‘At National Grid, being a responsible business sits at the very heart of what we do. Our people tell us they are proud of the responsibility that comes from our central role in everyday lives of the communities we serve.’

John Pettigrew Chief Executive

Report overview
Access the full report: Responsible Business Report 21/22 which summarises our progress against our Responsible Business Charter pillars for 21/22:
• The environment
• Our people
• Our communities
• The economy
• Our governance

We have released our first Climate Transition Plan, outlining:
• Our action plan to achieve our emissions targets
• The concept of ‘real zero’ – our aim to achieve zero emissions by 2050 without relying on carbon offsetting measures

And our first Fair Transition Statement which outlines what we believe our role can be in ensuring a fair and affordable transition.

The Energy Transition Company
Capital investment of £6.7bn (continuing operations) in critical infrastructure in FY21/22.

01 Deliver for our customers efficiently
• Implemented >$1.3bn in energy efficiency measures in Massachusetts over the last 3 years
• In the UK, we are returning £200m from our interconnector business early to customers
• Delivering our £400m, 3-year cost efficiency programme will continue to benefit consumers today and long into the future

02 Enabling the energy transition for all
• We’ve set out medium and long-term targets to reduce our Scope 1, 2 and 3 emissions and to achieve net-zero by 2050
• Our Clean Energy Vision sets out how we envisage a fossil free future in the Northeast US

Between FY22-26 we’re investing:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Capital Expenditure (£bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas</td>
<td>c.£24bn</td>
</tr>
<tr>
<td>Electricity</td>
<td>c.£14bn in the UK</td>
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<tr>
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<td>c.£10bn in the US</td>
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</tbody>
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• more than 70% of our 5 year framework

One of the FTSE’s biggest investors in the delivery of net zero

03 Grow our organisational capability
• Following our strategic repositioning, our portfolio is now focused on electricity and enhances our role at the heart of the energy transition

Post transactions energy split2

- Gas c.30%
- Electricity c.70%
Key commitments

• Continue to review and adapt our governance policies to reflect and support our responsible business commitments.

• Ensure the voices of our stakeholders are heard and understood by the Board.

• Achieve 50% diversity in our Group Executive Committee and Senior Leadership group by 2025.

Our People

Highlights

Employee engagement index score 81%

Annual average training days per employee 5.4

Lost time injury frequency rate 0.13

38.6% of our workforce are diverse

Key commitments

• Maintain fairness across the organization for pay and make sure our pay practices do not show bias. We will work until pay equity is achieved for our people.

• Achieve 50% diversity in all our new talent programmes by 2025.

Our Communities

Highlights

Number of colleague volunteering hours 23,416

This is an increase of 30% on 2020/21

£2.8m awarded in grants to community projects since 2016

Combined group-wide contribution of over £18.3m to Corporate Responsibility work

1,167 employees registered as volunteers with Grid for Good

Key commitments

• 500,000 employee volunteering hours by 2030.

• Provide access to skills development for 45,000 people by 2030.

The Economy

Highlights

£24bn in green capex over the five year period to 2025/26

£6.7bn in total investment in energy infrastructure (continuing operations including WPD)

30,000 employees (including WPD)

Through National Grid Partners, in 2021/22, we committed to £93m of investment in technology and innovation.

Key commitments

• Maintain reinvestment in our infrastructure and demonstrate the social benefits of our capital delivery programmes.

• Continue to influence our supply chain to operate as responsible businesses.

• At least 75% of our top 250 suppliers will have active carbon reduction targets by 2030.

Our Governance

Highlights

49.5% Diversity across Senior Leadership Group

95% of employees completed Code of Ethics training

53.8% Diversity at Board level

Supplier Code of Conduct (SCoC) integrates human rights into the way we interact with our supply chain.

Key commitments

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