



Electricity Transmission

REPORTING CRITERIA AND BASIS OF PREPARATION

Annual Environmental Report 2026

nationalgrid

Introduction

This document explains the basis of preparation for key environmental sustainability performance metrics and disclosures reported within the 2026 Annual Environmental Report ('the report').

Principles of reporting

In the preparation of the report, we have sought to ensure that:

- The reported data is meaningful and serves the needs of the report's users.
- The reported data accurately reflects our FY26 performance and is consistent with the definitions, scope and boundaries stipulated within this methodology statement.
- The assumptions made around our calculation and measurement methods are clear.

The report is a transparent summary of our performance and enables the report's users to have confidence in the integrity of our data and the information contained within the report.

The material exclusions of a dataset are clearly stated and explained.

Our reporting is mostly aligned with the National Grid Responsible Business Report however some differences may occur due to individual consolidation timelines.

Assurance

All metrics reported within National Grid Electricity Transmission's (NGET) Annual Environmental Report are subject to our internal quality control review and approval processes. Our Scope 1 & 2 emissions were subject to external independent limited assurance, through our Group Level Reporting, carried out by Deloitte. The [methodology statement](#) and [external assurance opinion statement](#) are available on our website. LRQA also provided independent assurance over a number of key commitments included within this report. More information is available in the NGET Commitments Assurance Statement.

Reporting boundaries

Our report provides data and information for the period 1 April 2025 to 31 March 2026 across our NGET business.

Collaboration to ensure consistency in reporting

We are collaborating with the Scottish Transmission Owners (SPEN and SSEN) to ensure consistency in reporting methodology and reported units within the electricity transmission sector. As we develop through RIIO-T2 and into RIIO-T3, we expect some cross-sector consistency to be developed.

Reporting specifics and methodologies

1. Net zero carbon emissions

1.1 Achieve 34% reduction in scope 1 and 2 emissions by 2026.

Baseline: 298,918tCO₂e (FY19)

Metric: % of tCO₂e

Scope: Our scope 1 emissions are our direct emissions from onsite fuel combustion, leakage of insulating gases and operational travel (this includes company cars and the commercial and aviation fleet). Private and hire cars are excluded, as we include these in our scope 3 emissions inventory.

Scope 2 emissions include indirect emissions associated with purchased energy and electricity transmission losses. This includes the electric vehicle (EV) charge card data that accounts for the energy used in charging EV Fleet Vehicles. Scope 2 emissions are reported on a market basis and location basis. We exclude emissions from transmission losses in our 2026 target as these are largely out of our control. Including emissions from transmission losses would mean that our emissions figures would be 4.5x greater.

Calculation methodology: We have an established greenhouse-gas-emissions inventory quality management system based on the Greenhouse Gas Protocol. Emissions factors are derived from the Department for Energy Security and Net Zero (DESNZ) for the reporting year. These factors are used to convert activity data (i.e. kWh) into tonnes of CO₂e. Annual scope 1 and 2 emissions data (excluding transmission losses) are added together to arrive at the total tonnes of CO₂e.

Assumptions: In some cases, such as energy use and operational travel, GHG emissions do not directly relate to NGET as a business unit. If this is so, we use an appropriate metric to allocate an estimated proportion of GHG emissions to individual business units. For FY26 we have used an allocation factor of 32.5%. For substation energy use, we have included data for our metered estate.

Additional notes: Although significant efforts have been made to meter all operational estates, there are still power draws that may be unmetered and therefore may not be covered.

Data maturity RAG: ● Assured

1.2 Reduce SF₆ emissions from our operations by 50% by 2030.

Baseline: 11,935 kilograms (kg) of SF₆ leakage (FY19)

Metric: SF₆ leakage (kg)

Scope: The scope includes NGET SF₆ leakages from NGET Transmission sites where the 'actual reason code' for the top-up is filtered by 'equipment / zone leaks to atmosphere'. We also include the SF₆ proportion of blended SF₆ gases such as SF₆/N₂ into the scope of our reporting.

Calculation methodology: SF₆ readings are taken from the gas flow meters and the top-up masses recorded on to our systems. Top-ups over the 12-month reporting period are summed to get the annual SF₆ emissions for the UK. This is then converted to tCO₂e using the IPCC AR5 Global Warming Potential (GWP) factor: 1kg SF₆ = 23,500kg CO₂e.

Assumptions: Appropriate action is taken to ensure the calculated figures represent SF₆ leakage only.

For example, if SF₆ is added to fill a new piece of equipment, this will appear in our SF₆ inventories but will not be included within calculations for SF₆ lost.

Data maturity RAG: ● Assured

1.3 Create a substation energy efficiency programme.

Baseline: NA

Metric: Programme with annual milestones established.

Scope: The scope includes NGET's estate of operational high voltage electricity substations. Energy efficiency refers to all elements of the electricity substations, i.e. operational usage, site lighting, and "domestic" use in site accommodation (office space, equipment rooms such as relay and telecoms and facilities such as mess rooms and changing areas etc).

Calculation methodology: The energy efficiency project's main drivers are to reduce energy, (which will in turn reduce carbon) and reduce our energy bills. Energy efficiency survey audits were undertaken in FY24 to identify energy saving opportunities; technologies such as upgrading lighting and control systems, upgrading heating systems, building fabrics and Solar PV are the common opportunities. Surveys at approximately 130 substation building sites were carried out. An energy efficiency programme has been created in FY25, which will lead to the installation of energy saving technologies to enable the drivers to be met in RIIIO T3 period and provide energy targets for substation buildings.

Assumptions: NA

Additional notes: In FY24 we reported on sites having undertaken energy audits. These informed the development of the substation energy efficiency programme.

Data maturity RAG: ● *Qualitative*

1.4 Focus on an efficiency-first approach to decrease the carbon emissions from our office energy use by 20%.

Baseline: 1,982.1 tCO₂e (based on 7,885,425 43MWh) (FY20 baseline)

Metric: % decrease in carbon emissions from office energy use.

Scope: The scope includes electricity, gas, diesel, LPG and fuel oil use. Energy used for EV charging is deducted from office energy use.

The following sites are in scope:

- 39% of National Grid House (based on NGET's share of building occupancy)
- 100% of Eakring Training Centre
- 100% of Didcot

The site list is updated annually to reflect the sites occupied within the reporting period.

Calculation methodology: % reduction in carbon emission from energy use = annual consumption from meter reads and invoices * DESNZ carbon conversion factors / baseline (tCO₂e) x100

Assumptions: Actual supplier invoices and manual meter reads are used to calculate energy use. If these methods are not available, estimated consumption data is backed by degree day regression.

Additional Notes: Solar self-generation is reported in the energy consumption total but considered zero emissions energy in the footprint report.

The NGET allocation percentage for National Grid House is recalculated annually, to reflect occupancy changes within the building.

Data maturity RAG: ● *Controlled*

1.5 Replace 60% of our fleet with Zero Emissions Vehicles (ZEVs).

Baseline: 836 vehicles

Metric: % of light-duty vehicles replaced with ZEVs

Scope: The scope covers NGET's light commercial fleet vehicles only (i.e. a vehicle up to 3500kg in weight). Heavy goods vehicles and company cars are excluded from the metric.

Calculation methodology: ZEVs are derived from NGET's fleet list.
% of vehicles replaced is calculated using = (# of vehicles replaced/ baseline (836)) X100

Assumptions: The scope includes only vehicles that enter into operation.

Data maturity RAG: ● *Assured*

1.6 Reduce carbon emissions for our business transport by 10% on 2013-2020 averages.

Baseline: 3,120tCO₂e

Metric: % reduction in tCO₂e

Scope: NGET's business travel metric covers:

- Personal car expensed mileage
- Company car expensed mileage
- Hire car mileage

- Air travel
- Rail travel

Calculation methodology: NGET's % reduction in business travel is calculated using tCO₂e = (Mileage x emission factor)/ baseline) x 100

The emissions factors used are derived from DESNZ, based on vehicle size (Small, medium, large or average) and fuel type (Diesel, Petrol, Hybrid, CNG, LPG, Unknown, Plug in Hybrid Electric Vehicle or Battery Electric Vehicle). The emissions factors for air travel are derived from DESNZ based on sector, cabin class and date. For rail travel, emissions are calculated using the DESNZ 'National Rail' emissions factor.

In some cases, business travel does not directly align to a business unit, or a service is shared between multiple business units. In these cases, it is necessary to use an apportionment allocation factor to allocate NGET an estimated portion of GHG emissions. This apportionment factor will come from RRP Business Support table.

Where available, employee IDs are mapped against the latest SAP employee database to provide the most accurate business unit split. In some cases, business travel does not directly align to a business unit, or a service is shared between multiple business units. In these cases, it is necessary to use an apportionment allocation factor to allocate NGET an estimated portion of GHG emissions. For FY26, an allocation factor of 32.5% was used.

Assumptions: The data is based on the latest SAP Employee ID report (as provided by Group Safety, Health and Environment).

Data maturity RAG: ● *Controlled*

1.7 Deliver low-carbon construction and compensate for ongoing emissions from T2 construction projects.

Baseline: NA

Metric: Evidence that low-carbon construction practices have been embedded across NGET's project lifecycle and delivery processes, alongside a carbon compensation investment programme designed to support the growth and maturity of the UK carbon market.

Scope: This commitment covers construction projects initiated during the RIIO-T2 price control period (April 2021 to March 2026). It includes a primary focus on reducing whole-life carbon associated with project design and construction, consistent with PAS 2080 principles, as well as the use of approved funding to invest in high-integrity UK-based carbon compensation projects.

Calculation methodology: To achieve this target, carbon reduction must be considered and delivered throughout project lifecycles in line with PAS 2080 (Carbon Management in Infrastructure). Evidence is required that carbon reduction opportunities have been identified and implemented through NGET's Network Development Process (NDP), and that carbon management principles have been embedded within project development and delivery.

During optioneering, the Carbon Asset Database (CAD) is integrated into NGET's cost estimating tool, enabling a carbon footprint to be generated for capital and operational emissions, alongside project cost estimates. This dataset provides carbon factors for key materials and equipment used within NGET construction and supports the identification of carbon reduction opportunities at an early stage.

During design and delivery, contractors are required to complete the Moata carbon tool. Moata enables contractors to quantify baseline, target and as-built carbon footprints and demonstrate reductions achieved during project delivery. Contractors are also required to provide carbon data and carbon management plans in accordance with NGET requirements.

Carbon performance is monitored using project-level carbon data and a portfolio-level carbon intensity metric (tCO₂e/£m) for completed construction projects. These indicators are used to track performance, identify carbon hotspots and monitor trends over time. While carbon intensity may fluctuate depending on the type and scale of projects delivered, it remains a useful measure of portfolio-level carbon performance. These metrics are used to support assessment of progress against the commitment and are considered alongside evidence of PAS 2080 implementation and wider carbon management activities.

In FY26, the carbon intensity metric was calculated using:

- Projects completed during the reporting year that were contracted after the start of RIIO-T2, as identified through P6 financial reporting.
- Project-specific carbon data submitted through the historic Carbon Interface Tool (CIT) or Moata tool with assurance undertaken to ensure submissions are of an appropriate quality.
- Approved project carbon estimates where project-specific data was unavailable.

These metrics are used to support assessment of progress against the commitment and are considered alongside evidence of PAS 2080

implementation and wider carbon management activities.

Assumptions: Low-carbon construction is delivered through the implementation of PAS 2080 (Carbon Management in Infrastructure), supported by a carbon compensation approach that was externally consulted on in FY24. Carbon compensation funding is only provided where we can demonstrate to Ofgem that proposed carbon projects meet our eight investment principles, which are designed to support investment in high-integrity projects. Funding is allocated on a "use-it or lose-it" basis.

Data maturity RAG: ● Assured

1.8 Encourage 80% of National Grid's top suppliers (by emissions) to have science-based targets (SBT).

Baseline: N/A

Metric: % of suppliers with science-based targets

Scope: The engagement metrics for the SBT are based on the 80% of UK suppliers by emissions, which is static and based on our FY24 emissions profile. Currently, 81 suppliers account for 80% of our emissions in the UK, with 28 being NGET suppliers.

As of FY26, we no longer use the Carbon Disclosure Project (CDP) to determine whether a supplier has a carbon reduction target. The focus of this commitment is on science-based target (SBTi) adoption.

Calculation methodology: The Science Based Targets initiative (SBTi) is a global partnership that helps organisations set greenhouse gas emissions

reduction targets in line with the latest climate science and the goals of the Paris Agreement.

We look at how many of the identified 28 suppliers have a SBT and report this as a percentage value. Supplier data used to measure NGET's FY25/26 performance will be based on suppliers' data from the previous year.

Assumptions: N/A

Data maturity RAG: ● *Assured*

1.9 Install 1430 ac EV charging bays and 40 dc EV charges on ET operational estate in support of the Commercial Fleet electrification programme.

Baseline: N/A

Metric: Number of chargers required to support the commercial light-duty vehicles replaced with ZEVs.

Scope: The scope covers NGET's light commercial fleet vehicles only (i.e. a vehicle up to 3500kg in weight). Heavy goods vehicles and company cars are excluded from the metric.

Calculation methodology: Progress is measured using the EV charging programme dashboard, which tracks the cumulative number of AC charging bays, DC charging units and sites completed on the NGET operational estate. The number of completed AC bays and DC units is compared with the RIIO-T2 targets of 1,430 and 40 respectively.

Assumptions: N/A

Data maturity RAG: ● *Assured*

1.10 All band A-C company cars to be zero emission vehicles (ZEVs).

Baseline: 236 cars

Metric: % of band A-C company cars that are ZEVs.

Scope: All company cars for the business affiliate of band A-C employees.

Calculation methodology: The calculation of % of band A-C with EVs is derived from the following = $(\text{number of band A-C cars replaced with EVs} / \text{baseline number of band A-C cars}) * 100$

Assumptions: As employees move into band A-C roles, their cars are replaced with EVs, even beyond the 100% of baseline target.

Data maturity RAG: ● *Assured*

1.11 Phase out the use of diesel generators where commercially available.

Baseline: N/A

Metric: Implementation of processes, standards and supplier requirements that prioritise alternatives to diesel generators where commercially available.

Scope: Use of diesel in our construction projects as well as diesel used in our operational sites for the purposes of black start.

Calculation methodology: Progress against this commitment is assessed through the implementation of policies, standards, technical specifications and supplier requirements that support the replacement of diesel generators with lower-carbon alternatives where commercially available and operationally feasible.

Evidence may include:

- incorporation of a fuel hierarchy into supplier and project requirements;
- updates to technical standards, specifications and procurement processes;
- assessment and deployment of alternative generation technologies;
- trials, demonstrations or implementation of lower-carbon temporary power solutions; and
- engagement with suppliers to increase the availability and use of diesel alternatives.

Where diesel generators remain necessary for operational, technical or resilience reasons, evidence is sought that lower-carbon alternatives have been considered in accordance with the fuel hierarchy.

Assumptions: Achievement of this commitment depends on the commercial availability, technical suitability and operational reliability of alternatives to diesel generators. Progress is therefore assessed based on the implementation of measures that reduce reliance on diesel and prioritise lower-carbon alternatives, rather than through a specific diesel consumption target.

Data maturity RAG: ● *Qualitative*

2. Minimise waste and sustainable use of materials

2.1 Achieve zero waste to landfill across our construction projects.

Baseline: 98% diversion from landfill (FY20).

Metric: % diverted from landfill.

Scope: The scope covers schemes running over 8 weeks in duration (schemes below 8 weeks generally produce low volumes of waste) unless a scheme under 8 weeks is known to produce high volumes of waste. Schemes delivered under NGET Asset Operations Management are excluded from the metric.

The landfill diversion target will include all waste produced on site including construction, demolition, and excavation.

Excluded from scope: Certain waste streams are excluded. Due to the current UK waste industry infrastructure and technology, these waste streams cannot currently be diverted from landfill. This list is subject for review year-on-year. The list for FY26 includes:

- Any hazardous classified waste that cannot be successfully/economically treated to a form that would make diversion feasible, for example contaminated soil and asbestos.
- Incinerator bottom ash (generated from construction works) classified as hazardous.

Additional reporting: The report describes a total of 391,913 tonnes of construction waste produced in FY26. However, for the fulfilment of Ofgem's reporting requirements, Table 1 displays the total tonnage of waste produced by NGET, with the

addition of the excluded waste streams reported in the report.

Table 1: Final destination of total waste produced for FY26 (with excluded waste streams)

Waste generation	Reused	Recycled	Recovered	Total diversion	Landfill
Construction* (tonnes)	46224	344895	756	391876	261
Construction (%)*	11.8%	88%	0.2%	99%	0.1%
Operational (tonnes)	0.47	4276	951	5227	49
Operational (%)	0%	81%	18%	99%	1%
Office (tonnes)	0	56	41	97	0
Office (%)	0%	57.9%	42.1%	100%	0%
Total (tonnes)	46,224	349,227	1,748	397,200	310
Total (%)	12%	88%	0%	100%	0%

*Includes excluded European Waste Catalogue data which accounts for 224.45 tonnes.

Calculation methodology: The calculation is derived from the following: Landfill diversion % = 100 - (waste sent to landfill per annum / total waste per annum x 100).

The calculation is based on data collected from the Principal Contractors of individual schemes on a monthly basis via the Contractor Sustainability Portal. This is a SharePoint site used by contractors to log performance data.

Assumptions: The Principal Contractor is responsible for ensuring waste data is collected, reviewed and submitted by suitably competent personnel throughout the duration of the scheme. Data reported via the Contractor Sustainability Portal has been reviewed and inputted by a person

competent to do so. A high-level assurance check is undertaken by NGET to identify and rectify any anomalies as part of reporting works. The quality of data management and reporting practices varies across contractors and regions. We are working to understand the confidence levels of reporting from our contractors. Where anomalies are identified, contractors are contacted for clarification through quarterly assurance process and review meetings.

If our landfill performance is greater than 99.5%, we will be reporting performance as 100% landfill diversion. The Carbon Trust define zero waste to landfill of that at least 99% of generated waste is diverted away from landfill. Which means that all waste produced is either sent for reuse, recycled, composted, or sent to energy recovery

Data maturity RAG: ● Assured

2.2 All construction projects to report on waste avoidance opportunities.

Baseline: NA

Metric: Number of construction projects reporting on waste avoidance opportunities.

Scope: The scope covers schemes running over eight weeks in duration (schemes below eight weeks generally produce low volumes of waste) unless a scheme under eight weeks is known to produce high volumes of waste. Schemes delivered under NGET Asset Operations Management are excluded from the metric.

Calculation methodology: All construction projects are to identify any changes in process, procedure and methodology at project design and delivery

stage that will prevent the generation of waste and encourage the use of surplus materials.

Waste avoidance opportunities are reported once implemented and quantified, which may result in a delay between implementation and reporting.

Assumptions: The Principal Contractors for all projects for each scheme have employed competent individuals to ensure compliance with relevant waste regulations throughout the duration of the scheme. Data reported via the Contractor's Sustainability Portal has been reviewed and inputted by a person competent to do so. Noting that a high-level assurance check will be undertaken by NGET to identify and rectify any anomalies as part of reporting works. Quality of data ownership varies across the contractors and regions. We are working to understand the confidence levels of reporting from our contractors. Currently, if we find any issues, contractors are contacted for clarifications at quarterly vendor meeting.

Data maturity RAG: ● Qualitative

2.3 Maintain an 80% recycling rate in construction.

Baseline: NA

Metric: % recycling rate

Scope: Recycling includes the recycling of waste materials into other items and the reprocessing of organic material, but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations on landfill sites (i.e. landfill restoration).

Excluded from scope: It is noted that certain waste streams are excluded. Due to the current UK waste

industry infrastructure and technology, these waste streams cannot currently be diverted from landfill. This list is subject for review year on year. The list for FY26 includes:

- Any hazardous classified waste that cannot be successfully/economically treated to a form that would make diversion feasible, for example contaminated soil and asbestos.
- Incinerator bottom ash (generated from construction works) classified as hazardous.

Calculation methodology: $\text{Recycling \%} = (\text{waste recycled in review period} / \text{total waste in review period}) \times 100$.

Assumptions: The Principal Contractors for all projects for each scheme have employed competent individuals to ensure compliance with relevant waste regulations throughout the duration of the scheme. Data reported via the Contractor's Sustainability Portal has been reviewed and inputted by a person competent to do so. Noting that a high-level assurance check will be undertaken by NGET to identify and rectify any anomalies as part of reporting works. Quality of data ownership varies across the contractors and regions. We are working to understand the confidence levels of reporting from our contractors. Currently, if we find any issues, contractors are contacted for clarifications at quarterly vendor meeting.

Data maturity RAG: ● Controlled

2.4 Increase our operational & office recycling rate to 60%.

Baseline: 45% (2019/2020)

Metric: % increase in recycling rates.

Scope: Operational recycling is provided by five suppliers as follows:

- Biffa data for substations and Overhead Line depots.
- Adler and Allan data for fly tipping and emergency works completed on NGET sites.
- Oil Management Unit data for oil that is sent for disposal.
- Overhead Line Minor Schemes data (CF Booths)
- John Robson Metals for substations and Overhead Line depots.

Excluded from the scope of this metric is Biffa data from central offices, Adler and Allan data for maintenance works and any other waste stream for NGET. Operational waste stream excluded due to miss in baselining (Adler and Allan) is approximately 6.5x the streams reported by tonnage, therefore the reported figure is not a meaningful snapshot of operational waste.

Office waste includes the following waste streams: general waste, dry mixed recycling, organic waste, glass, metal, wood, confidential paper, hazardous waste (batteries and lamps), IT equipment and used catering oil.

The scope includes the waste generated at:

- 39% of National Grid House (based on NGET's share of building occupancy)
- 100% of Eakring Training Centre

Calculation methodology: Waste data from all sources are aggregated together. The calculation is derived from: $(\text{Closed loop recycling} + \text{Open loop recycling} + \text{composting}) / \text{total waste} \times 100 = \text{percentage of total waste recycled}$.

Assumptions: Biffa hazardous waste that is not sent to landfill is classed as closed loop recycled. Biffa has provided a level of data to show high (>95%) recycling for some elements of our hazardous waste.

Biffa average container weights are applied where actual tonnage from on-vehicle weighing is not available. Confidential paper tonnage is calculated by the supplier based on time on site (kg material destroyed /minute).

Additional Notes: NGET Allocation percentage for National Grid House is recalculated annually, to reflect occupancy changes within the building.

IT equipment, hazardous and catering oil wastes have been included in the scope for completeness from FY24 onwards.

Data maturity RAG: ● *Controlled*

2.5a Reduce the waste tonnage (from a FY20 baseline) at our offices by 20%.

Baseline: 124.6 tonnes (2019/2020).

Metric: % reduction in waste tonnage.

Scope: The scope includes the following waste streams: general waste, dry mixed recycling, organic waste, glass, metal, wood, confidential paper, hazardous waste (batteries and lamps), IT equipment and used catering oil.

This scope includes the waste generated at:

- 39% of National Grid House (based on NGET's share of building occupancy)
- 100% of Eakring Training Centre

Calculation methodology: The calculation is derived from the following: Total waste reduction % = ((total waste for the review period)/ baseline) x100)

Assumptions: Biffa average container weights are applied where actual tonnage from on-vehicle weighing is not available. Confidential paper tonnage is calculated by the supplier based on time on site (e.g. kg material destroyed /minute).

Additional Notes: NGET Allocation percentage for National Grid House is recalculated annually, to reflect occupancy changes within the building.

Didcot waste is excluded as being primarily operational and logistics in nature with office waste being inseparable from total and insignificant in volume.

IT equipment, hazardous and catering oil wastes have been included in the scope for completeness from FY24 onwards.

Data maturity RAG: ● *Controlled*

2.5b Reduce water use (from a FY20 baseline) at our offices by 20%.

Baseline: 13,120m³ (2019/2020).

Metric: % reduction in water consumption

Scope: The scope includes the following potable water supplies to:

- 39% of National Grid House (based on NGET's share of occupancy)
- 100% of Eakring Training Centre
- 100% of Didcot stores

Excluded from scope is rainwater or grey water capture.

Calculation methodology: The 2019/20 baseline was developed using estimates based on latest available supplier invoices and verifiable meter reads and multiplied by the allocation factor. Invoices are received via Utilities Bill Validation Service provider (presently SMS Plc) and verified against manually collected actuals.

The calculation is derived from the following: Total water reduction % = (total in scope water for the review period / total in scope water for the baseline period) *100.

Additional notes: NGET Allocation percentage for National Grid House is recalculated annually, to reflect occupancy changes within the building.

Baseline used an allocation of the 37% for all sites. This has been corrected to reflect occupancy and property allocation

Data maturity RAG: ● *Controlled*

2.6 Pilot and implement circular economy principles by aligning our business to international recognised standards.

Baseline: NA

Metric: Alignment to BS 8001 standard - Circular Economy Standard.

Scope: BS8001 Circular Economy Standard provides a practical framework and guidance to organisations to implement the principles of circular economy. It intends to help organizations and individuals consider and implement more circular and sustainable practices within their businesses.

Calculation methodology: BS8001 has been used as a guidance standard to assess our approach to

embedding circular economy in NGET. Maturity levels are evaluated using the BS8001 framework. A maturity level is assigned from level 0 to level 4. Progress against maturity levels will be tracked year on year. A gap analysis was undertaken in FY25 with “Basic” level being the assigned level. A target maturity level was agreed by the business to define the improvement activities required.

Assumptions: Gaps analysis is carried out internally, it is not externally assured.

Data maturity RAG: ● Assured

2.7 Align our Procurement Strategy to international recognised standards.

Baseline: NA

Metric: Alignment to ISO 20400 standard - Sustainable Procurement Guidance Standard.

Scope: ISO 20400 Sustainable procurement provides guidance to organizations, independent of their activity or size, on integrating sustainability within Procurement. It is intended for stakeholders involved in, or impacted by, procurement decisions and processes.

Calculation methodology: ISO20400 has been used as a guidance standard to assess our approach to embedding sustainability into the Procurement function in the UK and Globally. They have developed a dedicated online platform available here (<https://www.iso20400.org>) and offline to facilitate the undertaking of the ISO 20400 self-assessment. This platform is funded and managed by Action Sustainability Community Interest Company Ltd, a UK registered social enterprise dedicated to building the body of knowledge around

sustainable procurement. National Grid has conducted an ISO20400 gap analysis/self-assessment bi-annually using through the online platform or a PDF version of the questions.

The self-assessment results are depicted in a radar chart outlining the company's sustainable procurement position against four (4) core pillars: fundamentals, policies and strategies, enablers and procurement processes. Every pillar contains various questions against which we score our performance from 0 to 5. The ISO 20400 guides each score alongside each question to support the scoring. The self-assessment's outcomes are considered to identify smart actions with established timelines to track progress year-on-year and improve future assessments. The outcome from the self-assessment is not in any way endorsed, checked or approved by the Action Sustainability Community Interest Company Ltd (ASCIC) or any other 3rd party. Finally, the output is stored on an internal online repository accessible to specific stakeholders upon request.

The latest gap assessment was completed in August 2023.

Assumptions: Reporting is focused on the environmental aspects of sustainable procurement only.

Data maturity RAG: ● Assured

2.8 Maintain our high standards of oil containment and pollution management.

Baseline: NA

Metric: Number of sites receiving environmental support visits.

Scope: The number of site visits being conducted in FY26.

Calculation methodology: The number of site visits is tracked in an internal SharePoint tracker detailing the location of the site to be visited, the visit status / date, and relevant site team leader. This also links to a visual dashboard which totals the number of visits. The total number of site visits conducted is derived from the internal tracker and dashboard.

Assumptions: There are secondary oil containment installed across our substations, including bunds and oil interceptors. Fluid filled cables are managed in line with the ENA Operating Code on the management of fluid filled cable systems, agreed between the ENA liaison group members and with the Environment Agency.

Data maturity RAG: ● Assured

3. Nature positive

3.1 Increase environmental value of non-operational land by 10% against a natural capital/ biodiversity baseline.

Baseline: The baseline for this metric is £281.6m (FY21).

This baseline was established using existing information from National Grid's internal site databases and was based on a sub-set of sites and extrapolated. The natural capital value of 29 NGET sustainability sites, covering 377 hectares, were assessed as part of the sustainability projects in T1 using the internal National Grid Natural Capital (NGNC) Tool and used by Frontier Economics to estimate the average baseline value per hectare.

The baseline above is at a portfolio level, therefore there is not a baseline established for all of National Grid's non-operational sites individually using the NGNC tool. We continue to use the NGNC tool to calculate and demonstrate enhancements to natural capital and biodiversity at a site specific level, and also use AiDash to obtain more accurate site-specific initial baselines to inform our decision making.

During initial site visits, ecological baseline surveys are also undertaken by our ecological consultants, Logika. These involve a walk-over survey to ground truth the habitats displayed in AiDash, and any major differences between AiDash and the groundtruth survey are then taken into account in the final NGNC tool calculations to determine the site specific environmental value uplift. The National Grid non-operational estate extent is relatively dynamic and changes over time due to land being disposed of, to non-operational land being re-designated for operational uses (for example

substation extensions etc.), and for the provision of Biodiversity Net Gain (BNG) for capital delivery projects. To ensure that the baseline is comparable between the start of the RIIO-T2^{Error! Bookmark not defined.} period and the end any sites that leave the non-operational estate (sold or become operational) and new land entering the non-operational estate (for example decommissioned assets) will be excluded. This means that only land that remains within the non-operational at the beginning of Year 1 and at the end of Year 5 will be counted.

Scope: % of non-operational land enhanced in environmental value. The target applies to land owned by NGET where we own a freehold or a long leasehold (>21 years). It includes land which is subleased to others. In order to be able to fairly compare at the start and end of the period 1st April 2021–31st March 2026, only land owned as non-operational land at both the start and end of the period is included.

It is noted that habitat creation or enhancements within non-operational land resulting from the mitigation of National Grid construction activities are covered by a separate commitment and associated incentive within the ESIt and are therefore out of scope of the Environmental Value target.

Metric: % increase in environmental value of non-operational land.

Calculation methodology: NGET developed a tool to measure the environmental and societal value of our land. This tool uses a 'natural capital' evaluation approach that monetizes the 'ecosystem services' that are provided by our land. The Natural Capital Values represented in the tool are estimated over 30 years and reflects the present value and uses a discount rate of 3.5%.

In order to meet our annual commitments, delivery will be counted towards the target at an appropriate point that signifies a change in activity. This will be:

- a) the point at which work carried out by NG or our subcontractors begins at a site
- b) a legal agreement is signed with a third party for them to make changes/carry out works, or
- c) when land management practices are formally changed and documented.

The calculation is derived from the following: % of non-operational land enhanced = (sum of site interventions – sum of site baselines) / NGET portfolio baseline.

Assumptions: The ecosystem services and the assumptions made are provided below.

- Region and location are specified for all sites targeted for uplift as these alter the monetised value of various ecosystem services (land prices, agricultural production etc.).
- Natural capital stocks are entered as the extent of habitats present. The categorisation specified within the tool is followed without alteration; it is a broader characterisation than established in the baseline. This sees certain habitat groups combined (for example scrub falls within the grassland category).
- Food –where National Grid land is leased for grazing or arable production the extent is entered into the tool interface. The environmental gain plans (i.e. the after scenario) assume food production is ceased within the National Grid site in question.
- Timber –it is assumed that there is production of wood products (logs, coppice poles etc.)

produced from 50% of each woodland area (unless specified –some woodlands are considered too small to provide a realistic basis for timber production). These wood products are the incidental results of habitat management and not a result of management (including clear felling) as commercial forestry. The 50% of arisings not eligible for sale (through woodland management practices) are to be retained for the creation of dead wood habitats.

- Carbon –the extent of the habitats considered within the NC tool with respect to carbon are entered for the baseline and after scenario.
- Air quality –this ecosystem service is specified for completeness, however it is acknowledged that the type of activities being undertaken mean the before / after scenarios will be the same (i.e. they will not alter the air quality in the specified area).
- Flood control –as with air quality this ecosystem service is specified for completeness. It is acknowledged that in most instances the before / after scenarios will be the same (unless there is a desire to create new wetland habitat) and that this will result in a “blank” entry (i.e. none of the broad habitat types specified in the tool for flood control are present or predicted to be present).
- Pollination – where National Grid are proposing the creation of species-rich grassland or the provision of bee hives, this ecosystem service is specified. The measurement of farmland within 1.4km is measured using AiDash ISMS, utilising CORINE Land Cover 2018 data. The extent of farmland is provided in 50ha blocks (to a maximum of 600ha). The baseline scenario is left blank for sites where there is no previous scheme present on site to reflect no habitat management for pollinators.

- Recreation – for most sites, it is assumed that no additional recreational activities, other than volunteering or education will be offered. Current site usage is not entered unless there is any existing partnership agreement or tenant with robust data. For the majority of sites volunteering opportunities are expected, with an average spend per visit specified as £50 per visit (figure provided to National Grid by the Field Studies Council). On sites where there are existing environment centres additional visits of volunteers and students have been estimated through discussion with the operators (again specified as £50 per visit). Where there are sites with either new public access or improved public access proposed, where it is not possible to determine exact visitor numbers, relevant ad-hoc recreational activities are selected within the tool in addition to specifying the number of visits detailed in the partnership agreement.
- Community – average house prices for each area has been obtained from www.zoopla.co.uk. The extent of residential development within 1km of the site is measured using AiDash ISMS utilising CORINE Land Cover 2018 data. Under 10ha of residential development is considered to be “low”, between 10 and 50ha “medium” and over 50ha of residential development “high” density.
- Wild species – this accounts for positive action to enhance habitats for flora and fauna. This section is completed on the basis that currently there is no positive management for biodiversity (this would be completed for the baseline at the few sites where active management agreements are in place – although these sites are not the targets for environmental gain uplifts). It is also noted that woodland is not included in the list as it is passed through as a benefit in both the before and after scenario at the same rate. This

means it is not possible to demonstrate directly an enhancement to woodland. As the Defra Biodiversity Metric shows that enhancements to woodland are achievable and desirable, and National Grid have a large woodland landholding that currently is of limited biodiversity value, a proxy has been used in the National Grid Natural Capital tool to recognise any investment in woodland enhancement. This is done through assuming that the “provision of winter bird food” is analogous to woodland enhancement (this provides a similar level of monetary value as enhancing a grassland and is therefore considered a reasonable equivalence).

Data maturity RAG: ● *Controlled*

3.2 Deliver Net Gain by at least 10% or greater in environmental value (including biodiversity) on all construction projects (including those delivered by third parties building on our land)

Baseline: There is no existing baseline for this metric as BNG units are calculated on an individual project basis

Scope: NGET construction schemes (in Asset Operations, Customer Connections and Strategic Infrastructure) (governed by the National Grid Network Development process) that have a permanent or temporary impact on the natural environment between 1 April 2021 and 31 March 2026 and have:

- Passed project sanction post-design stage
- Applied for, and been granted planning permission / consent within this period
- Committed to a net gain % of 10% or greater quantified by specified tools

Schemes that are excluded from the scope of this metric include those that:

- Have submitted a formal planning application, already passed Gate C, or have been sanctioned before 1 April 2021.
- NGET schemes forming a constituent part of a 3rd Party Development Consent Order (DCO) that has been submitted or consented prior to 1 April 2021.
- Any schemes which do not have a permanent or temporary impact on the natural environment (such as protection and control system schemes or in-situ asset refurbishment or replacements).
- Any schemes which only have a permanent or temporary impact of less than 25m² on the natural environment (below the de minimis value for Statutory BNG metrics).
- Minor overhead line schemes such as fittings or steelwork replacement that do not utilise OHL exception regulations or Section 37 consent.

Metric: % of projects in scope that meet 10% BNG.

Calculation methodology: In order to quantify biodiversity losses and gains, we use the Statutory biodiversity metric. The metric works by considering the extent of habitat within the scope of development (measured in hectares (ha) or kilometres (km) dependent on whether the habitat is linear or not) and how distinctive it is (i.e. its complexity, rarity, diversity etc. This is predefined within the metric), its condition (i.e. its structure and management as defined by Natural England) and its strategic location. These elements are used to determine the biodiversity baseline value (measured in biodiversity units), the losses due to the development, and the gains made from its proposed habitat mitigation and enhancement measures. The

biodiversity unit value of habitat creation or enhancement actions are refined based on a number of risk multipliers that account for the difficulty of habitat creation (for example it is easier to create a semi-improved grassland than an active raised bog), the time it takes for a habitat to reach target condition (for example a grassland reaches target condition quicker than a woodland), and the location of delivery (i.e. habitat creation local to the biodiversity loss is worth more than habitat creation unrelated to the impact).

The calculation is derived from the following:
$$\% \text{ BNG} = (\text{sum of onsite and offsite biodiversity units added post intervention} - \text{sum of onsite and offsite baseline biodiversity units}) / \text{sum of total baseline units} \times 100$$

% Net Gains are based on Habitat Biodiversity Units only – hedgerow and river units are recorded where applicable within the statutory biodiversity metric but are not considered within the % calculation for this commitment. Where post development biodiversity units are not yet available an estimate is derived based on the baseline habitat units and % commitment at the relevant governance milestone.

Natural Capital / Ecosystem service benefits derived from habitat and land use change associated with our developments where relevant will be incorporated alongside the BNG calculations within RIIO-T2^{Error! Bookmark not defined.} period following agreement and approval of a consistent approach and calculation methodologies across all Transmission Owners. Wider environmental benefits where applicable are captured qualitatively and not incorporated into the overall % commitment.

How we identify schemes within scope

At the early project development stage engineers are required to identify if the scheme will have an

impact on the natural environment and therefore be within scope of the BNG commitment. If confirmed within scope a BNG rating of Low / Med / High or Very High will be recorded within the project documentation and the scheme added to the relevant BNG tracker.

Schemes in scope will appoint environmental services contractors to undertake the BNG assessment and support the development of mitigation and enhancement strategies through the detailed design stage. A % BNG commitment will be determined prior to Gate C, or Sanction and be underpinned by an outline BNG plan that includes onsite and offsite interventions and associated calculations.

Assumptions: BNG commitments are underpinned by accurate assessments based on robust and reliable data, all prescribed interventions will be delivered as part of the project via formalised agreements with internal and external parties and contractors.

Where mitigation and enhancement plans are still in development, post intervention biodiversity units have been estimated using initial baseline calculations - these will be refined and updated on completion. Where baseline biodiversity units are yet to be finalised, an estimate based on a previous BNG assessment is used. These will be refined and updated on completion.

BNG Assessments are completed by competent specialists using the Statutory Biodiversity Metric Calculator.

Planned enhancements onsite and offsite are delivered and managed in accordance with the prescriptions detailed within the tools and the management plans.

It is also assumed that all schemes with an impact to the natural environment have been included within scope.

Data maturity RAG: ● *Controlled*

3.3 Work collaboratively with other transmission owners to agree a consistent approach to measure biodiversity impact and dependencies in the supply chain (inc. water).

Baseline: NA

Scope: Work with innovation partners to develop an approach and tools that can utilise procurement data from Transmission and Distribution owners to assess the global biodiversity impacts and dependencies of the materials and assets procured via the supply chain.

The toolkit and PowerBI dashboard will align with industry best practice, incorporate accepted methodologies for assessment and quantification, support future reporting and disclosure requirements and provide key insights to support the setting of smart supply chain targets within the next regulatory period.

Metric: Actions delivered according to project plan

Calculation methodology: NA

Assumptions: Supply chain data is of suitable granularity to derive meaningful outcomes and specific risks and dependencies.

The outputs of the innovation project will be incorporated into business as usual (BAU) by Transmission Owners and used consistently across the sector and rolled out to DNOs.

Outcomes of the project will align with future Biodiversity / Nature reporting requirements and frameworks.

Data maturity RAG: ● *Assured*

3.4 Identify species-focused initiatives aligned with local priorities as part of construction delivery

Baseline: NA

Metric: Number of projects identifying species-specific enhancement activities in line with local priorities.

Scope: NGET construction schemes (in Asset Operations, Customer Connections and Strategic Infrastructure) (governed by the National Grid Network Development process) that have a permanent or temporary impact on the natural environment between 1 April 2023 and 31 March 2026 and have:

- Identified environmental enhancement opportunities for a specific locally important species on an NGET site.
- Identified local organisations to support the development and delivery of actions for locally significant species.

Calculation methodology: Species-focused initiatives are captured within project Sustainability Action Plans (SAPs) and reviewed and updated quarterly through the Contractor Sustainability Portal.

Assumptions: Species-specific initiatives must be additional to what is required for any species licensing requirements on schemes.

Data maturity RAG: ● *Assured*

4. Leadership for change

4.1 Have an engaged workforce on environmental issues that lead by example.

Baseline: N/A

Scope: All permanent NGET employees.

Metric: Employee engagement on environmental and sustainability topics, measured through colleague feedback, participation in engagement activities, and implementation of actions arising from employee insights.

Calculation methodology: In previous years, progress against this commitment was assessed using the Grid:voice employee survey score relating to environmental responsibility. During RIIO-T2, the wording of the relevant Grid:voice question changed to focus more broadly on responsible business practices and was therefore no longer considered a direct measure of environmental engagement. As a result, FY26 assessment has been informed by a dedicated sustainability survey, employee engagement activities and actions implemented in response to colleague feedback.

Assumptions: Employee engagement may be measured through different survey tools and questions over time. Where survey methodologies change, performance is assessed based on the overall effectiveness of engagement activities, employee feedback received, and actions implemented in response, rather than solely on comparison of survey scores.

Data maturity RAG: ● Assured

4.2 Take bold steps to tackle our SF₆ emissions and stimulate the market to more rapidly meet our stakeholders needs.

Baseline: NA

Scope: New assets for use at all voltage levels, including gas insulated busbars (GIB) and gas insulated lines (GIL). Pre-existing SF₆ filled assets which are retro-fillable are also within scope.

Metric: No procurement of new SF₆ filled assets when there are alternatives available in the market. Targeted deployment of commercially available retro-fill solutions.

Calculation methodology: No deviations from SF₆ policy unless fully justified that SF₆ is the only viable option.

Assumptions: None.

Data maturity RAG: ● Assured

4.3 Work collaboratively with other transmission owners to find common solutions and develop a consistent approach to sustainability issues.

Baseline: NA

Scope: The scope includes UK transmission networks: Scottish and Southern Energy Networks (SSEN) and Scottish Power Energy Networks (SPEN). Collaboration is focused on environmental sustainability (i.e. carbon, resource use, biodiversity, reporting and strategy development).

Metric: Programme with focus areas and key deliverables published.

Calculation methodology: NA

Assumptions: None.

Data maturity RAG: ● Assured

4.4 Be an environmental leader for the energy industry by actively contributing and shaping the discussions in external working groups.

Baseline: NA

Scope: Number of groups, meetings and/or initiatives that NGET is contributing to from an environment and/or sustainability perspective. This may include initiatives done by the NGET group.

Metric: Number of groups, meetings and/or initiatives attended externally on environmental sustainability.

Calculation methodology: NA

Assumptions: None.

Data maturity RAG: ● Assured

4.5 Maintain a certified EMS.

Baseline: NA

Metric: Continuous certification to ISO14001 standard and demonstration of continuous improvement.

Scope: The scope includes NGET's ISO14001 certification being maintained.

Calculation methodology: Certification against standard is provided by an external certification body following an annual ISO14001 audit.

Assumptions: None.

Data maturity RAG: ● Assured

Scope 3 emissions

Our Scope 3 emissions are calculated and reported in line with the GHG Protocol Corporate Accounting and Reporting Standard (Revised) 1, the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard 6 and the Technical Guidance for Calculating Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard 7. National Grid includes all seven Kyoto Protocol GHG gases in its Scope 3 inventory. These GHGs are currently: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). The GWP factors used in this reporting period are from the IPCC Fifth Assessment Report (AR)-5 unless otherwise stated in the methodology.

Methodology: Scope 3 emissions are defined as all indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company, including both upstream and downstream emissions. We report Scope 3 emissions across six categories; all other categories of scope 3 reporting have been deemed not relevant.

Scope 3 emissions category (cat)	Scope – emission sources for inventory
Cat. 1 + Cat. 2 (Purchased Goods and Services + Capital Goods)	Includes all products and services and capital goods purchased by National Grid Electricity Transmission's (NGET's) Procurement, from stationery to construction products.
Cat. 3 (Fuel and Energy Related Activities)	This category includes Well-to-Tank (WTT) upstream emissions of purchased fuels and electricity. These are upstream emissions associated with extraction, refining and transportation of the raw fuel sources to an organisation, prior to their combustion. WTT emissions are calculated using DESNZ and IEA emission factors.
Cat. 5 (Waste Generated in Operations)	Includes all waste generated from our operations, including office waste, operational waste, and construction waste by NGET field operations. In some cases, where waste stream classification is unknown, the waste emissions are estimated using an average emission factor.
Cat. 6 (Business Travel) Including Air Travel	Includes employee business travel, not in National Grid owned vehicles (air travel, hire cars, personal cars and rail travel).
Cat. 7 (Employee Commuting)	Includes emissions based on commuting distances of our employees to their offices and includes travel types such as bus, car, and train.

Quantifying and reducing scope 3 emissions:

Annual Scope 3 emissions data across all categories is reported total (tCO₂e). See Table 1 below for detail on how emissions in each category are calculated. For FY26, a revised approach has been applied to the calculation of Product, Goods and Services (PGS) emissions following identified data quality issues. Spend has been reallocated using company codes, resulting in circa 38% of total Group spend being attributed to NGET, more closely aligned with UK ET capital investment proportions and providing a more robust basis for reporting.

Table 1. Scope 3 Emissions Calculation Methodology:

Category	Data Maturity	Materiality	Description	Current Carbon Reduction Commitments/Actions
1: Purchased goods and services	Medium	High	Global annual spend on purchased goods and services and capital goods is multiplied by Resilience database emission factors based on spend in USD. To ensure accuracy and avoid double-counting, a filter is applied to remove payments to vendors that are already included within Scope 1, Scope 2 or other Scope 3 categories of the GHG Protocol.	We have a target that 80% of our supply chain by emissions must have Science-Based Targets by 2030 and therefore be reducing their own emissions.
2: Capital goods	Medium	High	Resilience, a specialised climate analytics company, uses technology pioneered by the Centre for Risk Studies at the University of Cambridge Judge Business School. Emission factors are estimated at a Global Industry Classification Standard (GICS) industry level. Spend data is extracted from a Power BI reporting tool. Spend categories applied to each spend line are analysed and refined using GICS industrial classifications. Each spend line (excluding VAT) on the financial ledger is assigned to a spend category using Utility Vendor Database (UVDB) information, and the relevant Resilience emission factor is applied. For FY26, a revised approach has been applied following identified data quality issues. Spend has been reallocated using company codes, resulting in approximately 38% of total Group spend being attributed to NGET. This approach is more closely aligned with UK ET capital investment proportions and provides a more robust basis for reporting purchased goods and services and capital goods emissions. As a future improvement, we are working to further refine the allocation of shared-service expenditure, where appropriate.	Our PAS 2080-certified approach to low-carbon construction supports the identification and delivery of carbon reduction opportunities in this area.
3: Fuel and energy related activities	High	Medium	Extraction, production and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in Scope 1 or Scope 2. Upstream emissions of purchased fuels (extraction, production	We are converting our fleet and transitioning away from diesel over the remainder of the decade. As we connect more renewables to the grid the

			and transportation of fuels consumed by NGET) and upstream emissions of purchased electricity (extraction, production, and transportation of fuels consumed in the generation of electricity, steam, heating and cooling consumed by the NGET). Emissions calculated for electricity, transport and fuel lifecycles using measured units from existing Scope 1, 2 and Scope 3 emission activities. Emission factor: UK government GHG conversion factors for company reporting > WTT-Fuels > various factors and WTT- UK & overseas electricity > WTT- UK electricity (generation) > Electricity: UK.	emissions associated with line losses will decrease in the long term.
5: Waste generated in operations	High	Low	Includes waste generated from our operations including office waste, operational waste and construction waste. The emissions are calculated from the measured units of each waste type multiplied by DESNZ (UK government) emissions factors for the relevant disposal method. An average emission factor is used where details of the Scope 3 waste stream are not available. National Grid has a number of contracts with waste collection organisations covering the UK business, which provide data in volume or mass of waste. For construction waste, we receive this data from our contractors carrying out the work on our behalf. Emission factor: UK government GHG conversion factors for company reporting > Waste disposal.	Our waste commitments as part of our environmental action plan will reduce waste and increase recycling - minimise our emissions from waste as well.
6: Business travel	High	Low	Includes the mileage data from Private Cars, Hire Car Mileage (from our service provider Enterprise), Air and Rail Travel Data from our Travel Booking Provider (Concur Travel) multiplied with the DESNZ emission factor for the respective Car Category (Size, Type of Fuel) for Cars, and Travel Emissions for Rail and Air. Most NGET employees use a system where employees can book a range of travel options, using third-party travel providers. The distance (km) from the travel provider's report is multiplied by the emission factor.	We have a commitment to reduce business travel by 10 per cent from 2013-2020 averages. We are currently overperforming as digital tools like Teams are used more frequently than travelling long distances for short meetings. Public transport and car sharing is also encouraged.

			Emission factor: Government conversion factors for company reporting of GHG emissions > Business Travel – Land > Rail/Air/Passenger vehicles/Ferry average passenger/Freighted goods For Air travel DESNZ/DEFRA 2024 factors for April – May 2024 and DESNZ/DEFRA 2024 factors for June – March 2024).	
7: Employee commuting	Medium	Low	Includes emissions based on commuting distances of our employees to their offices and includes travel types such as bus, car and train.: We currently use survey results that polled daily commute behaviours (frequency and miles travelled) and travel methods (e.g. car, train, bus, etc.) amongst a sample of employees (in August 2024). Each method's one-way mileage is then: • multiplied by the number of months worked per year (factoring in average time off), average commuting days per month, one-way commuting distance, two (to account for a round trip), and divided by the number of commuters (including the employee) to account for carpooling, resulting in an average annual mileage per employee by travel mode; • multiplied by the count of employees to obtain total annual mileage for National Grid commuting by transport mode; and • multiplied by the relevant UK government conversion factors/EPA Emissions Factors Hub emission factor (the use of 'regional' emission factors in line with the Protocol) for the transport type and reporting year. • Emission factor: UK government conversion factors for company reporting of GHG emissions > Business Travel – Land > Bus/Car/Rail; EPA GHG Emission Factors Hub – Table 10: Scope 3 Category 6: Business Travel and Category 7: Employee Commuting. With the new survey reflecting the latest commuting habits (including hybrid and fully remote), building occupancy measures are no longer included in the calculation.	We continue to support flexible working and have a project to retrofit offices on our operational sites so that people can go to more local offices in future.

Data Maturity Matrix

We aim to deliver a high quality annual environmental report. For full transparency, we have provided a data maturity RAG to all our commitments to allow stakeholders to see how mature we are in terms of the: completeness, accuracy, reliability, timeliness, integrity and existence of our data. We have done this through an internal self-assessment. We apply these reporting principles to deliver good quality and credible information. We review our data quality and limitations on annual basis to improve the maturity of our data and reporting.

Overall confidence	Data Quality Index						
	<u>Completeness</u>	<u>Accuracy</u>	<u>Reliability</u>	<u>Timeliness</u>	<u>Integrity</u>	<u>Existence</u>	<u>Assurance</u>
Assured	>85%	>85%	>85%	>85%	>85%	>85%	External assurance completed
Controlled	65%	65%	65%	65%	65%	65%	External, verified tool used for measurement and internal assurance completed
Developing	<45%	<45%	<45%	<45%	<45%	<45%	Internal assurance performed, but big gaps in data quality and maturity
Qualitative	NA	NA	NA	NA	NA	NA	Qualitative assessment internally verified