

Our policy on responsible lobbying

Introduction

National Grid is committed to lobbying responsibly. Our approach is predicated on the adoption of the Responsible Political Activities (RPA) guidance and is based on a determination to adopt the best practice standards as defined by Transparency International.

Our Responsible Lobbying policy statement sets out the RPA requirements and then focuses on what we do in relation to the four key Transparency International areas of focus. (Control Environment, Political Contributions, Responsible Lobbying and Revolving Door policy.)

We are committed to maintaining and keeping up to date all the statements and policies that go toward making up our Responsible Lobbying Policy and to maintaining the Transparency page of our website.

Our approach is further underpinned by the Association of Professional Political Consultants (APPC) Code, the Bribery Act and the Political Parties, Elections and Referendum Act. In addition to the full host of other standards and National Grid policies as published on this page of our website including, "Doing the Right Thing," "Code of Business Conduct," "Anti-Bribery and Corruption Code and all other relevant corporate rules and procedures.

Our overall approach – Living the RPA requirements

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.

Control Environment

- We are committed to publishing a statement of the principles that guide our political activities and to ensuring that these principles are in accordance with RPA guidelines. This statement confirms that our policies for political activities are group-wide, global and consistent. This statement is published on the Transparency page of our website.
- We have an integrated approach to managing our Political activities and also publish this on the Transparency page of our website.
- We demonstrate the accountability of the Board for oversight of Political activities and have published the relevant committee terms of reference and a note on the role of the AGM in relation to Political donations.
- We do conduct monitoring and assurance of our political activities, through corporate governance, as evidenced in the policies and procedures on our website.

Political Contributions

- We publish a clear statement on our website that the company does not make any political contributions.
- We also publish further guidance in relation to the role of the Board in this critical area on our website.

Responsible lobbying

- Our policy on responsible lobbying is reflected in the sum-total of the actions and obligations we have set out in this document. We are wholly committed to maintaining and keeping this website up to date with the most recent information and to applying our standards with a rigour and fierce focus consistently across all our territories and jurisdictions.
- We have a policy in place that ensures that all organisations who lobby on our behalf must comply with the company's lobbying policy – and within this procedure we set out the process for identifying and managing the company's membership organisation.
- We publish details of the aims and significant topics of our public policy development and lobbying in a variety of places and include a statement on our Transparency page.
- We publish a comprehensive list of organisations of which we are a member that lobby on topics relevant to the company.

Revolving Door

- We publish guidance on our “revolving door,” policy which sets out provisions concerning the movement of people between National Grid and a public body (in either direction) on either a secondment or a permanent basis. This includes guidance on “cooling off,” periods and the management of potential conflicts of interest.
- We publish a full list of secondments to and from the public sector.

Summary

Responsible lobbying is at the core of how we do business and our policies and procedures follow many different aspects and take many different forms. However, they are all predicated on RPA principles and Transparency International best practice guidance and our

new Transparency website page underscores our commitment to make all of this fully visible and transparent. We will continue to maintain and develop our approach to responsible lobbying in line with best practice and where possible we will seek to be ahead of this in our approach.