

Political activities guiding principles

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Scope

Our approach to political involvement disclosed here, applies to all National Grid employees (permanent or temporary staff, consultants and contractors) and extends to all our majority-owned businesses or business transactions in every country where our subsidiaries, our associates and we operate. All of our policies for political activity are group-wide, global and consistent.

National Grid is committed to ethical behaviour, integrity and responsibility in its political activities. All of our employees are delivered regular mandatory training on 'doing the right thing' and 'bribery and corruption' to ensure their knowledge of the company's latest policies and procedures is current.

Approach

Our overall approach is framed around and consistent with the requirements of the **Responsible Political Activities (RPA)** and are based on the values of integrity, legitimacy, materiality, accountability and oversight, consistency and transparency. We are proud to adopt and mirror the RPA principles which are set out below.

- Integrity: The company is committed to ethical behaviour, integrity and responsibility in its political activities. Its policies and procedures for political activities are designed to meet these values and the laws, norms and stakeholder expectations for integrity and ethical behaviour.
- Legitimacy: The company's political activities meet legitimate business objectives, serve the interests of the company and comply with laws. Stakeholders view the company as having a valid voice, expertise and contribution to make to the political process and that the company's political activities address their material interests and the company's impact on society.
- Accountability and oversight: The board is accountable to shareholders and other stakeholders for the company's political activities. The board sets the guiding principles and scope for political activities, agrees the objectives and strategy, provides direction and guidance to management and receives reports on the implementation of the policies and procedures for political activities.
- Consistency: The company carries out its political activities consistent with its values, guiding principles, policies and procedures. It also ensures that its political activities are carried out consistently across its corporate group and third parties acting on its behalf.
- Transparency: The company is open about the guiding principles, objectives, policies and procedures of its political activities and reports regularly to stakeholders on activities, performance and expenditures. Material information is comprehensively made public and is easily accessible.

National Grid operates on a politically neutral basis and works closely with interested parties to inform policy on key issues including energy, environment, infrastructure and consumer policy and employment relations.

As a highly regulated company providing integral utility services to customers, we proactively engage with our key stakeholders, including government, legislators and regulators who are integral to our business. In developing our policy positions, we engage with a wide range of interested parties including charities, environmental groups, non-profits, energy companies, trade associations, consulting firms and academics.

We maintain an integrated approach to managing our political activities and publish a statement of activities which we consider to be Political. National Grid Plc has a long standing position of not making financial donations or support to political parties, representatives or causes, including donations as defined for the purposes of the Political Parties, Elections and Referendums Act 2000 – of which we are fully compliant.

The Companies Act 2006 states that all-party parliamentary groups (“APPG’s”) are not political organisations for these purposes, meaning the authority to be sought from shareholders are not relevant to interactions with such groups. A list of APPG memberships is included below.

- The All Party Parliamentary Group for Corporate Responsibility
- The All Party Parliamentary Group for Energy Studies

Under the Federal Election Campaign Act, National Grid US has authorised the establishment of a federal Political Action Committee (PAC) and New York State Political Action Committee, to facilitate voluntary political contributions by its US and New York employees respectively. Contributions from the PACs are determined by a governing board of PAC members who serve across divisions of the US operating unit. There may be no coercion with respect to participation in the US Employee PAC. The National Grid US Employee PAC does not represent the Company and its contributions are not political donations by the Company. All of National Grid US Employee PAC’s contributions are publically available in accordance with the Federal Election Campaign Act. What about New York? National Grid US Employee PAC and the New York State PAC are voluntarily audited every three years by an independent auditing firm.

National Grid supports the safeguards and abides by the Ministerial Code, which prohibits Ministers from lobbying Government for two years from leaving office, and the similar rules which apply to the appointment of civil servants and special advisers.

National Grid is registered with the EU Transparency Register, and we voluntarily publish the costs associated with lobbying of EU institutions on this register. Our entry can be found online [here](#).

In line with the US Lobbying Disclosure Act, we provide details of our expenditure on US Federal lobbying activities on the US Federal lobbying register, and our employees who meet the minimum lobbying activity threshold are registered with the Secretary of the Senate and the Clerk of the House of Representatives. All registrations and reports are available to the public [here](#). We meet the lobbying compliance requirements in each of the states we operate in.

Responsibilities

The Board has the ultimate accountability for and oversight of the company's political activities and this is discharged through a number of Board Committees and procedures. These include the Audit Committee, which will highlight to the Board any areas of non-compliance or emerging risk relating to our political activities. A range of standards and procedures are in place that the Board will uphold, which include our BMS and Doing the Right Thing policies. . The business leader of each business unit will also establish appropriate responsibilities and procedures within their operations, including for the monitoring and assurance to ensure compliance with these activities.

Review processes are in place to ensure our approach remains effective and bribery and corruption risk is avoided. Political activities are reviewed by the Board's Executive Committee twice a year. Internal Audit also reviews internal controls and financial records as required, to ensure activities are properly documented and remain effective in countering bribery and corruption.

If any instance of bribery or corruption is identified, remedial steps will be taken immediately.

Specific employees in Group Corporate Affairs are given responsibility for engaging in and coordinating planned public affairs activity on National Grid's behalf.

No employee or director is required to make direct or indirect contributions or any form of inducement to political parties, individual politicians or government employees on behalf of the company.

No political related expenditure of any kind can be made [for example for legitimate lobbying] without management approval, in line with designated thresholds of approval.

National Grid may legitimately incur costs in engaging in public policy conversations. The Group Corporate Affairs Director is responsible for authorising such costs in line with delegated spending limits.

This document does not preclude a National Grid employee from being a member of, or making donations to, a political party in their personal capacity. However, if you are involved in political activity outside work, you must ensure your involvement does not, in any way, represent the views of National Grid or bring the company into disrepute.