

# Community Investment

## 1. Objective

- 1.1 As a responsible business, National Grid places great emphasis on the relationships it has with the local communities that it serves, and in which it operates. Investing in projects that bring benefits to society as well as to the company is important. This policy sets out a framework for the way in which we invest in community projects and initiatives.
- 1.2 This policy statement provides a framework for ensuring that investment in community projects and initiatives delivers benefits both for our businesses and the communities involved. Working within the Group-wide framework businesses are able to arrange the details of such investments and projects to align with their local requirements.

## 2. Scope

- 2.1 This policy statement applies to all businesses within National Grid. For Associate Companies and Joint Ventures, National Grid will seek to promote the adoption of policies consistent with the principles set out in this document.

## 3. Policy Framework

Our Framework for Responsible Business sets out our commitment to investing in the future by encouraging and supporting investment in the community through both the activities of our employees and our financial contributions, with an emphasis on developing partnerships.

## 3.1 Principles

We invest in community projects to:

- **Develop our business.** To use our community investment programme as a platform on which to communicate our business priorities and performance messages;
- **Support our employees.** To support our employees where they participate in community and voluntary activities, and as an incentive to improving other aspects of our performance. Where possible to use our community investment to drive performance improvement across the Group. Through our community investment programme we aim to develop the position of National Grid as an employer of choice;
- **Support communities.** To support communities which may be temporarily affected by our operations or where long-term relations are important in maintaining our operations; and
- **Enhance our reputation.** To ensure we are seen as a responsible business by key stakeholders through bringing our skills and knowledge to bear on significant issues of concern. To use our community investment programme as an opportunity to demonstrate our brand attributes.

Across the Group, we focus our investment on a number of key themes aligned with our business profile and interests to ensure that we maximise the impact of the investment.

We manage our community investment to ensure that the resources we allocate to projects make a difference. We will apply our community investment policy in a way that supports a more inclusive and diverse culture.

- **Lever funds.** It is neither appropriate nor possible for National Grid to fund all the initiatives that may be proposed. Wherever possible, we will seek to establish partnerships with other reputable organisations so we are able to lever funding from other sources and keep our expenditure at an appropriate and effective level;
- **Deliver benefits to the business.** The overall premise of our approach to community investment is to deliver benefits to the business. We will keep our involvement in community investment initiatives under review to ensure that the benefits are in line both with our financial commitment and the efforts of our employees;
- **Apply best practice.** In our community investment activities we will aim to take into account local needs in determining our priorities for community investment within our focus themes, Investment will be apolitical and areligious and in line with our approach to Inclusion & Diversity; and

- **Communicate.** Success in delivering against the principles of our community investment policy will depend on our ability to communicate the programmes, their impacts and achievements; both internally and externally.

3.2 In support of this policy statement, each business will ensure that:

- a plan is put in place to ensure all elements of this policy statement and the choice of investment themes of relevance to its business are implemented;
- priorities for community investment are established within the framework provided above and the Group-wide themes;
- mechanisms are put in place to quantify the funding provided by third parties to National Grid community investment projects;
- appropriate guidelines are established for employees where resources for community investment projects are devolved; and
- communication of the elements of the programme is to be included by each business in its project planning process.

#### 4. **Related Policies and Other Documents**

- Framework for Responsible Business.
- Terms of Reference for Risk & Responsibility Committee.
- Terms of Reference for Social Policy Committee.
- Group-wide framework for Inclusion & Diversity.

#### 5. **Key Contacts**

- 5.1 The Head of Communications & Social Policy is responsible for maintaining this policy statement and facilitating communication of the policy statement throughout the organisation.

#### 6 **Monitoring and Compliance**

- 6.1 The Group Director, Corporate Affairs will review compliance with this policy statement on an annual basis and will report on a quarterly basis to the Board's Risk and Responsibility Committee.
- 6.2 Any changes needed to ensure its effectiveness will be drawn to the attention of the Board's Risk and Responsibility Committee and to the Board itself.
- 6.3 Each business will ensure that it has the necessary arrangements in place to be in a position to monitor and report compliance against this policy on an annual basis.

#### **Definitions**

**Associate Company:** A company where between 20% and 50% of the equity share capital is beneficially owned by a National Grid company or companies.