

Welcome from our Chief Executive Officer



Welcome to our second Safety & Sustainability report

I'm proud to introduce our second ever Safety & Sustainability report, focusing on safety performance over the last year and outlining our progress towards reducing carbon emissions. Whilst I'm pleased that it shows solid performance in both safety and sustainability measures and highlights where we have made improvements, I'm also determined to focus on the areas where there is more to do. We are a responsible company trusted by our stakeholders and shareholders to operate with transparency and integrity. We will not be satisfied until we remove all accidents and make significant strides towards reducing carbon emissions and we will work relentlessly towards this mission.

We are very focused on the long-term sustainability of our planet by reducing carbon emissions to net zero and we are committed to our role in helping to make it happen. Through the UK's vast network of gas pipelines, we can deliver low carbon gas to heat our homes and power our industries. Our projects, HyDeploy and HyNet, are at the cutting edge of proving this right now. We are working with stakeholders and Government to ensure that this valuable asset can continue to keep customers safe and warm and is part of a whole systems transition to net zero.

Our people have very much impressed me with how passionate they are about safety and about serving our customers. Our emergency response in Wirksworth is a great example of this – 150 colleagues restored gas to 900 houses after water had entered into our network from a burst water pipe. Customers in the area fittingly renamed them 'angels in orange' – and there are many examples of this. People quite rightly expect big business to be more responsible, and transparent with the communities they serve and the people they employ. I am pleased to say that we are committed to this. I hope that, in reading this report, you will see what I see: a responsible company, trusted to keep the energy flowing to 11 million customers safely and ethically while at the same time forging ahead to meet the environmental challenges of our society.

Our commitments

On 9 December 2019, after significant stakeholder engagement, we submitted our final 2021-2026 RIIO-2 Business Plan to Ofgem. In it, we have set out a stretching ambition which will help us to transform the experiences our customers have whilst keeping a clear focus on managing affordability through reducing bills in real terms over the period. On the 9 July 2020, Ofgem released their draft determinations of the plan and we will work closely with Ofgem ahead of their final determination in December 2020.

As we finished the year, we were confronted with the COVID-19 pandemic. We have all had to learn and adapt quickly during a difficult and challenging time. I have been impressed by the commitment and support shown throughout the business. You can read more about our response in the Annual Report and Accounts 2019/20. I'm very proud to work for Cadent and delivering the vision we have for the coming years.

Steve Fraser

Chief Executive Officer



We are very focused on the long-term sustainability of our planet by reducing carbon emissions to zero."

Looking to the future



Firstly, I'd like to extend my sincere thanks to my colleagues on the Committee – Catherine Bell and Ian Coucher and also the Management of Cadent who have worked tirelessly to improve the safety and sustainability performance of the business. I would also like to welcome Perry Noble who has joined the Committee and will replace Ian Coucher going forward.

In last year's report we outlined our Sustainability Framework and set out our ambition across a number of both Safety and Sustainability measures. It is pleasing to report that improvements have been made in all our goals and again further improvements have been targeted for 2020/21.

Public safety and customer service are at the forefront of the business. Cadent provides the National Gas Emergency contact centre on behalf of the UK gas industry and receives approximately 1.4 million calls per year from members of the public.

The calls are allocated on a geographic basis to one of the Gas Distribution Networks and last year the four Cadent networks received 356,879 emergency calls.

Upon receipt of a call, an engineer is dispatched to investigate and where possible execute a repair. Of the calls received, approximately 80% were found to be defects on the gas installation or appliances within the customers premises. Where possible, the engineer will endeavour to repair the fault. Where this is not possible and the customer is registered on the Priority Services Register, they will receive additional support with temporary cooking and heating facilities.

Cadent exceeded the regulatory standard of 97% in 1 hour for responding to uncontrolled gas escapes with the average attendance time of 34 minutes.

Throughout 2019/20 we have expanded the use of robotic CISBOT technology to rehabilitate large diameter gas mains in busy city centres across the networks. Aside from the improvements in safety, CISBOT significantly reduces disruption. Another critical area is the management of the gas infrastructure in multi-occupancy buildings. Many of these buildings are over 50 years old and arising from the regular surveys, substantial renovation works are often required. The challenge for the engineers overseeing this work is to minimise the impact upon the gas consuming customers and is an area where substantial improvements have been made in the last year.

As 2019/20 drew to a close, the business was preparing to operate in a COVID-19 environment. As we look back over the last six months, it's been interesting to see the emissions impact of the various lockdowns around the world. In early April, global carbon dioxide emissions were reported to have reduced by 17%, predominantly due to reductions in surface transport and industry. In the UK, the reduction was even higher – 31% attributed to a higher level of surface transport and a full lockdown. However, the National Oceanic and Atmospheric Administration from their base in Hawaii recorded the highest ever levels of atmospheric carbon dioxide – 417.1 parts per million (ppm), up 2.4ppm on the previous year.

The trouble with carbon dioxide is it traps heat and disperses slowly and whilst we all talk about "net zero" by 2050, the scientists are predicting that unless global carbon dioxide emissions are reduced by 3-7% per annum in the years to 2030 the damage due to global warming will be irreparable. It is with this background that Cadent is leading in the adaptation of the UK gas distribution networks to transport low carbon gas and several of our projects are highlighted in the report. Additionally, we continue to work with the business to identify environmental improvement opportunities and set challenging environmental targets- most notably methane emissions from the network which are targeting reductions of more than 3% per annum for the next five years.

Howard Higgins

Chair of the Safety & Sustainability Committee



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