



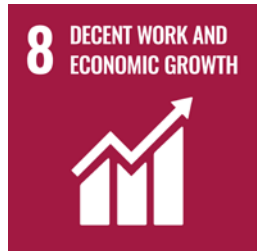
Annual Sustainability Report

2025

together
we are
the network

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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 to our people and our planet underpinned by specific targets to be achieved by 2026, 2030 and 2050, each assigned to a relevant owner from our SMT to assign accountability for delivery. Our strategy also contains four additional commitments to strong governance and 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. During 2025 we have worked with our stakeholders to shape new targets to be achieved by 2035 to provide further incremental milestones on our journey to 2050 – these will be detailed in future editions of this report.

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



Planet

- Enable affordable, decarbonised energy
- 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 2025

96%

Score in our second GRESB
Infrastructure Asset assessment

814

Colleagues trained around
customer vulnerability,
neurodiversity and dementia

6%

Reduction in greenhouse gas
emissions

72,000

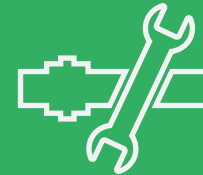
Hours of training delivered to
colleagues



280 days volunteered by our
colleagues



7,224 trees planted
in our region



565km of leaky metallic pipe
replaced with durable plastic
ones in our communities

87%

Suppliers complying with NGN
Supplier Code of Conduct

A word from our CEO



Welcome to our third Annual Sustainability Report.

2025 was another year of strong progress in an area that's fundamental to how we run our business.

Our firmly established People and Planet Strategy, which was shaped and continues to be guided by our stakeholders, ensures a sustainable approach to decision making while enabling our customers, colleagues and supply chain to thrive in the long term.

The strategy includes 12 commitments – which you can read about in this report - underpinned by specific targets to be achieved by 2026, 2030 and 2050 – and over the last 12 months, we've worked with our stakeholders to develop new targets to be achieved by 2035.

Our definition of success is grounded in measurable sustainability outcomes. We were delighted to score 96% in our 2025 GRESB Infrastructure Asset Assessment, a global ESG benchmark that assesses the sustainability performance of infrastructure assets and funds and encourages better ESG management by identifying strengths and areas for improvement.

Over the past year we've replaced 565km of aged, leak prone metallic gas pipes with new, robust plastic pipes, diverted our waste from landfill, planted over 7,000 trees to improve air quality in some of the most polluted towns and cities in our region and embedded sustainability principles in our supply chain. All in all, our total carbon emissions for this period are down by 6%, saving 22,296 tCO₂e. 2025 has also seen progress in hydrogen supporting decarbonisation of industry and power with £96 million Ofgem funding awarded for the next phase of Northern Gas Networks' East Coast Hydrogen partnership with National Gas and Cadent. This project sets out to develop a core hydrogen network connecting major hydrogen production and storage hubs with heavy industry and power generation, driving economic growth and creating jobs. NGN will explore the repurposing and construction of infrastructure to transport hydrogen for use by heavy industry during the latest two-year development phase.

We've also made great strides towards creating a more inclusive workforce. We've joined forces with the other Gas Distribution Networks in Great Britain to make a collective pledge to foster a culture where every colleague feels safe, valued, and empowered to be their true, authentic self. Through this pledge, we commit to creating workplaces and services where everyone feels valued, respected and ready to thrive.

I remain very proud of the amazing sustainability work our colleagues, partners and supply chain are achieving, and continue to achieve. I'm truly excited to see what further progress we all make as we work towards our vision of a fairer and greener future for the North of England.

Mark Horsley
CEO, Northern Gas Networks

Meet our Sustainability Team

A word from our Head of Environment and Sustainability

2025 has been a year of real progress as we continue to deliver on our ambitious People and Planet Strategy. We're proud to have made big strides in reducing gas leakage, our largest single source of greenhouse gas emissions, and rolling out our electric van trial. These achievements are helping us move closer to a cleaner, greener future.

Safety remains at the heart of everything we do. We're committed to the highest standards of customer and operational safety, while our social programmes continue to make a positive impact, especially for the most vulnerable communities across our region.

This year, we've also stepped up our efforts to embed diversity and inclusion throughout our organisation. In 2025, we focused on listening and learning from our stakeholders, and in 2026 we'll turn those insights into action.

Our People and Planet Strategy was shaped by our stakeholders and designed to be bold. We continue to work with our stakeholders to refine our strategy and during 2025 have collaborated to shape new milestone targets for 2035. Delivering on these commitments isn't easy, but we believe it's possible through innovation, collaboration, and long-term thinking - all for the benefit of our customers and communities.

Even in the face of challenges like the cost-of-living crisis, our customers tell us sustainability matters more than ever. That's why, together with our partners, we work hard every day to meet that 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

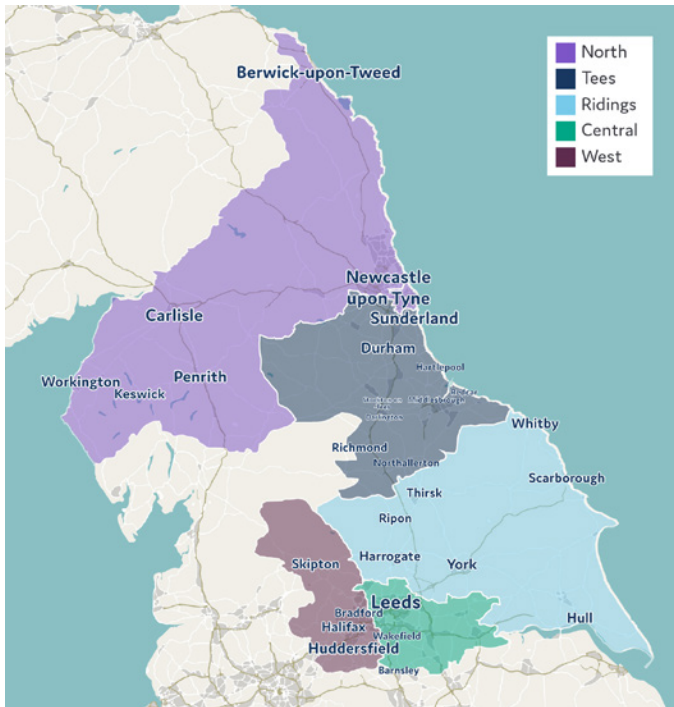
Hannah led the development of NGN's People and Planet Strategy and works to embed the strategy across NGN's stakeholders, colleagues and supply chain partners to ensure they are engaged and energised to deliver its ambitious aims.



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. This document provides a summary of our performance during 2025 against our commitments, with data within this document representing the period 1 January 2025 to 31 December 2025 (unless stated otherwise). See our [2024 report](#) for a summary of our previous activities.

We publish a range of other documents which you might find of use including:

Our Annual Environmental Report – see [here](#) for our latest version, and

Our Annual Innovation Report – see [here](#) for our latest version.

Our Annual Stakeholder Report – see [here](#) for our latest version

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 over the last few years 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 2024, 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 commitments and targets.



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.

NGN Board Committees:

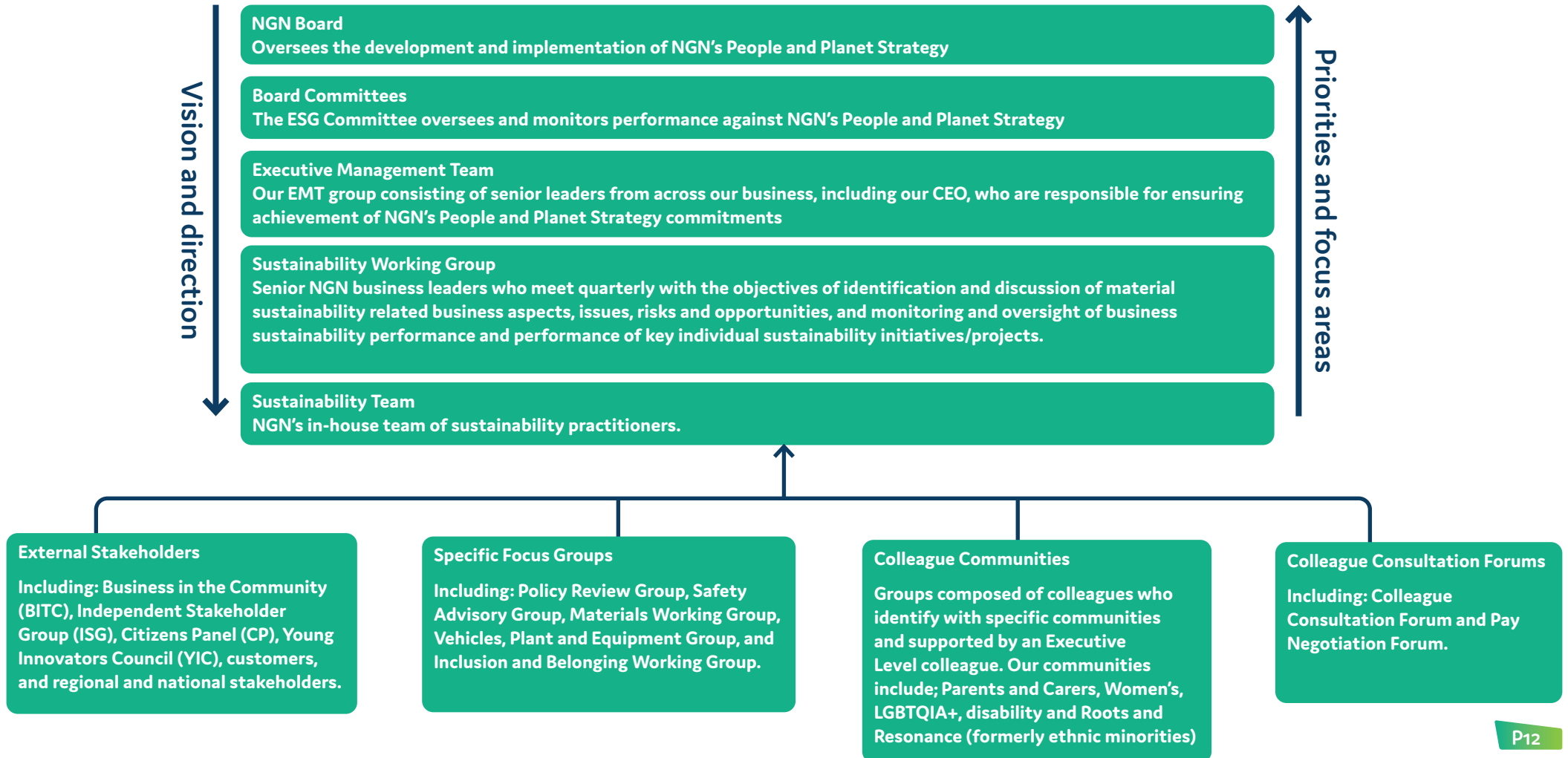
The Board has seven committees, including an Environmental, Social and Governance (ESG) Committee, which meet four times per year to assist in the execution of its duties and to allow a detailed consideration of complex issues. All Board members are entitled to attend all committees and attendance of the committees is largely the same as for the Board plus relevant NGN EMT members and subject matter experts. The ESG Committee exists to assist the Board in fulfilling 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).



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 or 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 2025 the team completed a corporate governance audit.

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

Our commitment to sustainability extends beyond our own operations and into the heart of the communities we serve. We actively demonstrate leadership by contributing to key regional and national networks that shape social value, resilience, and inclusive growth.



NGN are a founding member



NGN are a member of the Yorkshire and Humber Leadership Board



Member organisation including climate sub-group



NGN provide a Commissioner

Cyber resilience

Cyber threats continue to grow in scale and complexity, impacting every sector and remaining a priority for our stakeholders. In response, we are taking a dynamic, risk-based approach across Information Technology (IT), Operational Technology (OT) and physical security, ensuring resilience is embedded into the way we operate.

2025 has been another productive year for progressing Cyber Resilience at NGN. We secured significant additional investment to accelerate our programme. This funding is not just about protection – it underpins safer, more efficient operations and supports our digital strategy. Our focus remains on proportionate risk management, recognising that resilience matters more than compliance alone.

Key developments this year:

- **Integrated security leadership**
Security oversight remains under a single directorate, ensuring alignment to common objectives and a unified resilience strategy.
- **Risk-driven approach**
We have shifted emphasis from compliance to dynamic risk management, enabling faster responses to emerging threats and regulatory expectations.
- **People and awareness at the forefront**
Human factors remain a key focus. We continue to invest in training, culture and awareness programmes, alongside reviewing the role of cyber insurance in our overall risk posture.

Delivering our long-term strategy

Our strategy runs to 2031 and builds on our established management system. In 2025, we advanced several initiatives aimed at strengthening resilience:

- **Modernisation and integration**
Progressing towards more integrated security controls and streamlined processes across technology domains.
- **Enhanced visibility and monitoring**
Improving detection and response capabilities to support resilience across critical operations.
- **Scenario-based testing**
Conducting controlled exercises to validate resilience measures and strengthen organisational readiness.

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

Understanding the priorities, expectations and values of our customers and stakeholders is central to shaping a fairer, greener future for the North of England. Our established, independently assured approach to engagement, aligned to the AA1000 Stakeholder Engagement Standard, continues to give us the breadth and depth needed to explore challenging issues and inform our strategic decisions.

We use a range of engagement mechanisms including doorstep conversations, online focus groups, workshops, forums, surveys and telephone interviews. Our innovative platforms such as the Citizens' Panel, Young Innovators Council and annual Customer Perceptions Research allow us to continually test and challenge our thinking, ensuring our actions remain relevant and meaningful.

What stakeholders told us

Our 2025 Customer Perceptions Research showed that supporting those who need it most remains a key priority. Customers ranked help for those in vulnerable situations as the fourth most important issue, just after keeping bills low/ providing value for money, maintaining reliability, and ensuring safety. This has been a consistent priority over several years, confirming the importance of sustainability and vulnerability within our service.

Stakeholders also reinforced that when organisations fall behind on carbon targets, transparency and accountability matter most. They want targets maintained, progress clearly communicated, and credible alternative actions explored. In response, through our Annual Environmental Report and Annual Sustainability Report we report emissions transparently, in line with the GHG Protocol, showing total emissions and sources clearly and consistently. We remain focused on emissions reduction over offsetting, while signalling where UK offsetting may be considered in the future.

For more information about stakeholder engagement please see our [Stakeholder report](#).

184,075

voices heard

10,399

stakeholders
engaged
strategically

2,900

interactions
with our online
engagement hub

80%

of stakeholders
were very satisfied
with our events

57

strategic
engagement
events held

8.8/10

average
stakeholder
satisfaction score

Listening to our stakeholders



Our 2025 Young Innovators Council alongside members of our Stakeholder Engagement Team

Future voices, present impact: what students told us about inclusion

This year, we trialled a new stakeholder-engagement mechanism in partnership with The Purpose Coalition, giving us direct access to the views of students and recent graduates. We asked them what inclusion at NGN looks like to them, and what they expect from a future employer. Their feedback was clear and compelling:

- Cultural change matters as much as data – without the right culture, the data alone won't help to attract or retain people.
- Mentoring, inclusive leadership and psychological safety are essential foundations of belonging.
- Visible presence and authentic stories from senior leaders resonate powerfully with emerging talent.

These insights have played a pivotal role in shaping our updated Inclusion Strategy and ensuring it reflects the expectations and experiences of the next generation entering our workforce. NGN's Sustainability Lead noted:

"Listening to emerging talent helps us turn feedback into meaningful, measurable change for our current and future workforce."



Our in-person Citizen Panel workshop held at our Leeds head office in July 2025

Powered by perspective: embedding stakeholder insight into our plans

In 2025, we worked closely with our stakeholders to test and refine our People and Planet Strategy. To build a rounded understanding of customer and youth perspectives, we explored the same questions with both our Young Innovators Council (YIC) and our Citizen Panel. These groups considered the ambition and structure of our sustainability commitments, highlighting the need for ambitious yet realistic targets, reviewed every 3–5 years and aligned with wider societal and regulatory cycles. They also stressed the importance of flexibility, supported by clear justification and stronger accountability through independent assurance and transparent publication of progress. Their feedback has directly informed our refreshed People and Planet Strategy, to be published in due course.

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 focusing 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		
	Transparency and accountability	Not a specific commitment, but we have many reporting mechanisms	N/A
	Helping the region meet climate change targets	Eliminate air pollutant emissions, and reach net zero by 2050	
Lower Materiality	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 - 2025		
	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
Enable affordable, decarbonised energy			✓
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



G R E S B

In our 2025 submission, we scored 96% in the GRESB Infrastructure Asset Assessment.

GRESB Infrastructure is a global ESG benchmark that assesses the sustainability performance of infrastructure assets and funds. It's used by investors to evaluate how well infrastructure investments manage ESG risks and opportunities.

- Benchmarking: It provides standardised ESG performance scores for infrastructure assets and funds.
- Transparency: Helps investors understand ESG practices and impacts across their portfolios.
- Improvement: Encourages better ESG management by identifying strengths and areas for improvement.

Year	Overall NGN GRESB Score
2024	81%
2025	96%

Certified ISO 14001:2015 company



Independently assured against the AA1000 Stakeholder Engagement Standard



Highly Commended in 'Innovation in Customer Engagement' at Engage Business Media Awards



Achieved Supply Chain Sustainability School gold badge



Listed on the Chartered Institute of Procurement and Supply (CIPS) Corporate Ethics Register



Certified ISO 22458:2022 company



Our strategic commitments – an update for 2025



Enable affordable, decarbonised energy

7 AFFORDABLE AND
CLEAN ENERGY



Key highlights:



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

£96m

Regulatory funding received for our collaborative East Coast Hydrogen project



Net Zero Educator Role delivered almost 350 sessions to over 27,000 pupils

By 2026 we commit to...

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

Enable affordable, decarbonised energy

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.

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 and 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 2025 with details of our previous activities over recent years provided in our 2024 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. By the end of 2025, we had 20 operational biomethane production sites connected to our network.

Between 2024 and 2025 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 tCO₂e 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](#) (ECH) is a collaboration between National Gas Transmission, NGN 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 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 MtCO₂ per year by 2037, the ECH programme is vital for decarbonisation of industry and the prosperity of our region. In 2025 the ECH project partners received £96m of regulatory funding to support this important next phase and work has started as part of a two year delivery programme.



We aim to be Net Zero by

2050

12 MtCO₂e

Potential annual carbon saving from East Coast Hydrogen project by 2037

1.2%

Of gas transported in 2024/25 via our network was biomethane

Enable affordable, decarbonised energy



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.

Education about Net Zero

In 2025, our Energy Futures and Net Zero Education Outreach Programme delivered 342 sessions across a wide range of groups, including young people with special educational needs. Through interactive activities, workshops, and staff training, we engaged more than 27,000 young people, helping to build knowledge and confidence in a low-carbon future.

Programme benefits:

- Strengthened awareness and understanding of decarbonised energy solutions and the journey to net zero, including among girls and young women, supporting greater diversity in future career choices.
- Fostered collaboration and problem-solving across schools to advance sustainability learning.
- Supported curriculum development by incorporating energy transition topics and real-world application.
- Connected with communities to help prepare the next generation for the sustainability challenges ahead.



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.

34,724

Customers who have received high level energy efficiency advice during 2021-2025

342

Number of Net Zero education sessions delivered in 2025

27,332

Number of young people engaged with about Net Zero in 2025

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



Awarded silver in the Better Health at Work awards



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, our average 11-year employee tenure reflects our commitment to quality employment. We ensure safe working conditions, strong occupational health support, competitive pay, flexible working, paid volunteering, and upskilling. Our benefits evolve to meet colleagues' needs, offering financial security initiatives and flexible benefits such as private healthcare, low-emission car schemes, technology vouchers, and wider support for wellbeing and stability.

Inclusive work placements trial - shaping our future talent pipeline

In summer 2025, NGN piloted three innovative work experience trials: one virtual and two in person, all designed with input from our Young Innovators Council. Their ideas, shared during a session with Solutions for the Planet, helped shape experiences tailored for young people with a passion for science, technology, engineering and maths (STEM).

Across the pilots, participants joined leadership panels, apprentice question and answer sessions, team demonstrations and a hands-on innovation workshop built around real-world challenges. Feedback was overwhelmingly positive and highlighted both NGN's genuine commitment to young talent and the creativity of the sessions.

Colleagues described the approach as inspiring and impactful, helping to lay the groundwork for a more structured one- and two-week programme next year. We will keep you updated on how this develops in 2026.

	2022	2023	2024	2025	Target 2026
Recruit minimum 100 apprentices across 2021-26, with offer of permanent employment on completion <i>cumulative shown</i>	46	78	91	100	100
Number of work experience/placement students	5	14	13	9	NA
Train 100 community partners to deliver sustainability messages on our behalf <i>cumulative shown</i>	162	1,021	1,714	2,080	100

Supporting colleague wellbeing: Sleepstation

In 2025, we introduced Sleepstation as a new wellbeing resource, recognising the importance of good sleep for health and resilience. It provides confidential online access to expert coaches, clinically validated interventions, self-assessment tools and specialist resources.

Sleepstation helps colleagues identify the causes of sleep issues, improve sleep quality and build long-term healthy habits. The service is inclusive, supporting those with severe challenges as well as colleagues looking to optimise already good sleep. Since its launch, 72 colleagues have accessed the service, demonstrating strong engagement.



100

Apprentices recruited since 2021

9

Students took part in our work experience trials in 2025

95

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

Prioritise colleague safety and wellbeing

Mental Health at work commitment

Our Workplace Wellbeing survey showed that mental health is a key priority for colleagues. In response, we signed the Mental Health at Work Commitment, strengthening our aim to create a culture where mental health is openly discussed and well supported. This commitment shapes how we design work, build our culture and deliver wellbeing initiatives, while being transparent about our progress.

In 2025, we continued to grow mental health capability across NGN. To date, 386 colleagues have completed mental health training, supported by 29 trained Wellbeing Champions. Our Mental Health First Aiders act as Champions, offering confidential listening, signposting support, promoting wellbeing campaigns and feeding colleague insight into the Wellbeing Focus Group. This network helps create a supportive environment, encourages engagement with wellbeing resources and strengthens mental health support across our workforce.



	2022	2023	2024	2025	Target 2026
Colleagues who undergo mental health training	34	85	290	386	All colleagues
<i>cumulative shown</i>					
Lost time injuries* per 100,000 hours worked (employees and contractors)	0.02	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 2025 this team completed 313 audits.

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. We also exchange such information with other UK utility networks to promote knowledge sharing..



466

Hours of mental health training provided to managers

29

Trained mental health and wellbeing champions in our workforce

313

Proactive health and safety inspections completed in 2025

Build a diverse workforce and eliminate inequality

10 REDUCED INEQUALITIES



Key highlights:

9%

Of our colleagues are members of an NGN Colleague Community

5

Active colleague communities



9 policies reviewed for inclusivity

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

Inclusion at NGN comes from the very top and in 2025, alongside our fellow gas distribution networks, our leaders demonstrated visible allyship, and pledged to continuing to prioritise building an inclusive business. One shaped by action, accountability, and fairness through embedding inclusive practices into how we recruit, develop, and make decisions. They committed to challenging bias, creating psychologically safe spaces, and making allyship a shared leadership responsibility. At the heart of this is a simple promise:

To foster a culture where every colleague feels safe, valued, and able to be their true, authentic self.

Progressing LGBTQIA+ allyship at NGN in 2025

In 2025, we strengthened our commitment to LGBTQIA+ inclusion and allyship. Building on the foundations laid in 2024 through allyship workshops with Pride in Energy, this year saw renewed momentum, including the EMT completing their own allyship training, sending a clear message that inclusion is everyone's responsibility. Visible action followed, with colleagues adopting rainbow lanyards and allyship pin badges, and updated messaging on NGN vans sharing our support with the communities we serve.

A major milestone was becoming a Stonewall Member, giving us access to expert guidance, learning opportunities and national networks that will help shape an even more inclusive workplace. Stonewall's resources will support colleagues throughout the year as we progress our inclusion journey.

We also reaffirmed our commitment to dignity, fairness and respect, especially in light of national discussions on gender determination. Working closely with the LGBTQIA+ Colleague Community and external experts, we continue to foster a culture where everyone feels safe, valued and able to be themselves.

To support this commitment in 2025 we launched the NGN census. The census helps us better understand the diversity of our workforce, particularly in areas such as disability and sexual orientation where data gaps remain. So far, 27% of colleagues have chosen to share their information, helping us learn, listen, and take more meaningful action. Alongside this, our Colleague Communities, launched in 2021, help create a sense of belonging across NGN. These colleague-led groups provide space to connect, share experiences, raise awareness, and celebrate what matters to people. Everyone is welcome to join, whether or not they identify with a particular community, and there are currently five active communities across the organisation including LGBTQIA+, Women's, Parents & Carers, Roots and Resonance (formerly Ethnic Minority) and Disability.

Neurodiversity awareness sessions

In 2025, we reintroduced our Neurodiversity Awareness Sessions, refreshed using colleague feedback and designed to spark meaningful conversations. The sessions focused on building understanding, connection and a more inclusive workplace.

We delivered two sessions: one on Dyslexia and one on Autism. The Autism session explored signs, traits and practical ways to create supportive environments, with space for colleagues to share experiences and best practice. The Dyslexia session covered the different forms of Dyslexia, effective support strategies and available tools and resources. An NGN colleague also shared their personal experience of navigating Dyslexia, making the session more relatable and impactful.

These sessions equipped colleagues with knowledge, empathy and confidence to better support neurodiverse individuals at work and beyond.



40

Average age of an employee

5%

Of our workforce work part time

11

Years average employee tenure

Focus on: Gender Pay Gap

What is the current gender pay gap?

Our current gender pay gap is 19.4% as at April 2025.

The gender pay gap shows the difference in average pay between women and men across the organisation, expressed as a percentage of men's earnings.

A common misconception is that the gender pay gap is due to differences in pay for equivalent work. It is important to distinguish the pay gap from equal pay; at NGN, pay parity is rigorously upheld, and colleagues performing the same or similar roles are paid equally.

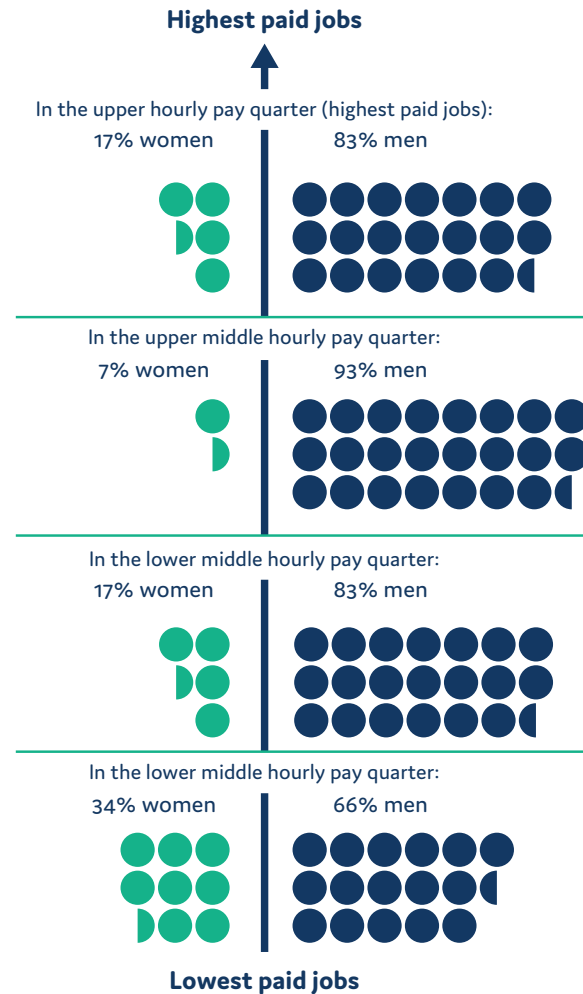
Gender pay gap calculations are complex and influenced by multiple structural and reward-related factors. We continue to strengthen our understanding of the main drivers of the gap within our organisation, ensuring they are clearly understood and reflected in our upcoming Inclusion Strategy (which will be published in 2026).

Our current gender pay gap remains primarily driven by workforce composition. The majority of our employees are male (80.75%), and women remain underrepresented in both senior leadership and operational roles. Two structural factors underpin this position:

- **Senior representation:** Women are underrepresented at senior levels and in the upper pay quartile, which is currently 83% male, limiting access to higher base pay and bonus opportunities. The adjacent diagram shows the split of gender represented at each quartile of the organisation.
- **Operational roles:** Operational teams are majority male and attract additional reward elements such as standby and call out payments to reflect 24/7, 365 day coverage. In line with legislation, these payments are included in gender pay calculations and materially influence the pay gap.

Mean: Overall average, but can be skewed by very high or low pay.

Median: Middle value, shows the typical gap but may miss extremes.



Each dot represents 1% of the employees at NGN



19.4%

Median pay gap

11.8%

Mean pay gap

69.7%

Median bonus gap

36.1%

Mean bonus gap

Figures as of April 2025

Focus on: Gender Pay Gap

How does this compare to last year?

Compared to the previous reporting year, our gender pay gap has reduced. While overall workforce composition has not materially changed, with only a marginal reduction in the male majority, year on year movements in pay outcomes are reflected in the headline figures.

This reduction has been influenced by a combination of factors rather than a single intervention. One contributing factor has been the timing of applying elements of the annual pay review, which affected average pay calculations within the reporting period. We will continue to consider the impact of pay review timing as part of our ongoing analysis.

We remain clear that year on year movements do not, on their own, indicate structural change. While reported figures can fluctuate due to reward timing and workforce dynamics, sustained improvement will only be achieved through long term changes to representation, progression and retention. Addressing the gender pay gap requires sustained action, particularly through recruitment and retention into senior and operational roles where representation has the greatest influence on pay outcomes.

Our People and Planet Strategy sets clear ambitions:

- 50% reduction in the gender pay gap from a 2021 baseline
- 40% female representation at senior level.

To support these ambitions, we will publish an Inclusion Strategy in 2026, informed by detailed analysis of the key influences on our gender pay gap, ensuring targeted and proportionate action. As mentioned in our 2024 report, the Women's Community have continued to be heavily involved in discussions surrounding our Pay Gap and the forthcoming Inclusion Strategy.

Diversity in our Executive Management Team (EMT):

Our stakeholders told us they want greater transparency around the diversity of our EMT. In response, we've shared the data we currently have, based on self-declarations from our leaders. Looking ahead, we're committed to expanding the scope of this reporting to provide an even clearer picture in future years. Note these figures include only Executive team members, and do not represent the wider senior management team

Diversity metric	As at December 2025
Average age	51
Are working part time	11%
Are female	22%
Have a disability	11%

	April 2020	April 2021	April 2022	April 2023	April 2024	April 2025
Median pay gap	15.5%	16.6%	18.6%	19.4%	26.3%	19.4%



81%

Of our workforce are male

19%

Of our workforce are women

29%

Of our senior team are women

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

11 SUSTAINABLE CITIES AND COMMUNITIES



Key highlights:

23,000

Carbon Monoxide awareness visits carried out with customers



Over £7.5M 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
- Reduce our part of customer bills by 8.6%

Safe and affordable energy services

Fuel poverty remains a major challenge across the NGN region, affecting 17% of households compared with the national average of 13%. We also recognise that almost one in four UK adults experience mental health issues, which can significantly impact daily life. These realities underline the need for empathy and strong support for people facing hardship.

Research shows that around one in five customers may need additional help when interacting with NGN, and since many contact us only once in their lifetime, every interaction matters. We have a clear strategy to identify and support customers in vulnerable situations.

Regulatory funding through the Vulnerability and Carbon Monoxide Allowance (VCMA) enables this work. Alongside VCMA, our Community Partnering Fund and Customer Support Fund demonstrate our commitment to go further, with at least £1 million invested between 2021 and 2026.

	21/22	22/23	23/24	24/25	Annual target
Priority Services Register (PSR) referrals	4,913	8,925	10,003	11,729	5,000
£ spent via VCMA (total, including collaborative projects)	£588,587	£1,809,303	£5,872,612	£7,524,844	£2,051,309 (forecast spend)

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

The Priority Services Register (PSR) is a free UK wide service offering extra advice and support for customers in vulnerable situations, including during electricity, gas or water interruptions. It helps networks like ours identify people with additional communication, access or safety needs, so we can tailor services, provide support with everyday energy issues and offer extra help during disruptions.

From Centres for Warmth to Resilient Communities

Last year, we told you about our Centres for Warmth programme, an initiative to support vulnerable people in some of the most deprived areas of our network. Redcar Baptist Church became NGN's first Centre for Warmth, offering a safe, warm, space five days a week. The hub provided practical support and helped people move from vulnerability toward greater independence.

Building on this success, we published our Centres for Warmth Strategy in 2024 and expanded the programme significantly. We now have 20 centres across our region.

In 2025, working with Northern Powergrid, we evolved these spaces into Centres for Future Warmth and Resilience, combining community support with preparation for a net zero future. Stakeholders told us change must happen at a pace communities can manage, so these centres provide accessible education and resources. We are piloting Northern Powergrid's Centres for Resilience initiative at Redcar, offering backup power, communication systems and essential services during emergencies.

"When you bring the strength of Northern Powergrid and Northern Gas Networks together, and we collaborate positively with a shared vision, this makes a huge difference for our customers."

— Harry Carson, Customer Vulnerability Advisor, Northern Powergrid



11,729

Referrals to PSR in 2024/25

50%

Of our domestic customers experienced difficulty paying their energy bills in 2025

1 in 5

Customers may need extra assistance during interactions with NGN

Safe energy services

Services Beyond the Meter

As a gas network, we are committed to keeping customers safe and warm. We recognise that some households cannot maintain a safe home without additional support. When our engineers respond to emergencies or carry out routine network upgrades, they may find unsafe appliances or internal pipework beyond the meter. In these cases, appliances may need to be condemned or the gas supply isolated.

For vulnerable customers, the cost of repairs, servicing, or replacing essential gas appliances can be unaffordable and may leave them without heating, hot water, or cooking facilities. Although we provide temporary electric heaters and hobs, these are expensive to run and do not offer a long-term solution.

Through our SBTM initiative, if a vulnerable customer meets Ofgem’s eligibility criteria and cannot afford the necessary work, we arrange for a Gas Safe registered engineer to repair, replace, or service their appliance or pipework.

To date, the initiative has delivered over 416 repair and replacement interventions, 101 appliance services, and 386 carbon monoxide investigations. This support helps customers remain safe, warm, and protected in their homes



Keeping our customers safe

Gas escapes pose a hazard to life and property. We operate around the clock gas emergency response service and are required to attend uncontrolled gas escapes within 1 hour of notification and controlled gas escapes within 2 hours, at least 97% of the time. We consistently out-perform these targets, achieving 99.90% and 99.99%, respectively, in 2024/25.

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	24/25	Annual target
Number of CO awareness visits/surveys with customers	17,995	17,966	18,410	23,004	10,000
Gas mains replaced in year (km)	557.3	528.4	590.0	565.0	N/A
Gas emergency response time:					
Controlled escapes: <1 hour	99.75%	99.55%	99.81%	99.90%	97%
Uncontrolled escapes: <2 hours	99.95%	99.96%	99.93%	99.99%	97%



£6.40

Average social return on investment benefit for every £1 invested through our SBTM programme

565km

Gas mains replaced in 2024/25

99.9%

Gas emergencies responded to within 1 hour in 2024/25

Produce less waste and recycle all of it

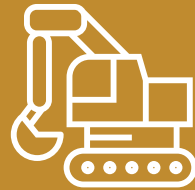
12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Key highlights:



99.86% waste
recycling rate



130,000 tonnes of
primary aggregates
saved in 2025



Food waste bins
implemented at our
offices and depot

By 2026 we commit to...

- 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. Each year we create around 200,000 tonnes of waste, the majority of which is excavation spoil from our operational projects.

In 2025, we achieved a 17% reduction in office and depot waste compared with our 2018 baseline, keeping us on track to meet our target of a 20% reduction by 2026. In addition, 0.02% of our waste was sent to landfill during 2025, and we remain on track to achieve our target of below 0.1% by 2026. Our recycling performance was also maintained, with 99.86% of all waste successfully recycled.

Aggregates (crushed stone and sand) remain our largest material use by mass, primarily for reinstating excavations. By encouraging contractors to prioritise recycled (secondary) aggregates over primary materials, we saved 130,000 tonnes of virgin stone and sand in 2025 alone. This not only reduces environmental impact but also demonstrates how collaboration across our supply chain delivers tangible sustainability gains.



17%

Reduction on office and depot waste since 2018

100%

Waste diverted from landfill in 2025

96%

Recycled aggregate use in reinstatement in 2025

	21/22 – actual	2023 - actual	2024 - actual	2025 - actual	2026 - target
Hazardous waste (t)	3	1	10	5	-
Excavation waste (t)	201,061	236,397	238,338	206,056	-
Office and depot waste (t)	981	896	948	946	916
Other waste (t)	8	54	77	61	-
Total waste (t)	202,053	237,348	239,373	207,069	-
Waste to:					
Landfill	0.12%	0.15%	0.00	0.02	<0.1% to landfill
Recycled/reused	99.88%*	99.75%	99.89	99.86	
Recovered		0.10%	0.11	0.13	
Primary aggregate use in reinstatement	8%	5.5%	3.9%	4.0	<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 78% to 0.7m sheets in 2024/25 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 has saved c.60,000 single use plastic bottles annually
- Reducing single plastic items in our office stationery catalogue



40kg

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

78%

Reduction in paper use since 2018

60,000

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



Making everyday office supplies more sustainable

We've transformed our colleague stationery catalogue to be more sustainable. Our catalogue has been streamlined from 250,000 items to 170 core products, each selected to meet our sustainability standards. Colleagues now have access to more eco-friendly options, with many items replaced by alternatives that use less single-use plastic and are made from recycled, recyclable, or reusable materials, helping to cut waste and conserve resources.

To further reduce our footprint, we have consolidated deliveries so that all orders arrive on a single day each week. This simple change can save over 700 kg of carbon emissions annually by reducing transport trips.

Eliminate air pollutant emissions and reach net zero by 2050

13 CLIMATE ACTION



Key highlights:

31%

Reduction in annual gas leakage since 2018



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

80%

Score in GHG emissions reporting in GRESB Infrastructure Asset Assessment

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 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. By 2025, we had already delivered a 31% reduction, demonstrating significant progress.

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 launched a trial of 10 battery-electric vans in September 2025. The trial is being rolled out across the network within our First Call Operative emergency response role, ensuring these vehicles can be tested thoroughly against the demands of our operations and proven to meet requirements reliably. Our company car fleet continues to be 100% electric or hybrid.

Our offices, depots and infrastructure sites are powered by 100% renewable electricity from our own roof-top solar panels and supplemented with responsibly sourced renewable electricity from the grid. Going further, in 2025 we switched the gas supply to our offices and depots from natural gas to certified low carbon biomethane.

Reducing gas leakage everyday

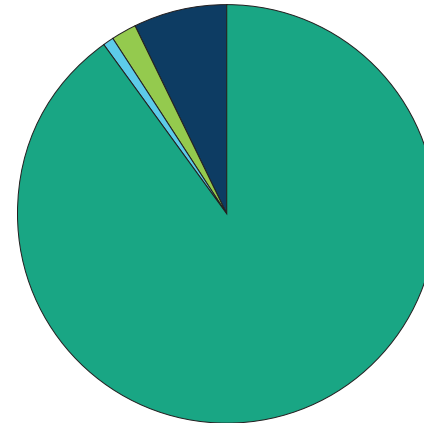
We are reducing our gas leakage by replacing aged, leak prone metallic gas pipes with new, robust plastic pipes as part of a 30-year programme extending to 2032. In 2024/25 we replaced 565km of pipe. We are incentivised to reduce gas leakage via our regulatory contract and are forecasting to achieve a financial reward at the end of our current regulatory period.

Our annual gas leakage has reduced by 31% from 2018 to 2025 saving approximately 430,000 tCO₂e.

Gas mains replacement work



NGN Greenhouse Gas Emissions 2025



- Scope 1: Leakage - 90%
- Scope 1: Natural gas use and stolen from network - 1%
- Scope 1: Vehicles - 2%
- Scope 2: Electricity use (market based) - 0%
- Scope 3 - 7%



22,296

tCO₂e saving between 2024 and 2025

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

8,700

typical UK homes

100%

Of the electricity used in our premises is from renewable sources



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 40% 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 2025 reflective of our consistent gas mains replacement work programme.



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

tCO ₂ e	17/18 - actual (baseline)	20/21 - actual	21/22 - actual	2023 - actual	2024 - actual	2025 - actual	2026 target
Scope 1 - gas shrinkage	407,403	365,881	363,344	326,692	303,094	282,219	281,728
Scope 1 - other	5,478	4,518	4,785	5,154	5,062	5,281	3,612
Scope 2 (market based)	2019	122	0	5.2	9	25	-
Scope 3 (key)	17,479	15,150	15,200	16,538	17,789	16,131	14,191
Scope 3 (total)	-	-	22,406	23,230	24,173	22,607	-
Total (market based)	432,379	385,671	390,535	355,082	332,338	310,132	-
Certified Offsets	-	-	-	775	-	0	-
Net total (market based)	432,379	385,671	390,535	354,307	332,338	310,132	-
Net total (market based) emissions per £m turnover	1,052	885	927	692	631	540	-

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

Empowering colleagues through Carbon Literacy Training

In 2025 we hosted our first certified Carbon Literacy Training session, designed to strengthen our commitment to sustainability. The session introduced colleagues to the science of climate change, the role of carbon emissions, and practical ways to measure and reduce impact.

Seventeen employees completed the training, equipping them with the knowledge to drive positive change across our organisation. Building on this success, we plan to deliver further sessions in 2026 to reach more colleagues.

40%

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

330MWh

Of solar energy generated by NGN in 2025

17

Employees completed Carbon Literacy Training

Carbon Literacy Project



Resilience for the future

Reporting and disclosure

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

During 2025 we have continued to work collaboratively with our regulator (Ofgem) and the other gas and electricity networks of Great Britain to develop a suite of climate resilience reporting metrics and indicators for public reporting

Risk assessment

Our latest climate change risk assessment analyses the risks posed to our network infrastructure and operations out to 2100 for 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. A summary of our latest climate change risk assessment is provided in our 2024 Annual Sustainability Report.

Long term Resilience Strategy

In 2024 we created:

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

During 2025 we have continued to work collaboratively with the electricity distribution network operators in our region to establish mutual assistance agreements. These can be called upon in times of need, such as during extreme weather events, to enable customers to have their energy supply restored as quickly as possible.



Our severe weather commitment

Our customers consistently say a reliable gas supply is one of their top two priorities for us. With climate change causing more extreme weather, resilient infrastructure and operations are vital for continuity of service.

Extreme cold weather events exert additional stresses on our network by temporarily significantly increasing demand for gas. Our regulatory licence requires our network to be designed, maintained and operated to ensure supply of gas to our customers even during extreme weather. Key customer service requirements that our network must provide include maintaining minimum (21 mb) operating pressures at all network locations and providing a 1-in-20 years measure of peak demand*.

During the 'Beast from the East' cold spell in February and March 2018, our region experienced several days of freezing temperatures, heavy snow and strong winds. This resulted in a significant increase in customer gas demand for heating. The design and maintenance standards of our infrastructure provide resilience by resistance and reliability. This meant that our network continued to supply customers with gas throughout this event, including temporarily operating at over 100% of its 1-in-20 peak demand capacity, without failure or associated loss-of-supply events.

*The 1-in-20 years peak day demand is the level of gas demand that, in a long series of winters, with connected load held at the levels appropriate to the winter in question, would be exceeded in one out of 20 winters, with each winter counted only once.

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

1 in 20

Our network is design to supply the peak demand expected once every 20 years

100%

Score in climate-related opportunities identification and impact assessment in

GRESB

P41

Manage our land to benefit the environment

15 LIFE ON LAND



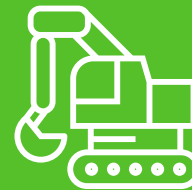
Key highlights:

52,721

Trees planted in our region since 2021



Created 225 homes for nature on our sites



All 47 gas holders decontaminated and dismantled since 2013

By 2026 we commit to...

- 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) once dotted UK skylines but are no longer needed for a modern gas network. We pledged to decontaminate and dismantle our remaining 23 holders between 2021–2026, on top of the 24 removed during 2013–2021, and completed the programme early in 2025. Tens of thousands of cubic metres of contaminated water and tonnes of hazardous waste were safely removed from each holder. This waste was carefully treated and disposed to permanently eliminate the risks posed to local environments.

We also have a proactive programme of identifying and cleaning-up contamination left beneath our land from bygone eras, such as at Buckle Lane, Normanton. In 2024 we appointed a framework of specialist land remediation contractors to deliver clean-ups at eight sites by 2026. In 2025 we completed three sites and started three more, keeping us on track to achieve our target.



South Shields gas holder demolition, image courtesy of Erith Ltd



Land remediation at Buckle Lane, Normanton

NGN owns a former gasworks and gas storage site at Buckle Lane, Normanton, West Yorkshire. The site is largely vacant, with two secure operational assets: a gas governor in the northeast and a telecommunications mast in the southwest. Historic gasworks activity left shallow soil contamination from spent oxide - a distinctive blue material that is acutely toxic and poses significant health risks to site users and trespassers.

A protective cover layer was installed in 2016, but later site activities compromised its integrity, leading to renewed exposure. In 2025, NGN appointed specialist remediation contractors, Erith Ltd, to carry out targeted excavation and removal of contaminated soils. Approximately 70 tonnes of spent oxide impacted soils were excavated, carefully disposed off-site and replaced with suitable quarried stone backfill.

These works robustly mitigated human health risks and restored site safety, supporting NGN's commitment to responsible land management and environmental stewardship.

Image above shows previously exposed soil contamination at Buckle Lane, Normanton

15 LIFE ON LAND



Zero

Reportable environmental incidents in 2025

47

NGN gas holders dismantled and decontaminated between 2013 and 2025

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' on our land to encourage biodiversity by 2026. We are well on the way with this commitment and have achieved 225 by the end of 2025 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 at 10 of our sites after it was suggested to us by stakeholders. Building on this success, in 2025 we introduced a new vegetation management contract that embeds 'No Mow May' practices across around 140 of our infrastructure sites. Under this contract 10–20% of grass at each site, primarily along margins, is left uncut during May. This provides vital habitats for wildlife while ensuring operational safety and efficiency. Through these initiatives, we are actively making space for nature, strengthening biodiversity, and contributing to a greener, more sustainable future.



'No Mow May' outputs – Cooper Bridge AGI, West Yorkshire, May 2025

Air Pollution	2021/22 (kg)	2022/23 (kg)	2023/24 (kg)	2024/25 (kg)	2024/25 target (kg)
Sulphur Oxides (Sox)	13	14	14	14	16
Nitrous Oxides (Nox)	9,330	9,785	9,947	9,521	11,358
Particulate Matter 2.5 (PM 2.5)	361	380	388	410	187
Particulate Matter 10 (PM 10)	616	650	662	715	355

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, 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, Humber Forest and Community Forest Trust) our shareholder funded strategic tree planting programme aims to tackle poor urban air quality in our region. During 2024/25 we funded the planting of 7,224 trees across 18 sites in our region and since 2021 we have funded the planting of 52,721 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.



140

Sites left partially uncut during 'No Mow May'

7,224

trees planted with NGN shareholder funding in our region in 2024/25

£22m

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

Partner responsibly and hold suppliers to sustainability standards

17 PARTNERSHIPS FOR THE GOALS



Key highlights:



Achieved Supply Chain Sustainability School Gold Badge



184,075 voices heard through our stakeholder engagement

100%

Score in Supply chain engagement program in GRESB Infrastructure Asset Assessment

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 to be compliant with our code by March 2026. By March 2025 we had already achieved 87%.

Supporting suppliers

We are proud members of the Supply Chain Sustainability School. Through this partnership, we support our suppliers in improving processes and enhancing their overall environmental impact. In 2025 our suppliers engaged with sustainability-related training materials 1,271 times on the platform, reflecting a strong commitment to learning and improvement

Big Ideas, Bright Futures: NGN mentors support young sustainability thinkers

NGN colleagues are helping shape the next generation of STEM and sustainability leaders through the national Big Ideas Programme, run with social enterprise Solutions for the Planet. The initiative supports 11–13 year olds, many from disadvantaged backgrounds, to develop practical solutions to sustainability challenges. NGN mentors guide students as they turn their ideas into business plans, with the best projects presented at Westminster.

This year, 23 colleagues dedicated 340 hours to support 636 students across our region. Mentors say the experience boosts students' confidence and skills while strengthening their own communication and creativity.

"We're very proud of our partnership with Northern Gas Networks through our Big Ideas Programme. The work we do together is a true win-win - young talent gain invaluable insights from our experienced mentors, while mentors are equally enriched by fresh perspectives and enthusiasm. It's a mutual learning opportunity that encourages creativity and personal growth on all sides."

Jen Baughan, CEO at Solutions for the Planet

International Women's Day: strengthening an established partnership

In 2025, NGN hosted its first in-person International Women's Day event, building on our long-standing partnership with Alex Knight and her organisation, STEMazing. The session, led by Alex, focused on empowerment and action. Drawing on her personal journey, Alex reinforced the importance of self-belief, confidence, and allyship in creating more inclusive workplaces.

Through interactive workshops, colleagues explored practical ways to build confidence, mentor others, and challenge bias. The event was met with overwhelmingly positive feedback and left participants motivated with clear, actionable insights.

This event reflects both the strength of our partnership with STEMazing and NGN's ongoing commitment to fostering an inclusive workplace where everyone can thrive.

87%

Of suppliers signed up to our Supplier Code of Conduct in 2025

1,271

Supplier views on sustainability related training material

636

Students mentored by NGN colleagues in the Big Ideas Programme

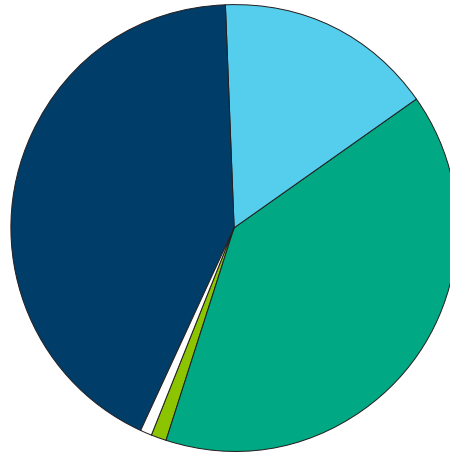


Partner responsibly and hold suppliers to sustainability standards






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.

Engagement in the volunteering programme has grown substantially in recent years, rising from 71 days in 2022 to 280 days in 2025. This continued increase reflects a strengthening culture of community involvement across NGN.



2025 volunteer days by category

-  Reducing fuel poverty 1%
-  Supporting vulnerable people 43%
-  Improving education and skills 16%
-  Improving local environment 40%
-  Supporting diversity 1%

280

Days volunteered by our colleagues in 2025

294%

Increase in volunteering from 2022

AA1000

Stakeholder engagement standard assured

20 acts of kindness to mark NGN's 20-year milestone

To mark 20 years of NGN ownership under CKI, a group of colleagues at our Leeds Depot launched a heartwarming initiative in the summer of 2025: "20 in 20" a challenge to complete 20 acts of kindness or community giving in the final 20 weeks of the year.

What began as a small team idea quickly gained momentum, inspiring colleagues across the business to get involved and make a positive impact in their local communities. Acts of kindness included helping sort charity donations, taking part in fundraising walks, and helping revamp a nursery.



Colleagues helping sort donations at Leeds Baby Bank



A colleague spent two days renovating a nursery

Progress against our 2026 targets in detail

Key:	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
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SDG	People and Planet Strategy commitment	Short (2021 - 2026)	Maturity	Progress update
7	Enable affordable, decarbonised energy	Complete Hydrogen blending project to provide evidence to secure policy decision	Delivered	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: https://hydeploy.co.uk/
		Improve customer service to facilitate higher levels of green gas in our network.	Delivering	No additional biomethane production sites connected to NGN network during 2024/25. Total capacity connected remained the same as 2023/24 at 18,257 scm/h from 19 sites.
		Demonstrate safety case and deliver hydrogen village trial	Delivered	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.
8	Enhance access to opportunities and fair jobs	Recruit minimum 100 apprentices across 2021-26, with offer of permanent employment on completion.	Delivered	We have recruited 100 apprentices since 2021.
		Offer placements/work experience to students focusing on Social Mobility cold spots.	Delivering	9 placement students joined us in 2025. 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.
		Create opportunities for the existing workforce to improve their skills	Delivering	Over 72,000 hours of training was delivered across 2025
	Prioritise colleague safety and wellbeing	Train 100 community partners to deliver messages on our behalf	Delivered	366 trained in 2024/25 bringing the total across 4 years to 2,080 partners.
		Improve specialist and internal support for colleagues including setting up wellbeing champions.	Delivering	Wellbeing champions embedded- with 29 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. In the meantime we are investigating alternatives.
		Mental health training for all colleagues	Delivering	A further 96 colleagues underwent training in 2025

Progress against our 2026 targets in detail

SDG	Commitment	Short term commitment (2026)	Maturity	Progress update
10	Build a diverse workforce and eliminate inequality	Gather workforce diversity data and produce baseline.	Delivering	Across 2024-2025 we have raised awareness of the importance of colleagues providing their diversity data, via our colleague census. 27% of our colleagues have now provided their diversity data.
		Embed effective Colleague Communities and provide executive level support	Delivered	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- including appendices.
		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 which will be launched in 2026
11	Ensure access to safe and affordable energy for customers and vulnerable communities	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 4 years we've carried out 78,000 visits/surveys with customers, vastly outperforming the 10,000 per year target. In 2024/25 we carried out 23,004.
		Refer 5,000 customers to the Priority Services Register annually	Delivering	Across the last 4 years, we have referred almost 35,000 customers to the PSR, with 11,729 in 2024/25.
12	Produce less waste and recycle it all	Produce 20% less waste from our offices, and send less than 0.1% of our total waste to landfill	Delivering	We created 17% less office and depot waste in 2025 compared to our 2018 baseline (by weight), meaning we are on track to achieve our target reduction of 20% by 2026.
		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, replacing singles use water bottles for operational colleagues with reusable alternatives, and reducing single use plastic items in our office stationary catalogue
		Use 50% less paper	Delivering	By investing in new digital systems and processes, our paper consumption has reduced by 78% to 0.7m sheets in 2024/25 compared to our 2018 baseline.
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	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 31% by 2025. However, due to increased workload associated with the gas mains replacement programme, our key Scope 3 emissions have remained similar between 2018 and 2025.

Progress against our 2026 targets in detail

SDG	Commitment	Short term commitment (2026)	Maturity	Progress update
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.	Delivering	So far, we have created 225 homes for nature on our sites. We have also planted 52,721 trees.
		Create a baseline for natural capital	Delivered	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 committed to decontaminating and dismantling all of our remaining 23 gas holders between 2021 and 2026. We completed this programme of work in 2025, ahead of our target date. Tens of thousands of cubic metres of contaminated water and tonnes of hazardous waste were safely removed, treated and disposed of from each holder, permanently eliminating these local environmental risks. Our proactive land remediation programme is targeted to complete 8 remediation projects by 2026. In 2025 we completed three sites and commenced the remainder, keeping us on track.
17	Partner responsibly and hold suppliers to sustainability standards	Create supplier code and sign up 80% of our spend for suppliers	Delivering	87% of our suppliers were signed up by the end of 2024/25.

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 2025 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 2025, 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, 2023/24 and 2024/25 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.

Greenhouse gas emissions (GHG) have been reported in accordance with the principles of the Greenhouse Gas Protocol. 2025 GHG emissions reported have been calculated using conversion factors published by the UK Government for 2025, with the exception of gas leakage which utilises a bespoke conversion factor provided by our national regulator (Ofgem).

Data quality statement

Scope 3 GHG screening identified that only Categories 1 to 7 are relevant to NGN. Scope 3 emissions reported in this document are documented in the table below. Emissions sources marked with an asterisk (*) are included in NGN's 'key Scope 3' subset.

Scope 3 Category	Estimated Reported Data Coverage (%)
1: Goods and services – gas main replacement and reinstatement contractor vehicle emissions* and reinstatement material use, helicopter pipeline survey contractor emissions*, landscape maintenance contractor vehicle emissions, emissions from manufacture of consumables (batteries and electrical items).	40
2: Capital goods – emissions from manufacture and transportation of plastic*, copper and steel pipes	
3: Fuel and energy related activity not included in Scope 1 and 2 – upstream emissions from electricity*, natural gas and vehicle fuel use	100
4: Upstream transportation and distribution – logistics provider transport emissions	100
5: Waste generated in operations – office, depot and operational waste (including excavation spoil) disposal	100
6: Business travel – air*, rail*, personal car mileage, hire car mileage and hotel stays	100
7: Employee commuting and homeworking	100

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 energy	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.	Wellbeing champions embedded and visible across network.	Overall reduction in sickness leave and presenteeism (specifically including mental health leave)	
		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 to be launched in 2026.

Appendix A

People and Planet Strategy 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 2025
1	Gas shrinkage – leakage, unmetered own use gas and gas stolen from network	282,219 tCO ₂ e Data coverage: 100%
	Gas use in offices, depots and infrastructure sites (metered)	306 tCO ₂ e Data coverage: 100%
	Company owned/controlled vehicles	4,975 tCO ₂ e Data coverage: 100%
2	Electricity (market based)	25 tCO ₂ e Data coverage: 100%
	Electricity (location based)	630 tCO ₂ 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).	13,524 tCO ₂ e Data coverage (across categories 1 and 2): ~40%
	Category 2, capital goods: purchased plastic, steel and copper pipe	5,915 tCO ₂ e Data coverage (across categories 1 and 2): ~40%
	Category 3, fuel and energy related activities: well to tank emissions associated with gas use, electricity (market based) use, and company owned/controlled vehicles	1,267 tCO ₂ e Data coverage: 100%
	Category 4, upstream transportation and distribution: logistics contractor vehicle emissions	89 tCO ₂ e Data coverage: 100%
	Category 5, waste generated in operations: excavation waste, operational waste, and office and depot waste	297 tCO ₂ e Data coverage: 100%
	Category 6, business travel: business travel in personal cars, hire cars, rail and air, and hotel stays	419 tCO ₂ e Data coverage: 100%

Appendix C - Data tables

NGN Greenhouse Gas Emissions

Scope	Description	1 January – 31 December 2025
3	Category 7, employee commuting: employee commuting and homeworking emissions	1,096 tCO ₂ e
	Categories 8 -15	Data coverage: 100%
		Not relevant
	Total Scope 1 emissions	287,501 tCO ₂ e
	Total Scope 2 emissions (market based)	25 tCO ₂ e
	Total Scope 2 emissions (location based)	630 tCO ₂ e
	Total Scope 1 and 2 emissions (market based)	287,525 tCO ₂ e
	Total Scope 1 and 2 emissions (location based)	288,130 tCO ₂ e
	Total Scope 1 and 2 emissions (market based) per £m turnover	501 tCO ₂ e/£m
	Total Scope 1 and 2 emissions (market based) per Gwh gas transported	5.20 tCO ₂ e/Gwh
	Total Scope 1, 2 and 3 emissions (market based)	310,132 tCO ₂ e
	Total Scope 1, 2 and 3 emissions (location based)	310,737 tCO ₂ e
	Total Scope 1, 2 and 3 emissions (market based) per £m turnover	540 tCO ₂ e/£m
	Total Scope 1, 2 and 3 emissions (location based) per Gwh gas transported	5.61 tCO ₂ e/Gwh

Notes:

NGN turnover was £574.322m during 2025.

NGN transported 55,311 GWh of natural gas during 2025

Appendix C - Data tables

Other sustainability indicators

Metric	NGN Performance 2025
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: 4,069,143 kwh (1.6%) – includes certified renewable gas (582,239 kwh), consumed self-generated solar electricity (233,799 kwh), and renewable electricity purchased from the grid (3,253,106 kwh)</p> <p>Non-renewable energy use: 248,623,669 kwh (98.4%) – includes gas shrinkage (227,533,525 kwh), hydrocarbon fuel used in road vehicles (19,893,851 kwh), natural gas (1,091,718 kwh) and non-renewable (UK grid average) electricity (104,575 kwh).</p> <p>Total energy use: 252,692,812 kwh</p>
Energy consumption intensity	Energy consumption (including gas shrinkage) = 0.440 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	39,309 cubic metres of municipal mains water used in NGN premises during 2025.
Emissions to water	<p>5,029 cubic metres of waste water created by NGN premises and works during 2025, comprising:</p> <p>19% (962 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 sediment 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>82% (4,067 cubic metres): discharges of surface water and sewage from NGN premises into municipal sewerage network.</p>
Hazardous waste and radioactive waste ratio	<p>Total waste creation = 360.544 tonnes per £m turnover</p> <p>Hazardous waste creation = 0.008 tonnes per £m turnover</p> <p>NGN do not create radioactive waste.</p>

Appendix C - Data tables

Other sustainability indicators

Metric	NGN Performance 2025
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 = 8 (89%) Female = 1 (11%)
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)		2024/25 (kg)		2025/26 (kg)
	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Target
SOx	13	21	14	19	14	17	14	16	16
NOx	9,330	15,557	9,785	13,599	9,947	11,843	9,521	11,358	11,096
PM 2.5	361	333	380	206	388	193	410	187	183
PM 10	616	419	650	391	662	368	715	355	348

Appendix D- Gathering colleague diversity data

In 2025, we continued our work to strengthen the quality of colleague data we hold. We encouraged everyone to update their personal profiles, which has increased the diversity information available to us. However, we still only have complete data for characteristics collected mandatorily during recruitment (such as nationality, working pattern, legal gender and age). For all other characteristics, the percentage of colleagues who have shared their data remains low. After reviewing best practice, we agreed that reporting on any characteristic with less than 75% completion would not give a representative or reliable picture of our workforce.

To address this, we launched the NGN Colleague Census during 2025—an important step in building a more accurate and meaningful understanding of who we are as a workforce. The census invites colleagues to voluntarily share information about their identity, background, and experiences so we can design better policies, support, and inclusion initiatives. Around 15% of colleagues have already taken part, and we will continue the census over the coming months. The more colleagues who participate, the stronger our insights will be, helping us shape a strategy and workplace that recognises and celebrates difference.

Aspect	% staff who have provided their data (Sept 23)	% staff who have provided their data (Dec 2024)	% staff who have provided their data (Nov 2025)
Religion/belief	12.5	20.5	30.5
Disability	1.3	1.6	2.4
Sexual orientation	12.8	21.0	31.1
Self identified gender	9.1	18.2	29.4
Ethnic group	12.0	20.0	29.5
Nationality, Legal gender, Age (legally required information)	100	100	100

Appendix E- Management diversity data

Our stakeholders asked to see data around the diversity of our Executive Team. In this document we have reported the data that our Executive Team have provided via self-declaration. This encompasses anyone who is a member of our Executive Management Team.

However, we report similar data to our shareholders using 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 our 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 head up specific departments and Junior managers refer to first-line managers.

We are providing this information as a commitment to transparency.

Management level	%
Top management	
Male	70%
Female	30%
Middle management	
Male	59%
Female	41%
Junior management	
Male	73%
Female	27%

Appendix F- GRESB Infrastructure Asset Assessment

GRESB Infrastructure Asset Assessment is an internationally recognised ESG rating assessment for utilities and other infrastructure assets.

NGN completed GRESB during 2024 & 2025, performance increased from 81% to 96%:

Overall Assessment Score	2024		2025	
	NGN		NGN	Average GRESB score
Management score	36/40		38/40	34/40
Performance score	44/60		58/60	55/60
Total score	81/100		96/100	90/100
ESG Score Breakdown				
Environmental	15/27		22/23	21/23
Social	44/45		52/52	49/52
Governance	22/28		23/24	20/24
Total	81/100		96/100	90/100

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