As one of the world’s largest public utilities focused on the transmission and distribution of electricity and gas, we play a vital role in connecting people to energy they use, and are positioned to be at the heart of the energy transition.
**High-quality growth**

Record £7.7bn capital investment for FY23. In particular:

- **World’s first** T-Pylons energized
- **Rewiring London** at London Power Tunnels: >90% tunnel boring complete
- **Twice as many EV connections** in the past two years than all other years combined, in UK Electricity Distribution
- Broke ground on $600m **NY Smart Path Connect** project
- **Over 4,200 miles** of gas pipeline replaced to date in the US, avoiding 134,000mt CO₂e
- **1.4 GW Viking Link interconnector** 75% cable laid

**Green Capital Investment**

**FY2022-26**

<table>
<thead>
<tr>
<th>EU Taxonomy</th>
<th>Total Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas emissions reduction investment</td>
<td>up to £40bn</td>
</tr>
<tr>
<td>Eligible Electricity investment</td>
<td></td>
</tr>
<tr>
<td>Ineligible gas &amp; other investment</td>
<td></td>
</tr>
<tr>
<td>NE Transmission ^</td>
<td></td>
</tr>
<tr>
<td>JVs - US renewables ^</td>
<td></td>
</tr>
<tr>
<td>Gas emissions reduction investment</td>
<td></td>
</tr>
<tr>
<td>Eligible Electricity investment ^</td>
<td></td>
</tr>
</tbody>
</table>

1. Capital expenditure considered to be aligned with the principles of the EU Taxonomy Legislation at the date of reporting and includes most electricity investment, including connecting clean sources of generation such as renewables and nuclear, as well as investment which reduces emissions in our gas networks.
2. Estimated investment in New England transmission excluded as it does not meet the EU Taxonomy criterion of over 67% of newly enabled generation capacity being below the 100 gCO₂/kWh threshold over a rolling five year period, on the basis that there have been no new connections to the New England transmission network within the past five years.

**Awards and recognition**: to be held accountable against our environmental, societal and governance business commitments, National Grid is proud to report data and have its sustainability efforts analysed.

**S&P Global Ratings**

83/100 S&P ESG evaluation score

Became a constituent of the 2023 Bloomberg Gender-Equality Index

**MSCI ESG Ratings**

AAA

*Remained ‘AAA’ ESG rating for the sixth consecutive year.*

**FTSE4Good**

Remained a constituent of the FTSE4Good Index

**Corporate ESG Performance**

**Prime**

Was assessed by ISS ESG as a leader in our industry group.

**Sustainalytics**

**RATED**

Awarded score of 22/100 (lower the score, the better) in relation to experiencing material impacts from ESG and a strong score for management of these.

**Equileap**

Ranked 1st in the UK and 3rd globally for gender equality by Equileap

**Notes**:

1. NG calculation, applying Moody’s methodology. RCF includes discontinued cash flow contribution from UK Gas Transmission & Metering
2. 69% excluding 50% of hybrid debt
3. Available for liquidity purposes
4. As per NG’s reported results in May 2022

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FY23 financial performance and operational priorities

Note: Underlying results from continuing operations excluding exceptional items, major storms (when greater than $100m), remeasurements and timing. Operating profit presented at constant currency.

**UK Electricity Transmission**
- **Operating profit**
  - Second year of RIIO-T2
    - Achieved RoE 7.5%
    - 120bps outperformance
    - £1.3bn capital expenditure

**New York**
- **Operating profit**
  - Achieved RoE 8.6%
    - 96% of allowed return
    - $3.0bn capital expenditure
    - Rate base growth of 9.9%

**Regulatory and policy progress**
- 17 major transmission projects awarded by Ofgem
- UK Government’s ‘Powering up Britain’ package
  - Networks as key enabler of the energy transition
  - Planning processes to be streamlined
  - Community benefits consultation

**UK Electricity Distribution**
- **Strong final year of RIIO-ED1**
  - Achieved RoE: 13.2%
    - 360bps above allowed level
    - 8.99/10 Customer Satisfaction Score
  - £1.2bn capital expenditure

**New York**
- **Operating profit**
  - Excluding the impact of Rhode Island, operating profit increased by £104m
  - Achieved RoE 8.3%
    - 30bps improvement
  - $2.0bn capital expenditure
  - Rate base growth of 6.3%

**Operational progress**
- Record year of utilisation at Isle of Grain LNG
- Community Offshore Wind JV submitted offtake proposals

**NGV and Other**
- **Operating profit**
  - £521m 66%
  - FY22: £313m

**Interconnectors**
- Viking Link: 75% cable laid, commissioning December 2023
- North Sea Link first full year of operations
- IFA returned to full service

**JVs post tax share**
- £190m 25%
  - FY22: £152m

**UK Gas Transmission**
- **Operating profit**
  - £702m 4%
  - FY22: £734m

**US: New York**
- Rate agreements for KEDNY-KEDLI and NIMO approved in 2021 and 2022 respectively
- KEDNY- KEDLI (2020-23)
  - Allowed return on equity 8.6%
  - Equity to Debt 48:52
  - Capex £3.3bn

**US: New England**
- Rate agreements for Massachusetts Gas and Electric include a Performance Based Rate Mechanism
- Mass Gas (2021-26)
  - Allowed return on equity 9.7%
  - Equity to Debt 53:47
  - Capex £1.3bn

**Regulatory Overview**
- **UK: Electricity Transmission**
  - Targeting 100 basis points of operational outperformance per year on average across RIIO-T2
  - RIIO-T2 (2021-26)
    - Allowed return on equity 5.01%
    - Gearing 55%
    - Capex c.£9bn
    - Sharing Factor (Totex) 33%

  - RIIO-ED2 (2023-28)
    - Allowed return on equity 5.23%
    - Gearing 60%
    - Core baseline Totex (20/21 prices) £5.9bn
    - Sharing Factor (Totex) 50%

1. Allowed ROE FY24 which is updated each year with changes to the risk-free rate

**UK: Electricity Distribution**
- Approved Business Plan: RIIO-ED2 (2023-28)
  - Allowed return on equity 5.23%
  - Core baseline Totex (20/21 prices) £5.9bn
  - Sharing Factor (Totex) 50%

**US: New York**
- Rate agreements for KEDNY-KEDLI and NIMO approved in 2021 and 2022 respectively
- NIMO Gas & Electric Joint Proposal (2021-24)
  - Allowed return on equity 9.0%
  - Equity to Debt 48:52
  - Capex £3.3bn

**Note:**
- FY23 includes a full twelve months contribution
- Includes 2 months contribution from Rhode Island business
- Excluding Rhode Island (NECO) business
- Rate base growth excludes the impact of the Rhode Island (NECO) disposal
- Includes 60% stake sale completed January 2023
- 40% stake now reported as Held for Sale
- Backdated to 2020
National Grid long term debt maturity profile
Data as at 31st March 2023, GBP/USD closing exchange rate 1.2388. Hybrid bond maturities to first call date.

£m equivalent

National Grid plc / NGG Finance
National Grid Electricity Transmission
National Grid Electricity Distribution
National Grid UK / National Grid North America
US OpCos

Several entities have access to the debt markets via various programmes:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Programme Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Grid plc</td>
<td>€20bn¹</td>
</tr>
<tr>
<td>National Grid North America Inc</td>
<td>€8bn</td>
</tr>
<tr>
<td>National Grid Electricity Transmission plc</td>
<td>€20bn¹</td>
</tr>
</tbody>
</table>

Jointly across all four NGED operating companies 0.5bn - -

1. Joint NG plc / NGET EMTN programme.

NG plc also has a SEC registered shelf: **$1.5bn issued in June 23**

The majority of US operating companies issue in 144A/RegS format

More information about the group debt programmes can be found on our dedicated website: [www.nationalgrid.com/investors/debt-investors/debt-information](http://www.nationalgrid.com/investors/debt-investors/debt-information)

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@Grid_Media
investors.nationalgrid.com

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**National Grid**

**Green Financing Framework**

**National Grid Green Financing Report**

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**Group debt issuing companies senior unsecured credit ratings**

<table>
<thead>
<tr>
<th>Holding Company</th>
<th>Operating Company</th>
<th>Rating</th>
<th>Entity</th>
<th>Programme Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Grid North America Inc</td>
<td>Baa2 / BBB / -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Grid USA</td>
<td>Baa2 / BBB / -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Niagara Mohawk Power Corporation</td>
<td>Baa1 / BBB+ / A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KeySpan Gas East Corporation (KEDLI)</td>
<td>Baa1 / BBB+ / A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New England Power Company</td>
<td>A3 / BBB+ / A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boston Gas Company</td>
<td>Baa1 / BBB+ / -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Massachusetts Electric Company</td>
<td>Baa1 / BBB+ / -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Grid Generation LLC</td>
<td>Baa2 / BBB+ / -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Grid plc</td>
<td>Moody’s / S&amp;P / Fitch</td>
<td></td>
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<td></td>
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**National Grid’s debt issuing companies**

- National Grid USA
- National Grid North America Inc
- National Grid Electricity Transmission plc
- National Grid Electricity Distribution plc

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**National Grid’s credit ratings**

- **Moody’s**: Baa2 / BBB+ / BBB+
- **S&P**: Baa2 / BBB+ / BBB+
- **Fitch**: Baa2 / BBB+ / BBB+

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**National Grid’s bond programmes**

1. Joint NG plc / NGET EMTN programme.

---

**More about the programme size**

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<tr>
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<td>€20bn¹</td>
<td>€8bn</td>
<td>€20bn¹</td>
</tr>
<tr>
<td>ECP</td>
<td>$4bn</td>
<td>€4bn</td>
<td>$2.5bn</td>
</tr>
<tr>
<td>USCP</td>
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