ScottishPower

Greenhouse gas emissions reduction plan

Our plan to achieve our science-based greenhouse gas emissions reductions

Introduction

Welcome to the first edition of the ScottishPower Greenhouse Gas Emissions Reduction Plan. This plan lays out the actions we are taking to reduce our business greenhouse gas emissions in line with a climate science-based trajectory limiting global average temperature rise to 1.5°C above pre-industrial levels.

The actions within this plan are designed to meet our ambitious long- and short-term sciencebased emissions reduction targets, delivering on the commitments made in our sustainable development strategy, <u>Action 2030: Powering</u> <u>a sustainable future.</u>

These actions cover all aspects of our greenhouse gas footprint, across Networks, Renewables, Retail and Corporate functions. Our plan also indicates where external policy change is required to deliver our required reductions.



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Context

Global

We are living through a great acceleration, the evidence of which is all around us in the mass extinction of the natural world and soaring global temperatures. The need for transformative action has never been more urgent if we are to limit global average temperature increase to 1.5°C.

The power sector is the keystone for this transformation and must provide a steady source of green energy and smart technologies for industries, homes, transport and heat to decarbonise. While we do this, we must also ensure that we do so in a way that delivers on the UN Sustainable Development Goals, including reducing our own greenhouse gas emissions. We must also respond to evolving global requirements for greater disclosure of climate risks and opportunities, emissions performance and transition plans.

National

The UK and its devolved nations have translated the Paris Agreement commitments into greenhouse gas reduction targets of net zero by 2050 for England and Wales and 2045 for Scotland.

These targets are supported by subsidiary commitments and ambitions to fully decarbonise the UK's electricity system by 2035, deliver 600k heat pumps a year by 2028, end the sale of new internal combustion engine cars by 2030 and reduce the UK's final energy consumption from buildings and industry by 15% by 2030.

Large UK companies are now required to disclose climate risks and opportunities with targets for managing them including greenhouse gas emissions reduction targets. The UK Transition Plan Taskforce is also in the process of developing a framework which will require relevant companies to disclose their climate transition plans 'to contribute to and prepare for a rapid global transition towards a low GHG-emissions economy'.



ScottishPower

ScottishPower is the first integrated energy company in the UK to generate 100% green electricity. Our focus is on wind energy, smart grids and driving the change to a cleaner, electric future. We're investing over £8m every working day to make this happen.

We're committed to speeding up the transition to cleaner electric transport, improving air quality and over time, driving down bills – **to deliver a better future, quicker for everyone.**

We are part of Iberdrola Group, whose purpose is **'to continue building together each day a healthier, more accessible energy model, based on electricity'.**

We are committed to delivering our purpose in a sustainable way. <u>Action 2030: Powering a sustainable future</u>, our new sustainable development strategy, covers the actions we will take against the 15 UN SDGs aligned most closely with our business activities. Action 2030 focuses on six key themes clean energy, climate action, biodiversity and ecosystems, circular economy, our communities and work and skills. Within Action 2030, the Climate action chapter covers climate mitigation (how we reduce our greenhouse gas footprint), and touches on the management and disclosure of climate risk and opportunities.

This implementation plan outlines our actions to deliver on the climate change mitigation targets and commitments within Action 2030. Our ambition is that in future this plan will form part of a broader Climate Transition Plan covering mitigation, risks and opportunities and adaptation.





Performance to date

This plan takes 2019 as its baseline year, but should be seen within the context of significant greenhouse gas emissions reductions delivered over the last decade. In the chart below, our near-term science based GHG target line is shown as 'GHG Budget'.

ScottishPower Annual Greenhouse Gas Emissions¹



1 This graph uses market-based emissions figures where possible (own electricity use). We were first able to publicly report our full value chain emissions in our 2022 Strategic Report and we are working to retrospectively recalculate the footprint to cover the full value chain. At time of writing, the full value chain footprint has been calculated for 2019, 2021 and 2022 and 2020 is under development.

Our closure of Cockenzie and Longannet power stations and shift to 100% green generation significantly reduced scope 1 emissions, which now make up less than 1% of our total footprint. Making up around 6% of our total footprint, scope 2 emissions are predominantly made up of the greenhouse gas emissions related to the electricity which is lost from our network between generator and end user, the intensity of which is reducing year on year as the grid decarbonises.

In 2018, we introduced more comprehensive tracking of scope 3 emissions, including the emissions from the gas we sell for the first time. The data will continue to mature over time. Scope 3 emissions (primarily made up of emissions related to the gas and electricity we sell) now dominate the footprint.

ScottishPower Annual Scope 3 emissions 2019 baseline year



As a company driving societal decarbonisation, the context laid out above represents significant opportunities for business transformation and growth, such as increased onshore and offshore wind generation pipelines, and the creation of our new Smart Solutions and Green Hydrogen businesses. This plan outlines how we aim to achieve this growth whilst also delivering reductions in our absolute greenhouse gas footprint.

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Scope

Scope of this plan

This plan includes all of the actions we are currently delivering or planning to reduce our business greenhouse gas footprint, across our whole value chain, based on our footprinting using the Greenhouse Gas (GHG) Protocol aligned with the Science Based Targets Initiative (SBTi) criteria. The plan will be updated as new initiatives are developed and new green technologies become available.

Baseline year

The baseline year chosen is 2019, with data covering activities from 1st January 2019 – 31st December 2019. This baseline year was chosen as it is representative of ScottishPower current activities, and it was the most recent complete year when we started the process of developing the footprint.

Boundary

We used an operational boundary approach, including the emissions sources under the control of ScottishPower, including:

- Networks the networks part of the company covers all network assets used to transport electricity from generator to user, including overhead lines, underground cables and substations.
- **Renewables** the renewables part of the company covers all onshore and offshore generation assets, including onshore and offshore wind, solar photovoltaics and energy storage assets.
- **Retail** our customer facing arm, which includes the purchase and sale of all gas and electricity and the sale of smart solutions. The Hatfield gas storage facility is also included within the retail footprint.
- **Corporate –** the corporate functions of the company deals with finance, corporate affairs, human resources, IT, pensions and investments.



Exclusions

A small number of scope 3 emissions categories have been excluded as they are not relevant to our activities. Downstream transportation and distribution is excluded as the emissions related to the transportation and distribution of our products – e.g. gas and electricity – are already covered in other parts of our footprint. Processing of sold products is excluded as ScottishPower only sells final products. Franchises is excluded as ScottishPower does not license any franchises.

The new GHG Protocol Land Sector and Removals Guidance, and SBTi's Forest, Land and Agriculture Guidance (FLAG) were not available when we developed our footprint. FLAG emissions are therefore also not currently included, but will be assessed for inclusion in future iterations of this plan.

Methodology

Emissions were calculated using a market based approach, which takes account of our use of renewable energy. An alternative location-based approach relies on UK-wide generic emissions factors and we therefore provide a view of both approaches in our footprint reporting for comparison.

Stakeholder engagement

Our targets and this implementation plan have been informed by significant internal and external engagement.

Internal engagement

Strong internal engagement has been, and continues to be, essential to the setting of targets, the creation of this plan and the delivery of greenhouse gas reduction actions:

- Our CEO and Management Committee agreed the business case for the setting of science-based targets and the development of this plan, and have been engaged throughout the process.
- Representatives from across our operating businesses and corporate functions were engaged throughout the development of the science-based target and our crosscompany Greenhouse Gas Working Group has worked to identify the actions within this plan.
- Subholding greenhouse gas reduction workstreams have fed into the development of this plan.
- Business teams with high potential to influence greenhouse gas emissions have been prioritised to receive Carbon Literacy Project certified Climate Literacy training, including identifying greenhouse gas reduction actions they can take in their own teams.
- An online climate change training course has been made available to our whole staff population.

External engagement

The ongoing development and delivery of this plan is also heavily influenced by engagement with external partners and peers, including:

- Our independent Sustainable Development Advisory Group, made up of a diverse group of external experts.
- The Carbon Trust Advisory, who assisted us with end-to-end process of developing our sciencebased targets.
- The Infrastructure Client Group Carbon Task Group.
- The Scottish Business Climate Collaboration.
- Edinburgh Climate Commission.
- Sustainable Glasgow Green Economy Hub.



Target development process

Our Science Based Target was developed using the following process:



Footprinting and screening

A baseline greenhouse gas emissions footprint was measured for 2019:

- Actual activity-based data was used for the majority of the emissions footprint (over 85%).
- Emissions from network losses were estimated using the information provided annually by National Grid Electricity System Operator and the UK electricity generated emissions factor.
- Emissions associated with the supply chain were calculated using Environmentally Extended Input-Output (EEIO) factors. We are working to improve the accuracy of these supply chain and capital goods emissions by introducing supplier-specific activity data and emissions factors.
- Emissions related to waste generated in operations were estimated using waste activity data matched with relevant emissions factors.
- Emissions related to employee commuting were estimated using a staff survey and relevant emissions factors.

ScottishPower 2019 baseline greenhouse gas emissions

SCOPE	ACTIVITY	2019 BASELINE (tCO,e)
Scope 1	Combustion of natural gas	5,406
	Combustion of fuel for transport	8,011
	Combustion of fuel for generators	220
	Fugitive emissions (SF ₆ CH4 and refrigerants)	21,264
	Total Scope 1	34,901
Scope 2	Purchased electricity for own use - location-based	19,624
	Purchased electricity for own use - market-based	20,534
	Networklosses	824,300
	Total Scope 2 location-based	843,924
	Total Scope 2 market-based	844,834
Scope 3	Business travel	5,847
	Emissions associated with the supply chain	983,352
	Fuel and energy-related activities (including product related upstream emissions)	815,308
	Waste generated in operations	6,599
	Employee commuting	2,743
	Sale of electricity to end users (all sold electricity)	5,181,525
	Sale of gas to end users (use of sold products)	4,749,765
	Total Scope 3	11,745,139
	TOTAL SCOPE 1, 2 AND 3 LOCATION-BASED	12,623,964
IUIALO	TOTAL SCOPE 1.2 AND 3 MARKET-BASED	12.624.874

Feasibility analysis

Future emissions were modelled against a number of scenarios taking into account planned emissions reduction initiatives. This analysis considered:

- Different grid decarbonisation scenarios.
- Planned initiatives, such as renewable generation pipelines and fleet decarbonisation.
- Prevailing external policy conditions.

Near-term target proposal

Our GHG reduction target methodology was agreed in line with the requirements of the Science Based Targets Initiative (SBTi). Targets were then developed and proposed to be as ambitious as possible within the constraints identified by the feasibility analysis.

- An absolute contraction methodology was chosen as the most appropriate for our footprint and aims, meaning that our target would be based on absolute reduction of emissions, rather than reductions in emissions intensity.
- Targets were developed to meet or exceed a 1.5 aligned emissions reduction pathway, with the exception of scope 3 gas sold emissions, where a well-below 2-degree target pathway was agreed as more credible given current national heat decarbonisation policy and progress.
- The proposed targets were submitted to the SBTi for official validation.

Validation

Our proposed near-term targets received official validation in line with global best practice and climate science by the SBTi.

- SBTi experts reviewed our submission against the science-based criteria.
- The SBTi completed the validation, approved the targets and provided detailed feedback.

In addition, Iberdrola Group's long-term net zero targets have also been validated by the SBTi.



Greenhouse gas emissions reduction plan

The targets



Near-term targets

ScottishPower commits to reduce absolute 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 (market based).

Our overall target is made up of several subsidiary targets:

- ScottishPower commits to reduce absolute scope 1 and 2 GHG emissions 47% by 2030 from a 2019 base year.
- ScottishPower commits to reduce scope 3 category 3 emissions from all sold electricity 100% per MWh by 2030 from a 2019 base year, equivalent to a 100% absolute reduction. All sold electricity refers to the electricity that we buy from the market to our customers.
- ScottishPower commits to reduce absolute scope 3 GHG emissions from use of sold products 28% over the same timeframe. Use of sold products refers to the gas that we sell to our customers.

Long-term net zero target

ScottishPower aligns with the Iberdrola parent group science-based net zero Target:

Iberdrola SA commits to reach net zero greenhouse gas emissions across the value chain by 2039 from a 2020 base year.

This includes a 90% overall reduction in value chain emissions by 2039.



Implementation

Summary

Emissions from the electricity and gas we sell make up around 80% of our total footprint (40% and 40% respectively). Our green generation will supply 100% of our customer electricity demand by 2030 – mainly driven by our flagship East Anglia Hub offshore wind project. The area of our plan with the greatest level of uncertainty is our pathway to decarbonising the gas that we sell, which is reliant on the wider policy environment for the decarbonisation of heat. Our ambition is aligned with the UK Climate Change Committee's central pathway for the 6th carbon budget and we are focused on playing our part in the transition by championing low carbon solutions and providing smart solutions such as heat pumps to our customers.

Emissions related to the electricity lost from our network make up 6% of our

footprint. To a great extent, these are driven by the UK grid mix – we do not control the source of the electricity as it is our responsibility to transport generated electricity regardless of its source. The emissions associated with losses decrease as the UK grid mix becomes greener. We therefore expect these to fully decarbonise by 2035 in line with stated policy. Our losses footprint is currently calculated using UK-wide grid emissions factors, but as our network areas are two of the most decarbonised in the country – and typically net exporters of green electricity – the actual emissions are likely to be lower than our estimates.

Emissions related to our supply chain typically make up around 6-8% of our

footprint. We have implemented a supplier platform (GoSupply) which assesses suppliers Environment, Social and Governance (ESG) credentials and enables us to put suppliers on detailed improvement plans if they do not meet the required grade. Our operating businesses are embedding greenhouse gas reduction and tracking requirements within tender specifications. We are working to enhance data collection from our suppliers and develop suitable key performance indicators. All of these initiatives will be brought together into a central tendering toolkit for climate, enabling greater consistency across all parts of our company.

The remaining 6-8% of our footprint includes:

- Sulphur hexafluoride the majority of which lies with our networks business programmes are underway to reduce leakage and install alternatives with lower global warming potential. Our aim to end the installation of new SF₆-filled assets from 2028 (where cost effective and technically viable alternatives are available) is aggressive and relies upon a range of regulatory and supply chain enablers being in place.
- **Generator fuel use** biofuels have been successfully piloted and a rolling programme is in place to include these in new tender specifications. Battery packs are also currently under consideration.
- **Fleet fuel use** fleet decarbonisation is underway in line with our commitment to the EV100 commitment to fully electrify light vehicles by 2030.
- **Own gas use –** initiatives are underway to rationalise our office buildings, replace older heating systems and reduce gas venting and leakage from our gas storage facility.
- Own electricity use the vast majority of our own electricity use is now on green tariffs and plans are in place to transition the remainder alongside energy efficiency initiatives.
- **Business travel** we have implemented a sustainable travel policy based on the sustainable transport hierarchy.
- Upstream and downstream emissions these are the 'well-to-tank' emissions related to our activities, which are decreasing as our activity-based emissions reduce over time. For example, the emissions related to producing the diesel our fleet uses will reduce as we transition to an electrified fleet.
- Waste generated in operations these are the emissions related to the waste we produce in our activities. We are working to reduce these through circular economy and waste reduction initiatives and by diverting waste to reuse and recycling.
- **Employee commuting** we offer several schemes to encourage employees to adopt low-carbon travel options, such as public transport season ticket loans and support for electric vehicle adoption.

Overarching actions		enewables	etworks	stail	orporate	020-2025)25-2030	30-2039
ACTIONS	ĴΪ	ď	Ž	ď	Ŭ	5	50	50
BUSINESS PLANNING								
Maintain and continually renew business planning alignment with ScottishPower and Iberdrola GHG targets and 1.5 degrees	Μ	Х	Х	Х	Х			
Ensure projects consider how best to minimise lifecycle emissions	Μ	Х	Х	Х	Х			
Continually review the impact of business transformation on GHG emissions	L	Х	Х	Х	Х			
Explore options for establishing internal carbon pricing	Μ				Х			
Explore options for integrating carbon budgets into annual planning processes	L				Х			
Refresh Science Based Target at 5-year point in line with SBTi requirements	L				Х			
Launch Sustainable Development Strategy	L				Х			
CAPACITY BUILDING AND OBJECTIVE SETTING						1		
Executive team complete sustainability and climate training	L	Х	Х	Х	Х			
Staff with responsibility for high materiality emissions complete face-to-face climate literacy training, certified by the Carbon Literacy Project	L	Х	Х	Х	Х			
All staff complete online climate literacy training	L	Х	Х	Х	Х			
Senior leaders have objectives that support the delivery of the GHG implementation plan	L	Х	Х	Х	Х			
All staff have set GHG reduction objectives as relevant	L	Х	Х	Х	Х			
PROCESSES AND DISCLOSURE								
Embed GHG reduction within relevant business processes	L	Х	Х	Х	Х			
Comply with the requirements of the Taskforce on Climate-related Financial Disclosures					Х			
Publish a Climate Transition Plan in line with recommendations of the Transition Plan Taskforce					Х			
ENGAGEMENT AND INFLUENCING								
Advocate for renewables auctions that encourage developers to reduce GHG and other environmental impacts	М	Х			Х			
Develop partnerships and contribute to relevant collaboration in order to accelerate decabonisation in Scotland and across the UK		Х	Х	X	Х			



*We have included a high level view of current uncertainty levels, which are largely driven by external policy or technological readiness levels.

Scopeland 2		enewables	etworks	stail	orporate	20-2025	25-2030	30-2039
ACTIONS	5Ì	ž	Ž	ž	ŏ	3	3	30
FLEET								
Install EV chargers at relevant sites	L	Х	Х	Х	Х			
Move 100% of light vehicles to EV by 2030 in line with EV100 commitment	L	Х	Х	Х	Х			
Decarbonise heavy fleet	М	Х	Х	Х	Х			
SULPHUR HEXAFLUORIDE (SF,)								
Pilot equipment using alternatives to SF_{6}	М	Х	Х					
Deliver SF ₆ leakage reduction initiatives	L	Х	Х					
Deliver SF ₄ asset replacement programmes as required	М		Х					
End the installation of new SF ₆ -filled assets from 2028 where cost effective and technically viable alternatives are available	М	Х	Х		Х			
Develop programme for ending the installation of SF ₄ -filled assets across our business		Х	Х					
OWN GAS USE								
Explore options to replace gas turbine with electric motor at gas storage site				Х				
Reduce venting and fugitive emissions at gas storage site	L			Х				
Replace gas heating systems					Х			
GENERATORS								
Transition to sustainable biofuels for relevant generator contracts	L	Х	Х	Х	Х			
Pilot battery alternatives to traditional generators where practicable	L	Х	Х					
BUSINESS AND SUBSTATION ELECTRICITY USE							1	
Move remaining substation, building and radio base station use to green tariffs		Х	Х					
Deliver substation energy efficiency programmes			Х					
Deliver Energy Savings Opportunities Scheme actions		Х	Х	Х	Х			
NETWORKLOSSES								
Deliver loss minimisation programmes			Х					

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Greenhouse gas emissions reduction plan		oles	S		e	25	30	39
Scope 3		newał	twork	tail	rpora	20-20	25-20	30-20
ACTIONS	53	Re	Š	Ř	ပိ	5	50	20
ELECTRICITY & GAS SOLD								
Advocate for acceleration of heat decarbonisation	Н			Х	Х			
Deliver customer energy efficiency programmes	L			Х				
Own green generation to supply 100% of our customer demand by 2030	L	Х		Х				
Provide 4.8m Smart Solutions by 2030	М			Х				
PURCHASED GOODS AND SERVICES & CAPITAL GOODS								
Implement 'Go Supply' ESG supplier management platform	L	Х	Х	Х	Х			
Develop tendering toolkit to centralise best practice on supply chain GHG reduction		Х	Х	Х	Х			
Work with partners to develop supply chain training and information hubs		Х	Х	Х	Х			
Improve supply chain GHG data collection and management	L	Х	Х	Х	Х			
Develop SteelZero roadmap		Х	Х		Х			
Embed SteelZero commitments in specifications and contracts		Х	Х		Х			
TRANSFER VESSEL FUEL USE					1			
Standardise offshore charging		Х						
Implement port charging for hybrid vessels		L						
BUSINESS TRAVEL								
Continue to minimise business travel and promote lower carbon options through sustainable travel policy		Х	Х	Х	Х			
EMPLOYEE COMMUTING								
Complete net zero workplace transformation	L	Х	Х	Х	Х			
Continue rail season ticket loans	L	Х	Х	Х	Х			
Continue staff EV salary sacrifice scheme		Х	Х	Х	Х			
Consider commuting impact as relevant when selecting new sites		Х	Х	Х	Х			
WASTE								
Create circular economy baseline					Х			
Develop and deliver blade reuse/repurpose/recycling strategy		Х						
Develop and deliver component refurbishment and materials reuse strategies		Х	Х					
Update business processes to embed circularity		Х	Х	Х	Х			

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Offsetting

Whilst our main focus is on reducing the absolute emissions in line with climate science. we must also prepare to offset our residual emissions. We are working to build a rigorous and best practice offsetting strategy that ensures our engagement in this market delivers multiple UN SDG benefits, minimises any credibility risk and delivers permanent removals. Our strategy will draw on the latest national and global standards and best practice, including the SBTi Net Zero Standard

Governance

The development, delivery and disclosure of this plan and its related initiatives is subject to strict governance:

- Our Greenhouse Gas Reduction Working Group meets quarterly to discuss progress, share best practice and carry out cross-business activities for greenhouse gas reduction.
- Each of our subholding businesses and relevant corporate functions has their own greenhouse gas reduction workstream, all of which feed into the overall greenhouse gas working group and support activity delivery and tracking via scorecards and data collection.
- Our CEO receives a quarterly report tracking reduction activities and emissions, supported by a GHG Scorecard and our web-based reporting tool, Sygris.
- **Our Management Committee** receives a bi-annual update on science-based target delivery, high materiality implementation actions, risks, issues and enablers.
- Our Audit & Compliance Committee receives an annual update on progress.





Data

A complete, accurate and mature dataset is essential to the delivery and tracking of our greenhouse gas reduction targets.

Our greenhouse gas data has been built up over decades of reporting and experience. We therefore have high confidence in the completeness and accuracy of data covering around 92% of our greenhouse gas footprint.

The remaining 8% represents emissions related to capital goods and purchased goods and services. This area of data is therefore a key focus. We are working to better understand the data available from our suppliers to improve the accuracy of our footprint calculations and better track the impact of our decision making and procurement choices on reducing the GHG emissions impacts of goods and services. As we do this, the greenhouse gas footprint from these activities will mature over time.

Our business units report greenhouse gas data via our global platform, Sygris. In previous years this process has been carried out annually, but in 2023 we are moving to quarterly tracking, starting with the most material emissions first. This tracking will support the governance process laid out above.

Reporting

We will comply with all relevant climate reporting requirements and aim to align with best practice.

Our greenhouse gas emissions will be reported annually in the ScottishPower Strategic Report and in the relevant Iberdrola annual reports. We will further develop our reporting in line with best practice and wider climate disclosure requirements.



Key words

WORD	DESCRIPTION
Absolute contraction	The reduction in total greenhouse gas emissions (as opposed to emissions intensity, which is the volume of emissions per unit of output).
Carbon Literacy Project	Cross-sector project working to advance understanding and action on climate change through the provision of accredited carbon literacy training.
CEO	Chief Executive Officer, ScottishPower Group.
Climate adaptation	Preparing for, or adjusting to the current or expected effects of climate change.
Climate mitigation	Reducing or removing greenhouse gas emissions to limit climate change.
Climate Transition Plan	'A time-bound action plan that clearly outlines how an organization will pivot its existing assets, operations, and entire business model towards a trajectory that aligns with the latest and most ambitious climate science recommendations.' Carbon Disclosure Project.
Corporate functions	Central functions including Sustainability, Innovation, Procurement, Financial Control, IT, Human Resources and General Services.
Emissions intensity	The volume of emissions per unit of output, such as tCO $_2$ e/GW renewable capacity or tCO $_2$ e/ \pounds revenue
Environmentally Extended Input-Output (EEIO)	Analysis that links economic consumption to environmental impacts, such as greenhouse gas emissions.
Footprinting	Quantifying the amount of greenhouse gases emitted during the creation of products or services.
Greenhouse gas	Natural and human-made gases which trap heat in the earth's atmosphere, causing global heating. The primary greenhouse gas is carbon dioxide (c.81% of UK emissions), followed by methane, nitrous oxide and fluorinated gases.
Greenhouse Gas Protocol	The most widely recognised global greenhouse gas accounting standard.
Management Committee	Membership consists of representatives from across ScottishPower, including the Chief Compliance Officer, the Head of Audit, the Director of the CEO's Office, as well as representatives from Energy Networks, Renewables and Energy Retail and Wholesale.
Net zero	Achieving balance between Greenhouse Gas (GHG) emissions produced and removed from the atmosphere. Under the SBTi definition, targets must cover scopes 1, 2 & 3, reductions must align with a 1.5°C pathway and residual emissions must be specifically removed rather than offset.
Operating businesses	SP Renewables, SP Retail and SP Energy Networks.
Paris Agreement	An international treaty on climate change, adopted in 2015. Covers mitigation, adaptation and finance.
Science Based Targets	Targets adopted by companies to reduce GHG emissions that are in line with climate change science and the Paris Agreement. https://sciencebasedtargets.org/
Science Based Targets Initiative (SBTi)	'Drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.' A partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi call to action is one of the We Mean Business Coalition commitments.'



Key words continued

WORD	DESCRIPTION
Scope 1, 2 and 3	Greenhouse gas emissions are grouped into three categories called Scopes: Scope 1 relates to direct carbon emissions from owned or controlled sources, such as fuel combustion. Scope 2 relates to the indirect carbon emissions from the generation of purchased electricity, steam, heating and cooling. Scope 3 relates to all other indirect emissions within the value chain.
Screening	The use of spend data and EEIO factors to estimate emissions related to goods and services purchased.
Stakeholder engagement	Identifying and engaging with those who can affect or be affected by the work that an organisation does, to enable them to co-create and shape business plans.
Sulphur Hexafluoride (SF6)	SF6 gas is a human-made gas used extensively in electrical equipment as an insulator and arc-quenching medium. It has excellent insulating properties but has a global warming potential 23,500 times that of carbon dioxide.
Sustainable development	'Meeting the needs of the present without compromising the ability of future' Brundtland Commission.
Taskforce on Climate-related Financial Disclosures	'The Financial Stability Board (FSB) created the TCFD to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks – risks related to climate change.'
tCO ₂ e	Tonnes of carbon dioxide equivalent. Metric used to compare the emissions from various greenhouse gases on the basis of their global- warming potential (GWP) in comparison to the GWP of carbon dioxide. For example, methane has a global warming potential of 28 x carbon dioxide, so methane emissions are multiplied by 28 to indicate their CO ₂ equivalent, enabling like-for-like comparison.
Transition Plan Taskforce	'The UK Transition Plan Taskforce (TPT) was launched by HM Treasury in April 2022 to develop the gold standard for private sector climate transition plans in the UK. The TPT will also inform and build on international disclosure standards. It has a two year mandate.' Transition Plan Taskforce.
UN Sustainable Development Goals	'The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated – they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability. United Nations Development Programme.
Value chain	The full lifecycle of a product or process, including the sourcing materials, production, consumption and reuse, recycling or disposal.
Well-to-tank emissions	The GHG emissions related to the production, processing and delivery of fuel or energy.



Contact

We hope you have found this plan informative and useful.

For more information or engagement, please contact sustainability@scottishpower.com



