

Green Bond Impact Report

FY25



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ENWL: Who we are

We are the electricity distributor for the North West of England delivering power to approximately 5 million customers at 2.4 million domestic and industrial locations.

Our electricity distribution network includes over 12000km of overhead lines and c.47,000km of underground cables. We build, operate, and maintain our network through a workforce of c.2,200 employees and provides a safe and reliable electricity supply, 24 hours a day, seven days a week.

SP Electricity North West is fundamental to the Net Zero transition, managing power flows from a range of sources in a wider whole system as we move away from fossil fuels towards electricity for heating and transport. The role we play in serving our communities continues to evolve as we seek to transition to a low carbon economy and electricity generation becomes more distributed across our network.

We are currently delivering our business plan for the RIIO-ED2 price control, the 5-year period from 1 April 2023 to 31 March 2028. Our plan is to lead the North West to Net Zero by investing in the operation, maintenance, and upgrading of the region's electricity network to enable our customers to move away from fossil fuels to clean, green electricity to power their cars, heating, and businesses.

Our long-term vision is to achieve Net Zero for our own business by 2038, in line with the aims of our regional stakeholders in the North West.

We are delighted to have issued our inaugural green bond in January 2023. On 22 October 2024, Scottish Power Energy Networks Holdings Limited ("Scottish Power"), part of the group headed by Iberdrola, S.A., one of the largest utility companies in the world and a leader in renewable energy, acquired 88% of the shares of NWEN (Jersey), with the remaining 12% of the shares retained by KDM Power Limited. NWEN (Jersey) is the ultimate parent of SP Electricity North West.



Our long-term vision is to achieve Net Zero for our own business by 2038, in line with the aims of our regional stakeholders in the North West.



Green Financing Framework

ENWL's Green Financing Framework was published in September 2022. It is aligned to the Green Bond Principles published by the International Capital Market Association (ICMA) in June 2021 as well as the Green Loan Principles issued by the Loan Market Association (LMA) in January 2021. Sustainable business assurance provider DNV have confirmed that the Green Financing Framework aligns to these Principles.

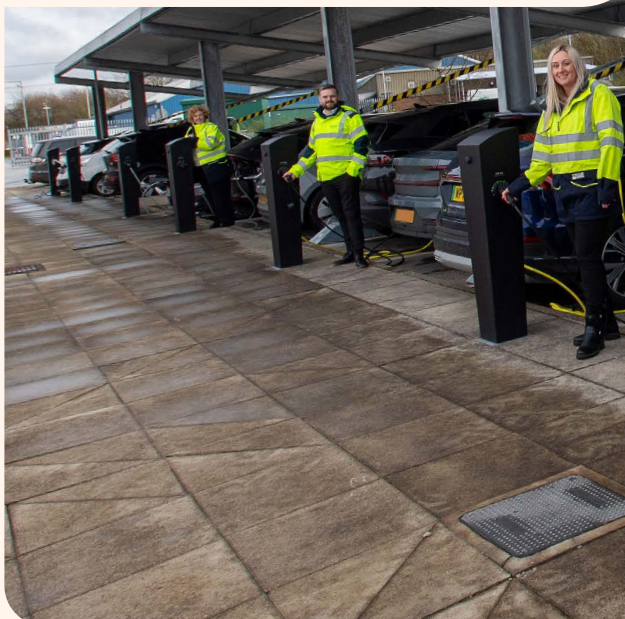
The Framework sets out our plans for investment to decarbonise our network and reduce the environmental impacts of our activities. It governs the use of proceeds of any green bonds or green loans issued by the business (collectively 'Green Debt Instruments' or 'GDIs') to finance or refinance Eligible Green Projects.

We have established a Sustainable Financing Committee, that meets at least annually, which will provide governance and oversight over our sustainable financing activities and to:

- ✔ Review and monitor the eligibility of green projects;
- ✔ Monitor the allocation of GDI proceeds to Eligible Green Projects;
- ✔ Monitor the management of unallocated proceeds;
- ✔ Monitor the environmental impact of investments and Key Performance Indicators ('KPIs'); and
- ✔ Review and prepare annual impact reports for approval by the Board.

UN Sustainable Development Goals and EU Taxonomy

The Framework is aligned to the relevant United Nations Sustainable Development Goals (UN SDGs) and the EU's classification of environmentally sustainable economic activities as per the EU Taxonomy Delegated Acts (EU Taxonomy).



ICMA/LMA Eligible Green Projects category	ENWL Environmental KPI	Contribution to the UN Sustainable Development Goals	Contribution to the EU Taxonomy
Renewable Energy 	Additional capacity of renewable energy connected (MW) EV charging points connected	Target 7.2: By 2030, substantially increase the share of renewable energy in the global energy mix Target 13.2: Integrate climate change measures into policies, strategies and planning	Environmental objective: Climate Change Mitigation Substantial contribution to climate change mitigation (1.a): generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001, including through using innovative technology with a potential for significant future savings or through necessary reinforcement or extension of the grid Selected economic activity: Transmission and distribution of electricity
Energy Efficiency 	Electrical losses prevented (GWh)	Target 7.3: By 2030, double the global rate of improvement in energy efficiency Target 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	Environmental objective: Climate Change Mitigation Substantial contribution to climate change mitigation (1.b): Improving energy efficiency, except for power generation activities that are referred to in Article 19(3)) Selected economic activity: Transmission and distribution of electricity
Pollution Prevention & Control 	Reduction in oil Leakage (litres)	Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil	Environmental objective: Pollution prevention and control Selected economic activity: Transmission and distribution of electricity
Green Buildings 		Target 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	Environmental objective: Climate Change Mitigation Substantial contribution to climate change mitigation (1.b): Improving energy efficiency except for power generation activities that are referred to in Article 19(3)) Selected economic activity: Construction and renovation of new buildings

ICMA/LMA Eligible Green Projects category	ENWL Environmental KPI	Contribution to the UN Sustainable Development Goals	Contribution to the EU Taxonomy
Climate Change Adaption 	Sites flood protected	Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Environmental objective: Climate Change Adaptation Substantial contribution to climate change adaptation (1.a): adaptive solutions that substantively reduce the (risk of) adverse impact of the current and expected future climate on that economic activity itself, without increasing the risk of an adverse impact on other people, nature and assets Selected economic activity: Transmission and distribution of electricity
Environmentally Sustainable Management of Living Resources and Land Use 	Trees planted	Target 15a: Mobilise and significantly increase from all sources financial resources to conserve and sustainably use biodiversity and ecosystems	Environmental objective: Protection and restoration of biodiversity and ecosystems Selected economic activity: Transmission and distribution of electricity
Clean Transportation 		Target 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all improving road safety, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.	Environmental objective: Climate Change Mitigation Substantial contribution to climate change mitigation (1.c): Increasing clean or climate neutral mobility Selected economic activity: Transmission and distribution of electricity



Allocation Report

The group's first Green Bond was issued by ENW Finance Plc in January 2023. The allocation of bond proceeds to Eligible Green Projects is described below. In the next section, some of the key environmental impacts are highlighted.

ISSUANCE	£425m 2032 bond
ISSUER	ENW Finance plc
AMOUNT	GBP 425m
SETTLEMENT DATE	24/01/2023
MATURITY	24/11/2032
COUPON	4.893%
ISIN	XS2526885442
ALLOCATED	GBP 425.0m
UNALLOCATED	GBP 0.0m

	Amount of Eligible Green Projects					
	FY21 £'m	FY22 £'m	FY23 £'m	FY24 £'m	FY25 £'m	Total £'m
Eligible Green Projects Category						
Renewable Energy	28.1	35.5	77.5	31.3	-	172.4
Energy Efficiency	39.6	34.2	40.0	52.4	-	166.1
Pollution Prevention & Control	12.9	10.6	19.3	21.9	3.5	68.1
Green Buildings	1.0	0.4	0.3	0.4	-	2.0
Climate Change Adaption	1.6	0.6	0.7	1.5	1.2	5.7
Environmentally Sustainable Management	2.4	2.3	2.0	1.3	-	8.0
Clean Transportation	0.5	0.4	1.0	0.9	-	2.7
Total Amount of Eligible Green Projects	86.1	84.0	140.7	109.7	4.7	425.1
Total Allocated Amount						425.0
Green Bond Proceeds						425.0
Unallocated Bond Proceeds						0

The total amount of eligible green spend for FY23 & FY24 has been immaterially restated upon revision, due to allocation mapping, seen in the Renewable Energy Category. The net impact across the two years is nil.

Impact Report

For a full view of ENWL’s environmental impact, we encourage readers to refer to our annual Environment Report, available on our website [here](#). The Environment Report includes case studies and analysis across all areas of environmental impact.

This section highlights a small sample of the positive environmental benefits delivered by the company’s recent investment. The impacts of this section are connected to the wider investment activities, of which the green bond is a part.

Renewable Energy



Supporting Customers to Net Zero

As part of our commitment to supporting customers reach their net zero targets, we want to ensure that communities have the support they need to reduce, manage, generate and purchase their own energy. Over the past five years we have seen the number of community energy groups in the region almost double. Our aim continues to support community and local energy schemes to help deliver a just energy transition.

Additional Capacity of Renewable Energy Connected

A Net-Zero future depends on connecting more renewable and low-carbon technologies quickly and without expensive network upgrades. Our challenge is providing the capacity for customers to adopt these technologies whenever they wish.

KPI: We have enabled the connection of 109.1 MW of renewable generation capacity to our network since FY21:

	Units	FY21	FY22	FY23	FY24	FY25	Total
Additional capacity of renewable energy connected	MW	6.9	6.2	19.9	37.1	39.0	109.1

“Our challenge is providing the capacity for customers to adopt these technologies whenever they wish.”

EV Charging Points Connected

Electricity demand is expected to rise sharply over the next two decades—potentially doubling—as we shift away from fossil fuels and more people adopt electric vehicles. To support this transition, we are committed to ensuring the network has the capacity to connect low carbon technologies such as renewables, heat pumps and EVs. As part of our role in leading the North West toward a Net Zero future, we will help customers move to electric vehicles, especially as the government plans to end sales of new petrol and diesel cars by 2030. To encourage uptake, we will provide free connections for domestic EV charging points where installation is possible.”

KPI: We have enabled the connection of 34,636 EV charging points to our network since FY21:

	Units	FY21	FY22	FY23	FY24	FY25	Total
EV Charging Points connected	Number	2,520	3,791	9,999	7,841	10,485	34,636

The EV charging point connections include the expansion of EV charging at our offices and depots, enabling the decarbonisation of our fleet and enabling our staff to decarbonise their transport.

Energy Efficiency



Electrical Losses Prevented

We are committed to reducing the electrical losses on our network through a number of initiatives, which are detailed in our Losses Strategy. Technical losses is an umbrella term used to summarise various ways in which electrical energy is lost during distribution network utilisation. A predominant technical loss is heat dissipation, which can be caused by a variety of factors. For example, network components such as overhead lines are resistive to the flow of electricity. This resistance converts a proportion of the electrical energy into heat, which increases as the electricity demand increases. Or network components such as transformers or reactors produce magnetic field cycles, of which a proportion of electrical energy is converted into heat during magnetisation. Other losses can include dielectric losses, such as insulated cabling, where the insulating material absorbs a proportion of the electrical energy flowing through them. The other type of loss is categorised as non-technical losses, which are caused by non-physical factors such as electricity theft, faulty or unmetered consumption, metering errors and accounting discrepancies.

Technical losses are an inevitable consequence of network utilisation, however through investment opportunities they can be reduced,

leading to direct environmental benefits. As part of our ongoing connection, asset replacement and reinforcement activities, we have installed or replaced a significant number of older, inefficient transformers. Our current policy ensures that new transformers installed on our network are low loss units and comply with, or exceed, the energy efficiency standards required by the European Commission (EU). Our investment also aims to reduce technical losses, via opportunistic LV and HV cable replacement. Replacing existing LV and HV cabling with larger, higher-rated cables reduces resistance losses and potentially dielectric losses, resulting in significant energy savings and environmental benefits. However, it is worth highlighting that as network utilisation is forecasted to increase with expanding dependency on electrification (EVs/heat pumps etc.), the overall backdrop of technical losses is also likely to increase, but with more efficient distribution networks to help reduce this impact.

KPI: Electrical Losses on our network have been reduced by the following amounts each year since FY21:

	Units	FY21	FY22	FY23	FY24	FY25	Total
Electrical Losses Prevented	GWh	3.5	2.5	1.6	3.6	5.8	17.0

Pollution Prevention



Leakage Reductions From Fluid Filled Cables (actual volumes)

Our oil Filled Cable Management Group continues to track progress against our planned asset replacement programme for all oil-filled cables by 2040. This includes identifying innovative approaches to managing oil loss from our circuits but also ensuring that we maintain electrical supply to our customers.

Our oil recycling facility at Blackburn continues to play a significant part in managing our environmental impacts by allowing us to minimise the use of raw materials and disposal of waste oil.

This process increases the lifespan of our assets as we have better control of the quality of oil and reduces our reliance on virgin oil, which saves our customers money and reduces our environmental impact.

KPI: Oil Losses since FY21 have been consistently below the ED2 commitment target of 25,000l/yr:

	Units	FY21	FY22	FY23	FY24	FY25	Total
Reduction in oil leakage	Litres	16,998	13,266	13,217	17,545	15,610	76,636

Pollution Prevention (cont.)



Transformer Regeneration

Transformers typically use mineral oil for insulation, and we are extending their service life through regeneration rather than full replacement. We apply regeneration both to end of life units and to mid life transformers to identify the optimal point in the asset lifecycle for oil treatment. This approach reduces the need to dispose of or recycle used oil and scrap transformers, and all associated costs and benefits are recognised in the year the work is completed.

Green Buildings and Clean Transportation



Ongoing investment is reducing the carbon footprint of our buildings through upgrades such as LED lighting across offices and the installation of heat pumps at our Workington site. Alongside this, continued promotion of energy saving behaviours is lowering electricity use. The rollout of EV charging points is also enabling employees to choose low carbon transport and supporting the transition of parts of our fleet to electric vehicles.

Climate Change Adaption



Site Flood Protection

The effects of climate change have led to some dramatic weather patterns in recent years, which have had an adverse impact on our network and our customers.

The effects of climate changes continues to be treated with the upmost of importance. We continue to invest in improving flood defences at our highest voltage substations in line with recommendations from the National Flood

Resilience Review³, in addition to addressing sites newly identified as at risk based on the latest Environment Agency flooding data.

The current program of investment spans the 5 year RII0- ED2 price control from FY24 to FY28 and we expect to complete the flood protection of further sites throughout the period.

KPI: 22 Sites flood protected since FY21:

	Units	FY21	FY22	FY23	FY24	FY25	Total
Sites flood protected	Number	1	7	3	-	11	22

Environmentally Sustainable Management of Living Natural Resources and Land Use



Trees Planted

We remain committed in planting 50,000 trees within our corporate estate by 2028. This objective aims to compensate for the hazardous trees removed from our overhead powerline network during essential cyclical vegetation management, which is undertaken to provide a safe, reliable and continuous electrical supply for our customers.

Prior to FY24, we made areas of our corporate estate available for third parties to plant trees. As third parties incurred the cost of the pre-FY23 tree-planting program, we have excluded those from the KPI on the basis they were not delivered through the Green Bond Proceeds.

KPI: trees planted:

	Units	FY21	FY22	FY23	FY24	FY25	Total
Trees Planted	Number	-	-	-	11,053	11,110	22,163

Basis of Reporting

Eligible Green Projects Category	Impact KPI (Name)	Definition	Unit of Measurement	How is this Calculated	Green Financing Framework	Any Specific Inclusions or Exclusions
Renewable Energy 	Additional capacity of renewable energy connected	Amount of capacity created by the connection of renewable generation	MW	Aggregated installed capacity across all renewable generation units in corporate system (Data Management maintained database). Cumulative value for first year (FY20 in latest production) and incremental values per each of latest years.	Connect and/or integrate low carbon electricity generation sources to the grid.	N/A
Renewable Energy 	EV charging points connected	Number of residential and commercial customers that have notified ENWL for an EV charging point	Number of EV charging points connected	Aggregated volumes of EV chargers in corporate system (Data Management maintained database). Cumulative value for first year (FY20 in latest production) and incremental values per each of latest years.	Network reinforcement: to increase the capacity of the renewable generation connected to the network and accommodate additional loads from new low carbon technologies, including EV charging points connected to the network. Projects that would reduce greenhouse gas emissions from transport.	All charger types included.
Climate Change Adaption 	Sites flood protected	Count of individual major (EHV & 132kV) substation sites flood protected as a consequence of capital intervention	Number of substations protected	Individual projects are raised for each substation. This is reported on through our routine capital programme MI process. The level of required protection is determined by national standard ETR138 and our internal policy EPD355	Projects aimed at protecting the distribution network from the impacts of climate change. Indicative examples: Asset improvement: Improvement of flood defences at major substations, mitigating the risk of flooding from coasts, rivers and flash flooding.	Major EHV & 132kV substations protected to levels as stated in Engineering Technical Report (ETR)138

Basis of Reporting (cont.)

Eligible Green Projects Category	Impact KPI (Name)	Definition	Unit of Measurement	How is this Calculated	Green Financing Framework	Any Specific Inclusions or Exclusions
Energy Efficiency 	Electrical losses prevented	Annual estimate of technical losses saved via opportunistic and proactive replacement of electrical asset initiatives. Initiatives include opportunistic replacement of HV and LV cabling, Pole Mounted and Primary transformers. Plus, proactive replacement of 800kVA and 1000kVA HV transformers	GWh	Each initiative loss is calculated by comparing a 'base-case' (business as usual) scenario against an 'alternative' solution to determine an annual single-unit loss saving. This unit loss saving is then multiplied by the overall quantity of units installed for that respective year, for each initiative. The unit quantity totals, also incorporate a Percentage Policy Application, which identifies the ratio of initiative quantities (e.g. km of 300sqmm HV cable) vs the total purchased quantity type (e.g. km of HV cable) for that year. The total initiative loss savings are then summated to determine an overall annual loss saving. Given the broad assumptions made to approximate loss savings on a standardised basis, all SP ENW assets are considered over the entirety of their asset life (circa 40yrs) and the exact month of implementation is not deemed material given total duration of service, which may become variable via condition-based monitoring in future years. Therefore, all plant and materials are allocated loss savings for a complete year of service under typical network conditions.	Replacement and/or improvements of assets to increase energy efficiency, reduce energy losses, and/or enhance resilience of the grid, including Smart grid technologies.	Non-technical losses are excluded (i.e. electricity theft)

Basis of Reporting (cont.)

Eligible Green Projects Category	Impact KPI (Name)	Definition	Unit of Measurement	How is this Calculated	Green Financing Framework	Any Specific Inclusions or Exclusions
Pollution Prevention & Control 	Reduction in oil leakage	The volume of oil lost from leakage in our oil-filled cable network	Litres	Every circuit and hydraulic sections within that circuit are monitored by alarms so when a circuit loses pressure, this triggers an alarm to the Hub and DLO staff are dispatched to attend. This results in additional cable fluid being pumped into the relevant section to re-establish the cable running pressure. The volume of oil pumped is then entered into the Pumping point data app (646) and allocated to the individual hydraulic section. This is then captured and is collated into the monthly pumping report	Investment in projects that protect the environment, and/or reduce waste and greenhouse gas emissions. Replacement of oil/gas insulated 33kV and 132kV cables.	Any oil recovered from the environment is netted off the leakage total.
Environmentally Sustainable Management of Living Resources and Land Use 	Trees planted	Number of native species trees planted within the SPENW corporate estate. All tree planting stock is sourced from a local nursery with associated plant health certification. Trees are from a local provenance with supporting area identification codes, in the first instance sourced from the North West of England, otherwise will be exclusively sourced from English nurseries. Trees are planted to a standard defined by the Woodland Trust.	Number of trees planted	Actual planted tree count with detailed supporting invoice and site planting plans and schedules.	Investment that protects the environment and/or restores the biodiversity and ecosystems. Planting: improve biodiversity at our substation sites through planting schemes. Planting is entirely within the SPENW corporate estate landholding which includes substation grounds and retained legacy land.	N/A

External Assurance

DNV has conducted limited assurance over the selected KPIs published in this report as well as over the claims and assertions relating to the allocation of funds under ENWL's Green Financing Framework.

DNV's assurance statement over this impact report is available [here](#).



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