SSEN DISTRIBUTION NATURE STRATEGIC STATEMENT

Towards Nature Positive

November 2026

Scottish & Southern Electricity Networks

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1. INTRODUCTION

Nature underpins the prosperity of our communities, economy, and business. It provides the ecosystems, species, habitats and natural processes that society depends upon for clean air and water, food production, climate regulation, wellbeing and economic activity.

However, nature is under increasing pressure globally and within the UK. The interconnected challenges of biodiversity loss, climate change, pollution and resource depletion are affecting the resilience of ecosystems and the benefits they provide to society. These challenges create risks not only for the environment, but also for businesses, infrastructure and communities.

As an electricity network operator, SSEN Distribution recognises both its dependence upon nature and its potential to influence nature through its activities. We therefore have an important role to play in helping protect, restore and enhance the natural environment whilst delivering the reliable electricity network that our customers depend upon.

This document sets out our approach to nature, founded on six core principles, and provides the overarching direction and commitments that will shape our emerging Towards Nature Positive Strategy. Together, the principles provide the framework through which we will contribute to halting and reversing the decline of nature across the areas in which we operate. As our knowledge of nature-related impacts, dependencies and opportunities progress, we will continue to strengthen and refine our approach to support positive outcomes for nature.

2. OUR CONTEXT

SSEN Distribution operates across the diverse landscapes of central southern England and the north of Scotland. Our network passes through a wide variety of environments that support important habitats, protected species, and nationally and internationally designated sites.

Our activities interact with nature in many ways. The development, operation and maintenance of electricity infrastructure can affect habitats and species directly, while our supply chain and wider value chain can also create impacts beyond our operational footprint. At the same time, our business depends upon healthy ecosystems that help provide resilience against environmental risks such as flooding, erosion and the impacts of climate change.

Protecting and enhancing nature is therefore both an environmental responsibility and a business necessity. Healthy ecosystems support climate resilience, contribute to community wellbeing, strengthen the long-term sustainability of infrastructure and help maintain the trust placed in us by customers, stakeholders, regulators and investors.

As a regulated business, our approach to nature is informed by legislation, policy, regulatory obligations and wider societal expectations. We also recognise the increasing importance of understanding nature-related risks and opportunities and ensuring they are appropriately reflected within business decision-making.

3. OUR AMBITION

SSEN Distribution's ambition is to contribute towards a nature-positive future.

For us, being nature positive means seeking to avoid and reduce negative impacts on nature wherever possible, enhancing biodiversity and ecosystem resilience through our activities, and supporting positive environmental outcomes for future generations.

Delivering this ambition requires nature to be considered across the full breadth of our business, from strategic planning and investment decisions through to project delivery, asset management and supply-chain engagement.

Our approach is founded on six core principles as outlined in section 5.

4. ALIGNMENT WITH THE SSE GROUP NATURE STRATEGY

SSEN Distribution is part of SSE Group, and this strategy sits within the broader framework established by the emerging SSE Group Nature Strategy.

The Group strategy provides the overarching direction, ambition and strategic focus areas for nature across SSE's businesses, while SSEN Distribution's Towards Nature Positive strategy describes how those principles are applied within our role as a regulated electricity distribution network operator.

This approach ensures alignment between Group-wide environmental ambitions and the specific regulatory, operational, and geographical context within which SSEN Distribution operates. The relationship between the SSE Group Nature Strategy and SSEN Distribution's Towards Nature Positive strategy is illustrated below.

5. STRATEGIC ALIGNMENT FOR NATURE

Our Towards Nature Positive strategy is aligned to, and supports the delivery of, the SSE Group Nature Strategy.

Figure 1. Cascading SSE Nature Strategy Framework and Distribution Strategic Principles



The six principles outlined in Figure 1 provide the framework through which SSEN Distribution will contribute to the Group's nature ambition while addressing the specific nature-related opportunities, responsibilities and requirements associated with the operation and development of our electricity networks.

Principle 1: We comply with legislation, regulation and policy applicable to nature

Compliance provides the foundation of responsible environmental stewardship.

We will operate in accordance with applicable environmental legislation, biodiversity duties, planning requirements, licences, permits and regulatory obligations across the areas in which we operate. We will also consider the wider policy frameworks, strategies and commitments that shape nature recovery within England and Scotland.

Through robust governance, effective management systems and transparent reporting, we will seek to maintain high standards of environmental compliance and continually improve our performance.

Principle 2: We implement the mitigation hierarchy

Avoiding harm to nature is the most effective form of environmental protection.

We will apply the mitigation hierarchy as a guiding principle when planning and delivering our activities. This means seeking first to avoid impacts on nature, then minimising impacts where avoidance is not possible, restoring affected areas where appropriate, and considering compensation for significant residual impacts where required.

The mitigation hierarchy supports good environmental decision-making and aligns with emerging approaches such as Biodiversity Net Gain, No Net Loss, and biodiversity enhancement requirements across the jurisdictions in which we operate.

By embedding these principles into project planning and delivery, we aim to reduce environmental impacts and support positive outcomes for nature.

Principle 3: We understand our impacts and dependencies on nature

Effective action depends upon understanding how our business both affects and relies upon nature.

We recognise that our impacts and dependencies occur not only through our direct operations but also throughout our wider value chain. These interactions can relate to biodiversity, land use, natural resources, ecosystem services, and the materials and products required to build and operate our network.

Developing a clearer understanding of these relationships enables us to identify risks, opportunities, and priorities for action. It also supports emerging expectations from regulators, investors, and wider stakeholders regarding nature-related assessment, management, and disclosure.

We will continue to develop our understanding of nature-related impacts, dependencies, risks and opportunities as part of our broader sustainability and environmental management approach.

Principle 4: We look to nature for solutions to business challenges

Nature can often provide effective and resilient solutions to environmental and operational challenges.

Nature-based solutions have the potential to address a range of issues, including climate resilience, flooding, carbon management, and ecosystem restoration, while simultaneously delivering wider benefits for biodiversity, people, and communities.

As climate change increases the pressures on infrastructure and the environment, we recognise the value of considering nature alongside traditional engineering approaches. Where appropriate, we will seek to understand how nature-based solutions can contribute to delivering resilient, sustainable, and cost-effective outcomes.

By working with natural processes, we can help generate benefits that extend beyond the immediate needs of our network and support wider environmental objectives.

Principle 5: We use robust evidence, metrics and reporting

Measuring performance is essential to understanding progress and driving continual improvement.

Nature is complex and can be challenging to assess consistently. Nevertheless, robust monitoring and reporting are critical to ensuring that actions are evidence-based and that outcomes can be understood transparently.

We are committed to improving our understanding of environmental performance through the use of appropriate metrics, data, and monitoring approaches. We will continue to track and report progress through our established governance and reporting processes, supporting accountability and transparency.

Over time, we will seek to align our approach with evolving good practice, scientific understanding, and emerging frameworks for nature-related measurement and disclosure.

Principle 6: We embed nature into business decision-making

Long-term success depends upon recognising nature as a material consideration in business decisions.

Nature-related risks and opportunities have the potential to influence infrastructure resilience, operational performance, financial outcomes, and stakeholder expectations. As understanding of these issues develops, organisations are increasingly expected to consider the value of nature alongside more traditional financial considerations.

We believe that better decisions can be made when environmental, social and economic factors are considered together. By integrating nature into our planning, governance and decision-making processes, we aim to support more resilient outcomes for our business, customers, communities, and the environment.

Embedding nature considerations across our organisation will help ensure that our activities contribute positively to long-term sustainable development.

6. OUR ED3 SUPPORTING NATURE ACTIONS

As part of the ED3 price control period, SSEN Distribution proposes to deliver a programme of biodiversity enhancement, nature-inclusive design and nature-based solutions across its land, assets and network activities. This includes improving habitat management on operational sites, addressing nature-related risks and dependencies across the value chain, implementing biodiversity enhancement and Biodiversity Net Gain measures, reducing wildlife-related network faults, managing invasive non-native species and biosecurity risks, and incorporating features such as bird nesting boxes and artificial reef-building infrastructure, where appropriate.

The programme also proposes to restore and create peatland, woodland and seagrass habitats to support ecosystem services, enhancing climate and network resilience, and deliver wider benefits for customers, communities and nature. Together, these activities support the six strategic principles as outlined in Section 5. **Delivery of these outputs and this strategy is subject to regulatory allowance approval by Ofgem through the ED3 price control process.**

7. LOOKING AHEAD

The transition towards a nature-positive future will require collaboration across businesses, governments, regulators, communities, and wider society.

SSEN Distribution recognises the importance of its role and is committed to continually improving its understanding of nature-related impacts, dependencies, risks and opportunities. Through the application of the principles set out in this document, we aim to support nature recovery while delivering the reliable and resilient electricity network that our customers need.

This document provides our current strategic direction and high-level approach to nature, founded on six core principles and serves as the foundation for our Towards Nature Positive Strategy. As our understanding develops, stakeholder engagement progresses and regulatory expectations evolve, we will continue to review and update our approach to ensure it remains relevant, robust and effective.

CONTACT US

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