



# Fuelling a *thriving* world

Sustainability Report 2022

# Welcome



## to Cadent's fourth Sustainability Report, which sets out the objectives, processes and outputs of our Environmental, Social and Governance (ESG) management.

The report describes our sustainability commitments and the progress we're making against them. In doing so, we bring to life the positive social impact that we are delivering for the communities that we serve.

This report covers the period 1st April 2021 to 31st March 2022 and should be read in parallel with information on our website, which we update regularly. Additional information relating to Cadent and its performance can be found in the following publications:

- Annual Report and Accounts
- Annual Environmental Report
- Social Impact Report
- Vulnerability and Carbon Monoxide Allowance (VCMA)
- Customer Vulnerability Strategy

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£1.5m

Investment in innovation activities supporting decarbonisation and/or protecting the environment

8

Biodiversity surveys completed across our networks

-3% reduction

in Greenhouse gas emission compared to 2020/21

4,000

colleagues trained to spot the signs of customers living in vulnerable situations

2

paid volunteering days available per colleague per year to support our communities

£84 million

in societal benefits from our customer vulnerability programme





## Who we are

**Cadent owns and maintains the underground network of pipes that transport the gas you buy from your gas supplier into your homes and businesses.**

We strive to be a force for good in society and have a positive social impact in our communities, whilst taking care of an essential and vital public service. We are responsible for keeping the energy flowing; warming homes and powering businesses. We're proud to be at the heart of heat and work closely with our communities to keep them safe, warm and connected, as well as providing extra care for those who might need it in a gas emergency. As part of this we also manage the National Gas Emergency Service telephone number on behalf of the gas industry.

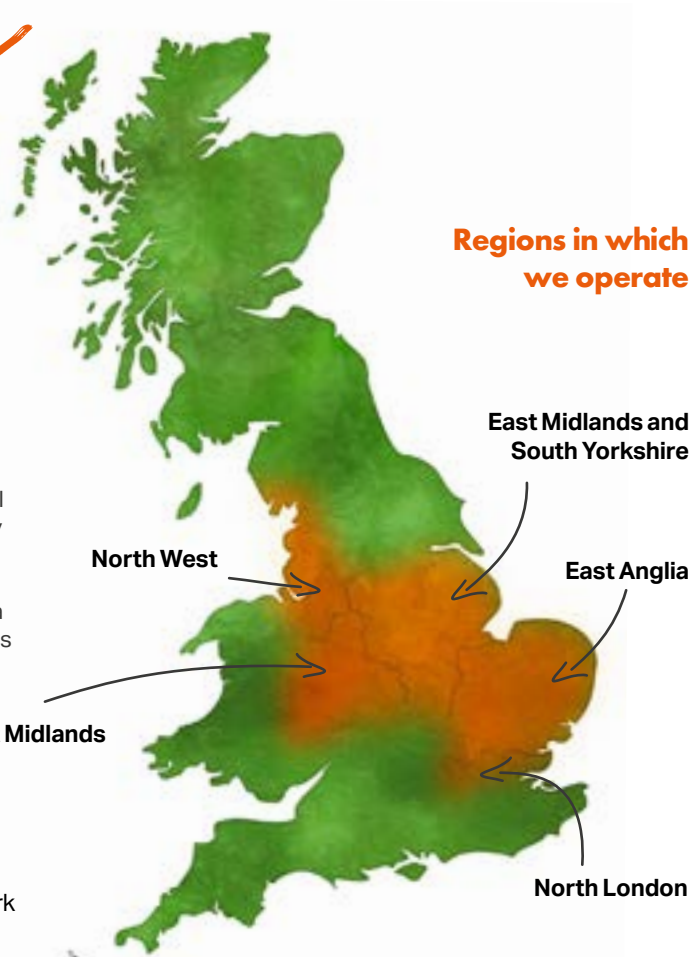
**11 million** **6,155**

homes and businesses connect to our network

employees helping consumers in our network keep safe and warm

**132,356km**

of pipe across our region



## What we do:

- We look after the gas pipes and equipment that supply gas to 11m homes and businesses.
- We maintain, repair and replace gas pipes and associated infrastructure to ensure the safe and reliable flow of gas which will prepare us to meet the country's net zero commitments.
- We connect homes, businesses and renewable gas suppliers to our network.
- We provide extra care for those who might need it in a gas emergency.
- We manage the National Gas Emergency Service for all gas customers in the UK. If something goes wrong, we are the first point of call to make sure it's dealt with calmly, quickly and safely. In 2021/22, we answered 1.4m gas emergency calls.



## What we don't do:

- We don't produce gas.
- We don't own or sell the gas that flows through our pipes.
- We don't repair gas appliances.
- We don't send out gas bills. The cost of our services is included in the customers' gas bill.

# Welcome

to our fourth Sustainability Report. We've listened to stakeholder feedback and we've refreshed the look and feel of our report this year, creating a much shorter and easier to digest document. All of the detail we shared in previous reports is still available on our improved website, which we update regularly to ensure our latest performance is published for review.



**"I am incredibly proud of what we have achieved this year and am excited about our future plans to keep people warm whilst protecting the planet."**

**Dr Tony Ballance**  
Chief Strategy and Regulation Officer

Our business purpose remains the same; to keep people warm whilst protecting the planet. In last year's report I introduced our new ambition, to 'fuel a thriving world', describing some of the ways in which we're delivering this through our framework of providing Easier Warmth, Fairer Opportunities and a Greener Society for the customers and communities we serve.

Sustainability continues to be a global priority across both public and private sectors and whilst our customers and stakeholders expect us to have robust plans in place for net zero (along with other environmental focus), they also expect us to keep the cost of our bills low and for us to go beyond to support customers who find themselves in vulnerable situations in our society. Our plans have been developed with regular input from our customers and stakeholders to ensure we're focusing in the right places.





## Easier Warmth

Our gas network covers some of the most deprived areas in the UK, and the situation is worsening as the cost of living increases and energy prices hit record levels. Following the energy price cap increase in April 2022, we estimate that a further 1.2 million households across Cadent networks fell into fuel poverty, increasing the total number to around 3.2 million.

Last year, we introduced 15 separate initiatives to support customers living in fuel poverty, funded through a combination of regulated revenue and a reinvestment of our profits, via the Cadent Foundation. This year, we'll invest around £9m through these two sources helping customers living in fuel poverty, providing support and advice to over 1 million households. Our initiatives range from the provision of energy efficiency advice, to providing tailored, professional financial and income maximisation consultations, which typically see households benefit by between £2,000-£2,500 per year.

## Fairer Opportunities

We are at heart a local business, rooted in communities, people, and their skills. To help create fairer opportunities in our regions, we hold ourselves, and the organisations we work closely with, up to the highest possible standards in how we recruit, support, and reward our employees. This helps to ensure that we are fair and honourable employers, paying the real living wage; with equality, diversity and inclusion thoroughly embedded into our organisations.

We are committed to making opportunities fairer for people who are disadvantaged by their location, background, economic situation, current skill set or employment history, to create a more diverse workforce that represents the communities we serve.

The transition to a greener economy will require new skills across a wide range of disciplines and it's a real chance for people of all ages to have fulfilling, well-paid careers. We aim to make these job opportunities visible, accessible, inspiring, and achievable to the broadest range of people. This includes working with the most disadvantaged and socially immobile communities in our networks, to proactively help them gain meaningful employment in the energy sector.

## Greener Society

With the current economic situation placing increasing pressure on society we continue to keep a laser focus on improving the environment. Environmental issues have risen in prominence in recent years with greater visibility and concern around a changing climate, flooding, air quality, biodiversity loss and resource management. Operating our networks against the backdrop of the effects and impacts on the environment provides its own unique challenges.

We recognise the urgent challenges we face to successfully navigate the different pathways to deliver net zero, limit our resource use, reduce our carbon footprint, and improve biodiversity. We're committed to driving down energy consumption, working with our suppliers to reduce virgin resource use and continue to focus on our first net-zero construction site.

We have a leading role in helping the UK reach net zero, by connecting greater levels of renewable biomethane to our networks and pioneering new technologies, including hydrogen for energy, to substantially cut carbon emissions. By facilitating a switch in the gas that flows through our pipes from natural gas to renewable biomethane and hydrogen, we can, in turn, decarbonise those heat networks that are fuelled by the gas we supply.

We continue to work proactively to connect new green gas supplies to our network. The addition of biomethane into the gas grid will help the UK minimise its carbon footprint and use of unsustainable fossil fuels, whilst increasing the security and diversity of energy supplies. The connection of five further biomethane plants during 2021/22 has demonstrated an upward turn in market confidence and growth following the introduction of the new Green Gas Support Scheme (GGSS) in 2022.

**Dr Tony Ballance**  
Chief Strategy and Regulation Officer







*Our purpose*  
**Keeping people  
warm whilst  
protecting the planet.**

**It's the reason we exist, it's what we stand for. We have a lot of expertise in this and we are building more all the time by working together. We believe so much in our purpose that we don't want to just be a good performer, but a good company and a force for good. Our ambition, is not just to survive, but to fuel a thriving world. A world where things are easier, fairer and greener, for everyone, this is the future we want.**

Our purpose underpins our approach to Sustainability. Earlier this year we evolved our Sustainability Framework and reframed it as we strive to become a Force for Good under three core pillars of activity so that we can continue to maximise the total positive impact we can have on society.

# Our new values



**This year saw the introduction of our new values to bring together all our colleagues, allowing us to achieve the best outcomes.**

Our values reflect how we perform to be the best within our teams and they're fundamental to creating a people centric culture that supports the success of the company over the coming years; and the introduction of career pathways and improved talent and succession management.



**We work**

*together*

We work together to achieve unity and collaboration. Our colleagues working together to create solutions to get the best outcome we can. Everyone should be made welcome and feel valued and we embrace the diverse teams who work together to deliver for our customers.



**We take**

*responsibility*

We take responsibility in everything we do; safety, impact, ethics, always doing the right thing, and considering others' health and wellbeing.



**We drive**

*performance*

We drive performance as one team; always striving for excellence. Thinking through before acting and putting the customer at the heart of what we're doing. We're about people; customers and colleagues; not just pipes.



**We shape**

*the future*

We shape the future by taking the initiative, challenging the status quo and welcoming new ideas. We are constantly learning, adapting, and taking positive actions for our future to make changes in a sustainable way.

# Our Sustainability Framework: A force for good



Cadent operates as a responsible business, putting people and the planet at the heart of everything we do. We are committed to be a force for good in society and have a positive impact in our communities. We are committed to making life easier, fairer and greener for everyone we serve to make a lasting difference.

The 17 United Nations Sustainable Development Goals (UN SDGs) provide a framework for businesses to work together with governments and other partners to tackle climate change and fight inequality on a global scale. These goals will not be achieved without genuine collaboration. We have reviewed the Global Goals to

understand how they relate to what we do, and identify where we can make the biggest contribution. We believe that eight of the goals are particularly relevant to our activities, and will work towards them by achieving our own internal targets.

## Easier

### Warmth



Where we help people stay warm and independent in their homes, no matter their personal circumstances

- Affordable warmth accessible for everyone
- A smooth consumer-focussed energy transition that leaves no-one without heat
- Resilient network – keep the energy flowing, safely and reliably

Sustainable Development Goals we are contributing towards:



## Fairer

### Opportunities



Where the potential to thrive is inclusive, within Cadent, our supply chain and our communities

- Motivated, skilled, valued and diverse workforce
- Improved social mobility in our communities
- Quality experience – for all customers and stakeholders

Sustainable Development Goals we are contributing towards:



## Greener

### Society



Where we are driving the transition to net zero, whilst improving the natural world

- Stable climate
- Protected natural world
- Improving the environment and biodiversity

Sustainable Development Goals we are contributing towards:





## Commitment from the top and at every level



# Trusted to *act*

**Our Board and leadership at all levels are committed to operating a responsible and ethical business, from our regulatory commitments and practices to our social actions.**

These targets are set each year by the Remuneration Committee of the Board, following recommendations made by the Safety and Sustainability Committees.

The outcomes are measured at the end of the year and reported in the annual report and accounts. These same measures are used to underpin bonus awards to managers to support alignment throughout the business. The Long-Term Incentive Plan ('LTIP'), a three-year scheme, for senior leaders also includes elements for environmental outcomes, with targets linked to fuel poverty, long-term asset management and mains replacement. Together these elements account for around half of the LTIP. The proportion relating to sustainability increased for the three-year period of the LTIP set in 2021. It amounts to 50% in total, 20% is based on mains replacement expenditure and carbon reduction with a further 30% on energy system transition.



### Executive remuneration

Sustainability outcomes for 2021/22 accounted for 35% of the maximum potential reward for the company performance measures from the Short-Term Incentive Plan ('STIP') set:

**15%**

Sustainability: Tier 1 pipe replacement

**10%**

Safety: Lost Time Injury Frequency Rate

**10%**

Sustainability: Reduction of waste

# Sustainability Committee



**Our Sustainability Committee provides strategic oversight of, and input to, Cadent's sustainability and corporate social responsibility agenda. Committee membership and attendees reflect our commitment to the importance of this area of our business.**

In 2021/22 the committee held four meetings and the details of these can be found in the Annual Report and Accounts page 91–93. The Committee will continue to proactively review, challenge and provide guidance on the company's sustainability and corporate social responsibility strategy and performance; reporting into the Board.

## Board Members



**Perry Noble**  
Chair and Shareholder  
Nominated Director



**Catherine Bell**  
Sufficiently  
Independent Director



**Ed Fidler**  
Shareholder  
Nominated Director



**Simon Fennell**  
Shareholder  
Nominated Director



**Paul Smith**  
Sufficiently  
Independent Director



**Howard Forster**  
Chief Operating Officer



**Steve Fraser**  
Chief Executive Officer

## Sustainability Committee (Other attendees)



**Dr Tony Ballance**  
Chief Strategy and  
Regulation Officer



**Diane Bennett**  
General Counsel &  
Company Secretary

## Our Net Zero Roadmap

details the actions we're taking to reach our climate targets. This includes becoming non-operationally net zero for our own scope 1 and 2 emissions by 2026 (excludes Shrinkage from the gas network).

### Our path to decarbonising our business operations for future generations

Solving the problem means identifying it first. In 2019/20 Cadent emitted 1.66m tonnes of greenhouse gas emissions (scope 1 and 2).

Our own net zero strategy is split into three distinct areas. 1) Decarbonising our business operations, 2) Reducing our environmental impact, 3) Facilitating the low emissions energy system transition. Our Environmental Action Plan states our ambition and targets for our current price control period, RIIO-2.

We know that as we grow our emissions will grow and that's why we're aligned to becoming net zero by 2050 based on our 2019/20 baseline, no matter how much our company grows.

The delivery of Net Zero by 2050 requires an unprecedented amount of change, investment and collaboration. Hydrogen will play an important role as an energy source for industry, transport, power generation and heating buildings and homes, that's why we're acting now.

### Moving faster

#### Carbon

- Procure 100% certified renewable energy
- Operate a fully electric company car scheme
- Zero emissions first responder vehicle fleet across all our networks
- Reduce all utility energy consumption by at least 10% by 2024
- Deliver a 15% reduction in business mileage emissions intensity
- Work with our suppliers to extend the measurement of, and continually reduce, Scope 3 indirect emissions

#### Biodiversity

- Baseline biodiversity surveys c1000 sites, create a site by site biodiversity opportunity map
- Demonstrate 30% biodiversity net gain by 2030 across the networks

#### Construction

- Introduce net zero construction sites from 2023

#### Waste

- Minimise the use of first time aggregate with less than 10% backfill will be first use aggregate in the North West and East of England, and 5% in the West Midlands and North London
- Less than 5% of our waste from excavations will be sent to landfill

#### Shrinkage

- Outperform our reputational shrinkage incentive target

#### Hydrogen

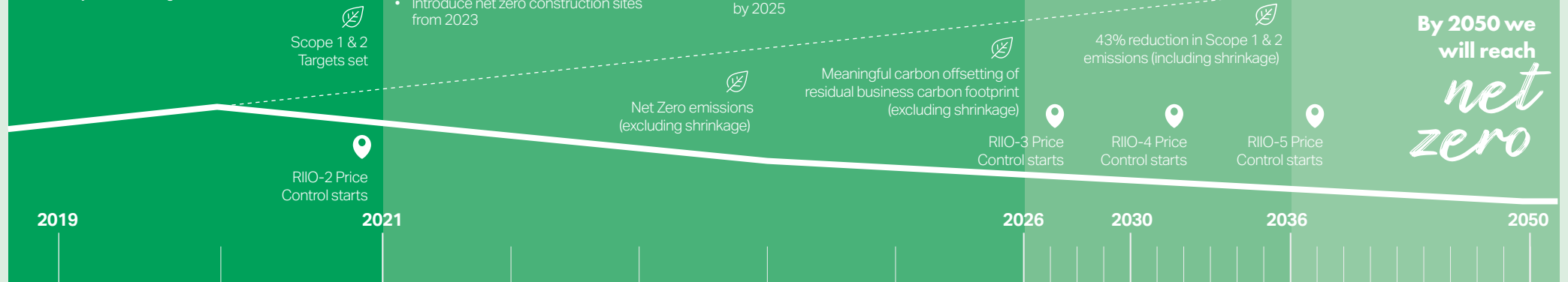
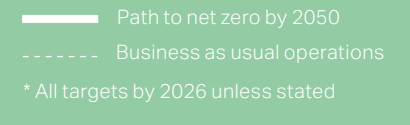
- Launch a Hydrogen Skills Academy and a hydrogen education programme by 2024
- Put pace into the adoption of hydrogen vehicles from 2025
- Installing hydrogen-ready appliances by 2026 or sooner
- Publish plans to demonstrate heat decarbonisation of whole communities by 2025

### Scaling up

- We will reduce our methane emission rates by more than the UK's 30% target by 2030
- We will demonstrate hydrogen at scale through a range of initiatives by 2035 such as:
  - Deliver the first scaled hydrogen blending facility from 2025
  - Deliver the UK's first 100% hydrogen pipeline by 2027
- Enable 5GW of hydrogen production in our region by 2030

### Delivering our promise

Our ambition is to make hydrogen a safe, fair and reliable choice for consumers.





# Update on year 1 of our price control (RIIO-2)



**During the first year of RIIO-2, we have published several environmental, social and governance reports highlighting how we are monitoring and progressing on sustainability aspects in Cadent.**

We have set our environmental ambition through the Environmental Action Plan, which will drive improvements between 2021 to 2026. In October 2022 we published our first Annual Environmental Report. In this report we provide an update on our RIIO-2 environmental performance to date, our environmental efficiencies and broader environmental matters. We also highlight our work to make a positive and lasting difference to the communities we serve.

Our Social Impact Report published earlier in 2022 highlights our overall commitment to becoming a sustainable business.

Our Customer Vulnerability Strategy outlines our ambition that we believe that everyone, no matter what their personal circumstances, should have access to safe, reliable and affordable energy to help them to live their lives in more comfort.

Our Vulnerability and Carbon Monoxide Allowance (VCMA) report describes how we're going further for customers living in vulnerable situations. We currently have 39 projects in flight.

Our new sustainability web pages detail further information on our sustainability metrics and targets.



**Social Impact Report**



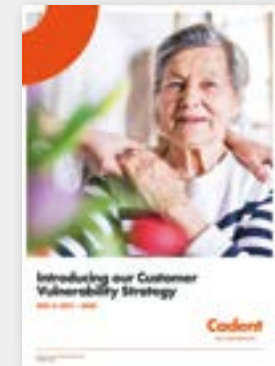
**Annual Environmental Report**



**Vulnerability and Carbon Monoxide Allowance (VCMA)**



**Environmental Action Plan**



**Customer Vulnerability Strategy**



**Sustainability web pages**

# Reporting against our ambition to Fuel a Thriving World by making life Easier, Fairer and Greener



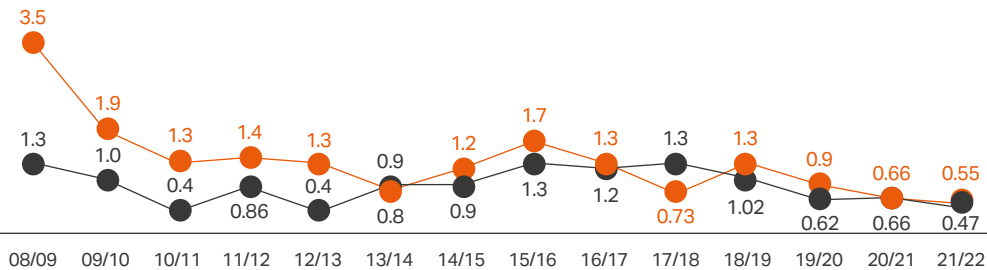
## Occupational Safety

Our ambition is to prevent all injuries associated with our activities. Our goal for 2021/22 was to achieve a Lost Time Injury Frequency Rate (LTIFR) per million hours worked, below 0.65 for employees and contractors.

### Progress 21/22

#### Employee and Contractor LTIFR

— Employee LTIFR  
— Contractor LTIFR



We continued to develop our Safety Improvement Groups with focus on driver safety risk, promoting site safety to prevent injuries to members of the public and avoiding underground cable strikes. Over the past year we added two new groups dedicated to Process Safety Improvement and Safety Culture Improvement. To support our zero harm culture, we reviewed a significant number of standards and brought them up to date with best practice, including a full review of our Process Safety Management Standard and our visible safety leadership was enhanced by many of our leaders taking part in engagement visits across our networks.

In 2021/22 there were 0 employee and 0 contractor fatalities as a result of our work.

### Goals for 2022/23

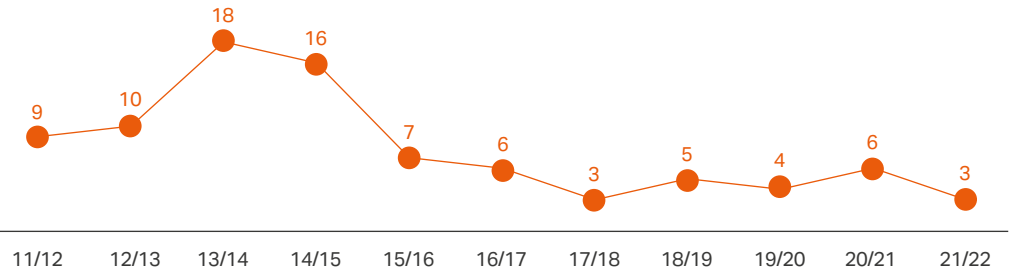
- Our target for 2022/23 is for no more than 0.54 lost time injuries per million hours worked. This metric improved in 2021/22 and we aspire to improve further.
- Safety improvement group will continue their focus on reducing driver safety risk, promoting site safety to prevent injuries to members of the public, avoiding underground cable strikes, process safety improvement and safety culture improvement.
- We're targeting 500 leadership Engagement Visits.
- New Incident Management System to be designed and implemented to enable colleagues to log and manage hazards, near misses and incidents.
- Review of our Process Safety KPIs.

## Public Safety

Our ambition is to ensure that no one is injured as a result of our activities. Our goal for 2021/22 was to focus on the safety of our employees, contractors and members of the public around excavations and during the reinstatement process. We continue to work towards reducing the amount of time that excavations are open in public areas and our Member of the Public Safety Improvement Group continued to look at the implementation of new and innovative methods for reducing risk to third parties.

### Progress 21/22

#### Serious Injuries to Members of the public



Our measure of Serious Injury to Members of the Public includes all injuries arising from our network or our work activities which require medical treatment. This includes injuries from contact with our street works as well as any injuries received through gas escape or explosion arising from a fault on our network. A small number of reported injuries are removed from this measure where it is established that an injury was not related to our activities or assets.

In 2021/22 there were 0 member of the public fatalities as a result of our work.

### Goals for 2022/23

- Our target for 2022/23 is for no more than 0.54 lost time injuries per million hours worked. This metric improved in 2021/22 and we aspire to improve further.
- Safety improvement group will continue their focus on reducing driver safety risk, promoting site safety to prevent injuries to members of the public, avoiding underground cable strikes, process safety improvement and safety culture improvement.
- We're targeting 500 leadership Engagement Visits.
- New Incident Management System to be designed and implemented to enable colleagues to log and manage hazards, near misses and incidents.
- Review of our Process Safety KPIs.

# Reporting against our ambition to Fuel a Thriving World by making life Easier, Fairer and Greener continued



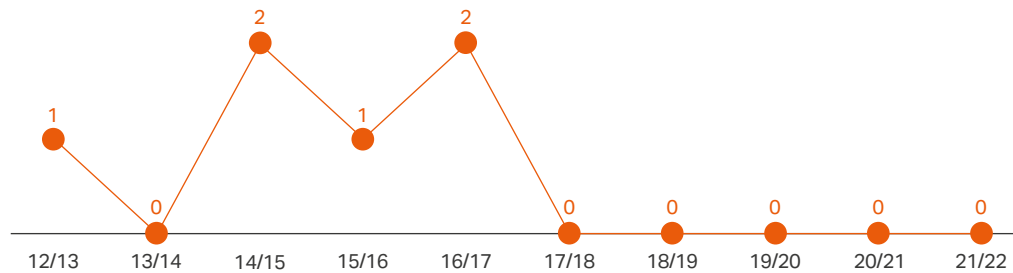
## Environment

We are committed to ensuring that there are no serious environmental incidents as a result of our operations, and we will ensure that we manage risks and put in place plans to prevent all serious incidents. Further information on our environmental performance can be found in our published Annual Environmental Report.

➤ Annual Environmental Report

### Progress 21/22

Serious environmental incidents\*



2021/22 was the fifth year in succession where there were no serious incidents associated with our activities. (Serious Environmental Incident – a significant environmental damage, pollution, breach of permits or legislation that leads to enforcement action by the Regulator.)

### Goals for 2022/23

- Full review of the Incident Management standard to update all environmental categories and incident ratings.
- Implement and design a new Incident Reporting System, accessible to all colleagues to report and manage environmental incidents and near misses.
- Technical review of the Environmental Emergency Response management standard.
- Continue with regular site Environmental Baseline site surveys and more in-depth environmental management review visits to monitor and review compliance.

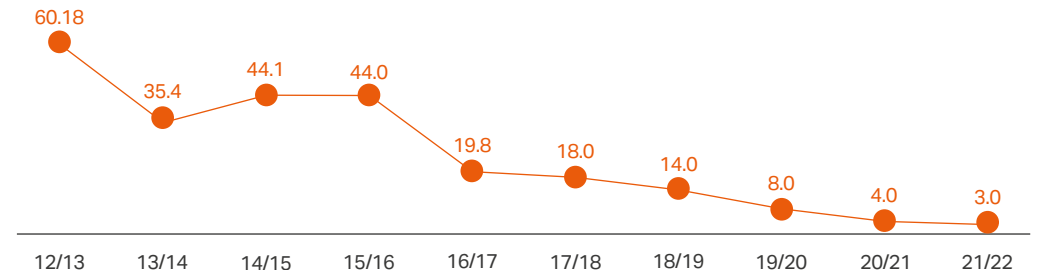
\* Further information is available in our published Annual Environmental Report

## Resource Management

We believe that no avoidable waste should be sent to landfill. Our goal is for zero avoidable waste to be sent to landfill from 2021/22.

### Progress 21/22

Percentage of waste to landfill – (Depots/Office waste only)\*



In 2021/22 we sent 3% of our waste to landfill. (Does not include contractor's spoil waste from PE pipe replacement scheme.)

Over the past 10 years we have made great progress in reducing our waste to landfill, as we work to achieve our goal of zero avoidable waste being sent to landfill.

### Goals for 2022/23

- To set stretching Company wide target to reduce the volume of general waste.
- Continue to roll out waste bin and segregation audits with our waste contract providers.
- General waste skip inspections to improve waste segregation.
- Implement a new Environmental Reporting System to record, monitor and analyse waste and resource use across our operations.

\* Further information is available in our published Annual Environmental Report



# Reporting against our ambition to Fuel a Thriving World by making life Easier, Fairer and Greener continued

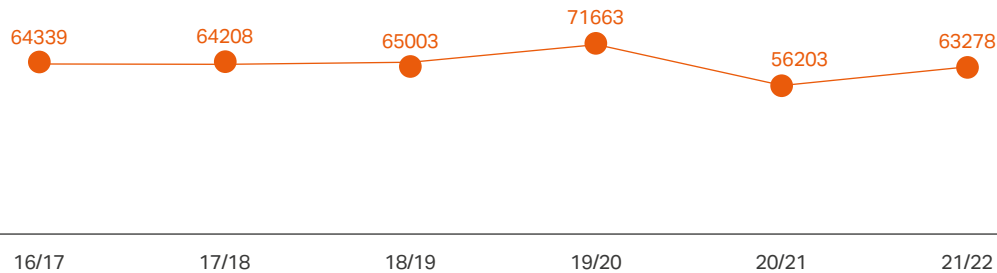


## Energy and Emissions

As a responsible and regulated business, we aim to reduce our business carbon footprint (BCF). This covers our emissions associated with Scope 1 from sources that we own or control directly (excluding shrinkage), Scope 2 emissions caused indirectly through the purchase of electricity and Scope 3 emissions that are not produced by Cadent itself, such as from our supply chain. Our goal for 2021/22 was to reduce our business carbon footprint by 17% from 2013/14 levels. We outperformed this target with a reduction of 33%.

### Progress 21/22

#### Energy & Emissions (Scope 1, 2 & 3 excluding shrinkage)



In 2021/22 our BCF increased by 12%, but is still on trajectory for our long-term emissions reduction. The increase was associated with scope 3 emissions as we increased the number of categories being reported under this scope from PE Pipe, contractor Fleet fuel use and air and rail travel to now include private vehicle emissions and aerial surveying emissions at the start of the new regulatory reporting period known as RIIO-2. This change also reflects best practice in the GHG Protocol for companies reporting under scope 3. Our scope 1 emissions decreased by 0.6% and scope 2 emissions decreased by 14%.

### Goals for 2022/23

- Design and implementation of a new Environmental Reporting System that will calculate Cadent's scope 1, 2 and 3 emissions.
- Continued implementation of Environmental Action plans, such as the roll out of EV company cars and First Responder vehicles and reducing energy consumption.
- Review net zero pathways and data verification options for our scope 1 and 2 emissions.
- Review of our scope 3 categories of data and emissions against net-zero pathways.

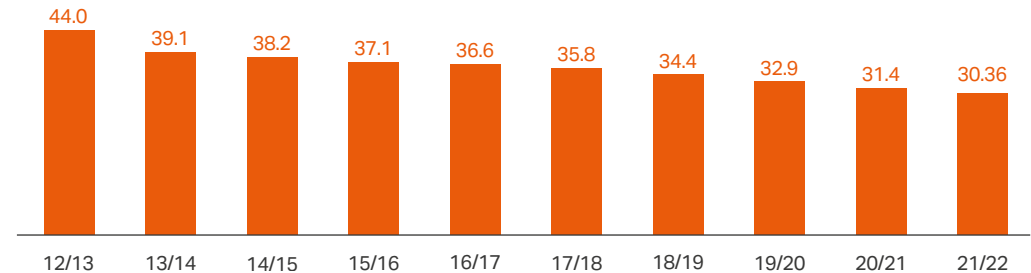
\* Further information is available in our published Annual Environmental Report

## Greenhouse Gas (GHG) Emissions

Our overarching goal is to reduce our GHG to net zero in line with the UK Government's ambition by 2050. Our most important reduction activity is the mains replacement programme, whilst we continue to make a case of hydrogen as an alternative to natural gas.

### Progress 21/22

#### Emissions – percentage of baseline



We have committed to medium and long-term targets to reduce our GHG emissions.

We have set science-based aligned carbon reduction targets for our scope 1 and 2 emissions with the Carbon Trust. Targets are considered science-based if they are in line with what the latest science says is necessary to meet the goals of the Paris Agreement. We aim to reduce our GHG emissions by 43% by 2036 aligned to a well below 2 degree pathway. We aim to review and update this target as appropriate to take into account decisions on the future of heat from UK government. We aim to have our science-based targets externally verified. This is on hold whilst the Gas and Oil SBTI methodology is under review for the sector.

### Goals for 2022/23

- Continue to deliver our mains replacement programme.
- Engage with all stakeholders and regulators to highlight the environmental benefits of continued and accelerated mains replacement.
- Design and implementation of a new Environmental Reporting System that will calculate Cadent's scope 1, 2 and 3 emissions.
- Continued implementation of Environmental Action plans, such as the roll out of EV company cars and First Responder vehicles and reducing energy consumption.
- Review net zero pathways and data verification options for our scope 1 and 2 emissions.
- Review of our scope 3 categories of data and emissions against net-zero pathways.

\* Further information is available in our published Annual Environmental Report.

# Reporting against our ambition to Fuel a Thriving World by making life Easier, Fairer and Greener continued



## Social Performance

It is vital for us to create social value by benefitting the most vulnerable in our societies and contributing to our local communities to reduce the impact of our operations.

**Priority Services Register (PSR):** We continue to chair a cross utility sector working group to increase the general public's awareness of the PSR and ensure that it operates in the most effective manner to help the energy industry and to understand how to best support our customers. This year we have trained over 4,000 of our colleagues to be able to spot the signs of customers living in vulnerable situations. We have completed a six-week winter awareness campaign, which we invited the other national gas distribution network businesses to join, and which we estimate has reached over 20 million across the UK to raise PSR awareness and encourage registrations.

## Over 4,000

colleagues have been trained this year to spot the signs of customers living in vulnerable situations

**Carbon monoxide safety:** This year we have continued to develop our Safety Seymour (Key stage 1) and CO Crew (Key stage 2) primary school education programmes. Working with the consultancy Skewb, we have created classroom-based lessons using Minecraft to increase engagement and learning. We ran a large summer campaign using social media, digital billboards, national radio, and posters in London Underground stations and at motorway service stations to raise awareness of the potential harm associated with carbon monoxide and how to avoid it. We estimate that these were seen or heard by over nine million people living in our networks. We also work with partners such as Fire and Rescue services to help us to distribute free carbon monoxide alarms to customers living in vulnerable situations.



## £3,879,072

of funding has been given out by The Cadent Foundation

The **Cadent Foundation** gave out total funding of £3,879,072 funding projects across four key areas, people, communities, environment and research and innovation. 83% of the funding awarded in 2021 was for projects aimed at addressing the root causes and impact of fuel poverty. Further information can be found in the The Cadent Foundation 2021 Impact Report: Committed to a better future.

**Published reports** detailing our progress against customer commitments including the introduction of the Vulnerability and Carbon Monoxide Allowance (VCMA) providing us with the flexibility to deliver an even greater positive impact to our customers and the communities we serve. From 1 April 2021 to 31 March 2022, we initiated 39 projects, of which five have been delivered in collaboration with other gas distribution networks. These have generated over £84 million in societal benefits, reaching millions of our customers.

We have launched a **new volunteering programme**, offering 2 days' paid volunteering per employee per year, in order to support the communities, we serve. Cadent has also engaged with a new charity partner, Emmaus, supporting communities and providing a home and meaningful work for those experiencing homelessness.

## 2 days

paid volunteering per employee per year

### Goals for 2022/23

- At least 2 million PSR conversations by 2026
- At least 1% post-tax profits invested back into our communities through the Cadent Foundation
- Supporting at least 1 million households living in fuel poverty through a range of interventions
- Continue to support our colleagues to give back to our communities through volunteering
- Continue to raise awareness of the dangers of carbon monoxide across our networks

# Reporting against our ambition to Fuel a Thriving World by making life Easier, Fairer and Greener continued



## Stakeholder Engagement

**We work collaboratively with stakeholders to shape our future**

**Our customers are at the heart of our business.**

Our business plan is built on understanding and meeting their needs. Further information on our current business plan can be found on our website.

 [Cadentgas.com](https://www.cadentgas.com)



### Our engagement

#### Customers

Increasing our engagement with customers to identify their priorities and meet their needs.



#### Communities

Delivering engagement at a local level to respond to the diverse needs of our networks.



#### Colleagues

Creating an inclusive culture where employees, contractors and partners are given a voice.



#### Investors

Providing confidence and value through robust data, governance and outcomes.



#### Suppliers

Our suppliers are an extension of our operations and support us in providing for our customers. They are key to achieving our sustainability commitments.



#### Regulators, Governments, NGOs

We engage proactively and constructively with UK government, our regulator, OFGEM and customer groups such as Citizens Advice.





**Through our new partnership with homelessness charity Emmaus UK, our extensive employee volunteering scheme and generous annual matched giving allowance, we support our employees to contribute positively to their local communities and the causes close to their hearts. Community giving is a core part of the way we contribute to society. We donate 1% of our post-tax profits to local charities through the Cadent Foundation.**



## Charitable Partnership: Emmaus Working together to end homelessness

In January 2022 we partnered with Emmaus UK, an adult homelessness charity and social enterprise. The charity supports individuals experiencing homelessness by providing wellbeing support, meaningful work experience and training, and a home for as long as someone may need it. Through partnering with Emmaus UK, we are building on the close alignment with our purpose, values and social impact ambitions to provide more people with warm homes, accelerated access to careers in the energy sector and sustainable futures.

We aim to raise over £400,000 for Emmaus UK and we will encourage employees to champion the partnership by enhancing their knowledge of homelessness and providing vital support through fundraising, volunteering and sharing expertise on energy efficiency, employability skills and tackling climate change.

Since the start of the partnership our colleagues have raised over £70,000 by taking part in a number of fundraising activities such as the London Marathon, Edale Skyline Challenge, holding raffles and bake sales. Colleagues have also supported Emmaus communities through volunteering activities.

**£400,000**

is the amount we aim to raise for Emmaus UK



## Volunteering

We give all of our employees two paid days per financial year to volunteer for the good causes which align to the three themes of our sustainability framework of making life easier, fairer and greener.

To ensure volunteering is available and accessible to all, we have partnered with award-winning community support expert organisation, Neighbourly, to create an online and interactive volunteering platform which offers a focused range of inclusive opportunities across all of our networks. We aim to have donated at least 3,000 volunteering days by 2026.

Examples of volunteering over the last year include, supporting families who are making the choice between eating or heating their homes through assisting with the day-to-day operations of food banks and food charities. Increasing social mobility and providing accelerated access to careers in the energy sector by providing mentoring, training, careers advice, CV writing and interview practice to disadvantaged people and making societies greener by tackling climate change through planting trees, restoring peatlands and creating greener urban environments.

**986**

volunteering hours invested in 2021/22



## Cadent Foundation

As a utility company, Cadent is uniquely placed to see the real-life impact that income deprivation, fuel poverty, low energy efficiency and poor living environments has on the people in our communities. Cadent has a strong track record of operating as a responsible business and the Cadent Foundation was set up to help play a part in addressing these inequalities. Whilst continuing our commitment to placing people at the heart of what we do, we renewed our purpose to working with charities that tackle the causes and consequences of these complex social issues with effective long-lasting solutions.

Over the past year the Cadent Foundation has awarded more than £3.8 million to charities. The work carried out with Groundwork's Green Doctors to provide energy efficiency advice has been instrumental in supporting people to stay safe and warm in their homes. Another potentially life-changing partnership came as we teamed up with Reactive Response, a pioneering new safeguarding system developed with the charity National Energy Action (NEA). This allows Cadent engineers to refer eligible customers to NEA, which then organises necessary gas repairs or replacement work. Through this partnership more than 1,000 homes have been referred helping them to stay warm and connected. Empowering our engineers through this referral scheme is a fantastic achievement for everyone involved and one which allows us to make a real difference to many people. Further information can be found in our published Cadent Foundation Impact Report.



## The Wildlife Trust project – Manchester

Four Wildlife Trusts received a total of £253,618 from the Cadent Foundation to design projects improving the health and well-being of local communities and make a positive lasting difference through nature connectedness.

Nature connectedness refers to the relationship people have with nature, including emotions, attitudes and behaviour, these can be seen in the way a person might enjoy spending time in nature or caring for nature.

The Manchester Wildlife Trust funding was used to develop the North Manchester Nature Network project, which aimed to deliver a neighbourhood nature network to increase wild species numbers whilst also connecting local people to the natural environment, wild plants and animals.

The project involved exploring a range of activities to inspire and connect local people, some who may not historically value spaces for nature. Activities included family walks, health and well-being workshops, bat walks, wildlife identification and recording. Some schools also took part making improvements to their grounds and members involved shared advice on garden bio-diversity hot spots.

Overall the project recorded hugely successful outcomes, some of which include;

- 1,200 families engaged through self-guided trails and events
- 2,700 wildflowers added to new areas between the parks

- Three primary schools and a Special Educational Needs and Disabilities (SEND) were involved in the project
- 16 new partnerships were formed

In Manchester a substantial positive impact on the people taking part in the project was also reported with some saying their mental well-being and health had improved as a result of the project. Learning about nature was highlighted by several members, with some being inspired by the group to gain a deeper relationship with nature and enhanced motivation to access nature more frequently in the future.

This is particularly important given the focus of these initiatives in socioeconomically deprived areas, where people might have fewer opportunities to connect with nature.

Additionally, joining the group fostered a new perspective for some members as they reported being more aware of the natural world from the information they learnt, giving them a greater sense of being present in their surroundings rather than just passing through.

Below are some quotes from some of the people who took part:

**“I have learnt so much about nature in this group. It has really opened my eyes, I never walk around a park in the same way now.”**

**“Spending time connecting to each aspect of being in nature one at a time.”**

**“Having the time to focus rather than passing through quickly.”**

**“Feel a bit more calm. Can rush around a lot... so seeing nature helps to calm me.”**

# Sustainable Supply Chain



**We continue to work with our supply chain and recognise the importance of collaboratively working to become more sustainable.**

## Modern Slavery Statement

Our updated modern slavery statement sets out steps that we have taken to prevent slavery and human trafficking taking place in Cadent and our expectations from our supply chain. The statement outlines our commitment to support our staff to ensure factors such as having the appropriate working conditions, being treated with respect, and paid fairly, have had the appropriate due diligence.

Our policy framework, training and awareness programmes incorporate the commitment we make towards the respect for human rights. We have taken positive steps forward by improving our policies, processes, and training to mitigate the possibility of exploitation within our supply chain. We are a member of the Utilities Modern Slavery working group which collaborates with the Slave Free Alliance. As part of this working group, we are reviewing our procurement processes to keep them in line with best practice in the Utilities Sector; preventing enforced labour, human trafficking, and slavery in a co-ordinated manner within our industry.

Our modern slavery statement is updated annually and published on our website in line with the Modern Slavery Act requirements.

## Reducing environmental impact

Over the past year we have implemented ways for our supply chain to record the emissions they produce because of the work they deliver on behalf of Cadent. The scope 3 data we collect will enable us to focus on key areas of material improvement to ultimately reduce the impact of activities undertaken by our supply partners.

## Supply Chain Sustainability School

We continue our partnership with the Supply Chain Sustainability School and retain our Gold member status. We use their resources to help educate our own colleagues and our supply chain partners on sustainability topics such as waste management. Over 90% of our supply chain are registered with the School. The School connects us with products and services around the world, improved continuity of supply, protecting against reputational damage and enabling the potential for new partnerships.





# Easier

# Warmth

Where we help people stay warm and independent in their homes, no matter their personal circumstances

- Annual Report and our Customer Vulnerability Strategy
- Vulnerability and Carbon Monoxide Allowance (VCMA)



## Living in a warm and comfortable home should be a given for everyone. Sadly, for around three million of our customers, this is not the case.

Our gas network covers some of the most deprived areas in the UK, so we see first-hand the impact that choosing between eating and heating can have on people's lives.

We want to play our part by providing access to easier warmth now and in the future, through supporting those who are struggling the most. This means ensuring we can spot the signs of customers living in vulnerable situations and fuel poverty, and having access to the tools and expertise to be able to offer the best possible interventions without delay. We work with well-established safeguarding partners to offer a range of support packages, from energy and income advice to appliance repairs or replacements, all at no cost to the household.

Although there is still much uncertainty over how the UK will move from fossil fuels to greener sources of energy for heating homes, the energy transition must consider the needs of everyone, especially those who are in vulnerable situations.

Through engaging with customers and stakeholders, we will ensure that our communities have a voice, and that all our customers fully understand the energy options available, so that they can make the right decision for their circumstances.

Our Customer Vulnerability Strategy recognises that everyone is unique and that their individual circumstances today could be different tomorrow. Our strategy covers four key areas; tackling affordability and fuel poverty, carbon monoxide awareness, going beyond to never leave a customer vulnerable without gas, and identifying individual needs and joining up services.

This year we published our first Vulnerability and Carbon Monoxide Allowance (VCMA) Report. The report details the 39 projects which we have initiated from 1 April 2021 to 31 March 2022, five of which have been delivered in collaboration with other gas distribution networks. We're delighted that these projects have generated over £84 million in societal benefits, reaching millions of our customers.

Over the last 12-months we have developed a range of truly pioneering projects such as Centres for Warmth where customers can congregate, receive free energy, income and gas safety advice, along with much more, that have pushed the industry past its traditional boundaries, providing additional customer services that extend 'beyond the meter'. In addition, we have responded to customer feedback to help join up support services, which customers often struggle to access.

To enable us to understand and identify which of our customers are most at risk from CO and its associated impacts, we conducted a series of market research projects with global advertising agency McCann.

The insight gained will help to shape future CO campaigns and ensure that the safety messaging effectively impacts the most at risk. The full social value of these initiatives will be realised in future programmes, where we are able to increase the accuracy and effectiveness of our CO messaging. The research has enabled us to better target our CO education and awareness we now believe we are twice as likely to reach those who are currently unaware of the dangers and how to protect against them. We have also shared the outcomes of this project with the other GDNs and key stakeholders such as Policy Connection, Citizens Advice and NEA, allowing the industry to share further the benefits and new insight gained.

## Framework focus: Easier Warmth

### Services

*beyond  
the meter*

This year we have launched several initiatives to help customers with services that go beyond the meter, and beyond our regulatory obligations. We have established a simple referral system, where any of our employees or our service delivery partners can refer a customer (with their permission) to a central team of experts (currently supported through a contract with National Energy Action). This central team will work with customers to understand their needs and to oversee a tailored course of action to help them.

We are upskilling our workforce to work inside customers' homes, allowing us to undertake various activities on customers gas appliances to keep our customers connected. The total social return on investment benefits associated with the projects in this space are over £22m, which equates to £25 benefit for every £1 spent.

**“We estimate that over three million of our customers are living in fuel poverty, which is likely to get much worse as the cost of living goes up. We can't solve this alone, but we are a key part of the solution and will help over one million customers by 2026.”**

**Mark Belmega**

Director of Sustainability and Social Purpose

### Priority Services Register

There are around 3.9 million customers living in our network who are registered on the Priority Services Register (PSR). The PSR is a way that we can help those who have extra communication, access or safety needs to gain equal access to the best possible service at all times. Over the course of this year, we have had over 43,000 face-to-face conversations with customers to tell them about the PSR. Through our collaborative winter campaign which targeted PSR awareness, we estimate we have reached around half of our customers and we've seen the number of registrations increase as a result. The total SROI benefits associated with the projects in this space are over £29.5m, which equates to £35 benefit for every £1 spent.

As we look forward into 2022/23 and beyond, it's important for us to consider these lessons learned and how the customer vulnerability landscape has changed. Affordability and fuel poverty has become a much deeper and broader problem so we'll be focussing an even greater proportion of the VCMA to help tackle these issues.



Over

*£10.6 million*

of social value generated, helping thousands of customers living in fuel poverty.



## Engaging with communities

We decided to engage with a number of established community centres in areas of deprivation located in close proximity to our planned mains replacement activities.

We identified trusted local community centres that were already offering vital services such as food pantries, job clubs, and support with benefit claim applications. However, these centres were unable to offer essential advice on home energy efficiency, CO safety and the Priority Services Register.

Our regulated funding has enabled us to provide resources and training to established and trusted centres in areas of high fuel poverty and deprivation. This support allows the centres to offer an holistic approach to tackling fuel poverty by incorporating energy advice, Priority Services Register sign up and CO safety into their suite of existing services.

The project has provided support to 2,395 customers living in the most deprived areas of our network, generating over £10.6m of social value through the delivery of benefit claims support, energy efficiency advice, and CO education.

Over 480 customers have been supported with navigating the benefits claims process, an often daunting and complex experience for many customers in vulnerable situations.

At least 1,950 customers have been helped through energy efficiency advice on topics such as efficient use of appliances, heating, and hot water controls and tackling condensation and damp, claiming the Warm Homes Discount, and accessing industry trust fund support. This support has been crucial in helping households to be lifted out of fuel poverty.

We have formed relationships and provided funding to five community centres in our East of England and North West networks in the first year of RIIO-GD2. These centres are located in areas of high deprivation and fuel poverty, such as North Manchester, Liverpool, Runcorn, High Peak, and parts of rural Essex.

Further case studies can be found on the sustainability pages of our website.

# Fairer

# Opportunities

Where the potential to thrive is inclusive, within Cadent, our supply chain and our communities.



## We believe that for us to thrive, everyone needs to thrive.

Being a responsible business with ethical practices is paramount to our ethos, and ultimately our success. We are at heart a local business, rooted in communities, people, and their skills. To help create fairer opportunities in our regions, we hold ourselves, and the organisations we work closely with, up to the highest possible standards in how we recruit, support, and reward our employees. This helps to ensure that we are fair and honourable employers, paying the real living wage; with equality, diversity and inclusion thoroughly embedded into our organisations.

We are committed to making opportunities fairer for people who are disadvantaged by their location, background, economic situation, current skill set or employment history, to create a more diverse workforce that represents the communities we serve. The transition to a greener economy will require new skills across a wide range of disciplines and it's a real chance for people of all ages to have fulfilling, well-paid careers. We aim to make these job opportunities visible, accessible, inspiring, and achievable to the broadest range of people. This includes working with the most disadvantaged and socially immobile communities in our networks, to proactively help them gain meaningful employment in the energy sector.

**“Understanding, learning and celebrating what makes us different, as well as what we have in common, is not only good for us as individuals, it enables us to work better together as one team.”**

**Martin Rimmer**  
Chief People Officer, Cadent



## Equity, Diversity and Inclusion (ED&I)

The past year has seen lots of activity and success in progressing our ED&I ambition around culture and policies and processes, delivered by our employee communities and Human Resources colleagues. We have benchmarked our position and learned from the sector, and from our employees through an ED&I conference. Cultural changes have been brought about through our community events keeping inclusion conversations flowing, and by putting ED&I at the forefront of our company values.

We have five well established Employee Community groups: Thrive! (disability), Women in Cadent, Embrace (ethnicity and religion), Cadent's Military Community and Pride at Work. These groups are employee led and they play an important role in integrating a diverse workforce, creating safe spaces, and fostering an inclusive culture. All groups have an Executive Sponsor from the senior leadership team who oversees the Community, providing direction and guidance.



# Framework focus: Fairer Opportunities



We have reviewed our diversity ambitions using past and current employee demographic data, and sector and UK benchmarks. We have set ambition ranges and determined focus areas where the most effort and attention is required.

We have created a high-level ED&I Action Plan owned by Cadent's Executive Committee. This focuses on tangible, outcome-focused actions which will have a real impact on ED&I, specifically where Executives can drive change which others could not. This sets the 'tone from the top' on the importance of ED&I, and demonstrates visible inclusive leadership. We have also brought ED&I to the forefront of our new behaviour and values framework, which was launched this year.

This year we launched Cadent's first ever ED&I conference, 'the Big Meet' in January 2022. This provided an opportunity for all those involved in our ED&I efforts to come together, review what we've achieved so far, how we could do better and how we all work together. We understand that providing a voice to our employees in designing our inclusion strategy is key to delivery of our aims.

We have established three strategic ED&I priorities: inclusive leadership, anti-racism and the employee lifecycle. The working groups have been setting up and are assessing which areas they would each like to prioritise and focus on initially.

We have started benchmarking our ED&I efforts externally, including using the ClearAssured framework, and we are striving to become an accredited Menopause Friendly Employer and an accredited Fertility Friendly Employer. This year we have also retained our Disability Confident Employer level 2 status and gained a Neurodiversity Smart accreditation for the first time.



## Recruiting, developing and rewarding our people

Over the last 18 months we've embraced new ways of working which has brought positive changes to many of us providing a greater opportunity to review the way we all work to support a healthy work/life balance; the ability to choose where we want to work, in collaboration with the needs of our team and the business. We successfully launched a hybrid working model for our office-based colleagues to bring increased flexibility, accessibility, and choice.

We introduced a new People Framework, defining roles and clarifying accountabilities and expectations at all levels across the business. Teams across the business are getting together to explore our new values, discuss what they mean and how we can bring them to life through what we do; establishing a culture that everyone feels part of, believes in, and lives by.

Our New Talent schemes continue to attract high calibre diverse individuals with 85 technical apprentices nearing completion of their scheme. We have 200 apprentices taking part in over 11 different programmes.

We are delighted to rank well in the Job Crowd Top Companies to work for, with an overall company rating of 4.3 out of 5. For Apprentices we are ranked 16th and for Graduates 28th.

This year we have focused on our learning and development strategy and have worked with teams to review training needs, refresh current programmes and propose recommendations. As a result of this strategic direction, we have recruited digital content advisers and leadership trainers to provide a hybrid model of training creation and materials. This helps us to design solutions in an agile manner. The full learning strategy will be launched in 2022 where we will rebrand and reorganise our training architecture and create new programmes to support career development.



To support our transition to hydrogen and the technical advancements required, we are actively involved in the development of hydrogen skills through a variety of consultations and reviews. We are members of the Hydrogen UK panel in Jobs and Skills and on the HyNet Skills, Learning and EDI Committee. Both committees are developing ideas around the skills needed. They are contributing to research for our business and wider industry requirements about the solutions needed to help various challenges in career attraction and development.

We have engaged with colleagues across our regional networks with a view to providing work experience for Level 1 and 3 construction skills, Level 1 and 3 plumbing skills students. Working with Careers and Enterprise Company, Elevate EBP and ELSA we are providing an employer experience for over 2000 students. In recognition of this work, we have been awarded Patron status by Elevate.

Over 200

apprentices taking part in 11 different programmes

## Framework focus: Fairer Opportunities



# Health and Wellbeing

This year we have transformed our Health and Wellbeing support and are proud to have our own in-house Occupational Health team which has improved quality, consistency, and engagement. The launch of the team received an overwhelming positive response by colleagues and managers across the business. Our Head of Health and Wellbeing has brought together a team of highly skilled and experienced Occupational Health Nurse Advisers and Technicians. They deliver a management referral service, a health monitoring program and facilitate access to specialist physical and psychological rehabilitation contract partners. Our aim is to support all colleagues to be healthy at work and to support a timely return to work after a period of health-related absence.

We were awarded 'Silver-Achieving Impact' by Mind following our submission in the Workplace Wellbeing Survey. This external validation of the work we are doing to embed an open and supportive culture on mental health has informed the next phase of our strategy. A collaboration with Mates in Mind, a charity focused on mental health of men working in industrial roles, is being delivered across our networks and is proving to be a great resource for our operational teams.

Further information on our ED&I work can be found in our Annual Report and Accounts, ED&I website pages, Gender Pay Report, and through our best practice hub.



## We have five well established Employee Community groups:

These groups are employee led and each play an important role to integrate a diverse workforce, creating safe spaces, and fostering an inclusive culture. All groups have an Executive Sponsor from the senior leadership team who oversees the Community, providing direction and support.

Our Employee Communities regularly input into our Equality, Diversity, and Inclusion (ED&I) Steering Group and Working Group. The Steering Group is made up of senior leadership from across the company and they work to provide strategic direction for ED&I. They help to determine the business priorities and challenge and improve companywide policy and practice. The Working Group operates in line with the Steering Group to drive progress against the agreed business priorities, provide feedback and highlight issues. We are supported by passionate colleagues and each of our communities play an essential role to drive our ambitions and shaping our culture.



Embrace



Military  
Community



Pride  
at Work



Thrive



Women  
in Cadent



# Greener

# Society

Where we are driving the transition to net zero, whilst improving the natural world.



## We are committed to supporting the Government's climate change ambitions and pledge to achieve net zero before 2050.

Although we currently transport natural gas (a fossil fuel) into homes and businesses, we are taking a leading role in demonstrating how we can decarbonise our networks using hydrogen. Unlike natural gas, which emits greenhouse gases, including methane and carbon dioxide into the environment, hydrogen is a clean gas. At the same time as we are working on hydrogen for the future, we're also making environmental improvements today.

A key outcome of COP26 was a clear commitment by over 100 nations, including the UK, to reduce methane emissions by over 30% by 2030. We are committed to achieving this milestone sooner by upgrading our pipe network, helping to restore the UK's natural peatland through employee volunteering, and finding ways to capture methane before it enters the Earth's atmosphere.

Operating our networks against the backdrop of the effects and impacts on the environment provides its own unique challenges. Environmental issues have risen in prominence in recent years with greater visibility and concern around a changing climate, flooding, air quality, biodiversity loss and resource management. The importance of the environment is reflected in our engagement with our customers and stakeholders, and we want them to see us as a force for good.

Managing the environment is more than just minimising our impact and the impact it has on us; it's about taking positive action to be resilient when faced with environmental changes while providing a greener, more responsible, and sustainable future. High standards of environmental performance are core to our ambition to become a net zero organisation. Protecting and enhancing the environment through continuous improvement and key innovations will lighten our footprint and create long-term benefits for our customers, people, and stakeholders.

We are committed to reducing our carbon footprint in line with the latest science methodology. A key goal to achieve our ambition will be to ensure our targets are verified by the Science Based Targets initiative. We recognise the urgent challenges we face to successfully navigate the different pathways to deliver net zero, limit our resource use, reduce our carbon footprint, and improve biodiversity.

During RIIO-2, we have set our ambition through our Environmental Action Plan (EAP), which explains how we will take responsibility for environmental impacts of our networks and operations. This plan will drive improvements in our environmental performance over the next five years.

Waste management is a key priority, and we are reducing all single use plastic and making it even easier for our employees and partners to recycle, cutting the percentage of operational waste that goes into landfill.

We are passionate about preserving the natural environment, working towards the Wildlife Trust's Biodiversity Benchmark by improving biodiversity at our own sites and working with local communities to support nature regeneration in areas impacted by our construction work.

As we look towards 2023, we know we need to keep a focus on driving down energy consumption, working with our suppliers to reduce virgin resource use and continue to focus on our first net-zero construction site. We will continue to work closely with all of our stakeholders to achieve our ambition and shape the future sustainably for generations to come.

A full 2021/22 update on progress against our Environmental commitments can be found in our published Annual Environmental Report.

**“Blending hydrogen into Britain's gas grid reduces our household emissions, without people having to change the way they use their energy.”**

**Dr Angela Needle**  
Director of Strategy



## Framework focus: Greener Society



# Reducing our *environmental* footprint

**We continue to look for opportunities to reduce our environmental footprint, particularly in relation to our energy consumption and greenhouse gas emissions from offices, depots, and operations.**

Through our energy procurement process we have committed to 100% certified renewable sources of both gas and electricity with contracts in place to 2024.

In 2021/22 we reviewed our estate and closed our main head office, moving to a new, purpose-built building in Ansty that supports the reduction in energy consumption through several initiatives. These include solar panels on the roof, generating up to 300,000 kWh per year, increased external shading to lower the electrical load on air-conditioning and 67 electric vehicle charging points available.

We have renewed our supplier contract for renewable energy and continued to secure 100% certified electricity (through the Renewable Energy of Guarantee Origin certificates) and renewable gas when there is market availability.

We continue to replace our diesel operations fleet with electric alternatives and commit to replacing 1000 vehicles by the end of March 2026.



**“Sustainability for us has been at the heart of what we’ve strived to create here at Ansty Park as we plan towards a net zero future. To reduce the builds carbon footprint, we’ve sourced 85 per cent of interior materials within a 100-mile radius and included the latest technology and energy saving measures from photovoltaic roof panels, to rain water harvesting that will give us a A-rated EPC.”**

**Ranjit Blythe**  
Chief of Staff



# Appendix



**This report covers the most significant environmental, social and governance issues for the financial year 1 April 2021 to 31 March 2022. We have designed the contents to complement the information in our Annual Report and Accounts together with other published environmental and social reports.**

The independent and external indices and awards shown on this page help validate the credibility of our sustainability performance, and we recognise their importance to investment decisions. However, they do not show the whole story, and this report and associated published documents over the period serves to add to the honest assessment of our performance and the work we know we still have to do.



G R E S B  
★ ★ ★ ★ ☆ 2022

## Industry benchmarks

### MSCI

(formerly Morgan Stanley Capital International) is based in New York and provides a range of market and business analysis to investors around the world. MSCI scores companies based on their plans and behaviours in relation to issues including climate change, pollution and waste, human capital, social opportunities, and corporate governance and behaviour. In February 2022, MSCI rated us AAA (Scale AAA to CCC).

### Sustainalytics

Based in Amsterdam, Sustainalytics is a company that rates the sustainability of other organisations based on their environmental, social and corporate governance performance. In early 2022, Sustainalytics gave us a risk rating score of 19.6, which means we are assessed to be at low risk of experiencing material financial impacts from ESG factors.

### GRESB

The GRESB assesses and compares the ESG performance of infrastructure and real estate companies and provides capital markets with standardised and verified data. Cadent received a 4 star rating 2022.

### TCFD

The Task Force on Climate-related Financial Disclosures (TCFD) recommendations are designed to achieve consistent, decision-useful, forward-looking information on the material financial impacts of climate related risks and opportunities, including those related to the global transition to a lower-carbon economy. Our TCFD statement can be found within our Annual Report and Accounts.

# Cadent

Your Gas Network

**Cadent**

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