

Safety & Sustainability Committee report



Earl Shipp
Chair of the Safety & Sustainability
Committee

Key activities during the year

- Reviewed and approved for recommendation to the Board, the publication of the Group's 2024 Responsible Business Report
- Reviewed and recommended for approval to the Board, the Group's second CTP
- Reviewed performance against the ESG elements of the 2022, 2023 and 2024 Long-Term Performance Plan (LTPP) awards
- Oversaw progress against recommendations arising out of safety and health performance audits

Composition

The Committee comprises five independent Non-executive Directors. The Committee held four scheduled meetings during the year.

Committee members

Earl Shipp (Chair)
Jacqui Ferguson¹
Anne Robinson
Tony Wood
Martha Wyrsh

1. Jacqui Ferguson joined the Committee on 5 July 2024

Our CTP and Responsible Business Charter can be found on our website nationalgrid.com/responsibility

Review of the year

Following on from the announcement of the Group's five-year framework and the scale of major capital projects that will be undertaken as part of this, as a Committee we recognise the increased scrutiny that will be required by the Group to ensure consistency of safety standards and procedures across our growing contractor base. We spent time in the year considering this alongside regular updates on performance against safety strategy and metrics.

We also spent time reviewing our progress against our climate targets, recognising the fast-moving macro environment and considering if and how this might impact the Group. We welcomed Jacqui Ferguson as a member in July 2024 who, along with other members of the Committee has visited various operational sites throughout the year to truly get a feel for the culture and safety standards across the organisation.

Sustainability

National Grid plays a central role in the clean energy transition and, as such, the Committee spends time overseeing the Group's Responsible Business strategy, considering the impact of the Group's operations on the environment, workforce, communities and other stakeholders.

During the year, the Committee monitored progress against the Group's sustainability targets and metrics, discussing our Scope 1, 2 and 3 emissions targets, and considering any factors which may influence the Group's ability to meet these. The Committee carefully considered these targets in line with the Group's strategic priorities and stakeholder expectations.

During the year, the Chief Sustainability Officer, Finance and ESG teams kept the Committee informed of emerging regulations, including the International Sustainability Standards Board (ISSB) standards, CTP reporting, and the EU's Corporate Sustainability Reporting Directive (CSRD).

The Committee discussed actions being taken to enhance the way the Group reports on sustainability data and performance. The Committee considered the impact of the Group's evolving disclosures on investor sentiment to ensure our commitments are reflective of the changing and uncertain environment we are operating within. The Committee also considered how the Group's emissions trajectory would be impacted following the sale of National Grid Renewables, which the Company announced in February 2025.

Further information on our performance and progress against our Responsible Business disclosures can be found on pages 42–58.

Safety, wellbeing and asset protection

This year, focus remained on strengthening safety practices and supporting our people to work safely and efficiently in increasingly complex environments.

The Committee oversaw the progress and implementation of lessons learned from fatalities over the past few years and noted the targeted focus on small, remote-working crews and tighter oversight of these teams across Business Unit plans. The impact of this work has been encouraging, with progress being made in this area. Contractor safety remains a critical area of interest considering the significant role they play in the Group's delivery model. The Committee followed developments in this space, including the introduction of a new Group Contractor Management Standard which sets out clearer expectations and more consistent approaches to contractor oversight.

The Committee also considered the results of the Group's 2024 Safety Culture Survey. The results showed an improvement in employee sentiment, reflecting steady progress towards a more proactive safety culture.

The Committee acknowledged the strengthening of Group-level leadership in Safety, Health and Wellbeing following the appointment of a new Director of Safety, Health and Wellbeing after the previous Group Director's retirement. This change aims to enhance focus and clarity in delivering safety and wellbeing outcomes. To support this transition, an independent external review of the Group's health and safety management approach was conducted. The review, carried out over 12 weeks, assessed the effectiveness of the Group's health and safety management system against global best practices. It identified five key recommendations to improve alignment and consistency between Group and Business Unit teams. The Committee will monitor the implementation of these recommendations over the coming year.

The Committee continues to consider the implications of ongoing extreme weather events. The frequency of storms in the UK remained high with Storm Darragh requiring our biggest ever restoration effort. The Committee was hugely grateful for the incredible effort from the workforce who aided in the restoration and worked around the clock to reconnect power supplies and support our customers. Severe snowfall in the US also presented operational challenges and the Committee received updates on how climate adaptation and asset resilience efforts are being strengthened, including in areas such as wildfire ignition, storm response, and wind-related risks.

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14 May 2025