

Our

Sustainability

Report 2024



Cadent

Your Gas Network

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Welcome

A message from Dr Tony Ballance

We published our first sustainability report in 2019 and have been sharing our sustainability journey with our customers and stakeholders ever since. Our latest report builds on the work of previous years and shows a clear evolution in the scale and scope of our actions and the strategy underpinning them.

This year, that strategic evolution is evident in the way we connect our material topics – the sustainability related topics which impact us and which we impact – in the context of the Sustainable Development Goals that help shape our actions.

We've made significant progress against the targets we set. We continue to provide industry leading support for customers in vulnerable situations. We now have over 300 Centres for Warmth, supporting 100,000s of our customers with dedicated, tailored energy efficiency and income maximisation advice which saves the average household over £2,000. Alongside this, the Cadent Foundation launched a £2m Winter Fund, which helped some of our most financially vulnerable customers over the winter period.

Our Services Beyond the Meter programme is now fully embedded across the organisation. It's helping to ensure that none of our customers become vulnerable as a result of being temporarily cut off from their gas supply while we make their home and appliances safe.

Internally, we have extended our Cadent Communities to create two new groups focussing on men's mental health and grief to sit alongside the existing five groups.

Our environmental performance has also improved. We continue to make strides in ensuring our network is able to transport low carbon gases like biomethane and, in time, hydrogen. This year, our overall and scope 1 and 2 carbon emissions have fallen by 10% taking our total carbon footprint down to **1,224,466 tCO₂e** since 2019. In a small number of areas, we have not made the progress we hoped for. Notably, our scope 3 emissions (i.e. emissions not generated directly by Cadent) have increased. We are not alone in experiencing this. Many organisations have work to do in addressing emissions within their supply chain. But transparency is important, as is our commitment to holding our course and working with our suppliers to improve the picture. As we demonstrate in our work to remove single-use plastic from our supply chain (see p40), that work is already underway.



Dr Tony Ballance

Chief Strategy and Regulation Officer

"We continue to make strides in ensuring our network is able to transport low carbon gases like biomethane and in time hydrogen."

2024

in brief...

Easier

Warmth

Highlights:

- › Our **£2m Winter Support Fund** is helping to get rapid support to the people who need it most.
- › Our expanded Services Beyond the Meter initiative is ensuring more people with faulty gas appliances get the repairs, replacements, investigations, servicing, and advice they need.
- › We reached our stretch target of over **350 Centres for Warmth**, located in areas of most need across our networks.
- › Winners of Utility Week's prestigious Gold Award in the cost of living category.

Fairer

Opportunities

Highlights:

- › Our expanding, employee-led Cadent Communities have been driving change (and winning awards) across a range of diverse areas.
- › Our approach to attracting diverse talent has resulted in a double win at this year's Energy & Utility Skills Awards.
- › The Cadent Foundation Community Fund has been making a difference to communities across the UK.

Greener

Society

Highlights:

- › We're helping to decarbonise our customers' gas supply by blending methane with low carbon biomethane.
- › In support of the UK's 2050 net-zero target we're delivering 100 km of new underground pipeline for HyNet, the UK's first **100% hydrogen pipeline** network at scale.
- › We've been helping our suppliers operate more sustainably.
- › We are pioneering the use of Advanced Leakage Detection technology, helping to 'sniff out' methane leaks across our regional networks.

About us

Who we are...

Transporting critical energy for the UK

We are the largest energy distribution company in the UK, carrying almost as much energy as the entire UK electricity distribution network. We serve the three largest cities of London, Birmingham and Manchester delivering gas to c.11 million homes, businesses and 40,000 industrial customers. We feed 188 power stations and are connected to 45 biomethane production plants and 14 compressed natural gas offtake sites. In doing this, we are responsible for maintaining our network, ensuring that it operates safely and reliably for those who rely on it. We also help homes, businesses and renewable gas suppliers connect to our network.

We are a leading voice in the energy sector and at the forefront of helping the UK achieve its ambition of net zero carbon emissions by 2050 in a way that is deliverable and ensures consumers are at the heart of the transition. We are facilitating a greener gas network and demonstrating a low carbon pathway using biomethane and hydrogen. We know there is no single solution to how we deliver a greener future, and that we will need a range of options to ensure the evolving energy needs of the UK are met, alongside the need for reliability and security of supply.

99.9%
reliability

11 million
homes and businesses
connect to our network

6,000
employees helping
consumers in our network
keep safe and warm

We look after over
131,000km
of pipeline and almost 50% of
Great Britain's gas customers.



About us

What we do

Production & Importation

Other companies

Transmission

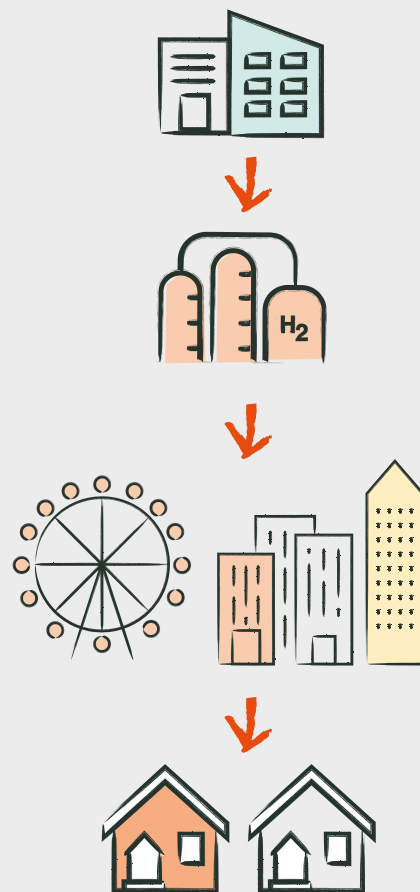
National Gas

Cadent and other gas distribution networks

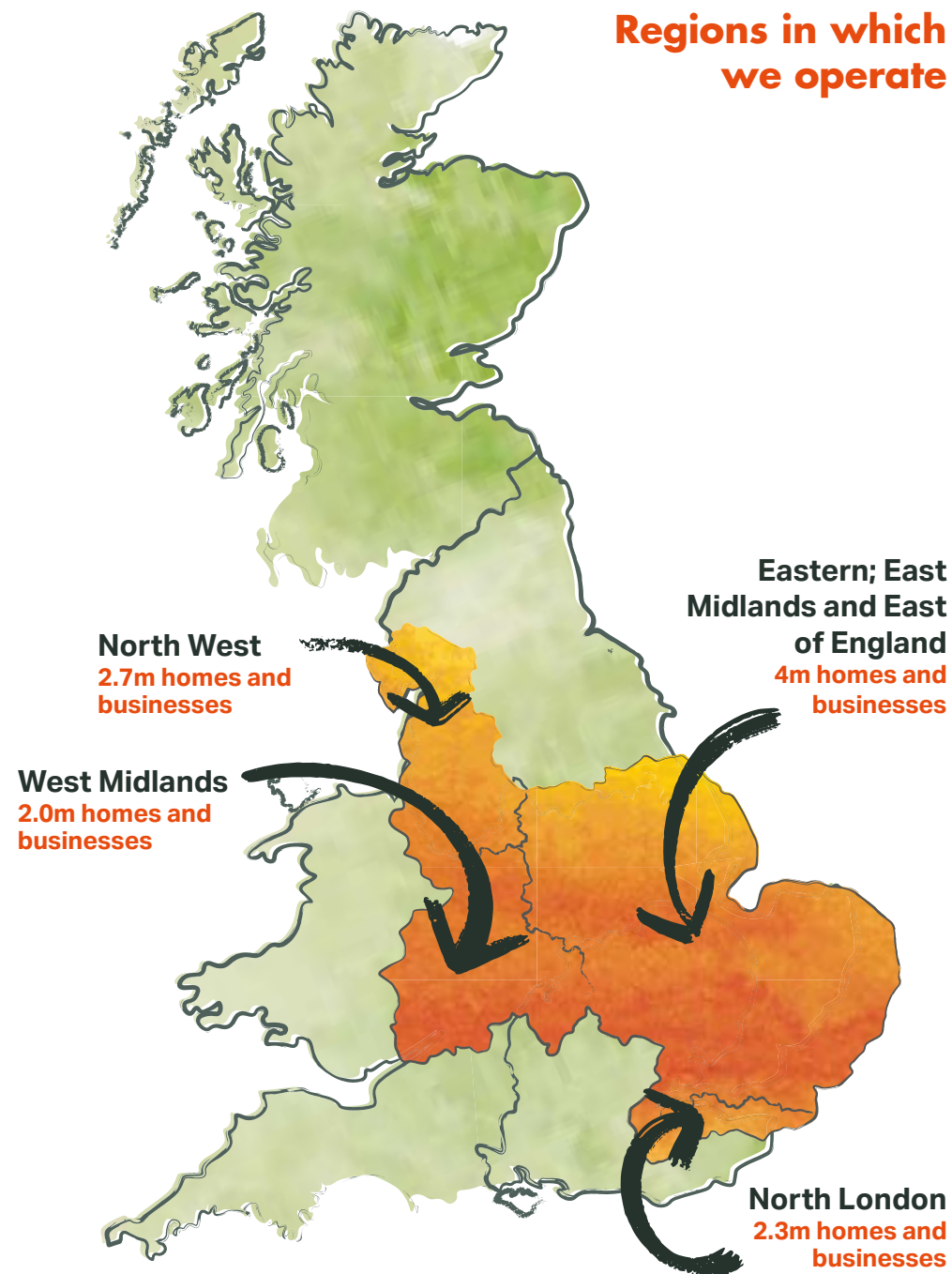
Management and safe delivery of gas to communities

Supply

Other companies



Regions in which we operate



Awards and credentials

The recognition we receive serves as a testament to our commitment, and the hard work displayed by all of our colleagues.



**Sustainalytics
Top Rated Industry**



GRESB Sector Leader



**Carbon Trust Taking
Action Tier**



**Menopause Friendly
Accreditation**



**Armed Forces
Covenant Gold Award**



**Disability Confident
Employer**



**Fertility Friendly
Employer**



MSCI Rating



**Energy & Utility Skills
Awards**



**Utilities Week Gold
Award in the Cost of
Living**



**Race Equality Matters,
Bronze Trailblazer
Award**



**Lexxic
'Neurodiversity
Smart: Committed'**



**'Menopause Friendly
Employer of the Year'
at the Menopause
Awards**



**Culture Pioneer
Award**



**'Top Apprenticeship
Employer for 2024'
by The Job Crowd**

Governance

How we make sure our strategies to achieve sustainability at Cadent are considered, effective and accountable.

Organisations don't become sustainable by chance. It takes leadership, strategic direction, and comprehensive governance to ensure we make the right decisions, accountably.

Board of Directors

The Board oversees our key climate-related risks and opportunities. They also have oversight of our Future of Gas programme, our strategy to decarbonise energy and develop pathways to help the UK achieve net zero. Their oversight ensures our approach is aligned with the UK Government's commitment to decarbonise all sectors by 2050.

The CEO & sustainability

At each Board meeting, the Board reviews progress updates from the CEO regarding Future of Gas, sustainability, social responsibility, and environment (including climate-related risks and opportunities). The CEO updates are supplemented by focused reports and presentations from members of the Executive and Senior Leadership Team, all of which contribute to careful stewardship and strategy development at Cadent.

Board Committee Chairs

To ensure expert scrutiny and to drive action across each of our sustainability objectives, the Board delegates elements of responsibility to several sub-committees. Committee Chairs report back, ensuring their considerations are factored into the Board's thinking and decision-making

Board Committees

Audit & Risk Committee

Duties include reviewing and reporting to the Board on the adequacy and effectiveness of the company's internal controls and the procedure for the identification, assessment, and reporting of business risks, including climate-related risks.

Nomination Committee

Ensures sustainability related skills and experience form part of executive director and executive recruitment and succession planning considerations.

Remuneration Committee

Duties include the consideration and approval of short-term and long-term incentive plan measures, which include environmental performance measures.

Safety Committee

Provides independent assurance to the Board regarding the scope, adequacy, and effectiveness of the company's management of safety, including the integrity and resilience of operational assets relative to climate-related factors.

Sustainability Committee

Provides scrutiny and oversight of the scope, adequacy, and effectiveness of the company's approach to setting and delivering against its sustainability strategy. It also monitors environmental key performance indicators, associated trend data analysis and progress against our RIIO-2 Environmental Action Plan.

Focusing on our material issues

It is important that we focus our actions on the topics which impact us most – and on which we have greatest impact.

Assessments of topics that matter to a business are often confined to financial and operational matters. Assessments of topics that matter to a business are often confined to financial and operational matters. This is materiality. In 2023, we carried out a stakeholder survey which also explored the sustainability topics that affect us and which we affect. This is double materiality. Understanding these helps us manage risks and opportunities. Understanding these perspectives helps us manage risks and opportunities.

Last year, we surveyed our customers, employees, and industry peers. Then, having framed our sustainability actions around the Sustainable Development Goals (SDGs – see boxout) we used the SDGs as the basis for the exercise. The resulting double materiality matrices weighed the importance to stakeholders of a particular SDG against our ability to impact or be impacted by it. We then cross-referenced the two matrices to determine the SDGs that are of highest priority to us from both of these perspectives.

Our Force for Good strategy and the pillars that support it (see p11) incorporate our identified material topics. Identifying these topics has helped to inform the specific environmental,

social and governance (ESG)-related data and information we need to collect and report on. We have therefore included relevant ESG information for our business throughout the report, with full details in Appendix p46.

Reviewing our material topics

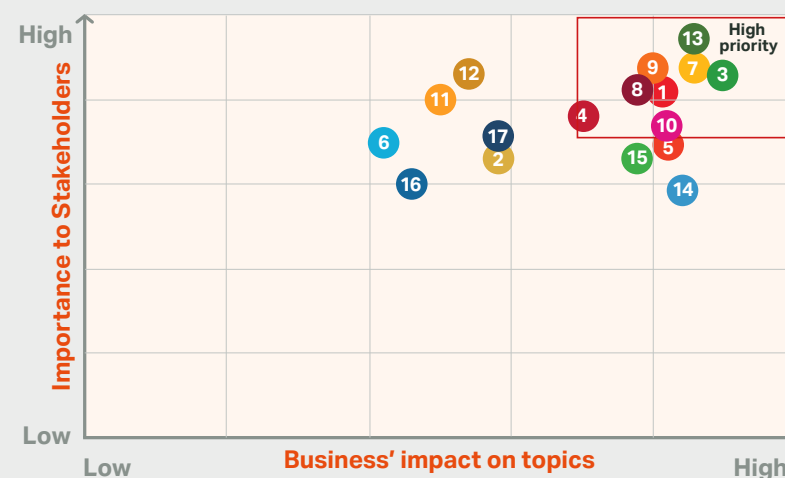
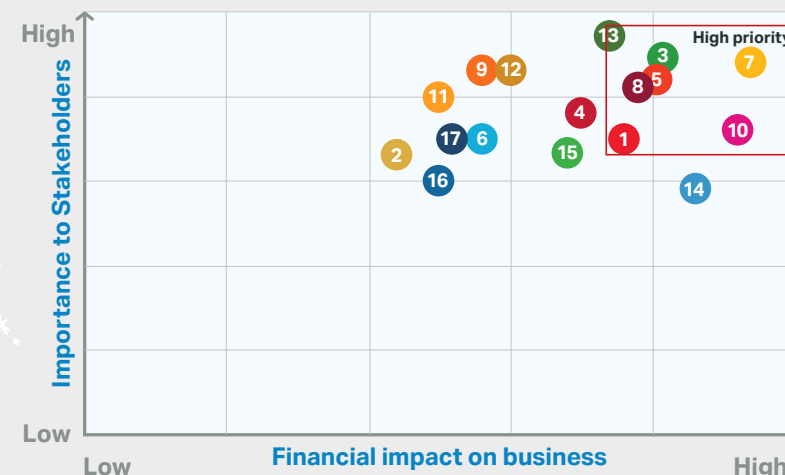
What matters to us can change over time and we recognise the need to periodically review our material topics to ensure they continue to reflect the views of our stakeholders.

We plan to carry out another double materiality assessment in the near future. This may in turn influence the development of our Force for Good strategy.

The SDGs identified as being most material to us appear at the top right of each matrix and are (in SDG number order):



Double materiality assessment results



- 1. No Poverty
- 2. Zero Hunger
- 3. Good Health + Well-being
- 4. Quality Education
- 5. Gender Equality
- 6. Clean Water Sanitation
- 7. Clean Energy
- 8. Decent Work + Economic Growth
- 9. Innovation + Infrastructure
- 10. Reduced Inequalities
- 11. Sustainable Communities
- 12. Responsible Consumption + Production
- 13. Climate Action
- 14. Life Below Water
- 15. Life on Land
- 16. Peace, Justice + Strong Institution
- 17. Partnership for the Goals

What are the UN Sustainable Development Goals (SDGs)

The SDGs are a universal call to action to address pressing global challenges and create a more sustainable and inclusive future by 2030.

Agreed in 2015 by 193 world leaders, they comprise 17 interlinked goals which span economic, social, and environmental issues ranging from poverty and hunger to climate action and sustainable cities.

2030 is fast approaching and we do not yet know whether or in what form they will exist beyond that date. For now, however, we believe the SDGs remain the right guiding force for responsible business practices.



Our approach

Ensuring we remain a Force for Good in the communities we serve

We have a responsibility to be a force for good for all our customers and stakeholders. In 2021, we launched our Force for Good strategy and defined what “good” looks like through three strategic pillars.

Each pillar is built on the SDGs identified as being most material to us in our materiality assessment (see p9).

Find out more about sustainability at Cadent, and our work to be a Force for Good, [here](#).

Easier

Warmth

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

The SDGs that help shape our work in this area are:



Fairer

Opportunities

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

The SDGs that help shape our work in this area are:



Greener

Society

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

The SDGs that help shape our work in this area are:



Easier

Warmth

A warm, safe and comfortable home should be a basic expectation for everyone, but for around two million of our customers, this is not the case.

Once again this year, we have been working to help people stay warm and independent in their homes and keep them safe from harm.

In this section:

- › Read about the £2m Winter Support Fund that's helping to get rapid help to the people who need it most.
- › Learn how the expansion of our Services Beyond the Meter initiative is ensuring more people with faulty gas appliances get the repairs, replacements, investigations, servicing, and advice they need.
- › Discover how a DIY makeover courtesy of our senior leadership team has helped one Cadent Centre for Warmth offer an even warmer welcome to the local community.
- › Explore the BBC-featured story of how a Cadent-supplied carbon monoxide monitor helped one young girl save her grandmother's life.

Targets and progress

- › **By 2026, we will reach three million people and provide access to tools and advice to reduce their energy consumption and maximise their income.**

1,576,496 completed RIIO-2 to date.

On track



- › **New supplemental target: We will provide 250,000 free 1-2-1 energy and income advice consultations by the end of the financial year.**

274,846 consultations completed to date.

Exceeded



- › **Each year, we will provide 4,000 front line colleagues with customer safeguarding training to enable them to identify and support customers in fuel poverty and vulnerable situations.**

We have refined this target, making clear it is one to be achieved annually. In the last financial year, we trained 4,401 colleagues.

Exceeded



- › **By 2026, we will have direct conversations with over four million of our customers, telling them about our priority services register, which will ensure they receive a tailored service.**

We've doubled our target since last year. To date, we've held **2,797,388** conversations.

On track



- › **By 2026, we will provide over 500,000 free carbon monoxide (CO) alarms to customers living in vulnerable situations.**

We've doubled our target since last year. During RIIO-2 (the gas distribution network's current pricing model), to date, we've distributed **192,845** alarms.

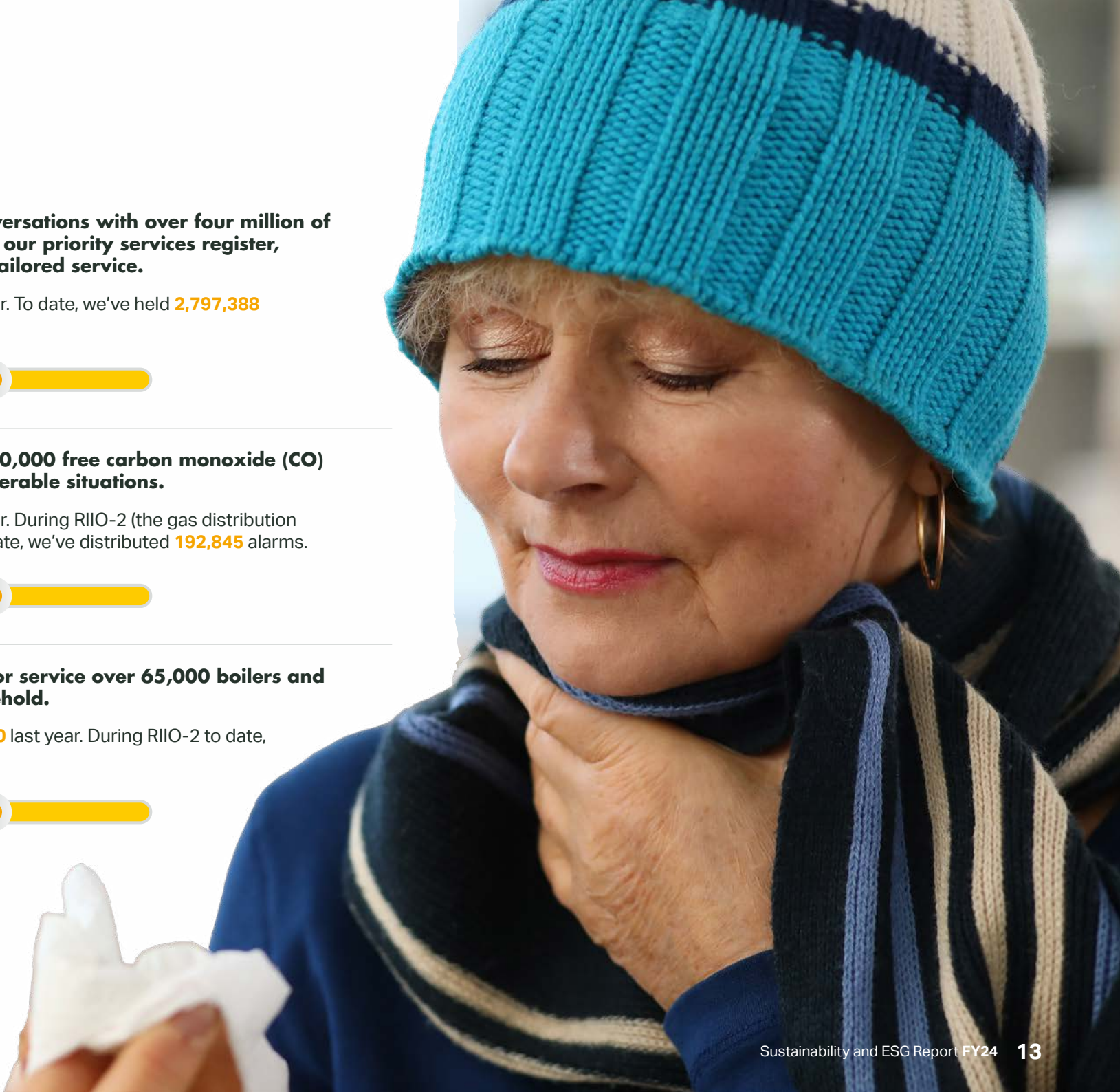
On track



- › **By 2026, we will replace, repair or service over 65,000 boilers and appliances at no cost to the household.**

We've increased this target from **26,000** last year. During RIIO-2 to date, we've carried out **47,504** interventions.

On track



Launching our £2m Winter Support Fund to help those in fuel poverty

The Cadent Foundation

Established by Cadent in 2019, the Cadent Foundation is 100% funded through our profits. Given the extent of cost-of-living challenges facing our customers, the focus of the Foundation has been on supporting a range of initiatives aimed at people living in fuel poverty.

Over 6 million people in the UK live in fuel poverty today. The Cadent Foundation already supports its charity partners in offering energy saving and income maximisation advice to vulnerable communities, but we wanted to go further so we launched the Winter Support Fund.

The £2million funding pot aims to deliver an injection of much needed financial support – through food and energy vouchers – which can be rapidly distributed by the Cadent Foundation's charity partners. The fund is designed to make an immediate impact with each household receiving up to two vouchers. There's also an option to receive additional support with essential heating and low-energy-cost appliances, such as heated blankets, slow cookers, and air fryers.



Gillian Cooper, Director of Energy, Citizens Advice shared her thoughts on how the fund would help to support its customers:

“Our work with the Cadent Foundation has already helped over one thousand people access crucial information about energy efficiency, benefits, and ways to maximise their incomes.

“This winter could see millions of people struggling with their bills. The ability to provide vouchers to people facing immediate hardship means we can help some get access to crucial electrical goods and prevent others from having to make the impossible choice between heating, eating, or keeping the lights on.”

Making headlines

The Winter Support Fund and the work of the Cadent Foundation in supporting those in fuel poverty gained nationwide coverage, generating over 500 news stories and almost 100,000 social media impressions.

Julia Dwyer, Director of Cadent Foundation, joined London Live to discuss how the cost-of-living crisis had redefined "low income" to include those earning £29,000, bringing many more people within the scope of fuel poverty than was once the case. BBC Midlands Today highlighted the Winter Support Fund launch noting that, in 2022, the West Midlands had the highest proportion of households in fuel poverty, at 15 per cent. And on ITV's Good Morning

Britain, customer John McGrath, a beneficiary of our partnership with The Wrekin Housing Group, shared his story of energy bill struggles and how the Cadent Foundation had helped him.



"I was praying to God this morning to get through the day and now you have just made my day. I am so overwhelmed and I am so grateful, thank you so much."

Maya*

"It's really helped to take the pressure off this month, knowing that I can afford to get some food in or put on the heating on a very cold day without worrying how much it will cost."

Jas*

*Name changed

Cadent Foundation charity partners include:



Actions continued

Cadent, Connie and CO – championing carbon monoxide safety

You can't see, smell or taste carbon monoxide (CO). Often called a silent killer, CO in the home typically comes from appliances that may be old, poorly maintained or which are inadequately ventilated.

When Cadent gave Connie a CO alarm on a school trip, she passed it on to her grandma, who placed it above her gas cooker. Little did Connie know that her actions would help save her gran's life, because when the alarm sounded and an engineer was called, he found a CO leak that required the cooker to be condemned. Without the alarm, Connie's grandma may never have known there was a problem.

When the BBC's Morning Live featured the story in 2024, Head of Customer Vulnerability Delivery, Phil Burrows, was interviewed. He spoke about why we believe CO poisoning is an underreported problem in the UK (because the unexplained nausea and headaches it triggers can often be mistaken for a virus). Phil also gave advice to homeowners with gas appliances:



“We would recommend getting all your appliances maintained every year with a service safety check. Set yourself a reminder just as you’re going into winter and get a Gas Safe engineer to look at your boiler, fire, and cooker. Go through the Gas Safe website to find a registered engineer in your local area.

“We would also recommend getting an audible CO alarm, just in case problems arise in between services [4 in 10 homes don’t have a CO alarm]. If the alarm goes off, don’t ignore it. Open all doors and windows. Get out of your premises and call the National Gas Emergency helpline on 0800 111 999. An engineer will come to your house free of charge and investigate.”

Creating a *warmer* welcome at St Germain's

There's always lots to do at St Germain's Community Hub in Edgbaston. It's a place to meet and eat, to take part in a range of activities, to learn new skills, and get advice and support. Over the last few years, as the cost of living has increased, it has also become a Cadent Centre for Warmth, a place where people can enjoy warmth (and a warm welcome) without worrying about their energy bills.

In fact, the centre has been so well used that it was in need of some TLC – and Cadent's leadership team was up for the challenge of a day's decorating.

Each year, the leadership team's members use one of their volunteering days to volunteer together. This year, around two thirds of the team – including executives, lawyers, the company secretariat, and our data privacy and business conduct and ethics specialists – were able to join us.

By the end of the day, the team had given the main function hall, foyer and toilet block a makeover, together with a meeting room that's an important source of rental income for the centre.



Diane Bennett, General Counsel and Company Secretary, was part of the decorating team. She said:

"It was lots of fun and there was a real sense of accomplishment looking at the freshened-up facility at the end of the day. Most importantly, we had an opportunity to learn about all the fantastic work for the community that St Germain's does, which makes a real difference to so many."

Actions continued



Services Beyond the Meter *going further*

A broken gas boiler or cooker is costly, frustrating news for anyone. But when customers in vulnerable positions aren't able to cover the cost of repair or replacement, they face the stark choice of living without the appliance or taking out expensive credit they can't afford to cover the cost of repairs. Services Beyond the Meter offers these customers another option.

As we explored in last year's sustainability report, when our engineers identify an eligible, vulnerable customer, they can refer them to our strategic partners, National Energy Action (NEA) and Groundwork UK (GW UK). We fund these partners' dedicated teams who engage directly with the customer, assess their needs, and oversee the most appropriate solution, usually within 24 hours. Those solutions include repairs, replacements, carbon monoxide investigations, servicing and advice.

Services Beyond the Meter (SBtM) has continued to grow over the last year.

- › We have expanded our team of trained in-home pipework and appliance engineers to 80. This has enabled us to expedite more gas restoration and assistance referrals.
- › We have introduced the programme to several charity partners who can now make referrals. This broadens the scope for intervention and enables the SBtM team to take a more proactive approach to gas safety.
- › We have introduced a clear process for referring out to our partners and into SBtM:
 - The appropriate partner carries out an eligibility criteria check and, if eligible, the customer is referred to NEA or GW UK for support.
 - SBtM team members visit the customer's home to check appliances. If they find a fault the customer will be eligible for a repair or replacement on that appliance.
 - SBtM follows up all works with energy and carbon monoxide advice and CO alarms.
 - Once works are completed our partners at NEA and GW UK support the customer with other in-home energy measures, including looking at benefit entitlement or other income support measures.

SBtM has helped around 6,000 customers to date. Some have received fully funded appliance repairs or replacements. Others have had potentially dangerous appliances identified, serviced and made safe, protecting their well-being as well as their warmth.



Fairer Opportunities

Discover what we're doing to help people within Cadent, our supply chain, and our communities thrive.

What do we mean by "thrive"? We mean that we want to help our people, suppliers and the communities of which we are a part flourish and prosper. We believe that's what being a responsible business is all about.

In this section:

- › Find out about the work and awards of our expanding Cadent Communities.
- › Explore how we're working to improve representation at Cadent.
- › Discover the changes we've made to support our people with disabilities.
- › Find out why we were a double winner at this year's Energy & Utility Skills Awards.
- › Learn what happened when Cadent hosted the first ever strategy day for Utilities Against Slavery (UAS).
- › Discover the difference the Cadent Foundation Community Fund is making to communities across the UK.

Targets and progress

- › **By 2030, we will inspire 100,000 people from underrepresented and disadvantaged groups to gain access to career opportunities in the energy sector.**

We saw a significant increase in applications for our Future Talent schemes again this year. We also targeted activities at disadvantaged and underrepresented areas/groups including careers fairs at our Centres for Warmth, school and college careers fairs. We also collaborated with the DWP, hosting careers workshops in Stratford as a pilot for future partner events.

On track 

- › **By 2024, we will launch a hydrogen skills academy and develop a hydrogen strategic education roadmap by 2025.**

We've rephrased this target to better reflect the changing hydrogen landscape. We have delivered our first hydrogen training as part of our virtual Hydrogen Skills Academy. We're now developing further hydrogen training packages to ensure we have the necessary competency for our first hydrogen project delivery planned for 2026. We are also developing a Strategic Education Roadmap, working collaboratively with the other Gas Distribution Networks, due for completion in 2025.

On track 

- › **By 2026, 40% of our leadership team will be female.**

We have revised this target to align with other organisations, including the POWERful women initiative and the FTSE Women Leaders' Review. Female leaders' representation is 36.32%. Working with our Women in Cadent community we have enhanced our Family Provisions Policy to provide an industry leading 12 months' fully paid maternity and adoption leave and have maintained Fertility Friendly Employer and Menopause Friendly Employer status (see p24).

On track 

- › **By 2025, over 30% of our training will be delivered through social learning and digital solution, helping to support a wider range of learning styles and needs.**

16.5% of active learning is delivered through digital and virtual methods including LinkedIn Learning. We continue to explore opportunities to deliver learning via a range of media.

On track 

- › **By 2030, 15-18% of our workforce will be ethnic minorities.**

We've increased this target from 12% last year. With our Embrace community and through our anti-racism working group we have increased our people manager diversity, achieved Trailblazer Bronze status, and are working hard to identify blockers at all stages of the employment lifecycle to make race equality a reality.

On track 



Our actions

Expanding our Cadent Communities

Last year's sustainability report introduced our Cadent Communities, employee-led groups that work to drive change in specific areas of diversity. These communities play a vital role in helping us create an inclusive culture where everyone feels they belong.

This year, we have expanded the communities from five to seven with the addition of the **Grief Awareness** and **Men's Engagement Network**.

How are we benchmarking our efforts?

We're measuring progress using the Energy & Utility Skills Inclusion Framework.

Our Cadent Employee Communities now include:



Thrive!

Raising awareness and offering support for colleagues with visible and invisible disabilities, making the workplace accessible and supportive.



Pride at Work

Creating a welcoming and safe space for LGBTQ+ colleagues and allies, ensuring they feel included and valued.



Women in Cadent

Supporting women's professional and personal development and promoting gender equity.



Embrace

Championing inclusivity across all religions and ethnicities, and addressing the challenges faced by minority communities.



Cadent Military Community

Bringing together and supporting veterans, reservists, and their families.



Grief Awareness

Ensuring colleagues going through grief get the support they need.



Men's Engagement Network

Promoting men's mental and physical health and tackling stereotypes around masculinity.



Setting the standard for workplace networks

Our Cadent Communities aren't only bringing to life our commitment to creating a more inclusive workplace. Their work and impact have been independently acknowledged and awarded too, in several ways:

- › **Armed Forces Covenant Employer Recognition Gold Award** in recognition of our ongoing support for veterans and reservists.
- › **Disability Confident Leader**
- › **Utilities Week Gold Award (Cost of Living category)**
- › **Race Equality Matters, Bronze Trailblazer Award**
- › **Lexxic 'Neurodiversity Smart: Committed'**
- › **Menopause Friendly Accredited** for the work we've done to support colleagues going through menopause.
- › **Fertility Friendly Accredited**
- › Shortlisted for the **'Menopause Friendly Employer of the Year'** at the Menopause Awards.
- › Shortlisted for **'Outstanding Women's Network of the Year'** at the British Diversity Awards.
- › Shortlisted for **'Employer of the Year'** at the RNIB See Differently Awards.
- › Named **Top Apprenticeship Employer for 2024** by The Job Crowd, underscoring our dedication to nurturing the next generation of talent.
- › Our workplace networks also played a significant role in our success at the In-House Recruitment (IHR) Awards (see p29).
- › The newly formed Grief Community has made a significant impact in a short space of time, winning the **Inclusion Award at the 2024 Culture Pioneer Awards**. One of the judges described the community as a ground-breaking project within the gas industry. They added that, in creating a community that enables people to share their own stories and traumas in a safe space, Cadent was addressing a real need and a sensitive topic in a very personal and human way.

Actions **continued**

Reporting on representation

Over the past two years, we've been working hard to demonstrate that we are a workplace that values diversity, ensures psychological safety, and offers everyone equitable opportunities to thrive. We're proud of our progress in making Cadent an inclusive future for all.



Why does EDI matter?

Diversity, equity and inclusion (EDI), including equitable, fair and unbiased access to opportunities for all in the absence of discrimination on the grounds of e.g. gender, race, age, sexual orientation, ability, religion, social background or protected characteristics, is inherently linked to better decision-making, productivity, staff recruitment and retention, brand loyalty, reputation and customer service.

*Dig into
the data*

**Find more information
at Appendix p46**

Female and ethnic representation increases

Although encouraging, we have more to do to improve representation of women and ethnicity across the business.

Gender representation is at **>22%** overall, below the industry average. However, **>35%** of our leadership team is female, which is above the industry average.

We're working to continue to increase representation across the business and at leadership level by:

- Creating more development opportunities for women and ethnically diverse people into leadership roles.
- Using future talent schemes such as apprenticeships and leadership development programmes as vehicles for this.
- Actively monitoring data to understand the impact of our actions.

Specifically relating to ethnicity, the increase in representation to **16%** is particularly encouraging.

However, **12.58%** of colleagues did not disclose their ethnicity. These findings are favourable compared to sector wide figures of **25.7%** non-disclosure, although we will continue to work to improve disclosure rates so that we gain a clearer picture of representation within our workforce.

Analysing our pay gap

Our pay gap shows that more white male colleagues are in the highest salary range and receive bonuses compared to female and (disclosed) ethnically diverse colleagues. In our field operations teams, which provide 24/7 gas emergency services, pay includes salary and extra allowances like standby pay and team bonuses. Most field operations staff are white males, whose hourly rate is inflated due to these allowances.

Although more ethnically diverse, and despite more female colleagues receiving bonuses, there is still a gap when compared with white and male colleagues.

Our positive action steps have increased the diversity of our early talent schemes. Whilst positive for workforce diversity, however, the increase in ethnic minority colleagues recruited at lower pay grades has contributed to the mean and median pay gap. To address this, we must ensure talent is progressed through the organisation.



Gender

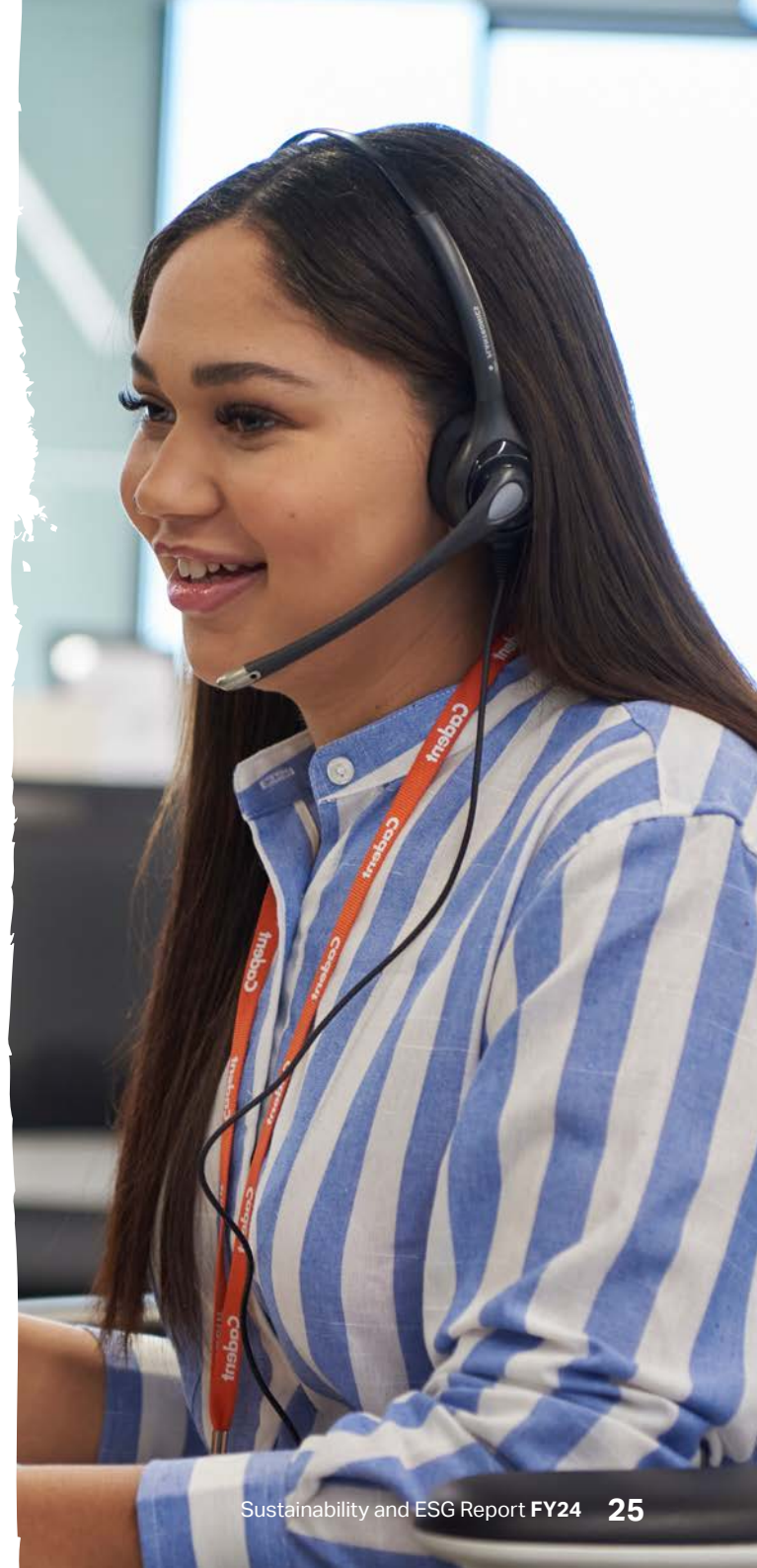
Pay Gap Criteria	2023 value (%)	2024 value (%)
Mean gap in hourly pay	7.89	6.42
Median gap in hourly pay	16.58	15.29
Mean gap in bonuses	38.56	15.87
Median gap in bonuses	58.76	47.00

Ethnicity

Mean gap in hourly pay	1.98	6.21
Median gap in hourly pay	5.99	11.76
Mean gap in bonuses	15.58	29.06
Median gap in bonuses	25.01	18.75

While pay gaps can vary depending on business activity, we are committed to reducing these gaps through targeted attraction, recruitment, leadership development, talent progression, and reviewing our policies.

Our focus is on creating opportunities for underrepresented groups, and we've seen encouraging progress in these areas over the past year. As just one example of this, our extension of maternity leave to up to 12 months at full pay has contributed to the reduction in our gender pay gap, as we are now able to include more women in our gender pay calculations.



Actions **continued**

Addressing unconscious bias in recruitment and succession planning

We've introduced diverse interview panels and ensured that equality, diversity, and inclusion (EDI) considerations are embedded in our recruitment processes by. We've also added an EDI-related question to the interview process and run a pilot exercise tralling anonymised CVs.

We are expanding our Accelerated Development Programme into a Future Leaders Development Programme, providing leadership training tailored to the specific needs of our ethnically diverse and female colleagues.

Our success in removing barriers to entry for our Future Leaders programme has significantly increased applications from diverse groups, a fact recognised by a double award win at the Energy & Utility (EU) Skills Conference and Awards (see p29).



Policies to support a diverse workforce

One of the advantages of our dedicated employee communities is that they help us shape policies that more fully reflect our commitment to creating a supportive and inclusive workplace for all our colleagues.

This year, our communities have contributed to new policies and standards including:

- › Our Fertility Treatment Policy to support colleagues undergoing treatment.
- › Enhanced Maternity and Paternity Leave Policies with extended full pay provisions for new parents.
- › Updates to the Adoption Policy to align with maternity leave provisions.
- › A Parental Bereavement Policy to provide support for those experiencing loss.
- › A new Trans Equity Standard.

Disability confident. Disability proud.

We're pleased to have achieved Disability Confident Leader status. An important factor in this success has been the work of Thrive!, our employee community which acts as a critical friend within Cadent, helping to drive changes like these:



- › We're encouraging and supporting more referrals to Lexxic's neurodiversity assessments. We have also been awarded Lexxic's 'Neurodiversity Smart: Certified' status.
- › We've worked with charity Blind in Business (BiB), which helps more blind and partially sighted people get into work. We hosted seven students for a week of work experience and we're working to bring more BiB students into Cadent.
- › We've held silent 'lunch and learns', all in British Sign Language.
- › We're working with Transport for London and the Highways Agency on a new app which will help our engineers better support customers with disabilities.
- › We installed smart beacons in our Head Office which we can programme with any message. The beacons support new starters and guests unfamiliar with the building, but they're particularly valuable to those with a visual impairment.
- › We held office events to help our people better understand the needs of colleagues and customers with visual impairment.
- › With Cadent Property Management, we're developing a property blueprint that ensures that, from automated doors to adjustable-height desks to soundproofed spaces, every new build will be designed with inclusion in mind.

"I've been inspired by the positive action to embed equity, diversity, and inclusion over the last 12 months, there is much to be celebrated. The actions we have taken have truly made a positive impact on colleagues across our diverse footprint. We have improved our diversity across our 'Future Talent' programmes, and we have been recognised by our regulator Ofgem for the inspiring work we do. We're focused on challenging the status quo and working hard to break the mould of the traditional utilities sector. I am excited for the next stage of our journey, building on this progress over the coming year."

Martin Rimmer, Chief People Officer



Actions **continued**



Uniting utilities against slavery

Every UK utility company finds forced labour, human trafficking, servitude, and the other practices which comprise modern slavery abhorrent. So earlier this year we were delighted to host the first strategy day for Utilities Against Slavery (UAS) in Ansty, organised and hosted by Cadent and UAS facilitators.

The event brought together our peers from the UK utilities industry. Most power, water and gas companies were able to attend.

Through a series of workshops and incident scenario exercises, the strategy day enabled us to...

- › Jointly address the exploitation of workers in our supply chains and in the broader community.
- › Share knowledge, expertise, and best practice to the benefit of all members.
- › Collaborate in producing a coordinated, consistent sector response to the risks of modern slavery.

“As a public facing organisation, we are committed to working collaboratively with our peers to do our best towards eradicating this abhorrent practice. Hosting the first Strategy Day for Utilities Against Slavery, which brought together key people from the UK’s gas, water, and power industries, is a tangible testament to our passion.

“We will now build on this collective effort by developing utilities-specific training resources and practices designed to raise awareness in our supply chains and first call operatives. We will also equip them with the right procedures and tools to manage incidences related to modern slavery.”

Raj Neelakantan, Sustainability Manager, Cadent

What is Utilities Against Slavery (UAS)?

Globally, almost 50 million people are trapped in modern slavery. Research suggests modern slavery is perceived to be more widespread than previously thought and is often to be found at the farthest reaches of supply chains.

UAS is a forum for electricity, water and gas providers to collaborate on addressing modern slavery and labour exploitation. Its +20 members employ over 100,000 people. Together, we can raise awareness of modern slavery and how it occurs. And we can empower people and organisations to play their part in detecting it, preventing it, and ending it.



Celebrating multiple wins at the Energy & Utility Skills Awards 2024 & IHR Awards

The EU Skills Conference and Awards event brings together industry leaders, experts, and key stakeholders to address the critical challenges and opportunities in the energy and utilities sector.

The awards celebrate the outstanding individuals and organisations that are shaping the future of the industry. At the latest awards Cadent was delighted to celebrate a double win, recognising our commitment to creating fairer opportunities for all.

Attraction, Recruitment Campaign, or Initiative of the Year

We were recognised for our approach to attracting diverse talent in a way that aligns with our mission.



EU Skills said:

“With their impactful campaign, Cadent significantly increased applications from BAME backgrounds and females, demonstrating the power of collaboration and a shared commitment to diversity.”

Employer of the Year

This award was recognition of our “exceptional commitment” to fostering an inclusive and supportive workplace that puts employees at the core of operations through a range of initiatives, including comprehensive training.



EU Skills said:

“Cadent sets a high standard for what it means to be an excellent employer. From supporting diverse groups – such as those with disabilities, the LGBT+ community, parents, and women’s health issues – to promoting a workforce that genuinely reflects the communities they serve, Cadent demonstrates its dedication to inclusion.”

Speaking about the award wins, Keri Handford, People Director, Cadent said:

“I’m delighted that the Energy and Utility Skills judges recognised the work Cadent are doing to create a fair and inclusive workplace, where people feel their contributions are truly valued, and where they can learn, grow and thrive.

Actions **continued**

Your Community, Your Choice: Launching the Cadent Foundation Community Fund

The Cadent Foundation has been supporting and working with charitable organisations since 2019, with a vision and purpose to help vulnerable customers out of fuel poverty. Through its charity donations, it enables households to improve their financial well-being and become more energy efficient through advice, support, and practical measures.

Given charities form such an important element of the Foundation's work, it made sense to put them at the heart of our employee fundraising. So, this year the Cadent Foundation launched a new charitable partnership with Cadent, backed by **£120k** of support.



Why are we so committed to our communities?

Companies have enormous impacts on society and in particular their local communities through their products, services, activities and practices. At Cadent we're particularly conscious of the essential role we play within society and the social licence given to us by UK authorities and the general public to maintain the network.

The Cadent Foundation Community Fund divides the fund equally among six regions, supporting charities nominated and voted for by Cadent colleagues as part of the 'Your Community, Your Choice' campaign.

In addition, throughout 2025, colleagues are encouraged to fundraise and volunteer for the chosen charities, ensuring Cadent's **£20k-per-region** donation is topped up throughout the year with additional donations and support for our communities.

Cadent and Emmaus UK: 2+ years of "incredible" partnership

Emmaus UK supports people who have experienced homelessness by providing a home for as long as they need it, training, personal development and work experience.

Cadent has been supporting Emmaus UK for the past two and a half years. This year, our total raised reached more than **£350,000**. Our people also donated over **£65,000** worth of goods and **744** volunteering hours in support of Emmaus' work.



How we've helped:

Fundraising: Cadent colleagues have completed marathons, skydives, abseils, wolf runs, Tough Mudders, and even bunny hops. We've also raised money through golf days, bake sales, musical bingo and more.

Volunteering: Almost 1,000 Cadent colleagues have volunteered in a range of ways, helping sort donations, dig trenches, plant gardens, fill potholes, and support outreach work.

Added Value: Cadent donated four transit vans to Emmaus communities and covered the cost of re-branding them. They're now used for outreach work, collections, deliveries, and getting companions around and about.

Steve Fraser, Chief Executive of Cadent, said:

"One of our key commitments is working to keep customers safe, warm and independent in their homes. By supporting Emmaus and funding energy efficiency projects such as home insulations, solar panel installation and boiler replacements, we have been able to make a difference in our communities and support those who may be facing vulnerable living situations."

"Across the whole business, we have pulled together to raise an incredible amount of money, donate goods, and provide time and effort to volunteer. We hope the impact we have made will leave a strong legacy at Emmaus going forward."

Greener Society

This year, in support of our pledge to achieve net zero before 2050, we have made further progress in our harnessing of hydrogen and biomethane (see p37).

Our overall and scope 1 and 2 emissions have reduced once again. And while our scope 3 emissions (that is, indirect emissions within our supply chain) have increased, this is a result of improved reporting. We continue to work closely with our supply partners to help them operate more sustainably, because we know creating a greener society takes the combined efforts not only of everyone within Cadent, but of everyone who works with us.

In this section:

- › Find more about our carbon emissions.
- › Learn about major hydrogen and biomethane initiatives that are helping to bring us closer to our net-zero targets.
- › Discover how Project BIIN is helping us to eliminate single-use plastic from our supply chain.
- › Discover how we've been helping our suppliers operate more sustainably.
- › Learn how new technology that helps us 'sniff' out leaks has made a big difference to the speed and scope of fugitive emissions detection in North London.

Targets and progress

- › **By 2026 we will procure 100% certified renewable energy to meet our energy needs.**

In 2023/24, we ensured that our gas and electricity contracts are for **100%** renewable energy, supported by the Renewable Energy Guarantees of Origin (REGO) and Renewable Gas Guarantee of Origins (RGGO) certification. Since 2021/22, we have reduced our electricity consumption by **5,424,688.75 kWh**.

On track 

- › **By 2026 we will minimise the use of first time aggregate and ensure that less than 5% of our waste from excavations is sent to landfill.**

We sent **1.96%** of spoil to landfill.

Exceeded 

- › **By 2030, we will reduce our methane emission rates by more than the UK's 30% target.**

We continued to reduce emissions from gas leakage, a consequence of the mains replacement programme, advanced emissions detection, and other initiatives (see p37).

On track 

› **By 2035, we will demonstrate hydrogen at scale through a range of initiatives.**

We have completed the Front-End Engineering Design (FEED) for our HyNet Phase II-Hydrogen Pipeline, with discussions now underway with the Department of Energy Security and Net Zero (DESNZ) over the funding route for the next phases of the project. We have also progressed a number of our other regional development projects, which aim to support decarbonisation of industry across our footprint (see p34-37).

On track



› **By 2026, we will be certified to an external biodiversity benchmark standard across key flagship sites.**

We have completed 84 baseline surveys 36% of which were conducted during 2023/24. In support of our external certification, we have identified five flagship sites to be enhanced (with action plans underway), and completed four workshops to progress our Biodiversity Management System (see p40).

On track



Our *carbon emissions*

The continuing climate emergency makes our carbon reduction activities ever more important. Focusing those activities requires data, and since financial year 2021 we have been measuring our scope 1 and 2 emissions, that is, the emissions over which we have direct control.

Scope 1 refers to carbon lost through the supply of gas, emitted through heating our buildings, or burned by company-owned vehicles. Scope 2 refers to emissions from purchased electricity.

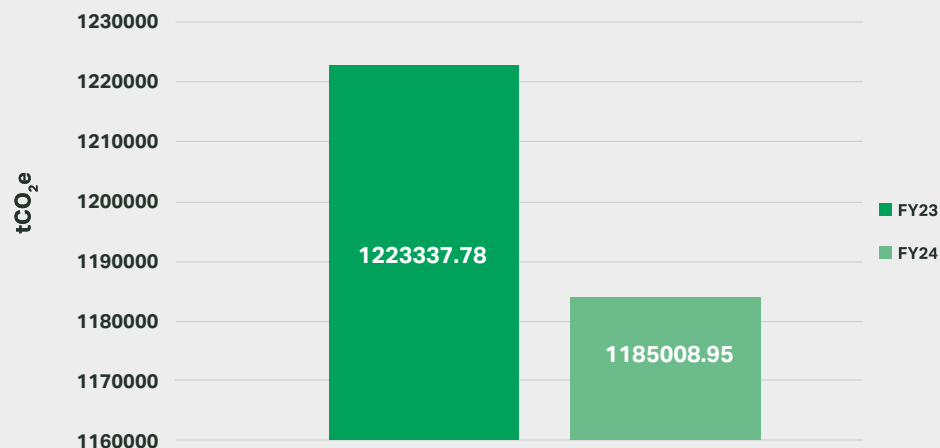
In FY24 our total scope 1 and 2 emissions were **1,189,276.27 tCO₂e**, a 3.1% reduction on FY23 and a near 10% improvement on our 2021 baseline year.

Scope 1 & 2 emissions

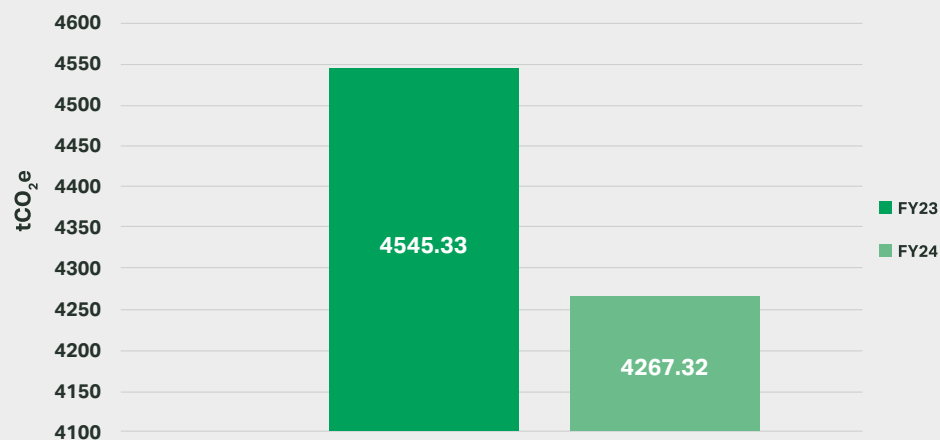
*down ~10%**

**Based on 2021 baseline*

Scope 1 Emissions (tCO₂e)



Scope 2 Emissions (tCO₂e)



As our trajectory demonstrates, we continue to explore and act on opportunities to reduce our direct carbon emissions.

Work is also ongoing to address our scope 3 emissions (that is, indirect GHG emissions that occur outside of a company's direct control, but which the company indirectly affects) although, as many organisations are finding, these are proving harder to reduce.

In FY24 we calculated our scope 3 (that is, indirect emissions generated within our supply chain) as **35,189.97 tCO₂e**. This more than 9% increase is largely attributable to year-on-year increases in upstream transportation and distribution and to purchased goods and services. Emissions in this latter category increased by almost 38% compared with FY23, although it is worth noting that the FY24 figure remains almost a third of what it was in 2021.

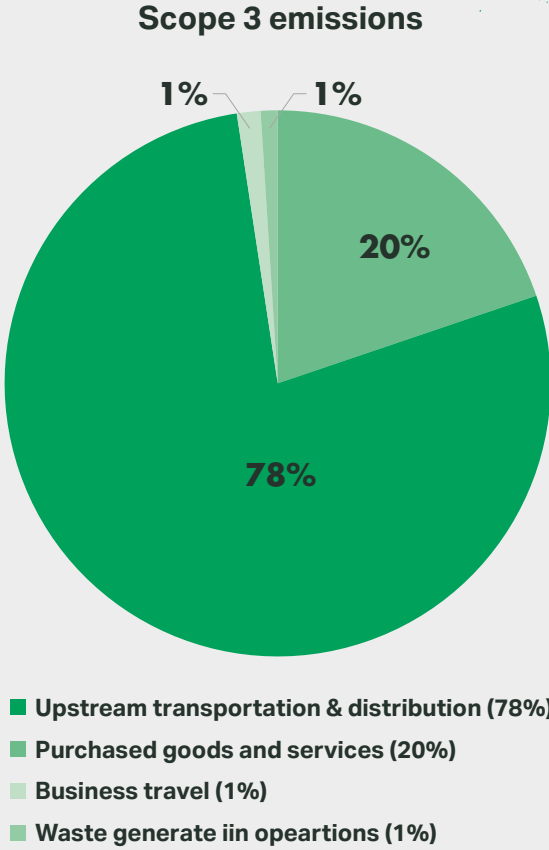
Scope	Emissions (tCO ₂ e)
Scope 1	1,185,008.95
Scope 2 (location-based)	4267.32
Scope 2 (market-based)	0
Scope 3	35,189.97
TOTAL	1,224,466.24

We continue to work closely with our suppliers to help them operate more sustainably, most notably through our work with the Supply Chain Sustainability School (see p44-45) and the development of our Social Value and Sustainability Framework (see p44-45).

Our total emissions (scopes 1, 2 and 3) represent a 2.8% reduction on FY23.

Dig deeper into the data

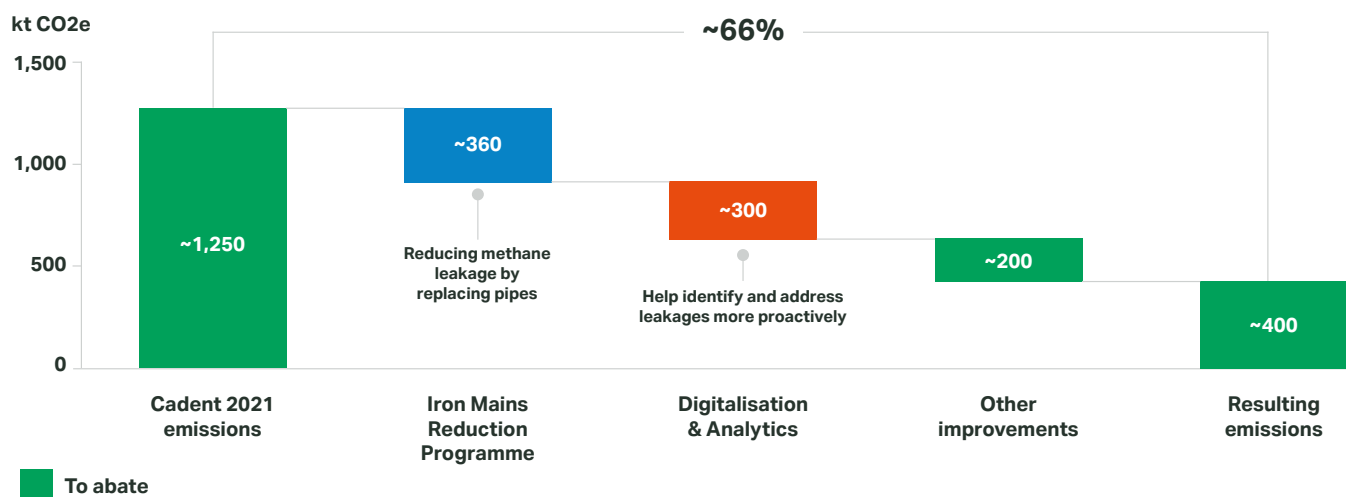
Find more information at Appendix p46



Our route to net zero: *Reducing emissions while our customers still need gas*

Methane is a fossil fuel and a potent greenhouse gas with a global warming potential 56x more than carbon dioxide over a two-year period. Transporting it through a network of pipes (and any leakage which occurs along the way) creates emissions. We need to understand and reduce these as part of our work in supporting decarbonisation.

Ultimately, our aim is to replace the methane in our network with low carbon alternatives such as hydrogen, or displacing gas demand with alternatives such as electrification. Until each use of gas is decarbonised however, we have a responsibility to reduce the emissions of the gas we use.



We will reduce the carbon emissions associated with the operation of our network by...

- Electrifying our fleet.
- Reducing the use of gas as part of our own operations, including harnessing renewable energy for our offices.
- Working to replace iron mains with newer plastic mains as part of the Iron Mains Risk Reduction Programme. This will improve the safety and efficiency of the network and significantly reduce leaks.
- Investing in new and innovative technologies (such as those explored on **page 43**) which will accelerate the rate at which leakage levels are reduced.
- Reducing emissions by blending methane with low-carbon gases such as biomethane and hydrogen.

By 2032, we estimate that these activities will have collectively reduced emissions from the network by around **66%**, or around **850ktCO2e** a year – roughly the equivalent of the emissions from around 100,000 homes.

Our route to net zero: *Helping our customers decarbonise*

Zero-carbon energy sources like solar and wind power are well established parts of the UK's energy mix, but there are some less well-known sources that can also help us decarbonise – and they're not options for the distant future; they're happening now. One of these is biomethane.

What is biomethane?

The methane gas we've all been relying on for years comes from fossil fuels. Biomethane comes from treated and purified biogas, which is produced naturally when organic matter like plant material, manure and sewage breaks down.

Biomethane has the same chemical makeup as fossil gas. It works the same way. It does exactly what fossil gas can do (i.e. we can use it for cooking, heating our water and homes, as vehicle fuel, and for generating electricity). The difference is that biomethane has a carbon intensity around 16% that of methane fossil gas. This means that for the same amount of energy, biomethane releases significantly less carbon dioxide, making it a much more environmentally friendly alternative.

That's why the Government considers it strategically important and is supporting it through the Green Gas Support Scheme.

Biomethane benefits – at a glance

Harnessing biomethane will support our efforts to reduce methane emission rates by more than the UK's 30% target. It will also enable us to take advantage of lots of other benefits:

- › It uses the existing gas infrastructure, so there are no extra costs in getting started
- › It applies circular economy principles, by using a by-product of organic matter before it becomes waste
- › It's renewable: most production plants are on farms which produce huge amounts of natural waste every day
- › No harmful by-products: during methanisation, the organic matter is never exposed to the atmosphere
- › Better for farms, because the process of methanisation returns natural nutrients to the soil and reduces the need for chemical fertilisers
- › Better for farmers, because biomethane production offers them an alternative revenue stream



Actions **continued**



How Cadent is harnessing *biomethane*

We're helping to decarbonise our customers' gas supply by blending methane with low carbon biomethane.

At the start of 2024 we had 45 biomethane sites connected to our network, providing enough low carbon gas to heat more than **250,000** homes. We're also providing connections for new Bio-CNG (compressed natural gas) fuelling stations. CNG burns cleaner when compared to traditional petrol and diesel and CO₂ emissions are 80% less where we can provide Bio-CNG fuel to HGV fleets.

At the end of 2023, we had connected 13 CNG sites across our network, enabling refuelling stations to keep transport moving with greener fuel.

We're working to ensure the total UK potential for biomethane can at least meet the potential set out by the Renewable Energy Association and others – around 30TWh by 2032, or double that if we can fully realise the emerging potential from bio-synthetic natural gas.

This would be equivalent to around 14% of the gas UK homes, businesses, and industry use today.

Find more about *biomethane and its benefits*

We are also working to support the wider biomethane market across the UK by:

- › Investing in increasing network capacity
- › Operating the system to promote biomethane injection
- › Utilising smart pressure management controls
- › Installing new pipework to reinforce the network
- › Deploying reverse compression so we can maintain and improve gas pressures
- › Aligning connection charging rules for gas entry with electricity to ensure consistency

Our route to net zero:

Realising the benefits of hydrogen

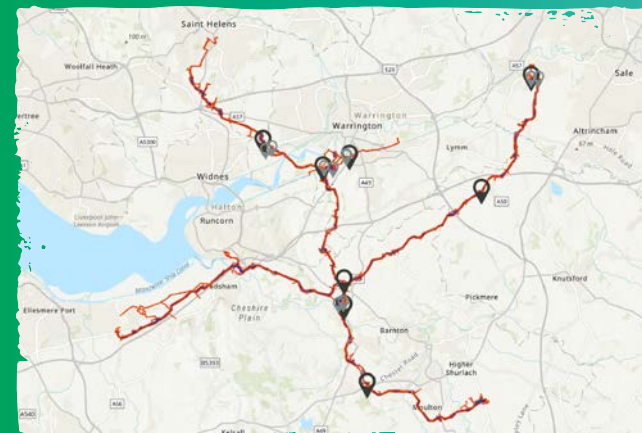
One of our core Greener Society targets is to demonstrate hydrogen at scale by 2035. A significant factor in that, and in achieving the UK's 2050 net-zero target, is the HyNet North West Hydrogen Pipeline.

HyNet will be the UK's first 100% hydrogen pipeline network at scale. Once operational, HyNet will support energy generation and help us reduce by a quarter the amount of carbon dioxide emitted across the North West.

Cadent's role in the project is to deliver 100 kilometres (around 62 miles) of new underground pipeline that will safely transport low carbon hydrogen produced by EET Hydrogen at the Stanlow Manufacturing Complex to various industrial users.

Why hydrogen?

Hydrogen can be used to supply energy safely and reliably. It can directly replace natural gas or other hydrocarbon-based fuels. And when used as a fuel – for transport, industry or to heat our homes – hydrogen doesn't produce any CO₂.



Pipeline progress

Widespread consultations began in 2022 and have continued in 2024. We're now carefully considering all the feedback we have received and are carrying out further technical, engineering and environmental work before we submit our final design.

Once we have developed our final proposals we will submit an application for development consent to the Planning Inspectorate and Secretary of State for Energy Security and Net Zero. We expect to submit our application in Spring 2025.

A final decision on our proposals should arrive in late 2026 and, if successful, we expect construction to begin in 2027.

Find out more about the
*HyNet North West
Hydrogen Pipeline*

Actions **continued**

Supporting *biodiversity* at our sites

Since the start of RIIO-2 (the current price control model for the gas distribution network), we have completed 84 baseline ecology surveys to explore the potential for targeted habitat creation and enhancement designed to support biodiversity across a selection of our above-ground installations (AGI) and depots.

Each of the surveys has been conducted using the DEFRA Biodiversity Metric 4.0 methodology. This standardised approach is widely accepted across industry and environmental communities. The surveys help us understand the state of biodiversity at each site currently and inform our planning, design, land management, and decision-making.

The ecology reports produced as a result of the surveys identified hundreds of different plant and animal species found across our sites, including great crested newts, pipistrelle bats, gatekeeper butterflies and polecats. They also propose measures to enhance biodiversity net gain (that is, ensuring our impact on the land leaves biodiversity in a measurably better state than before our development). Throughout the remainder of RIIO-2, we are continuing to work towards external biodiversity benchmarking certification across five flagships sites, implementing a biodiversity management system and putting in place a range of actions suggested by the survey reports.



These include:

- Managing grassland by restricting cutting and reducing the dominance of certain species (thistles, nettles etc) to encourage growth of others
- Replacing non-native and invasive plant species with native scrub species to increase species diversity
- Creating pond complexes of different sizes and depths (rather than single, uniform ponds) to encourage a “mosaic of microhabitats” and increase biodiversity
- Enhancing woodland by reducing invasive species and decreasing tree density so light reaches the woodland floor to support ground flora

Looking ahead to RIIO-3, we have selected 10-15 surveys offering the greatest potential for enhancement. Putting action plans in place for these sites will help us reach our 30 by 30 target (30% net gain by 2030).

Why does biodiversity matter?

Our societies and economies depend on the availability and continued supply of natural resources and ecosystem services. However, climate change and unsustainable land use, amongst other drivers, are causing the depletion of natural capital – one million species are at risk from extinction, increased incidence of drought and water stress, and more.

By supporting biodiversity net gain, we commit to natural resource stewardship which also encompasses the protection, preservation and restoration of natural resources including water, healthy soils and other ecosystems.

Consigning single-use plastic to the BIIN

We want to reduce the amount of single-use plastic packaging our work generates, and we want to ensure that more of the waste we do generate is recycled. It's an important element in operating more responsibly. Eliminating single-use plastics is also one of the commitments we make in our RIIO-2 Environmental Action Plan (EAP).

Why does reducing single-use plastic matter?

There is increasing need and opportunity for a shift from linear to circular business models, which is central to future proofing businesses and reducing negative impacts on the environment. Key areas of concern include pollution, electronic waste and use of materials with a significant negative environmental impact to produce – particularly plastics. The BIIN project is helping us tackle this impact.

Our RIIO-2 EAP

Find our plan here

To achieve that, Project BIIN calculated how much single-use plastic is in our supply chain and understand its nature and composition.

65t
single-use plastic
baselined

61t
of alternatives
identified



Actions **continued**

Pulling the *plastic*

We baselined **65 tonnes** of single-use plastic entering Cadent through items in our supply chain. Then, through identifying alternative materials and innovation with teams ranging from operations and logistics to procurement and waste management, we set about exploring ways of eliminating this waste or converting it to recyclable material.

Negotiations & innovations

The opportunities we identified included:

- Removing loose components from the Low-Pressure Reg and Flex Kit, so it can be supplied in a cardboard box rather than in wrapped plastic.
- Changing plastic bubble wrap to a paper alternative.
- Switching the packaging for PPE deliveries from plastic bags to cotton banding and cardboard boxes. With **6,000** colleagues each receiving multiple PPE deliveries each year, this has made a significant impact.

Harnessing practical support from two successive years of graduates and trainees, we've swiftly moved from a position of having little in-depth clarity as to the profile of single-use plastic used for packaging in the supply chain, to having identified ways of addressing over **90%** of the single-use plastic baselined.

Now, we're working with our teams and supply chain to action the identified opportunities and address the remaining single-use plastics from manufactures and suppliers. In early 2025, for example, we're making **6,360** outer mailing bags and **8,900** pieces of inner packaging, which were already made from recycled plastic, fully compostable.

Our work has gained recognition and support from internal and external stakeholders and we are continuing our review and reduction of single-use resources through RIIO-2.

Use of recycled packaging:

42% Then	77% Now
-----------------	----------------

Plastic packaging eliminated:

2% Then	18% Now
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Plastic packaging not recyclable:

56% Then	5% Now
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Raj Neelakantan,
Sustainability Manager, Cadent, said:

"We are pleased that we have made so much progress in addressing our single-use plastic. The challenge remains daunting and will take some time to achieve, however, because now we must ensure our workforce completes the last part of the jigsaw by diverting the now-recyclable packaging away from landfill."



PPE packaging: before and after

Advanced Emissions Detection

helps us reduce North London leaks



The UK gas network is vast and Cadent is responsible for maintaining, repairing and replacing **135,000km** of it. The more resilient we can make the network, the more efficiently we can supply gas to the homes and businesses that need it, and the better we can protect the environment from the effects of leaking infrastructure.

Historically, pipeline leaks have been detected through visual inspections by engineers or public reporting. But in North London, digitisation is helping us to dramatically increase the scope of our monitoring and the speed with which we can identify problems.

A vehicle-mounted digital tool helps us monitor the gas network for leaks. Already adopted by EU and US organisations, the system is 1,000x more sensitive than traditional approaches. It tells us the location and significance of leaks, helping us ensure small issues don't become big problems.

With the 'sniffing' technology loaded onto four hydrogen-fuelled cars, this technology also enables us to monitor an area ~100x larger than was previously possible. And with remote, continuous real-time measurements, we don't always need to have vehicles on the road and teams on the ground to identify issues.

An initial pilot, supported by Picarro in North London, identified eight gas mains that had not previously been flagged as part of our existing mains replacement programme.

Since then, and throughout 2023/24, we have surveyed over **11,000km** of our North London network and completed over 200 proactive repairs targeting emissions reductions.

As a result of these and other interventions, we estimate that we have achieved a

7% reduction in fugitive emissions from mains and services.

↓ 7%

Advanced Emission Detection effect on fugitive emissions from mains and services



Procurement: *Helping all our suppliers operate more sustainably*

Around 90% of an organisation's carbon footprint comes from its supplier network. That's why it's so important that organisations don't just take action to reduce their direct emissions but those within their supply chains.

At Cadent, however, we saw an opportunity to go further.

We want to embed the values we expect of ourselves in our supply chain partners. That relates to carbon reduction and other environmental actions that form part of our Greener Societies pillar. It also spans the social and sustainability activities that are part of our Easier Warmth and Fairer Opportunities pillars.

Introducing the Social Value and Sustainability Framework

Throughout 2024, we've been developing our new Social Value and Sustainability Framework. The framework will help our supply partners understand how they can contribute to our three pillars.

Because we work with suppliers of all sizes across a range of sectors, we wanted to ensure the framework was sensitive to their diversity while also being clear about our requirements.

That's why we've:

- › Worked internally with our procurement, environmental and external relations teams to shape the requirements of the framework.
- › Enlisted the help of our supply partner Sweco to help us develop the framework.
- › Run four workshops and focus group sessions involving 30 different supplier organisations spanning the full spectrum of our supply chain, to test and inform our approach.
- › Begun work on an interactive microsite (with the help of our supply partner, Surgery) that we've linked to our external website where suppliers will be able to access information about the framework and how they can contribute.
- › Launched Sustainability Spotlight, a new section of Supplier Horizon, our supplier newsletter, which showcases initiatives and contributions from members of our supply chain.
- › Announced our inaugural supplier EDI awards event, to be held in March 2025.

Work on the Social Value and Sustainability Framework is ongoing and due to launch early 2025.

"We believe the approach we have developed [with Cadent] is pushing the envelope for sustainable procurement, setting a new standard of how companies can effectively work with a wide and varied supply chain, all pulling together to really make a difference. Together, we're setting meaningful targets that are flexible enough to be tailored to all sizes, scales and services but that will really work to make a difference to the communities and the wider supply chain workforce in a positive manner."

Becky McLean, Sustainability Director -
Energy, Water & Environment Sweco UK Limited

Harnessing the value of Supply Chain Sustainability School



Throughout 2024 we have continued our partnership with the Supply Chain Sustainability School (SCSS). This award-winning virtual learning platform works to upskill those working within, or aspiring to work within, the built environment sector. Our partnership is a valuable tool in helping our suppliers understand more about sustainability.

This year, through more than **3,500** available online resources, **120+** e-learning modules, workshops and more, our partnership with SCSS has had a significant impact on the understanding of thousands of individuals within our supply chain.

The result, according to SCSS, has been an 8% increase in the assessed sustainability competency of our supply chain partners.

58,656

*Resources viewed

6,847

*CPD training hours delivered

1685

*Attendees at supplier workshops

**Reporting period is 2023 - 2024.*





ESG data and GRI

Alignment index

Here we present both quantitative and qualitative information on the different environmental, social, governance and supply chain metrics that our business records.

We are following the Global Reporting Initiative's (GRI) framework for disclosing information on sustainability related matters, and as such have also included a section which covers key information required for reporting to GRI's Sustainability Reporting Standards.

Environmental metrics

Greenhouse gas (GHG) emissions

Our emissions have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard. The table below shows our emissions over the past three years.

Category	FY22 (tCO ₂ e)	FY23 (tCO ₂ e)	FY24 (tCO ₂ e)
Gross Scope 1 GHG Emissions	1,270,800.80	1,223,337.78	1,185,008.95
Gross location-based Scope 2 GHG emissions	5,527.45	4,545.33	4,267.32
Gross market-based Scope 2 GHG emissions	0*	0*	0*
Gross Scope 3 GHG emissions	31,655.37	32,263.77	35,189.97
Purchased goods and services	9,881.51	5,060.82	6,960.41
Upstream transportation and distribution	21,526.71	26,818.25	27,379.29
Business Travel	247.15	525.26	482.85
TOTAL	1,307,983.62	1,260,146.88	1,224,466.24

*Market-based Scope 2 emissions are 0 based on 100% renewable energy contracts.

GHG emissions intensity FY24

GHG emissions intensity ratio for the organization (tCO ₂ e/£)	522.53
Organization-specific metric chosen to calculate the ratio	£m turnover (annual)
Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	Scope 1 and 2
Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	CO ₂

ESG *data* continued

Energy consumption within the organisation

	FY22			FY23			FY24		
	Renewable sources (MWh)	Non-renewable sources (MWh)	Total (MWh)	Renewable sources (MWh)	Non-renewable sources (MWh)	Total (MWh)	Renewable sources (MWh)	Non-renewable sources (MWh)	Total (MWh)
Total energy consumption within the organisation	26,032	5,392.46	31,424.46	28,173.19	0	28,173.19	25,362.47	0	25,362.47
Electricity	26,032	0	26,032.00	23,504.68	0	23,504.68	20,607.67	0	20,607.67
Heating	0	5,392.46	5,392.46	4,668.51	0	4,668.51	4,754.80	0	4,754.80

Waste data FY24

	Recycling	Other (diversion from landfilling)		Landfilling
Hazardous waste diverted from disposal (tonnes)	5,457.38	16.35	Hazardous waste directed to disposal (tonnes)	1,140.27
Non-hazardous waste diverted from disposal (tonnes)	650,609.67	1092.82	Non-hazardous waste directed to disposal (tonnes)	12,928.52
Total waste generated in metric tons				671,247.42
Total waste diverted from disposal in metric tons				657,218.35
Total waste directed to disposal in metric tons				14,026.07

ESG *data* continued

Social metrics

Employee information

	FY22			FY23			FY24		
Category	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total number of employees	1,263	4,738	6,001	1,348	4,871	6,219	1,411	4,978	6,389
<i>Permanent</i>	1,215	4,699	5,914	1,300	4,827	6,127	1,372	4,938	6,310
<i>Temporary</i>	48	39	87	48	44	92	39	40	79
<i>Non-guaranteed hours</i>	N/A								
<i>Full-time</i>	1,067	4,696	5,763	1,134	4,811	5,945	1,208	4,914	6,122
<i>Part-time</i>	196	42	238	214	60	274	203	64	267
Total number of new employee hires	197	564	761	241	606	847	168	482	650
<i>Employee age under 30</i>	101	238	339	99	284	383	78	220	298
<i>Employee age 30-50 years</i>	65	248	313	104	247	351	78	220	298
<i>Employee age over 50</i>	31	78	109	38	75	113	12	42	54
Rate of new employee hires	15.60%	11.90%	12.68%	17.88%	12.44%	13.62%	12.14%	9.79%	10.30%
Total number of employee turnover	241	658	899	151	465	616	106	384	490
<i>Employee age under 30</i>	82	166	248	55	127	182	33	93	126
<i>Employee age 30-50 years</i>	115	296	411	68	195	263	45	171	216
<i>Employee age over 50</i>	44	196	240	28	143	171	28	120	148
Rate of employee turnover	19.08%	13.89%	14.98%	11.20%	9.55%	9.91%	7.66%	7.80%	7.77%
Number of workers who are not employees but whose work is controlled by the organisation *	N/A	N/A	288	N/A	N/A	306	N/A	N/A	262

ESG *data* continued

Employees entitled to parental leave

Category	FY22		FY23		FY24	
	Female	Male	Female	Male	Female	Male
Employees entitled to parental leave	4,242	1,092	4,349	1,138	4,542	1,254
Employees that took parental leave	192	85	180	81	185	113
Employees due to return to work after parental leave	192	85	180	81	185	113
Employees that returned to work after parental leave	192	80	180	79	185	111
Employees returning from parental leave in the prior reporting period(s)	129	71	192	80	180	79
Employees retained 12 months after returning to work following a period of parental leave	183	75	171	77	178	105
Return to work rate	100.00%	94.12%	100.00%	97.53%	100.00%	98.23%
Retention rate	95.31%	93.75%	95.00%	97.47%	96.21%	92.92%

Collective bargaining

	FY22	FY23	FY24
Employees covered by collective bargaining agreements (%)	87.17%	87.59%	88.35%

ESG *data* continued

Occupational health and safety information

Number of recordable cases of work-related injury	8
Number of recordable cases of work-related ill health	37
Percentage of employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by an OHS system	100%
Total number of hours worked by all employees	15,575,109

Governance metrics:

Economic performance FY24

Direct economic value generated FY24	£2,277,000,000			
	Operating costs	Employee wages and benefits	Payments to providers of capital	Community investment
Economic value distributed FY24	£1,384,000,000	£279,000,000	£458,000,000	£4,800,000
Economic value retained FY24	£435,000,000			

ESG *data* continued

Financial assistance received from government

Type of financial assistance received	Total monetary value of financial assistance received
Grants (for apprenticeship levy)	£907,500

Percentage of salary contributed towards benefit or retirement plans

By employee	By employer
Defined Contribution Scheme: 5.15% (Average)	Defined Contribution Scheme: 9.96% (Average)

GRI alignment and *index*

Cadent Gas Ltd has reported the information cited in this GRI content index for the period 1st April 2023 – 31st March 2024 with reference to the GRI Standards.

GRI Standard	Disclosure	Comment	Page number
GRI 2: General disclosures	2-1 Organizational details	Cadent Gas Ltd. Private Entity Ansty Park, Pilot Way, Coventry CV7 9JU. United Kingdom Reporting Company only.	53
	2-3 Reporting period, frequency and contact point	Financial year 23/24 Annual Mark.Belmega@Cadentgas.com	53
	2-4 Restatements of information	None	53
	2-5 External assurance	No External Verification, Internal Verification only	53
	2-6 Activities, value chain and other business relationships	Operate in Oil and gas value chain - Midstream	53
	2-7 Employees	See the 'Employee information' table on page 49-50	49-50
	2-8 Workers who are not employees	See the 'Employee information' table on page 49-50	49-50

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	2-9 Governance structure and composition	<p>Our Board consists of three Executive Directors, three Sufficiently Independent Directors* (including the Chair) and ten Shareholder Nominated Directors. Collectively, the Sufficiently Independent Directors and Shareholder Nominated Directors are the Non-Executive Directors on the Board. All the Non-Executive Directors (including the Chair) have been appointed by Quadgas Holdings TopCo Limited ('TopCo'), the ultimate parent company of Cadent Gas Limited.</p> <p>Each of our Directors bring a wealth of experience, knowledge and expertise to the company. They have a balance and depth of skills and diverse backgrounds which are critical for the effective leadership of the company for all stakeholders and to mitigate against 'group thinking'.</p> <p>Our Board is led by our Independent Chair, Sir Adrian Montague CBE, who is responsible for the effective running and management of the board. Our Chair works closely with the General Counsel and Company Secretary to ensure all Directors have appropriate information for each board meeting and sufficient time is allocated for meaningful and constructive discussions. The roles of Chair and Chief Executive Officer are separate, with clear divisions in responsibilities.</p> <p>The composition of the Board is partly determined by the Shareholders' Agreement. Of particular note is the experience the Board has in the areas of the regulated utility sector, infrastructure, safety, sustainability, Government and regulation. To read more about our Directors' skills and experience, please see their biographies in the Annual Report and Accounts 23/24 on pages 68 to 72. For further reading about diversity and inclusion within our company please refer to page 74 in our Annual Report and Accounts.</p> <p>We acknowledge that the Board may benefit from greater diversity, however the Board does not operate a formal Board Diversity policy or set targets for gender or other representation on the Board, since Board appointments are a matter reserved to the shareholders of TopCo, under the Shareholders' Agreement. Our shareholders are, of course, encouraged within their own organisations to consider Board diversity when nominating Directors to the Board.</p> <p>The names and biographies of all the Board of Directors on the company are published on pages 68 to 72 in the Annual Report and Accounts.</p>	54

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	2-10 Nomination and selection of the highest governance body	<p>The Nomination Committee is responsible for reviewing the long and short-term strategy and plans for succession of all Executive Directors, members of the Executive Committee, the Chair and the Sufficiently Independent Directors, in conjunction with our investors. In doing so, the Committee keeps under review the balance and diversity of skills, knowledge, experience of Board members and those in these roles. The Committee also reviews and provides guidance on the company's Talent and Succession Strategy, including reviewing plans relating to roles reporting into the executive team and their direct reports.</p> <p>The Committee has three categories of business, upon which it makes recommendations to the Board. Firstly, in respect of potential candidates to fill Executive and Sufficiently Independent Director roles as and when they arise, or to fill strategic appointment requirements; secondly in relation to the terms of the proposed service contracts of Executive Directors or Sufficiently Independent Directors, including their initial remuneration package (in line with existing approved remuneration policies and in conjunction with the Remuneration Committee); and thirdly on any matters relating to the continuation in office of any Executive Director or Sufficiently Independent Director (including the suspension or termination of service and remuneration reviews in the case of Sufficiently Independent Directors). In conducting its business, the Committee will take soundings from the Chief Executive Officer and seek guidance from the Chief People Officer, General Counsel & Company Secretary and outside advisers and consultants , as appropriate.</p> <p>The Committee is made up of a minimum of three Non-Executive Directors, one of whom is required to be a Sufficiently Independent Director, two of whom shall be Investor nominated nonexecutive directors, and none of whom are Executive Directors. The Committee's membership can be found on pages 69 to 72 in the Annual Report and Accounts 2023/24.</p>	55
	2-11 Chair of the highest governance body	The chair of the highest governance body is not also a senior executive in the organisation.	8

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	2-12 Role of the highest governance body in overseeing the management of impacts	<p>Pursuant to the Companies (Miscellaneous Reporting) Regulations 2018, the company applied the Wates Corporate Governance Principles for Large Private Companies during the year. Our Board's continuing philosophy is to uphold the highest standards of corporate governance appropriate to its size, the essential public service it provides and the regulatory framework that applies to it.</p> <p>We recognise that doing so is fundamental to our ability to deliver against our purpose, values and commitments. In performing its principal role to promote the success of the company the Board considers a range of factors and stakeholder interests.</p>	56
	2-13 Delegation of responsibility for managing impacts	<p>The Board has approved a matrix of Delegations of Authority that sets out which key matters (within clearly defined monetary limits) may be authorised at various levels of the governance framework, from those matters reserved to the investor shareholders of TopCo, to those reserved to the Board, or delegated to the Chief Executive Officer and Chief Finance Officer and sub-delegated to other members of management. This is reviewed annually to ensure it remains appropriate.</p> <p>The Board has established several committees to carry out specific duties. This allows the Board to operate more efficiently, concentrating on providing leadership and decision-making for the business. We are dedicated to making sure that both the Board and its committees are clear on their roles and are supported to ensure the Board can provide an appropriate level of focus and consideration to relevant matters. Each of our committees has Board-approved terms of reference setting out their respective remits, and these terms of reference are kept under regular review including to reflect emerging best practice.</p>	56

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	2-14 Role of the highest governance body in sustainability reporting	<p>Board-level committee: Provides scrutiny and oversight of the scope, adequacy, and effectiveness of the company's approach to setting and delivering against its sustainability strategy. It also monitors environmental key performance indicators and progress against the RIIO-2 Environmental Action Plan.</p> <p>Other C-Suite Officer: Chief Strategy and Regulation Officer - responsibility for setting Cadent's Sustainability Strategy, which includes the approach taken to climate change issues.</p> <p>Chief Executive Officer (CEO): Ultimate responsibility for overseeing the implementation of Cadent's sustainability strategy which includes climate change targets and initiatives.</p>	8, 57
	2-15 Conflicts of interest	Given the composition of the Board, with Non-Executive Shareholder Nominated Directors, we are aware that potential conflicts of interest may arise. Our Directors are conscious of their statutory duties in relation to conflicts of interest and their duty to make the Board aware of any situations which may create a conflict of interest. The General Counsel and Company Secretary maintains a register of Directors' interests and the Board reviews and considers any potential conflicts of interest as they arise.	57

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	2-16 Communication of critical concerns	<p>The Board planned and held seven formal meetings and five interim board meetings. In addition, the following meetings were held:</p> <p>Two Strategy days held: one in June 2023 focusing on Cadent's Future of Gas Programme and the other in January 2024 focusing on RIIO-3 planning (Cadent's next regulatory period).</p> <p>Two 'meet and greet' sessions (both in July 2023); a 'show and tell' session in March 2024 and informal sessions with Cadent's employee led EDI Communities throughout 2024.</p> <p>Several of the Board members, in particular the Committee Chairs, also devote significant time to their role outside of, and between, the scheduled Board and Committee meetings. This includes meeting with members of the management team and the company's external advisers to guide and support the work discussed at the formal meetings.</p>	58

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	2-17 Collective knowledge of the highest governance body	<p>We have launched a leadership framework that utilises our Learning and Development teams and partners to offer support that is inclusive of all manager grades.</p> <p>In 2023, we concluded the Management Effectiveness Programme pilot and launched the programme in earnest. To date over 500 of our Leaders and Managers across all functions have attended various development modules and programmes, with an average Net Promoter score of +57. We have also provided 30 days of Team Development facilitation to support Senior Leaders in embedding their delivery vision with their functional leaders. This is a significant step forward in supporting our colleagues on their leadership journey, giving them the tools, skills, and knowledge for a successful career.</p> <p>During the year, our directors continued to develop their knowledge of the business and kept abreast of their duties as Directors. Development was achieved through a combination of the following:</p> <ul style="list-style-type: none"> • Briefings and technical detail provided throughout the year in papers and presentations at Board and Committee meetings • Directors training on Safety duties in July 2023; • a dedicated session with representatives from Ofgem to discuss Cadent's cyber security in September 2023; • two Strategy days, in June 2023 and January 2024; and • engagement with members of the workforce during site visits and "show and tell" sessions. <p>In addition, an induction programme was arranged for the three new Non-Executive Directors: Graham Cooley, Emma Howell and Alistair Ray.</p> <p>We recognise that the Directors, in their roles as Directors or members of a committee, may need to take independent professional advice to perform their duties, and this option is available to them if required.</p>	59

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	2-18 Evaluation of the performance of the highest governance body	<p>The Audit & Risk Committee plays an important governance role on behalf of the Board, dedicated to giving assurance to the Board that internal control and risk management systems are reliable and that Cadent reports appropriately on financial performance, including consideration of climate related risk.</p> <p>The Committee is required to meet and make recommendations to the Board, before the Board is asked to approve interim financial statements and the annual report and accounts. During the year 5 meetings were held.</p> <p>The Committee has overseen a restructuring of the Risk, Internal Audit, Ethics and Business conduct teams. This has included the creation of a new role, Head of Internal Audit who has independent accountability to the Audit and Risk Committee. Ethics and Business conduct matters are now being managed within the General Counsel team. The Committee is pleased that the changes have been seamlessly embedded with a continued focus on delivery of the Internal Audit plan.</p> <p>Regular Internal Audit reports relating to the status of the control environment of a broad range of risks have been reviewed by the Committee. Risk and Assurance Reporting has been consolidated during the year to provide a more holistic insight into our principal risks. The Committee noted that Management had been appropriately challenged to address areas identified as requiring improvement and that action plans were in place to address this.</p> <p>The Committee's focus on cyber risk has been driven both in response to increasing threats but also increases in regulatory expectations and scrutiny. Through regular reports and discussion, the Committee has challenged management to ensure that mitigation plans are robust to the threats and continue to meet increasing regulator expectations.</p> <p>The Committee was pleased to note a strengthening of controls across the company's cyber estate which enabled achievement of baseline Cyber Assessment Framework ("CAF") compliance as well as a proactive approach to managing Artificial Intelligence risks. These have been risk assessed and mitigation follows the overarching policy of 'security by design'.</p> <p>Further information is available in Annual Report and Accounts 2023/24, page 84.</p>	60

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	2-19 Remuneration policies	<p>This year the Committee carried out a detailed review of executive incentives. It also carried out its annual review of salaries of the Executive Directors and considered a range of external factors including market data on salary increases and inflation data along with considerations of the wider workforce. In addition to reviewing the internal differentials and external competitiveness, the Committee looked at the performance of the Group and the tenure of the Executive Directors. The Chief Executive Officer has been in post for over four years. The Chief Operating Officer has served with Cadent for almost three years.</p> <p>Following the review it was agreed that an exceptional increase was required to Steve Fraser's salary of 9.2% taking his salary to £730,000 with effect from 1 February 2024. His annual LTIP award has also increased from 200% of salary to 250% of salary. The Committee also decided that a significant market adjustment was required to Howard Forster's salary of 20.2% taking his salary to £450,000 with effect from 1 July 2024. These increases align with our reward principles of ensuring that salary is broadly market equivalent for the role, whilst taking into account wider company performance.</p> <p>The Committee reviews its remuneration practices against appropriate peer groups annually to make sure we remain competitive in the relevant markets. The primary focus for reward market comparisons is general industry and utilities sector companies with similar levels of revenue. These peer groups are considered appropriate for a complex regulated business of our size.</p> <p>Read more in Annual Report and Accounts 2023/24, page 94 onwards for further details on Director's Remuneration Policy</p>	61

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	2-20 Process to determine remuneration	<p>The Committee is responsible for recommending to the Board the remuneration policy for Executive Directors and the other members of the Executive Committee and for the Chair, and for implementing this policy. The aim is to align remuneration policy to Company strategy and key business objectives and ensure it reflects our shareholders', customers', and regulator's interests.</p> <p>The following principles govern our approach to remuneration policy for our Executive Directors, and are unchanged since last year:</p> <p>Alignment with Cadent's strategy: the Executive Directors' remuneration package should be strongly linked to the achievement of stretch targets that are seen as indicators of the execution of Cadent's strategy in the short and long term. Targets should be set with an emphasis on providing long term and sustainable positive outcomes for our stakeholders, in particular our customers.</p> <p>Pay for performance: the majority of the Executive Directors' remuneration should be linked directly to Cadent's performance through variable pay schemes. The structures should incentivise both collective and individual performance, reinforcing the skills, behaviours and values which underpin our future success.</p> <p>Competitiveness: remuneration levels should be determined by reference internally against Cadent senior management and externally against companies of comparable size, complexity, and scope to enable Cadent to attract and retain key talent.</p> <p>Consistency: the remuneration structure for Executive Directors should generally be consistent with the remuneration structure for Cadent's senior management, whilst retaining flexibility to react to necessary changes within the organisation and externally. This consistency builds a culture of alignment with Cadent's purpose and a common approach to sharing in Cadent's success.</p> <p>Simplicity: remuneration arrangements should be simple, clear, valued and easy to understand (both by participants and external stakeholders in relevant remuneration disclosures). This includes the structure and associated performance targets</p>	62

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	Disclosure 2-21 Annual total compensation ratio	Not disclosed in this report. Please refer to Annual Report and Accounts page 88 – 103.	N/A
	2-22 Statement on sustainable development strategy	See information in section page 9 - 11. Also refer to our environment policy which is available at https://cadentgas.com/reports/reports-and-publications .	9 - 11
	2-23 Policy commitments	Our policy commitments for responsible business conduct are detailed in the following documents, which we make available online: Modern Slavery Statement: https://cadentgas.com/getmedia/bf651109-662e-48b2-a176-5428aa823750/modern-slavery-statement-2024.pdf Always Doing the Right Thing: https://cadentgas.com/nggdwsdev/media/Downloads/about/Always-Doing-the-Right-Thing-October-2019.pdf	63
	2-24 Embedding policy commitments	Always Doing the Right Thing is Cadent's ethical code of conduct - it is a mandatory part of all induction processes and mandatory refresher training and permeates all that Cadent does at all levels of the business. It follows that strategy set by the Executive Team (with oversight by the Cadent Board) and policies and procedures, which are reviewed through the Policy Approval Committee and sub-committees all have regard to ADtRT as part of the structured review of policies/standards/ procedures and any revisions. (See 'Our Policies' here: https://cadentgas.com/about-us/reports-and-publications)	63
	2-27 Compliance with laws and regulations	No significant instances of non-compliance during the reporting period.	63

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
	2-28 Membership associations	<p>We are working closely with central and local Government, opinion formers and policymakers, and with Ofgem and other industry stakeholders so we can provide consistent, clear, and strategic advice in order to maintain investment in our critical national infrastructure, relied upon by over 80% of UK homes and businesses.</p> <p>We are leading the industry on the development of a consistent Flood Resilience Framework through the Energy Networks Association Climate Change Resilience Working Group and the Gas Environment Group. We continue to engage with the Department for Energy Security and Net Zero through the CS-NOW project regarding resilience metrics and minimum levels of service and resilience across various asset classes</p>	7, 64
	2-29 Approach to stakeholder engagement	<p>We are passionate about listening to and engaging with our customers and stakeholders and working closely together to develop our business now and into the future.</p> <p>We will understand and act upon the needs of our customers and stakeholders through a continually improving, tailored approach that provides the best outcomes from our engagement. We work hand-in-hand with our customers and stakeholders to make sure our business plans are fit for present and future generations.</p> <p>We are listening to you, our customers and stakeholders, in a number of ways. Over the last two years, we've held a series of workshops and focus groups across the country, and carried out phone and face-to-face interviews... but our work doesn't stop there.</p> <p>Read more here: https://cadentgas.com/social-responsibility/research-and-engagement/customer-and-stakeholder-engagement</p>	9, 64
	2-30 Collective bargaining agreements	See the 'Collective bargaining' table on page 50	50

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
GRI 3: Disclosures on material topics	3-1 Process to determine material topics	See information on p9	9
	3-2 List of material topics	See information on p9	9
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	See the 'Economic performance' tables on page XX	51-52
	201-2 Financial implications and other risks and opportunities due to climate change	The financial impact of each climate-related risk / opportunity aligns with our internal risk management framework (the risks identified feed in the Principal Risk and level 2 risks) with very significant representing an impact of typically >£25m, major representing an impact of typically £8-25m, moderate representing an impact of typically £3-8m and minor representing an impact of typically £500k-£3m	65
	201-4 Financial assistance received from government	See the 'Financial assistance received from government' table on page 52	52
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Information relating to current or expected impacts on communities and local economies, including positive and negative impacts, is available in our VCMA report online: https://cadentgas.com/social-responsibility/vcma	65
	203-2 Significant indirect economic impacts	An example of significant identified indirect economic impacts of the organisation, including positive and negative impacts, is the compensations paid to customers when Cadent does not meet its guaranteed standards of performance. £7.3m was paid out in FY24. See our VCMA Report for more detail https://cadentgas.com/social-responsibility/vcma	65

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	See the 'Energy consumption within the organisation' table on page 48	48
GRI 305: Climate Change	305-1 Direct (Scope 1) GHG emissions	See the 'Greenhouse gas (GHG) emissions' table on page 47	47
	305-2 Energy indirect (Scope 2) GHG emissions	See the 'Greenhouse gas (GHG) emissions' table on page 47	47
	305-3 Other indirect (Scope 3) GHG emissions	See the 'Greenhouse gas (GHG) emissions' table on page 47	47
	305-4 GHG emissions intensity	See the 'GHG emissions intensity FY24' table on page 47	47
GRI 306: Waste 2020	306-3 Waste generated	See the 'Waste data FY24' tables on page 48	48
	306-4 Waste diverted from disposal	See the 'Waste data FY24' tables on page 48	48
	306-5 Waste directed to disposal	See the 'Waste data FY24' tables on page 48	48
GRI 401: Employment Information	401-1 New employee hires and employee turnover	See the 'Employee information' table on page 49	49
	401-3 Parental leave	See the 'Employees entitled to parental leave' table on page 50	50

GRI *index* continued

GRI Standard	Disclosure	Comment	Page number
GRI 403: Occupational health and safety	403-1 Occupational health and safety management system	<p>The Safety, Health, Environment and Security (SHES) Management System (SHES MS):</p> <ul style="list-style-type: none"> -Describes the arrangements that ensures SHES is being managed throughout Cadent. -Provides a framework which enables us to comply with UK Legislation and drive continuous improvement, and is supported by Supplementary Documents and other document types throughout the organisation. -Applies to everyone employed by Cadent where directed to work on its undertakings. Our contractors are expected to meet a similar standard, but do not have to follow our procedures. <p>As a regulated Gas Company, Cadent is also required to have a "Safety Case", which is a document which sets out how we safely transport gas through our network, which is then approved by the HSE.</p>	67
	403-2 Hazard identification, risk assessment and incident investigation	This information is not available in this report. Please Refer to our Annual Report and Accounts 2023/24 page 42 onwards.	N/A

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GRI Standard	Disclosure	Comment	Page number
	403-3 Occupational health services	<p>In line with our Safe & Well framework, we recognise the importance of good physical and mental health and promoting positive wellbeing so that our people can thrive. We appreciate the need to understand health risks, both work-related and none work related so that we can mitigate these risks, provide pro-active prevention and early identification and intervention for any ill health.</p> <p>Cadent have an internal team of occupational health professionals who help to assess and manage occupational health risks, conduct health surveillance and case management.</p> <p>Health risks associated with the work that people do are identified through our job role health matrix. These health risks are incorporated into the SHES management system and the management procedures define the standards required to ensure these risks are controlled within Cadent. The main Occupational Health management procedures include, DSE, Hearing Protection, Hand Arm Vibration and Occupational Health arrangements.</p> <p>The OH team conduct a health surveillance programme to monitor our employees exposed to health hazards such as noise and vibration. The programme assures that our controls defined in the procedures are adequately controlling the risk and it ensure early detection of any potential occupational illness.</p> <p>We also conduct health monitoring from pre-employment and safety critical medicals to ensure our employees remain fit for their roles.</p> <p>Occupational health also offer management referrals where If you are struggling with your mental or physical health due to work related issues, or if it is impacting on your ability to undertake your job then you should inform your line manager who can make an occupational health referral which may lead to advice and access to further support</p> <p>Cadent also offer a large suite of health and wellbeing services including:</p> <p>The employee assistance programme: a free confidential service that can provide signposting support to colleagues and their immediate family over on a range of topics such as Emotional Support, counselling,, Financial Advice and Legal information.</p> <p>Mental health first aiders provide initial support and signposting for people experiencing signs or symptoms of mental health issues</p> <p>Physiotherapy: Access to telephone and face to face physiotherapy treatment</p> <p>Financial Wellbeing: Our financial wellbeing provider Salary Finance has collated a list of resources, to help if you are worried about paying bills, the cost of everyday essentials, paying off debt or having limited savings.</p>	69

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	403-4 Worker participation, consultation and communication on occupational health and safety	<p>Trade Union Safety Committee and Local forums</p> <p>There are Safety forums in each Network that Cadent operates which involved Trade Union Safety representatives. There is also a quarterly national trade union and Cadent Safety Committee which has an agenda which is co-created. This committee also acts as an escalation point for issues not resolved locally. Lead TU reps are engaged in the review of procedures where relevant and Local representatives are engaged in incident investigations.</p> <p>Safety and Engineering Committee</p> <p>The role of the Safety Committee is to assist the Board by providing assurance regarding the scope, adequacy and effectiveness of the Company's management of safety.</p> <p>The Committee reports to the Board on its proceedings and makes recommendations it deems appropriate on areas within its remit. The Committee is appointed by the Board and comprises two Shareholder Nominated Directors and two Sufficiently Independent Directors. These occur monthly.</p> <p>A number of deep dives were undertaken during the course of the year to inform Committee thinking and assist with oversight. These included two separate papers on the important area of process safety and a detailed review of the classification, reporting and management of High Potential Near Misses which had been identified by the Committee as an area of interest (and which led to introduction of the performance measure referenced below).</p> <p>In addition, the Committee received papers on a wide range of safety related areas including the Winter Plan, which provided assurance to the Committee of the adequacy of winter weather related workload and workforce planning in response to climate related challenges.</p> <p>Operational Safety Performance was reviewed and monitored at each meeting through detailed data driven reports and incident overviews which were scrutinised by the Committee and discussed with the management team. During this year's presentations, the Committee explored the incident investigation process and use of TapRooT analysis to satisfy itself of the appropriateness of the approach adopted.</p> <p>The Committee was assisted in its work by reports from the Internal Audit Team on the findings from internal safety audits and external consultative work conducted. In reviewing outcomes, the Committee requested and received clarificatory information to satisfy itself that learnings and actions were appropriately implemented to further improve safety performance...</p>	69

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		<p>Committee members also relished participating in a rolling programme of safety focussed site visits, which provided further insight on the matters covered in Committee papers and presented the opportunity to hear directly from frontline staff. Reflections and highlights from the visits were shared with the management team inform future works.</p> <p>In the March 2024 meeting, the Committee approved safety measures for the companywide 2024/25 short term incentive plan for recommendation to the Remuneration Committee. Recognising the benefits derived from existing measures relating to lost time injury frequency rates and safety leadership visits, these were retained, the latter at an increased volume. The Committee was also pleased to approve the introduction of two new measures, which replaced the previous year's fatigue assessments measure where resulting improvements were now embedded as BAU.</p> <p>The new measures – High Potential Incident Investigations and Safe+Well programme delivery – sought respectively to provide assurance that emerging learnings are acted upon and support the reinforcement and enhancement of Cadent's safety culture.</p>	
	403-5 Worker training on occupational health and safety	All our employees all receive a suite of basic awareness training including basic safety awareness, but then those in operational roles have role specific curriculum which set out minimum standards of training and competency. These training requirements are then checked in an regular review with their manager to ensure that they still address the tasks are risks that the colleague is involved with, and that they are competent to undertaken the task.	70

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	403-6 Promotion of worker health	<p>Our Employee Assistance Program (EAP) is a valuable workplace resource designed to support employees in various aspects of their lives. EAP's provide confidential and professional assistance to employees facing personal or work-related challenges, such as stress, mental health issues, financial concerns, or family difficulties.</p> <p>Using this service can help our employees navigate life's challenges more effectively, reducing stress, improving mental health, and enhancing work-life balance. It's a confidential and free service that demonstrates our commitment to your well-being and success in and outside of the workplace.</p> <p>At Cadent, we believe in the importance of the health and wellbeing of all our colleagues and their families, As part of our benefits programme we've partnered with Wellhub to give access to gyms and virtual exercise programmes and wellbeing advice It helps make wellbeing accessible for everyone whether you're in the office, out for a job or even at home- truly anytime & anywhere.</p> <p>Our free, Virtual GP benefit allows employees to book a video conference or telephone call appointment with an experienced GP at a convenient time to suit you, now includes immediate family members who live at the same addresses as you.</p> <p>We give our employees the option to get a free second medical opinion should they or a family member need it.</p> <p>A second opinion can sometimes offer you extra peace of mind about a diagnosis and provide you with the opportunity to ask any unanswered questions about proposed treatment or discuss if there are alternative treatment options available.</p>	71
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>Following the Health and Safety Executives guidance on risk assessment, Cadent developed a series of 3rd generation risk assessment. Managers and supervisors shall ensure that the 3rd generation risk assessment is broadly appropriate for the type of work being carried out and shall apply these risk assessments. These risk assessments are in the process of review and the intention is to issue these in the coming months. We have also undertaken a critical risk assessment of our work and identified the risks most likely to cause serious harm or fatality. These risks have then undergone detailed bow-tie analysis to understand the critical controls and barriers. Our next steps are to understand how we can translate these into real time assurance of control application with colleagues across the business.</p>	71

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	403-8 Workers covered by an occupational health and safety management system	The SHES MS applies to everyone employed by Cadent, or directly managed, such as Agency staff. We delegate some work to our partner organisations who go through robust pre-qualification and tender processes, before being permitted to work on our behalf. All employees and contractors working for these partners are protected by the partners safety management system.	72
	403-9 Work-related injuries	<p>Over the last 12 months we have identified the risks most likely to cause serious injury or fatality in Cadent and process safety incidents. These are not necessarily ones that have injured employees, but those that have the highest reasonably foreseeable risk consequence, these include:</p> <ul style="list-style-type: none"> - Asphyxiation from gaseous atmospheres - Dropped loads - Falls from height - Trench collapse - Vehicle Collision - Electrocution - Arc Flash - Ignition of gas - Struck by Machinery - Released energy - Occupational Disease - Catastrophic Loss of Containment - Loss of Supply - Gas Quality out of tolerance - Mental Health 	72

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		<p>Through bow-tie analysis we have identified the key controls that will prevent these incidents from occurring and are now in the process of building the delivery stage of the project.</p> <p>Our overall approach to risk control always follows the hierarchy of control.</p> <p>The main work-related illness are Hand arm vibration or Carpel Tunnel Syndrome as a result of working with vibrating tools. Some of these are from previous employment or a long history of exposure. We manage the risks of vibration by eliminating and reducing exposure through a number of methods such as job rotation, planning work, improved tooling and using automation such as diggers/peckers.</p> <p>Health surveillance is provided to all employees exposed to vibration to ensure early detection and to assure the controls in the management procedure.</p> <p>We have a HAV working group to continually improve how we manage and reduce vibration risk.</p> <p>See also the 'Occupational health and safety information' table on page XX</p>	
	403-10 Work-related ill health	We only provide Occupational Health services for our own employees but our contractors are encouraged and expected to provide access to health surveillance and OH services as required.	73

