



Our progress and commitments

towards the United Nations
Sustainable Development
Goals





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Sustainability - at the heart of what we do and how we do it

Sustainability has been a growing part of our DNA for more than a decade. Throughout that time, our ambitions have grown and our strategy has evolved. We recognised that our approach needed to be more holistic and more inclusive. That's why the UN Sustainable Development Goals (SDGs - see p6) are so important to us. This report captures many of the ways in which SGN supports sustainability through the lens of the SDGs. These goals provide an excellent way of describing what we do and what drives us as a business.

We have a key set of priorities that include maintaining gas supplies to our customers, acting safely, managing costs, providing energy solutions for the future, reducing our environmental impact and supporting vulnerable customers - all achieved by delivering excellent service. These priorities and others, such as driving innovation in our industry, can be aligned with the SDGs set by the United Nations, which are increasingly seen as the consistent way to report on progress.

In this report we evidence what we are doing to deliver against these goals in providing services for our customers and in managing our resources. We recognise we play a key role in helping the UK meeting its climate change targets and we are working hard to decarbonise our gas supply with a range of innovative approaches. We recognise that we can also deliver social and economic benefits and this drives how we deliver our services, to manage costs and support our vulnerable customers.

With the UK planning to host COP26 this year, this report provides a timely summary of what we are doing to embed sustainability, showcasing how the SDGs are a driving force behind what we do and how we do it.

John Morea, CEO SGN





Committed to building a more sustainable business

I am delighted that SGN has produced this report which demonstrates the breadth of our commitment to sustainability, using the UN Sustainable Development Goals as our guide and framework. While SGN has a focus on keeping gas flowing safely to 5.9 million homes and businesses in Scotland and the south of England, we have an important role and responsibilities across the company and throughout our communities to drive deeper sustainability.

A key aspect of this is decarbonising gas, to meet the net zero carbon emissions targets set by the UK and Scottish governments. We are working hard to support the decarbonisation of heating and transport, enabling the move from using fossil fuels like natural gas and diesel to zero-carbon alternatives like hydrogen and biomethane.

But we are doing more, and this report shows how we are contributing to social and economic imperatives, reducing our environmental impacts while embracing innovation both in technologies and ways of working.

In Levenmouth in Scotland we are delivering H100 Fife, a world-first project that uses offshore wind to produce 100% renewable hydrogen for domestic heating using a dedicated electrolysis plant powered by a nearby offshore wind turbine.

Our Robotics Roadworks & Excavation System, the world's first fully electric excavation and roadworks robot, is reducing environmental impacts, lowering costs and improving efficiency.

And our locking cooker valve is helping to reduce the risk to some of our most vulnerable customers, their families and carers, enabling them to retain their independence without the risk of accidentally turning/leaving the gas on.

We are also working to create a diverse and inclusive workforce by delivering on the ambitions of our Diversity & Inclusion (D&I) Action Plan and are playing a role to ensure the energy industry is a more accessible sector in which our people feel empowered, valued and respected.

The examples in this report show how SGN is continuing our sustainability journey. Progress is encouraging and, year on year, we will continue to improve, learn and deliver on our commitments to build a more sustainable business.

Laura Sandys CBE, SGN Independent Director, and Chair of the SGN Stakeholder, Environment and Customer Committee





We are SGN

SGN manages the network that distributes natural and green gas to 5.9 million homes and businesses across Scotland and the south of England. Whoever your supplier is, if you live or work in the regions we cover, it will be our pipes delivering your gas safely, reliably and efficiently to your door. As SGN Natural Gas, we're also developing a new gas network in the west of Northern Ireland, looking to bring natural gas to 40,000 customers for the first time.

Every year we connect around 20,000 new gas customers to our network. As you'll see in this report, that includes helping thousands of our most vulnerable customers heat their homes for less.

We are committed to upgrading our network to ensure gas is a sustainable and green energy source for many years to come. We're using the latest technology to minimise disruption as we replace, renew and maintain our pipes. By improving the gas network and working towards our net zero goals, we will continue to keep homes and businesses safe and warm long into the future.





The United Nations Sustainable Development Goals

In 2015, 193 world leaders agreed to 17 Sustainable Development Goals. Also known as the Global Goals or the SDGs, they are a universal call to action to end poverty, protect the planet and ensure all people enjoy peace and prosperity by 2030. To achieve them, every responsible business needs to contribute to them.

The SDGs are at the heart of our sustainability strategy. They help us focus on what matters. They show how our activities fit into the bigger picture and help us hold a bigger conversation on sustainable development.

They remind us that, to achieve our targets, we need a co-ordinated approach that involves all our stakeholders.

This report

SGN's actions impact many of the SDGs. This report showcases how our sustainability strategy aligns most strongly with eight of them. You'll see how our work is making a real difference to our customers, our people and the communities we serve. You'll see the specific targets our actions are enabling us to meet. And you'll hear from the people who are helping to bring the SDGs to life every day.



SUSTAINABLE DEVELOPMENT GOALS



What does sustainability mean to us?

Sustainability is a broad term. The Sustainable Development Goals define 17 goals which all add up to one big picture of sustainability. As an organisation, we know what sustainability means to us. But what does it mean to our people?

"Sustainability is about being mindful of the resources we use in order that there is enough left for future generations and that we're not being destructive whilst doing so."

Dawn, SHE Admin

"It means to reduce carbon footprint, paper, plastic and to do a lot more recycling."

Michelle, Facilities Co-ordinator and Environment Champion

"Our values and practices reflect the highest moral and ethical standards, for our planet and everything and everyone living on it."

Steve, SHE Manager

"SGN's medium and long term future depends on finding a sustainable business model and promotion of a sustainable resource for the customer. An ethical business with succession plan in place for vehicles, plant and equipment, as well as people would help ensure that SGN is still here into the future to manage the future gas network as it changes to meet the demands of its customers."

Stewart, SHE Manager

"I believe that SGN's work in promoting a greener future has been pivotal in making key innovations, which will be crucial in ensuring our planet's future. I was particularly captivated by their plans for H100 Fife"

Edinburgh Napier University
Student involved in project to
reimagine our historic sites
(see p23)

"SGN working as a team to create a safe reliable hydrogen future for the UK"

Keston, Safety, Health and Environment (SHE) Manager

"To control and minimise the adverse environmental impacts from built environment and the way that buildings are used."

Neringa, Facilities Co-ordinator

"I believe the key to sustainability must be that whatever we do we never take away or use more than what was present before we started. If we use 10 units of energy we must create 10 units within SGN to offset these - never, ever leave a deficit!"

Frank, SHE Manager



"For me, sustainability is about protecting the now to ensure the future. This could be looking at how we source and use materials to identify future markets that can provide long term works, make the business better/greener and reduce our operating costs."

Terry, SHE Manager



3 GOOD HEALTH AND WELL-BEING



Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages

Helping people with dementia

Around 850,000 people in the UK have dementia and we're immensely proud of the work we've been doing across the company to raise awareness of dementia and spot the signs, so we can better support our customers.

Nearly 2,500 of our people have taken time to become a Dementia Friend. We've also made Dementia Friends training an optional element of our onboarding process.

The Alzheimer's Society's programme aims to change people's perceptions of dementia and transform the way people think, act and talk about the condition. Our Dementia Friends learn more about dementia and the small ways they can help.



One way SGN saw we could help was with a locking cooker valve. A gas cooker can present a risk for people with dementia, their families and carers. But with a simple safety device which we supply and fit for free - the gas supply to the cooker can be temporarily stopped by the carer or relative, so our vulnerable customers can retain their independence without the risk of accidentally turning/leaving the gas on.

We designed and developed the process for installing the valve and piloted the initiative. Now, the locking cooker valves are in homes across Scotland and the south of England. And we are partnering with Cadent, Northern Gas Networks and Wales & West Utilities to ensure our innovative process is offered free to people nationwide.

You can find out more and make a referral [here](#).

Living with dementia is just one of the conditions that entitles customers to sign up to the Priority Services Register. It's a completely free and confidential service that means customers will get extra help (such as alternative heating and cooking facilities) if they end up without their gas supply.

Find out more and sign up [here](#).

We are committed to:

› Ensuring everyone goes home safe and well



› Changing the way we all think and act about mental health and creating a supportive environment for everyone

What's the Global Goal?

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

Sustainability is...



"As a parent, it's become increasingly important to me to work for a company that balances people and profit with looking after the planet. As a forward thinking company, SGN's investment in sustainability... increases our reputational value and attracts employees motivated to make a difference in their community."

Eileen, Health and Safety Support Assistant



Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages



Each supporter has attended an Advanced Mental Health Awareness at Work workshop, organised in collaboration with RehabWorks. Our HR managers have received the same training and we've used a series of ten mental health awareness webinars to increase line manager knowledge and understanding.

Each year, as part of Mental Health Awareness Week, we share our personal stories of struggles with mental health issues. We talk about some of our coping mechanisms on our social media channels and on our internal employee app.

We've trained to support mental health

Stress. Anxiety. Feeling that you're struggling to cope. Mental health is an issue affecting 1 in 4 people every year – and that was before the pandemic. Fortunately, we started training SGN employees to be Mental Health Supporters in 2019 and we've now got almost 100 of them available to help 4,000 friends and colleagues across the business.

Their role is simply to be there, offering support in what might otherwise be a 'hidden' struggle, and directing them to find the most suitable source of help, such as our Employee Assistance Programme.

"It's fantastic to see so many colleagues volunteering to become our Mental Health Supporters. The webinars and workshops have been very successful, and it's great to finally have our Mental Health Supporters available for those colleagues who may need them."

Val, HR Business Partner (Scotland and Northern Ireland Operations) and HR Wellbeing Project team lead

Fighting fatigue

Fatigue is not often recognised as a workplace hazard, but it has the potential to affect our employees' health, reduce quality of life and increase the risk of accidents at work, home and on the road.

The more hours people work, the greater the risk of fatigue affecting them, so we measure all extended hours (that is, anything over 12 hours within a 24 hour period). We've launched a project with the University of Surrey looking into the effects of fatigue, and we're improving the way we monitor fatigue and improving our policy on extended hours working.





3 GOOD HEALTH AND WELL-BEING



Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages



George and Friends, our educational tool for kids, was launched in 2020. There are online games, quizzes and competitions to help young people and their families learn all about gas. We've also produced booklets with fun facts, games and stickers.

The digital leaflet produced for families, which has been shared across schools in areas of deprivation, also includes advice on energy cost worries and how to join the Priority Services Register. We've also developed a tailored version of the leaflet for schools that support children with disabilities.

Learning about gas

We want to engage every member of the communities we serve – and that includes children. Prior to the pandemic you'd have found SGN's people in schools across our regions. In 2019/20 we delivered gas safety awareness sessions in 22 schools to around 3,780 pupils. During the pandemic we've been working on a digital 'Help for Parents' leaflet to continue our awareness work.

In school and digitally, our engagement work serves several purposes:

- › How to stay safe around our sites, equipment and outdoor working areas
- › Carbon monoxide (CO) awareness, and the importance of getting an alarm, testing it and maintaining it
- › Energy saving tips
- › Who to contact in an emergency



Everyone home safe and well



Home safe, every day. That's what we expect for all our employees and safe days are one of the ways we set safety targets, monitor and improve our performance.

A safe day is any day one of these doesn't happen:



Non-safe day categories
Cable strikes - street furniture
Cable strikes - service cable
Cable strikes - low voltage
Cable strikes - high voltage
1-7 day lost time injury
1-7 day restricted work injury
Medical treatment injury
No lost time injury
Non-work-related injury
Over 7 day lost time injury
Over 7 day restricted work injury
Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)-specified injury
Physical assault
Member of public (MOP) - blameworthy
MOP - blameworthy RIDDOR
Fatality
Road traffic collision (RTC) 1 potentially accountable
RTC 2 potentially accountable
RTC 3 potentially accountable
RTC 4 potentially accountable
Kidnap and ransom



Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages

How we've been helping during the pandemic

Every day has brought new challenges as we've worked to adapt to the pandemic. Often, we've been the first people to enter our customers' houses in months, so our role has involved far more than simply 'fixing the gas'.

Here are just three ways we helped:

1 When you're concerned about your boiler it will be an SGN First Call Operative (FCO) who arrives on the scene. That's what happened to one elderly SGN customer during the pandemic. His gas supply needed to be turned off until the repair was sorted and the FCO left a fan heater with him, but the customer was worried about the cost of the repair. The FCO sent the customer's details to our Careline team, asking them to check in on him and offer a voucher to help pay for the repair. When the customer received our offer he wasn't just overwhelmed - he initially thought it was an April fool!

2 A CO alarm is important in any home, but it needs to be set up correctly and you have to know how to use it. When a customer called asking for advice about her alarm, our Careline team realised that a safe and well visit would help. We called the customer back to offer this and the local fire and rescue service took the referral on. We also added her to the Priority Services Register, so if she needs our help again, we'll know she's a priority.

3 An escape of gas. An unwell customer. The CO monitor had triggered, suggesting a build-up of CO in the building but it was also possible that the customer's symptoms were COVID-related. When our FCO arrived, he immediately called an ambulance and sat with the customer. He then made the premises safe once they were en route to hospital.

When we checked back to see how the customer was, he had just arrived home and was extremely thankful for the assistance that he said had helped save his life. He wrote:

"Thank you so very much for all you have done, I am truly overwhelmed and very grateful."



5 GENDER
EQUALITY

Gender Equality

Achieve gender equality and empower all women and girls



Achieving a better gender balance

Diversity and inclusion – in all its forms – matters to SGN. It helps us understand our customers and workforce better. It increases innovation and creativity. It helps us attract and retain the best talent. And it helps make SGN a great place to work for everyone.

Traditionally, we know we've had a predominantly male workforce but we've been working hard to create a more gender-balanced company.

- › Our Operational Insights Programme has given female colleagues interested in pursuing a career in Operations the chance to job shadow and spend time with a number of different operational teams. They're gaining an appreciation of the work that's involved in upgrading, repairing and maintaining our network, and opening up fresh career paths.

"I'm really looking forward to starting the programme. I've worked in the gas industry for over 20 years and I've always had an interest in a more hands-on role. I'm keen to explore which operational roles align with my strengths and interests and learn more about the network." **Shamila**, Admin Assistant

- › Our RISE programme helps women develop their confidence, respond assertively to difficult situations and learn to develop their leadership style. With one cohort having successfully completed the programme in 2019/20, a further 15 colleagues from across the business have taken part in the second RISE cohort in 2020/21.

"[RISE] gave me the opportunity to develop my confidence, leadership skills and build a network of valuable business contacts." **Louisa**, Project Manager

We are committed to:

- › Being a diverse and inclusive place to work
- › Creating a positive speak-up culture where everyone feels empowered to challenge inappropriate behaviours
- › Eliminating any gender bias from our HR processes to ensure we reflect diverse needs

What's the Global Goal?

5.1: End all forms of discrimination against all women and girls everywhere.

5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

5.B: Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.

5.C: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.



Gender Equality

Achieve gender equality and empower all women and girls

Award-winning Solutions for the Planet

The UK has a well-publicised ‘STEM gap’. Girls remain far less likely to follow a career in science, technology, engineering or mathematics than boys. SGN is playing its part in addressing that, in award-winning style.

Solutions for the Planet (S4TP) delivers community engagement programmes that encourage young people to explore opportunities and careers in STEM.



“The programme encourages critical thinking, problem solving, teamwork, builds an appetite for science, technology, engineering and maths careers and nurtures young people’s natural creativity. It also give employees at SGN the opportunity to volunteer in local schools, develop their own leadership and mentoring skills and learn more about key sustainability issues. SGN has been a key strategic partner of the Big Ideas Programme for the last six years supporting us to expand our impact in Southern England and Scotland and reach up to 4,000 young people nationally every year.”

Jen Baughan, CEO, Solutions for the Planet

Part of that is the Big Ideas Competition, where young people are challenged to develop and implement innovative, sustainable business solutions which address key issues facing our planet. In 2020, a team of secondary school pupils from Stirling mentored by SGN won S4TP’s national final.

The Food for All team from Bannockburn High School wowed judges and MPs with their idea to tackle food waste and poverty. Their plans involved a café that redistributes food to people in need and a campaign to educate people about healthy eating.

The team was mentored by Grant, Area SHE Manager (Scotland and Northern Ireland).

“I’ve been involved with S4TP as a business partner mentor for two years now and have enjoyed the experience. There’s a sense of pride that you’re supporting our workers and leaders of the future, while passing on your skills and experiences. Congratulations, Food for All!”

Grant is far from the only S4TP mentor involved in the programme. Over the past four years, 73 SGN mentors (48 in the South East and 25 in Scotland) have worked with almost 4,000 young people, helping to inspire a new generation in STEM.





7 AFFORDABLE AND CLEAN ENERGY



Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all

A driving force in Gas Goes Green

Britain's gas network connects around 23 million households through 284,000km of pipelines. Keeping all of those customers safe and warm while cutting carbon requires all the gas networks to work in close partnership.



That's why we're part of [Gas Goes Green](#), a programme to deliver a net zero gas grid in the most cost-effective, least disruptive way possible. Together, we are overcoming engineering challenges, developing new policies and listening to businesses and consumers so that we can provide our customers with clean energy, reduce carbon emissions, and deliver sustainable jobs and economic growth. As part of Gas Goes Green, we're leading a number of ground-breaking research projects that are helping the UK switch to clean energy.

Sustainability is...

"A carbon neutral business run on renewable energies and remaining relevant in the future by innovating and replacing the natural gas in our pipelines with green gas"

Grant, SHE Manager

We are committed to:

- › Providing clean renewable energy to our customers
- › Delivering a safe and efficient service by acting safely, keeping the gas flowing and keeping costs down
- › Positively impacting society by supporting vulnerable communities and providing excellent service

We are also aiming to supply 450,000 homes with biomethane by 2026.

What's the Global Goal?

7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.

7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

7.3: By 2030, double the global rate of improvement in energy efficiency.

7.A: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.





Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all

A world-first hydrogen network

Replacing natural gas with hydrogen and other low-carbon alternatives will be key if the UK and Scottish Governments are to meet legally binding net zero emissions targets. One way we're doing that is by demonstrating that green (ie not from fossil fuels) hydrogen can deliver the performance we need in a real world, domestic setting.

That's the ambition for H100 Fife, a world-first project in Levenmouth, Fife which uses offshore wind to produce safe, 100% green hydrogen for domestic heating. The clean gas will be produced locally by a dedicated electrolysis plant powered by a nearby offshore wind turbine.

SGN's pioneering project, part funded by Ofgem, the Scottish Government and Britain's three other gas distribution networks, will put Fife at the forefront of the green energy revolution.

"[H100 Fife] is an exciting opportunity to revolutionise the way millions of people heat their homes."

Angus McIntosh, Director of Energy Futures, SGN



The system will be designed and built to ensure the same high safety and reliability standards expected from the current gas system. An on-site storage unit will hold enough hydrogen to ensure supply won't be disrupted during even the coldest weather conditions.

Construction begins in 2021 and is due to go live in 2022, eventually heating around 300 local homes. The project will remain operational until 2027. The result of H100 Fife is of national significance, providing the evidence to inform key government policy decisions and potentially leading to a wider rollout across Britain.

Helping our customers escape fuel poverty

Gas remains one of the least expensive sources of energy but not every household is connected to the gas network.

The Fuel Poor Network Extension Scheme (FPNES) assists households in connecting to the networks owned by gas distribution network (GDN) companies like SGN. Through this scheme, overseen by Ofgem, we're working to target the fuel poor in our regions through a variety of strategies and partnerships. The help our customers can receive isn't purely gas-based. We want to ensure we deliver a holistic response to fuel poverty, so insulation, heating systems and social support all form part of the help we offer.

Across Britain, the FPNES set out with a goal to make 91,200 fuel poor connections.

SGN overachieved its target in Scotland some time ago, but due to differences in policy and funding in England, we realised we needed to do more to meet our commitments in the South. Our shareholders provided a £10m grant to meet a funding gap which has been used to step up activities carried out by our key partners delivering fuel poor activity on the ground. By upscaling their work from heating and insulation to providing new connections and central heating, we doubled the rate of our fuel poor connections to around 16,000 each year. Even in COVID-affected 2020/21, we achieved 11,000 connections.



7 AFFORDABLE AND CLEAN ENERGY



Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all

Biomethane

Biomethane is a naturally occurring gas with an important part to play in helping the UK cut its carbon emissions to net zero. It's produced when organic material – such as food waste, manure, sewage or crops – is broken down. Biomethane is a natural, manageable, clean fuel that can be used for heating and cooking just like natural gas, and right now we have several projects in progress that are increasing the amount of biomethane in our network. This was the first:

Powering Poundbury

In 2012, HRH the Prince of Wales officially opened a biomethane plant at Rainbarrow Farm in Poundbury, Dorset. It was the first (but far from the last) time biomethane had been injected into the British gas network. SGN continues to play a pivotal role in the plant's success.

The plant, an anaerobic digester, is a joint venture (JV Energen LLP) between the Duchy of Cornwall, a local farmers' group and Active Business Partnerships. It converts organic matter – maize and rye supplied by local farmers – into biogas, but before it can join the network it needs to be cleaned and upgraded to biomethane. That's where SGN comes in. We upgrade the calorific value of the gas (that is, the energy the gas can release) by adding propane, before injecting into our network for distribution. As a result, virtually all of the heat supplied to Poundbury's homes is local, renewable and sustainable.

Since its launch the Poundbury plant has continued to evolve. In 2020, SGN led a major expansion of the site's capacity while further reducing its carbon impact. The production upgrade, which involved a range of improvements including installation of a second biogas upgrader and additional pre-treatment capability, increased production to 650m³/hr, almost a 50% increase in biomethane supplied to the grid.

In addition, a new carbon capture plant designed to recover CO₂ during biogas processing, is now capturing 1,000kg of CO₂ every hour.

We currently have 42 biomethane plants connected to our network. The connection of the latest 11 plants enabled us to exceed our target and supply 254,256 homes by the end of March 2021.



Sustainability is...

“Greening the gas to help protect the world, eliminate harmful carbon monoxide gases for people using gas while sustaining jobs for those working on our networks. At the same time, [it's about] those little things that all added up together to make a real difference, like treating our resources more sparingly and using them more efficiently.”

Stephen, SHE Manager



8 DECENT WORK AND ECONOMIC GROWTH



Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Diversity and inclusion at SGN

Over 4,000 people work at SGN. They bring a wide range of experiences, backgrounds and beliefs and we are committed to ensuring that each of them feels valued, respected, empowered to speak up and supported to achieve their full potential.

Our Diversity & Inclusion (D&I) Action Plan sets out how we make SGN more diverse, more representative and more inclusive. Since we launched the plan in 2018, we've begun to close the gender gap. We're supporting our leaders and managers to be more inclusive in the way they manage their people. We're challenging bias. And we're partnering with organisations across the energy industry to make the sector more accessible.

Proud to be



We are committed to:

- › Building a diverse workforce, reflective of our customers and communities, bringing together different perspectives and enabling innovation
- › Creating an inclusive workplace where everyone, regardless of difference, is valued, respected and encouraged to do their best
- › Ensuring ours is a safe place to work
- › Making a positive impact on society by supporting vulnerable communities and providing excellent service

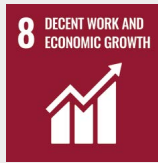
What's the Global Goal?

8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

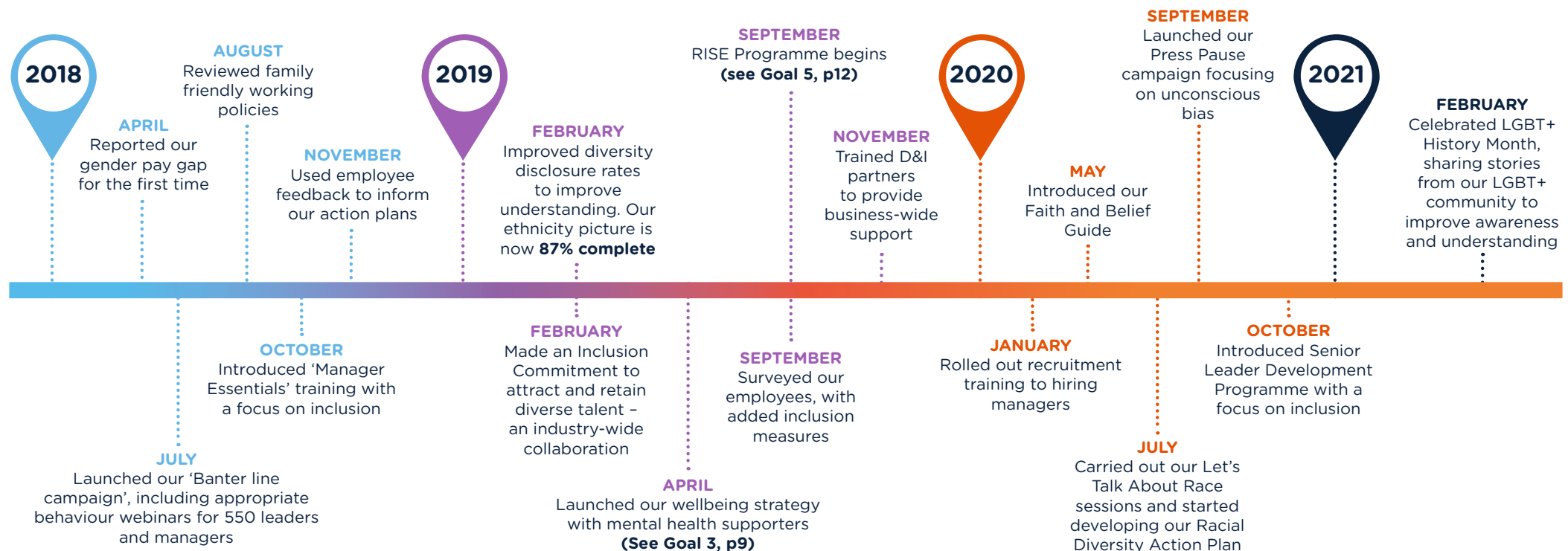
8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training.



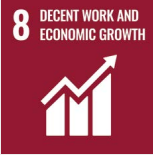
Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Diversity and inclusion: what have we done so far?



We know we have more to do, but we are pleased that our commitment to inclusion in the workplace is being identified in the form of a Bronze Award from Inclusive Employers. To achieve the standard, Inclusive Employers took an evidence-based, objective look at how we are embedding equality, inclusion and diversity in our business.



Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Boosting jobs and lowering fuel poverty in Northern Ireland

Gas to the West is a project to deliver mains gas to 40,000 customers in Artigarvan, Coalisland, Cookstown, Derrylin, Dungannon, Enniskillen, Magherafelt, Omagh and Strabane.

SGN Natural Gas is working with the Utility Regulator for Northern Ireland to build and operate high and low pressure gas pipelines (high pressure to supply industrial users; low pressure to deliver gas to domestic and commercial users). Construction has been underway since 2015, with the first domestic connection completed in 2017.

The benefits of the project are far-reaching. Customers will be able to lower their carbon footprint by switching from oil to natural gas and save money by using natural gas for their heating and cooking. We'll help businesses be more competitive. And the project will create and sustain jobs. Around 200 jobs have been created during the construction phase. Once complete, the project should sustain a significant number of ongoing roles in installation, maintenance and more.



Our apprenticeship pledge

To continue our work we need to attract innovative, diverse talent. That need is growing. The utilities sector and its supply chain partners expect to have **277,000 vacancies over the next decade, so we need to build a talent pipeline - and we're doing that through apprenticeships plus management, graduate and leadership training.**

We've backed the Apprenticeship Pledge made by the Energy & Utilities Skills Partnership. The pledge, supported by 25 utility sector employers, is "to make a positive difference to society, maintaining our long history of investing in apprenticeships as a key part of our workforce strategy." As a group, we recognise that apprenticeships are part of our culture and we are committed to offering new and existing employees of all ages the chance to train, reskill and develop via paid jobs with high quality on and off the job training.

15 SGN apprentices are set to graduate in 2021. Since April 2013, SGN has recruited 73 apprentices - and 67 graduates and trainee team managers - across the business.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Safety in the FYLD

By industry workers, for industry workers: that's the secret to the success of FYLD, a digital on-site safety platform that won Emerging Tech of the Year at the UK IT Industry Awards in 2020.

The digital platform is improving the safety and efficiency of our field-based teams, replacing several on-site activities and enabling engineers to make data-driven decisions in real-time. The technology uses AI to convert video and audio footage into digital risk assessments and analytics dashboards that reduce risk and the time taken to complete assessments.

"It's making teams more aware of the hazards of sites being worked on and the controls required for our engineers to carry out work more safely. All the information and evidence you could need about a job at a particular site is available at the click of a button which is helping us resolve most enquiries within one day."

Darren, Team Manager

Engineers, team managers and operational support functions worked with the product development team at FYLD to collaboratively build the platform. Now applied across all depots, FYLD has been put to work on more than 27,000 jobs, with video risk assessments used in 90% of those. Analysis shows FYLD has helped to increase the number of company safe days and reduce the time taken to complete risk assessments by 64%. 22% of a field worker's day used to be spent preparing paper-based reports. FYLD gives them that time back. And because risk assessments can be viewed remotely and shared with managers, they can sign off measures without travelling to site, contributing to a saving of £1.4 million and a much reduced environmental impact.

A new working group is now looking at ways of incorporating fatigue management into the FYLD application. Once complete, the app will be able to monitor our engineers and check their levels of tiredness and alertness.

"FYLD allows managers to see what is going on, on-site in close to real-time, making risk assessments interactive and reducing SGN's overall risk profile (and it saves paper)."

Stewart, SHE Manager

We are committed to:

- > **Cutting 25% of operational carbon (excluding shrinkage) by 2026**
- > **Using collaboration to deliver improvements**
- > **Supporting trials of innovative products, services, tools and equipment**

What's the Global Goal?

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.



Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Taking the carbon (and the risk) out of roadworks

When you need to access underground pipes, digging is inevitable. But that creates risk – to other underground utilities and to our engineers. The process is also costly, time consuming and, through needing heavy construction vehicles on site, carries a heavy carbon footprint.



SGN's Robotics Roadworks & Excavation System (RRES), developed with ULC Robotics, uses advanced robotics and artificial intelligence to lower the cost and improve the efficiency, safety and environmental impact of utility excavations and activity. The world's first fully electric excavation and roadworks robot, RRES minimises the risk to other utilities, our workers and the public. It takes up far less space, so causes far less disruption to local communities, and it not only cuts the carbon dioxide emissions we generate, but the additional emissions caused by traffic delays around the roadworks.

As we reach the end of a three-year collaborative innovation project, we've built a site for testing and evaluating RRES and designed its electrical components and power management system. We designed and built a mock roadway for testing the sensors and we're now analysing the results of field trial demonstrations that we believe will prove how RRES is set to revolutionise the way roadworks are performed in the future.

The toolkit to stop gas escapes

Accidental damage to our pipes by excavators or mini diggers can cause real challenges. Escaped gas has an environmental impact. It can also mean a loss of supply which affects our customers. One way we're innovating to reduce this problem is with a High Volume Gas Escape Toolbox (HVGET) for our pipelines (excluding those within buildings).

Developed under the Network Innovation Allowance (NIA), the toolbox includes a range of gas escape prevention innovations, one of which is an inflatable stent bag that can fill and seal a pipe from the inside. This extends the critical time window for dealing with gas mains damage, minimising the amount of gas escaping into the environment. We've been successfully testing a prototype and, in live repairs using the HVGET/stent bag, repair costs are reduced by 20-30%.

Sustainability is...

"Sustainability at SGN means analysing, adapting and monitoring our processes and procedures to ensure we can provide a long-term service to our customers."

Nicole, Stakeholder Manager





Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Real-time understanding of customer needs

Decarbonising the gas network means changing the gas itself. We've already seen how introducing hydrogen or biomethane to the network can create cleaner energy (see p15-16). But if we want to fully understand the potential for the future of alternative gas compositions, we need to understand exactly how our customers are using the gas we supply.

To date, most of our ability to collect data has been at the 'top end' of the network, where computer modelling has been helping us to design pipelines and define capacities and pressures for years. There's been far less data gathering further down the system. But that now needs to change. More people are working from home. Our population is ageing. New homes retain heat more effectively. All of this has an effect on how gas is used and we need to build a better understanding of the picture.

Developed by SGN and DNV GL, the Real-Time Networks project is capturing real-time data from the gas network for the first time. A series of sensors (including 1,200 installed in customers' meter boxes) gathers information which is used to understand how gas flows from the start of the network to the end. Every six minutes we're collecting and gathering data including gas flow, pressure, quality and temperature.

The project has also been testing downstream renewable technologies such as home heat pumps in a variety of conditions to establish their potential impact on future gas demand.

The Real-Time Networks project is helping to ensure we have a more flexible, more intelligent and less linear network capable of responding to the changing needs of our customers. The information we're gathering could help us spot leaks almost as they occur. It could help us plan maintenance. It can help us understand whether a wider range of gas compositions could be utilised in the network.

All this information could help us decarbonise the network and cut costs for our customers.



The security system cutting crime and carbon

Perimeter security is an essential component of all SGN's sites - it helps protect our plant and equipment, our people and our customers - but designing and constructing improvements isn't just costly and time consuming. Because of the volume of materials used in perimeter security infrastructure, it's never been particularly sustainable.

But a new system developed by Crime and Fire Defence Systems in collaboration with SGN is upgrading our security while reducing the materials used in delivering it. Campost™ makes security measures an integral part of our fence, removing the need for additional camera towers and other infrastructure. The system, now in use at one of our sites, reduces the overall use of steel and concrete. Extra low voltage operation cuts energy requirements for the system (and removes the need to deploy diesel generators to power it), and all the electronics used in the network are fully recyclable.



11 SUSTAINABLE CITIES AND COMMUNITIES



Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable

Creating a legacy to be proud of

SGN is working with eight student teams from Edinburgh Napier University on an exciting project to identify creative ways to reimagine our historic operational gas sites at Armadale, Glenmavis, Hamilton, Hawick and Irvine, and our Paisley depot.

Throughout 2021, the teams will have creative freedom to make each site more sustainable as well as socially benefitting the communities we serve.

In January, academics, external experts and our industry professionals delivered a series of lectures and

“The students, who are current and future change makers, are being given a blank canvas to use their creativity and show how environmental and community action go hand in hand. I can’t wait to see the ideas they’ll come up with.”

Carolina Karlstrom, Senior Business Lead on Environment and Climate Change



virtual site visits to introduce students to the themes and concepts around the project brief. Professional designers then led a series of workshops to help students generate ideas. With final presentations now complete, we are exploring which plans to take forward.

Students spoke about their enthusiasm for the project:

“This project is all about the community and inclusion of people involved with these sites. The legacy gas storage sites have so much potential and I am excited to have an opportunity to work with different students from different backgrounds.”

“Working among other young voices, hearing, and sharing opinions with professionals as well as all the resources and opportunities that will be available to us. It is these nourishing exchanges of information and ideas that really excites and encourages me.”

We are committed to:

- Increasing biodiversity across our sites with the aim of achieving biodiversity net gain
- Continuing community engagement including staff Community Action Programme volunteering days
- Wider stakeholder engagement, including local authorities in areas we operate

What’s the Global Goal?

11.3: By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

“I think this project is a great idea, as there are a lot of spaces that could be reinvented and given a better use.”

“For me, this project is all about the community and inclusion of people involved with these sites. I also believe this project could look to help the mental health of local communities.”

Edinburgh Napier University students



Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable

Buzzing about biodiversity

Bees are essential to our ecosystem. They pollinate at least a third of the world's food, but they're in decline. Bee colonies have fallen by 54% over the past 20 years and the number of beekeepers in the UK has dropped by 65% too.

That's why SGN works with a number of beekeeping organisations to help raise awareness of the decline in the bee population, to encourage bees at a number of our sites and to assess biodiversity before and after our changes so we could measure our impact. We involved a local school too, so we could inspire a new generation of beekeepers.

Naturalist and television presenter Chris Packham helped us launch the project, which saw two Plan Bee hives installed at our Glasgow office, two at Trinity High School, Rutherglen (where SGN sponsorship has helped the school build a nature garden), and seven at Glasgow's Temple Holder Station. Several staff members have been training in beekeeping with local expert Kathy Friend and we've sponsored 30 children to take the SQA qualification in beekeeping.

Headteacher Peter Bollen and Rachel Sheridan, beekeeping teacher at Trinity High School, explain that it's not just the bees who are benefiting:



"Many young people who have opted into beekeeping have overcome significant challenges in their own life. They have consciously picked beekeeping as a way to gain a qualification which will help them aid the environment and help to promote sustainability. Many of our pupils only attend school because they 'like or are good at' beekeeping. Keeping vulnerable children in school ensures they are receiving their free school meal entitlements and are gaining access to the various levels of protection and support provided within the school environment. For some, the beekeeping qualification will be the only award some of these children receive after four years of secondary education. We are very grateful for SGN's continuous support."

Supporting local sustainability activities

For sustainability to make a difference in every community, we need local as well as national action. That's why SGN plays its part on the environmental steering groups of many of the local councils in our area, adding our expertise to specific energy or climate related discussions. SGN experts are involved in local steering groups in Sussex, Hampshire, Milton Keynes, Fife, Edinburgh and Glasgow.

As just one example of our work, we've been helping Hydrogen Sussex coordinate activity around hydrogen in the region, primarily across heat and transport applications. The group comprises representatives from the local gas and electricity networks, local authorities and local businesses.

By being part of the group we are able to inform local stakeholders on the work we are doing to develop hydrogen as a net zero heating solution and the opportunities there may be for hydrogen heating in the area.





Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable

Climate Ready Clyde

One third of Scotland's jobs and one third of its population call the Glasgow City Region home, but it is increasingly being affected by climate change. Climate Ready Clyde is working to transform the region to a more resilient, prosperous and fairer place, and ensure it flourishes in its future climate. SGN is a part of that transformation. We are one of 15 member organisations supporting the cross-sector initiative. Other board members include the region's eight local authorities in the Glasgow City Region, University of Glasgow and University of Strathclyde, NHS Greater Glasgow and Clyde, Transport Scotland, SPT, SEPA and the Scottish Government.

We've already developed the region's first Climate Risk and Opportunity Assessment, produced economic assessments of the impacts of climate change and benefits of climate change adaptation, reported on wider adaptation options for the region, and attained Climate KIC funding to innovate to become one of Europe's leading City Regions in Climate Adaptation and Resilience.

The initiative's Adaptation and Strategy Action Plan, due for publication in 2021, is a first for Scotland, seeking to ensure the Glasgow City Region's economy, society and environment is not only prepared for, but continues to flourish in the face of the impacts arising from the climate crisis. It will outline the region's Adaptation Framework - outlining the interventions and actions to realise the vision and manage climate risks, alongside other key plans and policies for the region, as well as how it can be financed.



Stepping out with confidence

The Outward Bound Trust helps to unlock potential in young, often disadvantaged people through discovery and outdoor learning. We're helping by sponsoring 150+ 11 to 14-year olds from schools in places like Fife, Hamilton, Chatham, Chichester, Kennington and Portsmouth to participate in the programme.

SGN employees are also involved as ambassadors, mentoring the young people, acting as role models and helping them build self-motivation, skills and confidence.

Since we first took part in 2014/15, 65 SGN ambassadors have supported more than 900 students. They've taken part in the outdoor activities and afterwards continued to support the young people's personal development through a series of teambuilding games, CV writing workshops and mock interviews. And it's not just the young people who've been inspired to step outside their comfort zone:

ClimateReadyClyde

"After seeing colleagues participating over the years, I decided to pluck up the courage and apply to help support the local community. I understand what it's like to be scared of something - my biggest fear is heights - so I hope I can encourage and support the young people to overcome challenges outside their comfort zone."

Christine, Network Support Officer



Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable

598 ways of giving back

Every year, SGN's Community Action Programme (CAP) gives every employee the chance to spend one full working day volunteering on a project close to their heart. They can do it on their own or they can involve colleagues and make the event an unofficial teambuilding exercise.

During the pandemic, CAP activities were limited to giving blood but throughout 2019/20, 598 SGN staff were busy across a huge range of projects. SGN employees vote for their favourite projects and the winning volunteer or team receives a trophy and £500 to donate to its charity.

Here are examples of just some of the projects:

- › Edinburgh's Network Planning team volunteered at three separate Leonard Cheshire centres, painting fencing and raising decking for the health and welfare charity.
- › The West Kent depot helped its local hospice get ready for summer by sprucing up the garden area.
- › The Walton Park IT team helped clear the site for the new lion enclosure at Isle of Wight Zoo.
- › The Reading depot team spent their CAP day laying a new water main to help feed plots at Jealott's Hill Community Landshare - and won the £500 donation in the process.



"I'm thrilled that our team have been crowned champions. I'm very proud that their efforts have been recognised by our company but more importantly, the work we carried out will make such a difference to the team at Jealott's Hill. We're also delighted to be able to donate our prize to a charity close to our hearts."

Mitch, Team Organiser, Reading Depot Team



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Responsible Consumption and Production

Ensure sustainable consumption and production patterns

Zeroing in on zero landfill

In 2012/13, more than 14% of the waste produced at our offices and depots went to landfill. By 2019, that figure was just 0.27% and all of this waste came from sites reliant on local councils for weekly waste collections with limited (if any) recycling facilities. Now, we're working with a new waste management company for our offices and depots which will enable us to achieve higher rates of recycling and move closer to our zero landfill goal.

We've also expanded the scope of our zero-waste commitments so they no longer include just offices and depots, but reinstatement (replacing excavated ground), major projects and gas holder dismantlement too.

Circular to our core

We want to improve the circularity of our infrastructure projects. That means we want to design out waste and keep materials in use. We've been doing this in a range of ways, for example:

- › Recycling polyethylene (PE) pipe recovered from excavations into lower grade pipe suitable for sewage and drainage
- › Working with waste service providers on new innovations to help 'close the loop'
- › We're planning to recycle old cones and barriers into new

One innovative technology that's helping to reduce waste in our operations is Core and Vac, which we're using as part of our pipe repair and replacement

We are committed to:

- › Zero waste to landfill across office, depots, reinstatement, major projects and gas holder dismantlement for non-hazardous waste by 2026
- › Reducing spoil waste to landfill to less than 2% by the end of 2021
- › Recycling 93% of total materials by 2026
- › Engaging with 80% of our suppliers (by spend) and invite them to the Supply Chain Sustainability School by end of 2021

What's the Global Goal?

12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

programme. A sort of 'keyhole surgery' for roads, Core and Vac enables SGN engineers to access gas mains by removing a small plug of tarmac. Once complete, the plug is simply replaced, minimising any additional material required as part of the reinstatement.

In 2019, technologies like Core and Vac helped us reduce excavated material sent to landfill to 2.6%.

Sustainability is...

"Reducing waste, recycling and looking for new techniques and working practices to make the most of resources we have and limit our impact on the environment for generations to come." **David**, Maintenance Team Manager





Responsible Consumption and Production

Ensure sustainable consumption and production patterns

Piping down

SGN operates and maintains around 74,000km of gas pipeline and in 2019/20 alone we replaced 885km of metallic pipe with more durable plastic. Yet we and the other gas distribution networks realise there's a huge opportunity to reduce the amount of single use plastic packaging associated with the pipe supplies we buy and, as part of the Energy Networks Association, we're working together to make it happen. As a group we are working with our main PE pipe and fittings suppliers on a project to explore ways of reducing single use plastic packaging.

We are also completing a single use plastic audit on our suppliers with external consultant WSP and in many of our offices, we've introduced segregated recycling bins not just for plastic, but for paper and cans too.

Sustainability is...

"Constantly adapting and optimising processes and procedures in order to ensure they leave the lightest possible environmental footprint, whether that be through carbon emissions, reduced paper & plastic usage, improved upcycling and recycling or overall waste reduction."

Jennifer, Business Continuity Manager and Environment Champion



A renewable future

We're committed to helping our customers access cleaner, greener gas, so it's important that we use clean energy in our own operations too. Already we have a 100% green tariff with SSE for the vast majority of our electricity supply.

Our additional plans for 2021-26 include proposals to:

- Install solar photovoltaic (PV) on all our owned and occupied sites
- Install small solar PV setups to charge battery powered data loggers on around 2,000 governor sites in Scotland and Southern England
- Install building energy management systems and LED lighting across medium and large sites to increase energy efficiency

Putting all the above measures in place would result in a total carbon footprint reduction of an estimated 2,600 tCO2e by the end of 2026.





Responsible Consumption and Production

Ensure sustainable consumption and production patterns

Cutting our use of new reinstatement materials

When we carry out installation, replacement or repair of gas pipelines we need to excavate an area of ground in order to access the pipes. That excavated land then needs to be reinstated and traditionally 'virgin' aggregate - that is, newly mined materials - were used as part of this process. We are working with local councils and materials providers to increase the use of recycled materials across our streetworks.

Technological innovation has played a huge part in helping us reduce our need for virgin aggregates, including the Core and Vac technology described on p27, and the RRES robotics system featured on p21.



Back to school with our suppliers

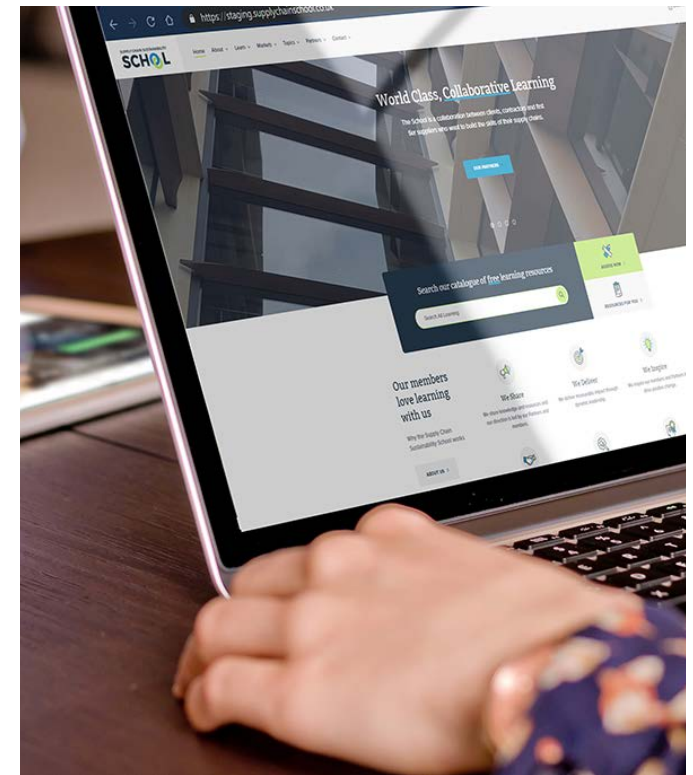
We want everyone who works in or with SGN to be engaged with our sustainability efforts and ambitions. That applies to our staff, of course, but it also applies to our suppliers and contractors.

That's why we've signed up to corporate membership with the Supply Chain Sustainability School (SCCS). The school provides thousands of learning resources on all aspects of sustainability and there are learning pathways suppliers can follow where they wish to increase their knowledge in specific areas. As a corporate member, our suppliers can access the school's resources for free.

For SGN, SCCS membership means we're able to bring all our staff and suppliers quickly up to speed on the sustainability issues that affect their work. We can, for example, request all our contractors to complete core waste modules before they next work with us.

SUPPLY CHAIN SUSTAINABILITY
SCHOOL

So far we have invited 54 suppliers/service providers to join the school and the response has been overwhelmingly positive. As a result, we've already started many more conversations and aim to engage 80% of our suppliers (by spend) by the end of 2021.





Climate Action

Take urgent action to combat climate change and its impact

Building a net zero future

What do we mean by net zero?

- › Net zero greenhouse gas emissions, calculated as carbon dioxide equivalents (CO₂e); and
- › A net zero carbon footprint which includes all our Scope 1, 2 and 3 emissions. Scope 1 emissions are direct emissions, eg leakage from the network or emissions from gas boilers. Scope 2 are the emissions generated by the electricity we purchase. Scope 3 emissions include all other indirect greenhouse gas emissions occurring in our value chain. These are emissions we don't have direct control over, such as those generated by our suppliers.

We have aligned our ambition with the Scottish Government's target of achieving net zero by 2045 - five years ahead of the UK target. To achieve this, SGN has developed a net zero pathway consistent with achieving no more than a 1.5°C temperature increase during that period.

Reaching net zero by 2045 will mean reducing emissions in a wide variety of ways that impact on a number of SDGs. These include:

- › Decarbonising our fleet (see p31)
- › Adopting renewable energy for our offices and depots (see Goal 12, p28)
- › Working with our suppliers (see Goal 12, p29)
- › Reducing leakage - our single biggest impact on climate change (see Goal 9, p21).

We've already made significant progress. Since 2103/14 SGN has reduced its total carbon footprint by approximately 3.5% per annum. We've switched to a REGO-backed renewable energy tariff. We have achieved the Carbon Trust standard for carbon reductions for seven years in a row.

Longer term, we're working to make our networks fully hydrogen ready (see Goal 7, p14) and we know we'll need to give our people the training they need to help us meet our net zero challenge (see Goal 8, p19).

We are committed to:

- › Achieving net zero for scope 1, 2 and 3 greenhouse gas emissions across all networks by 2045
- › Developing a climate change adaptation plan
- › Where possible, ensuring 50% of our fleet is low or zero-emission by 2026

What's the Global Goal?

13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

13.2: Integrate climate change measures into national policies, strategies and planning.

13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Sustainability is...

"Looking after and protecting our resources so that our future generations can continue to flourish, lowering our impact on fossil fuels used, in turn creating a healthy environment for all whilst at the same time lowering our carbon footprint." **Phil**, SHE Manager





13

CLIMATE
ACTION

Climate Action

Take urgent action to combat climate change and its impact



Sustainability is...

“Adjusting and leading according to the most recent legislation to leave the smallest of footprints and to offset the remaining to ensure the future of the company and the future of the planet.”

Anika, Environment Admin

Scrutinising our progress

SGN has established two new bodies to oversee our environmental (and other) activities.

The Stakeholder, Environment and Customer Committee (SECC) will help scrutinise and assess our obligations and responsibilities in respect of the environment, our customers, employees and society. Chaired by Non-Executive Director Laura Sandys, the SECC will ensure decisions taken by the company factor in the interests of all our stakeholders, help foster relationships with suppliers, customers and others; and consider the impact on the broader community and environment.

The Environment Advisory Panel (EA Panel), chaired by Kathryn Dapr , Head of Energy and Sustainability at NHS National Services Scotland, will support and enhance SGN’s environmental and sustainability work in a range of ways:

- › Share best practice
- › Challenge our environmental plans and projects, acting as a critical friend to ensure our work is relevant to our stakeholders, communities and strategy
- › Suggest ways to improve SGN’s environmental performance
- › Help us understand what our stakeholders, customers and communities need from our environmental progress now and in the future

Driving down our emissions

Emissions from our commercial fleet are the second largest contributor to our carbon footprint, so if we’re to achieve net zero emissions by 2045 we need to change the makeup of our fleet.

That’s why we’re aiming to ensure that, where possible, 50% of our fleet will be low or zero-emission by 2026. At present, as electric vehicle technology is most advanced, it’s likely that most of the change will be to electric. We will, however, continue to review the progress of other technologies and their potential to contribute to lowering our fleet emissions.





Climate Action

Take urgent action to combat climate change and its impact

Adapting to climate change

The changing climate means we need to prepare for an increased likelihood of extreme weather events and the increasing impact they could have on our operations. Adaptation reporting is an important aspect of the Climate Change Act 2008, ensuring that organisations of a public nature with climate-sensitive responsibilities are taking appropriate action to adapt to the impacts of climate change.

As part of Climate Ready Clyde, we've already been working with our partners in developing an Adaptation and Strategy Action Plan for the Glasgow City Region (see Goal 11, p25). We've carried out flood mapping and surveyed our pipelines at river crossings. Our Climate Change Adaptation Plan details how, over the next few years, we'll expand our preparatory work across our property and assets.

We'll survey our occupied sites. We'll invest in data and mapping tools to give us better climate projection data. We'll identify climate-related risk across our business (from flooding to riverbed erosion to SGN employees being unable to reach sites) and explore what remedial action may be necessary to protect our operations. These may include site relocations, flood protection schemes, solar shading or increased drainage.

By carrying out this work now, we'll reduce the risk of climate change affecting our people, our sites and equipment and our customers.



"We are extremely proud of the work done so far, and of the efforts our colleagues have made in contributing towards the SDGs that are most material to us. We know we have more to do play our part in the global community and progress towards our net zero by 2045 target. These are big challenges which are likely to require big changes in what we do and how we do it. With the expertise and engagement of our people, I am confident we will get there."

Carolina Karlstrom, Senior Lead Environment & Climate Change, SGN



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