



Scottish & Southern  
Electricity Networks

TRANSMISSION

# A Network for Net Zero

Sustainability Strategy Update

June 2019

# About Us

We are Scottish Hydro Electric Transmission (SHE Transmission), part of the SSE Group, responsible for the electricity transmission network in the north of Scotland. We operate under the name of Scottish and Southern Electricity Networks, together with our sister companies, Scottish Hydro Electric Power Distribution (SHEPD) and Southern Electric Power Distribution (SEPD), who operate the lower voltage distribution networks in the north of Scotland and central southern England.

As the Transmission Owner (TO) we maintain and invest in the high voltage 132kV, 275kV and 400kV electricity transmission network in the north of Scotland. Our network consists of underground cables, overhead lines on wooden poles and steel towers, and electricity substations, extending over a quarter of the UK's land mass crossing some of its most challenging terrain. We power our communities by providing a safe and reliable supply of electricity. We do this by taking the electricity from generators and transporting it at high voltages over long distances through our transmission network for distribution to homes and businesses in villages, towns and cities.

## Our Sustainability Strategy Update

A year on since the publication of our stakeholder-led Sustainability Strategy, we have recently completed a detailed review of this strategy as part of our Sustainability Governance. This update seeks to ensure our Sustainability Strategy continues to meet the requirements of our stakeholders, emerging trends and policy.

Our strategy review has reinforced the belief that our comprehensive Sustainability Strategy launched in 2018 remains fit for purpose and our ambitions meet the needs of our stakeholders. However, through this review we have identified several areas in our strategy that we can broaden, expand and strengthen to meet expectations and realise long term benefit for society, economy and the environment.

This update summarises our renewed sustainability ambitions, the emerging trends from the past year and our new commitments for each of our six sustainability ambitions.

Please read our sustainability strategy here: [www.ssen-transmission.co.uk/media/2701/sustainability-strategy.pdf](http://www.ssen-transmission.co.uk/media/2701/sustainability-strategy.pdf)

## Renewed Ambitions



### Supporting UN Sustainable Development Goals (SDGs):



## Year in Review

### Climate Emergency and a Pathway to Net Zero

We are running out of time to tackle the threat of climate change, the critical challenge of our generation.

The Intergovernmental Panel on Climate Change (IPCC) published their 1.5 degree report<sup>1</sup> in November 2018, outlining the effect that 1.5 degrees of global warming will have on ecosystems and human lives. That report also described the relatively short window of opportunity that exists to prevent global temperature rises of more than 1.5 degrees. This prompted a business coalition, which included SSE plc, to urge the UK Government to pursue a net zero target for 2050.



At the same time, public campaigners from naturalist Sir David Attenborough to school pupils across the world, helped bring climate change to unprecedented levels of international public concern. This was followed by the UK declaring a Climate Emergency and publication of the UK's Committee on Climate Change Net Zero Report<sup>2</sup> in May 2019.

The combination of strengthened public sentiment and increased scientific evidence provides a powerful impetus for accelerated policy action through the early 2020s. The UK Government has adopted the Committee on Climate Change recommendation to cut greenhouse gases to Net Zero by 2050 and the Scottish Government has also accepted the Committee's recommendation that Scotland adopts the target five years earlier, in 2045.

The challenge now is not whether the Net Zero targets should be met, but how?

### Stakeholder Feedback

The energy industry and wider society is at a critical juncture as we approach the next decade. Societal expectations on sustainability are rising and stakeholders want companies to take broader accountability outside of their own operations.

Over the past year we have consulted our stakeholders on the development of our draft Sustainability Plan and through our targeted engagement programme for our next price control period, RIIO-T2 (2021-2026). Stakeholders have strongly and consistently emphasised their desire for us to show ambition and leadership in sustainability. For example, respondents to our RIIO-T2 Emerging Thinking Consultation argued for bolder action: "enable carbon free future", "strive for Environmental Net Gain" and "welcome positive work on transparency".



### SSE 2030 Goals - Advancing a Sustainable Business



**Cut our carbon intensity by 50%**

SUSTAINABLE  
DEVELOPMENT  
GOALS



**Help accommodate 10m electric vehicles**

SUSTAINABLE  
DEVELOPMENT  
GOALS



**Treble renewable energy output**

SUSTAINABLE  
DEVELOPMENT  
GOALS



**Champion fair tax a real living wage**

SUSTAINABLE  
DEVELOPMENT  
GOALS



Earlier this year, SSE plc set out its vision to be a leading energy company in a low-carbon world. Its purpose is to provide the energy needed today while building a better world of energy for tomorrow.

SSE launched four stretching goals for 2030 in a bid to tackle climate change and support the UN Sustainable Development Goals (SDGs). These objectives are directly linked to executive performance measures – putting sustainability right at the heart of SSE's strategy and operations. Read more: [www.sse.com/sustainability](http://www.sse.com/sustainability)

<sup>1</sup> IPCC (2018) Global Warming of 1.5°C

<sup>2</sup> UK CCC (2019) NetZero The UK's contribution to stopping global warming



# Sustainability Strategy Update

**Our strategic objective is to enable the transition to a low carbon economy, and we have set achieving Leadership in Sustainability as a critical element of this objective. This means being a trusted partner of customers and communities, realising long term benefit for society, economy and the environment.**

## Connecting for Society

### Reflections

Government, regulators and stakeholders continue to support our primary focus on delivering effective decarbonisation of the energy network. However, stakeholders have provided feedback that our connecting for society ambition is primarily focused on our Cost Benefit Analysis (CBA) approach, only briefly mentions whole system planning and less information is provided on assisting renewable energy connections.

### Our response

- We have published for consultation our draft Whole System Strategy;
- We have reviewed our connections arrangements to develop a new Commercial and Connections Policy; and
- In addition to our commitment to develop and use local energy scenarios, we will continue to actively support the development of GB whole system scenarios.

## Tackling Climate Change

### Reflections

The world is warming faster than we imagined even a few years ago. The most recent report by the UN Intergovernmental Panel on Climate Change (IPCC)<sup>3</sup> highlighted again the very real and serious risk that climate change represents and recommends limiting global warming to 1.5°C.

Recent stakeholder feedback has indicated that emphasis should also be placed on reducing our Scope 3<sup>4</sup> (supply chain) greenhouse gas emissions alongside our scope 1 and 2 emissions. Our stakeholders have also told us that we need to adapt to the consequences of climate change as the Met Office<sup>5</sup> recently published detailed analysis that indicates there will be further and significant climatic changes this century.

### Our response

- Our ambition is to reduce our scope 1 and 2 greenhouse gas emissions to achieve the level of decarbonisation required to limiting rising global temperatures to 1.5°C at the trajectory to achieve Net Zero emissions;
- We will collaborate with our supply chain to target reductions in our scope 3 carbon emissions; and
- We will broaden our ambition focus to include climate change mitigation and adaptation and retitled the ambition, Tackling Climate Change.

## Promoting Natural Environment

### Reflections

There are strong views across the north of Scotland and across GB that our actions must be environmentally sensitive. While we work to ensure our operating policies follow best environmental practice (for example, for noise, oil management, species management, woodland and forestry), our stakeholders tell us we can, and should, go further.

Our consultations have strongly recommended that biodiversity planning be a core ambition of our future plans and visual amenity is a key topic of interest during project consultations. An emerging trend receiving attention in government policy is the promotion of environmental 'Net Gain' and Natural Capital<sup>6</sup>, however, these approaches are still in their infancy and there is currently not an industry-wide adopted methodology for these assessments.

### Our response

- We will incorporate wider environmental improvement opportunities into future revisions of the Sustainability Strategy that are defined and consulted on through the development of our RIIO-T2 Business Plan;
- We will seek to adopt best practice in communicating with our stakeholders on landscape and visual amenity considerations; and
- We will consult our stakeholders and participate in external forums to help develop, trial and where appropriate adopt a common approach to natural capital reporting in the future.

## Tell us what you think

We invite your views on this Sustainability Strategy Update and welcome feedback on our renewed sustainability ambitions and further commitments.

<sup>3</sup> IPCC (2018) Global Warming of 1.5°C

<sup>4</sup> All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions e.g. business travel, grid losses production of purchased materials and contractor emissions (GHG Protocol Corporate Accounting and Reporting Standard, 2004).

<sup>5</sup> Met Office (2018) UK Climate Projections – UKCP18

<sup>6</sup> Natural capital is a wider term for the stock of renewable and non-renewable resources that combine to yield a flow of benefits to people.



# Sustainability Strategy Update



## Optimising Resources

### Reflections

Stakeholders have highlighted that there is a significant opportunity for SHE Transmission to support the circular economy through the reuse, re-purposing and re-manufacturing of assets. There are also external drivers focusing on sustainable resource use, with several national and international targets<sup>7</sup>.

The UK Government and Regulators such as the Scottish Environment Protection Agency (SEPA)<sup>8</sup> are also increasingly interested in the assessment and reduction of embodied carbon in resources. Embodied carbon can be defined as emissions that result from the production and re-manufacturing of materials used in the construction of new assets.

### Our response

- Our aim is to focus on three strategic objective areas for this sustainability ambition: (1) Minimising Waste; (2) Resource Efficiency; and, (3) Using Sustainable Materials;
- We will set targets for this ambition that are at or above national targets for waste and resource use; and
- We will explore options for adopting a management framework for assessing and managing embodied carbon in the construction of our projects.



## Supporting Communities

### Reflections

Addressing consumer vulnerability<sup>9</sup> has not previously been seen as a core function for GB transmission owners, however, stakeholders' expectations have changed. Stakeholders and society expect companies to support and contribute to the communities in which we operate. Whilst we agree the central provision of support services should be provided by the most capable and directly relevant organisation, we believe we have a role to play in addressing consumer vulnerability and we want to do more.

### Our response

- We will broaden our ambition to focus on meeting the needs of vulnerable consumers and retitled the ambition, Supporting Communities;
- We propose to adopt a supporting role and co-ordinate activities with the Distribution Network Operator (DNO), local authorities and other agencies to meet the needs of vulnerable consumers; and
- We will undertake further consultation on how we can best support the needs of vulnerable consumers.



## Growing Careers

### Reflections

While some stakeholders do not think Inclusion and Diversity (I&D) is a priority, Ofgem and the Government have called on the energy industry to tackle I&D and make real improvements. In this context, Ofgem has recently published an Inclusion and Diversity strategy<sup>10</sup>. There is strong evidence that an inclusive and diverse workplace is more productive, creative and results in better outcomes for all stakeholders.

### Our response

- When setting future targets, we want to ensure our workforce reflects the diversity of our communities in which we serve, so will set targets based on our local demographics;
- We will introduce employee training to promote I&D; and
- We will ensure our job adverts are inclusive and hiring managers received I&D training.

## Responding to this consultation?

We are inviting responses to this consultation by 09 August 2019. If you have any queries on the content of this paper, please get in touch with us at: [lowcarbonteam@sse.com](mailto:lowcarbonteam@sse.com)

Information provided in response to this consultation may be used in future documents related to our Sustainability Strategy.

Responses will be generalised and not attributed to specific respondents. If you would prefer the information that you provide to be treated as confidential, then please make us aware of this when responding to the consultation.

Please see overleaf for ways to contact us with your feedback.

<sup>7</sup> Making Things Last (2016) A circular Economy Strategy for Scotland and Defra (2018) A Green Future. Our 25-year plan.

<sup>8</sup> SEPA (2019) Strategic Infrastructure (Transport and Utilities) Sector Plan Consultation.

<sup>9</sup> Ofgem defines consumer vulnerability as: vulnerability is when a consumer's personal circumstances and characteristics combine with aspects of the market to create situations where they are: (1) significantly less able than a typical consumer to protect or represent their interests in the energy market, and/or (2) significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial.

<sup>10</sup> [www.ofgem.gov.uk/publications-and-updates/ofgem-diversity-and-inclusion-strategy](http://www.ofgem.gov.uk/publications-and-updates/ofgem-diversity-and-inclusion-strategy)



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This paper will be hosted on  
[www.ssen-transmission.co.uk/sustainability-and-environment](http://www.ssen-transmission.co.uk/sustainability-and-environment)

An online response form is available at:  
[www.ssen-transmission.co.uk/sustainability-and-environment/  
sustainability-strategy](http://www.ssen-transmission.co.uk/sustainability-and-environment/sustainability-strategy)

Alternatively, please use the following contact  
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