

Sustainability Progress Report

2025



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Foreword

I'm pleased to present our Sustainability Report, which highlights and reflects on the measurable actions and progress we've made since publishing our first Sustainability Strategy in 2023.

We consider Sustainability as a dynamic, systems-level approach which harnesses the connections between the environment, society and the economy to deliver collective benefits.

The Sustainability Strategy has helped lay the foundations for our RII0-GD3 2026-2031 Business Plan, submitted to OFGEM in December 2024, and we recognise that the principles of Sustainability must underpin our business decisions from now on.

Reflecting on 2024/25, we've made excellent strides. Our Equality, Inclusion and Diversity (ED&I) Strategy was recognised by CIPD Wales for its innovative approach and impact. We appointed our first Wellbeing Advisor to shape and deliver our Wellbeing Strategy, and our Future Generations, Women's Inclusion and Accessibility colleague networks continue to thrive.

We recognise that a systemic shift in the energy system poses potential

challenges for customers, communities and workforces. Support for these groups remains a priority for us to ensure a just energy transition.

We're proud to receive the ISO22458 accreditation for our work with vulnerable customers. We are among the first organisations to achieve this BSI certification, known as the Inclusive Service Kitemark, demonstrating our commitment to go above and beyond for the most vulnerable in our communities. Our excellent environmental, health and

safety records are recognised by our ISO14001 and ISO45001 accreditations, in addition to receiving our 12th consecutive ROSPA Gold award.

Our Sustainability Strategy sets out our vision for the role of our network in a Net Zero energy system. In 2024-25, we invested £6.27m in innovation and early-stage decarbonisation projects and continued to be a key player in three regional industrial partnerships to develop low carbon fuels for transport and industry.

At WWU, we will continue to meet the present needs of customers and stakeholders, whilst creating a sustainable energy system which will serve generations to come and protect our environment. We will continue to deliver this, working with our customers and developing new partnerships with innovators, developers and other organisations.

Graham Edwards, CEO



Introduction

Our role, ambition, and approach

As a Gas Distribution Network (GDN), we deliver energy to communities across Wales and the South West of England as a vital part of the UK's national and regional energy system. Our ambition is to continue to fulfil the energy needs of our customers today and every day while helping to create a sustainable, greener future for all. We align our business model with the United Nations (UN) definition of sustainable development which is,

‘...development that meets the needs of the present, without compromising the ability of future generations to meet their own needs.’

To focus on the world's environmental challenges including climate change and decarbonising the energy supply, it's crucial that we develop a long-term view that goes beyond our usual annual or five-yearly planning cycles, and that we act beyond our core responsibilities. Our Sustainability

Strategy sets out how we do that with a long-term vision for the role of our gas network, and targets we aim to meet along the way.

Our approach considers the whole system, including societal, economic and environmental impacts. By integrating wider perspectives into our decision-making and recognising their connections, we can fulfil our core responsibilities while delivering additional benefits for the areas we serve.

Our Strategy and Reporting

Shaped by engagement with customers, partners and colleagues, we published our first Sustainability Strategy in 2023. Our sustainability targets and commitments are aligned to the UN Sustainability Goals. The actions we take in Wales in partnership with public sector organisations contribute to the goals of the Well-being of Future Generations (Wales) Act.

The Strategy provided a background to our RIIO-GD3 business planning process which saw us draw evidence from over 200 individual engagement activities, including meetings with industry experts, qualitative and quantitative consumer research, and market research.

Since the publication of our Sustainability Strategy, we have continued to publicly report on our activities.

The diversity of reports we publish cover the categories:

Environment



Social



Governance



A full set of our publications and reports is available on our website:
<https://www.wvutilities.co.uk/about-us/publications/>

This report summarises progress against our Sustainability Strategy commitments, focusing on the financial and regulatory year 2024 – 2025, and referring to longer term progress where relevant.

We invest, on average, more than

£3 million

every week – improving our network so it's safe, and able to provide gas when customers need it



ROSPA Gold
award for
twelve
consecutive
years



BSI Inclusive Service
Kitemark – ISO 22458
consumer vulnerability

'Outstanding
Contribution by an
Employer to Workplace
Health and Wellbeing'
in the Society of
Occupational Medicine
Occupational Health
Awards December 2024

Accreditation
as a Real Living
Wage employer



Sustainability Governance and Delivery

Details of our overall Governance approach are published in our Annual Report and consolidated financial statements each year. This report also includes our Non-Financial and Sustainability Information Statement.

Governance is an important part of a commitment to sustainability. A company's environmental and social responsibility needs to be underpinned by good governance and clear accountability, which is why we make a range of information on our performance publicly available on our website. Our approach helps us identify risks and opportunities relating to climate change, and identifies stakeholder views which impact our plans.

Sustainability governance structure

Sustainability governance is implemented in Wales & West Utilities through the following structure:

Board Level

The ESG Board Committee oversees sustainability strategy and performance, reporting quarterly and through an annual ESG performance report to the full Board.

Management Level

The ESG Management Committee, chaired by our Chief Executive, meets bimonthly to manage ESG performance and disclosures. Members include the Executive Team and senior managers covering health & safety, wellbeing, customer care, business development, and net zero progress. The Net Zero & Sustainability Team coordinates committee operations.

Process and Implementation

Our sustainability approach integrates clear strategies, policies, and procedures aligned with seven UN Sustainable Development Goals most relevant to our work. Senior managers own specific sustainability areas and ensure local implementation and reporting through the ESG Management Committee.

Verification and Assurance

We report annually to our regulator Ofgem via a Regulatory Reporting Pack. Data submitted is subject to an internal data assurance system of documented data preparation, handover and checks up to and including Executive level. This is underpinned by methodology statements developed for each metric. Data in this report has been checked via this system.

In addition to regulatory assurance, we hold the following ISO certifications:

- **ISO 14001** (environmental management),
- **ISO 45001** (health and safety),
- **ISO 22458** Inclusive Service Kitemark (customer service)
- **ISO 55001** (asset management systems)

ISO is a robust, internationally recognised standard required by clients for our non-regulatory work, and certification provides independent oversight of our processes. We require our larger suppliers to also hold this standard. Our ISO14001 certification has been held since the company was established in 2005.

Our company accounts are audited and publicly assured by Price Waterhouse Coopers who have this year also provided limited assurance of our SECR emissions data:

[greenhouse-gas-emissions-report-and-data-assurance-statement_2025.pdf](#)

Climate change–risk, planning and opportunity

The historic and continued burning of fossil fuels contributes to global warming and this is driving climate change. The impacts of climate change will most immediately be experienced as extreme weather events. These pose physical risks that can affect our customers and colleagues. The UK Government has a power under the Climate Change Act 2008 to require organisations with a public-facing function such as ours to analyse, score, and report their climate change risks. This is called the Adaptation Reporting Power (ARP). We have submitted ARP reports since 2011.

In 2024 we re-assessed our physical climate-related risks and produced a fourth round [ARP report](#) which we submitted to the Department for the Environment, Food and Rural Affairs (Defra). We also wrote a [Climate Resilience Strategy](#) (“CRS”), as required by Ofgem for the business plan period RIIO-GD3 (2026-2031). The Strategy commits us to long-term climate change adaption and risk management up to 2100 and proposes the RIIO-GD3 period as a time for modelling and analysis to build the evidence case for investments in resilience in the 2030s and 2040s. We will be developing adaptation to a changing climate from 2025 onwards, combining the risk scoring of ARP with long term strategic priorities of the evolving CRS to inform investment and wider business planning. This informs the

intervention programme in which investment is allocated to actions that strengthen network resilience

Detailed climate change risks are documented, maintained, and updated in our climate risk register. The environmental management system, which is maintained according to ISO14001 standards and audited externally each year, documents a range of risks in its “Aspects and Impacts” and “Risk and Opportunities” registers.

These documents record where and how our activities interact with the natural and built environments. As of 2025, we note in these documents any mitigating or aggravating effects of a changing climate and can now cross reference between all three registers.

The Corporate Risk Register documents any risks of sufficient significance that they require direct oversight by the Executive team. Climate related risks can thereby be elevated to corporate risk level as required. Our procedures for managing the well-being of customers and staff also take account of climate-related risks such as extreme weather events. We develop winter and summer preparedness plans to ensure that our network and colleagues remain safe, and our customers continued to be supplied with gas no matter what the weather throws at us.

Transition planning

“Transition risks” describe the financial and reputational challenges faced by companies as the economy moves away from relying on fossil fuels.

For our company this means we must take account of analysis which predicts changes in the way gas will be used, the physical properties of gases that are most likely to replace natural gas such as biomethane and hydrogen, and the skills and specialisms that will be needed to maintain high standards of safety and security of supply as the type of gas changes.

Our Vision for A Net Zero Energy System

We set out our vision for our role in a Net Zero energy system in our Sustainability Strategy.

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 will require 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

The transition is likely to include all three of these elements. We believe the need to meet seasonal energy demands and 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 safe, reliable and efficient network, continuing to invest in emission-reducing activities and

making sure our assets are ready to carry low-carbon gases such as hydrogen and can support a fully renewable energy system. We cannot deliver this vision alone: we continue to work with communities and their representatives in the areas we serve and with partners across the country.

Workforce Resilience

Our Workforce and Supply Chain Resilience Strategy outlines our commitment to building robust working environments that ensure sustainable operations, and drive value for our organisation, colleagues, and stakeholders. Recognising the complex challenges posed by evolving industry dynamics, technological advancements, and societal expectations, this strategy seeks to set out objectives across workforce resilience and supply chain integrity, enabling us to adapt effectively to current and future demands.

We are committed to providing fulfilling careers and supporting colleagues’ growth through high-quality training and development. We also aim to attract diverse talent with various backgrounds and experiences.

We are creating 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.

We have a rolling programme of graduate recruitment and apprenticeships that brings talented young people with a sustainability outlook into the industry.

In 2024, amongst the cohort of engineering graduates, we welcomed our first dedicated Sustainability Graduate. Upon completion of a year of placements, we hope to welcome her into the Sustainability and Environment team to specialise in project management.

Stakeholder perspectives

Our business strategy and investment decisions are shaped and refined by ongoing meaningful engagement with consumers and key stakeholders.

We put our customers and consumers first and with a defined annual programme of engagement, taking us into around 100,000 homes and businesses, we listen and act upon a wide range of insight from stakeholders.

Our engagement work is underpinned by our commitment to inclusivity, continuous improvement and transparency and by engaging in tailored ways, we identify our stakeholders' wants and needs while maximising the value we add. We

published our [Annual Stakeholder Report](#) in 2024 outlining the activities we have taken with our stakeholders to safeguard our operations, drive innovation and protect vulnerable households.

In 2024 we became one of the first adopters of a bespoke Artificial Intelligence (AI) engagement analysis tool created to enable efficient and accurate analysis, synthesis and triangulation of insight, which has sped up the process of assessing significant volumes of stakeholder insight.

In 2024 we gathered insights from over 200 individual engagement activities to inform the development of our Business Plan for the RIIO-GD3

regulatory period 2026-2031. This work was driven by our ambitions to develop a [Business Plan](#) that meets the needs of stakeholders, understands their priorities, and empowers decision-makers by leveraging stakeholder feedback.

Looking ahead, we are focusing on reviewing our stakeholder engagement delivery programme to ensure it remains fit for purpose and maximises the full value of our interactions.

This includes a thorough review of our stakeholder database, a re-evaluation of our communications, and incorporating stakeholder feedback in preparation for the RIIO-GD3 price control.

Our rating system

In the following section, we outline our performance against our sustainability goals, highlighting both our progress and areas for improvement across the reporting period. To ensure transparent and consistent measurement, we apply

a RAG rating system – Red, Amber, Green – to assess progress against each target. **Green** indicates that a goal is on track or fully achieved.

Amber reflects partial progress with actions underway. **Red** signals that

performance is below expectations and requires corrective action. This framework strengthens accountability, supports informed decision-making, and reinforces our commitment to continuous improvement.

Our strategic approach

Our ambition

We are trusted to expertly serve customers and communities with safe, reliable and affordable energy services today, while we invest wisely to create a sustainable, greener future. The services we provide are essential in everyday life for all our customers. We invest more than £3 million on average every week in improving our gas network to make sure it is safe and able to provide gas 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 many 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.

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: UN Sustainable Development Goals and the Well-being of Future Generations (Wales) Act.

The UN Sustainable Development Goals

Our Strategy aligns with the following priority sustainable development goals:

 7 AFFORDABLE AND CLEAN ENERGY	Affordable and Clean Energy	 8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production
 13 CLIMATE ACTION	Climate Action	 15 LIFE ON LAND	Life on Land	 17 PARTNERSHIPS FOR THE GOALS	Partnerships for the 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:

 A Prosperous Wales	 A Resilient Wales	 A Globally Responsible Wales	 A More Equal Wales
 A Healthier Wales	 A Wales of Cohesive Communities	 A Wales of Vibrant Culture and Thriving Welsh Language	

Visit [The UN Sustainable Development Goals Act](#) and the [Well-being of Future Generations \(Wales\) Act Goals](#) for more information.

Progress against our goals

GOAL

Innovate and choose greener technologies

Why this goal?

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

Our commitment

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

Update

- 97% of company cars are hybrid or electric
- 99% of operational fleet are Euro 6 or above.

Emissions from operational transport:

- 2024-25 (April–March): 11,722 tCO2e
- 2023-24 (April–March): 11,588 tCO2e
- 2022-23 (April–March): 12,166 tCO2e

Our commitment

Invest at least £13 million over the five years of RIIO-GD2 in innovation and early stage decarbonisation projects across our operations.

Update

In total, across GD2, we have invested £11,312,832 (2025 pricing) against our target of £13m. In 2024-25, we invested £4.3m (2024-25 pricing) using the Network Innovation Allowance (NIA) with £1.97m invested from the Strategic Innovation Fund (SIF), details are in our [2024-25 annual innovation report](#). In the regulatory year 2023-24, we invested £2.8m in innovation projects combined across all funding mechanisms (2023-24 [annual innovation report](#)).

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ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS



A Prosperous
Wales



A Globally
Responsible
Wales

Hydrogen van trial shows its full power and potential

While we are making low and ultra-low-emission choices for our vehicle fleet where conditions and markets allow, options are limited especially in relation to heavier and specialist elements of our fleet. We are proactively working with vehicle manufacturers to support developments which will help us with harder to decarbonise sectors of our fleet.

While hydrogen fuel cell electric vehicles (FCEVs) are still in their infancy, our one-month trial of an early prototype FCE van showed encouraging results. Two drivers from our WWU Network Emergency and Metering Services team shared the vehicle during the trial, completing more than 2,000 km (1,200 miles) during the four-weeks, which is up to 189 km (117 miles) per day, on mostly urban roads and highways in South Wales. This is a team that needs to respond quickly; potentially travel long distances; and to carry the bulky equipment necessary for repairs. Most of the journeys were travelling to customer call outs, averaging 5-6 visits per day.

The trial demonstrated the full power capability of the fuel cell, showing capacity for our demanding duties such as carrying heavier payloads; towing, and powering auxiliary equipment (onboard power). We also learned first-hand that the FCEV could refuel in a similar time to a diesel – much faster than the time taken to charge a fully electric battery vehicle. It also displayed no decrease in vehicle performance or range when operating in colder temperatures. We are now working hard to develop further opportunities for trials, and to acquire FCEVs to coincide with the greater availability of green hydrogen supply and refuelling options in our region.



GOAL

Ready our assets and operations for low-carbon gases

Why this goal?	We need to be future proof and able to deliver reliable, greener energy for heat, power and transport while reducing our own greenhouse gas emissions.	
Our commitment	Achieve net zero operational Scope 1 and 2 emissions (excluding shrinkage) by 2050 and reduce supply chain (upstream Scope 3) emissions.	
Update	<p>Excluding shrinkage*, the scope 1 and 2 emissions increased by 2.0% (location based) between 2023/24 and 2024/25.</p> <p>Our emissions have increased slightly due to an increase in the UK Government conversion factor for plug-in hybrid electric vehicles (PHEV) and an increase in our business mileage.</p> <p>85% of the company car fleet is PHEV with 12% electric.</p> <p>*Shrinkage is the gas we use to run the distribution network, gas that leaks out of old metal pipes and gas stolen from the network.</p>	<p>Scope 3 emissions associated with waste and re-instatement materials is declining year on year reflecting efficiency improvements in these areas. We have seen a big improvement this year in the reduction of our use of newly extracted aggregate. From 85% in 23-24, we have reduced use of newly extracted aggregate to 46% by the end of 24-25, achieving as low as 25% in November 2024.</p> <p>Further details on scopes 1-3 performances can be found in our Annual Environmental Report.</p>
Our commitment	<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>	
Update	<p>84% of the low-pressure network and 77% of the medium pressure network had been replaced by end of March 2025.</p> <p>We target mains replacement using leak data so leakier pipes are prioritised for replacement.</p> <p>We have 99% of metallic mains under intelligent pressure control systems. These minimise gas pressures depending on gas demand in the day. This has the impact of significantly reducing leaks.</p>	<p>We are in the process of purchasing the latest in Advanced Leak Detection vehicles to enable us to precisely locate leaks. The data gathered will feed into our workload prioritisation modelling to target the worst leaks.</p> <p>We continue to deliver a reduction in shrinkage:</p> <ul style="list-style-type: none">● 3% in year reduction against 2023-24● 13% reduction against a 2020-21 baseline

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Subject to future progress

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On track to meet target

ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS



Helping biomethane supply more homes and businesses with low carbon gas

At the time of writing this report in summer 2025, we have connected twenty-two biomethane sites which have the capacity to generate 1.87 TWh of green gas into our network. This is enough power to meet the equivalent annual demand of over 163,000 homes. Eight more sites are planned for connection over the next few years, totalling an interim of thirty with the combined capacity to power around 220,000 homes. Between 2018 and May 2025, we carried out a proof-of-concept trial as part of the NIA funded [OptiNet](#) project, in partnership with Cadent. As the next step, we are delivering 'Smart Pressure Control' trials, which could enable additional homes to be heated with biomethane. Traditionally, pressure adjustments have been made manually, a reactive approach that often limits the capacity of biomethane sites. The trials will include solutions from companies [YZ Systems](#) and [Utonomy](#), in the form of equipment designed to optimise biomethane usage by automatically adjusting pressures within the gas network – known as Smart Pressure Control. Recognising its potential impact, this project won the Research & Innovation Award at the AD Biogas Awards in July 2025.



GOAL

Work with and support our customers during the transition to net zero

Why this goal?	We want to help our household and business customers thrive by delivering reliable, affordable and sustainable energy.
Our commitment	Invest in at least three industrial clusters to support industry transitioning to net zero and develop broader rollout plans for hydrogen.
Update	<p>We are actively developing the HyLine Cymru project as part of the South Wales Industrial Cluster. This will enable industries in south Wales to access a supply of green hydrogen, linking Port Talbot with production facilities at Pembroke Dock.</p> <p>We are a key partner in the development of the North East Wales Industrial Decarbonisation Plan. This will see an integrated low-carbon energy solution for the area, making use of renewable electricity production and low-carbon gas supply. Find out more here.</p> <p>We are supporting industrial decarbonisation plans in south west England and developing a Conceptual Plan for the region.</p> <p>Find out more here: West of England Industrial Cluster.</p>
Our commitment	Proactively aid 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.
Update	<p>All 22 Local Area Energy Plans supported in Wales with work ongoing.</p> <p>10 plans are being supported in 2025 across south west England.</p> <p>We are supporting the new National Energy System Operator with a range of information, projects and analysis in relation to Strategic and Regional Energy System Planning.</p>

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ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS

A Prosperous Wales

A Resilient Wales

A Globally Responsible Wales

Industrial cluster partnerships delivering a greener Wales

As a lead partner in Industrial Clusters within both South Wales (SWIC) and North East Wales (NEWID); we are working with stakeholders to help plan and shape a route to net zero for Wales-based industries. The NEWID Cluster launched its Decarbonisation Plan in February 2025, showing how Deeside and Wrexham industrial hubs can decarbonise, including the companies that operate within them. It also outlines the funding (private and public) and actions necessary to achieve Net Zero industrial emissions in North East Wales by 2050.

Complementing ambitions in South Wales to build HyLine Cymru – Wales' first dedicated

hydrogen pipeline from Pembroke to Port Talbot – we recently launched the first phase of HyLine Gogledd. If built, this would be the equivalent pipeline linking northwest England to Deeside and potentially other parts of north Wales.

Our work across Wales is part of our ongoing commitment to retaining economic prosperity for regions in both North and South; while supporting Welsh Government alongside public sector partners to deliver a cleaner, greener and fairer Wales. We are also contributing to the South West Local Industrial Decarbonisation Plan that was launched with our participation in early 2025.



GOAL

Improve the health of our environment

Why this goal?

We want to play our role in halting the biodiversity crisis in our region and the UK and help build back natural ecosystems

Our commitment

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 leveraging funding to deliver biodiversity net gain.

Update

We continue to support relevant projects such as tree planting and other environmental improvements in communities.
In anticipation of our RIIO-GD3 commitment to fund two major natural capital projects in our region, we have established a partnership with Stump Up For Trees, a charity that aims to work with landowners to plant 1 million trees in the Bannau Brycheiniog (Brecon Beacons) uplands. As well as delivering

biodiversity net gain and long-term carbon sequestration, this work will slow the flow of water through the catchments of rivers in south Wales and thus lower the risk of flood damage to our pipes which cross and run alongside rivers.
19.2% biodiversity net gain at our flagship Bristol depot nature site since 2022.
In 2024, we spent £28,401 on environmental improvements in our communities.

Why this goal?

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

Our commitment

To send zero avoidable waste to landfill by 2035 and become a zero-waste company by 2050.

Update

- In 2024-25, we sent 0.05% of excavated spoil to landfill, this is down from 1.05% in 2023-24 and 6% in 2022-23.
- In 2024-25 we sent 0.06% of total waste to landfill.
- In 2023-24 we sent 1.04%
- In 2022-23 we sent 5.8%

Further information is available in our [Annual Environmental Report](#).

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A Resilient
Wales



A Globally
Responsible
Wales

Enhancing biodiversity—including bat species—at our Bristol depot

Foxes, badgers and five species of bat are among the welcome visitors to our Biodiversity Net Gain (BNG) project at our Bristol depot, which contributes to the city's designated wildlife corridors, strategically placed to connect habitats and facilitate wildlife movement.

Once we had established the capacity of the site to support biodiversity, we considered a range of BNG options and discussed them in detail with local planning authorities. Managing existing dense scrub

areas, planting native trees and creating a wildlife pond are some of our actions to date. By retaining wood from dead trees, invertebrates are encouraged into the ecosystem; while keeping our on-site mature sycamore encourages aphids and their varied predators, including ladybirds, hoverflies and birds. Work is delivered on a timeline that is sympathetic to the natural environmental cycles of the site.

Using cameras and specialised survey equipment

we monitor the wildlife activity on this site, with rich and varied results. In September 2023, we commissioned an acoustic bat survey that monitored the bat calls over a seven-day period.

This placed detectors in different habitats on the site and, despite being later in the season, it registered more than 4,000 calls from five different species. This included the common pipistrelle, soprano pipistrelle, common noctule, Leisler's bat and Daubenton's bat.



GOAL

Provide excellent customer service

Why this goal?

We want to continue delivering 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.

Our commitment

Use data to identify and target support towards customers in vulnerable situations across our communities.

Update

Overall customer satisfaction score in regulatory year

- 2024/25 9.26/10
- 2023/24 9.17/10
- 2022/23 9.08/10

The percentage of complaints resolved within one working day:

- 2024/25 85.24%
- 2023/24 82.23%
- 2022/23 77.91%

Our commitment

Support customers by working with partners and upskilling engineers to carry out basic repairs to pipework and boilers as well as offering additional services.

Update

2024-2025, we have trained 11 engineers to undertake additional CMDDA1 carbon monoxide checks. This is a service provided in addition to our core licence obligations.
We started a trial period for this in October 2024 following feedback from customers that they would welcome such additional services.

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A Prosperous
Wales



A Resilient
Wales



A Wales of
Cohesive
Communities



A Wales of Vibrant
Culture and Thriving
Welsh Language

GOAL

Support customers in vulnerable situations

Why this goal?

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

Our commitment

Use data to identify and target support towards customers in vulnerable situations across our communities.

Update

We remain ISO22458 accredited. We are among the first organisations to achieve BSI certification to the Inclusive Service Kitemark, demonstrating our commitment to supporting vulnerable customers.

The utilities Priority Services Register is a free service that helps utility companies including gas distribution networks to look after customers who have extra communication, access or safety needs.

With our partners, we refer households to the register so that people get the help they need. We are continually improving our ability to identify and respond to customers in need. Our referrals over the years of GD2 have increased.

Total accumulative referrals to date:

- 2024/25 – 55,000
- 2023/24 – 20,182
- 2022/23 – 13,003

Our commitment

Maximise and report on the added social value of the support we provide above minimum expected requirements.

Update

In 2024-25, we spent £9.58m on projects to support vulnerable customers using the Vulnerability and Carbon Monoxide (VCMA) allowance. Working in collaboration, these projects enabled us to reach 229,105 people.

We have worked with Sirio to further develop a Social Return On Investment (SROI) tool for energy networks.

Our annual VCMA report shows that the average forecast.

SROI (expressed as economic benefit in £ for every pound spent) for WWU specific projects is £11.22/£1 and £14.17/£1 for collaborative projects.

Ofgem have recognised the importance of the SROI evaluation and have moved the costs out of VCMA into base Opex in GD3.

Subject to Final Determinations on our business plan we would be able to develop the tool and a business expert on social value modelling.

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ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS



A Resilient
Wales



A More
Equal Wales



A Healthier
Wales



A Wales of
Cohesive
Communities

Supporting customers in vulnerable situations

In April 2024, our Emergency Gas Service received a report from a local authority environmental health department about an odour of gas at a residential property.

Upon visiting the home, our engineers realised this customer could be vulnerable and struggling financially. All front-facing windows were either broken or boarded up, and the age of the gas appliances prompted concerns about their

operational safety. After identifying a small gas leak at the meter, our team isolated this and provided the customer with a hotplate and fan heater free of charge so he could stay warm and have a way to heat food until his services were safely back up and running.

Once our engineers had completed all their checks, they contacted our Priority Customer Team to explain the situation. With consent from the occupier,

we referred him to one of our VCMA partners, Healthy Homes Healthy People, for help with his financial circumstances.

Through the support pathways that we've established with the organisation, we were able to fund a full new heating system, including a new combi boiler and cooker, saving the customer more than £7,300, and making sure he is safe, warm, and able to cook at home.



Matthew Langdon,
left, and David Carver

Energy and financial education for the next generations

The funding we've invested to support financial education charity MyBnk (now known as Money Ready) expand its services, will enable delivery of more than 1,400 hours of financial and energy education to upwards of 4,800 young people aged 7-25 over the next two years.

Our investment of £495,000 is part of our

Vulnerability and Carbon Monoxide Allowance (VCMA) allowance.

The initiative aims to reach vulnerable children and young adults in deprived areas, to deliver essential skills in energy efficiency, safety and financial management. We will also offer extra support through training resources and direct services.

Sophie Shorney, VCMA Manager, says: "We are delighted this funding will allow MyBnk to reach young people across our region.

"It's important they make informed choices as they get older and the information they take away is vital for helping their own families who may be living in fuel poverty."



GOAL

Support our communities in the transition to low-carbon energy

Why this goal?	We want our customers to feel there is information and support for all through the just energy transition.
Our commitment	Develop our colleagues and provide information for customers to empower and support them to become a part of the energy transition in the UK.
Update	We are training colleagues so they are informed about our net zero activities. This is to enable them to provide information to consumers during their daily interactions. We are creating accessible customer information on our net zero activities as part of this commitment. Find out more about green energy for customers .
Why this goal?	We want to make sure no one is left behind in initial rollout plans (by 2030) and long-term transition (to 2050).
Our commitment	Create more local customer support teams, representative of our communities, to deliver the transition of the energy system to net zero.
Update	The Cartrefi Homes project is an opportunity for customers to receive information on the energy transition by visiting a live demonstration. See the case study on the following page.

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ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS

A Prosperous Wales

A Globally Responsible Wales

A Wales of Cohesive Communities

A Wales of Vibrant Culture and Thriving Welsh Language



Demonstrating hydrogen homes of the future in South Wales

The Cartrefi Hydrogen Homes project in Wales is a UK first, exploring how the cleaner, greener, energy source of hydrogen could be used to heat our homes in future.

Decarbonising home heating is an essential step for the UK to reach net zero targets, and this project funded by the Welsh government Optimised RetroFit Programme is focused on showing how existing homes can be easily retrofitted with

appliances powered by 100% hydrogen. Currently, one property in Blaenau Gwent has been selected for the project. Works have been carried out to develop the house into a demonstration and education centre.

Colleagues from across WWU have worked hard to get the project underway, including the engineers who helped design a governor, and others who installed new gas pipes to distribute hydrogen to

the property. The project has also provided a welcome opportunity for additional training for our teams on the qualities of hydrogen and its potential role in our network.

Our contribution also includes running a drop-in centre for community questions; and setting up a [dedicated website](#). We look forward to welcoming colleagues and the public to Blaenau Gwent.

GOAL		Maintain the safety and security of our assets to keep customers and communities safe	
Why this goal?	We want to improve our network’s security and resilience to make sure our assets are safe today and fit for low-carbon gases in the future.		ALIGNED UN SDGS <div>912</div> See page 12 STATUS <div><div></div><div></div><div></div></div>
Our commitment	Proactively upgrade our assets, systems and data and protect from physical and cyber security risks.		
Update	<div><div><ul style="list-style-type: none">2024-2025, there were no information or cyber security breaches reaching the threshold for reporting to the regulator (the Information Commissioner’s Office (ICO))We have increased the cyber security of data flow between pressure management equipment and the control room.</div><div><ul style="list-style-type: none">We have appointed a Physical Security ManagerWe have a continuous improvement plan in place to ensure we are meeting our regulatory requirements and quality outcomes for cyber security.</div></div>		
Our commitment	Maximise and report on the added social value of the support we provide above minimum expected requirements.		
Why this goal?	We never compromise on the safety of our colleagues, customers and the public.		
Our commitment	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.		
Update	<p>Gas escapes from damage to pipes and interference trigger an emergency response. We have regulatory standards to respond within one hour for uncontrolled escapes which cannot be turned off by the customer before we can get to site, and two hours for controlled escapes where the customer has the means to turn off the gas supply at the Emergency Control Valve and make it “safe”.</p> <p>We treat every escape as an uncontrolled escape as it is better for us to get there as soon as possible unless we must prioritise emergencies at certain times due to high level of callouts for example in harsh winter weather events. (continued overleaf)</p>		

CONTINUED ON NEXT PAGE

GOAL

Maintain the safety and security of our assets to keep customers and communities safe (continued)

Update (cont.)	<div>2024/25 performance:</div> <ul style="list-style-type: none">● Percentage of uncontrolled gas escapes attended to within one hour = 99.26%● Percentage of controlled gas escapes attended within two hours = 99.88% <div>2023/24 – uncontrolled 99.26%, controlled 99.82%</div> <div>2022/23 – uncontrolled 98.61%, controlled 99.35%</div> <div>Unplanned interruptions: this is when customers</div>	<div>experience an interruption to supply that was not expected. The regulatory target is to return supply within 13 hours.</div> <div>The average time taken to return supply for the last three regulatory years:</div> <div>2024/25 – 5 hours 37 minutes</div> <div>2023/24 – 8 hours 22 minutes</div> <div>2022/23 – 8 hours 48 minutes</div>	<div>ALIGNED UN SDGS</div> <div>912</div> <div>See page 12</div>
Why this goal?	We want to improve safety, lower operating costs and reduce our methane emissions.		
Our commitment	Replace ageing metallic mains and services with safer and more environmentally friendly modern pipe materials.		
Update	<div>410 kilometres of metallic mains replaced in 2024-25</div> <div>Target for 2024-25 was 396 kilometres</div> <div>The combined percentages of low and medium pressure pipes that have been upgraded:</div>	<div>By end of regulatory years:</div> <div>2024/25 – 83%</div> <div>2023/24 – 81.42%</div> <div>2022/23 – 79.6%</div>	<div>STATUS</div> <div><div></div><div></div><div></div></div>
Why this goal?	We want to make sure the service remains fit for purpose as regions in our network transfer to hydrogen.		
Our commitment	Maintain a highly skilled and professional emergency response workforce and make sure colleagues are appropriately trained for the energy system transition.		
Update	<div>All First Call Operatives and Technicians have yearly training updates, measured by the training department and EMS compliance team, with regular competence assessments carried out by managers and auditors. Gas Safe also carries out audits to guarantee compliance. All Build & Replace teams receive five yearly mandatory training with regular competence assessments carried out by managers and auditors.</div>		

ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS

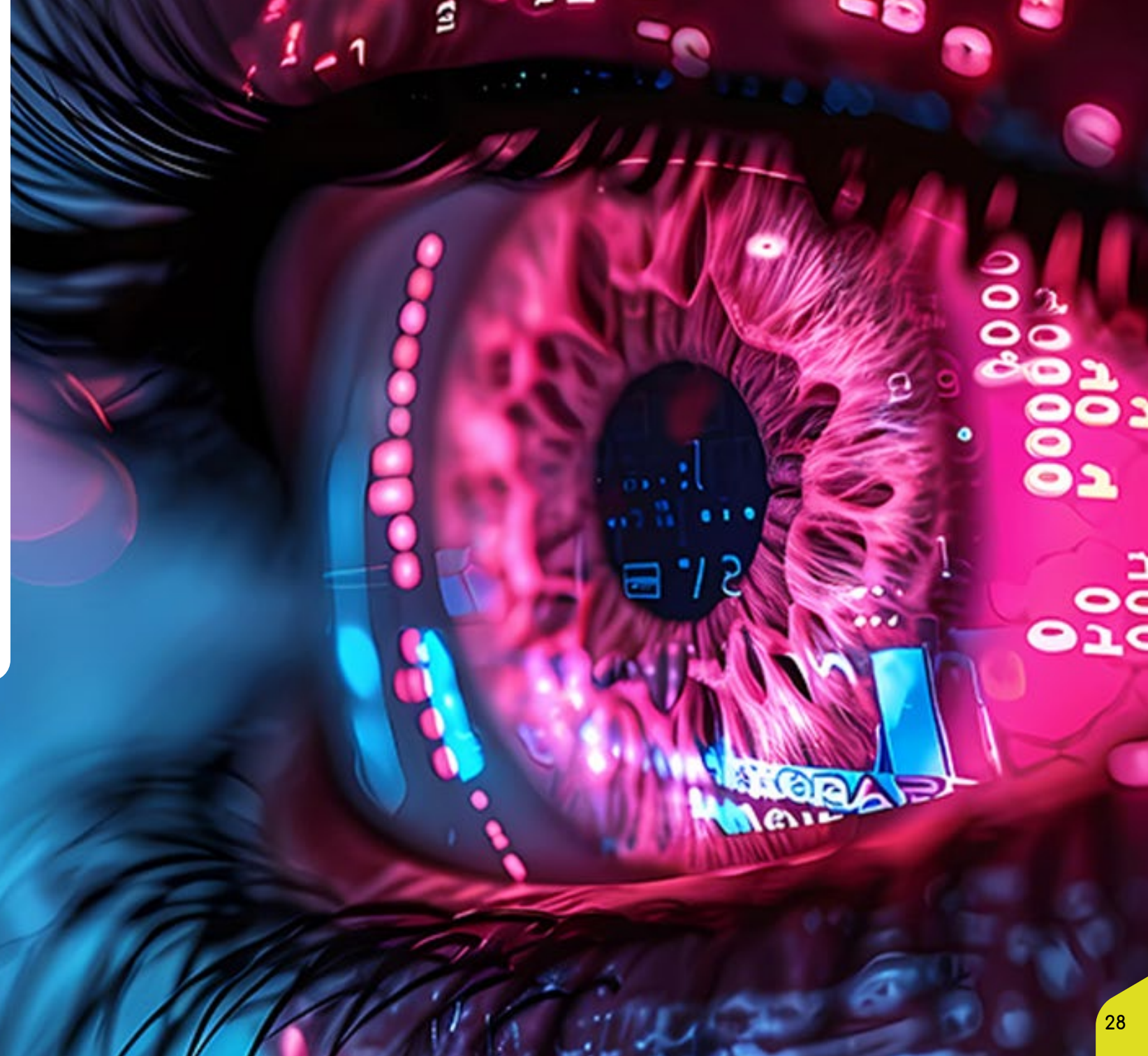


CASE STUDY

Cyber security for business efficiency, compliance and protection

The Cyber Resilience Team is responsible for mitigating business risk by creating and maintaining a culture of security awareness in which all colleagues understand their personal responsibilities to maintain high levels of cyber security.

It mitigates risk by constantly monitoring and adapting to changing technologies and threats, delivering many complex projects and making sure our colleagues keep security in mind. These efforts enable the business to operate efficiently, comply with its regulatory requirements and secure customer data.



GOAL

Promote the safety of our workforce

Why this goal?	We focus on identifying and reducing risk so that we continually improve standards of safety for colleagues and customers.
Our commitment	Incorporate human factors and effective error analysis into our approach to risk management and process development.
Update	<p>In April 2023, we appointed a Human Factors Specialist. One of their main priorities is to conduct Safety Critical Task Analysis (SCTA), including Human Failure Analysis. The SCTA process is defined in our policies and procedures and is a key part of our approach to risk management. The SCTA plan is continuing to assess all Safety Critical Tasks within WWU.</p> <p>We undertook 5 SCTA assessments in 24-25 against a target of 4. Resulting actions are tracked to completion.</p>
Our commitment	Constantly review and update our risk profile (registers) to identify new risks and maintain a focus on those hazards that are most likely to cause harm to life or property.
Update	In 2024, we carried out a climate risk assessment and scoring exercise, in line with the UK Government Adaptation Reporting Power (ARP) requirement and have submitted an ARP4 report to Defra detailing our risk scores and responses for the periods up to 2031, mid century and to 2100. We continue to evaluate climate-related risks receiving updates from specialists and attending the Infrastructure Operators Adaptation Forum.
Our commitment	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.
Update	We have continued to update our technical training matrix for all key roles in Operations, making sure all colleagues receive the appropriate training for their role. Our internal training team manages, evaluates and arranges delivery of training according to needs analysis to enable each colleague to carry out their role safely.

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GOAL

Look out for the wellbeing and health of our colleagues

Why this goal?	The wellbeing and health of colleagues underpins our success as a business.		ALIGNED UN SDGS <div>8</div> See page 12 STATUS <div><div></div><div></div><div></div></div>
Our commitment	Make sure our culture is safe, supportive, engaging and motivating and enables belonging, development and performance.		
Update	<div>We provide and support:</div> <ul style="list-style-type: none">● Regular communication on health topics throughout the year via intranet, bulletins and direct emails● A network of Mental Health First aiders who receive regular refresher training● Health monitoring via the health surveillance programme● Rehabilitation services such as physiotherapy and functional assessments for physical and mental health● Colleague Networks (see case study) <div>New activities in 2024-25:</div> <ul style="list-style-type: none">● Appointed a Wellbeing Advisor in May 2024, and refreshed our Better Wellbeing Strategy● Menopause Champions training delivered through Women’s Inclusion Network along with launch of first Menopause Policy, with follow-up Menopause Coffee Morning in October	<ul style="list-style-type: none">● Roll out of Equality Diversity and Inclusion (EDI) training to all managers● Incorporation of psychological safety into all our learning and development programmes – in particular our Leadership Programme, with monthly nudges now being sent● Our EDI strategy being recognised by the Chartered Institute for Personnel and Development Wales for its innovative approach and impact● Overhaul of our recruitment processes to be more inclusive● Implementation of Great Place to Work all-colleague survey to sit alongside our other engagement methods to make sure colleagues can provide feedback in an inclusive, accessible range of approaches.● Consolidation of steering group for Colleague Networks enabling co-ordinated activity and funding.	

ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS



A Prosperous
Wales



A Healthier
Wales

Colleague Networks

We have several internal networks coordinated by and for colleagues and supported by WWU resources. Each aligns with our values and priorities, is dedicated to their specific goals, and where relevant they work together to share learning and influence positive change across the organisation.

The Women's Inclusion Network (WIN) provides a platform for colleagues to share experiences, support, and advocate for necessary changes. Key initiatives and achievements include sourcing Personal Protective Equipment (PPE) specifically designed for women, introducing personal safety alarms for lone workers and raising awareness of menopause for support and understanding in the workplace. The group were winners of the 'Driving a Sustainable Future Award' at our 2024 Celebrating Excellence Awards.

Our Accessibility Network is the newest of the groups at just over a year old, and exists to support colleagues who are disabled, have a long-term health condition/s and/or are neurodivergent; also supporting those who work with disabled colleagues and/or have an interest in inclusivity. The network provides a forum to share information and best practice, enabling colleagues to make recommendations for improving inclusive working

practices. Accomplishments to date include initiating the assessment of several depots for accessibility and submitting a plan for implementation of new accessible features. In addition, the network delivered an accessibility awareness-raising workshop for all network members at a joint event in 2025; and their plans include holding events on national awareness-raising days throughout the year.

The Future Generations Network (FGN) aims to create connections across the business with a core focus on professional development. Their learning initiatives include Operational Experience Days, which give attendees valuable insights into their colleagues' activities. Holding charity fundraising events is also part of their work - for instance raising more than £8,200 for MIND - while their AGMs encourage participants to think of innovative ways of improving the business.

In January 2025, the networks held their first joint event – a fund-raising dinner at which £11,593 was raised and donated to the Zero Suicide Alliance.

The individual and collective success of these networks demonstrates our commitment to diversity and inclusion, and the value we place on varied perspectives and experiences.



GOAL		Build a skilled, resilient and hydrogen-ready team		ALIGNED UN SDGS <div>817</div> See page 12
Why this goal?	We must prepare our teams for the future, and encourage more job-seekers to consider Wales & West Utilities as an employer of choice.			
Our commitment	We aim to achieve Great Place to Work certification. We will use this engagement survey to give all colleagues the opportunity to share their views and act on these in a cycle of continuous improvement.			
Update	<p>Great Place To Work® (GPTW) is an organisation of global workplace culture experts. It aims to give businesses the recognition and tools they need to create the best possible experience for their people. Each year, it surveys 20 million colleagues from 18,000 companies across 170 countries. And this year, that included us.</p> <p>We concluded our first GPTW colleague survey in October 2024.</p> <p>We scored 61% – that means that nearly two-thirds of colleagues who responded think WWU is a great place to work.</p>		<p>The Great Place To Work ‘UK Best Workplaces 2024’ average is 83%: our highest average score for a specific question was 88% and our lowest average scoring question was 38%.</p> <p>The survey has shown where we are performing well, but we believe that the real value of this initiative is in how we now take action to address areas for improvement. Our commitment to creating a Great Place To Work is genuine and we are using the information received to understand where we need to improve and to act accordingly before the next survey.</p>	STATUS <div><div></div><div></div><div></div></div> Working toward the standard
Why this goal?	This will maximise the safety and resilience of our network through effective operation, maintenance and repair.			
Our commitment	Make sure colleagues develop the knowledge and skills needed to safely deliver our network			
Update	<p>We continue to embed key themes within our development programmes to reinforce our values, promote psychological safety and to continue to build an inclusive culture here at Wales & West Utilities particularly within our internally delivered Values at Work, Management Development Programme, and Aspire programmes which were delivered to over 100 colleagues throughout this period.</p>		<p>We have continued to deliver our induction programmes to all new starters to give a broad overview and understanding of WWU, key departments, and our focus on the future of our network, through a Corporate Induction at our Head Office, and at training centres across our network for our operational colleagues, within our Mandatory Training Programme – this was delivered to 140 colleagues within this time period.</p>	STATUS <div><div></div><div></div><div></div></div>

GOAL

Build a skilled, resilient and hydrogen-ready team (continued)

Why this goal?

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

Our commitment

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.

Report

We are a member of the Energy & Utility Skills (EUS) council. EUS works with members, governments and regulators to find solutions to skills challenges and provides a range of services to maintain a skilled and sustainable workforce now and into the future.

As part of our membership, we are on the panel of the Hydrogen Skills Network Group (HSNG) and the Gas Networks Skills Forum (GNSF). These aim to address strategic skills issues in the evolving hydrogen industry through collaboration. Over the next three years, each forum aims to support the industry-wide delivery of a long-term, sustainable skilled workforce.

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ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS



A Prosperous
Wales



A Resilient
Wales

GOAL

Improve the equality, diversity and inclusion of our team

Why this goal?	A more diverse team will help us better support the communities in which we work.		ALIGNED UN SDGS <div>8</div> <div>See page 12</div> <div>STATUS <div><div></div><div></div><div></div></div></div>
Our commitment	Achieve the Inclusive Employers Standard in 2025.		
Update	A series of Inclusion, Equity & Diversity workshops attended by 128 colleagues from across the business introduced the topic, exploring what this means for Wales & West Utilities, and how we can improve in this area. The feedback from these sessions has been used to shape our supporting strategy and action plan.	We were also named the winner in the Best Equality, Diversity and Inclusion Initiative within the private sector category in the 2024 CIPD Wales Awards for our innovative HR practices.	
Our commitment	Develop a plan to improve inclusion by supporting pathways to fulfilling work.		STATUS <div><div></div><div></div><div></div></div>
Update	See detail page below.		
Our commitment	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.		
Update	We support carbon monoxide awareness raising through various channels and projects, as well as educating the younger generation through our colleague volunteer Gas Safety Ambassador programme that delivers vital gas safety messaging to schools and groups across our network. 2024/25, we delivered our Gas Safety Ambassador talk to more than 11,800 people against our annual target of 4,000.	In 2023/24 we reached 5,000 people, launched our own WWU brand, and expanded messaging to cover gas and carbon monoxide safety. 2022/23 we reached over 2,000 people We support the STEM Ambassador scheme and give talks on career opportunities in our industry with a focus on inspiring girls.	STATUS <div><div></div><div></div><div></div></div>

ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS



A Wales of Cohesive Communities



A More Equal Wales



A Healthier Wales



A Prosperous Wales

CASE STUDY

ED&I for a diverse, supported workforce

Our Equality, Diversity & Inclusion (ED&I) strategy and action plan sets out our ambitions now and for the coming years. We will also work collaboratively with the help of TIDE – Tackling Inclusion & Diversity in Energy cross-industry group, our sector skills council, and other specialist organisations.

We run a twice-yearly management development programme for first line managers, which includes training

in unconscious bias, recruitment, and ED&I. Our initiatives also include colleague networks such as women's inclusion and accessibility; drop-in sessions for all colleagues on recruitment training; inclusion awareness sessions which have been attended by 175 colleagues to date; and structured discussions with our people team around ED&I to give us feedback on our approach.

CASE STUDY

Pledging to be a menopause inclusive workplace

Women make up nearly half of the UK workforce, yet many feel forced to reduce their hours, pass up promotions, or even leave their jobs due to lack of menopause support. This is why the charity Wellbeing of Women is calling on employers to sign the Menopause Workplace Pledge and take positive action to make sure everyone going through the menopause is supported. We've signed up as part of our commitment to make WWU a menopause inclusive place to work; to break down stigma; and create a culture that is open, respectful and non-judgmental.

Our Women's Inclusion Network recently launched our Perimenopause and Menopause Policy, aimed at raising awareness of periods; the menopause; how both can directly and indirectly affect colleagues; and making support or reasonable adjustments available where required. It's important to recognise that individual experiences of the menopause can differ considerably. Our policy aims to support all colleagues affected by perimenopause and menopause, whether directly or indirectly.

GOAL

Engage with our supply chain and industry partners on sustainability

Why this goal?

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

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Our commitment

Map supplier awareness of sustainability topics.

Update

The Supplier Charter sets out how an approach to responsible procurement will support the vision for a sustainable business. The Charter references the specific environmental topics and activities which are key to delivering our business objectives. In addition, it seeks to signpost future opportunities for supply partners to support our ambitions.

Each year we conduct a survey of our suppliers to gauge compliance with our Charter.

Please see our [Annual Environmental Report](#) for further detail.

STATUS

Our commitment

Work with wider energy industry partners to promote consumer understanding and choice in low-carbon heating solutions.

Report

- Our Innovation programme includes a range of activity to support customer choice in decarbonisation. Please see our Annual Innovation Report.
- We have partnered with social housing provider to develop [Cartrefi Hydrogen Homes](#).

ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS



A Resilient Wales



A Wales of Cohesive Communities



A Prosperous Wales



A Globally Responsible Wales

Sustainability in our supply chain

WWU and our owners are fully committed to making sure that the group complies with all applicable legal requirements including, without limitation, the Modern Slavery Act 2015. We joined the Slave-Free Alliance in 2019, an organisation set up by the charity Hope for Justice, and we are actively involved in Utilities Against Slavery working groups.

Our supply base consists of over 1,100 suppliers providing a varied range of goods and services which are key to supporting the company's environmental ambitions. We strive to find ways to improve supplier engagement including the most effective ways to communicate our ambitions and expectations for a sustainable supply chain. Key to this communication is our Supplier Charter,

refreshed at least annually to ensure that the topics which are important to our business now, and in the future, are clearly defined. We make sure that the Charter correlates to our Pre-qualification questionnaire (PQQ), ensuring alignment with supplier acceptance protocols.

A new development is a move towards a newsletter for the supply base, highlighting the direction we are taking on environmental topics. In collaboration with the Supply Chain Sustainability School a learning pathway is being trialled by the procurement team, potentially providing minimum standard awareness for future suppliers. We hold regular awareness training and publish an annual Modern Slavery Statement.



GOAL

Keep customers' interests at the heart of all investment decisions

Why this goal?	We strive to meet the needs of all stakeholders and make the investments required to support today and tomorrow's customers as efficiently as possible.
Our commitment	Continue to engage with our customers and other stakeholders to understand their needs.
Update	We hold annual workshops and carry out yearly qualitative and quantitative research with around 1,000 representative consumers and stakeholders to better understand their views on our Business Plan commitments, which helps inform our delivery plans and communications.
Our commitment	Continue to robustly evaluate all investment decisions, taking into account the priorities of our stakeholders.
Update	We consider consumer and stakeholder insights to inform our investment decision-making process. For example, in 2024, we conducted 1,400 20-minute consumer interviews (domestic and SME) to test acceptability of our RIIO-GD3 Business Plan commitments, recording endorsement from more than 90% of participants.

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ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS



A Prosperous
Wales



A Wales of
Cohesive
Communities



A Wales of Vibrant
Culture and Thriving
Welsh Language

GOAL

Minimise the cost we pass on to customers

Why this goal?	We want to work smarter to offer affordable, value for money services.
Our commitment	Continue to maximise our current non-regulated income (reducing consumer bills) and to develop ourselves as a high-quality supplier of choice.
Update	<p>We continue to generate more than £7 million of non-regulated income per annum, using the available necessary downtime and high skill levels of our people to deliver third party works.</p> <p>This helps reduce customer bills by substituting costs that would otherwise be passed on to the customer.</p>
Our commitments	Identify and, where suitable, invest in opportunities that generate additional long-term future revenue streams, including from our land and gas assets.
Update	<p>We are continuing building new depots to high energy efficiency standards and upgrading our existing buildings. This improves wellbeing and productivity.</p> <p>The new depot at Cullompton, Devon, which opened in May 2025, includes energy efficiency measures consistent with an Energy Performance Certificate rating of A or above (the highest), solar panels, electric car chargers and a range of measures that conform with our revised and upgraded rigorous physical security standards.</p>

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ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS



A Prosperous
Wales



A Resilient
Wales



A Globally
Responsible
Wales

GOAL

Align our capital structure to our ESG objectives

Why this goal?

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

Our commitment

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

Update

Our current sustainability linked financing has three main KPIs that are monitored annually:

1. Reduce gas leakage by 10% by the end of 2026 from a 2021 baseline:

3.5% reduction in leakage volume (GWh) between regulatory years 2023/24 and 2024/25.

We have achieved a 13% reduction in leakage from a 2021 baseline and have thus hit our target ahead of schedule.

2. Average of <10 hours ‘off-gas’ per property for unplanned interruptions:

In 2024/25, average time of unplanned interruption was 5 hours and 37 minutes against a regulatory target of 13 hours. In 2023/24, it was 8 hours and 22 minutes and 2022/23 it was 8 hours and 48 minutes.

3. Improved customer satisfaction scores:

Overall customer satisfaction score in regulatory year

2024/25 – 9.26/10

2023/24 – 9.17/10

2022/23 – 9.08/10

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ALIGNED WELL-BEING OF FUTURE GENERATIONS ACT GOALS



A Prosperous
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A Resilient
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Wales

Looking ahead

In December 2024, we submitted our Business Plan to Ofgem for the price control period R10-GD3, which covers our activity until April 2031. During this time, we expect significant change in technology and policy that will have major implications for our company. While we wait to discover the shape of the inevitable changes ahead, we have developed plans and forecasts for the period 2026 to 2031 and remain open to new opportunities. We will continue our dialogue with the regulator; government; other gas distribution companies; and our partners in industry, on the potential role of gas in a low-carbon economy.

Beyond 2031, the uncertainty but also the potential opportunity increases. Our Sustainability Strategy will continue to evolve so that it guides and positions us to respond effectively to opportunity and meet expected and unforeseen challenges with minimal disruption to customers.



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

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

Gas Networks

The Transmission and Distribution pipeline owners and operators across GB.

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.

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.