

RIIO-2
Responsible Procurement Action Plan December
2019

Our Supply Chain CSR/Sustainability Objectives
Headline outcomes: Integrate Supply Chain Sustainability throughout the lifecycle of our Procurement process Ensure human rights/decent work in our supply chain Drive economic development through diverse sourcing Drive a step change in carbon reduction/resource use

Social Commitments							
Strategy (What)	Tactic (How)	Measurement (Metrics)	Legislation	RIIO-T1 Commitment	Other Voluntary External Commitment	RIIO-T1 Performance (18/19) Red = not currently on track; Amber = at risk of not delivering; Green = on track to deliver	Expert body for engagement consideration to confirm targets and measures
We require all our suppliers, to pay the real living wage to their UK workers and will verify this at Tier 1 in relevant categories	Communicate our expectations to suppliers through our Supplier Code of Conduct and standard Terms & Conditions	#Individuals with wage increase as a result of NG commitment	National Minimum Wage	N/A	Living Wage Foundation members	Met Living Wage Foundation annual commitments	Living Wage Foundation
	Verify this to Tier 1, in relevant categories of spend, managed under Global Procurement, where low wages are a potential risk (real living wage is defined by the Living Wage Foundation)	# suppliers with action plans to achieve living wage commitments	National Minimum Wage	N/A	Meeting Living Wage Foundation annual commitments		
Use influence in sector to identify and address potential human rights/exploitation risks in supply chain	Training strategy Risk mitigation action plans with suppliers Collaborative projects with suppliers	# modern slavery index rating # action plans in place with suppliers	Compliance with Modern Slavery Act 2015 legislation	N/A	N/A	12th in FTSE 100 ranking by Business and Human Rights Resource Centre (BHRRC)	UNGC Modern Slavery working group / Supply Chain Sustainability School / BHRRC / Construction Protocol (GLAA)
Promote equal opportunities in the supply chain	Communicate our expectations to suppliers through our Supplier Code of Conduct / Global Supplier Diversity Policy Sign up to FIR (fairness, inclusion & respect) commitment Engage with relevant industry initiatives to promote inclusion & diversity and facilitate brokerage with new suppliers Outline NG approach to sourcing via Achilles UVDB	# events supported to identify and support new suppliers	Equality Act 2010	N/A	Disability Confident Level 3 aspiration	N/A	Supply Chain Sustainability School - Social Value working group Procurement consultation Report (March 2019)

Environmental Commitments - covered in the environmental action plan							
Strategy (What)	Tactic (How)	Measurement (Metrics)	Legislation	RIIO-T1 Commitment	Other Voluntary External Commitment	RIIO-T1 Performance (18/19)	Expert body for engagement consideration to confirm targets and measures
75% of National Grid's top 250 suppliers (by category/spend) will have carbon reduction targets	Engage with our supply chain to set carbon reduction targets for suppliers engaged through the 'CDP supply chain' program (top 250 by category/spend)	% of suppliers with carbon reduction targets	N/A	N/A	Our contribution' in 2020 to have 80% of top 250 suppliers reporting to the CDP supply chain programme	92% of Top 250 suppliers disclosing to CDP globally 96% response in UK	CDP / Supply Chain Sustainability School / edie

Economic Commitments							
Strategy (What)	Tactic (How)	Measurement (Metrics)	Legislation	RIIO-T1 Commitment	Other Voluntary External Commitment	RIIO-T1 Performance (18/19)	Expert body for engagement consideration to confirm targets and measures
Promote skills development in the supply chain by requesting that a minimum of 5% of the supply chain technical headcount is upskilled annually	Active membership of the Energy & Utility Procurement Skills Accord Engagement with suppliers to become part of the Accord Use of PQQ (Pre-Qualification Questionnaire) related question in Achilles to filter	# of suppliers signed up to Skills Accord (or equivalent) % technical headcount under training plans	N/A	N/A	N/A	Achieved EU (Energy & Utility) Procurement Skills Accord Award in meeting the annual commitments	EU (Energy & Utility) Skills Accord Social Value in Government Procurement consultation Report (March 2019)
Promote equal opportunities in the supply chain	Engage with relevant industry initiatives to promote inclusion & diversity and facilitate brokerage with new suppliers Outline NG approach to sourcing via Achilles UVDB	# events supported to identify and support new suppliers	N/A	N/A	33% of spend with SMEs by 2020	27% of spend with SMEs - on track for 33% by 2020	Supply Chain Sustainability School - social value working group Procurement consultation Report (March 2019)
	Promote local sourcing opportunities in large scale projects via Tier 1 contractors	# of projects using CompeteFor (a tool used to advertise opportunities in the supply chain)	N/A	N/A	N/A	N/A	Supply Chain Sustainability School - social value working group Procurement consultation Report (March 2019)

Foundation Commitments							
Strategy (What)	Tactic (How)	Measurement (Metrics)	Legislation	RIIO-T1 Commitment	Other Voluntary External Commitment	RIIO-T1 Performance (18/19)	Expert body for engagement consideration to confirm targets and measures
Embed sustainability and responsible sourcing within the procurement process	Alignment to ISO20400 Sustainable Procurement Guidance Standard Gap analysis against ISO20400	Meeting ISO20400 Guidance (verification) # category strategies considering sustainability	N/A	N/A	N/A	Procurement strategy has been created based on initial ISO 20400 gap analysis Recommendation for embedding Sustainability considerations approved	Supply Chain Sustainability School
Deliver impact in supply chain at scale through active involvement in industry initiatives and working groups	Active involvement in industry initiatives and working groups including Supply Chain Sustainability School (SCSS) Infrastructure Leadership Group, Achilles Steering Group, UNGC UK Network, Construction Protocol, CDP Promote use of the SCSS/ key initiatives through contract management activity (supplier scorecard)	# actions driven through engagement # suppliers actively engaged through SCSS scorecard	N/A	N/A	N/A	N/A	Collaboration viewed as best practice Leading articles supporting this published by CIPS Supply Management/ edie / Innovation Forum amongst others