

Our approach to responsible business



We are committed to conducting our business responsibly; this is a fundamental element of the values that shape our purpose. Making integrity our watchword means that we consistently make ethical decisions, fostering a culture where responsible decision-making is central to our every action.”

Suleman Alli
Director Finance, Customer Service and Technology



Environment P22



Responsible decision-making is at the core of our approach to business and is in line with our vision to be a respected and trusted corporate citizen. We welcome the opportunity to stand up and be counted for the way we look after the environment, the customers we serve – especially those whose circumstances mean they need extra support – and the people who work to make UK Power Networks the responsible business it is.

Our people P26



At UK Power Networks, our vision is to be, consistently, the best performing organisation in our sector in the UK. Central to this vision is our commitment to delivering services that meet our customers’ needs at the lowest possible cost, while maintaining sustainability at the heart of our strategy. We believe that sustained high performance can only be achieved through a balanced approach across all our activities.

Social responsibility P28



Responsibility guides how we conduct our business; this is underpinned by a defined set of values that shape our operations. Upholding integrity is fundamental; it fosters a culture where ethical decision-making is ingrained in every aspect of our work.

Sustainability at UK Power Networks extends beyond reducing our carbon footprint; it encompasses how we support and develop our employees, innovate for Net Zero solutions, and collaborate to benefit the communities we serve. Our ongoing efforts in these areas are detailed further in the following sections.

Recognising our pivotal role in facilitating the UK’s transition to a Net Zero society by 2050, it is

one of our key priorities to ensure that our electricity network has the capacity to support the decarbonisation of transport and heating, alongside connecting renewable energy sources to meet rising demand.

In leading the industry towards sustainable practices, we have pioneered the establishment of the first independent Distribution System Operator (DSO) with its own oversight board (see more about this on page 39). This structure ensures that our DSO investment proposals are critically reviewed, so customers’ interests are always the primary focus. Innovative strategies, such as incentivising customers to adjust energy usage – known as network flexibility – will reduce asset expenditure by £410 million over the next five years, reducing demand for raw materials and minimising disruption caused by digging up the streets.

Acknowledging the economic challenges faced by our customers, we are intensifying our support for them. Collaborating closely with local authorities, we have matched their cost-of-living support funds and we will be providing £4m annually to support their activities.

Additionally, our dedicated DSO team offers free guidance to local and county councils and other planning bodies as they develop and implement their Net Zero plans.

A sustainable business approach has always been – and will continue to be – integral to our strategic framework.

Our governance framework

UK Power Networks’ Board

The Board of Directors is the principal decision-making forum for the Group. It has overall responsibility for leading and controlling the Group as well as its financial and operational performance. The Board composition is determined by the shareholding companies, each of which nominates Directors in proportion to their shareholdings. In addition, two ‘Sufficiently Independent Directors’ (SIDs) must be appointed to the boards of the Group’s regulated distribution companies.

The positions of the Chairman of the Board and Chief Executive Officer (CEO) are held by separate individuals with a view to maintaining effective segregation of duties between management of the Board and the day-to-day management of the UK Power Networks Group.

To assist the Board in fulfilling its oversight responsibilities, six Board sub-committees have been created, as shown below. Their main activities are:

The Audit Committee

The Audit Committee assists the Board with its responsibilities for financial reporting, maintaining an effective system of internal control and internal and external audit processes.

The Treasury Committee

The Treasury Committee assists the Board in fulfilling its oversight responsibilities with respect to compliance with Treasury Policy.

These responsibilities include the monitoring and management of treasury risks, including liquidity risk, funding and refinancing risk, interest rate risk, foreign exchange risk and credit risk.

The Remuneration Committee

The Remuneration Committee’s key responsibilities include making recommendations to the Board on the Group’s policies and structure in relation to the remuneration of senior management and employees of the Group, based on the corporate goals and objectives set by the Board.

The Risk Management and Compliance Committee

The Risk Management and Compliance Committee supports the Board in relation to risk management and by overseeing compliance with obligations determined by statute, legislation, regulation, contract or agreement.

The Nominations Committee

The Nominations Committee recommends Sufficiently Independent Directors (SIDs) for appointment to the boards of the distribution companies.

The ESG Committee

The Environmental, Social and Governance (ESG) Committee’s primary function is to assist the Board in ensuring that the Group has a suitable and sufficient strategy in place to deliver the key ESG-based commitments.

Executive responsibility

Our Executive Management Team, about whom you can read on page 52, has collective responsibility for running our business and executing our strategy.