

National Grid Responsible Business Charter

Our commitment to a clean, fair and affordable energy future



Key Messages

At National Grid, we seek to apply responsible business as a principle through our values every day, by doing the right thing, finding a better way and making it happen.

Sustainability is part of our business strategy, and is embedded through our strategic priorities, as well as evidenced by our strategic pivot which underlines our commitment to decarbonisation of energy networks in order to reach net zero.

The changes in the external environment and those within our business reinforce our vision: to be at the heart of a clean, fair and affordable energy future and drive our simplified approach to responsible business.

In 2020, we launched our first Responsible Business Charter where we set out what 'responsibility' means for us.

We are refreshing our charter to ensure we remain focused on what topics are material to us and our stakeholders, our commitments endeavour to keep pace with the external market and align to our new portfolio.

We continue to support the United Nations Sustainable Development Goals (SDGs), which are a universal call to action to end poverty, protect the planet and ensure all people enjoy peace and prosperity.

We have simplified our approach to responsible business focusing on three core pillars: our environment, our customers and communities, our people.

Our core pillars are underpinned by our responsible business fundamentals which includes governance and activities that are essential to day-to-day business, such as network reliability, health and safety, cyber security and compliance and ethics.

Our previous pillars on economy and governance have been incorporated into our new simplified approach.

Our Responsible Business Report details our progress against our charter commitments on an annual basis and showcases the activities we have underway across the business to help to deliver against them. The reporting against our refreshed Responsible Business Charter will be in our 2024 Responsible Business Report.

There are many elements within our targets which are outside of our direct control and linked to decarbonisation of the energy sector. For this reason, we are also committed to enabling economy-wide decarbonisation, in the UK and Northeast US.

Our refreshed approach to responsible business

Our environment



Deliver a clean energy future

Our customer and communities



Support a fair and affordable transition

Our people



Build the net zero workforce

Responsible Business fundamentals
Be a responsible business in our operations

Our refreshed pillars – What are the key changes?

Our environment

- We have updated our near-term emissions reductions targets aligning to a 1.5°C pathway, validated by SBTi. We are also working SBTi with a view to achieving validation of a 1.5°C aligned long-term net zero target, although we anticipate this may be hard to achieve due to SBTi not having a gas sector specific pathway
- We are focusing on our energy consumption at our flagship offices
- We are measuring air emissions rather than air miles to reflect recognised best practice
- Our supply chain emission reduction targets are now more applicable to each region
- Our nature commitments now reflects the differences in focus between the UK and US, and we are developing a more ambitious nature strategy to support this
- Our green investment aligns to our five-year outlook issued in November 2022
- We will report on our climate change risks, climate adaptation activities and management of our environmental impact.

Our customers and communities

- Whilst we work to achieve net zero and deliver a clean and affordable future energy system, we must also work to deliver that fairly, equitably and 'justly'. We must do this whilst still considering; our role in developing, operating and maintaining critical national infrastructure, the complexities of what fairness means to different communities and the risks associated with leaving people and communities behind
- We are improving our reporting methods to show the benefits provided as a direct result of our community support
- We are acting on customer service feedback and ensuring reporting across the whole business.

Our people

- National Grid aspires to be among the most diverse, equitable, and inclusive organisations of the 21st century. We are looking to accelerate the progress we have made on diversity since 2020, setting clear targets to increase ethnic and female representation in our workforce by 2025. Ethnic minority representation has risen steadily in recent years and our latest goal reflects our commitment to continue this trajectory
- Protecting and enhancing the physical and mental health of our colleagues is a priority at National Grid. We are creating an environment where colleagues can openly discuss and seek help with mental health issues and where physical wellbeing risks are continually assessed and mitigated
- We continue to be committed to creating an environment where colleagues can feel safe to speak up and be heard.

Our commitments and targets

Achieve Net Zero by 2050 for Scope 1, 2 and 3 emissions:

- Reduce Scope 1 and 2 greenhouse gas emissions 60% by 2030 (from a 2018/19 baseline)
- Reduce Scope 3 greenhouse gas emissions 37.5% by 2034 (from a 2018/19 baseline)
- Move to a 100% electric fleet by 2030 for our light-duty vehicles, and pursue the replacement of our medium- and heavy-duty vehicles with zero carbon alternatives
- Reduce SF₆ emissions from our operations by 50% by 2030, from a 2018/19 baseline
- Reduce energy consumption in our flagship offices by 20% by 2030, from a 2019/20 baseline
- Reduce our annual air travel emissions by at least 50% by 2025/26, from a 2019/20 baseline, and offset any remaining emissions responsibly
- Engage with the top 50% of our US suppliers by emissions to establish a decarbonisation roadmap/action plan towards a Science Based Target by 2025/26
- The top 80% of our UK suppliers by emissions will have formally committed to set a Science Based Target by 2025/26.

Protect our natural environment:

- Restore the natural environment by 10% on the land we manage in the UK and preserve the natural environment in the land we manage in the US.

Invest in the decarbonisation of the future of energy:

- Invest at least £29 billion in green infrastructure and projects in the five years to March 2026.

Adapt to a changing climate:

- Report on our climate change risks and opportunities and our investment in climate change adaptation activities.

Use resources responsibly:

- Report on the management of our environmental impact with a focus on pollution, waste and water use.

Support an affordable energy transition:

- Report on the benefits provided as a direct result of our community support, including financial assistance, advice and energy efficiency measures.

Accelerate social mobility in the communities we serve:

- Provide meaningful skills development for 45,000 people by 2030 with a focus on communities facing socio-economic disadvantage and report on the progress of our Grid for Good employability programmes.

Engage directly in our communities through volunteering:

- Deliver 500,000 employee volunteering hours in our communities by 2030.

Act on feedback we receive from our customers on the service we provide:

- Report back on customer satisfaction scores across our key business areas.

Invest in our people and build the skills needed to deliver the clean energy future:

- Ensure all colleagues have access to engaging learning solutions to fulfill their potential and develop the skills and capabilities required for the net zero workforce .

Reflect the communities we serve, with heightened attention to increasing ethnic and female representation in our workforce:

- Aim for 35% female representation and 20% ethnicity in our management population by 2025
- Aim for 50% female representation and 40% ethnicity in our new talent population by 2025
- Aim for 50% diversity of our Group Executive by 2025 including but not limited to a focus on gender & ethnicity
- Aim for 50% diversity of our Board by 2025.

Create an inclusive culture, where it is safe to speak up and where our colleagues' voices are heard and understood by our Group Executive and Board:

- Aim for our colleague engagement and 'safe to say' metrics to remain at or above the high performing norm (Korn Ferry benchmark)
- Our Group Executive and Board will conduct regular listening sessions with colleagues to shape decision-making in their best interests.

Lead the industry on colleague health and wellbeing:

- Aim for our colleague wellbeing metrics to remain at or above the previous year.

Ensure all colleagues receive fair and equitable pay:

- Committed to making sure pay is equitable for all colleagues and to ensure there is no bias regardless of location in the UK or US, gender, ethnicity or disability.

Our refreshed charter

Responsible Business fundamentals

Our Responsible Business fundamentals underpin our Responsible Business Charter. Here we cover areas such as governance and activities that are essential to day-to-day business, such as network reliability, health and safety, cyber security and compliance and ethics.

Responsible Business fundamentals commitments:

- We are committed to safely, reliably and efficiently connecting millions of people to the energy they use.
- We are building resilience into our operations.
- We are continuing to influence our supply chain to operate as responsible businesses.
- We are fair to our suppliers and committed to paying them promptly.
- We are delivering against our Human Rights policy to ensure that we promote and respect the human rights of everyone working for us, or on our behalf, ensuring that they can expect decent working conditions, with the ability to work freely and receive fair pay in return.
- We are committed to being a compliant and ethical business in everything we do.
- We are continuing to invest in developing technologies and innovations that benefit our customers and wider society.
- We are ensuring we have appropriate governance in place to deliver our responsible business commitments.
- We are ensuring security and risks, cyber and physical, are appropriately monitored.
- We are committed to working with stakeholders and the wider industry to advocate for action and broader influence on responsible business topics.

We are delivering against our refreshed commitments

Our environment

Sir David Attenborough praises NG environmental achievement

The Peak East Visual Improvement Project has celebrated an achievement of 18% biodiversity net gain – against a target of 10%, through careful management of the environment around the project's sensitive and constrained construction site (see [RBR 2022/23, page 18](#), for full case study).

New York Community Offshore Wind

Our partnership with RWE Renewables is driving forward the emerging offshore wind industry in the US whilst bringing economic development to communities across the Northeast (see [RBR 2022/23, page 11](#), for full case study).

[The Clean Energy Revolution podcast | National Grid Group](#)

The podcast looks at the role energy plays in tackling the negative effects of climate change, and discovers how the world will be powered in the next 30 years as we work towards a net zero future.

Our customer and communities

Our £65 million energy support fund

We pledged £50 million in the UK and \$17 million in the US to provide assistance to some of the hardest-hit households (see [RBR 2022/23, page 22](#), for full case study).

Citizens Advice Secondments

In the UK we've teamed up with Citizens Advice to offer 12 employees a one-year secondment to assist their local community. [Swapping National Grid life for Citizens Advice - our employee secondment journey.](#)

Northland Workforce Training Center graduate is able to give back

Our partnership with the center in New York is helping local people gain skills to secure employment. Mekhi Yearwood joined us as a graduate and is now working on our Street Lighting team and has been supporting his community following the tragic racially motivated shootings in Buffalo (see [RBR 2022/23, page 26](#), for full case study).

Our people

We are a Times Top 50 Employer for Gender Equality 2023

National Grid have been celebrated as a top employer for gender equality reflecting our work on addressing gender equality in the workplace.

[The Times Top 50 Employers for Gender Equality 2023 - Business in the Community](#)

ERG Summits

Our employee resource group summits have showcased how we are driving DEI every day. Having everyone together in one place is building a community and creating an inclusive environment, safe for everyone to speak up (see [RBR 2022/23, page 39](#), for full case study).

Responsible Business fundamentals

'Stand Up For Safety' campaign

This campaign aligns everyone behind our new Company-wide behavioural safety principles: Safe to Say, Safe Choices, Safe to Stop and Safe to Learn. Encouraging everyone to think about why they stay safe and to share this across our internal media channels (see [RBR 2022/23, page 32](#), for full case study).

Increasing certified minority and women-owned business enterprises

As part of an industry collaboration, Mass Save, National Grid has been involved in holding Supplier Diversity summits to increase the number and participation of certified minority and women-owned business enterprises (MWBE) within our Energy Efficiency programmes (see [RBR 2022/23, page 42](#), for full case study).

