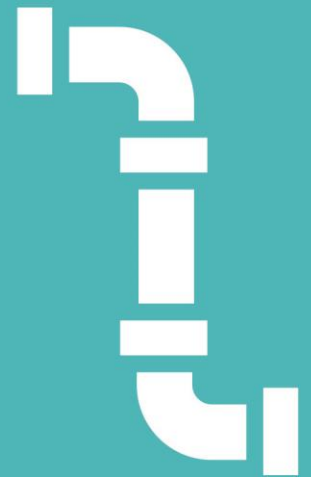




# Appendix 11: The United Nations Sustainable Development Goals: Our methodology



### Legal Notice

This paper forms part of Wales & West Utilities Limited Regulatory Business Plan. Your attention is specifically drawn to the legal notice relating to the whole of the Business Plan, set out on the inside cover of The WWU Business Plan. This is applicable in full to this paper, as though set out in full here.

## 1 Introduction

The 2030 Agenda for Sustainable Development, adopted by all United Nations (UN) Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

At its heart are the 17 United Nations Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests<sup>1</sup>.



Figure 1: The 17 United Nations Sustainable Development Goals<sup>2</sup>

The SDGs build on decades of work by countries and the UN, including the UN Department of Economic and Social Affairs. The SDGs were developed to succeed the eight Millennium Development Goals (MDGs) which ran from 2000-15.

<sup>1</sup> United Nations. (2019, August 29). *Sustainable Development Goals*. Retrieved from Sustainable Development Goals Knowledge Platform: <https://sustainabledevelopment.un.org/?menu=1300>

<sup>2</sup> The Geological Society. (2018, December 10th). *Geology and the UN Sustainable Development Goals*. Retrieved from Geological Society of London Blog: <https://blog.geolsoc.org.uk/2018/12/10/geology-and-the-un-sustainable-development-goals/>



## 2 Our commitment

We are committing to align our business priorities to the UN Sustainable Development Goals in GD2.

As a responsible business, our alignment to the SDGs shows we are committed to increasing the positive and minimising the negative impact we have on communities, the economy and environment.

During GD1, a review of best practice across wider industries combined with feedback from our stakeholders has led to an enhanced focus on sustainability. We are currently revising our Sustainability Strategy to underpin our sustainability practices. This work is ongoing and will be completed in early 2020.

For GD2, we are committed to aligning ourselves to all 17 of the SDGs, with a particular focus on the seven priority goals identified by stakeholders and colleagues as those where we could make the most impact. Our business ambition and priorities are complementary to these goals and also embrace the aspirations of the 'Well-being of Future Generations (Wales) Act' 2015.

*See Section 7 below for how the Well-being of Future Generations Act is aligned with the SDGs.*

Our vision to be a responsible and sustainable business can only be realised if we fully integrate the SDGs into every area of our business. While we acknowledge that we are still near the start of this transition, we are committed to working hard to evolve our plans as we move forward, incorporating and reflecting additional feedback to drive our sustainability agenda.

Although we know that our organisational shift will have a relatively small global impact, we strongly believe it is the right thing to do. We hope that our adoption of the UN SDGs will help to drive change and transparency, encouraging more sustainable practices within the utilities sector – and amongst all industries and partners that we connect with.



### 3 Identifying our areas of focus

In October 2018, we began by trying to identify the SDGs that were most relevant to us and which of the goals were most important to colleagues, customers and stakeholders ('priority goals'). There were some goals that we initially felt were not relevant to us at all.

#### 3.1 Consulting with colleagues

Led by an expert sustainability/SDG professional, we conducted several internal workshops to consider the goals and to identify those that we could influence most. From this, we identified six goals and developed overarching commitments for each.

Goal	Commitment
	We will create a whole energy system that decarbonises heat, power, and transport at the lowest cost to the consumer
	We will create and nurture a diverse and inclusive workforce and supply chain that is safe, healthy, and dynamic
	We will deliver long-term, best value, and sustainable energy infrastructure
	We will drive a reduction in waste across our business and our supply chain
	We will reduce our carbon footprint and adapt to a changing climate
	We will work with a broad range of stakeholders to develop solutions that support the goals

Table 1: Priority Goals and Commitments



## Our strategic approach to the future of energy challenge

An exercise was completed which considered the importance of each goal according to internal stakeholders, the significance to stakeholders and the impact WWU could have on each goal. This created a score for each SDG and allowed the goals to be prioritised. The above six goals were considered a priority, based on this methodology, and a set of commitments and targets were created. Below is a graphical representation of the scoring for each of the 17 SDGs.



Graph 1: Materiality matrix displaying the most important and significant to the business

### 3.2 Consulting with customers and stakeholders

In early 2019, we conducted two deep-dive workshops with Impact Utilities in both Wales (Cardiff) and the south west of England (Bristol). At the workshops, we consulted with stakeholders to discuss and test the SDGs and the below six shortlisted priority goals, that had been shortlisted at our internal sessions.

As Table 2 below shows, stakeholders chose similar priority goals as colleagues at the internal WWU workshops. Environmental goals scored very highly amongst the workshops, which is very much in keeping with the current global focus on climate change and our usage and disposal of waste and protecting the planet.

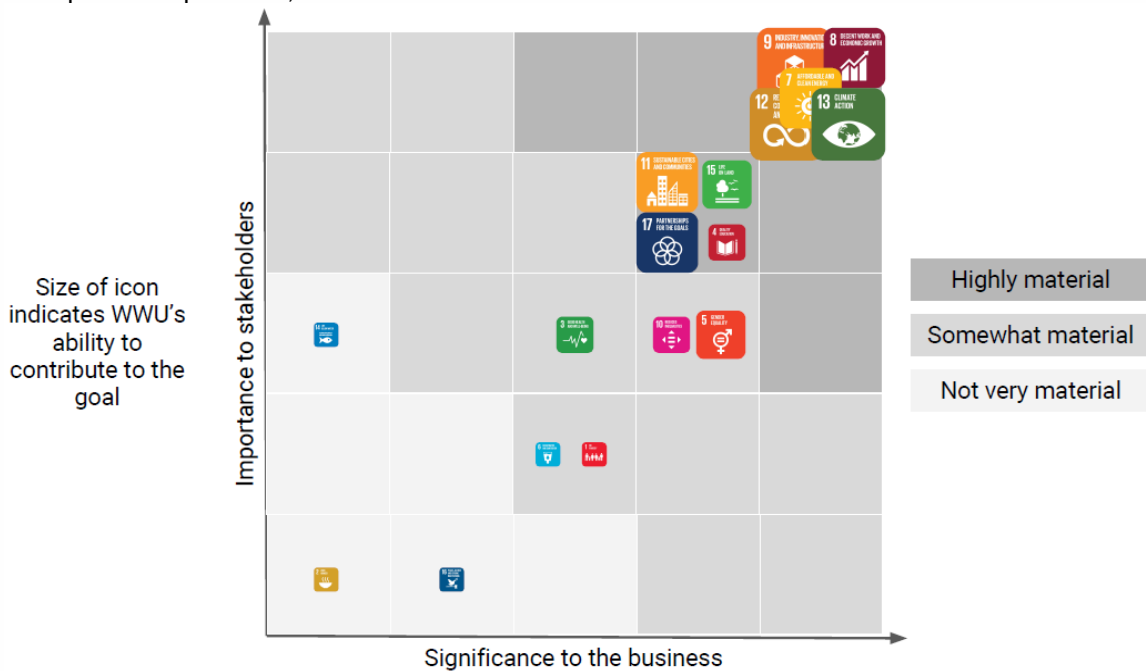


**Our strategic approach to the future of energy challenge**

Goal	Position	Score	Goal	Position	Score
12 Responsible Consumption and Production	-1	24	3 Good Health and Well Being	10	18
13 Climate Action	-1	24	5 Gender Equality	-11	14
15 Life on Land	-1	24	6 Clean Water and Sanitation	-11	14
7 Affordable and Clean Energy	-4	23	10 Reduced inequalities	-11	14
14 Life Below Water	-4	23	4 Quality Education	14	13
9 Industry, Innovation and Infrastructure	6	22	1 No Poverty	-15	10
17 Partnerships	7	21	2 Zero Hunger	-15	10
8 Decent Work and Economic Growth	8	20	16 Peace, Justice and Strong institutions	17	8
11 Sustainable Cities and Communities	9	19			

Table 2: Stakeholder SDG prioritisation and score according to importance, impact and ability of WWU to contribute to goal

The materiality matrix below considers both the internal WWU score and the stakeholder score. This shows that when the scores are combined, five of the original priority goals were at the top of the list with respect to importance, influence and WWU contribution.



Graph 2: Materiality Matrix displaying the most important and significant to the business combined with stakeholders' thoughts



## Our strategic approach to the future of energy challenge

Overall, both groups (Cardiff and Bristol) generally agreed with our 'priority' SDGs and considered them either high or medium priority in terms of adoption and focus. Generally, customers felt this was a step in the right direction and good practise for companies like ours to be thinking about long term sustainability. However, many customers felt some of the goals overlapped and were too ambitious, so struggled to visualise actuality without additional costs to customers or political debate.

Customers in Bristol wanted to add goal three (Good Health and Well-Being) as they felt the welfare of people and the planet should be an ultimate goal, with this being linked to the impact of leakages. Customers in Cardiff wanted to add goal eleven (Sustainable Cities and Communities) as they felt by taking responsibility for this goal, we would commit to land reinstatement and make our operations more eco-friendly. Both groups felt goal fourteen (Life Below Water) and fifteen (Life on Land) directly linked to the gas industry and should also be considered, despite these being similar to thirteen (Climate Action). Fourteen was perceived as important when reviewing gas leaks and natural disasters, which was also associated with fracking. Fifteen was associated with protecting eco-systems and ensuring WWU work in a non-destructive way.

In terms of the initial targets for the chosen six goals, many customers felt these weren't precise enough and wanted numeric targets to be achieved by a specific date. Specifically looking at goal thirteen (Climate Action), many thought this was a given through government legislation, so would like us to set a more ambitious goal.

### 3.3 Acting on feedback

Based on nine engagement events with over 2200 stakeholders, the broad opinion was that stakeholders were in favour of us aligning our plan to the relevant UN SDGs.

Customers in Cardiff and Bristol gave us pause for thought as some of the other goals that we had not initially considered as a priority to us, were important to them. The groups felt that we could influence some goals that we had not considered 'priority' goals. They were adamant that goal 15 (Life on Land) should be a priority goal, given the work we carry out both above and below ground and our potential impact on public health and biodiversity. After further consideration, we decided to respond and add goal 15 as a seventh priority goal.

Following our July submission, the Consumer Engagement Group (CEG) challenged us to consider our impact on all the goals, rather than just the seven priority goals.

In response to this, in August a cross functional team began to set out targets for our seven priority goals (as below) and an exercise to map all 17 SDGs against our business plan. This is summarised at the end of the Executive Summary. This exercise proved to be invaluable. It highlighted the fact that, despite our initial thinking, we are currently delivering on all 17 of the SDGs, to varying degrees. As we move into GD2, and we enhance our awareness and focus on SDGs throughout the business, this will only increase.



## 4 Well-Being Future Generations (Wales) Act 2015

As a responsible business, we are committed to increasing the positive and minimising the negative impact we have on communities, the economy and environment.

In addition to our alignment with the United Nations Sustainable Development Goals (SDGs) and as the sole gas distribution network in Wales, we have committed to embracing and supporting the Well-being of Future Generations (Wales) Act 2015 (WBFGA).

The Act is unique to Wales and encourages Welsh citizens to 'to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change'.

Those who choose to align themselves with the Act are expected to adopt the following seven goals and to work towards achieving all seven of them.



Figure 3: The 7 Well-being of Future Generations Act Well-Being Goals <sup>3</sup>

The Act defines Sustainable Development in Wales as:

“The process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals.”

<sup>3</sup><https://futuregenerations.wales/about-us/future-generations-act/>. (2019). Well-being of Future Generations (Wales) Act 2015. Retrieved from Future Generations Commissioner for Wales: <https://futuregenerations.wales/about-us/future-generations-act/>

We also took the opportunity at this point to map the SDGs against the WBFGA (see below). This allowed us to see how closely the two are aligned. It will also help us to see how we can align with both the SDGs and the Well-being of Future Generations (Wales) Act 2015 in GD2 across all corners of our network.







### **A Prosperous Wales**

An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

#### **Our Promise**

We will continue to innovate and lead the way in heat decarbonisation. We have a vision of a reliable, affordable and decarbonised future that combines hydrogen cities, green gas and smart heating systems. We will carry on investing in innovation and our people to ensure we maintain a safe and resilient network, whilst keeping our charges as low as possible.



### **A Resilient Wales**

A nation which 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 (for example climate change).

#### **Our Promise**

We care about protecting and improving the environment within the communities we serve. We take the challenge to reduce our environmental impact seriously. We have an ambitious Environmental Action Plan that tackles our business carbon footprint, helps us reduce waste and emissions and adapt to climate change. We are working on getting our network hydrogen ready by greening the gas and injecting more biomethane gas into our network. We are committed to providing a net zero ready network by 2035.



### **A More Equal Wales**

A society that enables people to fulfil their potential, no matter what their background or circumstances (including their socio-economic background and circumstances).

#### **Our Promise**

Our customers are always at the heart of everything we do. We believe we must provide a fully inclusive service that does not leave anyone behind. We take pro-active steps to widen our approach to make our company more inclusive and accessible to 'harder to reach' stakeholders and prospective employees. We will carry on investing in our people, providing opportunities for a better work-life balance. We have already achieved a positive Gender Pay Gap and we will continue to encourage more women to join our workforce. We also work with the Chartered Institute of Personnel Development, Business in the Community and BAME representatives to evolve our recruitment practices, increasing awareness about WWU and making ourselves a more attractive employment proposition for minority groups.





### **A Healthier Wales**

A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.

#### **Our Promise**

We will continue to evolve our company Ambition, Values and Priorities to maintain the well-being of our colleagues and the communities we serve. We will work hard via the Priority Services Register to identify our vulnerable customers living with various health conditions, making sure we tailor our services to their needs. Raising awareness of the dangers of carbon monoxide will remain a priority and we will continue to provide CO alarms and Locking Cooker Valves to avoid gas related injuries or deaths. We are also planning to further extend our current CO awareness schools programme.



### **A Wales of Cohesive Communities**

Attractive, viable, safe and well-connected communities.

#### **Our Promise**

In GD2, we propose a Community fund of £50k per year made available for community groups, charities, social enterprises, not for profit companies and statutory bodies. Communities will be able to apply for grants between 1k-10k to support community-based projects. We are also committed to continue our engagement programme at pace, so that everything we do is informed by what customers and stakeholders want.



### **A Wales of Vibrant Culture and Thriving Welsh Language**

A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

#### **Our Promise**

We acknowledge the increased focus on the promotion of the Welsh language. This will lead to an even greater demand for Welsh language communication – and we have robust plans in place to address this. As our society continues to become increasingly more culturally diverse, we anticipate rising numbers of non-English speaking customers.



### **A Globally Responsible Wales**

A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.

#### **Our Promise**

We will align our priorities to relevant globally recognised UN Sustainable Development Goals. We want to ensure that we conduct ourselves responsibly, creating a safe, productive and progressive environment for our colleagues to work in and that we do all we can to provide customers with the service they deserve. We will provide bespoke and tailored services to all customers, including those in vulnerable circumstances, maximising the positive and minimising the negative impact we have on our communities and the environment. As a gas distribution network, we have a responsibility to make sure that our workforce and network are resilient and ready for the future. We have also established partnerships with 350 partners (and target to work with up to 500 by the end of GD2) who bring innovative ideas from across 18 different countries.



### 4.1 Linking to United Nations Sustainable Development Goals

Below is a table showing how the commitments to the SDGs across our business plan meet the requirements of the WBFGA.

	A prosperous Wales can be linked to SDGs; 1, 2, 4, 7, 8, 9, 12 and 13
	A resilient Wales can be linked to SDGs; 6, 13, 14 and 15
	A more equal Wales is linked to SDGs; 5 and 10
	A Healthier Wales is linked to SDG; 3
	A Wales of cohesive Communities can be linked to SDG; 11
	A Wales of Vibrant Culture and Thriving Welsh Language can be linked to SDGs; 16 and 17
	A Globally Responsible Wales can be linked to SDG; 17

Table 3: Linking the WBFGA and SDGs



## Our strategic approach to the future of energy challenge

### 4.2 Mapping the WBFGA to Our Business Plan






							
Chapter	A Prosperous Wales	A Resilient Wales	A more Equal Wales	A Healthier Wales	A Wales of Cohesive Communities	A Wales of Vibrant Culture and Thriving Welsh Language	A Globally Responsible Wales
Consumer Value Proposition	X	X					
Giving customers and stakeholders a stronger voice			X		X		
Customer service			X		X		
Social obligations			X	X	X	X	
Customer bills	X						
Cost efficiency	X						
Using competition to deliver best value	X		X				
Our innovation strategy	X	X			X		X
Dealing with uncertainty							
Our net zero ready vision for 2035		X					X
Environmental Action Plan	X	X					
Asset resilience	X	X					
The distribution network	X	X			X		
Connecting homes and businesses	X						X
Transmission and pressure management	X	X					
Workforce resilience	X		X	X	X		
Cyber resilience	X						
Business IT Security Plan	X				X		
Financeability							
<b>Total</b>	<b>13</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>1</b>	<b>3</b>

Table 4: Maps the WBFGA to our business plan by chapter



## 5 Summary and conclusion

- Based on nine engagement events including over 2200 stakeholders, the broad opinion was that stakeholders were in favour of us aligning our plan to the relevant United Nations Sustainable Development Goals
- Our choice to identify the six provisional 'priority' goals was ratified by customers and stakeholders
- Goal 15 (Life on Land) was considered to be of significant importance to all stakeholders in both Cardiff and Bristol. Due to the nature of our work and the fact that shrinkage makes up 96% of our business carbon footprint (BCF), we took the decision to introduce this as our seventh priority goal
- After being challenged by the CEG, alongside acknowledgment of these seven priority goals, we now understand that our business should align with all 17 of the goals, to varying degrees.

As we approach GD2, our alignment with the SDGs and WBFGA will help ensure that we have a sustainable business and workforce that is fit for the future. In readiness for GD2, we will ensure that the SDGs are thoroughly adopted by all colleagues across the business, and that they fully understand the role they can play in positively influencing them.

