

Sustainability Strategy

April 2023



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Graham Edwards,
CEO

Foreword

I am proud to introduce the first Wales & West Utilities Sustainability Strategy. This Strategy recognises sustainability is a broad concept and that our business is on a journey towards sustainability in our own operations and in the services we provide to our customers and communities. It also recognises we are a gas network that plays a central role in delivering safe, reliable and affordable energy – and that the vast majority of the gas we carry is a fossil fuel. As such, we need to change in line with the UK’s commitments while continuing to meet the needs and expectations of our stakeholders.

This document aims to set out the overarching, long-term vision for our business and the key milestones we anticipate meeting to deliver it. We recognise we cannot do this alone: we will need to work with partners across and beyond our industry and respond to changes in policy and regulation. The Strategy has been shaped by stakeholder input and will also be a platform for further engagement, not least as we develop our next business plan. We also intend for this Strategy to evolve: we will report on it annually and adapt it as required to reflect changes in the wider world.

We believe we are well placed to deliver these plans and play our role in a sustainable future. We have structured the Strategy in line with our existing Ambitions, Priorities and Values, reflecting the strengths of our organisation and our positive reputation. This Strategy demonstrates the breadth of our approach to sustainability in that we are:

- Doing all we can to provide sustainable energy
- Driving outstanding service
- Demanding safety always
- Designing our future
- Delivering value for money.

We look forward to working with partners across the industry and beyond to deliver our Strategy – and welcome views and feedback that will help us improve it further.

About us

In the UK, we own and maintain more than 35,000 kilometres of gas pipes. We supply gas to around 2.5 million households and businesses, serving a population of 7.5 million people. Our network covers an area that stretches from Wrexham to Redruth, from the mountains of North Wales to the cliff tops of Cornwall.

As a regulated gas distribution network operator, we don't sell gas; instead, we operate the network of pipes that transport gas to homes and businesses throughout Wales and the south-west of England.

It's our responsibility to look after those pipes and other assets that keep the gas flowing safely and reliably, to respond to gas emergencies and to keep the communities in which we operate safe. We also need to look out for customers in vulnerable situations and play our part in protecting and enhancing the environment in which we work.





WALES & WEST UTILITIES

Our ambition

Our ambition is to be trusted to expertly serve customers and communities with safe, reliable and affordable energy services today, while investing wisely to create a sustainable, greener future.

The services we provide are essential in everyday life for all our customers. We invest £2 million every week in improving our gas network so it is safe and gas is available when people need it, whether that's for heating their home or running their business. We have a strong track record of delivering high standards of safety, reliability and customer service, for which we have received multiple accreditations and awards.

We recognise most of the gas transported to our customers today is a fossil fuel and that our operations have a direct and indirect impact on the environment. We support the commitment of the UK and Welsh governments to reaching net zero carbon emissions and believe the investments we are making in reducing emissions and decarbonising heat, power and transport can help deliver a net zero energy system.

Our vision for a net zero energy system

For the UK to reach net zero carbon emissions, we need to change virtually everything about the way we generate and use energy across our society. Today, most energy used in the UK is from fossil sources.

Delivering net zero means a combination of one or more of the following:

- energy will need to come from alternative cleaner sources such as wind, solar, biomethane and low-carbon hydrogen;
- carbon emissions will need to be mitigated;
- customers will need to change the technologies they use.

Ultimately, the transition is likely to include all three of these elements and we believe the scale of the role gas plays in our system, the need to meet seasonal demands and the need to minimise disruption and cost means gas distribution networks will play an important role through the transition and for the long term.

We can accelerate the transition by maintaining a reliable and efficient network, continuing to invest in emission-reducing activities and ensuring our assets are ready to carry low-carbon gases such as hydrogen and support a fully renewable energy system.

As a gas distribution network, it is through working with our customers and partners on the use, generation and storage of cleaner energy that we can take our business on the journey to becoming net zero, while continuing to deliver the standards of safety, reliability and positive social impact they value and expect. We cannot deliver this vision alone: we need to work with communities in the areas we serve and with partners across the country.



What sustainability means to us

We aim to improve the overall sustainability of our business, balancing the interests of our stakeholders while safeguarding our natural environment.

How we define sustainability

We understand sustainability to be a dynamic, systems-level approach in which the connections between the environment, society and the economy are developed to deliver multiple benefits.

As the world responds to a changing climate and moves away from fossil fuels, considerable changes will affect our colleagues, customers and business. We place our stakeholders at the heart of our Sustainability Strategy, recognising that we have a vital role to play in the transition to a low-carbon economy, but we need partners to recognise the system-wide changes required.

We will go further than doing 'no environmental harm' and instead aim to deliver environmental net gain. We will enhance the communities in which we work and contribute to the wellbeing of our customers. This will complement our ongoing commitment to supporting customers beyond our core responsibilities and reflects the central role we envisage for the gas network in a net zero energy system. We want to move towards a state where sustainability considerations are so well integrated into our business processes that they become our Business as Usual, across everything we do and deliver.





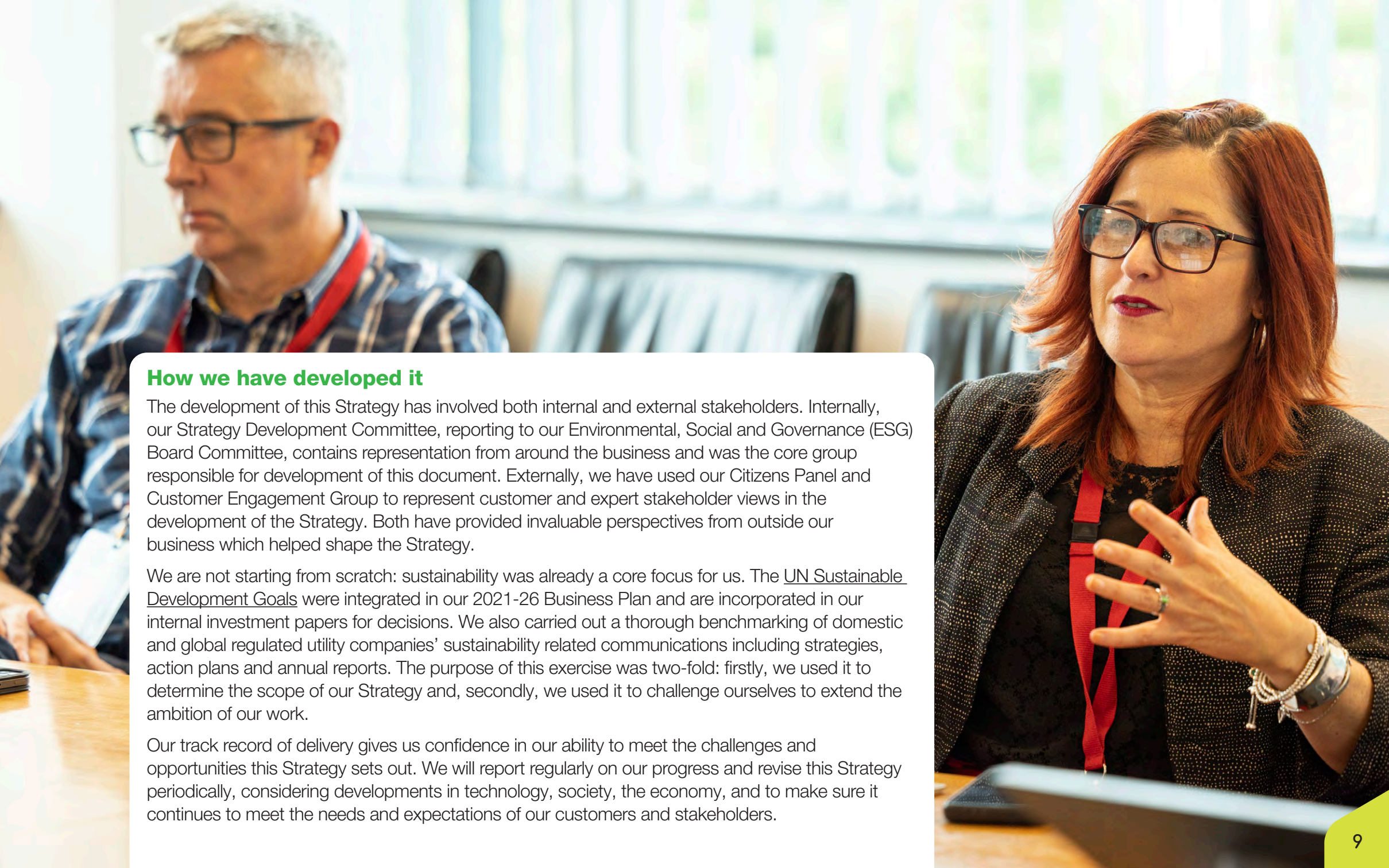
About this Strategy

Our Sustainability Strategy aims to translate the big idea of sustainability into the actions we are taking for our customers, colleagues and the communities we serve. Our business priorities provide the context for translating principle into practice.

Why it's been developed

Against the challenges the world faces, not least of which is climate change and the decarbonisation of energy supply, we need a long-term view that transcends our usual business planning cycles. We have identified 36 targets that sit across our five Business Priorities. These align with the [UN Sustainable Development Goals](#) and the goals of [The Well-being of Future Generations \(Wales\) Act 2015](#), ensuring we consider sustainability in its entirety.

This Strategy explains how we will do our part to protect and enhance our natural environment and safeguard and enrich our communities while remaining profitable and relevant. It will act as an overarching guide for our company and stakeholders as we implement the actions needed to achieve our ambitions and targets. It will form the foundation of more granular business plans, action plans and reporting, while also helping identify areas for investment and further collaboration.



How we have developed it

The development of this Strategy has involved both internal and external stakeholders. Internally, our Strategy Development Committee, reporting to our Environmental, Social and Governance (ESG) Board Committee, contains representation from around the business and was the core group responsible for development of this document. Externally, we have used our Citizens Panel and Customer Engagement Group to represent customer and expert stakeholder views in the development of the Strategy. Both have provided invaluable perspectives from outside our business which helped shape the Strategy.

We are not starting from scratch: sustainability was already a core focus for us. The UN Sustainable Development Goals were integrated in our 2021-26 Business Plan and are incorporated in our internal investment papers for decisions. We also carried out a thorough benchmarking of domestic and global regulated utility companies' sustainability related communications including strategies, action plans and annual reports. The purpose of this exercise was two-fold: firstly, we used it to determine the scope of our Strategy and, secondly, we used it to challenge ourselves to extend the ambition of our work.

Our track record of delivery gives us confidence in our ability to meet the challenges and opportunities this Strategy sets out. We will report regularly on our progress and revise this Strategy periodically, considering developments in technology, society, the economy, and to make sure it continues to meet the needs and expectations of our customers and stakeholders.

How it's structured

Our Sustainability Strategy has been developed in line with our Business Priorities and Values, enabling us to meet our sustainability ambition. This report presents our Strategy, divided into four sections:

Business priorities

Our business priorities play a central role in helping us achieve our mission. They:

- guide our key business decisions and are reflected in our day-to-day work
- set out the things that are most important to our customers and colleagues alike, and
- create a roadmap to keep us focused on what we are going to do.

Therefore, we have structured our Sustainability Strategy in line with our five business priorities:

Doing all we can to provide sustainable energy

We are working to achieve net zero targets and deliver reliable, greener energy for heat, power and transport.

Driving outstanding service

We strive to exceed customer expectations by offering fair, inclusive, quality services while looking after those in need.

Demanding safety always

We never compromise on the safety, wellbeing and health of our colleagues and customers and continuously improve standards.

Designing our future

We're building a skilled, resilient, diverse team to work with stakeholders and help our communities and society thrive.

Delivering value for money

We always spend and invest money wisely, working smarter to offer affordable services that give value for money.

Under each priority, we set out:

HOW WE AIM TO ACHIEVE THEM

This section explains the strategic actions we will take to achieve each business priority and how we are working to achieve them.

OUR TARGETS

Under each business priority, we present our targets and why they are important to us. These reflect the specific actions we are taking or intend to take, subject to legal and regulatory obligations and decisions. We recognise that government policy choices, regulatory decisions, market developments and stakeholder expectations may change in future. We will need to work in partnership to deliver actions across this Strategy and in some cases rely on developments outside our direct control, such as the development of low-carbon hydrogen production.

As we develop future business plans, these targets will inform the specific plans we set out to deliver within each price review period and will evolve based on external changes and internal developments (see ‘What’s next’ on page 35). We have mapped these targets against our priority UN Sustainable Development Goals and the goals of the Welsh Well-being of Future Generations Act to demonstrate how these targets align with recognised guidance.

CASE STUDIES

We are proud to provide case studies, which bring our Strategy to life and demonstrate how we continue to deliver on our targets into the future.

TERMINOLOGY

We are aware some terms in this document may not be familiar to all readers. You can find a glossary of terms on page 37.

Mapping our targets to external guidance

Our priorities and values provide the framework to engrain our sustainability targets throughout our business activity. In this report, we have also mapped these targets to external guidance to help our stakeholders understand how they align with the wider context of sustainable development: The UN Sustainable Development Goals Act and the Well-being of Future Generations (Wales).

The UN Sustainable Development Goals

Our Strategy aligns with the following priority sustainable development goals:



The Well-being of Future Generations (Wales) Act Goals

Our Sustainability Strategy aligns with the following wellbeing goals for Wales and the principles apply across our network:



Click on the above icons for The UN Sustainable Development Goals Act and the Well-being of Future Generations (Wales) goals for more information in the [appendices](#).

Sustainability across our priorities

We will make sure our assets are safe today and fit for low-carbon gases in the future. We are investing in our network to make it more sustainable, so it is safe today and for future generations. This is on top of responding to gas emergencies, repairing pipes and maintaining a vigilant approach to cyber and physical security risks to prevent them impacting on the safety and resilience of our operations.

Alongside protecting the safety of the public, we prioritise the safety, wellbeing and health of our colleagues and contractors. We evolve our procedures to incorporate best practice in health and safety management and engage our colleagues in shaping their experience of work for the better.

Doing all we can to provide sustainable energy

We are working to achieve net zero targets and deliver reliable, greener energy for heat, power and transport.

It's our ambition to help communities and the environment thrive by delivering safe, reliable, affordable and sustainable energy that will enable the UK to reach net zero. We believe our network will play a central role in this future.

Due to the urgency of tackling climate change, the UK Government has committed to transitioning the whole economy to net zero by 2050. We fully support this commitment and acknowledge our responsibility and the roles our company and our network of gas distribution infrastructure have to play in the energy transition. Our customers and stakeholders consistently tell us they want to see progress towards a low-emission, resilient energy supply and this will be important to their long-term support for our business.

We are already making progress: 20 biomethane production sites connected to our network have enough capacity to heat 150,000 homes each year, using materials such as animal slurry and food waste to generate green gas. Low-carbon hydrogen can help us go further to support the decarbonisation of domestic heating, transport, industrial applications and power generation across the areas we serve.

Our network covers some of the most outstanding areas of natural beauty in the UK, including the Pembrokeshire coast and the Eryri, Bannau Brycheiniog, Exmoor and Dartmoor National Parks. We recognise the damage climate change and human activity are causing our environment. Our ambition is to improve the biodiversity of the land we manage, sharing our learning as we work towards measurably improving our natural environment and safeguarding it for future generations.



How we do all we can to provide sustainable energy

We will work with governments, regulators, communities and businesses to play our role in helping to make the necessary energy transition safe and equitable. This includes working with local authorities and customers to develop plans for their energy systems, targeted investments in industry decarbonisation partnerships with these businesses in ‘industrial clusters’ and supporting efforts to help domestic customers decarbonise their heating.

At the same time, we are working on getting our own house in order in terms of reducing our operational emissions and gaining a greater understanding of the emissions in our value chain to achieve net zero greenhouse gas emissions by 2040. We will do this primarily by tackling our largest emission sources, reducing methane leakage from our network through our pipe replacement programme and actively choosing low-emission vehicles for our operations where appropriate options and market conditions exist.

Transitioning the whole energy system from fossil fuels to low-carbon alternatives is a complex challenge that needs to be addressed collectively and collaboratively. We will build on and expand our existing networks and relationships to best effect the changes we and our communities want to see. The case study below describes one such collaboration in which we contributed to developing a plan for decarbonising heavy industry in south Wales to support their future legitimacy and commercial viability.

To address the fragility of our natural environment, we are also looking to improve biodiversity where we can. For the land we manage directly, we will develop and implement a plan to achieve a measurable improvement in biodiversity by 2035. We will also be open to collaboration with other community organisations on biodiversity more broadly.

The concept of the ‘Circular Economy’ – minimising waste by maximising the reuse of resources – is gaining ground for sound economic and environmental reasons. We will reduce waste from the project design stage and work with our supply chain to minimise our environmental impact.

OUR EMISSIONS REDUCTION TARGETS

Recognising our role in the UK's overall Net Zero targets, our ambition is to:

REDUCE THE EMISSIONS ASSOCIATED WITH THE GASES WE DISTRIBUTE

- Reduce shrinkage emissions (97% of our Scope 1 and 2 footprint) 10% by 2026 compared to 2021/22*
- To be 'net zero ready' for 100% hydrogen in areas more likely to convert by 2035
- To be 'net zero ready' for 100% hydrogen across the whole network by 2040

REDUCE THE EMISSIONS ASSOCIATED WITH OUR OWN OPERATIONS

- To reduce Scope 1 and 2 emissions, excluding shrinkage, by 37.5% by 2035 (science aligned)
- To achieve net zero Scope 1 and 2 emissions, excluding shrinkage, by 2040
- To achieve net zero supply chain emissions (upstream Scope 3) by 2050

**Shrinkage emissions are mostly caused by methane, the main component of natural gas, leaking out of old metallic pipes in our distribution network*

Depending on progress and policy and regulatory decisions we will keep these targets under review and anticipate setting further interim targets in our future business plans.

TARGETS To innovate and choose greener technologies

We will...

- Choose low and ultra low-emission options for our vehicle fleet where conditions and markets allow

When...

2030

Because...

As a resilient business, we need to be ready for, and promote, low-carbon energy sources

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



A Prosperous Wales



A Globally Responsible Wales

- Invest in at least £13 million in innovation and early-stage decarbonisation projects across our operations

2026

TARGETS To ready our assets and operations for low-carbon gases

We will...

- Achieve net zero operational (Scope 1 and 2) emissions and supply chain (upstream Scope 3) emissions

When...

Staged reduction targets to 2050

Because...

We're future proofing to deliver reliable, greener energy for heat, power, and transport while reducing our own greenhouse gas emissions

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



A Resilient Wales



A Globally Responsible Wales

- Prepare to receive up to 20% of blended hydrogen

2026

- Prepare for 100% hydrogen across the areas of our network most likely to convert by 2035 and across the network no later than 2040

2035 and 2040

TARGETS To work with and support our customers during the transition to net zero

We will...

- Invest in at least three industrial clusters to support industry transitioning to net zero and develop broader rollout plans for hydrogen
- Proactively support local decarbonisation efforts for the communities we serve using our whole systems modelling capability to support at least 30 Local Area Energy Plans or similar activity

When...

2026 and ongoing

2030

Because...

We want to help our household and business customers thrive by delivering reliable, affordable and sustainable energy

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



TARGETS To improve the health of our environment

We will...

- Support the natural environment to thrive across our own land and in our projects by working with communities and partners. We will direct our own resources as well as leverage funding to deliver biodiversity net gain
- Send zero avoidable waste to landfill by 2035 and become a zero-waste company by 2050

When...

2035

2035 and 2050

Because...

We want to halt the biodiversity crisis within our region and the UK and help to build back natural ecosystems

Better management of resources makes sound economic as well as environmental sense

Aligned UN SDGs



Aligned UN SDGs



Aligned Well-being of Future Generations Act goals

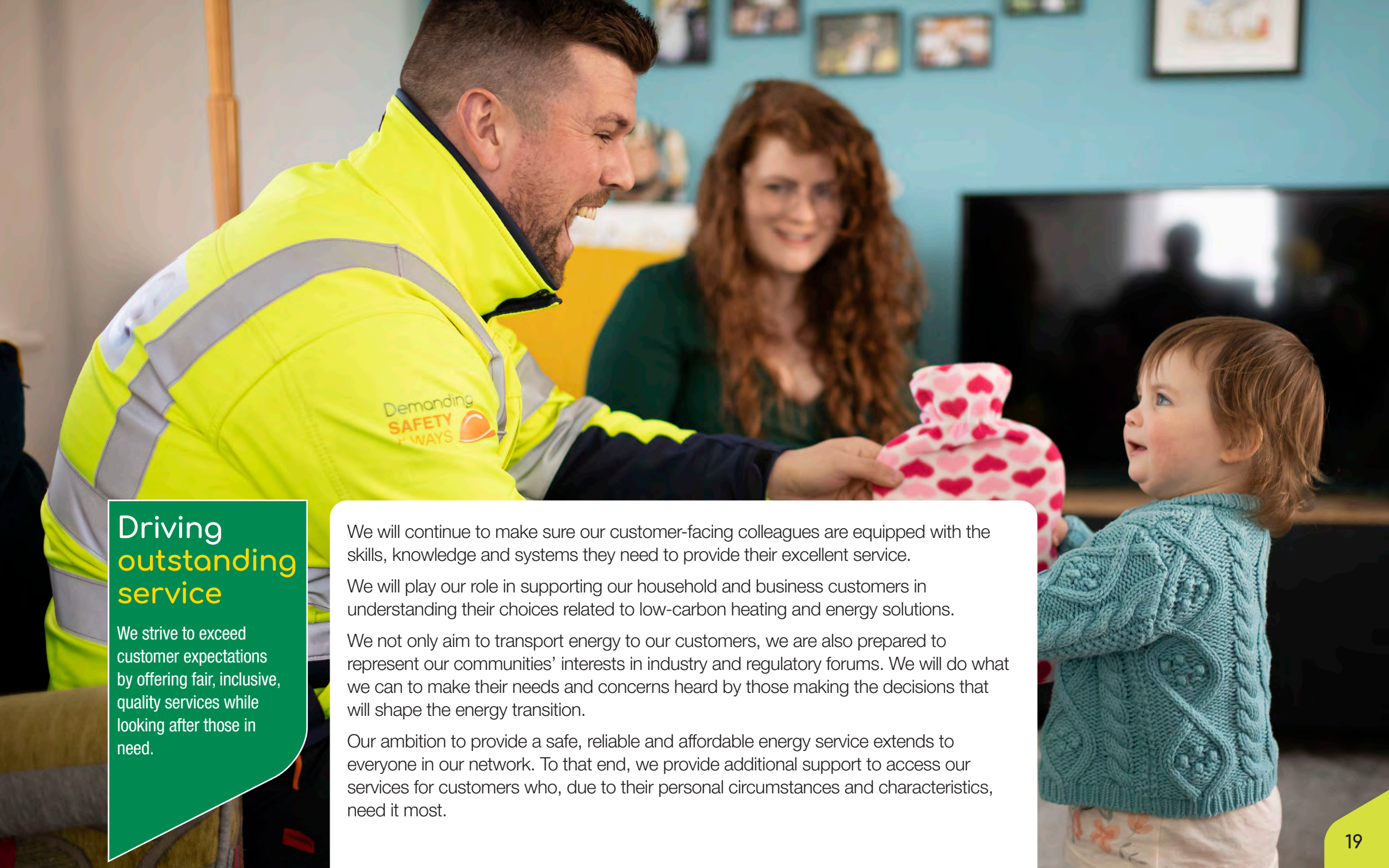




CASE STUDY – SUPPORTING REGIONAL DECARBONISATION THROUGH THE SOUTH WALES INDUSTRIAL CLUSTER

We are proud to be a part of the South Wales Industrial Cluster (SWIC), a collaboration with around 30 major organisations working together to achieve net zero for the industrial area responsible for the second-highest carbon footprint of any cluster in the UK. As part of SWIC, Wales & West Utilities is developing plans for a major hydrogen pipeline in south Wales (HyLine Cymru) to accelerate decarbonisation plans for industry and gas customers in the region.

HyLine Cymru aims to support commercial-scale hydrogen production in Pembrokeshire and in the Celtic Sea, providing a link to energy intensive industrial customers in the Swansea Bay area to facilitate switching their processes to hydrogen by the 2030s. It also provides options for the conversion of our wider distribution network in south Wales, including for the potential conversion of home heating to hydrogen, with minimum disruption to homes and communities.



Driving outstanding service

We strive to exceed customer expectations by offering fair, inclusive, quality services while looking after those in need.

We will continue to make sure our customer-facing colleagues are equipped with the skills, knowledge and systems they need to provide their excellent service.

We will play our role in supporting our household and business customers in understanding their choices related to low-carbon heating and energy solutions.

We not only aim to transport energy to our customers, we are also prepared to represent our communities' interests in industry and regulatory forums. We will do what we can to make their needs and concerns heard by those making the decisions that will shape the energy transition.

Our ambition to provide a safe, reliable and affordable energy service extends to everyone in our network. To that end, we provide additional support to access our services for customers who, due to their personal circumstances and characteristics, need it most.



How we drive outstanding service

We continuously engage with customers and communities to understand their views, their needs, and their expectations. We do this through the conversations we have with customers every day; our engagement with local authorities and other regional organisations; and formal groups such as our Citizens Panels and Customer Engagement Groups. Listening to our customers is how we will make sure we are delivering an outstanding service and helps us identify ways we can continuously evolve our processes, training and services.

We will be there for our customers through the transition to low-carbon gases across our network. One way we will do this is to establish regional customer support teams whose priority will be to make sure that no-one in the community is left behind in the energy transition. This will better allow us to embrace the linguistic and cultural diversity of the communities we serve, including the Welsh language.

We will influence customer safeguarding, tackle fuel poverty and make sure businesses have a voice. The opportunities we have to connect with customers will also be used to provide additional support on affordability, energy efficiency and gas safety, either directly or through a network of partnerships. The Citizens Advice Energy Helpline and the SCOPE Disabilities Energy Service, which we work on collaboratively with other gas networks, demonstrate how we have used our position in society through our partnerships. Additionally, we work on the Healthy Homes Healthy People project, which is showcased below in the case study.

We will publish data on our customer service, performance and additional support provided to homes and businesses. Our customer service performance will be externally validated via independent surveys, Institute of Customer Service membership and benchmarking and we will demonstrate our inclusive service provision through the ISO22458 standard for Inclusive Services and Consumer Vulnerability and associated Kitemark.

TARGETS To provide excellent customer service

We will ...

- Put customers and communities at the heart of everything we do, providing inclusive services to all
- Support customers by working with partners and upskilling engineers to carry out basic repairs to pipework and boilers, as well as offering additional services

When...

Ongoing

2023 – 2026 and ongoing

Because ...

We want to continue delivering an outstanding service to our customers and communities as their needs evolve and change

This will allow us to keep customers safe and warm in their homes

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



TARGETS To support customers in vulnerable situations

We will ...

- Use data to identify and target support to customers in vulnerable situations across our communities
- Maximise and report on the added social value of the support we provide above minimum expected requirements

When...

2023 then ongoing

2026

Because ...

We are focusing on minimising the impact of supply interruptions, helping to make energy affordable, supporting customers in vulnerable situations and raising carbon monoxide awareness to better look after those most in need

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



TARGETS To support our communities in the transition to low-carbon energy

We will...

- Develop our colleagues and information for customers to empower and support them to become a part of the energy transition in the UK
- Create more local customer support teams, representative of communities, to deliver the transition of the energy system for net zero

When...

2025

2026

Because...

We want our customers to feel that there is equal information and support for all through the 'just' energy transition

We want to make sure no-one is left behind in initial rollout plans (by 2030) and long-term transition (to 2050)

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



CASE STUDY – ENERGY AFFORDABILITY AND ACCESS

In 2022/23, the number of people in our communities at risk of fuel poverty doubled as a result of rising fuel prices and the cost-of-living crisis. The Healthy Homes Healthy People project, run by Warm Wales, National Energy Action (NEA) and Consumer Energy Systems (CES), supports up to 1,000 highly vulnerable homes per year over a five-year period, from 2021 to 2026, across our network.

The project partners assess and review an individual's current situation and agree an action plan. The Warm Wales, NEA and CES teams help customers with the necessary paperwork and discussions with various agencies to reach a range of positive outcomes, including:

- Unclaimed benefits
- Reducing energy debt and bills
- Accessing energy measures funding
- Changing individuals' behaviour to energy use
- Accessing home adaptation grants
- Priority Services Register awareness
- Providing carbon monoxide awareness and free issue alarms.

From April 2021 to March 2023, the project helped 1,962 homes save £1.1 million, averaging £562 per household.

Demanding safety always

We never compromise on the safety, wellbeing and health of our colleagues and customers and continuously improve standards.

To make sure we keep the public safe and warm for generations to come, we are investing £2 million a week in maintaining and upgrading the 35,000 kilometres of pipelines and the 20,000 gas pressure management stations through which gas flows to our 7.5 million customers. This will reduce the likelihood of gas leaks, improve safety, reduce methane emissions and get our network ready to transport low-carbon gases.

Network resilience, in the face of climate change, is a crucial consideration for us and our stakeholders. We will evaluate how climate change will impact our assets and operations by carrying out risk assessments to support our long-term planning.

To maintain and enhance our high safety standards, we will continue to put ourselves forward to have our health and safety management systems independently verified. Furthermore, we will continue to strive for a company culture where every colleague feels safe, supported, listened to and empowered to act where safety might be compromised. We are taking steps to further cement this into our ways of working through colleague training on our values and equipping our leaders and managers with skills to support colleagues. We will look to prevent escalation of safety, wellbeing and health issues through our positive culture, human resource functions, peer networks and engagements with colleagues and trade union / safety representatives.

Demanding
SAFETY
ALWAYS 

WAS WET
UTILITIES

**GAS
EMERGENCY
SERVICE**

TARGETS To maintain the safety and security of our assets to keep customers and communities safe

We will...

- Proactively upgrade our assets, systems and data for the future and protect from physical and cyber security risks

When...

Ongoing

Because ...

We want to raise the bar on our network's security and improve its resiliency to make sure our assets are safe today and fit for low-carbon gases in the future

- Continue to operate a 24/7, 365 days a year emergency service, responding to all calls from the public within an hour for an uncontrolled situation and two hours for a controlled situation

Ongoing

We never compromise on the safety of our colleagues, customers and the public

- Replace ageing metallic mains and services with safer and more environmentally friendly modern pipe materials

Ongoing

We want to improve safety, lower operating costs and reduce our methane emissions

- Maintain a highly skilled and professional emergency response workforce and ensure colleagues are appropriately trained for the energy system transition

Ongoing

We want to make sure the service remains fit for purpose as regions in our network transfer to hydrogen

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



A Wales of Cohesive Communities

TARGETS To promote the safety of our workforce

We will...

- Incorporate human factors and effective error analysis into our approach to risk management and process development
- Constantly review and update our risk profile (registers) so we identify new risks and maintain a focus on those hazards that are most likely to cause harm to life or property
- Continue to deliver a comprehensive mandatory training programme based on essential competency matrices, including for the transition of the energy system to gases like hydrogen

When...

2023 then ongoing

Quarterly

Ongoing

Because...

We focus on identifying and reducing risk so we continually improve standards of safety for colleagues and customers

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



A Prosperous Wales

TARGETS To look out for the wellbeing and health of our colleagues

We will...

- Make sure our culture is safe, supportive, engaging and motivating and enables belonging, development and performance

When...

Ongoing

Because...

The wellbeing and health of colleagues underpins our success as a business

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



A Prosperous Wales



A Healthier Wales



CASE STUDY – PIPE REPLACEMENT PROJECTS IN PRACTICE

We are undertaking works to replace old metal pipes with modern plastic pipes, which help reduce the volume of greenhouse gases emitted while we transport gas to customers in Wales and the south-west. We've been undertaking this programme since 2002, investing around £100 million to deliver 450 kilometres of pipe replacement per year – equivalent to laying a pipe from our headquarters in Newport to London and back again.

These projects significantly reduce the likelihood of consumers in the area experiencing gas escapes in the future, avoid the inconvenience of unplanned repairs and reduce methane escaping from older metallic pipes. As methane is a potent greenhouse gas and is the main constituent of natural gas, reducing leakage from our pipelines is the primary way we, as a gas distribution network, can reduce the global warming potential of our operations in the near term.

While the programme is critical for safety, we recognise the impact the work can have on communities and work closely with them to mitigate these effects wherever possible. In the case of a three-month programme of work to replace gas pipes in Totnes, Devon, we held drop-in sessions and spoke to businesses that might be affected by the work. Their preferences were considered in designing the diversion route round the work site. Based on this engagement, we decided the best way to approach the project was to split the work programme into two phases, one in January 2023 and the second in January 2024.

We also work closely with councils across our region so the works required to upgrade the gas network are carried out with minimum disruption to communities. Our customer service team and front-line colleagues are fully trained to engage with and explain the pipe replacement process to the general public during the course of the upgrade works. We work with our communities to understand the benefits upgrades will have on the security and safety of their energy supply and we assist in mitigating any short-term impacts while works are carried out.

Designing our future

We're building a skilled, resilient, diverse team to work with stakeholders and help our communities and society thrive.

It is our ambition to provide the best service we can for our customers by creating an inclusive work environment where colleagues can be themselves knowing they'll be supported to fulfil their potential.

Readying our network for low-carbon gases is about more than making sure our pipes can handle them. We need to identify and develop the required knowledge, skills and expertise within our team, foster supportive collaborations with stakeholders and prepare our customers for the changes to their energy supply. We will look to leverage new and existing partnerships with other utilities, the third sector and the education sector to continuously improve the quality and value of the support and services we provide our customers.

We want to better reflect the communities we serve and will actively foster diversity across our organisation through the implementation of our Diversity Strategy. We will be as inclusive as possible, both in supporting access to decent work for everyone and in the opportunities our colleagues have for career advancement.





How we are designing our future

We will evolve our workforce culture to become more customer focused and diverse so we better reflect our communities. This includes inspiring the next generation through outreach programmes in schools and colleges to raise awareness of career opportunities, particularly in some of the most deprived areas covered by our network. We will also continue supporting young people to get the training and experience they need to launch their careers through our apprenticeships.

We recognise our people are our most valuable assets and as such we will develop a supportive, engaging and motivating culture that enables the belonging, development and performance of our people. We will continue to engage and empower colleagues to improve and shape their experience. This includes creating employee communities such as the Women's Inclusion Network, profiled in the case study below. We will also provide opportunities such as our high-performance coaching programme for colleagues to future-proof their skills and be their best.

We will demonstrate respect for our workforce by providing them with decent pay, as underscored by our accreditation as a Living Wage Employer, with salaries regularly benchmarked internally and externally as part of a comprehensive review process. We will also continue to improve pay transparency, building on the success of a competency matrix approach developed to support career development for our Operations colleagues.

We intend to work collaboratively and at pace across industry and with government to address the system-level challenges required to demonstrate the role of our gas network in a net zero society. We will use our Supply Chain Charter to detail our minimum standards while promoting our aspirations for the future. We will improve our visibility of the sustainable practices of our supply chain through a mapping process. The data gathered during this exercise will inform an action plan aimed at helping us collectively achieve our sustainability objectives.

TARGETS To build a skilled, resilient and hydrogen-ready team

We will...

- Maintain our Investors in People accreditation and achieve re-accreditation in 2024
- Make sure colleagues develop the knowledge and skills needed to safely deliver our network
- Create a robust hydrogen skills and talent resourcing plan for the sector by collaborating with the other gas distribution networks and the skills council for our sector

When...

**2024
and 2027**

Ongoing

2026

Because...

More job-seekers will consider Wales & West Utilities as an employer of choice

This will maximise the safety and resilience of our network through effective operation, maintenance and repair

We need a skilled and resilient team to deliver our ambitions and priorities

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



A Prosperous Wales



A Resilient Wales

TARGETS To improve the diversity, equity and inclusion of our team

We will...

- Achieve the Inclusive Employers Standard in 2025
- Develop a plan to improve inclusion through supporting pathways to fulfilling work
- Inspire the next generation by educating our colleagues and working with schools in the most deprived areas of our network to raise awareness of gas safety and career opportunities

When...

2025

2023 then ongoing

Ongoing

Because...

A more diverse team will help us better support the communities in which we work

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



A Wales of Cohesive Communities



A More Equal Wales



A Healthier Wales



A Prosperous Wales

TARGETS To engage with our supply chain and industry partners on sustainability

We will...

- Map supplier awareness of sustainability topics
- Work with wider energy industry partners to promote consumer understanding and choice in low-carbon heating solutions

When...

2023

2026

Because...

This will better target our conversations and activity related to sustainability with our supply chain stakeholders

Together, we can help our communities and society thrive

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



A Resilient Wales



A Wales of Cohesive Communities



A Prosperous Wales



A Globally Responsible Wales

Aligned UN SDGs



CASE STUDY – WOMEN'S INCLUSION NETWORK: A COLLEAGUE-LED INITIATIVE

The Women's Inclusion Network is a group co-ordinated by and for colleagues with support and resources provided by Wales & West Utilities. Launched in 2022, it has led to the development of an active community that is collectively engaging in improving the inclusion of women in our organisation.

The group spearheaded a movement to source personal protective equipment (PPE) specifically designed for women. It was also instrumental in pioneering the use of personal safety alarms for lone working and, most recently, it has been working on raising awareness of the menopause in the workplace and developing guidance that has been incorporated into a company policy to support normalising the topic.

The success of the Women's Inclusion Network has created momentum towards the establishment of other inclusion groups colleagues will value in the future.

#IWD22



Delivering value for money

We always spend and invest money wisely, working smarter to offer affordable services that give value for money.

At the heart of everything we do is the need to invest and deliver on the high standards of safety and performance our customers expect. We have robust investment management and procurement procedures to make sure investments are made efficiently and are in line with the frameworks Ofgem sets as our regulator.

We will continue to look at opportunities to make our business and service as efficient as possible. For example, using our existing workforce to deliver work for third parties within and outside of our own network (known as non-regulated income) allows us to reduce the costs we pass on to our customers on their gas bills. We will seek to leverage new technologies, techniques and knowledge to drive year-on-year improvements in our cost base.

How we deliver value for money

We will continue a robust engagement programme with our industry stakeholders and customers. We will learn from industry best practice and share our own innovations with our gas distribution network peers. We will always look for new ways of improving the value of the service we provide and its alignment with customer needs and expectations to improve the social value of our activity. We have strong procurement policies that comply with Utilities Regulations to ensure value for money of external spending through robust market testing.

We will look to grow our current non-regulated business offerings while looking to develop new revenue streams. Our drive to upskill our team is supporting this effort by increasing our pool of marketable expertise and skills. We will also be considering revenue-generating opportunities presented by the energy transition, such as low-carbon gas generation and storage.

We will look to adopt more sophisticated targets and monitoring of our use of resources to improve environmental outcomes, eliminate waste wherever possible and reduce costs.

TARGETS To keep customers' interests at the heart of all investment decisions

We will...

- Continue to engage with our customers and other stakeholders to understand their needs
- Continue to robustly evaluate all investment decisions, taking into account the priorities of our stakeholders

When...

Ongoing

Ongoing

Because...

We strive to meet the needs of all stakeholders and make the investments required to support today's and tomorrow's customers as efficiently as possible

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



TARGETS To minimise the costs we pass on to our customers

We will...

- Continue to maximise our current non-regulated income (reducing consumer bills) and to develop ourselves as a high-quality supplier of choice
- Identify and where suitable invest in opportunities that generate additional long-term future revenue streams, including from our land and gas assets

When...

Ongoing

Ongoing

Because...

We want to work smarter to offer affordable, value for money services

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



TARGETS To align our capital structure to our Environmental, Social and Governance (ESG) objectives

We will...

- Continue to evaluate the potential for further alignment of our capital structure with our ESG objectives

When...

Ongoing

Because...

We want to place combatting climate change at the centre of our business planning

Aligned UN SDGs



Aligned Well-being of Future Generations Act goals



A Prosperous Wales



A Resilient Wales



A Globally Responsible Wales

CASE STUDY – ALIGNING OUR CAPITAL STRUCTURE TO ESG OBJECTIVES

In 2022, we took an important step towards aligning our capital structure (how we finance our operations and assets) with Environmental, Social and Governance (ESG) objectives by entering into a £125 million bank facility linked to ESG performance metrics. The ongoing supply of this facility is linked to our performance against specific metrics that are above and beyond those set by our regulator Ofgem. These targets cover natural gas emissions from our gas distribution network, operational reliability and customer service. We will continue to evaluate opportunities to further align our capital structure with ESG objectives over the remainder of this regulatory control period to March 2026.

What's next

The development of this Strategy has helped us shape our understanding of what sustainability means to us and what it means for the services we offer in the future. It sets out our vision to facilitate decarbonisation in the communities we serve while becoming a more sustainable business in our own operations.

How it will continue to evolve

This is by no means the end of the story for our Sustainability Strategy: we will review and update it periodically. We consider this Strategy to be a living document that will be updated as the importance of sustainability topics to society evolves and our understanding of them develops. The hope is this Strategy will jump start conversations and partnerships with other organisations. We see collaboration as being key to achieving our and society's broader sustainability ambitions.

We plan to build on the engagement that has helped shape this Strategy. We will use it to raise awareness of our plans and generate feedback and responses that will strengthen it in future. We will use roadshows and other forums to capture our colleagues' perspective on the Strategy and its implementation. We will continue to consult our stakeholder engagement groups on sustainability related matters and we will maintain close working relationships with other gas networks and the regulator Ofgem to stay abreast of sector-wide developments that could impact our plans.

If you would like to let us know what you think of this Strategy or any of its content, please contact us at OurEnvironment@wwutilities.co.uk.

How we will use it

Our values are what drive us to create a better world today and for future generations. We will keep our values at the heart of everything we do as this Strategy continues to develop. We will systematically monitor changes in the wider world and regularly consult with our customers, partners, and experts to make sure the Strategy continues to drive ambition and inspire action. We are proud of this Strategy and will enthusiastically work as a team to bring it to life.



Our values

We put customers first

We build trust by giving excellent service, listening and taking action on what our customers tell us.

We take pride

We take ownership and are accountable for our work, going above and beyond to get great results.

We work as a team

We build relationships with colleagues and partners, share best practice and encourage honest, open conversations.

We bring energy

We approach all work with enthusiasm, challenging ourselves to improve by embracing new ideas and innovative solutions.

How it will support business planning

Our Strategy is a forward-looking document focused on the long term, but it must also be useful for short- and medium-term planning and operations.

Our long-term vision, as laid out in this Strategy, will set the context and direction for our Business Plan for the next price control period following the end of the current one in March 2026. Along with extensive engagement with our stakeholders, this Strategy will be used to determine the levels of ambition we will put forward in that Business Plan.

How we will report on our progress

To support short-term planning and operations, we will develop the indicators we use to monitor and report progress on the sustainability targets laid out in the Strategy. We will provide updates on our progress against this Strategy in an annual Sustainability Report.

Glossary

BIODIVERSITY

This is the variety of animal and plant life in a particular area. This can include animal species, fungi and microorganisms. Each of these species and organisms work together within ecosystems.

BIOMETHANE

Is made by purifying raw biogas, which is produced by the decomposition of organic matter such as dead animals, plants and manure. It is already used in place of a proportion of natural gas that would otherwise be used in the UK.

CLIMATE CHANGE

Refers to the long-term shifts in temperatures and weather patterns. These shifts may be natural, such as through variations in the solar cycle. But since the 1800s, human activities have been the main driver of climate change, primarily due to burning fossil fuels such as coal, oil and gas, which results in a higher than natural level of greenhouse gases such as carbon dioxide.

DECARBONISATION

Refers to all the measures (e.g. energy efficiency and adopting renewable energy sources) that a business or entity (e.g. a government or organisation) commit to in order to reduce their carbon footprint, particularly through reducing greenhouse gas emissions.

This process ensures businesses or entities reduce their impact on the climate.

ENERGY TRANSITION

This is the process of switching reliance on fossil fuels to low-carbon energy sources, such as renewable energy from wind and solar or hydrogen.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

A framework for considering the impact of a business on the environment and society, and assessing the quality of its governance.

GAS NETWORKS

Gas networks refers to the Transmission and Distribution pipeline owners and operators across GB. Further information can be found at energynetworks.org/energy-networks-explained/

GREENHOUSE GASES (GHGS)

These are gases in the earth's atmosphere that trap heat, causing the 'greenhouse gas effect', which is responsible for climate change and global warming. Global temperatures have accelerated in the past 30 years and are now the highest since records began.

HYDROGEN

Is a gas that can be produced from renewables, nuclear or fossil fuels. If produced with renewables or with carbon captured, hydrogen can help to decarbonise a range of sectors where emissions are hard to abate, such as heavy industry and shipping.

METHANE

Is the main component of natural gas. It is a greenhouse gas and contains carbon, which is emitted as carbon dioxide if it is combusted.

NATURAL CAPITAL

Refers to the elements of the environment that provide valuable goods and services and can be considered as a stock that provides a flow of benefits to people and the economy. Capital assets include water, forests and clean air.

NET ZERO

This is the balance between removing greenhouse gases from the atmosphere at an equal rate to those emitted by human activity. When what we add is no more than what we take away, we reach net zero.

SCOPE 1 EMISSIONS

These are direct greenhouse gas emissions that occur from sources

controlled or owned by the organisation. Can include items such as company vehicles and company facilities.

SCOPE 2 EMISSIONS

Indirect greenhouse gas emissions associated with the purchase of electricity.

SCOPE 3 EMISSIONS

Indirect greenhouse gas emissions as a result of the activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly impacts in its value chain. These can include employee commuting, capital goods and waste generated in operations. Details of the individual Scope 3 categories are [available here](#).

ULTRA LOW-EMISSION VEHICLES

Vehicles that use low-carbon technologies, such as pure electric vehicles and fuel cell electric vehicles. Today, most of these use electricity and hydrogen to engage the electric motor, with batteries commonly used as an energy storage device. In most cases, these can be charged by being plugged into a charge point or mains, whereas hydrogen vehicles can be refuelled at specific refuelling stations.


Appendices

Sustainable Development Goals

In 2015, all United Nations Member States agreed to the 17 UN Sustainable Development Goals (SDGs) as an urgent call for action. They provide the guiding principles to make sure actions are aligned with a sustainable future. Within our organisation, they also provide guidance for us to achieve our business priorities – they are incorporated throughout our 2021-26 Business Plan – highlighting how our activity helps address key sustainability topics such as climate change and striving to preserve the Earth’s oceans and forests.

As an organisation, we support and advocate for all 17 SDGs. However, we realise that some best align with our core business operations and therefore in our Business Plan we identified seven priority SDGs. Throughout this Strategy, we outline how our Business Priorities and our targets within these areas align with our priority SDGs. This internationally recognised sustainability framework will help make sure we are considering a full complement of sustainability issues in our decision making and support our sustainability communication approach.

Our Sustainable Energy Strategy aligns with our priority Sustainable Development Goals. More information on the objectives of each goal is provided below:

UN SDG	Explanation	Our Targets
 Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	<p>Put customers and communities at the heart of everything we do, providing inclusive services to all.</p> <p>Support customers by working with partners and upskilling engineers to carry out basic repairs to pipework and boilers, as well as offering additional services.</p> <p>Use data to identify and target support to customers in vulnerable situations across our communities.</p> <p>Maximise and report on the added social value of the support we provide above minimum expected requirements.</p> <p>Develop our colleagues and information for customers to empower and support them to become a part of the energy transition in the UK.</p> <p>Create more local customer support teams, representative of our communities, to deliver the transition of the energy system for net zero.</p> <p>Continue to engage with our customers and other stakeholders to understand their needs.</p> <p>Continue to robustly evaluate all investment decisions, taking into account the priorities of our stakeholders.</p> <p>Continue to maximise our current non-regulated income (reducing consumer bills) and continue to develop ourselves as a high-quality supplier of choice.</p> <p>Identify, and where suitable invest in opportunities that generate additional long-term future revenue streams, including from our land and gas assets.</p> <p>Choose low and ultra low-emission options for our vehicle fleet where conditions and markets allow.</p> <p>Invest in at least £13 million in innovation and early-stage decarbonisation projects across our operations.</p> <p>Achieve net zero operational (Scope 1 and 2) emissions and supply chain (upstream Scope 3) emissions.</p> <p>Prepare to receive up to 20% of blended hydrogen by 2026.</p> <p>Prepare for 100% hydrogen across the areas of our network most likely to convert by 2035 and across the network no later than 2040.</p>

UN SDG**8**DECENT WORK AND
ECONOMIC GROWTH**Decent Work
and Economic
Growth****Explanation**

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

Our Targets

- Incorporate human factors and effective error analysis into our approach to risk management and process development.
- Constantly review and update our risk profile (registers) so we identify new risks and maintain a focus on those hazards that are most likely to cause harm to life or property.
- Continue to deliver a comprehensive mandatory training programme based on essential competency matrices, including for the transition of the energy system to gases such as hydrogen.
- Ensure our culture is safe, supportive, engaging and motivating and enables belonging, development and performance.
- Use data to identify and target support to customers in vulnerable situations across our communities.
- Maximise and report on the added social value of the support we provide above minimum expected requirements.
- Continue to engage with our customers and other stakeholders to understand their needs.
- Continue to robustly evaluate all investment decisions, taking into account the priorities of our stakeholders.
- Continue to maximise our current non-regulated income (reducing consumer bills) and continue to develop ourselves as a high-quality supplier of choice.
- Identify and where suitable invest in opportunities that generate additional long-term future revenue streams, including from our land and gas assets.
- Continue to evaluate the potential for further alignment of our capital structure to our ESG objectives.
- Invest in at least three industrial clusters to support industry transitioning to net zero and develop broader rollout plans for hydrogen.
- Proactively support local decarbonisation efforts for the communities we serve using our whole systems modelling capability to support at least 30 Local Area Energy Plans or similar activity.
- Maintain our Investors in People accreditation and achieve re-accreditation in 2023.
- Make sure colleagues develop the knowledge and skills needed to safely deliver our network.
- Create a robust hydrogen skills and talent resourcing plan for the sector by collaborating with the other gas distribution networks and the skills council for our sector.
- Achieve the Inclusive Employers Standard in 2025.
- Develop a plan to improve inclusion through supporting pathways to fulfilling work.
- Inspire the next generation by educating our colleagues and working with schools in the most deprived areas of our network to raise awareness of gas safety and career opportunities.

UN SDG**Explanation****Our Targets****9**INDUSTRY, INNOVATION
AND INFRASTRUCTURE**Industry,
Innovation and
Infrastructure**

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

Proactively upgrade our assets, systems and data for the future and protect from physical and cyber security risks.

Continue to operate a 24/7, 365 days a year emergency service, responding to all calls from the public within an hour for an uncontrolled situation and two hours for a controlled situation.

Replace ageing metallic mains and services with safer and more environmentally friendly modern pipe materials.

Maintain a highly skilled and professional emergency response workforce and ensure colleagues are appropriately trained for the energy system transition.

Incorporate human factors and effective error analysis into our approach to risk management and process development.

Constantly review and update our risk profile (registers) so that we identify new risks and maintain a focus on those hazards that are most likely to cause harm to life or property.

Continue to deliver a comprehensive mandatory training programme based on essential competency matrices, including for the transition of the energy system to gases such as hydrogen.

Choose low and ultra low-emission options for our vehicle fleet where conditions and markets allow.

Invest at least £13 million in innovation and early-stage decarbonisation projects across our operations.

Proactively support local decarbonisation efforts for the communities we serve using our whole systems modelling capability to support at least 30 Local Area Energy Plans or similar activity.


Map supplier awareness of sustainability topics.

UN SDG**Explanation****Our Targets****Responsible Consumption and Production**

Ensure sustainable consumption and production patterns

- Proactively upgrade our assets, systems and data for the future and protect from physical and cyber security risks.
- Continue to operate a 24/7, 365 days a year emergency service, responding to all calls from the public within an hour for an uncontrolled situation and two hours for a controlled situation.
- Replace ageing metallic mains and services with safer and more environmentally friendly modern pipe materials.
- Maintain a highly skilled and professional emergency response workforce and ensure colleagues are appropriately trained for the energy system transition.
- Put customers and communities at the heart of everything we do, providing inclusive services to all.
- Support customers by working with partners and upskilling engineers to carry out basic repairs to pipework and boilers and offering additional services.
- Develop our colleagues and information for customers to empower and support them to become a part of the energy transition in the UK.
- Create more local customer support teams, representative of our communities, to deliver the transition of the energy system for net zero.
- Choose low and ultra low-emission options for our vehicle fleet where conditions and markets allow.
- Invest in at least £13 million in innovation and early-stage decarbonisation projects across our operations.
- Achieve net zero operational (Scope 1 and 2) emissions and supply chain (upstream Scope 3) emissions.
- Prepare to receive up to 20% of blended hydrogen by 2026.
- Prepare for 100% hydrogen across the areas of our network most likely to convert by 2035 and across the network no later than 2040.
- To send zero avoidable waste to landfill by 2035 and become a zero-waste company by 2050.

UN SDG	Explanation	Our Targets
 <p>13 Climate Action</p>	<p>Climate Action Take urgent action to combat climate change and its impacts</p>	<p>Develop our colleagues and information for customers to empower and support them to become a part of the energy transition in the UK.</p> <p>Create more local customer support teams, representative of our communities, to deliver the transition of the energy system for net zero.</p> <p>Choose low and ultra low-emission options for our vehicle fleet where conditions and markets allow.</p> <p>Invest in at least £13 million in innovation and early-stage decarbonisation projects across our operations.</p> <p>Achieve net zero operational (Scope 1 and 2) emissions and supply chain (upstream Scope 3) emissions.</p> <p>Prepare to receive up to 20% of blended hydrogen by 2026.</p> <p>Prepare for 100% hydrogen across the areas of our network most likely to convert by 2035 and across the network no later than 2040.</p> <p>Invest in at least three industrial clusters to support industry transitioning to net zero and develop broader rollout plans for hydrogen.</p> <p>Proactively support local decarbonisation efforts for the communities we serve using our whole systems modelling capability to support at least 30 Local Area Energy Plans or similar activity.</p> <p>Map supplier awareness of sustainability topics.</p> <p>Work with wider energy industry partners to promote consumer understanding and choice in low carbon heating solutions.</p>

UN SDG	Explanation	Our Targets
 <p>15 Life on Land</p>	<p>Life on Land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss</p>	<p>Support the natural environment to thrive across our own land and in our projects by working with communities and partners. We will direct our own resources as well as leverage funding to deliver biodiversity net gain.</p>

UN SDG

17

PARTNERSHIPS
FOR THE GOALS



Partnerships for the Goals

Explanation

Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

Our Targets

- Put customers and communities at the heart of everything we do, providing inclusive services to all.
- Support customers by working with partners and upskilling engineers to carry out basic repairs to pipework and boilers and offering additional services.
- Use data to identify and target support to customers in vulnerable situations across our communities.
- Maximise and report on the added social value of the support we provide above minimum expected requirements.
- Continue to evaluate the potential for further alignment of our capital structure to our ESG objectives.
- Maintain our Investors in People accreditation and achieve re-accreditation in 2023.
- Make sure colleagues develop the knowledge and skills needed to safely deliver our network.
- Create a robust hydrogen skills and talent resourcing plan for the sector by collaborating with the other gas distribution networks and the skills council for our sector.
- Map supplier awareness of sustainability topics.
- Work with wider energy industry partners to promote consumer understanding and choice in low-carbon heating solutions.

The Well-being of Future Generations (Wales) Act

The Well-being of Future Generations Act helps us work together to improve our environment, our economy, our society and our culture. It applies to Wales, but a similar approach is being considered in England and the principles are relevant to everywhere we operate. It offers a framework to understand the impact we can have on current and future generations.

The Act provides a framework for the pursuit of seven 'Wellbeing Goals'. Progress towards the goals is monitored using 50 'National Wellbeing Indicators' and eight 'National Milestones'. We will look at how we can align our sustainability reporting to this framework to better demonstrate our contributions to our partners and the Welsh Government.

Our Sustainability Strategy aligns with the following Wellbeing goals for Wales. More information on the objectives of each goal is provided below:

Goal	Explanation	Target areas
 A Prosperous Wales	<p>A low-carbon society that recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change) and that develops a skilled and well-educated population in an economy that generates wealth and provides employment opportunities</p>	<ul style="list-style-type: none"> Promote the safety of our workforce Look out for the wellbeing and health of our colleagues Provide excellent customer service Support our communities in the transition to low-carbon energy Keep customers' interests at the heart of all investment decisions Align our capital structure to our Environmental, Social and Governance (ESG) objectives Innovate and choose greener technologies Work with and support our customers during the transition to net zero Build a skilled, resilient and hydrogen-ready team Improve the diversity, equity and inclusion of our team Engage with our supply chain and industry partners on sustainability

Goal	Explanation	Target areas
 A Resilient Wales	<p>A nation that maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change</p>	<ul style="list-style-type: none"> Provide excellent customer service Support customers in vulnerable situations Align our capital structure to our Environmental, Social and Governance (ESG) objectives Ready our assets and operations for low-carbon gases Work with and support our customers during the transition to net zero Improve the health of our environment Build a skilled, resilient and hydrogen-ready team Engage with our supply chain and industry partners on sustainability

Goal	Explanation	Target areas
 <p>A Globally Responsible Wales</p>	<p>A nation that, when doing anything to improve the economic, social, environmental and cultural wellbeing of Wales, takes account of whether doing so may make a positive contribution to global wellbeing</p>	<ul style="list-style-type: none"> Support our communities in the transition to low-carbon energy Align our capital structure to our Environmental, Social and Governance (ESG) objectives Innovate and choose greener technologies Ready our assets and operations for low-carbon gases Work with and support our customers during the transition to net zero Improve the health of our environment Engage with our supply chain and industry partners on sustainability

Goal	Explanation	Target areas
 <p>A More Equal Wales</p>	<p>A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio-economic background and circumstances)</p>	<ul style="list-style-type: none"> Support customers in vulnerable situations Improve the diversity, equity and inclusion of our team

Goal	Explanation	Target areas
 <p>A Healthier Wales</p>	<p>A society in which people's physical and mental wellbeing is maximised and choices and behaviours that benefit future health are understood</p>	<ul style="list-style-type: none"> Look out for the wellbeing and health of our colleagues Support customers in vulnerable situations Build a skilled, resilient and hydrogen-ready team Improve the diversity, equity and inclusion of our team

Goal	Explanation	Target areas
 <p>A Wales of Cohesive Communities</p>	<p>Attractive, viable, safe and well-connected communities</p>	<p>Maintain the safety and security of our assets to keep customers and communities safe</p> <p>Provide excellent customer service</p> <p>Support customers in vulnerable situations</p> <p>Support our communities in the transition to low-carbon energy</p> <p>Keep customers' interests at the heart of all investment decisions</p> <p>Improve the diversity, equity and inclusion of our team</p> <p>Engage with our supply chain and industry partners on sustainability</p>

Goal	Explanation	Target areas
 <p>A Wales of Vibrant Culture and Thriving Welsh Language</p>	<p>A society that promotes and protects culture, heritage and the Welsh language and that encourages people to participate in the arts, sports and recreation</p>	<p>Provide excellent customer service</p> <p>Support our communities in the transition to low-carbon energy</p> <p>Keep customers' interests at the heart of all investment decisions</p>



Reference list

Source	Description
<u>ENA Gas Goes Green – Sustainability Commitments 2021</u>	Report on GB gas networks' commitment to Sustainable Development Goals
<u>ENA Hydrogen Vision for the UK</u>	Shared networks vision for the role of hydrogen in the energy system
<u>Supply Chain Charter</u>	Sets out our approach to sustainable procurement
<u>WWU Annual Environmental Report 2021-22</u>	Published annually and provides public information on environmental data and progress towards key targets and commitments
<u>WWU Biodiversity Action Plan 2022</u>	Report on our work to protect and enhance biodiversity
<u>WWU Customer Service Charter</u>	Sets out our commitments to customer service and how customers can contact Wales & West Utilities
<u>WWU Gender Pay Report</u>	Report on our performance in relation to the gender pay gap
<u>WWU Innovation Report</u>	Published annually and provides information on innovative projects aiming to support customers in vulnerable situations and delivery of the energy system transition