



# Annual Sustainability Report

2024

*together*  
we are  
the network

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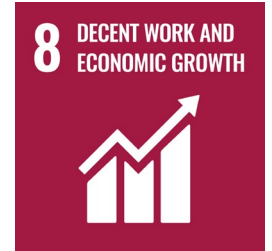
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# Clear strategy informed by our stakeholders

During 2018 to 2022 we engaged with **14,000 stakeholders** to help us establish our sustainability priorities. Based on what our stakeholders told us we identified what sustainability means to Northern Gas Networks (NGN):

*“Being able to tackle the challenges facing our business, our society and our planet, today and in the future.”*

We used the learning from this engagement to develop our **People and Planet Strategy** which was approved by our Board and launched by our Senior Management Team (SMT) in June 2022. Our People and Planet Strategy aims to protect the environment and ensure we make responsible decisions to enable our customers, colleagues and supply chain to thrive in the long term. The strategy includes eight commitments underpinned by short term (to 2026), medium term (to 2030) and long term (to 2050) targets each assigned to a relevant owner from our SMT to assign accountability for delivery. We have made additional commitments to strong governance. Our strategy is aligned to directly support our priority United Nations Sustainable Development Goals (UN SDGs). Our full set of strategy targets is provided in Appendix A.

Our strategy is a live document, and as areas develop or stakeholders place more value on certain aspects, we adapt our approach.



# Our People and Planet Strategy commitments



## Planet

- Enable affordable, decarbonised heat, power, and transport
- Produce less waste and recycle it all
- Eliminate air pollutant emissions and reach net zero by 2050
- Manage our land to benefit the environment



## People

- Enhance access to opportunities and fair jobs
- Prioritise colleague safety and wellbeing
- Build a diverse workforce and eliminate inequality
- Ensure access to safe and affordable energy for customers and vulnerable communities



## Governance

- Ensure robust risk management framework and processes
- Transparency and accountability
- Partner responsibly and hold suppliers to sustainability standards
- Maintain robust cyber resilience

# Our sustainability journey



# Highlights from 2024

81%

Score in our first GRESB  
Infrastructure Asset

941

Colleagues trained around  
customer vulnerability

6%

Reduction in greenhouse gas  
emissions

71,000

Hours of training delivered to  
colleagues



322 days volunteered by our  
colleagues



22,400 trees planted  
in our region



590km of leaky metallic pipe  
replaced with durable plastic  
ones in our communities

82%

Suppliers complying with NGN  
Supplier Code of Conduct

# A word from our CEO



**I am delighted to share our Sustainability Report for a second year. As the gas distribution network for most of Yorkshire, the North East and northern Cumbria, looking after people and the planet is integral to everything we do and essential to achieving our vision for a fairer, greener future for the North of England.**

Our customers and wider stakeholders care deeply about the role we can play in creating a thriving environment, while keeping bills as low as possible. We strive to ensure that every investment decision that we make delivers value for money, while improving environmental, economic and social opportunities in the region.

This year we've continued to work closely with our partners, supply chain and wider stakeholders to deliver the commitments set out in our People and Planet Strategy and we're making great progress – from our ardent focus on reducing gas leakage which has seen a further 6% drop in greenhouse gas emissions this year, to installing solar panels at our offices and depots, to rolling out carbon training to empower our colleagues to be more environmentally aware.

We've also made great strides towards creating a more inclusive workforce, empowering our Colleague Communities to influence strategic business decisions that will make NGN an even better place to work for everyone. This includes modernising our company policies and procedures as well as introducing more opportunities for learning and development in relation to inclusion and belonging. Most recently, my senior leadership team and I had the privilege of joining the fantastic Northern Pride and Curious Arts for a training session on allyship where we learned about what more we can do to support our LGBTQIA+ colleagues so that they can thrive at work.

In December 2024 we submitted our plans for the next regulatory period (2026 – 2031) to Ofgem, the energy regulator. This sets out a £1.83 billion investment programme, with environment and sustainability a core focus throughout. This plan is founded on our long standing track record of strong performance. It builds on the progress we've made since 2013 to reduce the environmental impact of our daily operations, helping to ensure a fair transition to net zero, while improving the lives and opportunities for some of the most disadvantaged communities in our region.

Looking to the future, we know that hydrogen can be a key enabler of accelerated decarbonisation for industry, transport and heat, reducing reliance on fossil fuels and shoring up energy security. Over the last 12 months we've continued to work with our partners to understand what's required to ready our infrastructure and support a fair transition to net zero.

I'm incredibly proud of what our colleagues, partners, and supply chain have accomplished this year. Their dedication has built strong momentum toward achieving our 2050 commitments set out in our People & Planet Strategy, and I look forward to continuing to work together to achieve a fairer and greener future for all.

**Mark Horsley**  
CEO, Northern Gas Networks

# Meet our Sustainability Team

## A word from our Head of Environment and Sustainability

During 2024 we have continued our journey to deliver our ambitious People and Planet Strategy. We have achieved excellent performance in gas leakage reduction, our biggest single greenhouse gas emission, and diverting waste from landfill. Our tree planting programme to tackle poor urban air quality in our region is also providing particularly pleasing results. Safety is key to our culture and we continue to work to very high standards of customer and operational safety. Our social programme is delivering wide-ranging benefits to our stakeholders, in particular our most vulnerable communities in our region. We have also continued to develop and embed our approach to diversity and inclusion within our organisation.

Our People and Planet Strategy was informed by our stakeholders and is consciously ambitious. Achieving our commitments remains challenging but we believe they can be achieved through innovation, collaboration and long term thinking to the benefit our stakeholders and region. Our customers tell us that sustainability remains a high priority to them, despite the cost-of-living crisis and other pressures. In collaboration with our partners, we work hard every day to meet this expectation.

**Neil Whalley**  
Head of Environment and Sustainability,  
Northern Gas Networks

## Our Sustainability Team:



**Neil Whalley**  
Head of Environment and Sustainability

Neil is a Chartered Geologist with 20 years experience in environment and sustainability management. Neil has worked at NGN since 2014 after previous roles in consultancy and leads the Environment and Sustainability Team.



**Tom Keighley,**  
Land Remediation Manager

Tom is a Chartered Scientist and joined NGN as Land remediation Manager in October 2023. Prior to this, Tom worked as a land contamination consultant with a primary focus on historic gas works sites. Tom is responsible for managing NGN's portfolio of sites with the potential for contaminated land.



**Hannah Jewison,**  
Business Sustainability Lead

Hannah led the development of NGN's People and Planet Strategy and works to embed the strategy across NGN's stakeholders, colleagues and supply chain partners to ensure they are engaged and energised to deliver its ambitious aims.

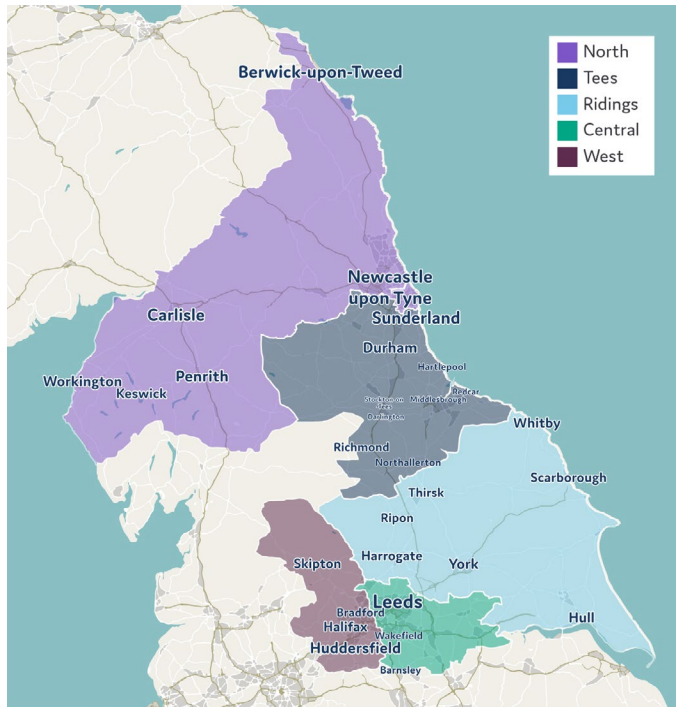


**Emma Holman**  
Sustainability Reporting Lead

Emma joined NGN in April 2024 and oversees the collection and analysis of our environmental and sustainability data required to meet our annual and regulatory reporting obligations, ensuring compliance and accuracy.



# Who we are and what we do



Our network area

**We are Northern Gas Networks (NGN), the gas distributor for the North of England. We keep 2.9 million homes and businesses cooking on gas, through our vast underground pipe network.**

We are committed to providing a safe, reliable and great value service to our customers and stakeholders, while developing new technologies to deliver forms of low carbon energy, such as hydrogen, to support a greener future. Innovation underpins everything we do – whether we are replacing pipes, fixing leaks, developing low carbon energy solutions or supporting our most vulnerable customers.

By thinking differently, listening to our colleagues and stakeholders, working closely with our partners and considering our communities, we are pushing the boundaries of what a utility company is capable of.

## A regulated business

Like other gas distribution networks in Great Britain, NGN is a regulated business and operates under a licence issued by the Office of Gas and Electricity Markets (Ofgem). Allowed revenues for NGN, including for environmental protection, decarbonisation and adaptation to climate change, are currently set by Ofgem in periodic price reviews and require submission of a detailed business plan. Between 1 April 2021 and 31 March 2026 we are operating under the RIIO-Gas Distribution 2 (RIIO-GD2) price control.

## About this document

Our People and Planet Strategy documents our sustainability journey to 2050 and includes short (to 2026), medium (to 2030) and long term (to 2050) targets. This document provides a summary of our performance during 2024 against our commitments, with data within this document representing the period 1 January 2024 to 31 December 2024 (unless stated otherwise). See our [2023 report](#) for a summary of our previous activities.

# Our vision and purpose

## Our vision

A fairer, greener future for the North of England.

## Our purpose

We keep customers safe.  
Colleagues healthy and inspired.  
Homes warm and businesses and industry powered up. We strive to do the right thing – tackling inequality and supporting our most disadvantaged customers. By keeping our network reliable and productive we will deliver a cleaner energy future and ensure outstanding value for everyone.

We exist for our communities in northern England. The primary focus of our organisation is to maintain and improve our network to deliver core services to our customers today, while supporting cleaner energy for future generations.

Working in partnership with our stakeholders during 2023 and 2024 we have developed and refined our vision and purpose. It was clear our stakeholders value our customer focused and innovative nature, but they also felt we should focus on collaboration, driving down costs and being visible. We have reflected these priorities in our vision and purpose.

While customer service, safety and value for money remain key focuses, our vision and purpose reflect that sustainability is one of our key strategic business priorities. We tested our purpose statement with a broad cross section of our stakeholder community at our annual stakeholder conference in September 2023, achieving 89% approval.

Our vision and purpose steer our business direction and decision making. They shape our priorities, focus our attention, and guide our investments as we strive to achieve our short, medium and long term objectives.



# Strong and effective governance

## Strategic vision and leadership

NGN is a large, privately owned licenced gas transporter operating solely in the north of England. NGN maintain a board of executive and non-executive directors ('the Board') who are independent of the day-to-day management of the company, with the exception of the NGN Chief Executive Officer (CEO) who is a Board member and leads the company EMT (Executive Management Team) who in turn manage the company.

The Board ensure they are aware of how well the company is performing against its strategic objectives and values through the establishment of key performance indicators (KPIs) which are reported upon at Board meetings by the CEO and EMT. The Board have linked the remuneration of the EMT to achieving Board approved targets which feature sustainability matters including greenhouse gas emissions and operational safety performance. These governance arrangements facilitate debate on the performance and future direction of the company thereby enabling the shareholder to influence all the key business decisions of NGN through their appointed Directors.

The Board has seven committees, including an Environmental, Social and Governance (ESG) Committee, which meet four times per year to assist in the execution of its duties and to allow a detailed consideration of complex issues. All Board members are entitled to attend all committees and attendance of the committees is largely the same as for the Board plus relevant NGN Senior Managers and subject matter experts. The ESG Committee exists to assist the Board in fulfilling its responsibilities including identifying and reviewing sustainability related risks and opportunities, and monitoring company performance with respect to strategic sustainability related business strategies and commitments. This committee was created at the request of the Board and first met in February of 2023.

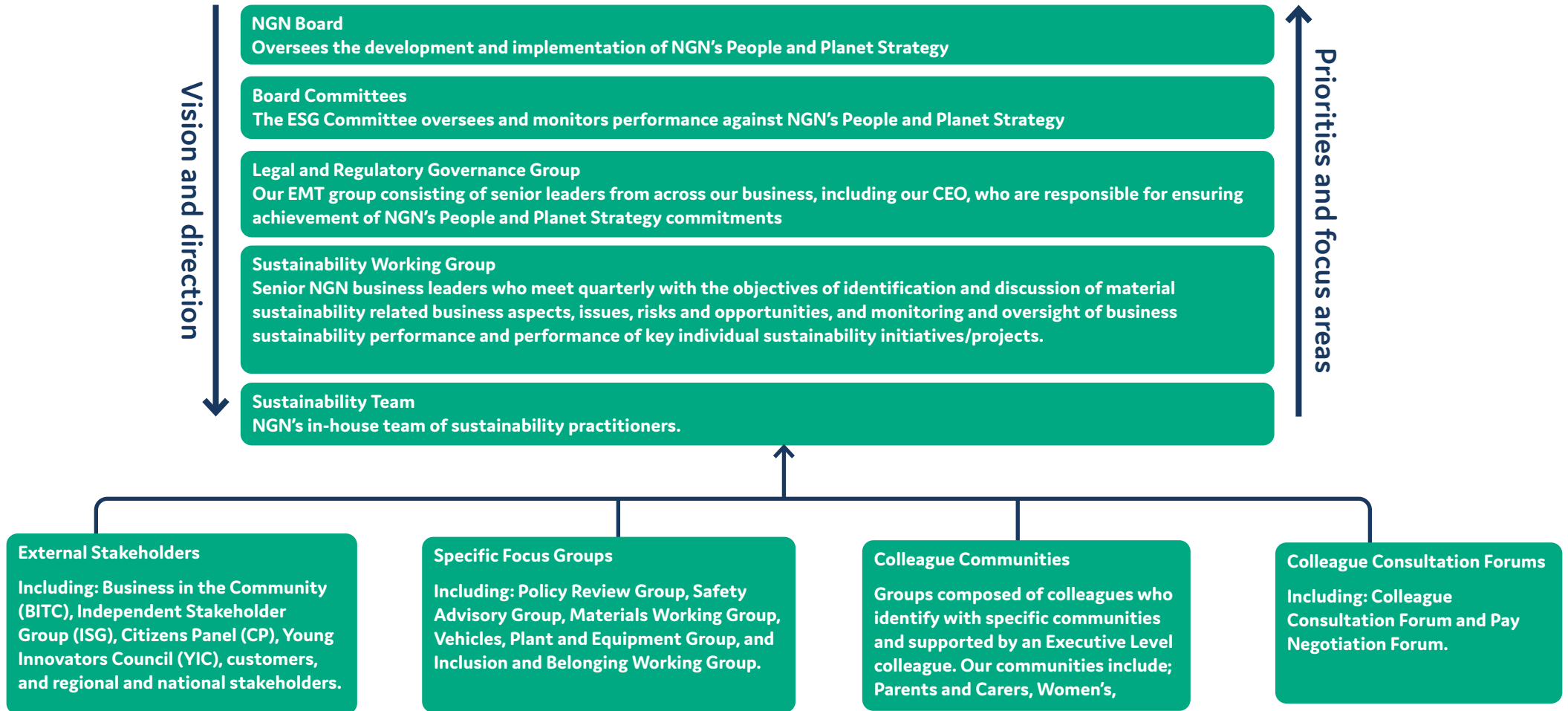
## Accountability for sustainability performance

The Board has overall responsibility for NGN's sustainability performance. Supported by the wider business and NGN's in-house Sustainability Team, the CEO and EMT are responsible for delivering NGN's strategic sustainability commitments (as contained with our People and Planet Strategy), with their performance reported to the Board and ESG Committee. Further governance with respect to sustainability matters is provided by a spectrum of internal groups including NGN's Sustainability Working Group and Inclusion and Belonging Working Group, and external stakeholder forums including our Independent Stakeholder Group (ISG), Young Innovators Council (YIC) and Citizens Panel (CP).

### NGN Board Committees:



# A summary of our sustainability governance arrangements



# Strong and effective governance

## Risk management culture

The Board expect the EMT to develop and maintain a controlled environment which protects the company's assets in the long term, including with respect to sustainability matters. The Board ensure this is achieved through implementation of a risk management framework which includes the establishment of:

- A Board level Risk Management Committee – this is responsible for reviewing the risk profile of the business and oversight of risk management processes on behalf of the Board.
- A Risk Management Policy and an Integrated Risk Management Framework to ensure regular review and control of business risk exposures.
- An NGN internal audit function – this undertakes independent appraisals and provides assurance on the adequacy and effectiveness of business controls within NGN, including with respect to sustainability matters.
- Provision of independent external assurance by qualified professional providers.

Detailed risk registers are prepared for each company department which feed into a company level ('corporate') risk register, addressing business risks including sustainability items (such as not achieving our strategic sustainability commitments). All risks are quantified and assessed on both a financial and non-financial basis, in addition to a likelihood of occurrence and assessment of the effectiveness of the existing control measures to derive the overall risk level posed to the company. A responsible EMT owner is assigned for each risk and actions are assigned (with completion dates) to ensure all risks are maintained at a tolerable level in accordance with the company risk management framework. Department risk registers are reviewed quarterly and the corporate risk register at least three times per year to ensure business risk exposures, including with respect to sustainability matters, are appropriately assessed and managed. At each meeting of the Risk Management Committee the corporate risk register is reviewed and any movements changes communicated and discussed.

The schedule of work carried out by the NGN Internal Audit Team is planned and approved by the Board annually so that key or higher risk areas are reviewed on a recurring basis, and all findings are reported by the Internal Audit Team to the Audit Committee. For example, during 2024 the team completed an audit of NGN's greenhouse gas emissions reporting process.

Key NGN policies can be found [here](#) including our:

- Code of Conduct
- Supplier Code of Conduct
- Modern Slavery Statement
- Fraud Policy
- Whistleblowing Policy
- EHS Policy
- Sustainability Policy

# Demonstrating leadership



NGN are a founding member



Member organisation including  
climate sub-group



NGN provide a Commissioner



NGN are a member of the Yorkshire  
and Humber Leadership Board



NGN are a funding member and  
provide a Commissioner

# Cyber Resilience

Cyber risks are constantly evolving. They pose a threat to every business and are a concern to our stakeholders. To combat them we focus on information technology (IT), operational technology (OT) and physical security and resilience.

## Future proofing our cyber resilience approach

In 2024 we updated our Cyber Resilience Strategy to reflect our progress and futureproof our approach, including shaping our future programme of work. Key updates included:

- Moving oversight of all IT, OT and physical security pillars to a single directorate to ensure security is managed holistically and aligned to one common aim and set of objectives.
- Shifting our focus towards the requirements of the Cyber Assessment Framework (CAF) enhanced profile and the programme of work needed to enhance cyber resilience, particularly following the inclusion of physical security requirements.
- Building our digital services securely and with the future in mind, to recognise the role of technology and data in delivering a more efficient gas network and enabling cross-sector data sharing and collaboration.

## We have had zero cyber resilience incidents leading to gas supply disruption on our network

During 2024 we developed our Cyber Security and Technical Resilience Strategy which sets out a clear aim and ambitious objectives for the period to 2031, building on our established Cyber Security and Technical Resilience Management System. It will see us implement a programme of change that embeds improvements into business-as-usual activity while maintaining established governance and assurance processes, including:

1. Enhancing our ability to manage and maintain our critical industrial assets by virtualising industrial technology. This helps us increase visibility and transparency, gaining greater security control and additional safety, resilience and reliability benefits.
2. Improving our monitoring and incident response by implementing holistic identity and access management controls throughout our operations, including physical access. This will improve both our ability to prevent incidents occurring in the first place and the speed with which we can resolve incidents that do occur.
3. Improving our monitoring capability by extending onto operational assets. This includes a large programme of physical security improvements to establish closed-circuit television (CCTV) and Physical Intrusion Detection Systems on critical operational sites. By monitoring additional data sources, we improve our ability to detect incidents, support timely resolution and limit their overall impact.
4. Continuing to develop, test and assure our cyber resilience capability by running simulation events at our cyber physical twin test facility. By emulating highly disruptive incidents, we can demonstrate the real-world effects of a sophisticated attack on the UK gas sector. This will supplement our focus on assurance, demonstrate the effectiveness of our controls, improve staff awareness and help us develop specialist security skills in-house.

**Cyber is a specialist topic that customers and stakeholders feel unable to influence, but they seek reassurance that 1) NGN is prioritising investment to safeguard the network against perceived threats, 2) that cyber vigilance is a consideration across all customer touch points, and 3) that there is a comprehensive awareness and education programme for NGN colleagues.**

Stakeholder insight, 2024

# Listening to our stakeholders

Engagement is an essential tool in understanding customer and stakeholder priorities, needs and expectations. We are committed to ensuring our business makes decisions reflective of customer and stakeholder values and preferences and founded on a substantial evidence base. This includes all elements of our business but especially our approach to sustainability.

Over the years we've built a tried and test approach to working with our stakeholders that gives us the breadth and depth to explore difficult and challenging issues and get to the heart of what's important to them. There are a number of ways we talk with stakeholders including on the doorstep, online focus groups, workshops, forums and surveys, and over the telephone depending on individual preferences and needs. To make sure we are following best practice our engagement is independently assured against the internationally recognised **AA1000 Stakeholder Engagement Standard**.

We've developed a range of innovative engagement mechanisms, including our industry leading Citizens Panel, our Young Innovators Council, our annual Customer Perceptions Research and our annual Stakeholder Conference that allow us to challenge and test our thinking and ensure our actions continue to be relevant and meaningful. Please see Appendix B for a summary of our principal external stakeholder engagement mechanisms.

Want to know more about what our stakeholders are telling us? See our dedicated stakeholder engagement website [here](#).

## Sustainability engagement findings 2024

Our [2024 Customer Perceptions Research](#) identifies that helping our region meet climate change targets is important to our customers, ranking 4th place in priority after keeping bills low (1st), providing a reliable supply of gas (2nd) and providing a safe service (3rd). This prioritisation has been stable for a number of years and confirms that stakeholders consider sustainability, in particular climate change, an important issue.



NGN stakeholder engagement, 2024



# Stakeholder outcomes in our RIIO-GD3 business plan

In December 2024, we submitted our latest regulatory business plan for the 2026 to 2031 period ('RIIO-GD3'). Our plan is underpinned by our vision for a fairer and greener future for the North of England. As a frontier performing gas distribution network (GDN), our plan is ambitious. It builds on our track record of outperformance across safety, reliability, efficiency and customer service and sets out how we can continue to lead the way in the sector and maximise the value that we can deliver for our customers.

**Our plan was informed by over 13,286 stakeholders, including 7,940 underreached customers**

Customers told us to set ambitious, stretching carbon reduction targets as opposed to easily achievable targets to satisfy reporting requirements. We have reflected this by setting ourselves consciously stretching carbon reduction targets, but this brings with it the risk of not achieving these ambitions. In 2024 we proactively engaged with our future customers (YIC) to ask them what we should do if we were to fall behind on achievement of these deliberately ambitious targets. They told us that the most responsible thing to do if that occurs is to retain the targets to maintain accountability, ambition and direction. We should also look at alternative ways to benefit the environment to compensate for this, such as offsetting.

Our RIIO-GD3 plan prioritises transparency in our environmental reporting, outlining that we will share updates in our Annual Environmental Report (AER) and Annual Sustainability Report (ASR) and address stakeholder feedback. We will clearly indicate areas where we fall short of targets (should this occur), adhering to the latest standards including the GHG Protocol Corporate Accounting and Reporting Standard. While we will focus on reducing emissions over offsetting, we may consider UK based carbon offsetting in the future and will report any usage accordingly.



Highlights of our RIIO-GD3 business planning stakeholder engagement

# Focussing in on what matters most

To focus our People and Planet Strategy in the right areas, we need to understand our material aspects. To achieve this we completed a bespoke materiality assessment which included:













- Analysis of our historical and current stakeholder insight to identify which aspects are consistently most important to our stakeholders
- Assessment of our ability to create value in the short to long term for each aspect, including consideration of how issues can impact NGN financially and reputationally.

Our full assessment is available [here](#). From this analysis we know that our stakeholders consider our most material aspects to be:

- Keeping bills as low as possible
- Providing a reliable supply of gas
- Providing help for those who need it most
- Helping the region meet climate change targets
- Providing a safe service
- Trust and transparency

We recognise that there are other aspects which may not resonate as strongly with our stakeholders but are important to drive the culture that delivers the outcomes our stakeholders expect, and are simply the right thing to. We are also prioritising action on these lower materiality items.

We will contribute to the achievement of all 17 of the United Nations Sustainable Development Goals (UN SDGs). By focussing on our most material aspects by delivery of our People and Planet commitments we will contribute to the achievement of SDGs 7, 8, 10, 11, 12, 13 and 15. We understand to enable lasting achievement of these goals we need to work in partnership with stakeholders, as a result we also commit to Goal 17.

	Material aspect	Our People and Planet Strategy commitment	Relevant UN SDG
High Materiality	Keeping bills as low as possible		 
	Providing a reliable supply of gas		 
	Providing help for those who need it most	Ensure access to safe and affordable energy for customers and vulnerable communities	
	Providing a safe service		
	Trust and transparency	Transparency and accountability	N/A
Lower Materiality	Helping the region meet climate change targets	Eliminate air pollutant emissions and reach net zero by 2050	
	Supporting a thriving environment	Manage our land to benefit the environment	  
	Creating opportunities for local people and business	Partner responsibly and hold suppliers to sustainability standards	 
	Providing outstanding customer experience	N/A	N/A

Our most material environmental, social and governance aspects

# How we are progressing?

People and Planet Strategy Commitment	Maturity Assessment - 2024			
	Developing We are evolving our approach to achievement	Refining Our approach requires further refinement, and/or our delivery is dependent on the actions of others, such as government policies	Delivering Our pathway is well defined and we are on track to achieve	Delivered We have achieved our commitment
Enable affordable, decarbonised heat, power, and transport			✓	
Produce less waste and recycle it all			✓	
Eliminate air pollutant emissions and reach net zero by 2050			✓	
Manage our land to benefit the environment			✓	
Enhance access to opportunities and fair jobs			✓	
Prioritise colleague safety and wellbeing			✓	
Build a diverse workforce and eliminate inequality		✓		
Ensure access to safe and affordable energy for customers and vulnerable communities			✓	
Transparency and accountability			✓	
Commitment to transparency and accountability			✓	
Partner responsibly and hold suppliers to sustainability standards			✓	
Maintain robust cyber resilience			✓	



# Measuring our success



In our 2023 submission, we scored 86% in the Business in the Community (BITC) Responsible Business Tracker.

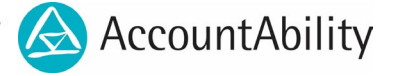
The Responsible Business Tracker is a measurement tool that evaluates our performance against BITC's Responsible Business Map, aligned with the UN's Sustainable Development Goals (SDGs). It combines qualitative insights with quantitative scores. We participated in assessments in 2019, 2021, and 2023, receiving our latest feedback in March 2024. Our key strengths include strong governance, effective stakeholder engagement, and digital transformation. We were praised for our commitment to climate action, reflected in our well-embedded strategy. Notably, our inclusion score improved significantly from 47% to 64% since our last submission. Across this report we pull out key highlights from our Responsible Business Tracker submission.

Year	Overall Responsible Business Score
2019	56%
2021	74%
2023	86%

Certified ISO 14001:2015 company



Independently assured against the AA1000 Stakeholder Engagement Standard



Shortlisted for a Woman in Utilities Network Award in 2024



Achieved Supply Chain Sustainability School Bronze badge



Attained 81% in GRESB Infrastructure Asset Assessment 2024



Certified ISO 22458:2022 company



# Our strategic commitments – an update for 2024



# Enable affordable, decarbonised heat, power and transport

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**7** AFFORDABLE AND CLEAN ENERGY



## Key highlights:



Enough biomethane injected into our network to heat 59,000 UK homes

**400**

Stakeholders attended our East Coast Hydrogen Delivery Plan webinar



Net Zero Educator Role delivered almost 300 sessions to over 23,000 pupils

## By 2026 we commit to...

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- Complete Hydrogen blending project to provide evidence to secure policy decision for Hydrogen blending
- Improve customer service to facilitate higher levels of green gas in our network.
- Demonstrate safety case and deliver hydrogen village trial

# Enable affordable, decarbonised heat, power and transport solutions

Gas networks are vital to the operation and security of the UK's energy system, in particular for the provision of energy for heat for domestic customers and businesses. The UK's energy system and networks will be required to undergo substantial changes in order to achieve net zero emissions by 2050.

In order to support the achievement of net zero emissions by 2050, over the last decade we have actively contributed to a research programme to demonstrate how the existing gas networks can be decarbonised to safely deliver sustainable, affordable low carbon gas for use in transport, homes and businesses, in particular hard to decarbonise industries. This journey starts with enabling connections of biomethane and blending hydrogen with methane, leading to conversion of the gas networks to transportation of 100% hydrogen. Below we provide a summary of our actions during 2024 with details of our previous activities over recent years provided in our [2023 Annual Sustainability Report](#).

## Commitment in action: Connecting green gas to our network

Biomethane is a low carbon gas produced from organic materials like food waste which can be injected into the gas network now as an alternative to natural gas thereby assisting the net zero transition. We work with biomethane producers to enable their connection to our network and maximise their gas injection.

Between 2023 and 2024 annual biomethane injection into NGN's network remained stable at 0.71 TWh, enough for approximately 59,000 typical UK homes, and meaning biomethane comprised 1.2% of network gas throughput. This biomethane displaced the requirement for natural gas, saving over 150,000 tCO<sub>2</sub>e of customer Scope 1 and 3 emissions.



A biomethane production plant

## East Coast Hydrogen – Supporting Industrial Decarbonisation

Many businesses currently use large quantities of natural gas for industrial processes and cannot easily decarbonise without an alternative energy source. Low carbon hydrogen is recognised by the UK Government as critical in enabling the UK to achieve net zero by 2050.

[East Coast Hydrogen](#) is a collaboration between National Gas, Northern Gas Networks and Cadent to connect planned hydrogen production and storage with industrial users in our region over the next 15 years. The Delivery Plan, launched in November 2023, identifies that 4.4GW of green hydrogen production capacity is planned within the region by 2030, 88% of the UK Government's 2030 target. The project demonstrates that the development of a full hydrogen value chain could add an additional £27bn gross value added and 360,000 jobs across the region in the period up to 2050.

During February 2024 we hosted a webinar for over 400 stakeholders to share our East Coast Hydrogen Delivery Plan. It provided an overview of our Plan, which illustrates a single pipeline network plan to connect hydrogen supply and demand, enabling significant decarbonisation of industry and power generators in the region and stimulating the hydrogen economy. The plan includes using new and repurposed pipelines to meet the needs of the industry, based on hydrogen demand, supply and storage capacity from our consortium members.

During 2024 the project partners submitted applications for regulatory funding from Ofgem to conduct Front End Engineering Design (FEED) studies. The FEED studies are the natural next step in enabling us to start repurposing and constructing hydrogen infrastructure in the late 2020s and early 2030s and fulfil our ultimate ambition of connecting hydrogen supply with storage and users. With 63 TWh/year of hydrogen demand identified and the potential for saving up to 12 MtCO<sub>2</sub> per year by 2037, the East Coast Hydrogen programme is vital for decarbonisation of industry and the prosperity of our region.



We aim to be Net Zero by

2050

12 MtCO<sub>2</sub>e

Potential annual carbon saving from East Coast Hydrogen project by 2037

1.2%

Of gas transported in 2023/24 via our network was biomethane

# Enable affordable, decarbonised heat, power and transport solutions

## Off-Gas Warmth project

NGN's Off-Gas Warmth project is funded by our Customer Support Fund (CSF) and supports off-gas, vulnerable households to obtain first-time gas central heating in partnership with Communitas Energy. Benefitting customers often have multiple health risks associated with living in cold homes, where they would otherwise have struggled to stay warm and well. It helps eligible households who may be most at risk of being left behind in the energy transition to achieve an efficient, affordable heating solution, and often results in carbon savings due to the replacement of inefficient oil or solid fuel systems.

## Commitment to Education

In 2023, we created a team to educate young people on the importance of net zero and energy. This team run our net zero outreach programme. In 2024, our Energy Futures and Net Zero Education Outreach Programme held 296 sessions for diverse groups, including those with special educational needs. We engaged 23,426 young people through activities, workshops, and staff training.

A key highlight was the Net Zero Island project with Bradford Council's Skills House Academy, where West Yorkshire schools collaborated on net zero solutions. We also worked with IGEM to support integrating net zero into school curricula.

### Programme benefits:

- Increased awareness and understanding of decarbonised energy solutions and net zero among youth, including females which may increase the attractiveness of the sector for those making career choices
- Collaboration and problem-solving among schools for sustainability
- Influenced curriculum development to include energy transitions
- Engaged communities to prepare future generations for sustainability challenges.

## Case Study: Off-Gas Warmth Project

Mrs. X, an 83-year-old owner occupier, was ineligible for Fuel Poor Network Extension Scheme funding. She struggled with mobility, mental health, and managing her unreliable coal-fueled heating system. Her home had an EPC rating of E, and she lived alone on an income under £20k, making her fuel poor. With no funding available for a new central heating system and winter approaching, her case was prioritised due to health risks. The case was approved for CSF funding by members of the governance panel, who all agreed that this was a worthwhile use of funds to achieve affordable warmth for the customer. Mrs X's gas connection and full central heating system was installed soon after. She was referred to the Priority Services Register (PSR), received carbon monoxide awareness information and was supported to apply to her local authority for additional insulation measures to further improve the energy efficiency of her home.

7 AFFORDABLE AND CLEAN ENERGY



78%

Score for education in 2023  
BITC Responsible Business  
Tracker, against a cohort  
average of 33%

296

Number of Net Zero  
education sessions  
delivered in 2024

23,426

Number of young people  
engaged with about Net  
Zero in 2024



# Enhance access to opportunities and fair jobs, and prioritise colleague safety and wellbeing

8 DECENT WORK AND ECONOMIC GROWTH



## Key highlights:



NGN are members of the British Safety Council

86%

Score in BITC Responsible Business Tracker for Inclusive Employment and Good Work against cohort average of 34%



0.02 Lost time Injuries AFR

## By 2026 we commit to...

- Recruit minimum 100 apprentices (2021-26) with the offer of permanent employment on completion.
- Offer placements to students focusing on areas of low Social Mobility
- Create opportunities for the existing workforce to improve their skills
- Train 100 community partners to deliver sustainability messages on our behalf
- Improve support for colleagues including setting up wellbeing champions.
- Review and monitor data to measure wellbeing in workforce
- Mental health training for all colleagues

# Enhance access to opportunities and fair jobs

The recent cost of living crisis has increased pressure on many households, and the role that businesses play in supporting them is increasingly important. Improving access to good employment opportunities, supporting colleagues to develop, keeping them safe and in good health is essential.

## Benefits for colleagues

At NGN, with an average employee tenure of over 10 years, we prioritise quality employment. We ensure safe working conditions and provide a well-equipped occupational health team, competitive remuneration, flexible working options, paid volunteering days, and opportunities for upskilling. Our benefits evolve to meet colleagues' needs, focusing on financial security through initiatives like free mortgage advice and partnerships with the Fuel Bank and Leeds Credit Union. We also offer flexible benefits providing our colleagues with access to private healthcare, car maintenance packages, low emission car lease schemes, and technology vouchers to support our colleagues' well-being and financial stability.

### Case study: Foundation skills programme

Starting in 2023 we partnered with Kirklees College and the GMB Trade Union to provide access to the Foundation Skills programmes for maths and English. These courses help colleagues who didn't achieve formal qualifications, or missed out on GCSEs, in recognition that this is often a barrier for people to apply for or seek progression and will also benefit colleagues outside of work.

So far, 13 of our colleagues have gained qualifications through the programme.

	2022	2023	2024	Target 2026
Recruit minimum 100 apprentices across 2021-26, with offer of permanent employment on completion <i>cumulative shown</i>	46	78	91	100
Number of work experience/ placement students	5	14	13	NA
Train 100 community partners to deliver sustainability messages on our behalf <i>cumulative shown</i>	162	1,021	1,714	100

We continue to offer a successful apprenticeship training programme and are on track to achieve our target for 2026, in addition to offering work experience opportunities to those starting out on their career pathways. Recently, 13 of our apprentices completed their four-year course, to achieve their qualification as a 'Gas Network Craftsperson'. One of the group, Jo Lumsden, loved helping her dad fix motorbikes as a child, but was unsure how to turn her passion into a career. She was working in a pub when she spotted an advert for one of our apprenticeships.

Jo said, "I hope I'm now with Northern Gas Networks for the rest of my career – I'd be proud and happy if I was. I didn't think you could get a company this big that look after you the way they do. All of my colleagues have been brilliant, I can't thank them enough – they want you to learn as much as you want to learn....Also, I want to help protect the planet, and being part of an organisation where that is a huge focus is important to me."



91

Apprentices recruited since 2021

13

Work experience placements delivered in 2024

59

Colleagues have taken up the EV car scheme offered through our benefits package

# Prioritise colleague safety and wellbeing

## Mental Health at work commitment

Our 2022 Workplace Wellbeing survey identified that our staff were concerned about mental health issues, this prompted us to sign the Mental Health at Work Commitment. This means that we are committed to prioritising mental health in the workplace by developing and delivering a systematic programme of activity. This includes proactively ensuring work design and organisational culture drive positive outcomes and open conversation around mental health, and increasing transparency and accountability through internal and external reporting.

In 2024, we have continued our commitment to mental health training with a further 205 colleagues undertaking training, and our trained Wellbeing Champions now numbering 45. Our Champions assist colleagues by signposting available support, providing a confidential listening ear, and promoting health and wellbeing campaigns. Champions also collect feedback to relay to the Wellbeing Focus Group for further discussion and action. This initiative fosters a supportive environment, encourages engagement in wellbeing resources, and supports mental health in our workforce.

In 2024 we also upgraded our Employee Assistance Programme (EAP) to enhance mental health support for colleagues, meaning they now have access to additional counselling sessions, life and leadership coaching and over 30 cognitive behavioural therapy (CBT) programmes.



	2022	2023	2024	Target 2026
Colleagues who undergo mental health training <i>cumulative shown</i>	34	85	290	All colleagues
Lost time injuries* per 100,000 hours worked (employees and contractors)	0.02	0.02	0.02	NA

\* work absence lasting >7 days

## Working safely every day

Our colleagues provide our customers with an essential, 24 hours a day, 365 days a year service. This often involves working in hazardous environments and challenging conditions to ensure that our customers continue to receive the energy they need. We prioritise the safety of our colleagues and contractors and operate a safety focussed culture led by our Senior Managers and involving proactive engagement with the Health and Safety Executive. We are proud of our track record of consistent, safe working.

We operate a bespoke health and safety management system aligned to the principles of ISO 45001, including controls such as policies, procedures and management of competency and task-specific risk assessments. Our safety management system is maintained by our in-house Operational Environmental, Health and Safety Team who also provide expert advice. We operate a dedicated Health and Safety Assurance Team who proactively inspect and assess our workforce and asset sites to drive compliance. During 2024 this team completed 373 audits, 11% more than in 2023.

Safety incidents associated with our works are recorded, categorised and communicated with our Senior Managers and wider business immediately on occurrence, in addition to trend analysis of key performance indicators shared weekly. Incidents are investigated to identify the root cause, including review at our regular Safety Learning Clinics which allow learning points to be identified, addressed and communicated with colleagues via dedicated channels, including updated procedures, written notifications and briefings. We also exchange such information with other UK utility networks to promote knowledge sharing.



290

Colleagues who have undergone mental health training

45

Trained mental health and wellbeing champions in our workforce

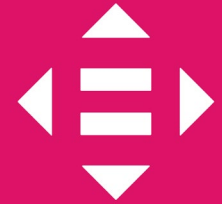
373

Proactive health and safety inspections completed in 2024

# Build a diverse workforce and eliminate inequality

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**10** REDUCED INEQUALITIES



## Key highlights:

**2,200**

Hours of inclusion training delivered

**32**

LGBTQIA+ allies trained



Trans & non-binary policy created and implemented

## By 2026 we commit to...

---

- Gather workforce diversity data and produce baseline
- Report workforce diversity annually and create action plan to improve it
- Embed colleague communities and provide executive level support
- Focus recruitment methods to encourage applications from diverse backgrounds

# Build a diverse workforce and eliminate inequality

Diverse workplaces are crucial for fostering innovation, productivity, and resilience. By valuing different perspectives, we enhance creativity, problem-solving, and decision-making – essential qualities for transitioning to a low-carbon, net zero future.

To better reflect the diversity of our communities, we've launched initiatives to improve workforce representation. However, we currently lack complete data on important diversity aspects such as sexual orientation and disability. Research shows that relying on data from less than 75% of our workforce can result in skewed results. To overcome this, we plan to launch the 'NGN Census' in 2025. This campaign will aim to increase participation in our data collection, allowing us to build a strong and effective inclusion strategy.

Previously, we produced a standalone '[Inclusion and Belonging Statement](#)'. However, in recognition that Inclusion sits within our approach to People, we have included it here this year.

## Diversity in our Executive Team:

Our stakeholders asked to see data around the diversity of our Executive Team. We have reported here the data we have available, which was self declared by our Executive Team. We hope that in future years we will be able to increase the scope of this reporting.

Diversity metric	As at January 2025
Average age	50
Are working part time	13%
Are female	25%
Are from the UK	88%
Have a disability	13%

## Gender Pay Gap

We have taken part in mandatory gender pay gap reporting since 2017/18. Unfortunately, the general trend is one of a widening pay gap. This is not our intention as we recognise that closing the gender pay gap is a priority. We have a long-term target to close our gender pay gap by 2050, and a medium-term target to halve it by 2030 (vs. 2020 baseline).

Across 2024 we have worked to understand where our gender pay gap comes from, through analysis with our Human Resources team and our Women's Colleague Community. In 2025, as we create our new Inclusion Strategy, we'll be ensuring that our action plan takes us to the ultimate goal of halving the gender pay gap by 2030 and eradicating it in the longer term.

	2020/21	2021/22	2022/23	2023/24
Median pay gap	15.5%	16.6%	18.6%	19.4%

**Our bespoke Inclusion and Belonging training programme ran across 2023/24. Through partnering with BITC we delivered training to 855 of our colleagues which covered the basics of why diversity is important and how you can help.**



40

average age of an employee

19%

of the workforce are female

98%

of our workforce are from the UK

4%

of our workforce work part time

# Embedding inclusion across NGN

To succeed in your career at NGN, we believe you should be able to be yourself, express who you are and what is important to you. We want to help all individuals and communities thrive and maximise their potential. That's why back in 2021 we launched our Colleague Communities. These groups of colleagues meet up regularly to discuss topics that are of interest, help to ensure we understand the challenges faced, and to celebrate topics that they care about. Our Communities act as trailblazers, leading the way for NGN to embed inclusion, belonging and acceptance across our organisation.

Everyone is encouraged to join a colleague community whether or not they have personal experience of 'belonging' to that community. We currently have five active communities. Some of their successes from the last 12 months are outlined here.



WUN event at NGN's head office, February 2024

## Collaboration with the Women's Utility Network

Our Colleague Communities were shortlisted for an award in the 'Best EDI initiative' category at the inaugural Womens Utilities Network awards in June 2024.

Although we didn't win the award, it was a real success to be shortlisted against such strong submissions.

In February 2024 we also worked with WUN to host their first event in the north of England at our head office in Leeds. This event brought together over 80 individuals from NGN and other businesses for networking and a panel discussion on "Inclusion in Action".

## GDNs join forces to Celebrate Black History Month

In October 2024, NGN, SGN, Wales and West Utilities, and Cadent held a black history month conference titled "Reclaiming Narratives" at Cadent's headquarters. The event featured a panel discussing on career experiences and industry challenges, followed by a guest speaker on personal narratives and overcoming self-image issues. GDN representatives highlighted initiatives for enhancing equality, diversity, and inclusion. The afternoon included workshops on sustainable recruitment and workplace stereotypes.

## LGBTQIA+ Allyship Training

Across 2024 we partnered with Pride in Energy to run interactive workshops on active allyship. The purpose was to help people understand how to develop and apply allyship in their day-to-day lives and at work. In 2024, 32 colleagues went through this training. In 2025 all our EMT will undertake the training in support of our LGBTQIA+ Colleague Community.

10 REDUCED INEQUALITIES

16

Company policies updated or created with input from colleague communities

1,500

Views by colleagues of inclusion related blogs and news stories

5

Active colleague communities including Women, LGBTQIA+, Disability, Ethnic Minority and Parents & Carers.

# Ensure access to safe and affordable energy for customers and vulnerable communities

11 SUSTAINABLE CITIES AND COMMUNITIES



## Key highlights:

941

Colleagues trained in Vulnerability



Over £5 Million provided to support vulnerability within our communities



ISO 22458 Inclusive service provision certification maintained

## By 2026 we commit to...

- Provide over £1m in funding to support vulnerable customers and communities
- Use regulated funding to build sustainable projects and partnerships that can continue independently
- Provide advice to minimum 10,000 customers annually around Carbon Monoxide Safety
- Refer 5,000 customers to the Priority Services Register annually
- Reduce our part of customer bills by 8.6%

# Safe and affordable energy services

The NGN region has some of the highest rates of fuel poverty in the UK – 17% against a national average of 13%. We also recognise that nearly 24% of adults in the UK experience mental health issues, which can significantly impact their day-to-day lives. We empathise with individuals and groups facing difficulties. Research indicates that 1 in 5 customers may need extra assistance during interactions with NGN, highlighting the importance of understanding these challenges.

Given that we might only serve a customer once in their lifetime, it is essential that we have a strategy that focuses on looking after our customers in vulnerable situations. Regulatory funding provided via the Vulnerability and Carbon Monoxide Allowance (VCMA) enables us to do this effectively. Our [Annual VCMA report](#) outlines in detail our strategy and outcomes. Our Community Partnering Fund and Customer Support Fund sit alongside the VCMA and are 100% shareholder funded, and together we have committed to invest at least £1m from 2021 to 2026.

	21/22	22/23	23/24	Annual target
Priority Services Register (PSR) referrals	4,913	8,925	10,003	5,000
£ spent via VCMA (total, including collaborative projects)	£588,587	£1,809,303	£5,872,612	£2,051,309 (forecast spend)

## NGN Centres for Warmth Programme

Redcar faces significant challenges, including high rates of poverty, an ageing population, and a recent influx of asylum seekers. The town lacked sufficient services to address these needs.

Through our VCMA, Redcar Baptist Church became NGN's first Centre for Warmth (CFW), providing a safe, warm and welcoming environment 5 days a week for all members of the community, helping to move people from vulnerability to greater independence.

In August 2024 we published our CFW Strategy and continued to determine appropriate locations to support further CFWs. The programme has grown, supporting twelve CFWs by the end of 2024 in some of the most deprived areas of our network. We aim to support 20 CFWs in total by 2026 and see this programme as a key channel to engage communities during the energy transition.

### What is the PSR and what does it provide to customers?

The Priority Services Register (PSR) is a free UK wide service which provides extra advice and support for vulnerable customers, including when there's an interruption to electricity, gas or water supply. It helps networks like us to look after customers who have extra communication, access or safety needs. It helps us tailor services to support households who need extra help with everyday energy matters like bills, and in the unlikely event of a power cut, water or gas supply interruption.



10,003

Referrals to PSR in 2023/24

12

Centres for Warmth opened in our network through our VCMA

1 in 5

customers may need extra assistance during interactions with NGN



# Safe energy services

## Services Beyond the Meter

For some customers, it's not possible to maintain a safe and warm home without extra help from us. With direct support, we're able to help vulnerable households as we go about our operational activities. If our engineers identify a safety issue with appliances or internal pipework beyond the meter, while they are attending a gas emergency or upgrading our networks, we may have to condemn the appliance or isolate the gas supply.

Vulnerable households may not be able to afford the unexpected expense of a Gas Safe registered engineer to visit their home or replace their appliance. This means they can go for long periods without adequate heating, hot water or cooking facilities. While we ensure all households are left with temporary cooking and heating appliances, these can be costly for households to run and are not solving the long term need to stay safe and warm.

Our engineers are trained to look out for customers in vulnerable situations and are able to refer them to our Services Beyond the Meter Team for extra support. Subject to meeting Ofgem's eligibility criteria we are now able to offer support to service, repair or replace essential gas appliances. For customers registered for priority services engineers can also carry out enhanced carbon monoxide (CO) investigations (CMDDA1). This involves a thorough check of all gas appliances to ensure there are no leaks and that they are safe to use. These investigations can also lead to referrals for service, repair or replacement of an appliance or pipework that is found to be unsafe.

In 2024, our team carried out over 370 CMDDA1 investigations, 80 services and replaced or repaired 360 appliances for vulnerable customers living within our communities.

## Keeping our customers safe

Gas escapes pose a hazard to life and property. We operate a gas emergency response service and are required to attend uncontrolled gas escapes within 1 hour of notification and controlled gas escapes within 2 hours, 97% of the time. We consistently out-perform these targets, achieving 99.81% and 99.93%, respectively, in 2023/24.

To improve customer safety and performance in the long term we are currently delivering a 30-year metallic gas pipe replacement programme. Starting in 2002 and extending to 2032 our scheme replaces over 500 km of ageing metal pipework with new, more durable plastic pipes each year. The key driver is to ensure the continued safe and reliable supply of gas to customers. In addition to safety benefits, the programme also delivers significant carbon emission reductions as discussed under Goal 13.

	21/22	22/23	23/24	Annual target
Number of CO awareness visits/ surveys with customers	17,995	17,966	18,410	10,000
Gas mains replaced in year (km)	557.3	528.4	590.0	N/A (forecast spend)
<b>Gas emergency response time:</b>				
Controlled escapes: <1 hour	99.75%	99.55%	99.81%	97%
Uncontrolled escapes: <2 hours	99.95%	99.96%	99.93%	97%



18,410

Carbon monoxide customer awareness visits/surveys delivered in 2023/24

590km

gas mains replaced in 2023/24

99.8%

Gas emergencies responded to within 1 hour in 2023/24

# Produce less waste and recycle all of it.

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**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## Key highlights:



**99.9% waste recycling  
rate**



**1 tonne of end-of-life PPE  
recycled**

**77%**

**Score in BITC Responsible  
Business Tracker for  
circular economy, in  
comparison to a cohort  
average of 29%**

## By 2026 we commit to...

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- Produce 20% less waste from our offices
- Send less than 0.1% of our total waste to landfill
- Eradicate avoidable single use plastics from our premises
- Use 50% less paper



# Produce less waste and recycle all of it

## Reducing waste and recycling more

We work with our contractors and supply chain partners to minimise the amount of waste that we create and dispose to landfill. We typically generate approximately 200,000t of waste annually, over 99% of which by weight is excavation spoil from our operational projects. During 2024 we reduced our quantity of office and depot waste by 17% compared to our 2018 baseline, meaning we are on track to achieve our target reduction of 20% by 2026.

In 2024 we sent 0.00% of our waste to landfill and are on track to achieve our target of <0.1% by 2026. Additionally, during 2024 we achieved a waste recycling rate of 99.89%.

Aggregates (crushed stone) used for reinstating our excavations are our greatest material consumption type by mass. We educate our contractors to proactively use recycled (secondary) aggregates in preference to primary materials, saving 150,000 tonnes of primary aggregates during 2024.



17%

reduction on office and depot waste since 2018

100%

Waste diverted from landfill in 2024

96%

Recycled aggregate use in reinstatement in 2024

	21/22 – actual	2023 - actual	2024 - actual	2026 - target
<b>Hazardous waste (t)</b>	3	1	10	-
<b>Excavation waste (t)</b>	201,061	236,397	238,338	-
<b>Office and depot waste (t)</b>	981	896	948	916
<b>Other waste (t)</b>	8	54	77	-
<b>Total waste (t)</b>	202,053	237,348	239,373	-
<b>Waste to:</b>				
<b>Landfill</b>	0.12%	0.15%	0.00	<0.1%
<b>Recycled/reused</b>	99.88%*	99.75%	99.89	
<b>Recovered</b>		0.10%	0.11	
<b>Primary aggregate use in reinstatement</b>	8%	5.5%	3.9%	<2.5%

\*In 2021/22 due to the nature of our waste data, recycled and recovered values were combined.

# Produce less waste and recycle all of it

## Saving paper

By investing in new digital systems and processes, our paper consumption has reduced by 77% to 0.7m sheets in 2023/24 compared to our 2018 baseline of 3m, meaning we are on track to achieve our target to halve our consumption by 2026.

## Eradicating single use plastics

During 2022-23 we completed a baseline assessment of our single use plastics consumption. We have since made improvements including:

- switching single use plastic milk containers to glass milk bottles at our head offices (saving over 1000 bottles and c.40kg of plastic waste per year)
- changing our office bin liners to recyclable or biodegradable bags
- ensuring we have recycling facilities for used printer ink and toner cartridges
- providing our operational colleagues with refillable water bottles as an alternative to ready bottled drinking water which will save c.80,000 single use plastic bottles annually.



**40kg**

of plastic waste saved annually by replacing plastic milk bottles with glass

**77%**

Reduction in paper use since 2018

**60,000**

single-use plastic bottles saved annually by switching to reusable alternatives



## Case study - Recycling end-of-life PPE

As part of our commitment to sustainability, we identified an opportunity to address the environmental impact of end-of-life personal protective equipment (PPE), which was previously sent to landfill.

Recognising its recyclable potential, we partnered with our PPE provider to take back and process expired overalls, jackets, and other PPE. These materials are now securely deconstructed, sanitised, and repurposed into products such as insulation, industrial rags, and other goods.

This initiative has diverted approximately 1 tonne of end-of-life PPE from waste streams during 2024 and reinforced our focus on circular economy practices.

# Eliminate air pollutant emissions and reach net zero by 2050

13 CLIMATE ACTION



## Key highlights:

26%

Reduction in annual gas leakage since 2018



100% of our company cars are now electric or hybrid ahead of 2026 target



100% of the electricity used in our premises is from renewable sources

93%

Score in BITC Responsible Business Tracker for climate action, in comparison to a cohort average of 65%

## By 2026 we commit to...

- Reduce Scope 1 and 2 greenhouse gas emissions by 31% since 2018
- Reduce key Scope 3 greenhouse gas emissions by 19% since 2018

# Eliminate air pollutant emissions and reach net zero by 2050

Gas leakage contributes over 90% of NGN's greenhouse gas (GHG) emissions as our gas is predominantly methane, a potent greenhouse gas.

Through our continuous hard work, we are on track to achieve our target of reducing our Scope 1 (direct) and 2 (indirect - electricity) GHG emissions by 31% between our 2018 baseline and 2026, having already reduced by 26% by 2024.

The main influences on our non-leakage Scope 1 and 2 emissions performance are the constraints we have experienced with delivery of our commercial vehicle fleet investment plans, most notably the limited availability of zero emission vehicles which meet our needs. We continue to explore the options available, with a battery electric van trial scheduled for 2025, and readying our self for the future by installing electric vehicle charging infrastructure at all our offices and depots. Further, in 2024 we installed 925 solar panels across our offices and depots.

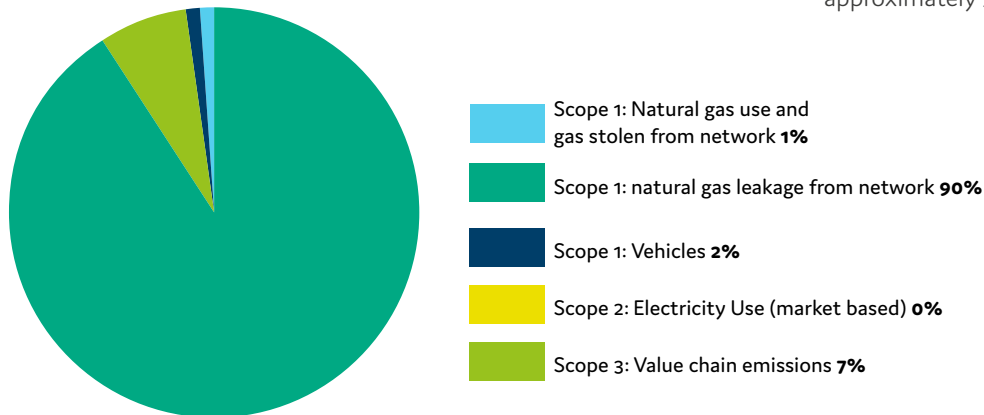


NGN's depot in Burradon.

## Reducing gas leakage everyday

We are reducing our gas leakage by replacing aged, leak prone metallic gas pipes with new, robust plastic pipes as part of a 30-year programme extending to 2032. In 2023/24 we replaced 590km of pipe. We are incentivised to reduce gas leakage via our regulatory contract and are forecasting to achieve a financial reward at the end of our current regulatory period.

Our annual gas leakage has reduced by 26% from 2018 to 2024 saving approximately 300,000 tCO<sub>2</sub>e.



NGN Greenhouse Gas Emissions 2024

13 CLIMATE ACTION



22,744

tCO<sub>2</sub>e saving between 2023 and 2024

This is the same as the annual emissions from gas usage in

8,900

typical UK homes

925

Solar panels installed across our offices and depot

43

EV chargers installed at our premises



# Eliminate air pollutant emissions and reach net zero by 2050

## Measuring our Scope 3 emissions

Scope 3 emissions are those associated with an organisation's value chain. These emissions fall into 15 categories (from goods/services purchased, to waste and leased assets). A materiality assessment identified that approximately 15% of NGN's total GHG emissions originate in our supply chain. We have committed to continually expand the range of Scope 3 emissions that we report. We estimate that we currently report Scope 3 emission data from the suppliers that make up approximately 45% of our annual expenditure.

Expanding our range of Scope 3 emissions reporting makes comparisons with previous years problematic as we are not comparing like with like. Therefore, we have set a reduction target for a set of key Scope 3 emissions sources which we have reported for a number of years. Our key Scope 3 emissions have remained similar between 2018 and 2024 reflective of our gas mains replacement work programme.



NGN engineers on site undertaking an element of our gas mains replacement work

tCO <sub>2</sub> e	17/18 - actual (baseline)	20/21 - actual	21/22 - actual	2023 - actual	2024 - actual	2026 target
Scope 1 - gas shrinkage	407,403	365,881	363,344	326,692	303,094	281,728
Scope 1 - other	5,478	4,518	4,785	5,154	5,062	3,612
Scope 2 (market based)	2019	122	0	5.2	9	
Scope 3 (key)	17,479	15,150	15,200	16,538	17,789	14,191
Scope 3 (total)			22,406	23,230	24,173	-
Total (market based)	432,379	385,671	390,535	355,082	332,338	-
Certified Offsets	-	-	-	775	-	-
Net total (market based)	432,379	385,671	390,535	354,307	332,338	-
Net total (market based) emissions per £m turnover	1,052	885	927	692	631	-

NGN greenhouse gas emissions. Further details provided in Appendix C. Gas shrinkage is the sum of leakage, own use gas and gas stolen from the network by third parties.

### Case study: Empowering Colleagues through Climate Change and Carbon Training

To strengthen our commitment to sustainability, we delivered beginner level Climate Change and Carbon Training sessions, open to all employees. The training covered:

- An overview of climate change – what it is, the link to carbon dioxide and other gases, the effects that this leads to
- Methods of measuring carbon impact and identifying actions to reduce it
- Why and how you should report carbon impact and how to work towards net zero carbon emissions.

In 2024 59 employees completed the training, and we plan to host more sessions in 2025.

45%

of our annual spend is with suppliers who provide environmental performance data

24,173

tCO<sub>2</sub>e total Scope 3 emissions in 2024

59

Employees completed climate change and carbon training in 2024

# Resilience for the future

## Reporting and Disclosure

We are a reporting authority under the Climate Change Act (2008). Our latest 2024 climate change risk assessment is available [here](#). We also publish our climate-related financial disclosures annually.

## Risk Assessment

During 2024 we prepared an updated climate change risk assessment for our network infrastructure and operations out to 2100 including assessment of 2°C (RCP 4.5) and 4°C (RCP 8.5) future warming pathways.

Being located predominantly underground and operating as a sealed and pressurised system, UK gas network infrastructure is proven to reliably deliver energy in a dynamic climate. Our network has an overall low to medium risk to climate related hazards currently and into the future. No high risks have been identified for any of the scenarios analysed. The long-term future of gas networks in the UK is uncertain so our assessment assumes that gas networks will continue to play a critical role in the UK energy system.

Our risk scores for the current time and 2050 are stable between our 2024 and previous (2021) assessments reflecting our mature awareness of climate change and proactive monitoring and management of assets. New analysis for 2024 identifies that risks in 2100 remain stable across both climate scenarios assessed, albeit with potentially increased likelihoods of occurrence. It is noted that there is relatively low confidence in the 2100 risk ratings due to uncertainties in the climate modelling and long term gas network characteristics.

## Long term Resilience Strategy

New for 2024 we created:

- A Resilience Framework to integrate all aspects of our business resilience, including climate change.
- A long term [Climate Resilience Strategy](#) (see page 43) covering our next regulatory period (2026-2031) and beyond.



### Climate Resilience Case Study River Bed Erosion Remediation

Routine inspections of our high-pressure pipeline crossing the River Allen in Cumbria during 2023 identified that erosion of the riverbed had exposed sections of the pipeline. This threatens the gas supply to over 100,000 customers, by potentially exposing it to being undermined leaving it unsupported, and/or impacted by boulders transported by the river. Emergency measures were completed to provide temporary protection to the pipeline whilst a permanent, durable solution was determined.

During 2023/24 NGN commissioned a technical assessment to identify potential long term resilience options. Following a appraisal of 11 potential nature-based and engineering solutions, pipeline diversion has been determined as the optimum solution to provide long term resilience and minimise environmental impact. The design works is anticipated to be completed by 2026 with engineering works to be completed by 2031. The total project is anticipated to cost £7.7m (Capex).

13 CLIMATE ACTION



2°C & 4°C

Warming scenarios analysed in our 2024 climate change risk assessment

34

Climate hazards assessed in our 2024 climate change risk assessment

zero

High risks identified in our climate change risk assessment for now, 2050 and 2100



# Manage our land to benefit the environment

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15 LIFE ON LAND



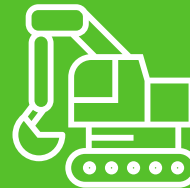
## Key highlights:

95%

Score in BITC Responsible Business Tracker for nature stewardship, against a cohort average of 29%



Created 112 homes for nature on our sites



46 gas holders decontaminated and dismantled since 2013

## By 2026 we commit to...

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- Improve habitats for nature on minimum 250 NGN sites
- Plant 40,000 trees to improve local environments in our communities
- Create a baseline for natural capital
- Continue with our programme to clean up our sites, including upgrading or removing old gas infrastructure and contamination

# Managing our land to benefit the environment

## Addressing our legacy

Gas holders (gasometers) used to be a common sight on the skylines of the UK's cities, towns and villages but are no longer needed for operation of a modern gas network. We have committed to decontaminate and dismantle all of our remaining 23 gas holders between 2021 and 2026 and are ahead of schedule, having removed 22 by the end of 2024. As part of these works, during 2024 we carefully removed and cleaned 46,000 m<sup>3</sup> of contaminated water from our gas holders before disposing of it responsibly thereby removing potential contamination risks to the local environment.

We also have a programme of cleaning-up contamination left beneath our land from bygone eras, such as at Howdon Lane, Newcastle. During 2024 we appointed a framework of specialist land remediation contractors to help us deliver our commitment to complete clean-up works at eight sites by 2026.



## Case Study Land Remediation at Howdon Lane

NGN own a former gasworks and gas storage site at Howdon Lane, Newcastle. The site previously contained three gasholders. Gasholder No.1 was a below ground gasholder that was demolished and infilled between 1989 to 1993.

Ground investigation within identified that the tank was 9.7 m deep in the annulus and contained significant volumes of hazardous coal tar towards the base which could leak in future and impact local groundwater.

In 2020 a remediation project to recover coal tar from within the gasholder tank commenced to deliver long-term environmental benefit. Specialist solar powered pumps were installed with the objective to recover as much of the coal tar as possible for an initial 12 month period. After 12 months the system was still recovering significant volumes of tar and the period of recovery was therefore extended. The project was completed during 2023/24 and recovered c.58,000 litres of historic hazardous liquid waste from below ground for safe disposal.

Image above shows a solar powered land remediation system at the NGN site at Howdon Lane, Newcastle

15 LIFE ON LAND



# Zero

reportable environmental incidents in 2024

# 58,000

Litres of hazardous waste removed during remediation of Howdon Gas Holder Station

# 14001

NGN operate an environmental management system externally certified to ISO14001

# Managing our land to benefit the environment

## Creating 'Homes for Nature'

We have committed to creating 250 'homes for nature' by 2026 on our land to encourage biodiversity. We are well on the way with this commitment and have achieved 112 by the end of 2024 and have a strategy in place to achieve our target. We have tried different approaches to achieve our commitment, including 'No Mow May' trials during 2022, 2023 and 2024 after it was suggested to us by stakeholders.

## Measuring Air Pollution

Air pollutants are extremely small particles and gases that are detrimental to human health when released into the atmosphere. As part of the process to attempt to quantify the impact we have on the environment, new for 2024 we have calculated the air pollution generated by our principal source – our fleet of vans and cars which are predominantly diesel. We have also established annual air pollution targets based on our vehicle fleet replacement and decarbonisation targets.

## Tree Planting to Tackle Air Pollution

Working with our community forest partners (White Rose Forest and Humber Forest) our shareholder funded strategic tree planting programme aims to tackle poor urban air quality in our region. During 2023/24 we funded the planting of 22,430 trees across 25 sites in our region and since 2021 we have planted 45,497 trees, already exceeding our target of 40,000 by 2026. Our tree planting programme is estimated to deliver over £22m in lifetime societal and environmental benefits to our communities by 2050 including air quality improvements valued at £1.65m.



NGN tree planting scheme outputs – new hedgerow in Hull, East Yorkshire

Air Pollution	2021/22 (kg)	2022/23 (kg)	2023/24 (kg)	2023/24 target (kg)
Sulphur Oxides (Sox)	13	14	14	17
Nitrous Oxides (Nox)	9,330	9,785	9,947	11,843
Particulate Matter 2.5 (PM 2.5)	361	380	388	193
Particulate Matter 10 (PM 10)	616	650	662	368

15 LIFE ON LAND



3

Successful 'No Mow May' trials completed

45,497

trees planted with NGN shareholder funding in our region

£22m

societal and environmental benefits to our communities from our tree planting scheme

# Partner responsibly and hold suppliers to sustainability standards

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17 PARTNERSHIPS FOR THE GOALS



## Key highlights:



Achieved Supply Chain Sustainability School bronze badge



136,920 voices heard through our stakeholder engagement

69%

Score in BITC Responsible Tracker for supply chain, against a cohort average of 35%

## By 2026 we commit to...

- Create a Supplier Code of Conduct
- Ensure 80% of our supply chain (by spend) are compliant with the code.

# Partner responsibly and hold our suppliers to sustainability standards

We recognise that the most effective way to enable lasting achievement of the UN SDGs is to work in partnership with stakeholders.

## Purchasing sustainably

In April 2022 we launched a new [Supplier Code of Conduct](#) to embed sustainability in our supply chain. Our code is aligned to the UN SDGs. We have set a target to achieve 80% of our supply chain by value compliant with our code by March 2026. By March 2024 we had already achieved 82%.

## Supporting suppliers

We are proud members of the Supply Chain Sustainability School, demonstrating our commitment to working collaboratively with our suppliers to drive sustainable practices across our supply chain. Through this partnership, we support our suppliers in improving processes and enhancing their overall environmental impact

In 2024 our suppliers engaged with sustainability-related training materials 2,508 times on the platform, reflecting a strong commitment to learning and improvement.

## Data sharing for Net Zero

We used insights gained from stakeholder engagement to build a new NGN Open Data Portal which was launched in October 2023 - making it the first such portal to be made available by a GDN in the UK.

Initially, the portal provided access to four data sets. In 2024 this has since been extended to 20 data sets, including pipe distribution data and customer feedback. The data is classified as 'open' and licenced to use without restriction. So far there have been 700 downloads by site users. The data is proving valuable for partners such as urban planners within local authorities and for businesses considering where to locate hydrogen or biomethane stations.

## Building a Sustainable Future: Net Zero Island Pitch Competition

Year 9 students showcased innovative ideas at the Net Zero Island Pitch Event, hosted by NGN and partners at the University of Bradford. Following workshops on net zero and sustainability, students from five schools spent seven weeks designing communities for 30,000 residents.

The competition was judged by experts from NGN, Bechtle, Yorkshire Water, and Bradford Council. Carlton Bolling School excelled with their detailed research and innovative ideas, winning a trophy and educational trip. The event inspired future sustainability champions and fostered strong partnerships.

## Greater supplier insight

In November 2024 we successfully launched our new supplier portal, Market Dojo. This platform is designed to help us better understand, manage, and support our suppliers.

We will be able to capture more easily essential data relating to ESG practices, health and safety standards, and sustainability efforts in line with our business objectives. The portal will create a single, secure place for managing supplier information while ensuring compliance.



82%

of suppliers by value signed up to our Supplier Code of Conduct in 2024

2,508

Supplier views on sustainability related training

700

Open Data Portal downloads



# Partner responsibly and hold suppliers to sustainability standards

## Giving Everyone a Voice

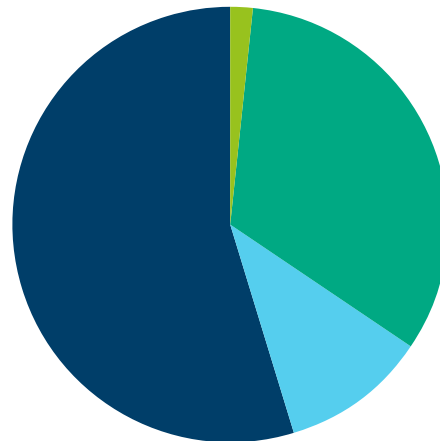
As part of our approach to improve inclusivity, we pioneered a bespoke map for underreached consumer groups - an industry first. We have broadened our vulnerability segmentation from five to ten categories (with 48 subgroups), covering new areas like rural vulnerability and financial hardship. The map forms the basis for our inclusive engagement and support framework, and we use it to:

- Prioritise who to engage with
- Design engagement channels to overcome barriers faced by priority groups
- Monitor participation among priority groups
- Adapt our engagement plans to ensure all voices are heard
- Disaggregate results by consumer group for a more granular understanding of priorities.

### Case study: Colleague Volunteering

NGN provides colleagues with two paid volunteer days per year to support causes they are passionate about. These days allow employees to give back to their communities while being compensated as if they were at work. Colleagues can choose to volunteer for a variety of causes including beach clean ups, charity walks, food banks and much more.

The uptake on volunteering days taken by colleagues has improved significantly – from 71 days in 2022, 166 days in 2023, to 322 days in 2024.



2024 volunteer days by category

- Improving local environment
- Improving education and skills
- Supporting vulnerable people
- Improving carbon monoxide safety

322

Days volunteered by our colleagues in 2024

94%

Increase in volunteering from 2023

AA1000

Stakeholder engagement standard assured

# Progress against our 2026 targets in detail

<b>Key:</b>	<b>Developing</b> We are evolving our approach to achievement	<b>Refining</b> Our approach requires further refinement, and/or our delivery is dependent on the actions of others, such as government policies	<b>Delivering</b> Our pathway is well defined and we are on track to achieve	<b>Delivered</b> We have achieved our commitment
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SDG	People and Planet Strategy commitment	Short (2021 - 2026)	Maturity	Progress update
7	<b>Enable affordable, decarbonised heat, power and transport</b>	Complete Hydrogen blending project to provide evidence to secure policy decision	Delivering	Our Hydeploy project is now complete. In December 2023, the Government has taken a strategic policy decision to support blending of up to 20% hydrogen by volume into GB gas distribution networks. More info here: <a href="https://hydeploy.co.uk/">https://hydeploy.co.uk/</a>
		Improve customer service to facilitate higher levels of green gas in our network.	Delivering	One additional biomethane production site connected to NGN network during 2023/24. Total capacity connected increased by 4% to 18257 scmh.
		Demonstrate safety case and deliver hydrogen village trial	Delivering	NGN's proposal to create a community of 2,000 properties in our network running on 100% hydrogen from 2025 to support the UK Government's hydrogen strategy was shortlisted in 2023. Unfortunately this project is not currently scheduled to progress further. We continue to support discussion on the use of hydrogen for domestic heat in the UK, including providing shareholder financial support for a 100% Hydrogen domestic heating trial in Fife, Scotland, <a href="#">H100</a> .
8	<b>Enhance access to opportunities and fair jobs</b>	Recruit minimum 100 apprentices across 2021-26, with offer of permanent employment on completion.	Delivering	We have recruited 91 apprentices since 2021.
		Offer placements/work experience to students focusing on Social Mobility cold spots.	Delivering	14 placement students joined us in 2024. However it's been difficult to focus in on areas of low social mobility. Instead we have focused other school related activities on this, where we had existing partnerships able to reach in to those areas, such as Solutions for the Planet. Social Mobility will be a key feature of our Inclusion Strategy to be developed throughout 2025.
		Create opportunities for the existing workforce to improve their skills	Delivering	Over 71,000 hours of training was delivered across 2024, and in addition to this, 13 colleagues completed our inaugural foundation skills programme.
		Train 100 community partners to deliver messages on our behalf	<b>Delivered</b>	We have trained more than 1,000, hugely outperforming this target
	<b>Prioritise colleague safety and wellbeing</b>	Improve specialist and internal support for colleagues including setting up wellbeing champions.	Delivering	Wellbeing champions embedded- with 33 Mental Health First Aiders active across the organisation.
	Review and monitor data to measure wellbeing in workforce	Delivering	We take part in the Vitality Workplace Wellbeing survey every other year, the next one was due to be undertaken in 2024, but Vitality were undertaking some changes on the survey, and so we will pick this up again when it is available.	
	Mental health training for all colleagues	Delivering	205 colleagues underwent training in 2024.	

# Progress against our 2026 targets in detail

SDG	Commitment	Short term commitment (2026)	Maturity	Progress update
10	<b>Build a diverse workforce and eliminate inequality</b>	Gather workforce diversity data and produce baseline.	Delivering	In 2024 we set a process to gather data via our HR system. Across 2024 we have seen an average 7.4% increase in the data being provided vs 2023. In 2025 we plan to run the NGN Census to drive this further.
		Embed effective Colleague Communities and provide executive level support	<b>Delivered</b>	All communities have at least one executive level support.
		Report workforce diversity annually and create action plan to increase diversity	Delivering	Data reported in this report where available. In previous years this has been reported in the Inclusion and Belonging statements
		Create action plan to increase diversity across the organisation	Refining	This action plan is under development as part of the creation of the wider Inclusion Strategy.
		Focus recruitment methods to encourage applications from diverse backgrounds.	Refining	We have taken action to trial new recruitment processes where appropriate to encourage a diverse range of applicants. We are integrating successful aspects of these trials in to our Inclusion Strategy that we'll develop in 2025
11	<b>Ensure access to safe and affordable energy for customers and vulnerable communities</b>	Provide over £1m in funding to support vulnerable customers and communities.	Delivering	Over £5 Million provided to support vulnerability within our communities.
		Use regulated funding to build sustainable projects and partnerships that can continue independently.	Delivering	This is something that we aim for on any project that we fund, VCMA report provides in depth case studies and information about how funding is spent.
		Provide advice to minimum 10,000 customers annually around Carbon Monoxide Safety	Delivering	In 3 years we've carried out 54,371 visits/surveys with customers, vastly outperforming the 10,000 per year target. In 2023/24 we carried out 18,410.
		Refer 5,000 customers to the Priority Services Register annually	Delivering	23,841 across the last 3 years, with 10,003 in 2023/24.
12	<b>Produce less waste and recycle all of it</b>	Produce 20% less waste from our offices, and send less than 0.1% of our total waste to landfill	Delivering	During 2024 we reduced our quantity of office and depot waste by 17% compared to our 2018 baseline, meaning we are on track to achieve our target reduction of 20% by 2026. We also achieved 0.0% waste to landfill.
		Eradicate avoidable single use plastics from depots and offices	Delivering	Strategy to achieve this developed. Changes made already including phasing out plastic milk bottles at our head office, changing our bin bags to ensure they are biodegradable or recyclable and replacing singles use water bottles for operational colleagues with reusable alternatives.
		Use 50% less paper	Delivering	By investing in new digital systems and processes, our paper consumption has reduced by 77% to 0.7m sheets in 2023/24.
13	<b>Eliminate air pollutant emissions and reach net zero by 2050</b>	31% reduction in Scope 1 and 2 emissions and 19% reduction in key Scope 3 emissions since 2018	Delivering	Through our continuous hard work we are on track to achieve our target of reducing our Scope 1 and 2 GHG emissions, having already reduced by 26% by 2024. However, due to increased workload associated with Repex, our key Scope 3 emissions have remained similar between 2018 and 2024.



# Progress against our 2026 targets in detail

SDG	Commitment	Short term commitment (2026)	Maturity	Progress update
15	<b>Manage our land to benefit the environment</b>	Improve habitats for nature on minimum 250 NGN sites, and plant 40,000 trees to improve local environments in our communities.	Delivering	So far, we have created 112 homes for nature on our sites. We have also planted 45,497 trees.
		Create a baseline for natural capital	Delivering	Using a bespoke tool developed by specialist consultants, we have conducted natural capital assessments at 30 of our infrastructure sites with a combined area of 40 hectares during 2021 and 2023. This forms our baseline.
		Continue with our programme to clean up our sites, including upgrading or removing old gas infrastructure and contamination	Delivering	We have committed to decontaminate and dismantle all of our remaining 23 gas holders between 2021 and 2026 and are ahead of schedule, having removed 22 by the end of 2024. As part of these works, during 2024 we carefully removed and cleaned nearly 50,000 m <sup>3</sup> of contaminated water from our gas holders before disposing of it to the local sewer network under consent thereby removing potential contamination risks to the local environment.  Our proactive land remediation programme is targetted to complete 8 remediation projects by 2026. During 2024 we have completed the survey and design process to enable these projects to be completed as scheduled.
-	<b>Ensure robust risk management framework and processes</b>	Apply risk management principles to all activities to assist the business with the maximisation of opportunities and the minimisation of losses.	Delivering	Risk management is embedded was business as usual at NGN as described on pages 11-13.
-	<b>Transparency and accountability</b>	Publicly share our environmental performance in an Annual Environmental Report (AER), and our performance against our People and Planet Strategy in an Annual Sustainability Report (ASR).	Delivering	We published our first AER in October 2022 covering the 2021-22 regulatory year, and our first ASR in 2024 covering the 2023 calendar year.
17	<b>Partner responsibly and hold suppliers to sustainability standards</b>	Create Supplier Code of Conduct	<b>Delivered</b>	Code created and launched in 2022.
		Achieve 80% of our suppliers (by value) complying with our Code	Delivering	82% of suppliers signed up as of March 2024.
-	<b>Maintain robust cyber resilience</b>	Maintain a secure and resilient technology environment which supports gas distribution operations. Ensuring a safe and reliable gas supply to all our customers, now and in the future	Delivering	We have had zero cyber resilience incidents leading to gas supply disruption on our network.  During 2024 we have updated our Cyber Resilience Strategy and developed our Cyber Security and Technical Resilience Strategy to 2031 as described on page 15.

# Data quality statement

The data contained in this report is presented to the best of our knowledge and capabilities.

Data presented in this document marked 2024 represents the period 1 January to 31 December and has been provided wherever possible. Where it has not been possible to obtain a full 12 months of data from 2024, best available proxy data based on the previous year has been used as an alternative to ensure a full and representative dataset.

Data presented in this report as 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24 etc represents the period 1 April to 31 March in each year respectively. Typically this is data which is reported to NGN's regulator (Ofgem) and is not available for the period 1 January to 31 December.

The scope of the environmental data presented (such as fuel consumption, tonnages of waste etc) is limited to that associated with our principal typical network workload activities, namely gas mains replacement, network reinforcements (<7 barg) and diversions, gas connections, and emergency repair. NGN do not currently hold data associated with abnormal workload activities such as infrastructure site capital installation / upgrades, gas holder demolition or land remediation projects, however we are continuously evolving our data collection. Wherever possible reported values are based on actual consumption data.

2024 greenhouse gas emissions reported have been calculated using conversion factors published by the UK Government for 2024, with the exception of gas leakage which utilises a bespoke conversion factor provided by our national regulator (Ofgem).

# Appendices

# Appendix A

## People and Planet Strategy Commitments - Short, Medium and Long Term

SDG	People and Planet Strategy commitment	Short (2026)	Medium (2030)	Long (2050)
7	Enable affordable, decarbonised heat, power and transport	Complete Hydrogen blending project to provide evidence to secure policy decision	Assist government to secure policy decision around hydrogen	Network transports 100% green gas
		<p>Improve customer service to facilitate higher levels of green gas in our network.</p> <p>Demonstrate safety case and deliver hydrogen village trial</p>	Blend up to 20% hydrogen in existing network	
8	Enhance access to opportunities and fair jobs	Recruit minimum 100 apprentices across 2021-26, with offer of permanent employment on completion.	Rolling annual programme of apprenticeships with promise of meaningful employment at the end	Be recognised as a 'top employer' through external benchmarking/award
		Offer placements/work experience to students focusing on Social Mobility cold spots.	Participate with government to create meaningful/accessible green training programmes	
		Create opportunities for the existing workforce to improve their skills	Year on year increase in amount of students offered placements/work experience	
		Train 100 community partners to deliver messages on our behalf		
		Prioritise colleague safety and wellbeing	Improve specialist and internal support for colleagues including setting up wellbeing champions.	
	Review and monitor data to measure wellbeing in workforce	Year on year improvement in self-reported wellbeing	Take part in better health at work awards	
	Mental health training for all colleagues			

# Appendix A

## People and Planet Strategy Commitments - Short, Medium and Long Term

SDG	Commitment	Short (2026)	Medium (2030)	Long (2050)
10	Build a diverse workforce and eliminate inequality	Gather workforce diversity data and produce baseline.	Senior management team is 40% female	Close gender pay gap
		Embed effective Colleague Communities and provide executive level support	Reduce Gender Pay Gap by 50% from 2020 baseline.	
		Report workforce diversity annually and create action plan to increase diversity	See a minimum 1% increase in workforce diversity*	Workforce is representative of the diverse communities we serve
		Focus recruitment methods to encourage applications from diverse backgrounds.		
11	Ensure access to safe and affordable energy for customers and vulnerable communities	Provide over £1m in funding to support vulnerable customers and communities.	Maintain funding pot for communities and target projects that can demonstrate sustainability beyond the funding.	Maintain funding pot for communities and target projects that can demonstrate sustainability beyond the funding.
		Use regulated funding to build sustainable projects and partnerships that can continue independently.	Build partnerships with trusted organisations to deliver information and advice to customers, focusing on key messages of energy transition.	
		Provide advice to minimum 10,000 customers around Carbon Monoxide Safety	Provide advice to minimum 12,000 customers around Carbon Monoxide Safety	Provide advice to minimum 15,000 customers around Carbon Monoxide Safety
		Refer 5,000 customers to the Priority Services Register	Refer 7,000 customers to the Priority Services Register	Refer 10,000 customers to the Priority Services Register

\* Please note that this target will be removed and replaced with a different metric following feedback from our ISG about how ambitious and measurable a 1% increase would be given our challenges around data. New metrics will be developed as part of the creation of our Inclusion Strategy in 2025.

# Appendix A

## People and Planet Commitments – Short, Medium and Long Term

SDG	Commitment	Short (2026)	Medium (2030)	Long (2050)
12	Produce less waste and recycle all of it.	Produce 20% less waste from our offices, and send less than 0.1% of our total waste to landfill	Produce 50% less waste from our offices and send no waste to landfill	Produce 95% less waste
		Eradicate avoidable single use plastics from depots and offices	99% of the aggregate we use is made from recycled materials	Go totally paperless
		Use 50% less paper	Use 75% less paper	
13	Eliminate air pollutant emissions and reach net zero by 2050	31% reduction in Scope 1 and 2 emissions and 19% reduction in key Scope 3 emissions since 2018	45% reduction in Scope 1 and 2 emissions since 2018	Net zero emissions by 2050
15	Manage our land to benefit the environment	Improve habitats for nature on minimum 250 NGN sites, and plant 40,000 trees to improve local environments in our communities.	Enhance natural capital value	Manage our landscape to be environmentally net positive
		Create a baseline for natural capital		
17	Partner responsibly and hold suppliers to sustainability standards	Create supplier code and sign up 80% of our spend for suppliers	All contracted suppliers signed Supplier Code.	
	Ensure robust risk management framework and processes	Apply risk management principles to all activities to assist the business with the maximisation of opportunities and the minimisation of losses.		
	Transparency and accountability	Publicly share our environmental performance in an Annual Environmental Report (AER), and our performance against our People and Planet Strategy in an Annual Sustainability Report (ASR).	Publish our AER and ASR including independent third party assurance of our Scope 1 and 2 GHG emissions	
	Maintain robust cyber resilience	Maintain a secure and resilient technology environment which supports gas distribution operations. Ensuring a safe and reliable gas supply to all our customers, now and in the future		

# Appendix B – Listening to our stakeholders

## Our principal external stakeholder engagement mechanisms

### Independent Stakeholder Group (ISG)

A panel of independent subject matter experts (including environmental and social sustainability matters) who play a crucial role in challenging our decisions, making sure we are delivering on the promises in our business plan and holding us accountable for identifying the things that really matter to the region and our customers.

### Business in the Community (BITC)

Every other year we take part in the Responsible Business Tracker which provides external assurance that we're heading in the right direction and provides targeted expert feedback.

### Stakeholder Conference

An annual get together with our entire stakeholder community to allow validation and challenge of our plans, activities and approach.

### Focus Workshops

Targeted engagement with specific stakeholders or subject matter experts to share and test our approaches to key items and initiatives.

### Citizens Panel (CP)

A group of approximately 50 customers representative of our region that we meet with four times per year to check and to shape our business priorities and plans.

### Young Innovators Council (YIC)

A group of approximately 20 14-to-19 years old from our region that we meet with four times per year to check and to shape our business priorities and plans.

### Customer Perceptions Research

A formal annual survey to approximately 2000 domestic and commercial customers in our region to help identify core issues and priorities

# Appendix C - Data tables

## NGN Greenhouse Gas Emissions

Scope	Description	1 January – 31 December 2024
1	Gas shrinkage – leakage, unmetered own use gas and gas stolen from network	303,094 tCO <sub>2</sub> e Data coverage: 100%
	Gas use in offices, depots and infrastructure sites (metered)	293 tCO <sub>2</sub> e Data coverage: 100%
	Company owned/controlled vehicles	4,769 tCO <sub>2</sub> e Data coverage: 100%
2	Electricity (marked based)	9 tCO <sub>2</sub> e Data coverage: 100%
	Electricity (location based)	654 tCO <sub>2</sub> e Data coverage: 100%
3	Category 1, good and services: gas mains replacement, reinstatement and vegetation maintenance contractor vehicles emissions; reinstatement materials (asphalt, aggregates etc); helicopter pipeline surveys; and consumables (batteries and electrical items issued to customers during emergencies).	13,612 tCO <sub>2</sub> e Data coverage: c.45%
	Category 2, capital goods: purchased plastic, steel and copper pipe	7,286 tCO <sub>2</sub> e Data coverage: c.45%
	Category 3, fuel and energy related activities: well to tank emissions associated with natural gas, electricity (market based), and company owned/controlled vehicles	1,227 tCO <sub>2</sub> e Data coverage: 100%
	Category 4, upstream transportation and distribution: logistics contractor vehicle emissions	85 tCO <sub>2</sub> e Data coverage: 100%
	Category 5, waste generated in operations: excavation waste, operational waste, and office and depot waste	357 tCO <sub>2</sub> e Data coverage: 100%
	Category 6, business travel: business travel in personal cars, hire cars, rail and air, and hotel stays	392 tCO <sub>2</sub> e Data coverage: 100%



# Appendix C - Data tables

## NGN Greenhouse Gas Emissions

Scope	Description	1 January – 31 December 2024
3	Category 7, employee commuting: employee commuting and homeworking emissions	1,214 tCO <sub>2</sub> e
	Categories 8 -15	Data coverage: 100%
		Not relevant
	Total Scope 1 emissions	308,156 tCO <sub>2</sub> e
	Total Scope 2 emissions (market based)	9 tCO <sub>2</sub> e
	Total Scope 2 emissions (location based)	654 tCO <sub>2</sub> e
	Total Scope 1 and 2 emissions (market based)	308,165 tCO <sub>2</sub> e
	Total Scope 1 and 2 emissions (location based)	308,810 tCO <sub>2</sub> e
	Total Scope 1 and 2 emissions (market based) per £m turnover	585 tCO <sub>2</sub> e/£m
	Total Scope 1 and 2 emissions (market based) per Gwh gas transported	5.25 tCO <sub>2</sub> e/Gwh
	Total Scope 1, 2 and 3 emissions (market based)	332,338 tCO <sub>2</sub> e
	Total Scope 1, 2 and 3 emissions (location based)	332,983 tCO <sub>2</sub> e
	Total Scope 1, 2 and 3 emissions (market based) per £m turnover	631 tCO <sub>2</sub> e/£m
	Total Scope 1, 2 and 3 emissions (location based) per Gwh gas transported	5.66 tCO <sub>2</sub> e/Gwh

### Notes:

NGN turnover was £526.69m during 2024.

NGN transported 58,689 GWh of natural gas during 2024.

# Appendix C - Data tables

## Other sustainability indicators

Metric	NGN Performance 2024
Company activity in the fossil fuel sector	NGN own and operate a natural gas distribution network located in the north of England
Share of non-renewable energy consumption and production	<p>Renewable energy use: 3,135,810 kwh (1.1%) renewable electricity</p> <p>Non-renewable energy use: 283,789,564 kwh (98.9%) – includes gas shrinkage (262,770,000 kwh), hydrocarbon fuel used in road vehicles (19,381,082 kwh), natural gas (1,600,925 kwh) and non-renewable electricity (37,557 kwh).</p> <p>Total energy use: 286,925,374 kwh</p> <p>NGN do not produce energy</p>
Energy consumption intensity	Energy consumption (including gas shrinkage) = 0.545 GWh per £ million of turnover
Activities negatively affecting biodiversity-sensitive areas	NGN do not operate any sites or operations which significantly negatively impact biodiversity sensitive areas in the locality.
Water consumption	16,954 cubic metres of municipal mains water used in NGN premises during 2024.
Emissions to water	<p>66,057 cubic metres of waste water created by NGN premises and works during 2024, comprising:</p> <p>79% (51,984 cubic metres): discharge of water from gasholders during structure decontamination, demolition and infilling (multiple locations). All water is subjected to comprehensive multi-stage on site treatment prior to discharge to third party municipal sewerage network under site specific consent. This comprehensive treatment process removes visible oils and typically reduces all dissolved phase contaminants to concentrations below laboratory detection limits. Based on this sophisticated treatment method quantities of priority substances discharge to the sewerage network under consent are de minimis.</p> <p>21% (14,073 cubic metres): discharges of surface water and sewage from NGN premises into municipal sewerage network.</p>

# Appendix C - Data tables

## Other sustainability indicators

Hazardous waste and radioactive waste ratio

Total waste creation = 454 tonnes per £m turnover

Hazardous waste creation = 0.02 tonnes per £m turnover

NGN do not create radioactive waste

Metric	NGN Performance 2024
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	None
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	None
Unadjusted gender pay gap	Median gender pay gap = 19.4%
Board gender diversity	Northern Gas Networks Holdings Limited Board Members: Male = 10 (91%) Female = 1 (9%)
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	None

# Appendix C - Data tables

## Air Pollution

Air pollutant (from vehicle emissions)	2021/22 (kg)		2022/23 (kg)		2023/24 (kg)		2025/26 (kg)
	Actual	Target	Actual	Target	Actual	Target	Target
SOx	13	21	14	19	14	17	16
NOx	9,330	15,557	9,785	13,599	9,947	11,843	11,096
PM 2.5	361	333	380	206	388	193	183
PM 10	616	419	650	391	662	368	348

# Appendix D- Gathering colleague diversity data

We've encouraged colleagues to update their profiles and personal details on our HR system, which has caused an increase in the diversity data we hold about our colleagues.

However, as you can see from the table on the right, we still only hold a complete set of data for characteristics where it is mandatory to provide this as part of the recruitment process (\*).

All other aspects of diversity still have a low % of colleagues having provided their data. Following research, we have taken the decision that reporting data based on a sample of less than 75% of our workforce would not be representative and could be heavily skewed. As you can see, currently that means that this year we will only report data based on nationality, working pattern, legal gender and age.

Aspect	% staff who have provided their data (Sept 23)	% staff who have provided their data (Dec 2024)
Religion/belief	12.5	20.5
Disability	1.3	1.6
Sexual orientation	12.8	21.0
Self identified gender	9.1	18.2
Ethnic group	12.0	20.0
Nationality *	100	100
Legal Gender*	100	97.9
Age*	100	100

# Appendix E- Senior management diversity data

Our stakeholders asked to see data around the diversity of our Executive Management Team (EMT). In the front end of this report (page 27) we have reported the data that our EMT have provided via self-declaration. This encompasses anyone who is a member of our EMT, of which there are eight members.

However, we report similar data to our shareholders using a broader measures to define our managers at different levels. The table to the right shows the split of gender across different levels of management across the business.

Note that 'Top management' positions refer to management positions with a reporting line at most two levels away from the CEO, 'Middle management' positions refer to managers who lead specific departments and 'Junior management' refers to first-line managers.

We are providing this information as a commitment to transparency.

Management level	%
<b>Top management</b>	
Male	71%
Female	29%
<b>Middle management</b>	
Male	65%
Female	35%
<b>Junior management</b>	
Male	74%
Female	26%

Want to know more about our  
sustainability journey?

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