Our role as a responsible business is at the heart of everything we do. We remain proud of the work the company does to serve communities, the environment and our people in a responsible way.”

John Pettigrew, Chief Executive

**Responsible Business Charter 2023**

**Report Overview**

- Following the launch of our Responsible Business Charter in 2020, we’ve refreshed our Charter to:
  - Ensure we address the evolving demands of a clean, fair and affordable energy future
  - Reflect the evolution of our portfolio, the external market and our stakeholders expectations
- Find the full report here: Responsible Business Charter
- Our annual Responsible Business Report will report against these commitments from 2024

**Key updates – a simplified approach**

- Revised near-term Scope 1, 2 and 3 emissions targets align to a 1.5°C pathway and have been validated by SBTi
- We’ve consolidated our updated commitments into 3 core pillars
  - Our Environment, Our Customers and Communities, and Our People
- These are underpinned by our Responsible Business fundamentals
  - Which include our approach to governance and other activities that are essential to day-to-day business

**Our 3 core pillars**

**Our Environment**

- Deliver a clean energy future

**Key commitments**

- Reduce Scope 1 & 2 emissions
  - by 60% by 2030\(^1\)\(^2\)
  - to net zero by 2050
- Reduce Scope 3 emissions
  - by 37.5% by 2034\(^1\)\(^2\)
  - to net zero by 2050
- Reduce SF6 emissions
  - by 50% by 2030\(^2\)
- To invest £29bn\(^3\) directly into the decarbonisation of our networks between FY22-26

**Our Customers & Communities**

- Support a fair and affordable transition

**Key commitments**

- Provide meaningful skills development
  - for 45,000 people by 2030
- Deliver 500,000 employee volunteering hours by 2030 across our communities
- Report on the benefits provided as a result of our community support
- Disclose and act on our customer satisfaction scores across our key business areas

**Our People**

- Build the net zero workforce

**Key commitments**

- 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 in our Group Executive and on the Board

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1. Near term emissions reductions targets validated by Science Based Targets initiative (SBTi) as aligned to a 1.5°C pathway
2. From a 2018/19 baseline year
3. Aligned to EU Taxonomy
### Our commitments (continued)

#### Our Environment

**Achieve net zero by 2050 for Scope 1, 2 and 3 emissions**
- Our near-term emissions reductions targets have been validated by SBTi as aligned to a 1.5°C pathway
- A focus on energy consumption and travel emissions
  - Move to a 100% electric vehicle fleet\(^3\) by 2030
  - 20% reduction\(^4\) in energy consumption at our flagship offices by 2030
- Top 80% of our UK / 50% of US suppliers to commit to setting a Science Based emissions reduction Target / Roadmap by 2025/26

**Protect our natural environment**
- Restore by 10% in the UK, and preserve in the US our natural environment on managed land

**Adapt to a changing climate**
- Report on climate risks, opportunities and investment in adaptation activities

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#### Our Customers & Communities

**Support an affordable energy transition**
- Whilst we work to achieve net zero, we are committed to ensure this is delivered affordably, justly and equitably

**Increasing reporting and transparency**
- Continue to raise awareness, through increased reporting, of our progress on our Grid for Good employability programmes
- We will act on customer feedback and report on customer satisfaction scores across our key business areas

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#### Our People

**Invest in our people and build the skills needed to deliver the clean energy future**
- Ensure all colleagues have access to learning solutions to develop the capabilities required to deliver net zero

**Reflect the communities we serve**
- As demonstrated by our strong diversity targets, we aspire to increase ethnic and female representation in our workforce

**Lead the industry on colleague health and wellbeing**
- Aim for our colleague engagement and ‘Safe to Say’ metrics to remain at or above the high performing norm (Korn Ferry benchmark)

**Ensure all colleagues receive fair and equitable pay**
- Remain committed to making sure pay is equitable for all our colleagues

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#### Responsible Business fundamentals: Underpinning our core pillars and everyday operations

**Key commitments that underpin our refreshed Charter**
- Delivering energy **safely, reliably and efficiently**
- Working responsibly with our **supply chain and our stakeholders on responsible business matters**
- Embedding strong ethics and ensuring compliance in everything we do
- Investing in **developing technologies and innovations** that benefit our customers and society
- Ensuring both physical and **cyber security** risks are monitored robustly

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#### Delivering against our refreshed approach

**CASE STUDY**

**NY Community Offshore Wind**
- Our JV with RWE has submitted a bid to operate 1.3GW of capacity in the NY Bight region
  - To cleanly power 500,000 homes
  - Resulting in 4,600 jobs and >$3bn of economic benefit

**CASE STUDY**

**£65m Energy Support Fund**
- £50m (UK) and $17m (US) pledged in Nov 2022 to assist the hardest hit households. Since last winter
  - >30,500 UK households supported
  - >$10m of grants awarded across New York and Massachusetts

**CASE STUDY**

**A top employer for gender equality**
- Included in The Times Top 50 Employers for Gender Equality 2023
  - Continue to champion DEI through employee resource groups
  - Utilising AI to eliminate recruitment bias

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3. Target applies to our light duty vehicles. Alongside this we will pursue the replacement of our medium- and heavy-duty vehicles with zero carbon alternatives
4. Compared to a 2019/20 baseline
### 2022/23 Performance Highlights

#### Our Environment
- **70%** reduction in Scope 1 and 2 emissions vs 1990/91 baseline
- **21%** reduction in SF6 emissions vs 2018/19 baseline
- **7.5%** reduction in Scope 1 and 2 emissions vs FY22
- **98%** of shareholders voted in favour of our Climate Transition Plan at our 2022 AGM, which outlines plans to achieve ‘real net zero’ without the need for carbon offsets
- CDP Climate Change ‘A list’ Rating for 7th consecutive year

#### Our Customers & Communities
- **99.99%** network reliability delivered for our customers
- **101,562 → 60,096** Volunteering hours delivered since 2020
  - In 2023 up 157% vs FY22
- **£7.7bn** investment into critical energy infrastructure with 75% aligned to EU Taxonomy
- **£300m** of Interconnector income announced to be returned early to customers
- **£65m** Winter Support Fund helping alleviate financial distress caused by rising energy costs in the UK and US
- **6,590** People received skills development up 66% vs FY22

#### Our People
- **36.1%** of workforce female or ethnically diverse
- **50%** Diversity on our Board
- **81%** Employee engagement Grid:Voice survey
- **1,092,224** Hours of training delivered to employees
- **-1.9% UK** Mean Gender Pay Gap

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**Note:**

5. Gender Pay Gap reported data is a year in arrears in line with UK statutory Gender Pay Gap reporting.
6. Directors’ Annual Performance Plan includes weighting for Diversity, Equity and Inclusion (DEI). DEI metric relates to the gender and ethnic diversity of new joiners and colleagues at or above senior management level.
Important notice

This document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information with respect to National Grid’s financial condition, its results of operations and businesses, strategy, plans and objectives. Words such as ‘aims’, ‘anticipates’, ‘expects’, ‘should’, ‘intends’, ‘plans’, ‘believes’, ‘outlook’, ‘seeks’, ‘estimates’, ‘targets’, ‘may’, ‘will’, ‘continue’, ‘project’ and similar expressions, as well as statements in the future tense, identify forward-looking statements. This document also references climate-related targets and climate-related risks which differ from conventional financial risks in that they are complex, novel and tend to involve projection over long term scenarios which are subject to significant uncertainty and change. Furthermore, this document, which is provided for information only, does not constitute summary financial statements and does not contain sufficient information to allow for as full an understanding of the results and state of affairs of National Grid, including the principal risks and uncertainties facing National Grid, as would be provided by the full Annual Report and Accounts, including in particular the Strategic Report section and the “Internal control and risk factors” section on pages 225 to 228 of National Grid’s most recent Annual Report and Accounts for the year ended 31 March 2023, as updated by National Grid’s unaudited half-year financial information for the following six month period. Copies of the most recent Annual Report and Accounts are available online at www.nationalgrid.com or from Equinit Limited. Except as may be required by law or regulation, National Grid undertakes no obligation to update any of its forward-looking statements, which speak only as of the date of this document. The content of any website references herein do not form part of this document.