



Action 2030

Powering a sustainable future

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Foreword

We are living through a great acceleration. A dramatic surge in growth in human activity, a transformation so powerful it has placed the world in a new geological time period - the Anthropocene.

The evidence for this is all around us, most obviously in the mass extinction of the natural world and soaring global temperatures. This fracturing of our environment, of our one home, impacts on our societies and our economic capacity to respond and offer everyone access to the essential social foundation they need. There has never been a more urgent time for us all to respond, to align our purpose with building a better future for all.

As part of the Iberdrola Group, sustainability has been integrated into ScottishPower's business model and strategy for more than 20 years and has become a cornerstone of our performance. As a clean, renewable energy utility serving millions of customers across the UK, employing thousands of staff and investing billions of pounds in the UK economy, we recognise the responsibility to use every opportunity we can to contribute to building a fairer, healthier, and more sustainable world.

This Sustainable Development Strategy sets out our ambition to deliver impact, from climate change to work and skills, from community engagement to the circular economy. It reflects the potential for everyone at ScottishPower to make a positive impact, highlights the vital role of our partners and is an invitation for others to join us to help deliver a better future, quicker for everyone.



A handwritten signature in green ink, consisting of stylized initials 'KA' followed by a long, sweeping horizontal line that curves upwards at the end.

Keith Anderson
Chief Executive,
ScottishPower



Who we are and what we have done

ScottishPower was the first integrated energy firm to generate 100% renewable energy. With over 3 gigawatts (GW) of generating capacity, approximately 4.2 million customers and plans to invest over £24 billion across the UK between 2024 and 2028.

We are an ambitious partner in the UK's collective efforts to tackle climate change, drive down costs for consumers and improve security of supply. But we are so much more than that. We employ over 7,000 people and in September 2025, we officially welcomed our largest ever cohort of early career professionals, with a record 338 graduates and trainees joining the business, with a further 31 new apprentices also beginning their journey with newly acquired SP Electricity North West. Our community investment contribution totalled £12.5 million in 2024 and our total

community benefit funds for our windfarm sites will contribute up to £250 million over the operational lifetime of our current portfolio.

Our impact extends across the economy; in 2024 alone we awarded contracts across our supply chain totalling over £5.8 billion, over 80% of which came from suppliers registered in the UK. Based on the ISO20400-aligned supplier evaluation model of the Iberdrola group, over 90% of the amount awarded was assigned to suppliers classified as sustainable.



Who we are and what we have done (cont.)



Spotlight

The following case studies provide an insight into the work happening across ScottishPower to help build a more sustainable society.

Networks - Restoring nature, empowering communities: How SP Transmission is delivering biodiversity net gain across Scotland

As part of SP Energy Networks' Action for Nature strategy, SP Transmission (SPT) is leading the charge to achieve No Net Loss (NNL) of biodiversity across all consented infrastructure projects, with an ambitious goal to become Nature Positive by 2030. Through strategic partnerships, community engagement, and targeted off-site restoration, SPT is not only mitigating ecological impacts but actively enhancing Scotland's natural landscapes. Here are just a few examples of this in action:

Landscape-scale restoration through collaboration

SPT's approach to biodiversity enhancement goes beyond compliance. By working with trusted third-party partners—including rivers trusts, environmental Non-governmental organisations (NGOs), and landowners—SPT delivers off-site habitat restoration that aligns with the Scottish Government's vision for resilient Nature Networks and supports local authority place plans.

One standout example is the Crawick Water Restoration Project, delivered in partnership with the Nith District Salmon Fisheries Board through SPT's Sustainability Use It or Lose It (UIOLI) fund. Crawick Water, a vital salmonid spawning habitat in the River

Nith catchment, had been degraded by agricultural land use, resulting in elevated water temperatures and poor habitat conditions.

In phase 1, completed in Spring 2024, SPT created the Carco Riparian Woodland, planting native broadleaf trees across 3.2 hectares and delivering 8 biodiversity units to support nearby infrastructure. Benefits include:

- Temperature regulation for salmon survival
- Improved fish habitat and bank stability
- Enhanced water quality and flood mitigation
- Increased carbon storage and biodiversity connectivity

Community-led peatland restoration in Tarras Valley

In early 2025, SPT joined forces with The Langholm Initiative to support the Middlemoss Head Peatland Restoration Project—a flagship example of community-led environmental regeneration.

Following a successful land buyout, the people of Langholm now steward 10,500 acres of the Tarras Valley Nature Reserve. SPT's support enabled restoration across 193.66 hectares, generating an estimated 183 biodiversity units to offset impacts from projects like the Chirmorie Windfarm overhead line. Restoration works included blocking over 56km of artificial drains and reshaping eroded peatland, helping return the landscape to its natural bog-like

state. This mosaic of habitats now supports wading birds, rare plants, and insects, while improving carbon sequestration and climate resilience.

Microgrants empowering local action

Under its 2021-2026 business plan, SPT was awarded £150,000 to deliver biodiversity enhancements via a Customer Value Proposition (CVP). Half of this funding supported a strategic partnership with Buglife to enhance pollinator habitats across five SPT-owned sites. The remaining £75,000 was distributed through 15 microgrants to local community groups.

These grassroots projects range from school gardens and community woodlands to bee-keeping site enhancements—demonstrating how targeted funding can deliver meaningful biodiversity outcomes while empowering communities

Volunteering for nature

SPT's commitment to biodiversity is also reflected in its volunteer programme. In a recent initiative, employees from across the business joined the Nith District Salmon Fisheries Board to plant 1,000 native trees along Crawick Water. Species like Alder, Cherry, and Scots Pine were planted to stabilise riverbanks, reduce erosion, and provide shade for juvenile salmon.

Beyond ecological benefits, these trees will improve water quality, support flood mitigation, and create nature corridors for birds and mammals. Volunteer days like this not only deliver tangible environmental outcomes but also strengthen relationships with local partners and foster a culture of stewardship within SPT.



SPT's biodiversity strategy is a powerful example of how infrastructure development can coexist with nature restoration. Through strategic partnerships, community empowerment, and hands-on action, SPT is delivering measurable biodiversity net gain while contributing to Scotland's wider environmental goals. As the journey toward Nature Positive continues, SPT remains committed to restoring ecosystems, supporting communities, and building a greener, more resilient future.

Spotlight

Renewables - Joint Industry Programme focused on climate emissions

Offshore wind energy generation has a significantly lower carbon impact than fossil fuels. However, we recognise that it is not impact-free and that we must still take action to minimise the emissions associated with our sites. This includes collaboration with our suppliers to minimise emissions associated with production, deployment, and operation, focusing on key hotspots such as steel, cement, and fuels.

As part of our efforts, Scottish Power Renewables Offshore Sustainability Team has been participating in the Carbon Trust Sustainability Joint Industry Programme (SUSJIP) since 2023. SUSJIP is a partnership programme led by the Carbon Trust in collaboration with offshore wind developers and aims to accelerate decarbonisation action across all stages of an offshore windfarm's lifecycle, further supporting the goal of achieving Net Zero.

The initial focus for the group was to produce an offshore-specific product carbon footprint methodology and calculation tool. This would enable the offshore wind sector to calculate carbon emissions through a standardised method, leading to greater transparency and comparability across sites.

As well as providing funding to the programme, our sustainability experts actively contributed to the SUSJIP workstreams, providing expert insight and



real-world data to help shape the development of the core deliverables of the group.

The first version of the carbon calculator tool and methodology were published in 2024, providing a freely available resource for undertaking carbon calculations. The tool and methodology are now utilised internally to baseline the carbon emissions for our sites, enabling us to identify emissions hotspots and consider opportunities for targeted emissions reduction.

We continue to support SUSJIP with further phases of work, including: refinement and review of the methodology; supporting the promotion and uptake of these resources; and exploring opportunities for improved supplier engagement and green steel deployment within the offshore wind sector.

Thanks to the work of SUSJIP and all partners involved in the initiative, ScottishPower Renewables are supporting Climate Action (SDG13) by improving our sector's ability to identify and understand emission hotspots and to direct action towards emission reduction in the development and operation of offshore windfarms.

Spotlight

Customer Business - Accessibility: the key to taking control

Ensuring that vulnerable customers can easily access digital platforms is not just a matter of convenience—it's a fundamental aspect of equitable service delivery. For individuals facing challenges such as low numeracy, cognitive impairments, or physical disabilities, intuitive and inclusive digital design can be the difference between independence and exclusion.

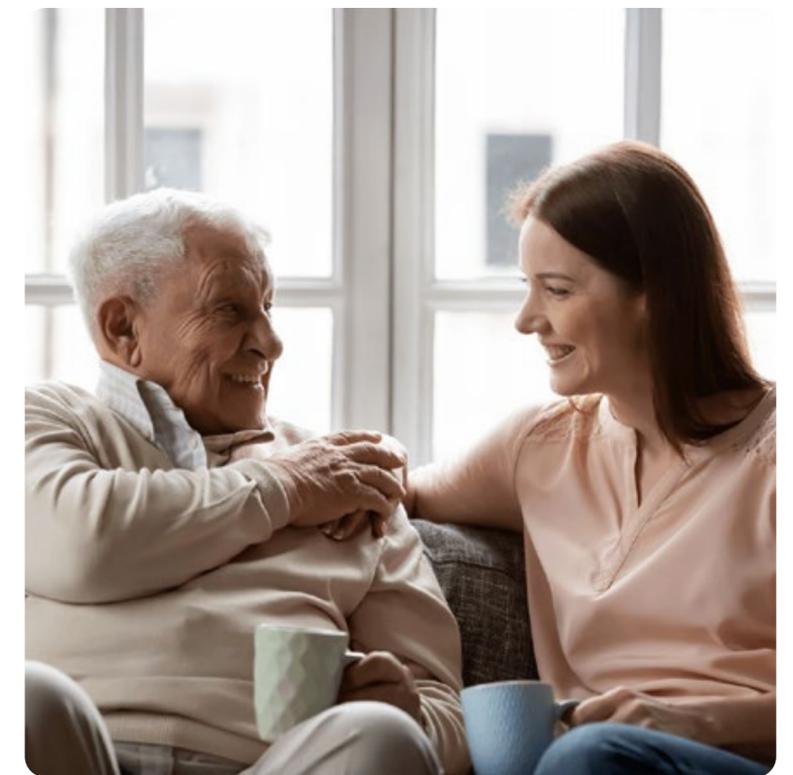
ScottishPower's Customer Business has made significant investments to improve digital accessibility across its customer-facing platforms. Resources have been secured for dedicated projects, including the development of a fully accessible design system for both iOS and Android apps. This ensures that inclusive design principles are embedded from the ground up.

On the web, the implementation of the Recite Me accessibility toolbar allows users to customise their experience with features such as screen reading, translation, and styling options—supporting a wide range of access needs.

In addition, ScottishPower has partnered with organisations like Plain Numbers to enhance the clarity of financial and energy-related communications, helping customers with low numeracy or cognitive challenges better understand key information.

Accessibility is continuously monitored and improved through an internal Accessibility Guild—a multidisciplinary group that meets weekly to review projects, share insights, and track progress against defined metrics. This collaborative approach ensures that accessibility remains a core focus across design, development, and content teams.

By prioritising accessibility, ScottishPower is helping vulnerable customers engage with services independently and confidently, contributing to a just transition where no one is left behind.



Purpose

As a global community we know that the world faces a climate crisis and a nature emergency. We know we have broken through the world's environmental limits while failing to secure a social foundation for all. We know we all must respond if we are to prevent accelerating, devastating impacts. We know what we need to do, and we know we must all act now.

ScottishPower is committed to playing its full part in this common effort. This strategy aims to ensure ScottishPower acts as a driver for social and environmental change within its own operations, through its value chain, across the power sector and for society.

As part of the global Iberdrola Group, ScottishPower has one purpose; "To continue building together each day a healthier, more accessible energy model, based on electricity."

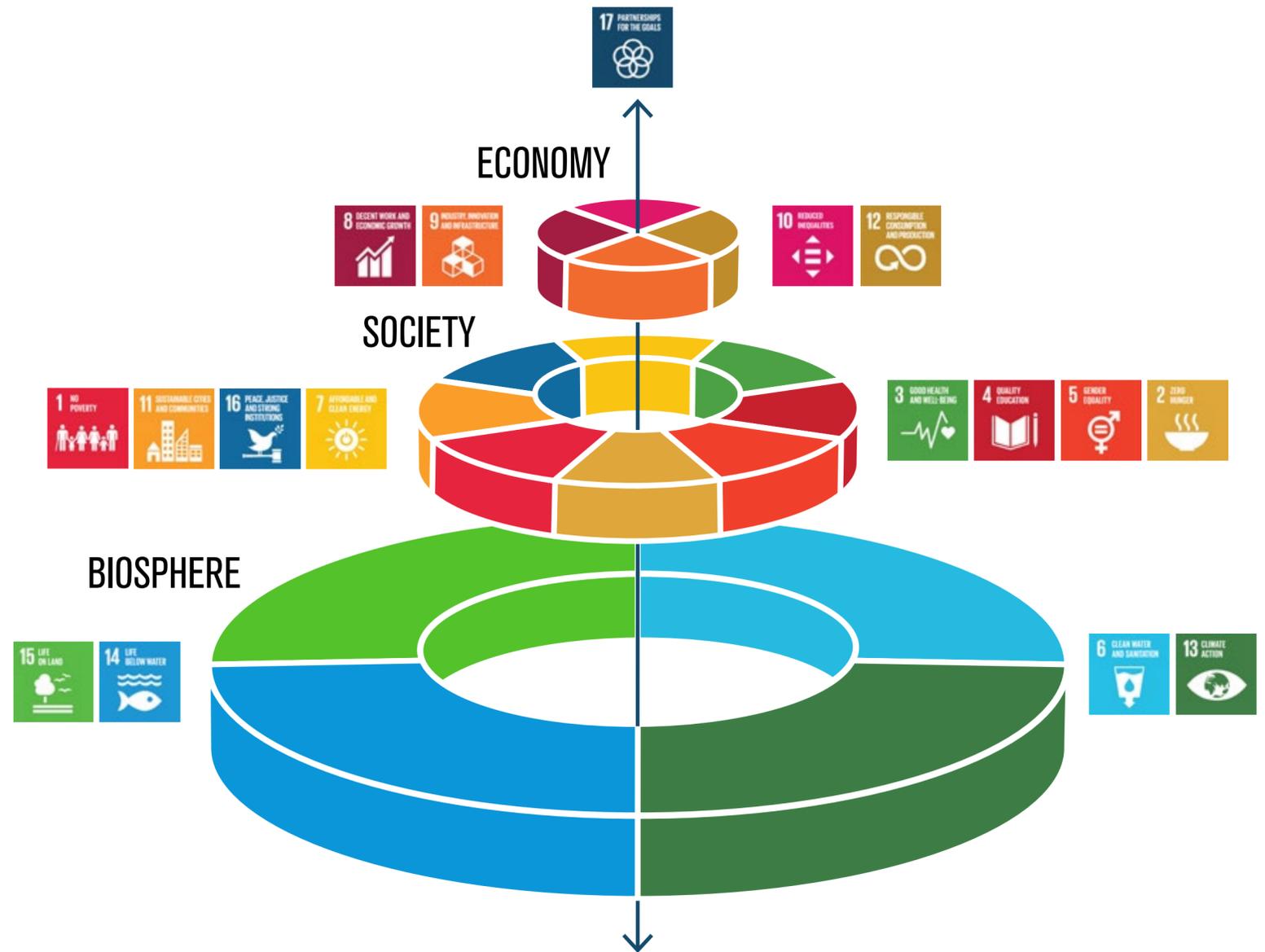
We recognise that our shared success in achieving this purpose is built on a foundation of a healthy environment and a thriving, equitable and just society. The environment is the operating context for all we do, the ultimate determiner of our success.

What is sustainable development?

Sustainable development means making decisions now that meet the needs of the present without compromising the ability of future generations to meet their own needs.

At its heart is an understanding of the importance of living within environmental limits. But it is also more than this, it means meeting the needs of all people and ensuring a strong, healthy and just society. Luckily the world has agreed how to do this, not just countries but thousands of businesses too. The United Nations Sustainable Development Goals (SDGs) provide us with the priorities we need to focus on. The SDGs are a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

The SDG Wedding Cake graphic, below, is a clear depiction of these relationships and describes how economies and societies should be seen as embedded parts of the biosphere. This important framing helps to move away from a system of trade-offs that threaten to unpick the healthy environment we need to build a strong, resilient society and economy.



SDG Wedding Cake, developed by the Stockholm Resilience Centre

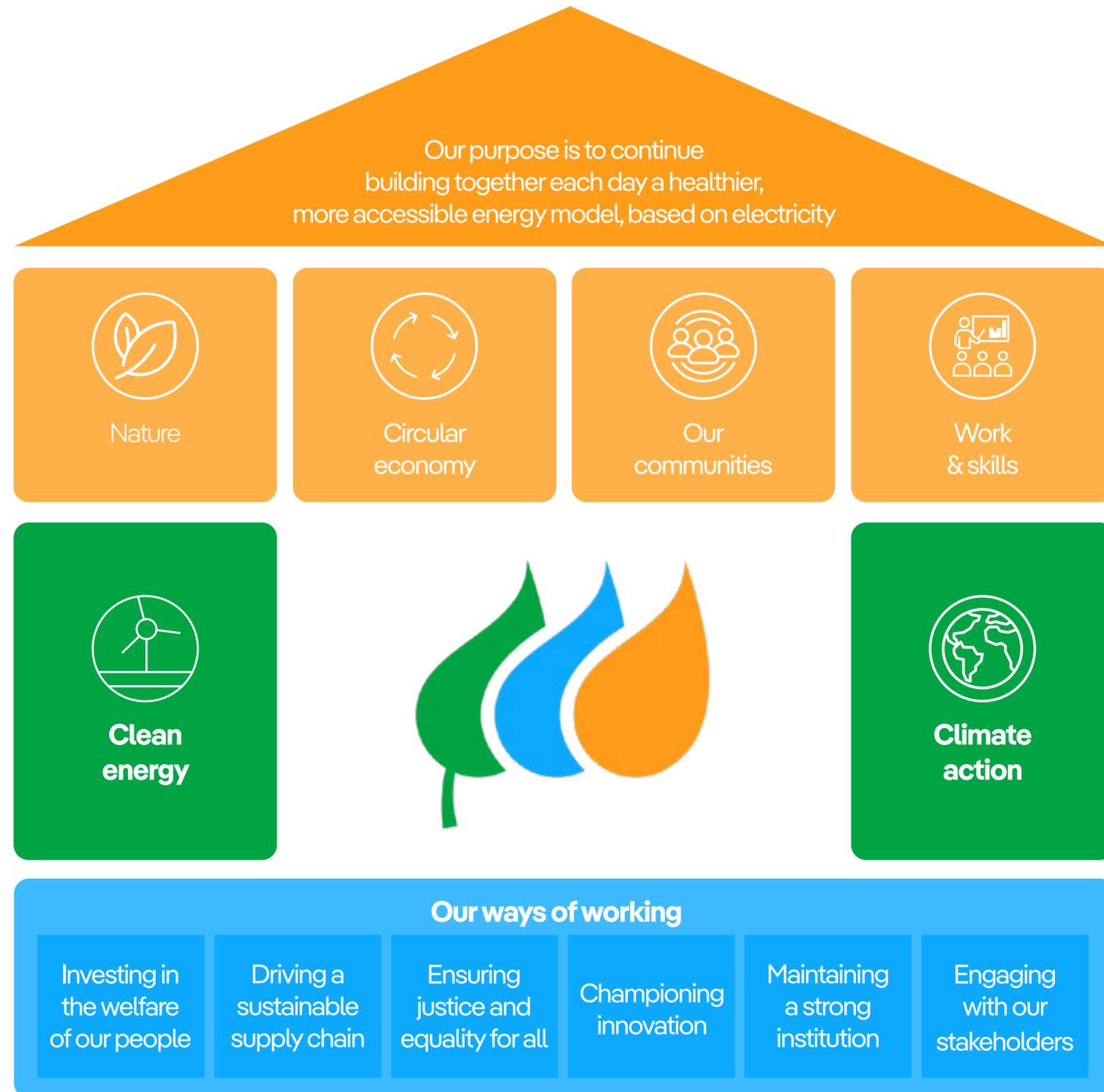
Impact areas

As a clean energy company there are certain areas where we can have the greatest sustainability impact, principally in helping tackle climate change and supporting the electrification of our energy sector.

However, we do not pursue these ambitions in isolation. Our efforts to power an energy revolution and tackle climate change are also the levers for responding to the nature crisis, enhancing circularity, enabling a just transition and much, much more.

We have identified six areas where we have chosen to focus our efforts for maximum impact. For each of these subject areas we have set out a long-term vision that will guide our actions, presented the operating context, and highlighted how we are already making a difference. We then look forward and set out the targets we have committed to and the actions we will be taking to help meet the long-term visions.

Our contribution to a sustainable future extends beyond what we do to shape how we work. We embed sustainable development, justice, equality and well-being across our own operations, within the requirements we set our supply chain and through our relationships with customers and stakeholders.



Summary of targets

Action 2030: sets out 17 targets. From our engagement with communities to network infrastructure development, our targets represent stretching ambitions that will help drive our decision-making now and into the future. We will track our progress against these targets, and we will carry out a full review in 2030.



Clean energy

2030 Vision: ScottishPower is leading the UK's transition to cleaner and more affordable energy

- Investing £11.6 billion in Networks by 2028
- 5,000 MW installed renewable capacity by 2030
- Grow Smart Solutions to 1.4 million by 2030



Climate action

2030 Vision: ScottishPower has reduced its direct and indirect value chain greenhouse gas footprint in line with climate science, while strengthening our business adaptation and resilience to climate change

- Achieve our 2030 near-term 1.5°C science-based emissions reduction target
- 100% sustainable light vehicle fleet by 2030



Nature

2030 Vision: ScottishPower has delivered a net positive impact on biodiversity and ecosystems

- Deliver net positive impact on biodiversity by 2030



Circular economy

2030 Vision: ScottishPower has minimised resource use and waste and established circular processes that keep materials in use at high value for the long term

- Zero waste to landfill by 2030
- 100% wind turbine blade recycling and solar panel recycling by 2030



Our communities

2030 Vision: ScottishPower is actively developing resilient, empowered communities with our partners

- 1,000 employee volunteering days per year by 2030
- Raising £50 million for Cancer Research UK
- Deliver up to £250m in community benefit funding to communities over the lifetime of our onshore windfarms
- £40 million benefits to vulnerable and disadvantaged customers in fuel poverty, and to support the low carbon transition to net zero in our Distribution Network by 2028
- Total amount donated to the ScottishPower Foundation to reach over £24 million by 2030



Work and skills

2030 Vision: ScottishPower has a high performing representative workforce and a resilient supply chain capable of meeting our current and future needs

- ≥ 90% purchases from sustainable suppliers by 2030
- Over 450,000 young people will have been introduced to career opportunities in STEM by 2030
- Committed to the well-being of our staff by achieving ISO 45003 mental health and well-being accreditation by the end of 2026, and maintaining this to 2030
- Committed to achieving EDGE+ (gender & intersectionality) accreditation by 2026 and maintaining this to 2030

Note: relevant criteria for the targets are outlined in the appropriate sections of this document

Clean energy

Vision 2030

ScottishPower is leading the UK's transition to cleaner and more affordable energy.

Context

Clean, affordable energy is the foundation for an electrified economy. The UK Government has set out ambitions to improve security of supply, accelerate the rollout of green power generation, drive energy efficiency and encourage the uptake of low carbon technologies. As the UK targets over 40GW of offshore wind capacity by 2030 and directs billions of pounds of investment into power networks to meet an expected doubling of demand by 2050; generation, networks and supply businesses must all transform at an unprecedented pace.

The pace of change is the defining characteristic of the next 5 years. It represents huge opportunities, from the creation of thousands of new, high-quality jobs to community investment and nature restoration. The energy transition we are committed to not only helps tackle the climate crisis but also delivers across the breadth of sustainability.



Clean energy (cont.)

How we are already making a difference

We have a strong track record of contributing to the global goal of clean energy supply. As the first integrated energy utility in the UK to generate 100% of the electricity it produces from renewables, we have established a leading role in the delivery of a clean, low-carbon system for the UK. Our networks business operates three of the most decarbonised network licences in the UK and we have been an early entrant to new smart solutions and storage markets.

Networks

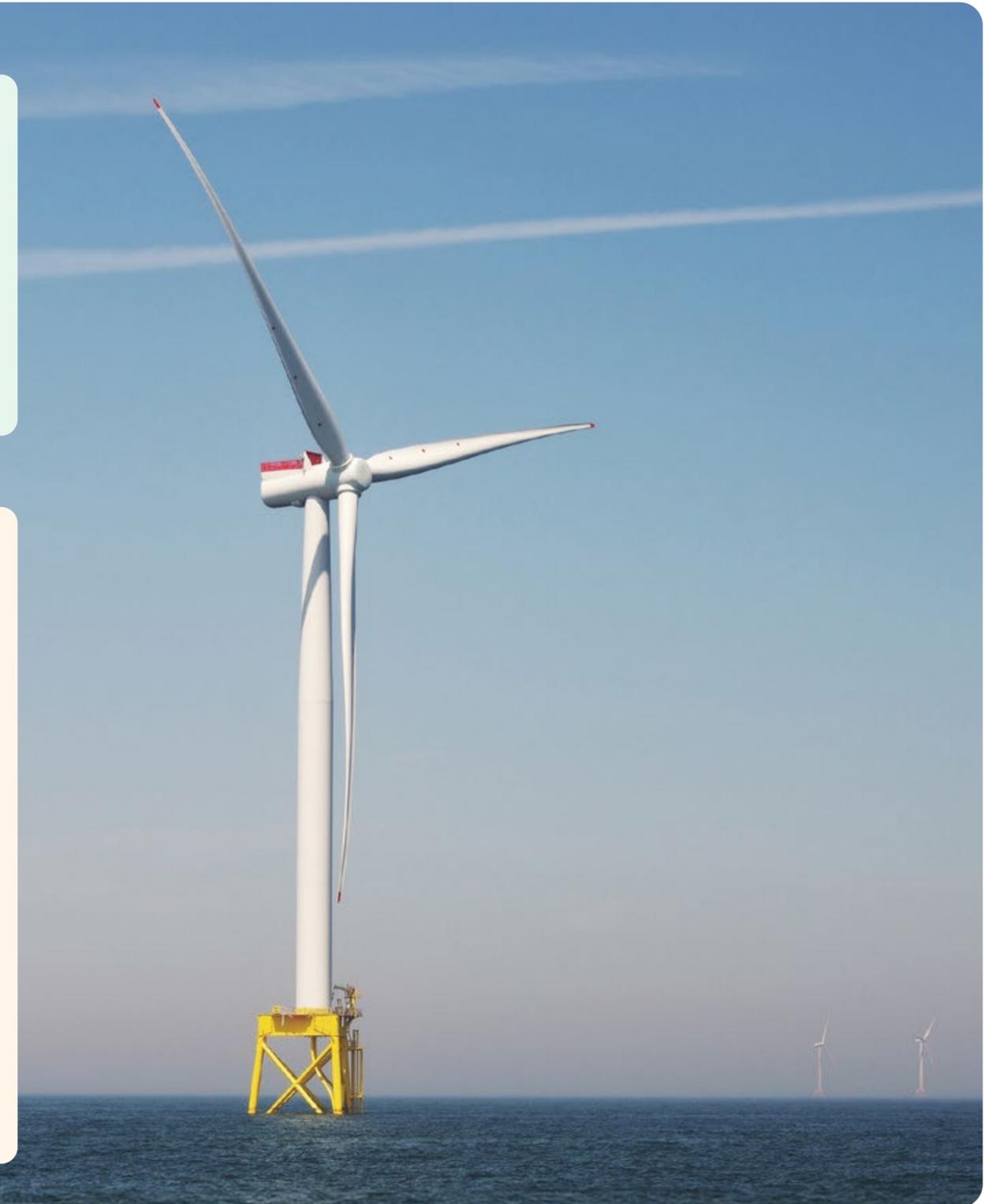
- Launched our Intelligent Connections Explorer which integrates accurate estimation of substation capacity, new connections costs and timelines, and a route planner that identifies optimal solutions for all transmission connections
- Awarded more than £80m through the Green Recovery Fund, the Green Economy Fund and Net Zero Fund, supporting a range of community energy & fuel poverty action projects
- Created a new team dedicated to supporting the community energy ambitions of community groups within our licence areas
- Connected 682MW of low-carbon renewable energy to our transmission network since the start of RIIO-T2, playing a key role in facilitating UK Net Zero ambitions

Renewables

- We are the largest UK onshore wind generator with over 2GW of capacity, including the UK's largest windfarm at Whitelee
- Over 1GW offshore wind gross capacity including 714MW as part of our East Anglia Hub
- We manage 20MW of solar power and 153MW of battery storage

Customer Business

- First integrated utility to offer all new domestic customers a 100% renewable power tariff, backed by our own windfarms and provide a 100% renewable electricity tariff for our SME customers
- Since 2013, through our supplier obligations, we have delivered over 520,000 energy efficiency measures to over 340,000 homes with £1 billion of funding
- Signatory to Energy UK's Vulnerability Commitment, an optional set of principles and commitments from energy suppliers to support customers in vulnerable situations in addition to existing industry regulations



Clean energy (cont.)

Targets



Investing
£11.6 billion in
Networks by 2028



5,000 MW
installed renewable
capacity by 2030



Grow smart
solutions to 1.4
million by 2030

How we will do this

Networks

- We will support the decarbonisation of the wider energy system, aiming to connect 19GW of renewable generation in the next five years (2026-31), a significant shift in scale and pace of our plans
- We will work with strategic stakeholders, e.g., local authorities, to enable delivery of local decarbonisation plans and community energy projects, with dedicated community energy advisors offering technical advice and support
- We will embed enhanced digital solutions across our business to improve the efficiency of our networks & connection process, estimated to save customers £51 million by 2028

Renewables

- We will invest £6 billion in delivery of offshore wind projects at East Anglia Hub
- We will complete construction of East Anglia 3 Offshore Windfarm which will deliver around 1.4 GW of clean energy by 2026
- We will develop one of the world's first large-scale floating offshore windfarms at our 3 GW MarramWind project.
- We will make available, through our ScotWind projects, a total of £50 million of supply chain stimulus funding, to invest in infrastructure and facilities in Scotland that will manufacture and service offshore wind projects as well as support companies, including SMEs, to innovate and upskill
- We will complete the construction of the following onshore windfarms, with combined capacity of 320MW (Cumberhead West; Hagshaw Hill re-power; Arecleoch extension; Killgallioch extension)

Customer Business

- We will continue to make the case to the UK Government to introduce a social tariff to support the most financially vulnerable, on a targeted basis
- Our Smart Solutions business will support households to decarbonise their homes and transport with roof top solar, heat pumps, batteries and EV charging, alongside flexible solutions and innovative tariffs
- We will provide ongoing support for vulnerable customers through a variety of programmes (Warm Home Discount; Prepayment Voucher Scheme; ScottishPower Hardship Fund)
- We will provide support in the face of the cost-of-living crisis (including our StepChange partnership and dedicated 'affordability' customer service team) as well as working closely with Government and other industry bodies to deliver wide-ranging customer support schemes

Climate action

Vision 2030

ScottishPower has reduced its direct and indirect value chain greenhouse gas footprint in line with climate science, while strengthening its business adaptation and resilience to climate change.

Context

While we generate, transport, and supply the clean energy essential for the low carbon transition, we must also reduce our own greenhouse gas emissions and strengthen our business adaptation and resilience to climate change in line with climate science.

The climate emergency requires us to play our full part in the achievement of UK and Scottish climate change legislation. We must drive emissions reductions across all our activities and embed climate resilience in all our planning. Our response to the climate crisis must also support the protection and restoration of nature. Change is happening, but it needs to be faster and fairer if we are to help prevent the very worst impacts of climate change and ensure the benefits are enjoyed by all.



Climate action (cont.)

How we are already making a difference

Reducing emissions

- Reduced direct (scope 1) emissions by more than 95% between 2010 and 2019
- Reduced total emissions by 16% between 2019 and 2024

Delivering reduction initiatives

- Implemented fugitive emissions reduction programmes resulting in 9% reduction between 2019 and 2024
- Transitioned 35% of our light vehicle fleet to lower emissions vehicles
- Trialled and embedded the use of lower emission fuels
- Moved our own energy use to green tariffs
- Delivered network loss reduction programmes, saving over 5,000 MWh of losses to date
- Improved supply chain emissions data maturity and trialled lower emissions products

Planning for the future, managing risk and seizing opportunities

- Published our comprehensive [Greenhouse Gas Emissions Reduction Plan](#)
- Assessed and disclosed transition and physical risks and opportunities across our businesses
- Published and embedded our Just Transition Strategy – [Just Transition. For you. For the planet.](#)
- Assessed forestry and land and cloud server emissions

Building partnerships and working in alliances for climate action

- Delivered a multi-year partnership with WWF UK to accelerate efforts to achieve Net Zero
- COP26 Principal Partner and founding member of the award-winning [Scottish Business Climate Collaboration](#)
- Members of the UN Global Compact, Aldersgate Group, UK Corporate Leaders Group and supporters of the Scottish Climate Emergency Response Group
- Signatories to the Glasgow Climate Charter and Edinburgh Climate Compact



Climate action (cont.)

Targets



Achieve our 2030 near-term 1.5°C science-based emissions reduction target*



100% sustainable light fleet by 2030**

Ambition

Align with Iberdrola ambition to achieve Net Zero across the value chain by 2039.***

*Validated by the Science Based Targets Initiative (SBTi): Reduce scope 1, 2, and scope 3 GHG emissions from fuel and energy related activities and use of sold products 64% by 2030 from a 2019 base-year See Greenhouse Gas Emissions Reduction Plan – ScottishPower for full details.

** The Company define 'light fleet' as cars, small vans and medium vans <3.5 tonnes, and sustainable as 'electric, hydrogen, plug-in hybrid and hybrid vehicles'. This target does not include SP ENW vehicles.

***Aligned with the Iberdrola SBTi-validated Net Zero Target: Iberdrola SA commits to reach net-zero greenhouse gas emissions across the value chain by 2039 from a 2020 base year

How we will we do this

Driving business change

- Further develop our GHG Emissions Reduction Plan into a Climate Transition Plan in line with UK Sustainability Reporting Standards
- Continue to develop and deploy strategies to maintain high climate resilience
- Further integrate consideration of the climate-nature nexus into internal strategic planning and decision-making processes
- End the installation of new Sulphur Hexafluoride-filled assets from 2028 where cost effective and technically viable alternatives are available (Sulphur Hexafluoride is a potent greenhouse gas commonly used as an insulating medium in electrical assets)
- Assess our Science Based Target to take account of material business change and align with updated SBTi Corporate and Sector standards

Supporting change with customers and partners

- Supply 100% of our own electricity customers with green energy by 2030
- Continue to influence and champion accelerated efforts to tackle climate change through partnerships and alliances.
- Deliver customer energy efficiency programmes
- Develop approaches and tools to enable our supply chain to cut our value chain footprint. This will include enhanced engagement, data requirements and specifications for our value chain and the ongoing promotion of the [SBCC Climate Action Hub](#) for the SME sector
- Engage in material-specific collaborations and specification setting on embodied emissions including lower carbon concrete and lower emissions steel
- Complete a study of climate and nature risks and impacts related to key supply chain resources
- Embed green engineering principles and responsible AI practices across our digital & IT solutions, designing and delivering technology that minimises emissions and resource use.



Nature

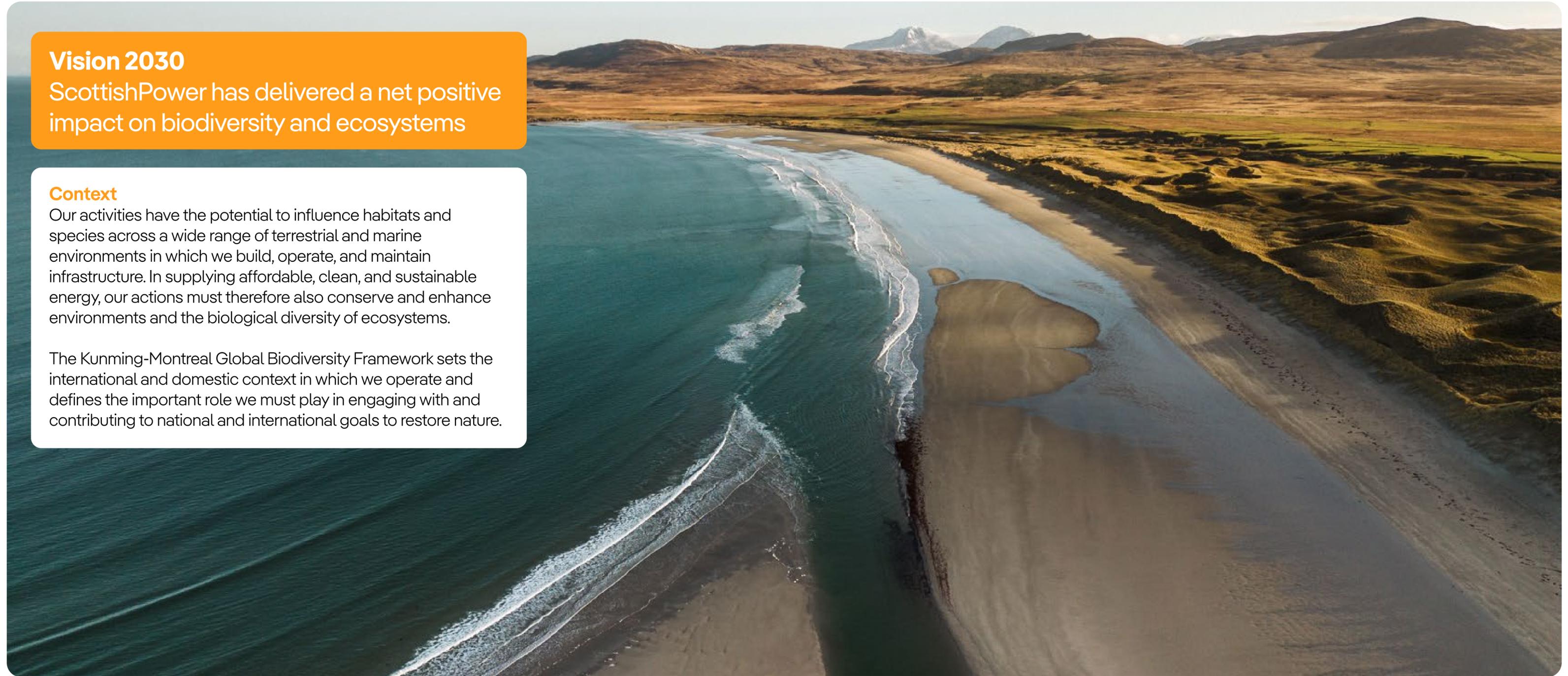
Vision 2030

ScottishPower has delivered a net positive impact on biodiversity and ecosystems

Context

Our activities have the potential to influence habitats and species across a wide range of terrestrial and marine environments in which we build, operate, and maintain infrastructure. In supplying affordable, clean, and sustainable energy, our actions must therefore also conserve and enhance environments and the biological diversity of ecosystems.

The Kunming-Montreal Global Biodiversity Framework sets the international and domestic context in which we operate and defines the important role we must play in engaging with and contributing to national and international goals to restore nature.



Nature (cont.)

How we are already making a difference

Planning for the future, managing risk and seizing opportunities

- Published our comprehensive [Nature Action Plan](#)
- Assessed resilience of business strategy and model against physical and transition risks
- Implemented an accounting framework for biodiversity
- Evaluated 100% of priority facilities and their biodiversity action plans

Leading research

- £700k multi-year study of construction noise impact on harbour porpoise
- >3000 flying invertebrate specimens analysed to date as part of the Wellcome Sanger Institute BIOSCAN project

Land management and conservation

- >£4m spent to date on peatland restoration, research, monitoring and management
- Developed industry-leading peatland restoration methods now used throughout the UK
- >3000 hectares peat restored at onshore windfarms
- Over one million trees planted since 2020

Awards

- 2016 RSPB Nature of Scotland Award for innovative peatland restoration
- 2024 Scottish Green Energy Award for the Collaboration for Environment Mitigation & Nature Inclusive Design

Building partnerships and working in alliances for nature

- 260 hectares lowland raised bogs restored in partnership with Buglife
- 3.2 hectares riparian woodland creation in partnership with The Nith District Salmon Fisheries Board



Nature (cont.)

Target



Deliver net positive impact on biodiversity by 2030*

How we will do this

Building plans and processes

- Deliver our [Nature Action Plan](#)
- Continue to integrate nature into strategic planning and decision-making processes
- Continue to manage nature-based risks and opportunities, aiming to continually improve our understanding of UK contexts and implications
- Continue to trial different approaches to offshore biodiversity assessment and bring offshore into the scope of our 2030 commitment as soon as a common methodology is agreed
- Implement the 'right tree, right place and for the right reasons' approach wherever possible. Working to plant and maintain the most suitable species of trees and plants for the location, soil, species and habitat to benefit both nature and climate.**

Deliver and collaborate

- Continue to apply the mitigation & conservation hierarchy, considering the impact of our facilities on species and ecosystems throughout the lifecycle
- Deliver nature-based solutions that provide biodiversity and ecosystems enhancements while reducing climate risk and impact and enhancing adaptation
- Carry out an initial study of climate and nature risks related to key supply chain resources by 2027
- Collaborate with interested parties, peers and partners to develop and deliver strategic approaches to nature
- Advocate for ambitious and supportive policy to drive strategic nature restoration in the clean energy transition
- Continue to ensure that staff and contractors have appropriate nature awareness and skills



*As set out in the Nature Action Plan

**Planning requirements may commit us to plant specific species in specific locations. All planting will be done in line with UK Forestry Standards.

Circular economy

Vision 2030

ScottishPower has minimised resource use and waste and established circular processes that keep materials in use at high value for the long term.

Context

As we support electrification of the economy, we are constructing, operating, and maintaining renewable and infrastructure sites. The resources needed to do this are finite and the processes to extract, refine and transport them have impacts on climate and biodiversity.

Many planetary resources are now depleted far beyond global capacity to regenerate them, and this coupled with accelerating global demand and geopolitical stresses, raises the risk of resource scarcity and supply chain shocks. The latest global Circularity Gap Report suggests that the world is only 6.9% circular, showing that we have a long way to go. However, this indicates that there may be significant opportunities for businesses who are able to adopt greater circularity.

It is important that we fully understand our reliance on resources and develop a circular business that is efficient, reduces environmental impacts, supports local jobs, and reduces supply chain risk. We need to move away from using materials produced from virgin materials through resource intensive processes. Collaboration will need to be at the heart of our efforts to develop resource loops both within and outside our organisation.



Circular economy (cont.)

How we are already making a difference

Cutting our waste

- 97% of our waste was diverted from landfill in 2024
- >3000 tCO₂e emissions avoided through transformer refurbishment and reuse since 2019
- Waste generated reduced by >20,000t between 2020 and 2024
- Implemented a wind turbine component repair, reuse, and repurposing programme
- Increased focus on asset life extension

Planning for the future, managing risk and seizing opportunities

- Published our comprehensive [Circular Economy Action Plan](#)
- Developed a resources and circularity baseline and identified existing and future circularity opportunities and interdependencies
- Enhanced the collection and management of materials inflow data

Applying new techniques and approaches

- £13.3m long term benefit to society from low voltage monitoring and contracting flexibility to defer network reinforcement
- Developing a new process to increase reuse of offshore batteries with potential benefits across offshore industry
- Created a new integrated access road framework that enables the reuse of aggregates across networks projects
- Completed an Asset Reuse and Recovery Collaboration project in partnership with SSE and Zero Waste Scotland

Building partnerships and working in alliances for circularity

- Members of the UN Global Compact, SusWind, the Forum for Circular Infrastructure, The Scottish Low Carbon Concrete Collective and the Infrastructure Client Group



Circular economy (cont.)

Targets



Zero waste to landfill by 2030



100% wind turbine blade recycling* and solar panel recycling by 2030

Ambition

Fully aligned with the Circular Transition Indicators (CTI)

Specify 50% sustainable steel used by 2030*

How we will do this

Building plans and processes

- Deliver our [Circular Economy Action Plan](#)
- Work to align with the Global Circularity Protocol and the Circular Transition Indicators
- Develop and implement processes for circular design, construction and decommissioning
- Explore data driven metrics for reduction in raw materials intensity
- Ensure that circularity is fully embedded in business strategy, governance, risk, metrics, business objectives, processes, and systems

Closing the loop in partnership

- Work with suppliers and contractors to improve data maturity and achieve zero waste to landfill from our construction and operations
- Release a supply chain position statement on circularity, outlining our priorities and expectations, by 2028
- Champion policy changes to enable greater resource use avoidance, reuse, and recycling within, or close to, our areas of operation.
- Work with industry and academia to identify long-term, scalable blade recycling options
- Engage in material-specific collaborations and specification setting on resource use and circularity including aggregates, lower carbon concrete and lower emissions steel
- Carry out an initial study of climate and nature risks related to key supply chain resources by 2027
- Advocate for ambitious and supportive policy to drive circularity in the clean energy transition



*Subject to the existence of commercially feasible solutions

Our communities

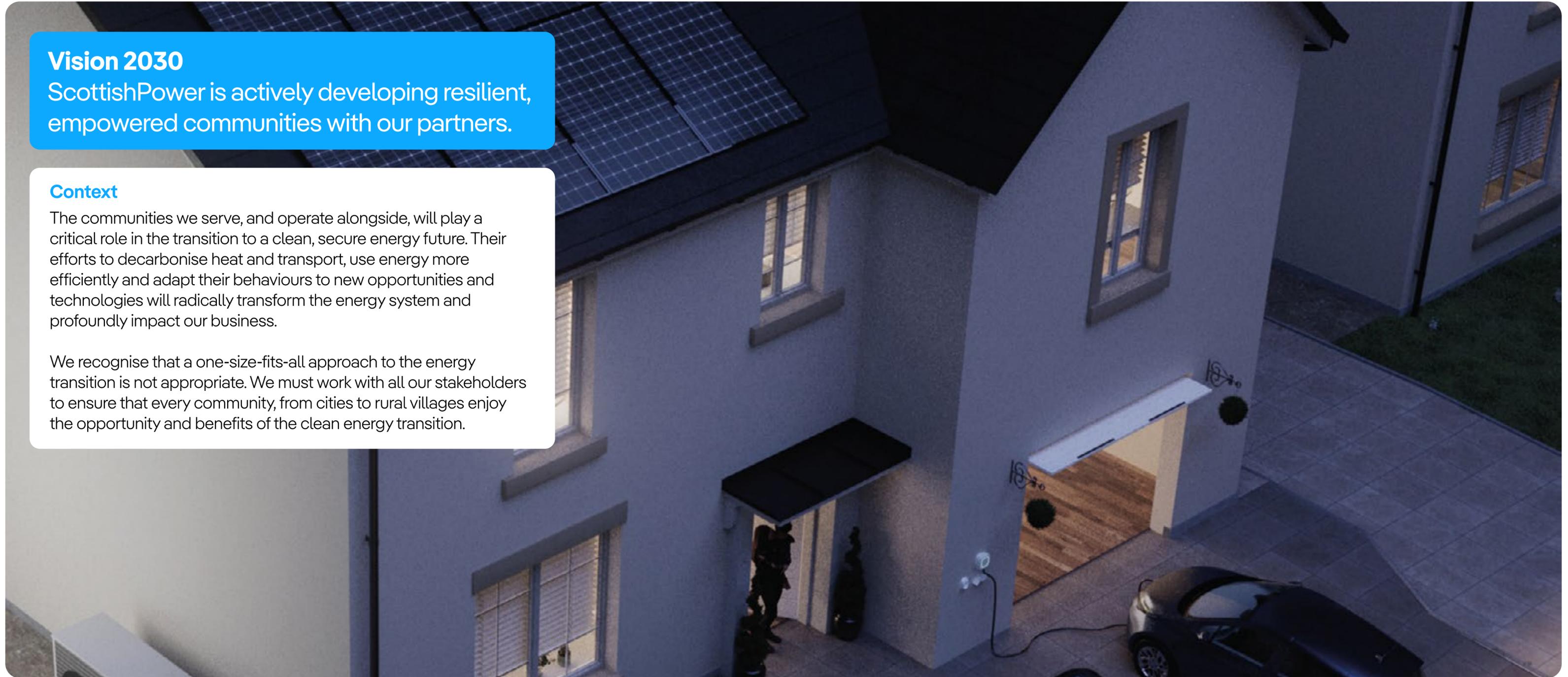
Vision 2030

ScottishPower is actively developing resilient, empowered communities with our partners.

Context

The communities we serve, and operate alongside, will play a critical role in the transition to a clean, secure energy future. Their efforts to decarbonise heat and transport, use energy more efficiently and adapt their behaviours to new opportunities and technologies will radically transform the energy system and profoundly impact our business.

We recognise that a one-size-fits-all approach to the energy transition is not appropriate. We must work with all our stakeholders to ensure that every community, from cities to rural villages enjoy the opportunity and benefits of the clean energy transition.



Our communities (cont.)

How we are already making a difference

We have a long legacy of going the extra mile for our communities and take immense pride in developing meaningful partnerships to empower our communities, strengthen local economies and providing energy security.

Funding & support

- We have awarded over £76 million to date to local groups, through our 36 Community Benefit Funds, empowering UK communities neighbouring our windfarms to serve the needs of their local areas
- We have contributed to low carbon job creation and transport infrastructure through our £20 million Green Economy Fund (2018-2020)
- We have developed partnerships to connect with hard-to-reach stakeholders and communities across our network areas: delivering safety awareness; promoting gender diversity in sport and engineering; breaking down societal barriers; and encouraging healthier lifestyles
- We launched our £5 million Net Zero Fund launched in 2022, and so far, 27 community organisations and charities have benefited. We anticipate that for every pound spent, an overall Social Return on Investment) of 3:1 will be realised over the maximum benefit lifetime. The investment to date is predicted to save over 28,000 tCO₂

- We have delivered £10.54 million of social value when supporting our customers struggling with fuel poverty and have delivered £180,000 of social value when supporting customers to access low carbon technologies
- As founding members of the Energy UK Vulnerability Commitment, we have worked to continuously improve the support provided to vulnerable households, beyond regulatory requirements
- Since 2013 the ScottishPower Foundation has awarded £15 million in grants to charities throughout the UK
- We have raised over £40 million for Cancer Research UK (CRUK)

Strategy & policy

- We created our [Just Transition Strategy](#), strengthening our strategy principles to create positive outcomes for our communities, customers, and employees
- SP Energy Networks have created a [Community Energy Strategy](#) to highlight their aims and ambitions to help continue the growth of Community Energy. The strategy includes key action points that will help to support community energy groups and provide solutions including self-help tools, educational outreach programs, streamlined connection processes, stakeholder consultation and problem-solving solutions to overcome barriers.



Our communities (cont.)

Targets



1,000 employee volunteering days per year by 2030



Raising £50 million for Cancer Research UK by 2029



Deliver up to £250m in community benefit funding to communities over the lifetime of our onshore windfarms



£40 million benefits to vulnerable and disadvantaged customers in fuel poverty and to support the low carbon transition to net zero in our Distribution Network by 2028*



Total amount donated to the ScottishPower Foundation to reach over £24 million by 2030

* Aligned to the RII0-ED2 price control period

How we will do this

Partnerships

- We will continue to work with the Scottish Government, communities, and relevant stakeholders to decide how best to disseminate wider benefits from our ScotWind offshore wind projects
- We will collaborate with local communities to maximise the social and economic benefits of our renewable generation projects. For example, through working in partnership with the Islay Energy Trust for the MachairWind ScotWind project
- We will deliver our commitments to support community energy, including energy efficiency or sustainable transport initiatives, over 2023-2028 through our first ever [community energy strategy](#).
- We have committed to continue to raise another £10 million to CRUK by 2029 with £4 million going to their world-leading Lung Cancer Centre of Excellence

Supporting those in need

- We will continue to work closely with our customers to understand their individual needs and direct them where appropriate to the right organisations who can help ensure they are getting the social support they are entitled to
- We will continue to work towards supporting a fair transition to Net Zero for everyone through supporting local projects that cut carbon emissions, create social value and boost the local economy, empowering communities to take a more active role in the Net Zero transition and enabling them to benefit from a more sustainable energy system

- We will introduce community benefit funds to support communities in our transmission infrastructure area. We will tailor funding and support to align with local priorities and ambitions, ensuring that we are creating a positive impact through measurable economic, environmental, and social benefits. Over £100m of community benefits is expected to be available to support host communities over the next five years
- We will develop a Community Energy Hub, which will help communities plan and deliver Low Carbon Technology projects. It will offer users specific tools, guides, case studies, webinars and a “Community Energy Pathway” to empower communities, with practical support and real-world insight, to accelerate their net zero journey.
- We will continue to deliver direct support to vulnerable and disadvantaged SP Energy Networks (SPEN) customers through investment in our tailored fuel poverty programme and partnerships
- We will continue to increase our reach within the charity partners we support, and enhance our volunteering culture by developing team events that support environmental, homelessness, food poverty, children & young people, older generation and domestic violence charities, and working with our employee-led networks and their partners to support an inclusive culture inside and outside of ScottishPower
- We will deliver £2.5 million of community benefits during the operational life of East Anglia ONE North and East Anglia TWO projects.

Work and skills

Vision 2030

ScottishPower has a high performing, representative workforce and a resilient supply chain capable of meeting our current and future needs.

Context

The energy transition to net zero is a massive job creation opportunity. The Climate Change Committee estimate that 'between 135,000 and 725,000 net new jobs could be created by 2030 in low-carbon sectors' We are ready to meet the challenge of working to close the skills gaps and inspire the next generation for a successful transition to an electrified economy.

Recognising both the scale of the challenge and the vast economic opportunity, ScottishPower is committed to building a workforce that reflects the diversity, ambition, and skills required for a net zero future. Our approach is tailored to proactively address skills shortages and futureproof our business through targeted investment in education, training, and recruitment initiatives.



Work and skills (cont.)

How we are already making a difference

At ScottishPower, speeding up the journey to an electrified economy is at the heart of everything we do.

Creating opportunities

- In 2025 we welcomed 338 new early careers positions (spanning graduates, apprentices and work experience students), our largest intake ever. Representing a 59% increase in apprentices and a 47% rise in graduate hires compared to 2024
- We have widened the opportunities for people to enter the industry through our STEM Outreach Programmes (including Girls into STEM) & employability programmes, as well as partnering with TIDE (Tackling Inclusion & Diversity in Energy), Breaking Barriers programme in partnership with Enable Scotland and the University of Strathclyde
- Implemented recommendations from the independent Early Careers Recruitment Audit to further improve diverse candidate attraction and selection
- Incorporated a new partnership with Black Professionals UK by offering placements where participants gain work experience to grow their careers as part of our employability programme

Empowering workforce

- We have created a working environment where employee-led networks help drive the direction of the business and our people have greater control in their reward package to suit their lifestyle, stage of life and priorities through our flexible benefits scheme
- We will continue to deliver on the commitments made in our SPEN Electricity Distribution 2023-2028 Net Zero Workforce Strategy, focussed on driving an inclusive and diverse workforce by providing local opportunities
- We established our Executive Diversity & Inclusion Committee launched a new Allies Programme for senior managers
- We have achieved accreditation as a Real Living Wage Employer
- We have delivered our fourth cohort of Strategies4Success, a management development programme for female middle management using an innovative approach to more effectively empower women who aspire to progress.
- We achieved 'Top Employer' accreditation in the UK, 2025.



Work and skills (cont.)

Targets



≥90% purchases from sustainable suppliers by 2030



Over 450,000 young people will have been introduced to career opportunities in STEM by 2030*



Committed to the well-being of our staff by achieving ISO 45003** accreditation by the end of 2026, and maintaining this to 2030



Committed to achieving EDGE+ (gender & intersectionality) accreditation by 2026 and maintaining this to 2030

How we will do this

Continuous workplace improvement

- Broaden our population of senior managers who've completed training on allyship and developed reverse mentoring relationships
- Employing a new listening strategy with our employees, ensuring we seek and act regularly on their feedback

Supplier development

- We will review the sustainability of suppliers through our procurement process and, if required, issue improvement plans to drive supplier sustainability score improvements

Workforce development

- We will deliver large scale (+250 young people) face-to-face STEM engagement activity annually
- We will support the MCR pathway mentoring programme, working with care-experienced young people to build motivation, commitment, and resilience
- We will deliver the Breaking Barriers programme for young people with a learning disability
- We will provide up to 80 placements for young people on our annual summer placement programme
- We will provide annual pre-employment placement opportunities for 80-100 young people on our Year-In-Industry programme
- We will support the development of over 40 young people per year (aged 16-19) on our Pre-apprentice programme
- We will aim to maximise the transition to permanent roles for those undertaking any of our pre-employment programmes
- We will continue to provide Graduate and Apprenticeship opportunities in line with business growth and needs



* Base year 2022

** ISO45003 (2021) Occupational health and safety management — Psychological health and safety at work — Guidelines for managing psychosocial risks. Does not include SP ENW

Ways of working

Our contribution to a sustainable future is not limited to the targets in this strategy but is found across our ways of working. No matter your role within ScottishPower, your work contributes to our shared purpose and helps take forward our commitment to sustainable development

Investing in the well-being of our people

We are committed to fulfilling our responsibility to support our people to achieve and maintain the highest possible levels of health and well-being, inside and outside work.

All ScottishPower employees have access to a dedicated Occupational Health, Hygiene and Well-being department which comprises a range of trained professionals providing specialised and comprehensive health services including health monitoring and surveillance, identifying, and managing health risks, and access to physiotherapy.

This is complemented by a well-established Employee Assistance Programme offering expert counselling support, which, along with trained Mental Health First Aiders, enables early intervention for anybody who may be experiencing issues impacting upon their mental or physical well-being.

We recognise the importance of taking a proactive and preventative approach. All our people managers are being trained in mental health and well-being through collaboration with a leading organisation in this field – ensuring that managers have the confidence, skills, and knowledge to support their

teams. The delivery of monthly well-being sessions and the launch of our Wellness Action Plans also help us look after our own well-being and that of others.

Protecting our employees' psychological health is a key priority and can be demonstrated by the commitment to become compliant in ISO 45003 by the end of 2026. ISO45003 is the first global standard which looks at psychological health and safety in the workplace, drawing on guidance from a range of national frameworks. It helps organisations to support employees to maintain good well-being, feel more valued, safer, and healthier - ensuring they can reach their capabilities in work, and a good quality of life outside of work. This work, along with our participation in the See Me in Work Programme, which is designed to tackle stigma and discrimination, enables us to continue driving a workplace culture which is supportive and inclusive.

The physical health and well-being of our people is also a priority. Alongside the provision of on-site gym facilities in different settings across the UK, we are developing new and innovative ways which increase opportunities for staff to be active by providing access to reduced-cost gym memberships at a

location of their choosing and enhancing our digital options through online classes. This reflects our desire to not only increase availability but ensure there is equitable access.

Driving a sustainable supply chain

During 2024, 97% of the amount awarded by Scottish Power was assigned to suppliers classified as sustainable based on the supplier evaluation model of the Iberdrola group.

In this model, the sustainability profile of each supplier is checked, verifying whether they have implemented policies and standards such as: a global strategy for environmental sustainability, measures for efficient use of water and energy, establishing measures for conservation of biodiversity, human rights due diligence strategy, a code of ethics or conduct, and health and safety standards, among others. Where a supplier falls short of meeting the required standard ScottishPower collaborates directly with them to help improve their sustainability, thereby driving change across our value chain.

We are committed to encouraging our supply chain to minimise environmental impacts such as greenhouse gas emissions, nature depletion or waste, doing this by:

- enhancing supplier engagement,
- working to improve data maturity,
- assessing impacts through the supply chain,
- collaborating to stimulate markets for new products and approaches,
- specifying for more sustainable products and services, and
- providing support to ensure our supply chain (particularly SMEs) can meet our requirements.



Ways of working (cont.)

Championing innovation

Innovation is at the heart of our drive for secure, affordable clean energy for the UK. Championing new technologies, bringing down the costs of electrification and ensuring that no communities are left behind, we continue to lead by example in making sure clean, affordable energy is available to all. Investing locally and thinking globally, we spent more than £56 million on innovation in 2024, leading the way towards a Net Zero future. We pride ourselves on collaborating with leading academics at institutions such as the University of Strathclyde and Imperial College London to access the latest thinking and R&D in decarbonisation.

Examples of our innovation projects:

Entering its thirteenth year, the TIC Low Carbon Power and Energy partnership is a strategic collaboration between ScottishPower, SSE and the University of Strathclyde, to tackle industry-wide challenges on the path to Net Zero. This partnership blends world-class academic research with deep technical expertise from both energy companies, enabling joint innovation across key areas such as digitalisation, grids, offshore wind, flexibility, and sustainability.

Our partnership with Energy Systems Catapult is helping to grow the Warm Home Prescription programme, an initiative that improves health and comfort through insulation and clean technologies. By focusing on vulnerable households, this programme supports the creation of warmer,

healthier, and more energy-efficient homes, while contributing to the UK's transition to low-carbon living.

ScottishPower is leading innovative projects in electricity transmission and distribution, focusing on resilience and advanced fault prediction. One such initiative, Predict4Resilience, uses AI and probabilistic forecasting to predict grid faults up to seven days in advance. By integrating historical fault data, asset information, and real-time weather forecasts, it enables proactive resource deployment and better storm readiness. Developed with the University of Glasgow, SSEN, and Sia Partners, the system will be embedded in SPEN's control centre, showcasing AI's transformative role in infrastructure management. It enhances network resilience, reduces power outages—especially for vulnerable customers—and improves communication ahead of severe weather. The project also lowers operational costs, cuts CO₂ emissions by reducing diesel generator use, and improves air quality. By introducing predictive capabilities, it drives innovation, fosters competition, and supports a smarter, fairer, and more sustainable energy future for UK consumers.

Maintaining a strong institution

ScottishPower maintains a strong Governance and Sustainability System, which sets the framework for all our business activity. Core to this system is the Scottish Power Code of Conduct, supported by a range of corporate policies, which set standards in relation to corporate governance and social commitment and how we expect employees and directors to behave in their role. Intrinsic within this is

a commitment to doing business fairly, ethically, and sustainably.

Responsibility for interpreting, promoting, and applying the Code of Conduct across the organisation sits with the independent Compliance Unit. This work includes maintaining compliance programmes to deliver the commitments against bribery, corruption and other financial or corporate crime. ScottishPower's Compliance programme has achieved Compliance Leader Verification by Ethisphere for meeting a number of the components of a best practice compliance system.

Going forward:

- As part of the Iberdrola Group, we aim to contribute to Iberdrola being officially recognised as one of the World's Most Ethical Companies, as compiled by Ethisphere
- We seek to ensure that our Compliance System is independently accredited and having achieved Compliance Leader Verification status from the Ethisphere Institute and ISO 37001 accreditation over the ScottishPower Anti-bribery Management System, we will aim to maintain these certifications in 2026 and going forward
- Our Compliance team aim to work with our Procurement colleagues to support overall improvements in the sustainability of our supply chain, through driving improvements in the compliance element of our suppliers' sustainability scores

Engaging with our stakeholders

We believe that effective and meaningful

engagement with our stakeholders is key to promoting the values of ScottishPower and successfully navigating the challenges and opportunities of a smart energy future. Our responsible and sustainable business model keeps stakeholders involved and provides them with shared added value. Through engaging with our seven identified stakeholder groups (Workforce, Regulatory Entities, Customers, Suppliers, The Media, Society at Large and The Environment) we aim to enhance our understanding of our stakeholders' priorities, share our objectives, challenges and goals, and look for ways to gain mutual benefits for all parties. Trust and respect can only be built up over time, and through our long association with these stakeholder groups we have developed strong partnerships.



Ways of working (cont.)

Ensuring justice and equality for all

We are committed to ensuring that the energy transition is fair, and that the people we serve have a stake in shaping it. For there to be a just transition to a greener future, we need to work in partnership with local communities, consumers, employees, supply chains and policy makers to realise our shared net zero ambitions.

Our Just Transition Strategy sets out our record of supporting communities, consumers and employees, and our commitment to a fair and equitable transition. Our approach is underpinned by four key principles: being a purposeful business; collaborating with our communities; sharing expertise and opportunity; and being fair for our current and future customers.

Attracting and retaining diverse talent and developing an open and supportive workplace where we all can grow is a key part of our ethos. Our employee networks are created and run by our people with a drive, and a real interest in bringing people and teams together - diverse backgrounds and experiences make us stronger. Supported by ScottishPower and led entirely by our people, the growing number of networks we have help create an innovative, integrated organisation where people feel valued, inspiring them to perform at their best.

As more people join, each employee network grows stronger - enhancing its ability to showcase its members and amplify their impact.

Our current networks include:



Created to give access to support and guidance on all aspects of being a parent or carer.



A confident and vibrant network for ScottishPower women and allies. The Connected Women network provides a platform for members to meet regularly to share their experiences and ideas. Connected Women was awarded the Employee Network of the Year at the 2025 Women in Utilities Network Awards.



Help to promote cultures and create a welcoming environment within ScottishPower to all irrespective of one's sex, religion, colour, orientation, ethnicity, or nationality.



Representing LGBT+ colleagues and allies alike promoting inclusion for all inspiring and supporting our people to feel they can be their true and authentic selves at work. In-Fuse was awarded the Employee Network of the Year at the 2025 Metro Pride Awards.



i-CAN aims to encourage, create, and promote authentic leadership for climate action in both the professional and personal lives of all ScottishPower employees.



Future Connections brings together people from across the business with an appetite to communicate and learn about activities across ScottishPower and the wider Iberdrola Group.



Created by a group of employees in ScottishPower to provide a platform for all our people who identify as disabled, neurodivergent, or having a long-term health condition, visible or invisible. The network will contribute to policy changes and raise the profile of disability across the organisation.



Governance and reporting

The ScottishPower Climate Change and Sustainability team are the owners of Action 2030 and have developed this document in conjunction with internal and external contributors.

Overall responsibility of Action 2030 rests with the ScottishPower Management Committee who review its contents, and any updates as required. The ScottishPower Management Committee will receive progress updates against the Strategy.

The Head of Climate Change and Sustainability will attend the ScottishPower Audit and Compliance Committee to report on progress against the Strategy. This allows the ScottishPower Audit and Compliance Committee, who have a supervisory role for sustainable development activities of the Company, to fulfil their role of informing the ScottishPower Ltd (SPL) Board of Directors on any aspects of the sustainability agenda.

Performance against targets and strategic actions will be discussed throughout the year at the Sustainable Development and Reputation Committee while delivery will be coordinated across ScottishPower by relevant cross-business working groups.

Environmental management

Complete environmental compliance forms the foundation of this strategy. Our corporate functions and operating businesses are certified to ISO14001:2015 Environmental Management Systems, driving a strong focus on compliance, risk reduction and continual improvement. Our environmental and sustainability policies can be viewed [here](#).

Relevant policies and strategies

[ScottishPower Sustainable Development Policy](#)

[ScottishPower Just Transition](#)

[ScottishPower Climate Action Policy](#)

[ScottishPower Biodiversity Policy](#)

Contact

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First published **April 2023**

Updated **December 2025**

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