










We are committed to placing sustainability at the heart of our business.

We are committed to ensuring sustainability is at the heart of our business. It is embedded within our purpose - leading a clean energy future for everyone. Environmental, social and governance (ESG) factors represent risks and opportunities that will influence our ability to deliver our purpose.

Responsible business highlights

	+29	Employee Net Promoter Score vs target of greater than +25
	8.89	Our Customer Satisfaction Score of 8.89 was our highest ever weighted average score from customers
	0	No injuries to members of the public
	£78,966	Donated to our corporate charity partner, Barnardo's
	3,401	Colleague volunteering hours delivered
	£93,072	Invested in local communities through our Community Grant Fund
	328.1 ktCO₂e	Scope 1 and scope 2 carbon emissions, compared to 381 ktCO ₂ e last year
	84%	Percentage of our top 50 suppliers with carbon-reduction targets in place
	0.02	Lost Time Injury Frequency Rate (LTIFR) per 100,000 hours

ESG strategy

By recognising environmental, social and governance (ESG) factors that are important to our business, we can proactively manage commercial risks and embrace opportunities beyond statutory and regulatory compliance to create sustainable value.

Our ESG strategy sets out this approach. Aligned to our overall purpose, priorities and values, it identifies our most important ESG issues and actions to address them, with firm commitments and specific time-bound targets. It also outlines governance and reporting structures to track progress and ensure transparency and accountability.

We are working to embed ESG within our decision-making at all levels, every day. Our ESG strategy continues to develop as we respond to the evolving challenges of the energy industry and global climate change ambitions. By deepening our understanding of our duty of care to both the planet and its people, we can focus on those activities where we can achieve lasting positive environmental and societal impact, while operating as an ethical and responsible business.

We believe our ESG strategy defines who we are and who we want to become – both culturally and in terms of our strategic direction. It ensures we continue to play a vital role at the heart of Britain’s energy industry – today, in 2050, and beyond.

The strategy was informed by a simple ESG materiality assessment, undertaken in Summer 2024, which led to the formation of an ESG framework consisting of five environmental pillars, five social pillars and five governance pillars, and the setting of 21 ESG reporting metrics. Performance against these metrics is reported to the Executive Committee and ESG Steering Group, and to the Safety and Sustainability Committee.

Since the implementation of the ESG strategy in FY24, there have been significant developments in the ESG landscape, including the change in UK government, new ESG legislation across the EU, and increasing scrutiny of ESG topics by investors. As such, during FY25 we took the opportunity to reassess our ESG strategy to ensure it

remains suitable, both for the final year of RIIO-T2 and looking ahead to RIIO-GT3.

Confirming our material topics

To inform the review of the ESG strategy, a double materiality assessment was undertaken in FY25. This built on the previous materiality assessment undertaken in FY24, by broadening the concept of materiality from a focus on financial materiality and how the business is impacted by sustainability topics (‘outside in’), to one that includes a view of our impact on the environment, stakeholders and society (‘inside out’).

We identified 14 ESG topics considered to be material to National Gas, using European Sustainability Reporting Standards categories:

- **Environmental:** biodiversity, climate change, pollution, waste, water
- **Social:** communities, equal treatment, safety health and wellbeing, training and development, working conditions.
- **Governance:** business ethics, security (cyber and physical), stakeholder management, supply chain management

Following internal and external stakeholder engagement, the material topics were ranked and then mapped onto a materiality matrix, with clear groupings identified:

- **Critical topics:** safety health and wellbeing, security (cyber and physical).
- **Core topics:** business ethics, climate change, equal treatment, pollution, stakeholder management, supply chain management, training and development, working conditions.
- **Peripheral topics:** biodiversity, communities, waste, water.

Our ESG framework

The findings of the double materiality assessment confirmed the ESG strategy continues to be fit for purpose, covering all material areas, and providing a comprehensive framework to address existing ESG topics, as well as future-proofing against anticipated legislation and areas of growing stakeholder interest.

The ESG performance metrics also remain appropriate, ensuring that material topics are managed with both suitable targets and regular monitoring.

Looking ahead, from FY27 a minor revision will be made to the environmental framework to align with the RIIO-GT3 Environmental Action Plan, whilst five new metrics will be added to cover:

- **Environmental:** biodiversity, climate change
- **Social:** equal treatment, safety health and wellbeing
- **Governance:** supply chain management

The framework amendment and additional metrics will ensure continued compliance with legislative and regulatory ESG disclosures and stakeholder expectations, whilst anticipating future requirements, including the RIIO-GT3 business plan commitments, and expected changes to legislative ESG reporting.



Environmental

Improving the environment

We strive to achieve minimal adverse environmental impacts across all our operations whilst also seeking ways to enhance the local environment.

Key environmental pillars

- Air quality
- Climate change
- Responsible asset use
- Caring for the natural environment
- Leadership for change



Social

Acting with a social conscience

We deliver sustainable social impact, promoting the wellbeing of our people and adding value to both the communities within which we operate, and wider society.

Key social pillars

- Charitable giving
- Community engagement
- Future skills and education
- Employee health and wellbeing
- Customer engagement and protection



Governance

Running our business ethically

We have a robust internal system of practices and procedures that allow us to make effective decisions, comply with the law, and provide assurance to our stakeholders.

Key governance pillars

- Structure and oversight
- Transparency and reporting
- Ethics and compliance
- Financial and operational risk
- Supply chain management

Safe every day

Safety is woven into every aspect of our business and operations.

At National Gas we prioritise the safety, health and wellbeing of our workforce, supply chain partners, the public and our assets. Fundamentally, safety is a golden thread woven into all aspects of our business and operations.

We aspire to lead the way in safety performance with our ambition to be safe every day. This ambition sets the strategic direction for our plans and supports progression to a proactive safety culture.

There are four key focus areas that remain constant throughout our ambition:

- 1. Keeping our assets and processes safe every day
- 2. Demonstrating safe behaviours every day
- 3. Supporting health and wellbeing every day
- 4. Improving safety every day

Committed to a strong safety performance

We are proud of our strong safety performance. Our Lost Time Injury Frequency Rate (LTIFR) reflects our commitment to a safe workplace. At the end of FY25 our LTIFR was 0.02 (per 100,000 hours).

We encourage the reporting of High Potential Controllable Events (HPCEs) to maximise learning and ensure continuous improvement. At the end of FY25 there were 10 HPCEs that were reported and investigated, with remedial actions put in place.

No tier one process safety events occurred within the year, and there were no public safety injuries.

We have prioritised the reporting of leading indicators. As part of this prioritisation, 100% of our targeted SHE leadership visits were completed, allowing increased visibility across sites and providing enhanced opportunities for two-way communication. We also focused on good-catch and near-miss reporting, action closure, and quality investigations to enable earlier intervention and remediation.

Continuous improvement

To ensure we continue to maintain, and improve on, this safety performance, we have driven legislative compliance through value-protect activities and continuously improved operations with value-add activities.

Key H&S deliverables in RIIO-T2

- Developing and delivering a consistent ‘safe every day’ strategy with an annual plan focusing on key risks and improvements
- Launching the National Gas ‘seven deadly risks’.
- Ongoing simplification of our safety management system through regular reviews, and improvements to core systems and processes.
- A review of health surveillance and enhanced wellbeing provisions, including expanding the employee assistance programme.
- A re-focused process safety performance group driving data improvements and allowing director-level focus.



0.02
Lost Time Injury Frequency Rate (LTIFR) per 100,000 hours

Spotlight on our seven deadly risks

These seven areas highlight core hazards that the organisation faces which could, if not managed appropriately, result in significant harm. Each risk area has three key actions that must, as a minimum, be undertaken.

These risks and actions are tailored to our organisation and include:

- People and plant
- Driving
- Falls from heights
- Lifting operations
- Electric shock
- Stored energy
- Excavations and confined spaces

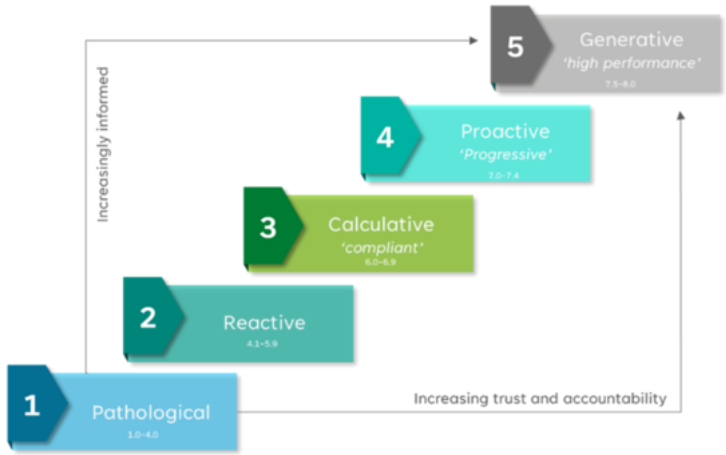
We have undertaken a full and varied communication campaign, including videos and personal reflective messages, safety stand-downs, pop-up banners/posters, desktop and teams background, as well as best practice sharing.

Highlighting these critical risk areas supports business awareness, but most importantly helps to prevent complacency.

This programme will continue to be developed as we move through 2025/26.

Safety culture

We use the Hudson Safety Culture Model to define our safety culture, which is assessed independently every two years. The latest survey in October 2024 showed a 76% engagement rate, up 9% from 2022, and a culture assessment score of 6.83, up from 6.47. This places National Gas at the upper end of the ‘calculative’ band (see below), moving away from being solely reliant on management systems towards collaborative engagement and proactive safety management.



The safety culture survey focuses on six key areas as set-out in our safety culture survey table, alongside their assessment score and a comparison to the 2022 performance figures. All areas have improved and demonstrate positive progression in our culture, showing that our initiatives are driving change.

Most importantly our high-level analysis indicates that:

- Employees feel empowered to stop jobs if they feel unsafe, and feel supported by their leaders in making those decisions.
- Safety is managed as a top value and encourages reporting to support a proactive response to incidents.
- Leaders genuinely care about their employees.

To ensure further progression in our culture, it is important we focus on what we do well, whilst also reflecting and building on the key opportunities for improvement.

As we move into 2025/26 and latterly enter the RIIO-GT3 price-control period, we'll build on our 'safe every day' ambition to embed a fully proactive safety culture.

Safety culture survey

	Proactive safety management	Leadership engagement	Employee engagement	Reporting and follow up	Consequences	Process safety
2024 output	6.64	7.01	6.92	6.95	6.77	6.46
2022 comparison	+0.37	+0.37	+0.31	+0.50	+0.33	+0.08

The poster is titled 'SEVEN DEADLY RISKS' and features the National Gas Transmission logo. It lists seven categories of risks, each with a corresponding icon and a list of safety instructions. The categories are: People & Plant, Driving, Falls from Heights, Lifting Operations, Electric Shock, Stored Energy, and Excavations & Confined Spaces. The poster also includes the slogan 'SAFE EVERY DAY' at the bottom right.

Risk Category	Safety Instructions
PEOPLE & PLANT	STAY OUT OF THE LINE OF FIRE USE A BANKSMAN BE VISIBLE TO THE PLANT OPERATOR
DRIVING	STAY ATTENTIVE MAINTAIN A SAFE DISTANCE DRIVE TO THE CONDITIONS
FALLS FROM HEIGHTS	AVOID WORKING AT HEIGHT WHEREVER POSSIBLE USE FIXED PLATFORMS AND FALL PREVENTION EQUIPMENT KEEP THREE POINTS OF CONTACT ON LADDERS
LIFTING OPERATIONS	DO NOT ENTER BARRIERS AND EXCLUSION ZONES ALWAYS USE AN APPROPRIATE LIFTING APPLIANCE NEVER WALK UNDER A SUSPENDED LOAD
ELECTRIC SHOCK	ALWAYS ENSURE POSITIVE IDENTIFICATION ENSURE ISOLATIONS ARE LOCKED AND TAGGED ALWAYS PROVE DEAD BEFORE STARTING WORK
STORED ENERGY	ENSURE POSITIVE IDENTIFICATION OF ASSETS APPLY CORRECT ISOLATIONS AND ONGOING MONITORING KEEP OUT OF THE LINE OF FIRE
EXCAVATIONS & CONFINED SPACES	ENSURE SAFE ACCESS & EGRESS APPLY APPROPRIATE TEMPORARY WORKS ENSURE ATMOSPHERIC & ENVIRONMENTAL MONITORING

Securing our people, assets and data

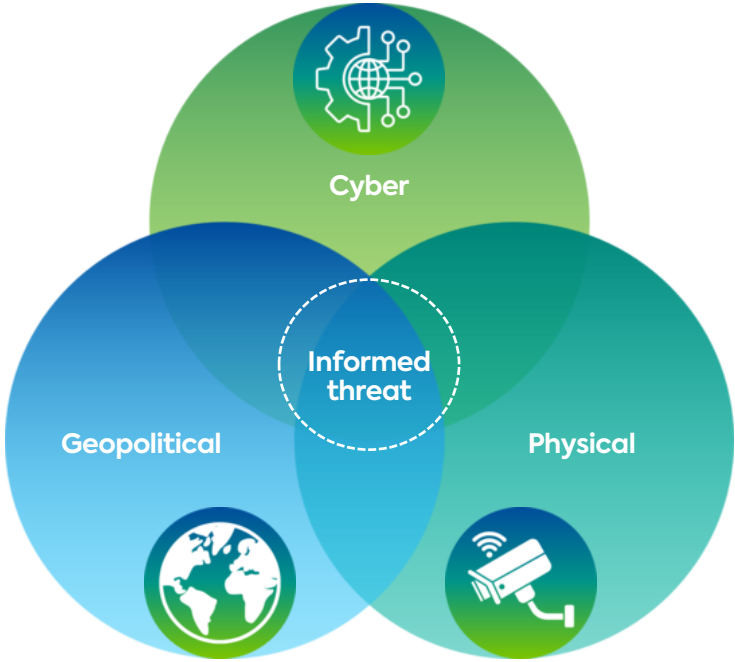
Protecting our people, assets and data ensures we can secure energy supply, drive a clean energy future and maintain industrial competitiveness.

Security environment

The broader security environment remains challenging and the energy sector’s increasing significance as a central component of Critical National Infrastructure (CNI) and national security is feeding through into new legislation, regulation and more exacting oversight regimes.

The world is facing the challenge of energy transition and a broad-based change in the international order. Technology has also become increasingly embedded, distributed and connected, and a mixture of technologies of varying maturity levels are introducing new complexity at the very moment when energy transition is accelerating, and security of supply continues to come under pressure.

Together, these changes can create new vulnerabilities or magnify existing weaknesses, making them more exploitable. As such, we are preparing for a fundamentally different international environment where hybrid attacks by hostile governments and non-state actors are central to geopolitical competition.



To secure our critical infrastructure, we have invested in a leading threat intelligence capability to ensure close monitoring of the geopolitical and threat landscapes. This enables us to contextualise and inform threat assessments that drive and shape our risk assessments, security posture and investment decisions.

Risk review and assessment

We are updating our risk assessments and security policies to keep pace with the threats and the evolving scope and nature of the National Gas estate. This includes measuring the coverage and effectiveness of our controls to detect, respond and recover across all relevant assets.

As we strengthen our understanding of assets, emerging threats, vulnerabilities and adversary tactics, we’ll strengthen our ability to identify and assess risk. This informs our investment decisions, operational responses, design choices and supply chain partnerships.

[Read more: Risk management →](#)

Security mitigation

The Security function protects people, assets and data to ensure that National Gas can maintain effective and reliable security to ensure a secure energy supply, clean energy future, and UK industrial competitiveness.

We engage with partners across government to agree, plan and implement relevant and proportionate security measures.

Key stakeholders

- Ofgem:** Economic regulator and joint NIS Competent Authority.
- Department for Energy Security & Net Zero (DESNZ):** Owner of the enhanced security for Critical National Infrastructure programme (formerly PSUP) and joint NIS Competent Authority.
- National Protective Security Authority (NPSA):** Subject Matter Expert (SME) for the enhanced security for critical infrastructure programme, acting in its capacity as the UK government’s National Technical Authority for Physical and Personnel Protective Security.
- National Cyber Security Centre (NCSC):** The government’s National Technical Authority on cybersecurity.

We also engage with partners across the sector to support and foster effective industry collaboration on the security and resilience of gas distribution and transmission in the UK. The OES Security Forum (Gas) is a voluntary body chaired by National Gas and comprising security professionals from Operators of Essential Services (OES) across the gas distribution and transmission sectors in the UK. The forum augments industry collaboration and provides a platform for members to share and discuss security concerns, lessons and solutions.

On an annual basis, National Gas provides Ofgem (the Competent Authority) with a self-assessment of compliance against the NIS regulations. This process is completed by an independent Governance, Risk and Compliance team to ensure separation of duties from the delivery functions responsible for executing controls. These assessments support improvement plans to reduce security risk, Ofgem benchmarking across the sector, and NIS confidence level ratings.

National Gas has an established ‘insider threat’ programme and runs regular awareness campaigns to improve employee vigilance and instil good behaviours (and the ability to recognise and respond to threats and incidents as appropriate). To support our responses to changes in sabotage threats and incidents, we maintain close working relationships with law enforcement, security agencies and industry partners, helping to build a full and accurate understanding of current and future threats and how they manifest in our environments. This includes exercises to test and rehearse response and recovery plans, and check the effectiveness of our countermeasures.

As National Gas separated from National Grid to become a fully independent company, a foremost priority was the introduction of a new stand-alone Security Operations Centre (SOC). The design and build of the National Gas SOC integrates cyber and corporate security across both enterprise IT and operational technology (OT) environments. This approach offers a comprehensive, unified capability that enhances detection, improves coverage and aligns with the emerging threat landscape and regulatory requirements.

Investment

As an operator of Critical National Infrastructure (CNI), we are investing in our security in a proportional manner as part of our RIIO business plans and in accordance with the NIS regulations and other relevant security standards and frameworks.

The RIIO business plan for security is intelligence and risk-led to ensure the best timing and level of investments to achieve the control coverage and maturity necessary to respond appropriately to the threat – both in the current security climate and in future years. At its core, the security investment strategy seeks to eliminate, reduce, isolate and control risks where possible.

Overall, National Gas is delivering the cyber-resilience and physical resilience outcomes in line with the RIIO-T2 business plan for security, as demonstrated through our regular reporting to the Competent Authority. The security business plan is designed with complementary work streams that introduce incremental controls alongside strategic asset replacement projects

As part of the separation from National Grid, we have successfully transitioned the delivery of previously centralised enterprise capabilities from National Grid to the National Gas Security team.

In late 2024, we received positive determinations across both the cyber-resilience and physical security RIIO-T2 re-openers, enabling us to continue to work at pace, in line with NIS regulation. This work includes accelerated projects during the remainder of RIIO-2 to keep pace with changes in the threat and risk landscapes.

In December 2024, we submitted RIIO-GT3 business plans for security and engaged with Ofgem through the submission query process, ahead of expected draft determinations in the summer and final determinations by December 2025.

Public policy

As a CNI operator, we have a key role in supporting the design and development of future legal and regulatory measures to ensure the best security outcomes for our company, the energy sector and the UK.

Our aim is to ensure a co-ordinated public policy and corporate response to security threats. We contribute best practice and guide security policymaking to balance the trade-offs that emerge as standards and regulatory frameworks evolve to keep pace with security risks.

Cyber Security and Resilience Bill
We support the government’s introduction of a Cyber Security and Resilience Bill to ensure the UK’s security regulations keep pace with global threats, technology change and EU Directives.

We welcome the government’s proposals to use the Cyber Security and Resilience Bill to expand the Network and Information Systems’ regulatory scope and empower regulators. This is necessary to ensure a baseline of security across CNI supply chains which, as government recognises, have become an increasingly attractive target for hostile actors.

Strategic Defence Review
We have added our voice to the Strategic Defence Review regarding the role of defence in protecting CNI investments, including supply chain diversity and sovereign capabilities.

It is vital that the UK has the right foundations to protect its CNI to avoid economic disruption and maintain long-term national security. Investing in sovereign defence capabilities and improving intelligence-sharing will reinforce the UK’s global leadership in security technology and boost inward investment potential by demonstrating our country’s ability to meet modern security challenges.

Running our business ethically

Upholding and demonstrating high standards of conduct is critical to maintaining business confidence.

We have established policies and governance that set and monitor our approach to preventing financial crimes, fraud, bribery and corruption, including our Anti-Bribery and Corruption Policy (the ABC Policy) and our Code of Ethics (the Code).

Ethical business standards

These are reviewed annually and are supported by a company-wide framework of controls designed to prevent and detect bribery or corruption. Our Code sets out the standards and behaviours we expect from all our employees. The ABC Policy applies to all employees and those working on our behalf and sets out our zero-tolerance approach to bribery, fraud, money laundering, tax evasion and other corrupt business practices. These policies are supported by communication and training programmes, including mandatory e-learning for all employees and direct contractors, to promote a strong ethical culture. To ensure compliance with the UK Bribery Act 2010 and other relevant legislation, we operate an anti-financial crime risk assessment process across the business to identify higher-risk areas and act on the results to make sure adequate procedures are in place to address them. The Audit and Risk Committee oversees the policies, systems and controls in place for the areas covered by the Code and the ABC Policy. We investigate all allegations of ethical misconduct thoroughly and take corrective action and share learnings and trends where appropriate, and these are reported to the Audit and Risk Committee.

Whistleblowing

It is important that everyone that works for us can raise any concerns they might have, without fear of retaliation, and be able to do so anonymously. We have augmented our Code of Ethics with a Speak-Up Policy to encourage open reporting, and we have a confidential, externally managed ‘Speak-Up’ helpline, which is available 24 hours a day, 365 days a year. We publicise the contact information to all colleagues on our intranet and through direct engagement, particularly with those teams identified as higher risk through our anti-financial crime risk assessment process.

We use an annual anonymous colleague listening survey to measure our ethical culture and the confidence that our employees have in raising ethical concerns. We target actions based on the survey outcomes.

Our environmental commitments

Looking after our environment is crucial to our vision, our business and to Britain’s energy mix.

Gas is, and will be for decades to come, a major contributor to the blend of energy sources powering the country. At any one time, up to 50% of the nation’s energy could be supplied by gas.

Security of energy supply is something many of us take for granted, and delivering it is a responsibility we take extremely seriously. But we know it is important to balance this with our environmental obligations. We are aware of the critical role we play in solving current and future challenges for energy and are ensuring that we are flexible in how we provide and use energy. A gas like hydrogen, for example, will be an integral part of the UK’s future energy mix and we want to be at the forefront of delivering the benefits of connecting supply and demand. We strive to achieve minimal adverse environmental impacts across all our operations, while also seeking ways to enhance the local environment. Our overall ambition here is to protect the environment and act sustainably every day. This approach aligns with Ofgem’s environmental focus areas for the RIIO-T2 regulatory period:


- Decarbonising the energy networks – with a focus on business carbon footprint and embedded carbon.
- Reducing the networks’ other environmental impacts, i.e. pollution to local environment, resource use and waste management, biodiversity loss, and other adverse effects that are specific to the sector.
- Supporting the transition to an environmentally sustainable low-carbon energy system.


Environmental Action Plan


Our Environmental Action Plan and targets set out how we will demonstrate how we work together with our employees and stakeholders to reduce our impact on the environment. It includes five pillars and 30 commitments which help us to measure how we are doing. The commitments are in place until the end of this regulatory period (RIIO-T2) which concludes in 2026. Following is a breakdown of these five pillars and examples of what we are doing in these areas.

 [Read more: Environmental Action Plan →](#)

Key environmental pillars

**1. Air quality**
We are working to reduce nitrogen oxide (NO_x) emissions from our operations by the end of RIIO-T2. This includes replacing some of the older compressors on our network with cleaner technology, so we can improve local air quality.

**2. Climate change**
In October 2023, we achieved our key commitment within this pillar of developing a Science-Based Target initiative aligned pathway for carbon reduction for our scope 1 and 2 emissions. We have established a commitment to achieving net zero by 2050, with an ambition of 2040.

**3. Responsible asset use**
We are managing our redundant assets in a manner that contributes to a sustainable, lower-carbon future by decommissioning them responsibly, refurbishing for re-use where viable, or changing their purpose where possible. We are also working closely with our suppliers to implement a more sustainable approach to purchasing goods or services, and are working hard to minimise the waste we generate and maximise waste recycling and re-use.

**4. Caring for the natural environment**
Whenever we deliver construction and decommissioning projects, there is a requirement to ensure initiatives are developed to protect and promote biodiversity. We are enhancing the value of natural assets on non-operational land that we own, through habitat improvement.

**5. Leadership for change**
We are embedding sustainability in our decision-making, continuing to be transparent on our progress and working with the industry to drive forward the sustainability agenda.

Adaptation Reporting Power (ARP4) summary assessment

The assessment found that since ARP3, the considered present day risk from erosion (specifically pipeline crossings) has increased. There has however, been minimal change in the remaining risks. The view to 2050 sees the continued impact of raised temperatures alongside increased impacts from flooding and erosion. Our 2100 assessment sees the impact from these climate risks continuing but their likelihood and overall risk score slightly increasing, consistent with UKCP18 projections of increasingly warmer and drier summers, wetter winters, sea level rise and increased frequency of weather extremes.

Energy efficiency

The most energy-intensive activity within National Gas is the operation of our gas-fuelled compressors, which are operated in line with supply and demand. However, we want to ensure that we make energy efficiency improvements and therefore, in the period covered by this report, National Gas installed LED lighting, replaced a heating, ventilation and air conditioning (HVAC) system and upgraded building insulation.

Leading the way to a net zero future

We are looking to the future by developing the hydrogen transmission system of tomorrow – building the capability and flexibility required for a clean energy future.

Our gas transmission specialists are creating the infrastructure to transport low-carbon hydrogen as a replacement for natural gas, and to transport carbon dioxide for carbon capture and storage (CCS). By applying our expertise to develop the energy systems of the future, we are proud to play a leading role in delivering the UK’s net zero ambitions.

Net zero pathway

Natural gas contributes a third of the UK’s carbon budget and, as such, National Gas is a key enabler for the UK Government to reach its net zero goals. We are committed to developing a business model that is consistent with the objectives of the Paris Agreement, which includes expanding our measurement and reporting of indirect scope 3 emissions. While we expand our scope 3 reporting

we are committed to achieving net zero by 2050 with an ambition of 2040, for scope 1 direct and 2 indirect emissions.

To achieve our net zero by 2050 commitment we are focussing initially on scope 1 methane emission reduction from our operations. This includes expanding our fugitive leak detection programme and reducing operational venting through implementation of vent capture technology. We are also exploring scope 2 emission reduction opportunities, for example through the expansion of renewable energy procurement and renewable energy generation for own use.

A bespoke decarbonisation strategy and glidepath to net zero were completed in October 2023. The glidepath is aligned to the Science Based Target initiative (SBTi) Corporate Standard methodology (v1.1) and will be updated once the oil and gas sector specific methodology is published.

As part of our RIIO-GT3 submission, we further developed our decarbonisation strategy using in-house tools to “realise” our theoretical glidepath and confirm which investments should be included in our business plan submission to support our net zero ambitions.

 [Read more: NGT’s ARP Report 2024 →](#)

 [Read more: AER 2023/24 →](#)

Highlights of the year

- We conducted climate change risk assessments for our sites with an Environmental Permit, to help us understand where adaptation investment should be focused. Adaptation is the action we need to take to prepare for and adjust to the projected impacts of climate change. These risk assessments have informed our Climate Resilience Strategy and adaptation investments in the RIIO-GT3 business plan. These investments include proposed interventions to improve resilience to flooding and site-specific climate impact studies at 58 of our critical sites.
- We participated in the fourth round of the climate change Adaptation Reporting Power (ARP) process, following an invitation from the Department for Environment, Food & Rural Affairs. Our ARP report provides the latest view of the physical climate risks posed by climate change to gas transmission system operations.
- We submitted our RIIO-GT3 business plan, which includes a network decarbonisation investment mechanism to support our decarbonisation strategy and our RIIO-GT3 Environmental Action Plan.
- We published our third Annual Environmental Report, discussing our progress against environmental targets that will deliver carbon reductions within the RIIO-T2 price control period.

Streamlined Energy and Carbon Reporting (SECR)

To effectively monitor our greenhouse gas emissions (GHGs) we report our business carbon footprint (BCF) annually and monitor this internally on a monthly basis. The BCF focuses on our scope 1 and 2 emissions, measured in ktCO₂e.

We also report business travel and waste generated in operations as scope 3 categories. Our focus in the coming years is to prioritise the scope 3 emission categories ‘fuel and energy-related activities’ and ‘employee commuting’, followed by other applicable scope 3 categories, such as ‘purchased goods and services’, ‘capital goods’ and ‘investments’.

Streamlined Energy and Carbon Reporting	2024/25	2023/24	2022/23
Energy consumption used to calculate emissions (kWh)	Invoiced gas – 1,751,892 Invoiced electricity – 159,820,501 Fuel for operational fleet – 7,585,284 Compressor fleet & minor combustion plant – 743,103,086	Invoiced gas – 2,170,454 Invoiced electricity – 180,157,031 Fuel for operational fleet – 6,969,106 Compressor fleet & minor combustion plant (diesel and natural gas) – 1,033,197,428	Invoiced gas – 2,643,978 Invoiced electricity – 194,875,629 Fuel for operational fleet – 7,042,563 Compressor fleet & diesel minor combustion plant – 1,545,780,863
Emissions from combustion of gas (scope 1) (includes invoiced gas in buildings and compressor fleet combustion (& natural gas minor combustion plant from 2023/24 onwards) (tCO ₂ e)	156,022	192,322	308,470
Emissions from combustion of fuel for transport purposes (scope 1) (includes operational fleet and business mileage) (tCO ₂ e)	2,314	2,276	2,392
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (scope 3) (tCO ₂ e)	238	233	207
Emissions from purchased electricity (scope 2, location-based) (excluding EVs) (tCO ₂ e)	33,398	37,306	37,695
Total gross tCO ₂ e based on above	191,972	232,137 *(correct for 2023/24)	348,764
Intensity ratio: tCO ₂ e gross figure based from mandatory fields above /mcm throughput of natural gas	2.6	3.05** (correct for 2023/24)	3.7
Methodology	Data sources aligned to comparison years with use of 2024 DESNZ/BEIS conversion factors for tCO ₂ e conversions and the UK Greenhouse Gas Inventory carbon emission factors and calorific values for compressor combustion.	Data sources aligned to comparison year with use of 2023 DESNZ/BEIS conversion factors for tCO ₂ e conversions. There is a minor difference between the reporting and comparison year with inclusion of natural gas minor combustion plant data for 2023/24.	Data sources include energy invoices, meter reads, run hours and supplier reports. The above figures have been converted into kWh from litres or TJ or from activity data to tCO ₂ e using the 2022 DESNZ/BEIS conversion factors.

*231,821 (reported for 2023/24) amended for this report.
**3.04 (reported for 2023/24) amended for this report.

Greenhouse gas (GHG) reporting

As discussed in the 2023/24 report, we have improved our business carbon footprint (BCF) to represent our activities as a stand-alone business, following separation from National Grid Group. Our baseline as National Gas was set for 2022/23. Therefore, historical data beyond this is not provided due to the differences in the emission inventory.

The scope 1 and 2 emission sources included within our 2024/25 BCF are below:

Scope	Emission	Category
Scope 1	Energy consumption (excluding electricity)	Energy consumption
	Transport	Direct commercial vehicle Business mileage
	Fugitive emissions	Leak detection & repair Pipeline and AGIs
	Venting emissions	Venting (compressor only) Venting (others) Incidents
	Fuel combustion	Diesel Natural gas Other minor combustion
Scope 2	Electricity consumption	Electricity consumption (including fleet & company EVs)

Venting (others) includes maintenance venting, gas using devices, pipeline venting, PIG trap venting and NRO vents.

Emissions from ‘incidents’ and ‘other minor combustion’ have been calculated and included in our BCF from 2023/24 only.

Data sources
As of our 2024/25 BCF, our data sources include direct measurements from invoices and emission monitoring reports, modelled data using industry methodology and National Gas specific measurements. We are always looking to improve our carbon accounting, whether reviewing emission sources, seeking data that was not previously available or maturing our methodology. We recognise the importance of our BCF being as complete as possible, particularly as we monitor our emissions in line with the reductions required to meet our net zero target.

Greenhouse gas (GHG) emissions

The table below details our BCF inclusive of additional categories added to our emission inventory from 2022/23:

Scope of emissions	Units	2024/25	2023/24	2022/23
Scope 1*	ktCO ₂ e	294.6	343.1	443.3
Scope 2 (Location based)	ktCO ₂ e	33.5	37.4	37.7
Scope 3**	ktCO ₂ e	0.8	0.9	0.6
Total BCF	ktCO ₂ e	329.0	381.4	481.6

*This total includes two estimated categories of other venting (maintenance venting and gas using devices) which total 37.2ktCO₂e. Total scope 1 excluding these categories is 257.4 ktCO₂e.

**based on two reported scope 3 categories



Climate-related financial disclosures

Managing our climate-related risks and opportunities secures the future of Britain’s energy.

Effective for periods commencing on or after 6 April 2022, the Climate-related Financial Disclosures (CFD) Regulations 2022 have been introduced in the UK to report on material climate-related matters.

For the year ended 31 March 2025, the Group meets the relevant threshold of having more than 500 employees and a turnover of more than £500m. The Group has therefore set out below the CFDs covering how climate change is addressed in corporate governance, the principal climate risks and opportunities and their potential impacts, how climate-related risks and opportunities are identified, assessed and managed, and the performance metrics and targets applied in managing these issues.

In our second full year for the Group as a stand-alone business, we have built on our previous disclosures against the CFD guidance and are implementing further actions as an outcome of our gap analysis and our work with a third-party consultancy in FY25. We remain aware of potential upcoming changes to UK law and are beginning our preparations to report in accordance with IFRS S1 and S2.

This report builds on previous disclosures and provides details on our approach to understand and manage climate-related risks. This includes governance, strategy, risk management, metrics and targets.

As our foundation progresses, we continue to monitor developments, engage with stakeholders and evolve our approach to identify and manage climate-related risks and opportunities. Climate change was identified as a core issue by our double materiality assessment and we continue to work on mitigating the risks against the business, whilst lowering our impact on the environment.

Governance

Board

Board composition

As of the date of this report, the Board is made up of seven Shareholder Appointed Directors, three Sufficiently Independent Directors (SIDS), our Chief Executive Officer, Jon Butterworth, and Chief Finance Officer, Nick Hooper. The full composition of the Board can be seen on page 78. The Board meets six times a year with a particular focus on the strategic direction of our business.

The Board has overall responsibility for setting the long-term strategic direction of the Group, and in doing this considers factors related to climate change. The Board has delegated the setting of the Group’s climate-related strategy and achievement of associated initiatives and targets to the Safety and Sustainability Committee. The role of Board committees in managing climate-related issues is detailed below,

Safety and Sustainability Committee (SSC): Assists and supports the Board in fulfilling its responsibilities and commitments to climate initiatives. Responsible for assessing climate-related risks and opportunities. Assists the Board in providing guidance and direction to the Group’s safety, health and sustainability strategies and monitoring performance against the Group’s safety, health and sustainability ambitions, including climate-related risks and opportunities and monitoring the Group’s pathway to achieving its net zero carbon ambitions. The SSC reviews climate-related risk and recommends any changes to risk profiles to the Board.

Audit and Risk Committee (ARC): Supports the Board in ensuring that the sustainability and climate-related risks and opportunities are effectively managed by overseeing the risk management framework and ensuring principal risks are comprehensive and mapped to key business priorities.

Remuneration and Nominations Committee: Ensures alignment of the Executives’ remuneration to the Group’s climate-related targets by incorporating environmental measures into their short and long-term incentives.

Regulation and Strategy Committee: Oversees the Group’s compliance with its licence and other regulatory obligations. Through its work in overseeing the

Being a responsible business continued

development of the Group’s business plan, for the next regulatory framework, they will ensure commitments in the plan support the Group’s ambitions.

Management

National Gas operates a ‘three-lines’ approach to risk management. Responsibility for managing risk rests with each separate, first-line business function. The Executives own and maintain risk for their function; they are responsible for conducting regular risk assessment reviews and ensuring the adequacy of their controls and mitigations to manage the risks. First-line executive committees manage oversight of the individual business functions.

The process is underpinned by our Risk and Assurance functions in the second line, with additional governance from the Executive Risk Committee (ERC) who escalate to the ARC and SSC. A third line of defence is provided by our internal audit function and external assurance providers.

The CEO has day-to-day responsibility for sustainability and climate-related matters and is responsible for executing the company’s climate change strategy, supported by the Executive Committee. Oversight of the delivery of our ESG metrics is considered by the Executive Committee on a monthly basis, ensuring management is fully aware of our progress against our commitments, including climate-related metrics.

The Safety and Sustainability Committee met three times during the year. Progress against our climate change related commitments, as set out in our RIIO-GT2 Environmental Action Plan, was an integral part of the Committee’s agenda throughout the year. The Committee also reviewed and recommended commitments for our RIIO-GT3 Environmental Action Plan submission for our next regulatory period.

The membership of the Safety and Sustainability Committee consists of non-executive Shareholder Nominated Directors or members appointed by the shareholders. The committee is chaired by Howard Higgins, one of our Shareholder Nominated Directors, and all Board members can attend the meetings. The Chief Executive, the Chief Financial Officer, the Asset Director, the Head of Safety, Health and Wellbeing, and the General Counsel attend meetings and provide management oversight. The

Committee Chair reports back to the Board after every meeting on key discussions and decisions taken.

The Board has overall responsibility for oversight of risk and for maintaining a robust risk management and internal control system. It monitors our strategic, reputational, financial and operational risks, and other longer-term threats, trends and challenges facing us. Climate change is a major consideration in the environment and net zero transmission risks, which are two of our eight principal risks. This will be reviewed as part of the Board’s annual review of the Group’s risk profile.

The Committee considers the impact of the Group’s operations on the environment, workforce, communities and other stakeholders with whom it interfaces, and how it adapts its business with respect to climate change. It provides guidance and recommendations to the Board and ensures that the safety and sustainability strategy is embedded in both business-as-usual practices and the Group’s overall business strategy.

Following each Safety and Sustainability Committee meeting, the Board is advised, as required, on the following areas with regards to climate change:

- Strategy: challenge and approve the Group’s sustainability strategy, including associated Key Performance Indicators (KPIs).
- Performance: review delivery against agreed KPIs and other reporting measures in relation to climate-related risks and opportunities.
- Emissions: consider and challenge the Group’s climate-related performance, including the reduction of carbon emissions target and the progress made against the ambition to reach net zero.
- Risk: review climate-related risks and recommend any changes to the risks and the risk profiles to the Audit and Risk Committee.
- Legislation: report on forthcoming legislation and other requirements relating to climate-related risks and opportunities likely to affect the Group and consider how it will comply.
- Investigations: oversee key issues relating to material environmental incidents as a result of the Group’s business operations.



Strategy

Risks and opportunities

In addition to the climate-related risks encompassed within our principal risks, National Gas has a further three climate-related risks. These risks consider the impact the Group has on the environment and reducing the carbon emissions associated with operating its business, and also the impact a changing climate may have on its assets.

When considering assessment of physical climate risks, the Group defines the time period associated with these to be in alignment with the availability of UK climate projection scenarios and the frequency with which these are updated.

It considers risks associated with changing climate up to 2030 to be short-term, up to 2050 medium-term and 2100 long-term. In consideration of physical climate risk, we have also taken account of the return period included within the climate projections; i.e. the likelihood of a climate-related extreme weather event occurring.

Transition technological risk (short & medium-term)
There is a risk that the Group fails to manage the impacts of climate change and to meet its net zero targets because of complex systems, ageing assets and inadequate adaptation of the National Transmission System to meet the UK’s future energy requirements – leading to reputational damage, falling investor confidence, legislation non-compliance, enforcement actions and fines.

Since the last disclosure, the Group has developed and submitted its next regulatory business plan submission to Ofgem for the RIIO-GT3 period. For the first time this included a specific engineering justification paper (EJP) seeking investment in assets and equipment to reduce scope 1 and 2 emissions from the existing natural gas network, supporting the Group’s emission reduction ambitions.

Transition reputational & policy risk (short & medium-term)

There is a risk that the Group fails to meet its net zero by 2040 ambition (2050 commitment) because of no clear glidepath to net zero scope 1 and 2 emissions or associated decarbonisation strategy – leading to reputational damage and a fall in investor confidence, legislation non-compliance, enforcement actions and fines.

The Group has a Science Based Target Initiative (SBTi) corporate standard v1.1 aligned scope 1 and 2 emission reduction glidepath, but this is not validated as the initiative is currently developing oil and gas sector guidance. Sector guidance has been delayed and this is now expected to be published in early 2026. The Group will review alignment to the new guidance once published.

Physical acute and chronic risk (short, medium & long-term)

There is a risk that acute and chronic changes to climate patterns will cause harm (damage) to a National Gas asset because of a failure to respond to known climate hazards and appropriately manage asset vulnerabilities based on asset type characteristics and location of assets in relation to the hazard. This could lead to loss of supply, increased maintenance and asset replacement costs. This could result in reputational damage, legislation non-compliance, enforcement actions, fines and safety/health/environment incidents.

We completed site-specific climate change risk assessments of our compressor stations in 2024 to identify the locations that have the highest exposure to physical climate risk.

Opportunities
The business has various climate-related opportunities associated with our three-molecule approach. This involves the use of our network for the transportation of hydrogen and carbon dioxide, as well as natural gas. More details can be found in the Business Strategy section.

The National Gas Innovation Strategy 2025 includes a number of climate-related opportunities.

Asset development: Developing net zero ready, resilient assets with optimised maintenance systems. Including developing novel hydrogen and carbon dioxide assets, waste heat recovery and electrochemical compression.

Business development: Enabling future markets and customers of the gas network, by ensuring business systems and processes are relevant for net zero. Including developing new employee skills for operating our three-molecule network, exploring alternative uses for pipes supporting a decarbonised energy system and increasing biomethane connections.

A copy of our Innovation Strategy 2025 can be found here.

 [Read more: Innovation Strategy 2025 →](#)

Business strategy

Consideration of physical climate risk and the potential impact on the safe and resilient operation of the transmission system has been embedded within the Strategic Asset Management Plan for the Group. Dedicated asset management objectives associated with environmental impact and energy transition are within our RIIO-T2 commitments. Within the RIIO-GT3 business plan, a Climate Resilience Strategy (CRS) was submitted to Ofgem. The CRS sets out our holistic approach toward maintaining an appropriate level of climate resilience for our current natural gas network and includes investments to address the seven climate hazards scoring highest in our Adaptation Reporting Power (ARP) report to the Department for Environment, Food & Rural Affairs (DEFRA) in December 2024. For the regulated business, strategy and financial planning is linked to the regulatory process with Ofgem which is a five-yearly cycle.

A copy of our RIIO-GT3 Climate Resilience Strategy can be found here.

 [Read more: RIIO-GT3 Climate Resilience Strategy →](#)

National Gas is using a three-molecule approach to ensure the business is resilient in relation to transition risks in our sector. The three-molecule approach encompasses the continuation of natural gas delivery, while reducing the carbon content through biomethane and hydrogen blending with the use of Carbon Capture and Storage (CCS) to capture emissions; alongside the rollout of 100% hydrogen pipelines as we transition to net zero.

Our flagship projects

Project Union: repurposing existing gas transmission pipelines and building new pipelines to create a core hydrogen network for the UK.

FutureGrid: providing vital insights into hydrogen transporting and blending, to support the full-scale conversion to hydrogen.

SCO₂T: supporting the development of CCUS in the Scottish cluster.

For more details on our business model and strategic direction, see page [13](#) and [14](#).

National Gas believes our business model and strategy is resilient to the identified climate-related risks over the short- and medium-term time horizons identified as 2030 and 2050.

Scenario analysis

Transition risk
To understand the climate-related risks and opportunities that could impact our business in the future, we have carried out an initial transition scenario analysis. We have considered scenarios up to 2050, aligning with our net zero pathway and our medium-term risk timescale. Whilst both scenarios present significant risks to the business which must be appropriately managed, there are also opportunities to adapt our network and operations to support the net zero transition.

Rapid decarbonisation scenario (low temperature increase) – 1.5 degrees
This scenario assumes that global warming is limited to 1.5°C above pre-industrial levels by 2100, as per the Paris Agreement. On this route to net zero, demand for natural gas for power and consumer heat will fall as renewable energy expands. Electricity is in the ascendancy, but there is uncertainty that it will be able to deliver the scale of investment required.

In this scenario, we envisage new sectors for hydrogen storage and production arising, alongside other decarbonisation technologies. As such, natural gas for reformation into blue hydrogen, once established, may be needed for decades, alongside the transportation of carbon dioxide to support Carbon Capture, Utilisation and Storage (CCUS). Alongside renewable options,

infrastructure may be required to support the potential consumer transition from natural gas to hydrogen.

However, as encompassed within the transition technological risk, there is a risk that the hydrogen economy does not develop at the scale envisaged, materially impacting our business, leading to potential stranded assets, and falling investor confidence.

These changes will be driven by complex policy, behavioural, market and infrastructure interactions. The scale of these uncertainties will introduce new dynamics for strategic planning. The need to maintain a safe, resilient network (or networks) will always remain a priority, but we anticipate that planning will need to become more responsive to emerging market information. To help us inform and manage this risk, we are working closely with UK governments, the regulator and the wider industry to better understand the evolving landscape.

Slow decarbonisation scenario (high temperature increase) – 4 degrees

This scenario assumes a 4°C increase in global warming by 2100, caused by continued reliance on fossil fuels and ineffective and/or slow changes in climate-related policy and regulation. Fossil fuel emissions remain high, leading to an increased frequency of extreme climate-related events, such as hotter summers and more severe winters. Future energy needs will increasingly fluctuate across seasonal and weather cycles, which may not correlate with the availability of electricity directly from renewables and nuclear.

In this scenario, we envisage that a gas transmission network (natural gas or hydrogen) will be required to ensure that the UK’s national energy supply is secure. However, this scenario also presents significant physical risk to our assets, such as coastal and inland flooding, and increased extreme temperatures, from increasingly unpredictable weather events. Further analysis of these physical risks is outlined below.

Physical risk

National Gas undertook its last physical climate risk assessment as part of its fourth round Adaptation Reporting Power (ARP4) report to the Department for Environment, Food & Rural Affairs (DEFRA) in December 2024. As a Critical National Infrastructure (CNI) owner, National Gas is invited to report through this process, typically on a five-yearly cycle. This is in addition to the

assessment of physical climate risk to assets, which is undertaken annually. The Climate Change Act 2008 gives the Secretary of State the power to direct reporting authorities (bodies with ‘functions of a public nature’ and ‘statutory undertakers’) to produce reports on what they are doing to adapt to climate change. The power is referred to as the ‘Adaptation Reporting Power’. The government’s Adaptation Sub-Committee reviews the outputs of the ARP process, which in turn supports the government’s National Adaptation Programme (NAP) and future UK Climate Change Risk Assessments. The ARP4 reporting round took place two years early, following a recommendation from the Climate Change Committee (CCC) that the Adaptation Reporting Power cycle should be synchronised with the NAP.

In the 2024 report, National Gas formally assessed 26 climate-related risks and scored these on a likelihood/ impact matrix which was common and agreed amongst GB gas networks during the ARP3 reporting round. In the development of its ARP4 report, the Group reviewed the ARP3 risks and removed those linked to previous ownership. In undertaking this review, four additional National Gas specific risks were added to the 22 gas sector specific risks considered by the gas transmission and distribution networks in ARP3. In ARP4, reporters were asked by DEFRA to consider a present-day risk score, plus a 2050 and 2100 risk score, based on business as usual.

The ARP4 assessment found that since ARP3, the considered present day risk from erosion (specifically pipeline crossings) has increased. There has however, been minimal change in the remaining risks. The view to 2050 sees the continued impact of raised temperatures alongside increased impacts from flooding and erosion. Our 2100 assessment sees the impact from these climate risks continuing but their likelihood and overall risk score slightly increasing, consistent with UKCP18 projections of increasingly warmer and drier summers, wetter winters, sea level rise and increased frequency of weather extremes.

The site-specific climate change risk assessments for all compressor stations on the transmission system to fulfil a specific requirement set by the Environment Agency were completed in 2024, and used to inform the updated APR4 risk assessment.

National Gas is committed to continuing activities linked to review of standards and specifications, flood risk

assessment and river scour modelling to help mitigate the present and anticipated impacts of climate change.

As with the previous round of reporting, climate risk scores for 2050 and 2100 are based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 8.5. RCP8.5 assumes an increase in global mean surface temperature of 4.3 °C over 2081 to 2100, compared to the pre-industrial period (average between 1850–1900). The RCP8.5 scenario is expected to occur by the close of the current century, if global emissions continue unabated at their current rate. Electricity and gas systems justify the decision to omit the 2°C degree projections (RCP 2.6, RCP 4.5 and RCP 6.0) as the industry adapts to worse-case scenarios and any adaptation and mitigation progress towards the 4°C scenario will encompass 2°C scenarios by default. However, a 2°C degree scenario will be explored by National Gas and risk scores reported as part of our second annual reporting submission to Ofgem for RIIO-GT3 and in ARP5.

While high and medium risks have been identified, the National Gas assessment is consistent with previous reports and those of the gas and electricity distribution and transmission sector, detailed in the ENA sector report. National Gas and the UK gas transmission system remains inherently resilient, but we recognise the need to continually reappraise our climate risks and engage with regulators on financing adaptation measures to ensure it remains so. More information can be found in our Climate Adaptation Report.

 **Read more: Climate Adaptation Report** →

Climate-related risk management

Risk identification

The scale of ambition and speed of change required to meet net zero emission targets, along with the potential changes in weather patterns, present both risks and opportunities to our business. National Gas has identified its risks aligned to climate change. These risks and associated mitigations are managed through our risk management framework, with appropriate executive oversight via the Gas Executive Risk Committee (GERC) and line of sight to the National Gas Board via the Safety and Sustainability Committee.

Within National Gas Transmission, the potential risks of climate change to the business are taken extremely seriously. National Gas is committed to assessing these risks on an ongoing basis and taking appropriate mitigation and adaptation action, where necessary.

Over the past year, we have implemented environmental and climate change taxonomies within our risk systems. Through a new system, we are implementing process markers to support the identification of environmental, social and governance (ESG) risks as part of ongoing refinements to our risk management process, aligned with ISO31000.

To further support the development of our risk capability and improve transparency, we have implemented operational risk taxonomies. The environmental and climate change taxonomies have been rolled out to the business in line with ongoing improvements to the risk management process. As part of the rollout, business areas have been asked to review their risks and raise any additional risks, including climate-related risks, where appropriate.

In accordance with the Enterprise Risk Management (ERM) system and the three-lines approach to risk management, each business area is responsible for identifying relevant risks. For climate-related risks, these are primarily identified by the Environment and ESG teams and managed at a local level using the ERM with oversight from the Executive function owner. Regular review occurs through the GERC, with relevant issues raised to the Safety and Sustainability

Committee for assessment as deemed necessary. In turn, these will be escalated to the Board as required. A third line of defence is provided by internal and external audit functions.

Furthermore at the January 2025 GERC, the decision was taken to incorporate climate-related risk as a factor within each individual principal risk, to ensure robust assessment across key strategic business areas.

In the 2024 report, National Gas formally assessed 26 climate-related risks and scored these on a likelihood/impact matrix which was common and agreed amongst GB gas networks during the ARP3 reporting round. In the development of its ARP4 report, the Group reviewed the ARP3 risks and removed those linked to previous ownership. In undertaking this review, four additional National Gas specific risks were added to the 22 gas sector specific risks considered by the gas transmission and distribution networks in ARP3. In ARP4, reporters were asked by DEFRA to consider a present-day risk score, plus a 2050 and 2100 risk score, based on business as usual.

Risk management

Climate change risks are considered as part of our Enterprise Risk Management (ERM) process. The ERM process is the framework through which National Gas identifies, assesses, manages, monitors and reports risks. It is refreshed annually, and climate-related risks undergo the same process as all other risk categories in the ERM system. This process includes the identification of a series of company-wide controls and actions to mitigate the climate-related risks.

The environmental risks are owned by the asset director. These risks form the foundation of our climate risk adaptation and mitigation, which will continue to mature over the next 12 months. Emerging risks are managed under our risk management framework, with results reviewed by senior leadership.

Climate-related risks are an integrated part of the operational risk framework and are allocated against the climate change taxonomy.

The risk assessment process has been designed to be clear and practical, giving the business readily measurable principles aligned with our purpose and values. It enables us to assess what we are, and are not, willing to do to

deliver on our strategy, so that we can provide robust assessments of the risk – including environmental and climate risks. These processes are refreshed annually.

Risk integration

We operate an integrated risk management framework, which manages all categories of risk across the business, i.e. strategic, financial, operational and emerging. We are exploring system options to fully embed our risk processes. The rollout of business taxonomies has further integrated climate considerations into the overall risk management framework, and the future implementation of process markers will further enhance the existing framework.

Metrics and targets

Risk metrics

National Gas has 21 ESG metrics used in the business across all three pillars of environment, social and governance. Each metric has a business process owner and an accountable lead on the Executive team. Four out of 21 metrics are deemed to be related to climate-related risks and opportunities. These are detailed in the table below:

Metric	Target FY25	Achieved FY25	Target FY26	Related risk/opportunity
NO _x from compressor unit combustion	6 kg/hour	4.74 kg/hour	6 kg/hour	Both transition risks
Scope 1 and scope 2 carbon emissions	455 ktCO ₂ e	328.1 ktCO ₂ e	443 ktCO ₂ e	Both transition risks
Percentage of top 50 suppliers with carbon-reduction targets in place	75%	84%	75%	Transition reputational & policy risk
Percentage of employees who have completed environmental training	95%	97%	95%	All

By ensuring employees are trained in environmental and sustainability matters, the business is equipping its people with the skills to identify and implement mitigation strategies for climate-related risks at an operational level.

National Gas also uses the metric of network reliability to ensure that service levels are not being reduced by climate-related events. In 2024/25 we achieved a network reliability of 100%, with no supply interruptions and no

unplanned outages. This relates to our physical acute and chronic risk.

GHG emissions

National Gas measures and reports on its scope 1, 2 & 3 emissions on an annual basis.

 [Read more: SECR →](#)

Risk targets

National Gas has set out 30 targets in its Environmental Action Plan (EAP) across the pillars of climate, leadership, air quality, resources and nature.

 [Read more: Environmental Action Plan →](#)

Partnering with our communities

Our social impact activities ensure we support our neighbours and tackle inequalities for vulnerable consumers.

Social highlights



£78,966

Donations made to date to our corporate charity, Barnado's



3,401

Employee volunteering hours



£93,072

Total community grant funds issued



1,379

Community members engaged through our Tackling Loneliness initiative

As a national business, we're well positioned to offer support to our local communities across the length and breadth of Britain. Our range of social impact activities ensure that we're giving back to our neighbours and tackling inequalities for vulnerable consumers.

Our four areas of social impact activity

Community grant fund (CGF)
Business plan commitment to fund grants of up to £100,000 per year for causes located close to our operational and construction sites, which deliver positive social, economic and environmental impact in line with our ESG strategy.

Education and skills
Engaging the next generation in net zero and the energy transition, and inspiring those from diverse and under-represented backgrounds to consider careers in the energy sector.

Charitable giving and employee volunteering
Our approach to corporate citizenship, including charitable partnerships, employee fundraising and donations, and volunteering activities to support a range of good causes across the UK.

The Tackling Loneliness initiative
Our initiative aimed at proactively tackling loneliness in the communities where National Gas operates, with the aim of reaching isolated members of the community, engaging our employees, and fostering a sense of belonging across the National Gas operational footprint.

Community grant fund

Our community grant fund (CGF) programme is a way for us to give back to the communities in which we operate, mitigate any adverse impact caused by our activities, and build great relationships with our neighbours.

Local causes and charities based around our operational and construction sites can apply for funding of up to £20,000 to put towards projects that deliver positive social, environmental or economic impact.

We use a scaled approach to granting funds to ensure that any activities we undertake that may cause disruption (such as ground works) are adequately mitigated. The CGF is assessed against two key criteria:

- Up to £20,000 available for causes located near to our construction sites
- Up to £10,000 available for causes located near to our operational sites

Operating since 2024, to date our CGF has granted over £130,000 to a range of causes across the UK.

Case studies

The Active Wellbeing Society, Tyseley

The Active Wellbeing Society (TAWS) is a community benefit society and cooperative, working across the West Midlands to develop healthy, happy communities living active and connected lives. For the past two years, the TAWS Food Team has been given access to the National Gas commercial-grade hydrogen kitchen demonstrator at Tyseley Energy Park, to prepare tasty, nutritious meals for delivery to individuals and families living in food insecurity across Birmingham. Since operations began in January 2023, approximately 500 meals have been prepared using these facilities, supporting individuals and families who would otherwise struggle to feed themselves. Many of those supported by this project are families with children living in temporary accommodation. TAWS is permitted to use the hydrogen kitchen facilities free of charge as a gesture of community goodwill from National Gas. In 2024, TAWS was encouraged by National Gas to elevate its impact by applying for CGF funding. Following a successful application, TAWS was awarded £10,000 to expand its activities and reach more vulnerable members of the community.

Eden Rivers Trust, Penrith

The Eden Rivers Trust (ERT) is an environmental charity based in Cumbria that seeks to protect and promote the wellbeing of the river network across the Vale of Eden. The ERT applied for funding via the CGF, following the commencement of construction works along the A66 corridor by National Gas. As part of a wider project of work led by National Highways, National Gas was required to discharge ground water into the River Eamont via the Lightwater tributary – a major tributary of the Eden River. As mitigation for the potential disruption caused to the local area by the works, the ERT was awarded £20,000 in funding for two key projects focusing on land management and water quality:

1. Healthy hedges community tree nursery

A project which grows native trees from seeds collected from farms in the Eden Valley, to use in hedgerows and farm boundaries. This work makes hedges healthier and more effective for stock control, shelter, soil stabilisation, nutrient and water retention, as a home for wildlife and to filter water – removing damaging nutrients from field run-off.

2. Regenerative farming education programme

ERT worked with the farming community across the Eden Valley to inform and advise them on best practice for land management, through workshops, soil sampling and access to soil-aeration equipment – helping to improve soil quality, reduce environmental impact and minimise costs.



Education and skills

We have been building national and local education and skills development partnerships and initiatives to engage the next generation in net zero, the energy transition and future career pathways.

The road to net zero presents a number of opportunities and pathways in science, technology, engineering and maths (STEM) careers, research and development, and policy. We aim to connect with and inspire 900 young people by the end of RIIO-T2 through educational outreach opportunities, and where possible track their progress from first interaction right through to potential employment at National Gas.

Work experience

This year, we hosted our first formal work experience programme. Built with the support of UK-leading responsible business organisation Business in the Community (BITC), the programme uses best-practice approaches identified by the Careers and Enterprise Company (CEC), and focuses on developing the eight key employability skills included in the Universal Skills Framework.

During October 2024 and February 2025, 30 students from across the UK joined us at our headquarters in Warwick for a hybrid work experience week. Students could choose to be part of our general business cohort, where they learned about how our business works, including sessions on finance, customers and stakeholders, strategy, innovation, regulation and HR. Alternatively, they could join us as part of our cyber and security cohort, where they had an in-depth peek behind the curtain into the world of business security, including sitting in on sessions about phishing, personal security and security intelligence. Our most recent ESG materiality survey identified cybersecurity as our most material business topic, so this year we focused on highlighting it as an exciting, essential and rewarding potential future career. The week was designed to help students not only develop vital skills and practical experience to carry forward into their higher education and early careers, but also to showcase what a career within the energy sector could look like.

Alongside their daily sessions, students completed a work experience journal to record their learnings, conducted interviews with colleagues, completed a CV and job application workshop, and even had a Q&A with our CEO.

Schools engagement

In addition to our formal work experience programme, our people are encouraged to undertake their own educational outreach activities through volunteering, school visits, and by hosting locally-led work experience. Many of our colleagues have shared their skills and expertise – whether STEM-based or more broadly – through our network of educational and charity partners, or their own connections as STEM Ambassadors. Among our many activities, we’ve become regular attendees of Physics Partner’s ‘Girls in STEM’ conference based in the Midlands; our people were panellists for a series of webinars hosted by the Engineering Development Trust on careers in STEM; our Innovation team attended a local girls’ grammar school for their science outreach day; and we spent a day with 180 students from a local school for their career insights week.

Charitable giving, employee volunteering and community partnerships

We are committed to adding value to the communities where we operate, and wider society. Through continuous fundraising efforts, employee volunteering, and community partnerships, we ensure that the impacts we have on society are sustainable, worthwhile and targeted to address pressing social issues.

Charitable giving and employee volunteering

In 2023, our colleagues chose Barnardo’s as our corporate charity partner, pledging to fundraise £100,000 for the charity over three years. By the end of FY25, over £78,000 had been donated to the charity. As well as raising funds,

we offer support to the Barnardo’s children’s centres located in Birmingham, which are managed by Barnardo’s. Our colleagues have donated children’s clothes, toys and equipment, school uniforms, Easter eggs, Christmas presents and Mothers’ Day gifts to support the families associated with the children’s centres.

Furthermore, we encourage our people to share their skills, time and expertise through two days of employer supported volunteering each year. Colleagues are encouraged to take part in activities which bring social, economic and/or environmental benefits to charities, community groups and not-for-profit groups located in the vicinity of our operations. During FY25, our people collectively spent 3,401 hours volunteering.

To support our volunteering and charitable giving activities, we give colleagues access to a best-in-class social impact platform, Benevity. This enables them to find, create and sign up to local volunteering opportunities, make donations to their chosen charities, or promote their fundraising activities. Additionally, via Benevity, employees can access up to £400 per year in matched corporate funding for their own fundraising, and matched corporate donations of up to 150% for their own donations and regular corporate donations (called ‘seeds’) where the business gifts funds to our people for them to donate to a charity of their choice. In the past year, we supported over 390 good causes via Benevity, delivering over £57,000 of business funds to community groups and charities, including £24,000 gifted via seeds.

Community partnerships

The Albion Foundation
We partner with The Albion Foundation (TAF) – the charitable arm of West Bromwich Albion Football Club – to support their work in promoting wellbeing, behaviour change and active lifestyles to vulnerable individuals and communities across the Sandwell borough of the West Midlands. The partnership supports TAF in delivering activities including disability football, 1:1 behavioural change mentoring, SEND sports sessions, holiday clubs and residential programmes. National Gas also gifts West Bromwich Albion match day tickets to local schoolchildren who have demonstrated a positive attitude and behaviours when participating in TAF activities.



The Tackling Loneliness initiative

In FY25, National Gas launched a new initiative aimed at proactively tackling loneliness in the communities where we operate. Through employee volunteering and engagement with local people, we are raising awareness of loneliness and supporting those who are experiencing it, whilst also upskilling our employees to identify and tackle loneliness at work and in their personal lives.

Why loneliness?

In 2018, the UK government identified loneliness as a major public health challenge. Since then, the pandemic and cost-of-living crisis have worsened the issue, with three million people aged 16+ reporting frequent loneliness in 2021/22. Loneliness increases early mortality risk by 26% and costs the UK economy around £9,900 per severely lonely person annually, with a £2.5 billion impact on employers through absenteeism, productivity loss, and employee turnover.

Aims of the initiative

The loneliness initiative aims to provide resources to tackle loneliness in communities where National Gas operates, by:

- Raising awareness of loneliness in local communities, reducing stigma, and encouraging people to talk and act on loneliness.
- Increasing employee volunteering and engagement within their local communities.
- Building connections by providing technology to those who are digitally isolated.
- Providing resources to upskill National Gas employees, enabling them to identify and tackle loneliness both in their personal networks and within the workplace.

How is National Gas tackling loneliness?

We are working with established national and local charities to build on existing initiatives, and supporting local communities in delivering new activities to build connections and tackle loneliness.

Bringing people together

Events to connect the community are underway in the vicinity of key National Gas operational sites, delivered in partnership with local charities or community groups. A variety of activities have been taking place, ranging from bingo nights and soup lunches, to fish and chip suppers and more, all aiming to reduce isolation and help people to foster meaningful connections. Where possible, National Gas employees have volunteered to support the activities and develop friendships with attendees. Since launching, 38 events have taken place across the UK, with over 1,300 attendees, including:

Bacton: bingo

Colleagues at Bacton Gas Terminal have led three bingo events to tackle loneliness and build community spirit. Bringing together almost 200 local people, the events have been supported by National Gas volunteers, helping forge relationships between employees and the local community.

Livingston: soup socials

Livingston colleagues have joined forces with Cloverglenn – a charity for young adults with disabilities – to deliver a weekly ‘soup social’. Over 300 people have attended the events, gaining hands-on experience of preparing food and setting tables, while delivering a sense of inclusion for adults with learning difficulties.

St Fergus: Claik and Mait

Colleagues from St Fergus have been teaming up with Mission Café to serve hot meals and provide a space for community members to form connections. These events welcome over 50 people each month, many of whom are facing isolation, loss or addiction. From comforting fish and chips, to creamy afternoon teas and Christmas dinners, these monthly gatherings are helping people feel seen, valued and connected.

Partnering with others

National Gas has formed strategic partnerships with national charities that already have well-established programmes in place to help tackle loneliness and social isolation across key demographics, such as the elderly, young people and those who are digitally isolated.

Age UK

National Gas employees are supporting Age UK’s Telephone Friendship Service, which matches volunteers with beneficiaries aged 50+ to have a weekly chat, building meaningful and life-changing connections.

UK Youth

Founded in 1911, UK Youth is a national charity working to ensure all young people are equipped to thrive and empowered to contribute at every stage of their lives. UK Youth leads a network of over 8,000 local youth organisations that reach more than 3.7 million young people. National Gas is supporting UK Youth’s Adventures Away From Home programme, offering outdoor learning opportunities to disadvantaged or under-represented young people aged 11–18 across England. Our funding will provide 220 bursaries for day trips and outdoor learning opportunities which support essential development for participants, improving socio-emotional skills and equipping them to succeed in education, foster positive relationships and experience good health and wellbeing.

WaveLength

WaveLength is a charity fighting loneliness through the provision of technology – such as TVs, tablets or radios – to those who are digitally isolated. National Gas is working with WaveLength to identify individuals who are lonely – because of age, or poor physical or mental health, or who are isolated by circumstances which make it hard for them to leave their home – located in the vicinity of our main operational sites. These individuals will be supported to apply for technology, funded by National Gas, through WaveLength’s network of expert local partners. This ensures that every piece of technology donated is tailored to meet the demands of the beneficiaries, allowing them to foster and build meaningful connections in an increasingly digital world.



Powering our people

Our employees are our greatest asset, and our ambition is to create a purpose-driven and results-focused culture, founded on care and inclusion.

We believe that our future success is predicated on our ability to attract, recruit, develop and engage a capable, diverse, safe and healthy workforce who will deliver our business strategy and maximise the opportunities ahead of us.

Our employee value proposition

During the year, we continued to embed our new employee value proposition (EVP), with the aim of both attracting new employees and retaining existing talent – and making National Gas an employer of choice. Using existing data sources and engaging directly with a cross-section of people within the organisation, our colleagues have told us what makes National Gas a good place to work today and could make us an employer of choice in the future. Our EVP pillars set out the most important aspects of what it’s like to work at National Gas. These are:



Purpose
We lead a clean energy future for everyone. A refresh of our strategic objectives aims to further inspire and evoke pride in our business. We are the national gas network, providing secure energy to power Britain, achieve net zero and maintain our industrial competitiveness.



Flexibility
Having some flexibility around when, where and how we work helps us all manage the demands of our lives at home and work, whether that’s hybrid working, varying shift patterns or more formal adjustments to our working hours.



Growth
We want everyone to have the opportunity to develop, both personally and professionally. That means room for growth through clear pathways, development programmes and opportunities for our people to build their careers on their terms.



Inclusivity
We have a supportive and inclusive culture where everyone is heard, valued and supported to reach their full potential. The introduction of our ‘Belonging survey’ in 2024 helps us develop an environment where we can connect, collaborate and be the best we can be.



Caring
We work towards our important goals together, while looking out for each other. Caring deeply about the reward and recognition of our employees, we make sure we have a diverse range of benefits that support our colleagues inside and outside of work.

Employee engagement

Our overarching aim is to engage in a two-way conversation with employees, wherever possible. Our senior leadership team enjoys engaging directly with our people, both at a local level – through informal breakfast or lunch sessions – and at larger set piece events, such as our annual leadership summit and quarterly town halls.

We continue to enjoy good relationships with our four Trade Union Full Time Officers and local employee representatives. We work proactively with the unions on employee terms and conditions, as well as on topics where they can add value to a collective discussion of mutual benefit, such as hydrogen and the impact on future skills and green jobs.

In addition to our comprehensive annual employee survey, we conduct regular eNPS surveys – a more agile means of assessing employee sentiment, giving us scope to act quickly and make timely improvements, while celebrating successes.

In terms of employee engagement, National Gas has been tracking employee advocacy through a net promoter question that asks, “how likely are you to recommend our business as a place to work” between 0–10. In January 2025, we received an organisational eNPS score of +29, which is seven points higher than our 2024 score of +22. This is a ‘favourable’ result and continues our upward trend, having scored +5 in 2022 and +15 in 2023. Benchmarking externally, Bain and Co rate scores between 0 and 20 as ‘good’, a score over 20 as ‘favourable’ and a score over 50 as ‘excellent’.

To supplement our quarterly eNPS approach, in 2024 National Gas decided to initiate an annual survey, to deliver enriched data and insight on the employee experience. In line with our values, the annual survey has a simple 25 question set, spilt across three areas: employee advocacy (eNPS), culture and values, ethics and safe to say, allowing us to understand what is working and where we need to improve the employee experience.

Last year, feedback highlighted a lack of clarity around progression or what a career at National Gas would look like. As a result, two significant pieces of work relating to a career framework and learning and development framework took place. These frameworks include a wealth of information covering career progression and the skills

and experiences needed. A series of webinars, learning and development recommendations and conferences were also created to support career development.

Another valuable piece of feedback from employees centred around a desire to better understand our business strategy. In response, we created long and short strategy narratives to explain our direction and strategic priorities in May 2024. We also created a hub on Connect (our intranet site) to share more information and ran a webinar to bring the subject to life.

As our strategy evolved, and our strategic priorities were refreshed late in 2024, we ran further webinars to continue keeping everyone informed and up-to-date.

Building our talent pipeline

National Gas is building our talent pipeline to address the new clean energy jobs required for the future.

This year we welcomed 76 new learners – 51 apprentices and 25 graduates – doubling our number of apprentices and growing our graduate community eightfold since we became a stand-alone business. We now have 13 apprenticeship pathways spanning qualification Levels 3–6, that run across our construction, asset, system operator, cyber and physical security business, as well as expanding operational apprenticeships.

 [Read more: Education and skills →](#)

Learning and development

Attracting and retaining talent is critical to the success of our business. We are passionate about developing the skills and capabilities of our people – both to enable them to leverage personal growth opportunities and to accelerate the development of our talent. Aligned to our value of simplicity, our learning and development proposition centres around four key building blocks: personal development, professional development, team development, and leadership development.

We have created a career framework that represents both people leadership and specialist career pathways, and outlines expectations at each level. Bespoke leadership development programmes, designed to enhance leadership capabilities deemed essential in driving business success, have been put in place. A high-performing teams

toolkit has been developed in-house to help leaders accelerate their team’s effectiveness and performance through embedding disciplined practices of productive team habits.

All employees have access to LinkedIn Learning, which allows them to develop at their own pace in areas that are relevant to them. LinkedIn Learning gives free access to more than 15,000 on-demand resources covering business, leadership, creative and technology skills. Dedicated learning pathways help develop ways of working in line with our values and leadership skills, including a focus on leading through change. As our capability requirements evolve, we will continue to develop our training offerings to reskill as appropriate

Improving how we attract and develop early talent

Early careers attraction
We are working to promote careers in the gas industry by partnering with universities such as Aston and Warwick. This engagement has expanded to include a black talent STEM leadership event (Aston), providing CPD input to careers advisors (Aston), consulting on the finance curriculum and delivering panel talks/fireside chats (Warwick). We have also attended more traditional careers fairs and collaborated on sustainability, providing workwear items to students through ‘Warwick Workwear Wardrobe’.

To ensure fairness, we reviewed our interview process and aligned its structure to suit a younger audience. This process has included hiring for potential by changing to strengths-based questions rather than competency. These determine candidates’ natural strengths, rather than drawing on past experience. This also supports candidates from lower socio-economic backgrounds, as the questions assess natural capability rather than access to opportunity. We’ve also introduced anti-bias and social mobility refresher training at the start of every assessment centre to ensure assessors bias is mitigated.

We’ve received positive feedback from candidates including, “this personable touch made the application stand out from others, and put National Gas at the top of my job preferences”, and “the process was extremely clear and all the prior advice and top tips made you feel as ready as possible. Enabling me to really showcase my true self.”

We’re conscious of recruiting sustainably. We now hand out cupcakes instead of plastic give-aways at careers fairs, with QR codes that direct candidates to apply for roles, and we have streamlined interview packs to reduce printing.

Looking ahead, we’ll continue to raise the profile of early careers opportunities, building our employer brand via strategic partnerships with universities, schools and colleges. We’ll continue to improve the quality of our selection process with a focus on DEI, as well as developing an attraction strategy and creating a candidate journey with a human-centred approach,

Upskilling learners
This year, we introduced ‘Raising the Bar!’, a new development programme for all learners, designed to embed our values and incorporate our career framework to maximise positive business impacts. The programme provides opportunities for colleagues to spend dedicated time getting to know one another and build a sense of community as a cohort. The programme has helped to develop learners that will challenge and who have added value through working on real business projects.

Embedding early talent into the business:
96% of learners have remained in the organisation since 2023, joining asset, construction, innovation, IT, cyber, security and operations. For the first time, this year we’ve looked to benchmark our programmes externally with the Job Crowd. Our learners have rated their experiences with us and we’ve achieved a first place rating in the ‘Energy and Utility’ sector for both our graduate and apprenticeship programmes. We’re also rated highly for our benefits and progression opportunities.

Building our talent for the future
National Gas has committed to hiring 60 learners each year between 2026 and 2031, to support future skills requirements and meet our skills gaps. We will continue to increase our inclusive learning culture through programmes such as ‘Raising the Bar!’

Diversity, equity and inclusion

We recognise that a great place to work means actively promoting diversity, equity and inclusion.

We pride ourselves on creating an organisation where diversity, equity and inclusion (DEI) are celebrated through meaningful actions, helping us to attract and retain the best talent in our industry, and where all colleagues feel that they belong.

The Remuneration and Nominations Committee monitors DEI, and considers the development of, and progress against, a number of activities to improve diversity across the business, including the publication of our Gender Pay Gap report.

Measuring belonging

This year, we ran our first ‘Belonging Survey’ to understand how much colleagues felt they belonged at National Gas, and to help measure the DEI work we have undertaken in the past two years of our Belonging Strategy. National Gas scored a Belonging Index of 82%, meaning that 82% of colleagues answered favourably to all questions asked. Colleagues said that:

- They understood their role in creating an inclusive culture
- They believed that ideas are given fair consideration, regardless of a person’s background or identity
- They felt that people respect and value each other’s opinions, and
- They felt that everyone has equal access to development opportunities at National Gas, regardless of their background or identity.

Colleagues also provided us with thoughts on how to improve DEI at National Gas. These ideas are being built into the 2026–2031 strategy and implementation plan.

Armed forces and Disability Confident

This year, we signed the Armed Forces Covenant and gained the Bronze Award from the Employee Recognition Scheme, to show our unwavering commitment to members of the Armed Forces Community at National Gas and more widely.

We have also signed up to the DWP Disability Confident Scheme. We hold Disability Confident Committed Employer (Level 1) recognition, demonstrating our commitment to improving our processes so that we are recruiting, retaining and developing disabled colleagues in our organisation.

Developing diversity

Ethnically diverse talent
Our pilot ‘Elevate Leadership Development Programme’ to help colleagues from ethnically diverse backgrounds move into leadership roles was very successful. Over half of the participants gained promotions or secondment opportunities during the programme. A second cohort started the programme in March 2025.

Senior leaders
We piloted our ‘Inclusive Leadership Training’ with the Executive team earlier this year, and rolled it out to our senior leadership teams across the organisation. The programme was designed to help leaders gain confidence in DEI, looking at their role in embedding inclusive practices, and understanding concepts such as cultural competence.

Women in leadership
This year we ran our first Women in Leadership Conference, with 45 female leaders from across the organisation gathering to hear from internal and external speakers on a range of topics from work–life balance to female friendship and career journeys to self-advocacy.

Celebrating diversity

This year, we held 12 webinars on topics such as Time to Talk Day, neurodiversity, LGBTQ+ inclusion and allyship, deaf awareness and gender equity.

We ran a series of events on menopause, including a session for managers and a safe space session for those experiencing or soon-to-experience the menopause.

We also held four in-person events, including a women’s networking event and a celebration for South Asian Heritage Month, where over 200 colleagues enjoyed a musical performance, learned more about the countries that make up South Asia, and sampled food prepared in our hydrogen kitchen – the world’s first commercial kitchen prototype fuelled purely by hydrogen.

Gender pay gap progress

We're pleased to report that we have turned the dial on the gender pay gap. We have reduced our figures on both the 'mean' and 'median' metrics. This is largely due to the increase in the proportion of women in the top 25% of earners in our organisation.

The gender pay gap is the difference in average earnings between women and men, and shows women's position in the workforce in comparison to men. For National Gas, building a truly equal and inclusive business is not just the right thing to do – it is vital to achieve our business vision.

We understand the business benefits of a diverse workforce, and we know that being open to different perspectives helps us to better understand and support our customers, innovate and manage risk. In 2024/25, our mean pay gap decreased from last year, from 5.5% to 1.6% and remains lower than the UK average of 7.7%, as reported by the Office for National Statistics for 2023. Our median pay gap also decreased from -0.2% in 2023 to -3.3% in 2024.

Our pay gap is driven primarily by the concentration of men in senior positions, rather than our pay structure. This measure covers National Gas Transmission and National Gas Services, but not National Gas Metering. The latter is a separate legal entity and is not large enough to be covered by these reporting requirements.

The gender split of the company showed that 72.7% of colleagues were men and 27.3% were women.

Mean gender pay gap

		Hourly pay %
2024	Mean	1.6
	Median	-3.3
2023	Mean	5.5
	Median	-0.2

Incentive pay gap

		Incentive pay %
2024	Mean	28.7
	Median	5
2023	Mean	31.9
	Median	4.3

We recognise that there is always more to do, both in terms of closing the pay gap further, and attracting women into what is a traditionally male-dominated industry.

*We are required to report on the gender pay gap, the data and information was compiled using standard methodologies set out in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, and with reference to the ACAS guidelines where appropriate. GPG figures reflect those reported in the period 1 April 2024 – 31 March 2025 (i.e. GPG 2024) based on snapshot April 2024 pay data, and incentive data from the preceding 12 months (FY24).

 [Read more: Gender Pay Gap Report 2024 →](#)

Gender action plan

- 1 Continue to increase female representation at more senior levels, including a women's leadership conference open to all women with line-management responsibility.
- 2 Refresh our DEI calendar of events as part of our Belonging Strategy and continue to support International Women's Day and other gender equity awareness days.
- 3 Review our approach to training hiring managers and introduce mandatory compliance training for all new managers, which will include understanding gender bias throughout the process and encouraging gender-diverse panels.
- 4 Review the success of our women's development programme and run another cohort over the next year.
- 5 Recommit to our partnership with the Women's Utilities Network, which includes the opportunity of free mentoring for female colleagues.
- 6 Build on the success of the inaugural Women's Sponsorship programme. We will be extending this opportunity to more women.

