by a proposed partnership fund of £1m. We will look to support key partners in developing their resilience, recognising that some organisation will have faced tough challenges in the pandemic. We will measure the outcomes and benefits of our strategy, including through Social Return on Investment (SROI). We will carry out regular surveys to ensure partnerships are strong and meaningful.

## 4.6 ENSURE A JUST TRANSITION FOR ALL

We are committed to the principles of a just transition which will support our shift out of a high-carbon world and into a net zero one. Our work with the Centre for Sustainable Energy explores social justice in the future energy system, and examines how the transition to a Net zero energy system can be both smart and fair. This work has identified those who are likely to be unfairly disadvantaged, and the next phase will develop mitigation strategies to ensure a Net zero transition that benefits everyone.

You can find our 'A Fair Energy Future' report here: [ssen.co.uk/globalassets/news--views/documents/ssen-a-fair-energy-future.pdf](https://ssen.co.uk/globalassets/news--views/documents/ssen-a-fair-energy-future.pdf)





**Whole System**

**Whole system** – with the increasing interaction between sectors beyond electricity, such as gas and transport, as we move to net zero there will be a need for further whole system innovation



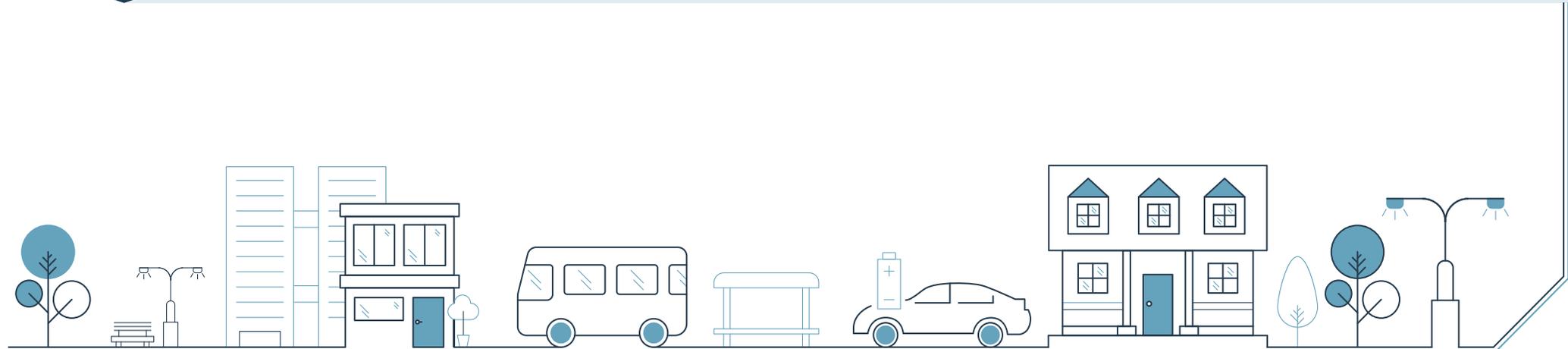
**Net Zero**

**Net zero** – including electrification of transport, low carbon heat, distributed generation, energy storage and energy efficiency



**Consumer Vulnerability**

**Consumer vulnerability** – we will create solutions for consumers in vulnerable situations and support for communities and vulnerable consumers to ensure a just transition to net zero



# 5. OUR PEOPLE

*We'll build a more inclusive and diverse workplace where people can thrive, be themselves, contribute to SSEN Distribution being a great place to work and make a positive impact on society*



## 5.1 INVEST IN WORKFORCE RESILIENCE TO ENSURE EQUALITY AND FAIRNESS FOR ALL

We are committed to investment that creates an inclusive workplace, now and in the future, which supports diversity of people, thereby creating and maintaining an inclusive culture. We are proud to value and promote our employee voice, an essential element to understanding the diverse needs of our people and addressing barriers to inclusion. By having a purpose-led people strategy, we have, and will continue to strengthen, a workplace where people can thrive.

### Highlights since our first Sustainability strategy have been:

- Creation of our Inclusion and Diversity strategy<sup>1</sup>
- Introduction of 'all employee' monthly calls – an additional platform to share views, gain feedback and Q&A sessions
- Promoting social mobility and commitment to the 'Social Mobility Pledge'
- Creating an engaged workforce that truly reflects the communities in which we live and work
- Investing in our people to support the retention and development of staff
- Providing training to all levels of workforce
- Valuing our employee voices. Act on what they tell us matters to them through surveys, communication sessions and engagement with managers. Train all our managers in creating diverse teams and challenging barriers to inclusion
- Providing and demonstrating strong governance for 'all things people'
- Setting, tracking and sharing targets for Inclusion and Diversity to show the positive benefits our investment brings
- We pro-actively sponsor and partner with organisations to help drive inclusivity, diversity and share best practice
- We have invested in our early careers and have seen a significant rise in the number of trainees and apprenticeships

### Enhancement to our family leave offering which includes extended paid leave for the following:

- Paternity and partner leave
- Pregnancy loss
- Fertility treatment
- Adoption and fostering appointments

### ARMED FORCES COVENANT

SSEN recognises that people in the armed forces have sought-after values, skills, training, and experience suited to SSEN roles. We work with the armed forces to support the transition to SSEN and recruitment of armed forces skills into the energy industry.

### REVERSE MENTORING PROGRAMME

SSEN has also launched a new 'Reverse Mentoring Programme' - reverse mentoring for diversity is expected to enhance awareness, nurture more inclusive leadership styles and enable diversity in the workplace. Our first cohort commenced in November 2022 which saw all SSEN Distribution Executive Committee members participating in the programme as mentees (14 pairings).

### TOPICS:

- 5.1 Investing in workforce resilience
- 5.2 Enabling inclusive and accessible workplaces
- 5.3 Enabling inclusive and accessible products and services



**21 weeks full paid maternity and adoption leave**



**9 weeks' paid leave for partners**



**2 weeks' full paid pregnancy loss leave**



**2 weeks' full paid leave for fertility treatment**



**Formal and informal flexible arrangements to support work life balance**



**Provision of private and safe spaces for breastfeeding parents to express (wherever possible)**



**Our engagement index has increased for the 4th year running and is now at 81%**

At SSEN, we want to make a positive impact on society and create an inclusive and engaged workforce that truly reflects the communities in which we live and work. In line with our commitments to our Inclusion and Diversity Strategy, and to that of joining The Valuable 500 (a global movement putting disability on the business leadership agenda), we have been rolling out Disability Inclusion training to all Line Managers in SSEN.

<sup>1</sup> [sse.com/media/tzlnmtnx/inclusion-diversity-report-2023.pdf](https://sse.com/media/tzlnmtnx/inclusion-diversity-report-2023.pdf)

Secondary linked  
UN SDGs



**SUSTAINABLE  
DEVELOPMENT  
GOALS**

## 5.2 ENABLING INCLUSIVE AND ACCESSIBLE WORKPLACES

SSEN Distribution understands the importance of ensuring that our workplaces can be used by our employees with dignity and in a way which maximises the opportunity to conduct work duties, and to access and move around the workplace and to benefit from welfare facilities which are provided.

We continue to ensure our physical workplaces are inclusive and accessible, meeting principles and standards of good and inclusive design. Where it is not physically possible to make amendments to existing workspaces, further consideration will be given to exhaust all alternatives to remove diversity barriers.

## 5.3 ENABLING INCLUSIVE AND ACCESSIBLE PRODUCTS AND SERVICES

**Within SSEN there has been an increased focus on neurodiversity:**

SSEN has recently formed a partnership with Salvesen Mindroom, a Scottish charity that supports, informs, and empowers both children and adults with neurodivergent differences.



We have developed user-friendly videos to better support our team managers and colleagues on the neuro-inclusive features available on Teams and Office 365 platform, we have five videos around:



How to make your team meetings more inclusive



Immersive reader



Accessibility checker



Dictate (speech-to-text)



Read aloud



## CONTACT US

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Please get in touch if you would like to engage, have any queries or to request further information. Please contact us via:



Environment and sustainability queries

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