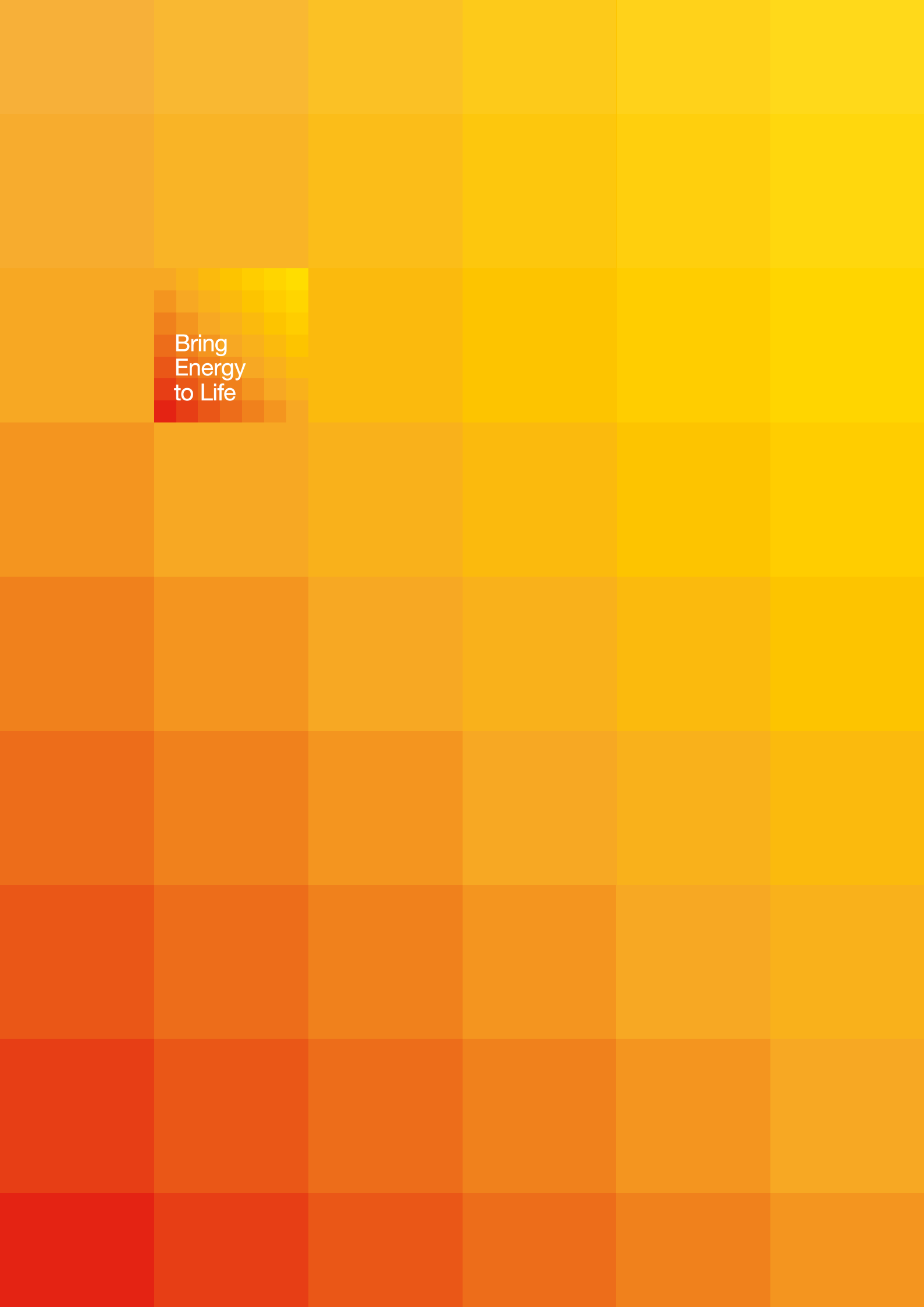


# Code of ethical business conduct for all National Grid employees



Do the right thing



Bring  
Energy  
to Life



## Do the right thing

### Welcome to our 'Code of ethical business conduct'

#### Our Purpose

Our purpose, 'Bring Energy to Life', combined with our vision and values, guide us to serve our customers and look after the communities in which we operate.

Our vision is to exceed the expectations of our customers, shareholders and communities today and make possible the energy systems of tomorrow. The vision emphasises the importance of trust, which we earn not just by meeting our commitments, but by making sure we do so in the right way. That is why **how** we work is as important as **what** we do.

Our original guide, 'Always doing the right thing' was an important foundation and integral part of our values today: Do the Right Thing and Find a Better Way. They guide what we believe and how we behave. Our refreshed, 'Code of ethical business conduct for all National Grid employees' is at the heart of our values. It sets the tone and shapes our culture.

The code applies to everyone from the Board down. It is intended to help protect our reputation as an ethical business and so maintain the trust of everyone that we do business with. The choices and decisions we make every day really matter and we should all feel confident in voicing our opinions and in challenging behaviour which doesn't feel right.

We have policies and guidelines to help us make sure that we all do the right thing. You will also find information about where to get further advice or how to raise a concern. If you see something that isn't right, you should speak up. No matter who is at fault, or the mistake that was made, we should all be prepared to learn from each other.

So, take the time to read and reflect on this guide, and apply its principles on how you do things every day.



**Sir Peter Gershon**  
Chairman



**John Pettigrew**  
Chief Executive

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## Do the right thing

### How this guide works

Our values of Do the Right Thing and Find a Better Way, guide what we believe and how we behave. This guide is to specifically support you in how you comply with our rules, regulations and policies, which is part of our Do the Right Thing value. It provides background information, general advice and information on how to raise a concern or get further guidance. (See page 4 for more information on our values).

The guidance section highlights main points, dos and don'ts, dilemmas, FAQs and what the guidance means to you.

The guidance areas covered are:

- People and behaviour
- Anti-corruption and transparency
- Information and communications
- Acting responsibly
- Conflicts of interest.

These guidelines put the 'Group Policy Statement on Requirements for Written Codes of Ethics for Employees (incorporating Whistleblower Protection)' into practice. They apply to all National Grid operations, Corporate Centre, all National Grid regulated and non-regulated businesses, and National Grid subsidiary companies in which we have a controlling interest. These guidelines also apply to National Grid employees working overseas. (Those employees also have to keep to the laws and regulations that apply where they are working.)

This document is written in British English, following the common practice for multinational companies to use the language of their corporate base.





## Do the right thing

### Our Purpose, Vision and Values



#### **Our Purpose is simple: Bring Energy to Life**

We exist to Bring Energy to Life. It means real life, real people, meeting real needs to make a real difference.

Having a clear sense of what we stand for as a company and what it is that binds us all together is vitally important. This is what we call our purpose.

In its simplest form, Bring Energy to Life means getting the heat, light and power that our residential customers rely on, to their homes and businesses. But for us, Life means not only working with our partners to keep energy flowing for our industry, businesses and homes, it also means supporting the communities that we're all part of and ultimately the economic growth and sustainability of wider society.

**Our Vision** is what we aim to achieve. We will exceed the expectations of our customers, shareholders and communities today and make possible the energy systems of tomorrow. Our vision provides a clear direction on how we will create value today and how we aspire to create value tomorrow.

**Our Values** of Do the Right Thing and Find a Better Way, guide what we believe and how we behave. This guide outlines the behaviours that are expected of us all and applies to all employees from the Board down. Ethical business behaviour depends on all of us accepting our responsibility for upholding the highest standards of behaviour and decision making.

**Our Purpose, Vision and Values**, combined with our strategy, provide a clear framework for delivery. They empower us to serve our customers and look after the communities who place their trust in us to the best of our ability every day.

#### **Our Values:**

##### **Do the Right Thing and Find a Better Way**

We know that how we deliver is as important as what we deliver. If our Purpose is the why, our values are the how. Our values describe what we stand for and guide our behaviour. They set the tone and shape our culture for the organisation. As the demands of customers, competition and technology change we need Values that reflect what we need to do as an organisation to meet these expectations.

With this in mind, we have developed two values that build on and protect our organisation's strong foundations while looking to the future.

#### **Every day we do the right thing**

To do this we:

- Keep each other and the public safe
- Comply with all rules, regulations and policies
- Respect our colleagues, customers and communities
- Say what we think and challenge constructively.

#### **Every day we find a better way**

- Deliver excellent performance for our customers
- Share knowledge and implement best practices for continuous improvement
- Make decisions and implement them quickly
- Embrace opportunities to grow ourselves and the business.

#### **This guide will help you to:**

- Understand how to comply with all rules, regulations and policies and to always do the right thing
- Understand what we expect from you and the support that you can expect from us
- Understand the whistleblowing procedures as well as practical guidance and points of contact for dealing with ethical and compliance issues that you may face.





## Do the right thing

### Responsibilities

We have policies and guidelines to help us make sure we all do the right thing. However, they cannot cover every situation. Take time to think. Do your behaviours reflect our values? Are you acting in line with our policies? If you are not sure, stop and get advice. To help you test any decision you make, here are some questions you can ask yourself.

#### Quick test:

- Is it legal?
- Is it right and honest? (That is there is no intention to deceive or mislead.)
- Is it within the spirit of our values and policies?
- Does it avoid creating a sense of obligation?
- Can I justify it to my manager, director and my family?
- If I belong to a professional body, does it comply with that body's codes?
- Would I feel comfortable reading about it in the press?

If you answer 'yes' to all these questions, you are on the right track. If you answer 'no' to any of these questions, follow the steps described below.

#### Who should I speak to if I think there may be a problem?

We recommend that you talk to your manager. If you feel uncomfortable speaking to them there are other options such as contacting the Ethics and Compliance Team.

#### What are my responsibilities?

As a National Grid employee you must report any concern when you think these guidelines have not been followed, or might not have been followed. This applies even if the concern doesn't relate directly to you. We, our managers and our employees all have responsibilities and it's important that we know the legislative and regulatory obligations that apply to each of our roles and understand the impact that they could have on the business if something went wrong. Following are the specific responsibilities that support and ensure we all do the right thing.

#### National Grid's responsibilities

We are committed to the following.

- Promoting an environment where everyone can do the right thing and feel comfortable raising any concerns about actions or decisions that they think are unethical.
- Investigating facts thoroughly, fairly and promptly when you raise a concern.
- Not tolerating retaliation or victimisation. Employees who raise concerns play an important role in maintaining a healthy, respectful and productive workplace, as well as protecting our colleagues, those we work with and the public. We will take disciplinary action, which could include dismissal, against any employee who is found to have victimised a person for raising a concern. Employees may also be personally liable, as retaliating against whistleblowers is unlawful in many cases.
- Protecting people against malicious and untrue allegations. In these cases we may take disciplinary action against the person who made the allegation, which could lead to them being dismissed.

If you raise a concern about an issue you are involved in, we will always take into account the fact that you have reported it. This means that you will be treated more favourably as a result of having reported the matter.

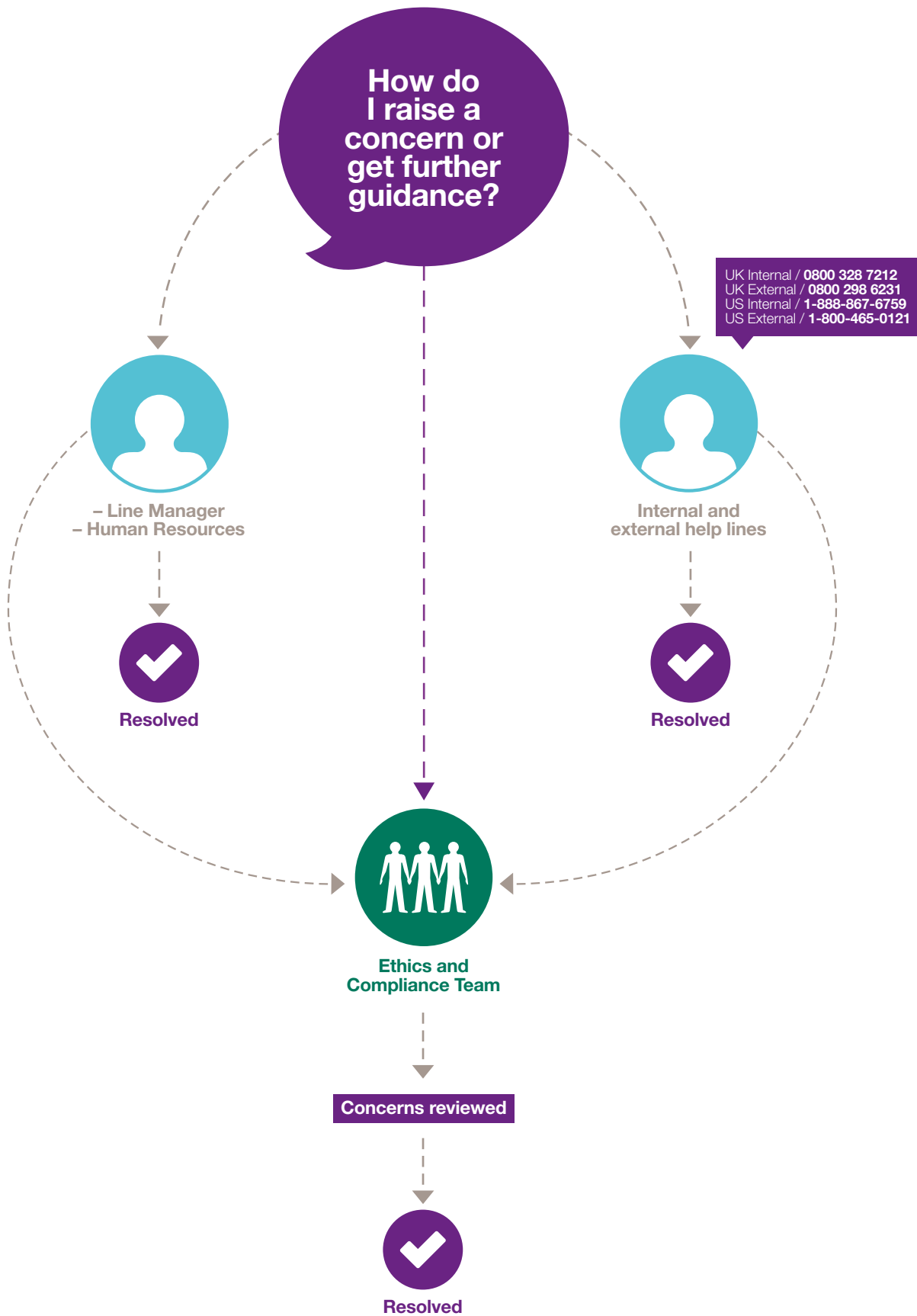
#### Your responsibilities

Together we will build an open culture in which doing the right thing comes naturally and wrongdoing is unthinkable and unacceptable. To do this, we must all take responsibility for achieving the highest standards of ethical behaviour. In return for our commitments, we expect the following commitments from you.

- To follow the guidelines set out in this document.
- Not to tolerate poor ethical standards in others. We expect all our employees to be prepared to challenge unethical behaviour. If you believe that any employee, supplier, contractor or customer, or anyone else doing business with us, has acted unethically or unlawfully, you should promptly tell your manager, the Ethics and Compliance Team, or HR.
- To make sure there is a respectful environment and that any unethical behaviour involving employees, contractors or suppliers is reported promptly. Examples of such unethical behaviour include bullying and harassment in the workplace, discrimination or sexual harassment.
- To co-operate fully with internal and external auditors, lawyers, HR, the Ethics and Compliance Team and other people involved in investigations. If you refuse to co-operate or you obstruct investigations, we will take disciplinary action against you. This could lead to you being dismissed.

#### Managers' responsibilities

Managers have the same responsibilities as all employees. They are also responsible for promoting these guidelines and compliance with them. Managers should make sure that their team members understand these guidelines, and support those who raise questions or concerns. Most importantly, managers are responsible for leading by example, doing the right thing and demonstrating National Grid's leadership qualities.

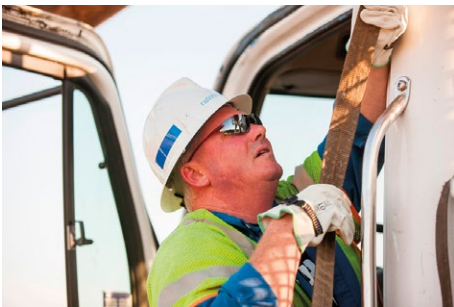






## Do the right thing

### Who should I talk to if there is a problem?



We recommend that you talk to your managers. If you feel uncomfortable speaking to them there are other options such as contacting the Ethics and Compliance Team.

#### **Who are the Ethics and Compliance Team?**

Ethics and Compliance forms part of the General Counsel & Company Secretariat function, which means that the team acts independently when following up on concerns. The Ethics and Compliance Team (based in the UK and the US) can answer your questions and deal with any concerns you may have about unethical behaviour or compliance issues affecting National Grid.

#### **What does reporting a concern involve?**

You will be asked questions about your concerns, so that we have enough information to help our investigation. In some situations, we will appoint an investigation team to look into your case. This could involve colleagues from Ethics and Compliance, Human Resources (HR), Internal Audit or Legal.

#### **Can I remain anonymous?**

Yes, you can make a report anonymously, but this may make it more difficult for us to confirm the facts you have provided.

#### **Will my report be treated confidentially?**

Yes, we will make every reasonable effort to keep your identity confidential if you would like us to. However, this may make it difficult for us to confirm the facts you provide. In some circumstances we may also have a legal obligation to reveal your identity (for example, if there are legal proceedings). If this is the case, we will let you know before we reveal your identity.

#### **Ethics Liaisons/Champions**

National Grid has a programme of ethics liaisons (in the US) and ethics champions (in the UK) who are available to assist if you have an ethics-related enquiry. These individuals are located within the various functions or lines of business. Find out who your ethics liaison/champion is by referring to the Group Assurance [infont](#) site.









## Do the right thing

### Rules – a trust culture



#### Speak up!

To learn from our mistakes and address unethical behaviour, we all need to be prepared to speak up, so we can share issues with each other. That means being open and honest about ethics and compliance matters and being prepared to raise concerns. If you have a concern, you should raise it with your manager. If you think no action is being taken, or you do not feel comfortable speaking to your manager, you can discuss it with the HR team or report it direct to the Ethics and Compliance Team.

In return, we are committed to making sure that if you raise a concern, you won't be victimised or suffer any retaliation as a result.

We all need to understand the rules – laws, policies and procedures – that apply to our roles, but sometimes things will go wrong, and it's important that we all learn from our mistakes. We can only do this if we can share our mistakes freely. That's why, when it comes to compliance, we are committed to creating a culture of trust.

At National Grid, we make a clear distinction between accountability and blame.

- We won't blame you where a compliance breach results from events beyond your control.
- We know there are risks associated with the work that we do every day. We ask our employees to make difficult decisions, and we trust them to do so. We won't blame you if, with the benefit of hindsight, a breach results from a good faith judgement call which you have been entrusted to make.
- We will make sure we make available the policies and training you need to understand the compliance obligations that apply to your role.
- We welcome challenges if you have concerns about compliance issues.

Being trusted doesn't mean that we are not accountable for our actions. Examples of where we will hold an employee accountable include where:

- they have deliberately breached a compliance obligation
- there are repeated accidental breaches, for example where we fail to learn from mistakes
- a non-compliance is not reported or covered up
- they act beyond the trust that has been given them, for example, where they make a decision that is beyond their authority to make
- they do not reasonably believe that they are working within the bounds of the law, regulations and company policy.

In these circumstances we may take disciplinary action, which could lead to dismissal.



## Do the right thing

### Guidance areas



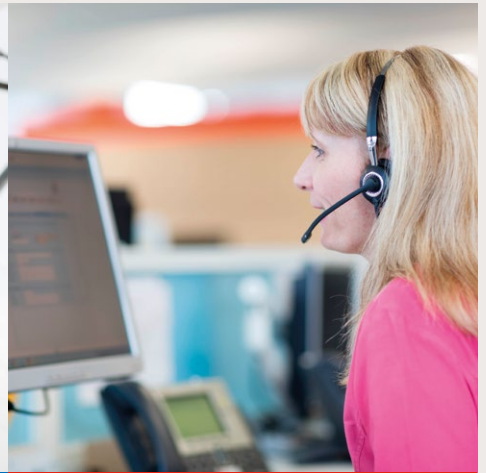
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# People and behaviour

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## Need advice?

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US Internal helpline: **1-888-867-6759**

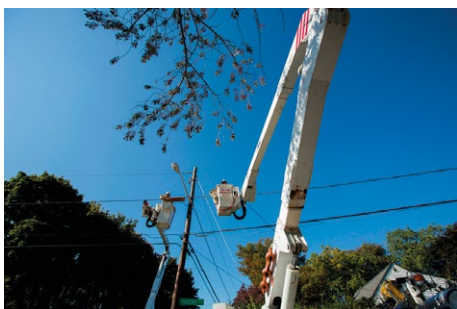
UK email: **[business.conducthelp@nationalgrid.com](mailto:business.conducthelp@nationalgrid.com)**

US email: **[businessconduct@nationalgrid.com](mailto:businessconduct@nationalgrid.com)**



## Drugs and alcohol

We are committed to having a workplace free from alcohol and drugs (including psychoactive substances) that may affect an employee's ability to safely perform all aspects of their job.



We have a duty to keep our employees and the public safe from the risk of harm by employees who work while they're under the influence of alcohol and drugs. The use of alcohol and/or being under the influence of alcohol while on company premises, conducting National Grid business, in company vehicles, or otherwise representing National Grid at any time or place is prohibited.

### Main points

No employee or contractor is allowed to work if they're under the influence of alcohol or illegal drugs.

If you're taking prescribed drugs that may affect your performance at work you must get advice from your doctor. If your doctor tells you that a prescribed drug you are taking could affect your work, you must tell your manager. Employees who take over-the-counter or prescribed medications must proactively report to a manager or Integrated Health Management the use of medication which they are aware is likely to impair their ability to do their job. Employees who take over-the-counter or prescribed medications contrary to instruction will be subject to discipline if such action causes an employee to be unfit for duty and such misuse was knowing and intentional.

If a manager or supervisor suspects that someone has not followed these rules they must take appropriate action.

If an employee openly admits that they've developed an alcohol or drug-related problem, we'll support them in getting professional help.

You must not drink alcohol during working hours or on company property.

We can carry out tests for alcohol and drugs, in order to protect the health and safety of employees and others. Testing can be carried out:

- if required by law
- before we offer a job
- after an incident
- if there is good reason to believe that a person's work is affected by their use of alcohol or drugs.

In the UK, ongoing random drug and alcohol testing is being introduced during 2017.

### Do

- Raise any drug and alcohol dependency issues you may have, enabling access to the help and support available.

### Don't

- Come to work when you are under the influence of alcohol or drugs that may affect your ability to safely perform all aspects of your job.

### Dilemma

*I'm taking prescription medication that could affect my ability to work, but I don't want to tell my supervisor because I don't want to reveal my medical condition.*

### What you should do

You don't have to tell your supervisor the type of medication you're taking or why you're taking it. If you think that the medication you are taking could affect your performance, you must let your supervisor know. Your supervisor can then get advice from the Occupational Health Team or Medical Services to decide if you can do your work safely and efficiently.

### Dilemma

*I believe one of my employees may be working under the influence of drugs? What should I do?*

### What you should do

As per our Drug and Alcohol Policy, if a line manager, team leader or supervisor believes that an employee may be impaired due to drugs and/or alcohol, it is their responsibility to hold an interview with the employee to determine whether a test should be carried out by the company's appointed specialist external testing provider.

### FAQs

#### If I have a drug or alcohol problem, how can National Grid help?

We will support you if you have a genuine problem and want help. Our Employee Assistance Programme (EAP) can also give employees and managers confidential support and advice on a wide range of issues at any time of the day or night, every day of the year.

#### What this guidance means to you

We aim to maintain a safe, healthy and productive working environment for all employees, customers, contractors and visitors who are involved with our work. You should never work if you are under the influence of alcohol or drugs.

## Discrimination, harassment and bullying

We believe in treating everyone fairly and respectfully.

### Main points

We must make sure our workplace is free from discrimination, harassment and bullying. We are committed to maintaining a work environment free from discrimination and harassment whether based upon race, religion, gender, sexual orientation, age, physical and mental disability, marriage and civil partnership, pregnancy and maternity.

Harassment includes anything that creates an intimidating, offensive or hostile work environment.

It can take many forms, including physical action, spoken and written remarks, and videos or pictures. It has a negative effect on a person's performance and our workplace as a whole, so it's not acceptable.

Sexual harassment includes unwelcome sexual advances, requests for sexual favours, and all other verbal or physical conduct of a sexual nature.

Bullying or harassment can be between two individuals or it may involve groups of people. It may be persistent or an isolated incident and can occur in written communications, by phone or through email, not just face to face. If you experience, or become aware of, any discrimination, harassment or bullying, you should report it. We support employees who report concerns, and we will take action to address any retaliation.

### Do

- Report any instances of discriminatory behaviour or harassment.

### Don't

- Make rude, insensitive or offensive comments or jokes about another person. This includes matters relating to race, sex, age, religion or disability.
- Display or distribute jokes or anecdotes that are discriminatory, offensive, or may cause harassment. This includes posting pictures or sending emails.

### Dilemma

*I recently joined a new team. My colleagues have made a number of comments about another female team member. I've found the comments uncomfortable but I'm worried about raising my concerns because I'm new to the team.*

### What you should do

If you're uncomfortable speaking to the people making the comments, you should raise your concerns with your line manager as soon as you can. If you don't want to do that, you should contact Human Resources or the Ethics and Compliance Team, or call the internal or external helpline.

### Dilemma

*I was recently at a team meeting and one of my colleagues began to shout at me and put down the suggestions I raised. Is this considered bullying?*

Yes. We expect employees to act in a professional manner and shouting or yelling at an individual is not professional and can be considered bullying. You should let your manager know about your concern. If you are not comfortable with that, you should contact Human Resources or the Ethics and Compliance team, or call the internal or external hotline.

### FAQs

#### Where can I find copies of relevant policies?

In the UK you can find Human Resources policies on the UK Human Resources Infonet site.

In the US, Human Resources guidance can be found in the HR section of Infonet.

#### What this guidance means to you

At National Grid we are committed to maintaining a work environment that respects people's differences. None of us should tolerate harassment, bullying or discrimination of any kind.



## Business travel and employee expenses

We have policies and guidelines for incurring reimbursable business-related expenses on behalf of the company.

### Main points

The company will reimburse ordinary, allowable and reasonable expenses you incur on behalf of the company when you: properly submit claims for these expenses, comply with the Business Travel and Expenses Policy.

As employees, we are responsible for the legitimacy of expenses that we claim, and the adequacy and authenticity of supporting documents that we submit, including any required receipts.

All employees who have authority to submit and authorise expense reimbursement requests need to be familiar with relevant policies, cost allocation guidelines, supporting systems and reimbursement procedures.

As an approving manager make sure all claims are accurate. Check claimed business expenses including checking all receipts match the employee's claim to make sure they are prudent and reasonable, have been incurred wholly and exclusively for legitimate business purposes and have proper back-up documentation. As a company control, approving expense reports needs to be done with due diligence.

As an overriding principle, you should generally get management approval for all categories of business travel and expenses before you incur them where practical.

### Do

- Make sure you understand and comply with the relevant US/UK Business Travel & Expense Policy.
- Submit expenses in a timely way.
- Use National Grid Travel Management providers (companies under contract with NG to manage their travel management arrangements) to book your accommodation, flights and rail travel.
- Ensure you understand and adhere to any policy limits, for example, hotel and meal rates.
- Account for, and submit, your own transportation and lodging expenses. Employees are individually responsible for submitting expense reimbursement requests for their own airfare and hotel.
- Ensure all expense claims are accurate and complete.
- Record all business entertainment on the gifts and hospitality SharePoint Site.

### Don't

- Let frequent traveller programmes influence the carrier you choose to use.
- Submit personal expenses for company reimbursement.

### Dilemma

*I'm a manager and have taken my team out for a group dinner to recognise their work for a recently completed project. Who should pay and claim reimbursement?*

### What you should do

As the most senior individual attending, you should be the one who pays and claims reimbursement. Also, you should include the names of all employees in attendance on the receipt.

### FAQs

**Can I book my overnight accommodation directly with the hotel if I can get a cheaper price than booking through the National Grid Travel Management providers?**

No, you must always book through the National Grid Travel Management provider so that in the event of an emergency both National Grid and the Travel Management provider would know where to contact you and how to provide support if needed. If the booking is made outside of these arrangements there is no security protection for employees.

### What this guidance means to you

National Grid is committed to giving you clear and consistent guidelines for incurring reimbursable business-related expenses on behalf of the company.

Be familiar with policies, guidelines, any online learning offerings and processes related to reimbursable business and travel expenses, as well as the different types of acceptable expense categories.



## Workplace violence

We believe in providing a safe work environment for our employees.



### Main points

Anything that threatens the safety of the workplace or any person is not allowed. This includes threats or violence against other employees, customers or property as well as statements or actions which have the potential to bring or cause apprehension of harm or injury to an individual. It also includes any other type of behaviour that puts, or could put, the safety of anyone at risk or instils the fear of such risk. We have a zero tolerance for workplace violence. This means we will not tolerate any form of violence, threats of violence, intimidation or attempts to instil fear in employees, consultants, vendors, customers or contractors.

As part of our commitment to a safe environment, you must never carry weapons or other dangerous objects and substances while working, or when representing National Grid.

### Do

- Report any form of workplace violence.

### Don't

- Make threatening comments to employees or customers.
- Carry weapons or other dangerous objects and substances while working or representing National Grid.

### Dilemma

*I witnessed an altercation between two employees in which one employee pushed the other employee. How should this situation be handled?*

### What you should do

You should notify your supervisor and Security immediately.

### FAQs

**Workplace violence is any verbal or physical conduct that is violent, threatens violence, intimidates, attempts to instil fear, degrades or shows hostility towards an individual.**

### What this guidance means to you

At National Grid we are committed to maintaining a work environment that is free from violence.





# Anti-corruption and transparency

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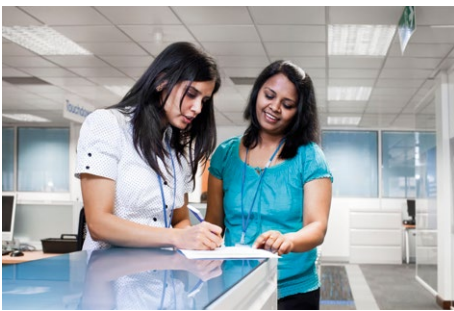


## Fraud, bribery and corruption

We are committed to preventing, deterring and detecting fraud, bribery and all other corrupt business practices.

### Main points

Our reputation for acting responsibly and within the law is one of our greatest assets.



Fraud, bribery and other corrupt business practices can seriously damage our reputation, as well as cost us money. For this reason we have a compliance programme to detect and prevent these activities.

We're all responsible for controlling the risks of fraud, bribery and corruption. We always investigate all concerns and have a 'zero-tolerance' approach, meaning that we will always take action if we discover any fraud, bribery or corruption.

Employees, suppliers and agents must comply with the laws that prohibit bribery and corruption, wherever we work in the world.

Any employee who doesn't follow these rules is likely to be dismissed, and we usually take legal action against those involved in fraudulent or corrupt business practices.

### Do

- Contact your manager and the Ethics and Compliance Team as soon as you can if you find yourself in a situation where you are being pressured to provide a gift, money or any other benefit in exchange for the performance of a routine duty.

### Don't

- Ask for, offer or pay a bribe. (This rule applies to anyone acting on our behalf, such as a service provider, agent or contractor.)
- Accept a bribe.

- Falsify any company records, such as time sheets, expense reports, mileage reports or inspection reports.
- Make a facilitation payment. (A facilitation payment is a payment made to someone in order to secure prompt or proper performance of routine duties.) For example, you should not pay money to speed products through customs, or to speed up the issuing of permits. The only exception to this rule is where you believe that not making the payment would result in a threat to your freedom or safety. If you find yourself in this situation, contact your manager and the Ethics and Compliance Team as soon as you can.

### Dilemma

*A customer has put in an application for a connection, this is followed by an invitation to a high-profile sporting event. Should the offer of hospitality be accepted?*

### What you should do

We recommend that you initially thank the customer for the kind offer, but refuse. You could advise the customer that National Grid has recognition schemes in place for our employees. You can suggest that if the customer is happy with the service they've received, they can contact your manager to let them know.

If you feel that your personal safety may be compromised, you should take the gift and report it immediately to your manager and the Ethics and Compliance Team.

It's important to understand that providing a benefit to a public official in order to influence them in their duties is a serious crime. You would risk being sent to prison, and we could also be prosecuted.

Cash or cash equivalents (gift cards, vouchers, tips) are never allowed to be accepted. You should let the individual know that although it is appreciated, by accepting it you would be violating our ethical standards and could potentially face disciplinary action.

They may also be breaching their company's rules.

### FAQs

#### What is fraud?

Fraud is a crime. It's a deception that's designed to benefit someone or cause a loss to someone else.

#### What is bribery?

Bribery is when anything of value is given in return for influencing the way someone performs their duty. In this context, it could include a duty to carry out a public office (such as a policeman or official who approves permits), a commercial duty (such as an employee who should act in the best interest of their employer), or some other legal duty.

Bribery doesn't have to involve an actual payment changing hands. In fact, it can take many forms, including:

- a gift
- lavish treatment during a business trip
- property
- an offer of employment
- tickets to an event.

Examples include:

- bribing an agent acting for a landowner in order to get permission to build on the land
- bribing a foreign official to make sure goods get through customs
- bribing a health and safety inspector so they turn a blind eye to problems.

### What this guidance means to you

You must keep to the highest standards of honesty, integrity and ethics at all times when working for us.

Every employee is responsible for controlling the risks of fraud, bribery and corruption.

If you know about, or suspect, any illegal activity, you must report it to the Ethics and Compliance Team, regardless of who is responsible. You should never 'look the other way'.

## Gifts and hospitality

We do business with many people, such as suppliers, vendors and customers.

Sometimes they (or we) might offer meals, hospitality and business entertainment. There may also be certain circumstances where we receive gifts from, or offer them to, people outside National Grid.



All of this may seem harmless, but it can create a real or perceived obligation, potentially leaving us vulnerable to accusations of unfairness, bias, deceit or even bribery. Our commercial relationships may be seen as biased and our reputation may be put at risk.

### Main points

You must not allow your decisions to be influenced – or appear to be influenced – by gifts or hospitality that our suppliers, vendors, customers or others may offer.

Similarly, you should not try to influence – or appear to be trying to influence – others by providing gifts or hospitality.

Before offering or accepting gifts or hospitality, ask yourself these important questions – ‘Am I serving a legitimate business purpose?’ and ‘Is the hospitality or gift proportionate to the business purpose?’

You must formally record all gifts and hospitality you have accepted or offered regardless of value. You can find the Gifts and Hospitality system (currently hosted via a SharePoint site) on the Group Assurance homepage on the Infonet. The rules on gifts and hospitality also extend to your family members.

The rules around gifts and hospitality are often difficult to navigate. If you have any concerns, contact the Ethics and Compliance Team.

### Gifts

Although we discourage it, you may, in certain circumstances, accept or give gifts as part of a business relationship. The gift must be approved by your manager before you give or receive it and logged in the Gifts and Hospitality system.

- Gifts with a value of less than £20/\$40 can be offered and accepted. However, you need prior approval from your manager, and must keep a record of the gift.
- You should not offer or accept gifts worth more than £20/\$40.

- You must not accept gifts of cash or cash value such as gift cards, or gift certificates of any value.

If you receive a gift that does not meet these rules, you must tell your manager, make every effort to return it, and keep a record of the actions you have taken.

In exceptional circumstances (for example, when visiting a country where gift-giving may be customary and expected), you may offer a gift worth more than £20/\$40. However, you will need prior written approval from the Group General Counsel and Company Secretary.

### Meals, entertainment and hospitality

If you are happy that the entertainment or hospitality you are receiving or offering serves a legitimate business purpose, you must follow the rules set out below.

- With your manager's prior permission, you may accept or offer an invitation that has a legitimate business purpose and a value of up to £100/\$100 per person.
- Invitations valued at over £100/\$100 and less than £500/\$1000 per person are generally considered to be excessive. You should not offer or accept such invitations without prior written approval from your manager and a Band A leader or SVP within your directorate or jurisdiction.
- Hospitality – offered or received – valued at over £500/\$1000 per person is generally considered to be extravagant. However, in some circumstances it may be allowed if you receive prior written permission from a member of the Executive Committee as well as the approvals listed above.
- Log the hospitality in the Gifts and Hospitality system.

### Further questions to consider before accepting hospitality

- Can you reciprocate with an offer of entertainment that has a similar value?
- Does the hospitality serve a genuine business purpose or help develop business relations?
- Will the host be present? If not, the hospitality should be considered to be a gift instead.
- Was the entertainment openly offered rather than sought?
- Is there a pattern of regular entertainment being offered by one person or organisation? If so, it might raise questions.
- Is the hospitality being offered at a sensitive time? For example, if we are tendering for services in a particular area and a company that is involved in bidding for work offers hospitality, you should generally refuse it.
- For some invitations, you should consider whether the hospitality is offensive or inappropriate, or whether attendance could cause embarrassment if it was made public.

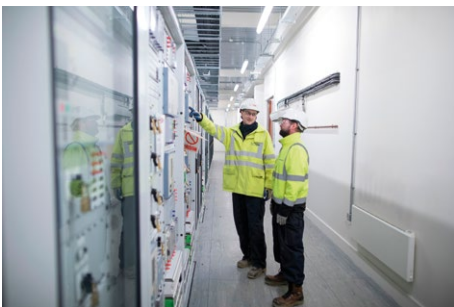
### Do

- Log all gifts and hospitality received or offered in the Gifts and Hospitality system.

### Don't

accept or offer:

- benefits in return for influence or a specific decision
- cash, loans, shares, gift certificates or gift vouchers
- an invitation to offensive or inappropriate entertainment; or gifts and or hospitality to or from a public official.



In the US we cannot provide gifts, hospitality, meals or entertainment of any value to any public official or public employee.

A 'public official' means anyone carrying out a public function, such as a customs official, police officer, council inspector, state employee, fire department official or judge.

If you work in Global Procurement buying goods, works or services for National Grid, you are not allowed to give or receive any gift or entertainment.

If you receive an invitation or gift from a vendor or supplier that is involved in a current tender event of which you are a participant, you should not accept such offers and should let your manager know.

### Dilemma – Gifts

*Recently I attended a conference where there were more than 2000 attendees. My name was drawn from a raffle and I won an iPad. Can I keep it?*

### What you should do

Yes. Everyone had an equal chance to win the prize, so you can keep it. However, you should notify your manager.

### Dilemma – Hospitality

*One of our suppliers has invited me to a major tennis tournament (such as the US Open or Wimbledon).*

### What you should do

If you are satisfied that by attending you are serving a legitimate business purpose, and that it is proportionate to the business purpose, you will need to consider the value of the entertainment offered. If it is more than £100/\$100 – which is likely for a major tennis tournament – you will need approval in advance from your manager and your Band A leader or SVP.

If it's the final of the tournament, the value of the hospitality may well be more than £500/\$1,000. So, you would need prior written approval from a member of the Executive Committee.

### Dilemma

*After an association conference a group of us go out to dinner together. One person in our party offers to pay the tab for everyone. I'm not sure who he is or what company he represents, but I know some of our suppliers were attending the event.*

### What you should do

Whenever you are in doubt or you do not have time to obtain prior approval, you should politely decline the offer and pay for your own meal.

### FAQs

#### Gifts – Can I accept a gift worth more than £20/\$40 and then donate it to charity?

If you have done everything reasonably possible to return the gift, but the provider will not take it back, you should tell them that you will donate the gift to charity.

If you are worried that giving the gift back might cause offence, you should tell your manager and contact the Ethics and Compliance Team for guidance. You should get approval for the donation, and record the details, as described above.

#### Can I accept alcohol as a gift?

Yes, as long as it keeps to the rules described above and you do not drink it while working for or on behalf of us, or while on National Grid premises.

#### Hospitality – My partner and children have been invited to an event. Can they go?

Partners and children may attend events, but the event must serve a legitimate business purpose. If you are not attending the event yourself, or your host will not be there, it is unlikely that there will be any legitimate business purpose. In this case, the event would be viewed as a gift and you must apply the gift rules.

#### What this guidance means to you

You should not allow gifts or hospitality to influence your decisions and personal judgement, or appear to do so.

You should keep an accurate log, using the Gifts and Hospitality system, of all gifts and hospitality you provide and receive.

If you have any concerns or need more guidance, speak to your manager or contact the Ethics and Compliance Team.

## Use of company resources

The company assets you rely on for your work (for example, computers and phones) are intended to be used for our business.

### Main points

Where appropriate, we have provided you with the things you need to do your job, such as a computer or a phone. It's OK to occasionally use these for personal use, but this must not interfere with your work or the work of others, breach Information Security (IS) policies, break any laws, or incur significant cost to the company.

Using our vehicles (cars, vans and aircraft) for personal use is not allowed unless it's specifically authorised and insured (for example, company cars that are provided for private and company use).

In the UK, gambling (such as office betting pools) on National Grid property or during working hours is not allowed, unless it has been authorised by a senior manager (Band B or above). This does not apply to activities sponsored by us.

In the US, gambling is never allowed on National Grid property or during working hours under any circumstances.

### Do

- Make sure that any personal use of company resources is authorised and doesn't interfere with the conduct of business. Use of company resources for company business should always take priority.

### Don't

- Use company resources such as facilities, equipment or information for personal purposes. Access to these resources should only serve a legitimate business purpose.



### Dilemma

*A couple of my colleagues have been using a company excavator or backhoe to do some work on their gardens.*

### What you should do

Using company resources for personal purposes is not allowed. You should raise your concern to your line manager or speak to the Ethics and Compliance Team. The unauthorised use of company equipment is considered theft which is fraud.

### Dilemma

*One of my colleagues is using his company computer to run an accounting side business.*

### What you should do

Company resources should only be used for company business purposes. You should raise your concern with your line manager or speak to the Ethics and Compliance Team.

### FAQs

#### Can I use spare construction materials for some home improvements?

No, these materials are intended to be used for our business only.

#### Can I use overnight mailing supplies to post some important personal papers?

No, use of postage stamps and overnight envelopes coded to be billed to the company is not allowed. You may place personal mail in the outgoing mail tray only if you have already paid the postage.

### What this guidance means to you

We're all responsible for protecting our resources and making sure they're used for company business purposes only.



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## Political interactions and lobbying

With so much of our work in the public eye, it's only natural that we'll come into contact with politicians and government officials. While it's important for us to build and develop good relationships, it's even more important that we manage them appropriately.

### Please note:

Lobbying laws vary between states and some local governments such as New York City have also adopted local lobbying laws. In the US there are strict restrictions on providing any kind of benefit to foreign officials under the US Foreign Corrupt Practices Act 1977.



### US guidance

A public official or public employee is anyone who is on the payroll of a municipality, city, state, town, county or federal government.

Anyone at National Grid could come into contact with public officials or employees. These interactions are not limited to the Corporate Affairs Team. If, in your work for National Grid, you find yourself in a situation where you are working with a public official or public employee, you must not provide gifts or entertainment to that person. This policy applies to any interactions with public officials or public employees in any setting, on or off National Grid property. This policy applies in all jurisdictions we work in.

Lobbying laws are very complex, and carry severe penalties if you break them. You and your manager must first get advice from Corporate Affairs and the legal department when working with public officials or public employees.

### UK guidance

Always let the UK and EU Public Affairs Team know when you're meeting or working with any of the following on our behalf:

- a politician
- a member of a central government department (such as the Department of Energy & Climate Change or Her Majesty's Treasury)
- a non-governmental organisation (such as the Committee on Climate Change)
- an interest group (such as Greenpeace or Green Alliance).

Being open and honest about who we're meeting and why we're meeting them is a vital part of protecting our reputation and the reputation of the people we're working with.

Keeping to our rules on gifts and hospitality is particularly important when dealing with politicians, government officials or regulators. Giving or receiving gifts could be seen as bribery, no matter how innocent your intentions are.

It's fine to give the people you're working with a token business memento. It's also OK to accept or offer occasional hospitality (for example, businesses lunches that are in line with our rules on hospitality).

When you're working with politicians, government officials or regulators, it's important that you keep your own political interests or activities separate from your role as a National Grid employee.

You should also comply with the Association of Professional Political Consultants (APPC) Code, the Bribery Act and the Political Parties, Elections and Referendum Act.

### EU guidance

We are registered on the EU Transparency Register, which regulates relationships between stakeholders and EU officials. You must respect the related code of conduct when dealing with EU officials, and follow our rules on gifts and hospitality.

Ask the UK and EU Public Affairs Team for advice on national regulations that may apply in the EU.



**Political interests:**

Keep your own political interests or activities separate from your role as a National Grid employee.

**Do:**

- Always be open and honest when dealing with government officials.

**Don't:**

- Ever give money or expensive gifts to politicians, government officials or regulators, and never accept these items from them either.
- Ever give any money, gifts or hospitality to public officials in the US – even if it's just a cup of coffee.

**Dilemma**

*I've invited two well-known Members of Parliament (MPs) to speak at an event that my team is hosting in the UK. They've accepted the invitation, but have asked for a small payment in return for attending. We think their contribution will be really useful for us.*

**What you should do**

While the MPs' contribution may be valuable, you must not give them money under any circumstances. As an alternative, your team could make a token donation to an independent registered charity as a gesture of thanks for them attending.

**Dilemma**

*I am a US engineer, specialising in gas pipeline safety. Two minor changes to an outdated pipeline regulation would improve customer safety and simplify our compliance process. I would like to invite a regulator to lunch to propose these changes.*

**What you should do**

You should contact the Government Relations team to discuss the regulatory fix before attempting to influence the officials or carry out any lobbying activity. Providing meals or giving gifts to regulators is not permitted in the US.

**FAQs**

**My team is hosting a training conference on emergency preparedness for commercial customers. We would like to invite an elected official to speak and a few regulators to participate as guests. Can we provide them with the same meal as other participants?**

You may invite government officials to participate in company events. But if you want to provide meals or give gifts to public officials, you will need to consult with the US Ethics and Compliance Team before the event.

**In the US, I am holding an all-day meeting with the Public Service Commission to review our proposed new rate plan. Am I allowed to provide food and drinks for those attending?**

You must not offer any gifts or hospitality to a public official in the US. This includes food and drink.

**What should I do if an MP in the UK only agrees to attend a meeting or function if we pay for their travel and accommodation?**

You can offer expenses, but only if they're reasonable. This would include situations where MPs have to travel from their usual location to attend a meeting, or where they would have to stay overnight to attend a meeting or function.

**If an EU Commission official agrees to attend a meeting, are we allowed to offer refreshments, lunches or dinner?**

Yes, as long as it is in line with our rules on gifts and hospitality.

**What this guidance means to you**

Working with politicians and government officials is an important part of the work we do, but we need to keep it professional. So always be open and honest in any dealings with politicians and public and government officials.

## Competition

There's always an element of competition in business, even when it is regulated. Competition law recognises this, but it sets boundaries to make sure that businesses don't compete unfairly or improperly.



### Main points

Competition law is designed to uphold fair play in business. For instance, it stops companies making anti-competitive agreements and restricts companies that have a strong position in a market, such as monopolies, from abusing their position.

Competition law applies to many different areas, including:

- sharing confidential information with competing companies, including competitive affiliates of National Grid
- taking actions that could lead competitors to coordinate their prices, costs or strategies
- agreeing with other businesses not to compete with each other (for example, by sharing customers, suppliers, or geographical or product markets).

Competition law applies to all parts of National Grid, whether or not they are licensed by Ofgem or another regulator.

Every document you write (including emails and deleted files) may be read and interpreted by the competition authorities if they decide to investigate. Always adopt a professional writing style and steer clear of sensationalising information.

If you break competition law, there could be serious consequences – for you and for National Grid.

Also, in the US, there are federal and state standards to make sure that we work in a way that protects our customers and doesn't get in the way of competition.

### Do

- Get legal advice if you think you have or may be about to enter into an arrangement that might be viewed as anti-competitive (including sharing confidential or commercially sensitive information).
- Always make sure we act fairly and don't place anyone at an unfair commercial advantage or disadvantage, including affiliated entities.
- Be objective and don't discriminate.
- Remember that an informal understanding or agreement that may affect competition will be treated by the competition authorities in the same way as a formal legal agreement.
- Keep records to explain why you took your decisions and to provide evidence of the contact you've had with customers, suppliers and competitors.
- Write clearly, professionally and responsibly – careless language in business communications can be very damaging.

### Don't

- Communicate with competitors (except those who are our customers or suppliers, and then only to the extent necessary) about your prices, costs, terms of business or other confidential or commercially sensitive information.
- Impose or quote unreasonably high or low prices, or restrict any third party's freedom to deal with others.
- Communicate with competitors (even if they are customers) about our business strategy or other suppliers, contractors or customers.
- Sell products or services only on a 'bundled' basis (when someone buying product 'A' also has to buy product 'B').
- Allow the resources (financial or other) of a National Grid group licensed business to subsidise any other National Grid group business.
- Allow a National Grid group licensed business to be subsidised using the resources of any other National Grid group business.
- Refuse to deal with an existing or potential customer or supplier, except for clear, genuine, unbiased reasons.
- Allow discussions about regulatory issues, or about technical or quality standards, to result in a discussion about prices, costs, terms of business or business strategy.

### Dilemma

*You are bidding to win work through a competitive tender process. You have not had explicit discussions with any competitors or other sources, but you are generally aware of the types of prices your competitors may bid for such work.*

### What you should do

Make sure you consider your prices on a standalone basis rather than based solely on what your competitors may bid. As a minimum, you should aim to recover all your costs, and ideally a reasonable profit.

General market intelligence can be useful but it cannot be obtained through inappropriate means, such as:

- directly from competitors
- discussing competitors' prices with customers
- from other parts of the National Grid business that may use a competitor as a supplier.

If you have any queries or concerns about discussions relating to competitors or how you price your bids, please contact the Legal Team.

### FAQs

#### What do I do if I'm worried that I might have broken or be about to break competition law?

Contact the Legal Team, who will be able to give you advice.

#### What takes priority, competition law or the licences?

Neither – both apply where relevant, although Ofgem is required to consider using its competition powers, where appropriate, before using its regulatory powers. Competition law applies to all our activities, not just our regulated businesses.

#### What this guidance means to you

This guidance will help you make sure we act fairly and don't give anyone an unfair commercial advantage or disadvantage. You should never agree to 'fix' any market and you must be seen to be acting in a non-discriminatory way at all times. To show what you are doing doesn't break the rules, always record the reasons behind your decisions.



# Information and communications

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## Need advice?

UK internal helpline: **0800 328 7212**

US internal helpline: **1-888-867-6759**

UK email: **[business.conducthelp@nationalgrid.com](mailto:business.conducthelp@nationalgrid.com)**

US email: **[businessconduct@nationalgrid.com](mailto:businessconduct@nationalgrid.com)**

## Data privacy

We're committed to protecting people's privacy rights by making sure we handle their personal information responsibly.

We must make sure personal information is protected and processed fairly and in line with the law to maintain the confidence and trust of our employees, customers, vendors, suppliers and regulators.



### Main points

We believe that the privacy of others must be protected at all times. When data-privacy laws apply, we must always comply with them.

Each country we work in has its own privacy and data-protection laws. These laws focus on the importance of handling personal information in a responsible way. This also includes making sure that there are adequate controls in place to continue to protect the information when it's transferred across borders or to third parties.

As a responsible organisation, we're fully committed to keeping to these laws. We are all responsible for taking great care to deal with personal information in a safe and secure way, and to reduce the risk of it being lost, misused, inappropriately accessed, released, altered or destroyed.

### Do

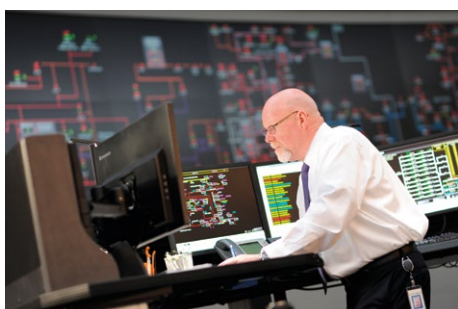
- Keep personal information safe.
- Assume that anything you write about a person could be discovered.
- Only collect personal information that is necessary.
- Ensure you have a legal basis for collecting personal information.
- Only use personal information for the purposes compatible with what it was collected for.
- Make sure personal information is accurate and up to date.
- Keep to all relevant guidelines and dispose of information and records in a safe, secure way.

- Know who you are allowed to share personal information with, and only release it to people who are authorised to have it.
- Adhere to our data-protection and information-security policies, standards and guidelines.
- Ask for advice if you're not sure about anything.
- Refer any requests for personal information you may receive to the Data Protection Team, and Global Information and Records Management Team as soon as possible.

### Don't

- Ignore potential risks. You must report incidents or concerns.
- Get access to personal information if you are not authorised to do so.
- Email sensitive information, unless you are sure it is safely encrypted.
- Store or send personal information on unencrypted removable media (for example, memory sticks or disks).
- Assume you can share personal information to another member of staff.
- Leave sensitive personal information unprotected.
- Share passwords, or use ones that are easy to guess.
- Retain records beyond their retention period.

## Data privacy *continued*



### **Dilemma**

*I realise that my work colleague is accessing personal information without authorisation.*

### **What you should do**

If you know that someone – an employee, contractor or anyone else – has access to information that they shouldn't be looking at, you must raise the concern immediately. You should do this by telling your line manager, Ethics and Compliance, Digital Risk and Security or the Global Data Privacy Manager. You can also raise your concerns by calling the internal or external helplines.

Privacy and data-protection laws are designed to protect private information and how it is collected, stored, accessed, used and passed on.

If you don't follow the relevant laws, we could be reprimanded by the regulator, have legal proceedings taken against us or be fined. Our reputation or commercial interests could also be damaged.

You may be personally liable and so face disciplinary action. This could lead to you being dismissed.

### **FAQs**

#### **What counts as 'personal information' and 'sensitive personal information'?**

Personal information relates to living people who could be identified from that information, either by itself, or when combined with other information available to the organisation. It can be factual, such as a person's name, address, contact details and date of birth. Or it can be an opinion, such as how a manager thinks you performed at an interview or an appraisal.

There are certain categories of information which need to be treated more carefully due to the harm that could result from their loss or unauthorised disclosure. For example – a person's social security or medical insurance number, details from their driver's licence or passport, employment details such as sickness, absence and disciplinary action, financial details such as debit or credit-card details, racial or ethnic background, political opinions, religious beliefs, trade union membership, health, sexuality, alleged crimes and court proceedings.

#### **What this guidance means to you**

This guidance is to help you make sure that we all process personal information in a safe, secure, fair and lawful way.



## Information security

We're all responsible for protecting information from deliberate, accidental or unauthorised access, and from being altered, destroyed or disclosed. This applies to information held electronically (soft copy), on paper (hard copy), or in our minds (have knowledge of).

### Main points

Sharing information and ideas within National Grid is great for our business and allows us to make the most of information technology, but there are risks.

If our confidential information falls into the wrong hands, it could be used to damage our (and our partners') reputation and business operations. The same applies to confidential information we have about our business partners or suppliers.

To protect information, it's important to classify and handle it in line with our information-protection standards. You should also make sure that any employee who has access to the information understands what the classifications mean, and what could happen if they don't handle the information properly. Proper handling of information includes how information is stored when not in use, transferred between people or locations, and destroyed when it's no longer relevant.

Protecting our access to information is just as important. This includes having strong passwords, being careful where we have confidential conversations, and keeping our workspace clean.

If you are unsure about how to do the right thing in terms of information security, please visit the Security Knowledge Zone on the Infonet site for guidance.

### Do

- Before giving out any information always make sure the person requesting it is entitled to that information.

### Don't

- Tell anyone your password (even if they are your manager or work in IS support).
- Share confidential information with unauthorised parties.
- Click on links in an email when you are unsure about the sender or the content.

### Dilemma

*I know I'm not supposed to share my log-in ID and password, but we really need to get this work done while I'm on holiday.*

### What you should do

The reason you must never share your log-in ID and password is simple – if you do this, you're effectively allowing someone else to 'be you' on our systems, and that's not acceptable under any circumstances.

You are expected to act responsibly whenever you log on to our systems. If you reveal your log-in details to someone else, you're breaking that trust.

If you know there is going to be a problem, contact the IS help desk or the Digital Risk and Security Team as soon as possible and explain the situation. They will then start working on a secure solution for you.

### FAQs

What do we mean by 'information'? Information covers all forms of written, printed and electronic documents. It includes information that:

- you talk about or hear in meetings
- originates from informal discussions or conversations
- is saved on storage media (for example, disk, memory stick or hard drive)
- is held on a computer
- is being sent over communications lines
- is held in digital, graphic, text, voice or image format
- is held in an electronic form on your personal devices.

### Dilemma

*Are there extra security measures I could put in place for information held on paper copies?*

### What you should do

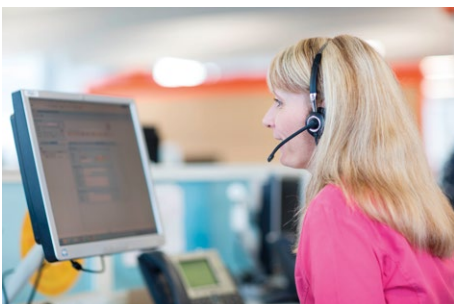
You could consider numbering each copy and recording when you received it. If the information should not be released to the general public, include some type of marking on the document to show the classification level of the information.

### What this guidance means to you

We're all responsible for protecting information.

You should always be on your guard because the content of some emails, faxes (some fax machines and printers have a memory store), text messages, voicemail messages and other recorded conversations could cause significant problems if they're not protected and an unauthorised person has access to them.

Be aware of social engineers. These are people who pretend to be someone they are not so they can gain information about yourself or National Grid.



## Managing records

Regulators, auditors and shareholders rely on accurate company accounts and other records. And so do we. We have to create and maintain complete and accurate records, in good time. The entire record must accurately reflect the relevant activity or dealing.



We must keep our information and records safe, and make sure no one has unauthorised access to them. They need to be kept in line with our policies on storing documents.

### Main points

We're all responsible for protecting National Grid's assets, including records and other written or electronic information.

Our financial and accounting records need to be accurate, and we must follow all accounting and internal control procedures.

You must not do any of the following, or ask anyone else to do them for you.

- Enter false, misleading or incomplete information in any company account, expense statement, purchase order or other record.
- Leave out any information that makes a company account, expense statement, purchase order or other record inaccurate or misleading.
- Alter, hide or destroy any information in order to produce false or misleading records or reports, or to hold up an investigation.
- Interfere with an audit.
- Try to influence an audit.

If there is legal action in the pipeline or you're issued a 'legal hold' order because of legal action, you must keep all related company information.

Save whatever is required under a legal or contractual obligation, internal control or best practices. If you're not sure what to save, ask the legal department.

### Do

- Do find out who your Records Coordinator is, and get access to the current Record Retention Schedule for your business area.

### Don't

- Use incorrect facts or leave out relevant information.
- Hide, alter, falsify or disguise the true nature of any dealings.
- Forge endorsements, approvals or authorising signatures for any payment.
- Process, enter into a system, or approve a record or information that you know is false or misleading.

### Dilemma

*I've just finished a project. The documents are taking up a lot of room, so I'd like to get rid of them.*

### What you should do

Don't throw them away. They may be needed for legal, regulatory or business reasons. Read the Global Information and Records Management Procedure and refer to the appropriate Retention Schedule for the business activity.

### FAQs

**I was supposed to calibrate a machine on Friday but forgot and did it on Monday. Is it OK to backdate the inspection form for Friday?**

No. That would be falsification of company records, which is a serious issue.

All information must be accurate and truthful. You should record the date when the inspection actually took place.

### What this guidance means to you

Accurate records are vital, so you should make sure that all company records, information and communications are full, fair, accurate, and easy to understand and made in good time. You should also make sure that they can be retrieved when they're needed.

## Global email and the internet

Electronic communication, which includes email and the internet, brings many benefits to businesses. It can reach many people, over great distances, almost instantly. However, it also brings a number of risks and potential problems.

### Main points

When it comes to electronic communications, be cautious. You should always be aware that they have the potential to damage our company or people.

For example, they may carry computer viruses that can infect our systems, be from an untrustworthy source, or they may be misinterpreted and cause offence. They could also affect our reputation and electronic messages may need to be disclosed in court proceedings or investigations.

You are responsible for following all National Grid policies when you use your devices to get access to company files and systems.

### Personal use

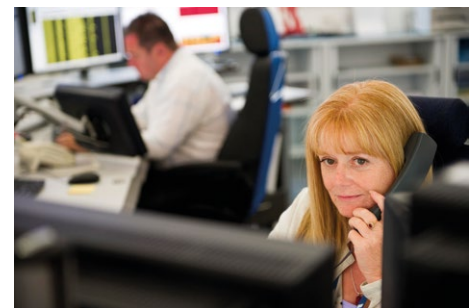
We allow you limited personal use of email and the internet, including online social networking, on work computers and communications systems. But that use must not:

- interfere or create conflict with your work
- take priority over your work
- give rise to any risk, liability, potential loss or expense for the company
- have any negative effect on the company.

Also, your use must always be within the law, and comply with relevant policies and procedures.

### Don't

- Download or pass on material that's dangerous, offensive or illegal.
- Open attachments from unknown external sources, as they may contain viruses. Instead, contact IS through the helpdesk.
- Send or solicit messages that are political, religious or activist.
- Use electronic communications or internet facilities for illegal activities.
- Violate any licence agreement, copyright or trademark law.
- Download software or programmes without the authority you need. If you are not sure, contact the helpdesk.
- Get around National Grid's security controls to gain unauthorised access to our communications systems or internet facilities.
- Connect to, or try to connect to, the internet (except through our internet gateways or proxies).
- Use a 'virtual private network' (VPN) facility on your laptop to connect to any non-National Grid remote network.
- Attach your own equipment to get wireless access to our internal networks.
- Impersonate anyone online or maliciously change any messages.
- Buy, order or reserve goods or services online on our behalf, unless you are authorised to do so.
- Produce, introduce or forward chain letters or personal video clips.
- Send unsolicited junk messages.



### Dilemma

*Members of my team have been circulating an email that refers to obscene material.*

### What you should do

That is unacceptable. You should tell your line manager, HR or a member of the Ethics and Compliance Team immediately.

### FAQs

#### What's so important about links or attachments in emails?

We've all seen movies where a person infects an entire organisation by sending a virus through an email attachment or an improper link. The bad news is that it happens in real life too. However, most computer viruses and malicious programmes need some type of action to be activated, such as clicking on a link or opening an attachment. If you are not sure whether an attachment or link is safe, contact the helpdesk.

#### What this guidance means to you

We allow you to use the internet in moderation for personal reasons, and within the law, as long as it doesn't affect your work or expose the network to the risk of computer viruses.

## Social media

People are talking about us through social media services and sites – such as Twitter, Facebook, YouTube and LinkedIn – and it's important that we listen to what they say and respond. Through these channels we can join online conversations about National Grid. This will help us to understand the needs of our customers and the communities we serve.

### Main points

A conversation that takes place online can be just as important as a letter or email. Remember that conversations on social media may need to be disclosed in court proceedings or investigations.

### Personal use

We allow limited personal use of online social networking on work computers and communications systems. But that use must not:

- interfere with your work
- take priority over your work
- give rise to any risk, liability, potential loss or expense for the company
- have a negative effect on the company.

Also your use must always be within the law, and comply with relevant policies and procedures.

### Do

- Be sensible and responsible. If you post anything about National Grid or our business, you must keep to our values.
- Contact your local Communications Team for advice if you plan to use social media for any business activity.
- Remember that not all postings are done with the best of intentions. Be careful and, if in doubt, ask for help.

### Don't

- Post personal information, or detail about your job that could put you at risk.
- Include any information that is copyrighted without getting advice first. If in doubt, ask your manager.
- Publish any views on behalf of National Grid unless your job role entitles you to do so.
- Post personal information such as customer details, user names and IDs, or passwords.

- Make false or derogatory statements about anyone's business practices, character, financial status, morals or reputation.
- Upload confidential or sensitive company information to an external site without getting advice first.

### Dilemma

*Some of my colleagues are using Facebook to make derogatory comments about people in their team, both inside and outside working hours.*

### What you should do

This is unacceptable. You should tell your line manager, Human Resources or a member of the Ethics and Compliance Team.

### FAQs

#### A couple of journalists contacted me after I placed a post on Twitter. Can I talk to them?

No. You must not talk to journalists if they phone you or approach you on a social media site. Comments you make could be used to damage our reputation. Take the journalists' details and pass them on to the Media Relations Team.

#### What if I make a mistake on social media?

Social media is forgiving, so if you make a mistake, admit it. Be upfront and be quick with your correction. If you are posting to a blog, you may choose to modify an earlier post – just make it clear that you have done so. In some instances with certain platforms, you can delete your message or post, so check that option if you think you need it.

### What if a National Grid customer asks me a question?

If you are able to correctly answer the question, identify yourself as a National Grid employee and answer the question. If you can't answer the question or don't feel comfortable answering it, please send the question to the Media Relations Team.

### When in doubt, what do I do?

If you have any questions, contact a member of the Media Relations Team. If they can't answer your question, they will recommend the appropriate subject matter expert.

### What this guidance means to you

Remember that anything posted on the internet is likely to be permanent, even if you delete it – the information could have been copied and reposted.

You're accountable for any actions taken using your user name and password.

Remember, perception is reality. Be sure that all content associated with you is consistent with your work and with National Grid's values and professional standards. We want our employees to have fun and talk about the positive work National Grid is doing throughout its service territory, but you are still responsible for your individual content.

Misusing the social media facilities provided at work is serious, and could damage your and our reputation. Sharing sensitive information in this way could also open us to risk of malicious attack. If you don't follow company rules you may be disciplined, which could lead to you being dismissed. And if it's appropriate, the relevant authorities (including the police) will be informed.





# Acting responsibly

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## Need advice?

UK internal helpline: **0800 328 7212**

US internal helpline: **1-888-867-6759**

UK email: **[business.conducthelp@nationalgrid.com](mailto:business.conducthelp@nationalgrid.com)**

US email: **[businessconduct@nationalgrid.com](mailto:businessconduct@nationalgrid.com)**



## Safety

Our activities, and those of our contractors, involve risks, but we do all we can to keep ourselves and the public safe. Safety is our number one priority.

### Main points

We believe that we can remove or minimise safety risks. Our aim is to have no work-related injuries or harm, and to keep the public safe.

We all have a part to play in achieving that.

### Do

- Report all incidents and near misses, however minor.

### Don't

- Cover up or not report a safety incident in order to meet a safety target.

### Dilemma

*I've worked with the same team for a few years. Recently, one of them has cut corners in following safety procedures.*

*I feel that this has put him and the rest of the team at risk. Other team members have noticed it too, but they haven't told our manager. They say I shouldn't worry about this and that our colleague is just going through a tough time. I don't want an incident to happen, but I also don't want to distance myself from the other team members or get this employee into trouble.*

### What you should do

It's good to be loyal to your team, but that loyalty should prompt you to report your concerns to your manager. There could be many reasons for your colleague's unsafe behaviour, but whatever the reason, it can't continue. Remember that having an incident is much worse than getting your colleague into trouble, or angering the team. We will investigate your concerns and make sure that you don't suffer any reprisals for reporting them.

### FAQs

#### **Do I really have to report a minor incident if nobody had to take time off work?**

Yes. You must report all incidents. The information gathered through incident reporting helps build a picture of the safety risks across our business.

#### **What this guidance means to you**

We strive to be world class when it comes to safety. It's important that you always work safely and comply with health and safety rules and regulations. You must report all incidents and near misses so we can investigate them and take appropriate action.



## Environmental protection

As a minimum, protecting the environment is a legal requirement in all areas of our business. However as a responsible business we also look for opportunities to leave a net positive environmental benefit where we can. We're all responsible for protecting the environment.



### Main points

We're committed to protecting and enhancing the environment.

We will comply with relevant regulations, and aim to find new ways to reduce our impact on the environment as well as to improve it. We use our environmental-management systems and innovation to improve our performance.

### Do

- Follow our environmental procedures, using permits, plans and other documents where necessary.
- Report all environmental incidents and near misses, however minor they may seem.

### Don't

- Cover up or not report an environmental incident.

### Dilemma

*During a recent site visit we found that we hadn't inspected on-site controls and monitoring records, which we have to do as part of our regulatory commitments.*

### What you should do

Tell your manager straight away. You may also need to contact your local Environmental Team, the Environmental Operations Team or the Legal Department to inform them of the matter. They will discuss it with you and give advice.

### FAQs

#### **Do I still have to report an environmental incident if no pollution was caused?**

Yes. You must report all environmental incidents, no matter how minor. We investigate all incidents that are reported – however trivial they may seem – to identify any hazards, and so we can learn and implement change to prevent reoccurrence.

### What this guidance means to you

This guidance helps you understand how environmental policies, procedures and processes apply to your job. Remember that, to meet our environmental commitments, we must all support the environmental policy in all areas of our work.



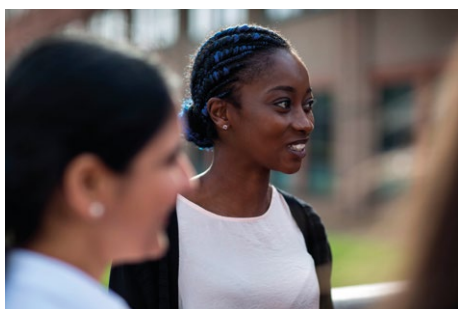
## Insider threats

If an employee or contractor misuses information or access that they have as part of their job role to harm our company, this is referred to as an 'insider act'. Insider acts could include criminal activities, such as theft, fraud, sabotage, terrorism or commercial espionage.

### Main points

An insider act could be committed by an employee or a contractor. A person from outside National Grid could also pose a threat by exploiting the relationship they have with one of our employees or contractors.

We use background checks when people are joining our company, to help us detect issues at an early stage which could cause problems. To help mitigate the insider threat we need to stay vigilant in our workplace too. During the course of their employment, a person's attitude, mindset and loyalties can change. This can sometimes result in people becoming more likely to use their access to our systems and assets in ways that could cause us harm, therefore we look out for suspicious or unusual behaviour and deal with security concerns once they have become apparent.



If you are worried about a change in a colleague's behaviour, speak to your line manager. Alternatively you can contact the UK Corporate Security Team by emailing [groupsecurity@nationalgrid.com](mailto:groupsecurity@nationalgrid.com) or on 01926 653194. You can reach the US Corporate Security Team by calling 844-290-0722 or by emailing [scnbo@nationalgrid.com](mailto:scnbo@nationalgrid.com).

### Do

- Raise any concerns with your line manager, or talk to Security for advice.
- Talk to the colleague to see if they are all right.

### Don't

- Jump to conclusions. You shouldn't assume that a change in a person's behaviour means that they are doing something wrong. Talking to them to show your concern may help.

### Dilemma

*A usually lively outgoing team member has become withdrawn and seems anxious. They have changed their working patterns and have frequently been observed working unusual hours, and are reluctant to take any holiday. I've noticed they have started to regularly take files home with them. Some of the files appear to contain sensitive information about our infrastructure and security measures.*

### What you should do

You have a number of options, depending on your relationship with this colleague. It might be appropriate to talk to them first, and ask if they are OK. The problem could be that they have a heavy workload. If you still have concerns after this, or don't feel comfortable with this suggestion, discuss the situation with your line manager.

### FAQs

#### What should I do if I don't feel comfortable raising a concern with the person or my line manager?

You can talk to the Security Team or the Ethics and Compliance Team, or contact the helpline.

#### What should I do if I talk to the person and they ignore my attempt to help?

In this case you should talk to your line manager, or contact the helpline – particularly if the cause for concern continues or becomes worse.

### What this guidance means to you

The security of our people, assets and information is vital to us and the national infrastructure. Taking appropriate security measures is an important way in which we can help protect ourselves against people who may cause us harm.

## Physical security

Having effective security in place helps keep our people and assets safe and secure. It helps us guard against criminal activity, such as theft, vandalism and potentially terrorism.

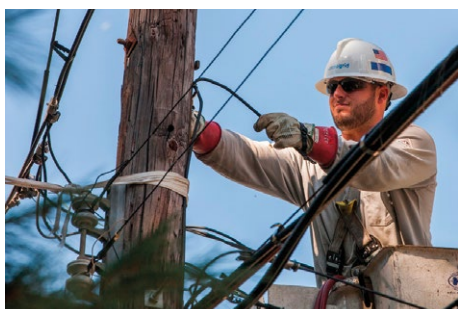
### Main points

The safety of employees, contractors and members of the public is our number one priority.

We have responsibilities as the owner and operator of infrastructure that's critical to the countries we work in. So we take steps that are necessary to protect the security of this infrastructure, including appropriate physical security measures.

The level of physical security measures we take is proportionate to the level of risk to the company. We use best-practice guidelines within each country we work in and comply with all relevant laws and regulations.

A member of the Corporate Security Team will work with you and, where appropriate, help liaise with other bodies such as local law enforcement.



### Do

- Challenge anyone who isn't wearing an ID badge/pass or visitor badge.
- Store your ID badge/pass securely when not in use.
- Report any loss or theft from National Grid to the police.
- Report suspicious activity – If You See Something... Say Something.
- Make sure that you use the security arrangements we have in place (for example, locking gates and doors) or report them if they're not working correctly.
- Contact the UK Corporate Security Team by emailing [groupsecurity@nationalgrid.com](mailto:groupsecurity@nationalgrid.com) and or on 01926 653194. You can reach the US Corporate Security Team by calling 844-290-0722 or by emailing [scnbo@nationalgrid.com](mailto:scnbo@nationalgrid.com).

### Don't

- Ignore incidents – they may indicate a trend or persistent problem.
- Reveal security arrangements or sensitive information about our sites to people outside our company, or to those who don't need to know these details as part of their job.
- Use cameras or recording equipment in secure areas.
- Follow closely behind someone to avoid security barriers or allow others to do so.
- Wear your ID badge/pass when not at work.

### Dilemma

*An individual has tailgated through the door behind me without presenting their badge to the card reader.*

### What you should do

Ask the individual to see their badge. If they cannot produce one, escort them to the reception desk, if at a location where one exists. If no reception exists and it is an employee ask who their manager is and contact them to verify the employee belongs in the building. If a visitor, ask who they are there to see and contact the individual to escort their visitor.

### FAQs

#### **Why should I challenge an unescorted visitor (e.g. those tailgating or acting suspiciously on National Grid premises)? Isn't that Security's job?**

Security is everyone's responsibility. By having every employee look for and challenge unescorted visitors, National Grid becomes a much safer environment for everyone and deters those who wish to do the organisation harm. In every instance, know that safety is of primary importance. Do not do anything that would obviously result in physical harm to you. Contact Corporate Security immediately if you see suspicious activity. If you see something... say something.

#### **I have noticed some activity that may compromise our physical security at a location. How do I report it?**

If you are at a facility with a local security office or an onsite security guard, notify the office or the person as soon as possible. Otherwise, you can contact Security at the numbers above.

#### **What's the reason for keeping security doors closed – especially to limited access areas? If we are all National Grid employees, why are the extra security measures needed?**

Security doors and security access areas are kept closed and secure for various reasons. The basic determination is that the potential risk incurred while leaving the door open is greater than the current action in making sure it is constantly closed. In certain areas, there are regulations in place that designate certain areas as secure areas. Violations of these regulations can result in serious fines and reputational damage to the company.

#### **What this guidance means to you**

Security is everyone's responsibility. Everyone can help keep our people and assets safe. Challenge behaviour that could threaten our security and report any concerns you have.

## Community volunteering, investment and sponsorship

We play a vital role in connecting people to the energy we all use, and we recognise the effect our work can have on people and communities. We're at the heart of communities, so investing in and connecting with them is the way we do business.



We also support charitable, civic and community organisations at global, national and local levels because we want to see the communities in which we operate thrive.

### Main points

#### Volunteering and fundraising

Our comprehensive volunteering programmes give employees the opportunity to work with a variety of different organisations in the UK and US, and to take part in a range of activities.

Employees who donate money or raise funds for a registered charity may be able to apply to one of our fundraising incentive schemes (UK) or Matching Gift Program (US).

- UK: personal donations are matched up to £100, as long as you donate £50 or more as a lump sum. Money raised for charities can be matched up to £400.
- US: the Matching Gift Program matches personal donations of up to \$500, as long as you donate \$20 or more as a lump sum.

#### Community investment

All requests to contribute to community projects must be handled in line with our policy on charitable donations, and must meet 'delegations of authority' requirements.

UK: All request from community groups, charities, not-for-profit organisations for community investment/donations must go through The National Grid Community Grants scheme – <http://betl.nationalgrid.com/>. Applications have to come from the community not from employees.

US charitable donations are governed by a policy that sets out the process for making, reviewing and approving funding requests.

#### Don't

- Ever make a commitment to match donations to charities or other not-for-profit organisations until your application has been approved.
- Promise corporate funding or a sponsorship commitment without the proper approval. UK: Proper approval is through the Corporate Responsibility Team in Corporate Affairs to ensure funding/sponsorship supports our responsibility priorities and business strategy. If it is a significant value (financial or strategic) it will go to the Responsibility and Sustainability Committee or appropriate regional committee for approval. US: Approval is coordinated through the Economic Development and Corporate Citizenship team within the Customer function. All donations must be reviewed according to the US Delegations of Authority framework for charitable contributions, which includes separate approval requirements for donations that exceed certain levels of funding.

- Make corporate donations to encourage a customer to buy or recommend our products, or to receive favourable treatment from a vendor, regulator or public official.

#### Dilemma

*Carrying out work in a small community has caused lots of disruption. Representatives from the community have asked us to make a donation towards a new recreational area in the local park. As the overall project has come in under budget, I am keen to help.*

#### What you should do

- UK: You cannot donate money from the project. You must ask the community to apply through The National Grid Community Grants scheme – <http://betl.nationalgrid.com/>

- US: You can agree to the donation only if you have the proper approval to do so. All requests for donations to charities must go through the Economic Development and Corporate Citizenship department, which is part of the US customer organisation. Community contributions such as this should also be reviewed by local Jurisdiction leadership to make sure they meet our community strategy and priorities.

#### FAQs

##### Can I ask for donations from our suppliers, vendors or customers?

Speak to the Ethics and Compliance Team or the Community Investment Team before asking for any donations.

##### How can I find out more?

In the UK, if you have any questions about community volunteering, investment, sponsorship or donations you can call our Community Helpline on 01285 841 912. For more information you can also visit the Corporate Responsibility and Citizenship pages on Infonet.

In the US, you can find out more by reading the US Fundraising section of the Workplace Guidelines, which are available on the US Ethics and Compliance Infonet site. You can also find guidance on the types of fundraising we allow, as well as how you may advertise a fundraiser and get any approvals you may need. Company policies relating to charitable donations and sponsorships are available on the US Finance SharePoint hub. You can also contact the Corporate Citizenship Team on 315 428 6891.

##### What this guidance means to you

Getting involved with communities is the way we do business at National Grid. There are lots of ways in which you can make a difference – from volunteering your time and skills to fundraising.

## Human rights

Respect for human rights is incorporated into our employment practices and our values.

### Main points

We are all entitled to human rights which are inherent to all human beings and are non-discriminatory.

We are responsible for ensuring that our colleagues and those working on our behalf are able to work freely and receive fair pay in return.

Our HR policies and processes ensure that all direct employees are treated fairly and in a way that safeguards their human rights. We communicate these requirements to our suppliers via our Global Supplier Code of Conduct (GSCoC), which sets out the expectations of our suppliers in that they keep to all laws relating to their business, as well as adhering to the principles of the United Nations Global Compact, the Ethical Trading Initiative Base Code, the UK Modern Slavery Act 2015 and, in the UK, the requirements of the Living Wage Foundation.

### Do

- Raise any identified concerns (whether internal or in our supply chains) that contravene human rights, with your line manager and/or the Ethics and Compliance Team.

### Don't

- Ignore your instinct if you witness a situation that feels wrong.

### Dilemma

*I am working on a National Grid site with a contractor. Some of the contractor's employees seem unseasonably dressed, have incorrect or no safety equipment and appear to be restricted in the way they are allowed to engage with me.*

### What you should do

These three observations may be indicators of forced labour practices. Please discuss this with your manager and contact the Ethics and Compliance Team for guidance.

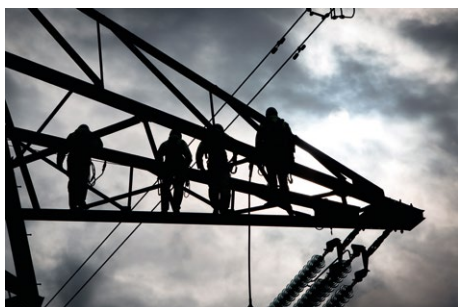
### FAQs

**I travel to the Far East as part of my role where working conditions are very different. Do these rules apply?**

Yes, they apply to anyone that we employ and throughout our supply chain.

### What this guidance means to you

At National Grid we are committed to maintaining a work environment and supply chain that recognises and upholds the importance of human rights.







# Conflicts of interest

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## Need advice?

UK internal helpline: **0800 328 7212**

US internal helpline: **1-888-867-6759**

UK email: **[business.conducthelp@nationalgrid.com](mailto:business.conducthelp@nationalgrid.com)**

US email: **[businessconduct@nationalgrid.com](mailto:businessconduct@nationalgrid.com)**

## General conflicts of interest

We must avoid situations where our personal interests could conflict with those of National Grid. A conflict of interest arises when our personal interests or activities affect our ability to perform our work or make unbiased decisions on behalf of National Grid.

### Main points

#### Financial interests

You must not allow your financial, employment or other interests – or those of your family or friends – to affect (or appear to affect) the decisions you make on our behalf.

This situation could come up if a family member or friend holds a responsible position in a company that does business with us, or if you own (or are promised a job with) a company that does business with us.

In both cases, our reputation is at risk because of that relationship. Even if you have no involvement in their dealings with us, if there appears to be a conflict, it could be very damaging.

It's always better to be safe than sorry, so as soon as you become aware of any potential conflicts of interest, tell your manager.

If you or a family member holds a financial interest in a company that does business with us, you must tell your manager straight away.



#### Outside directorships, second jobs and other outside activities

Many of our employees get involved in public duties outside of work, including belonging to charities or public organisations, Parent Teacher Associations and the governing body of their local school.

We're happy to encourage and support this participation, but only if there is no conflict of interest, or the appearance of one. If you're not sure whether your involvement would give rise to a conflict of interest, talk it through with your manager and explain what your commitments are likely to be.

You should also amend your Certificate of Compliance and Disclosure to reflect any potential conflicts of interest.

If you or your manager has any concerns, contact the Ethics and Compliance Team.

In the case of paid work or a directorship, you should always get prior written approval from your manager or supervisor. That approval will only be given if it's clear that the work or directorship:

- won't cause a real or apparent conflict of interest (such as taking on a second job with a competitor of ours)
- doesn't affect our obligations under any relevant laws (such as the Working Time Regulations in the UK)
- doesn't affect your ability to do your job, or conflict with your responsibilities as a National Grid employee
- won't involve you using company time, equipment or other resources to carry out your second job or directorship duties
- for the UK only, meets the terms and conditions set out in your contract of employment.

#### Workplace relationships

Relationships and friendships can have a big effect on daily business, and can sometimes have negative effects on other employees. Make sure you tell your manager about any relationship that could lead to a potential conflict of interest. If the relationship is between a manager and someone who reports to them, or when one party may be in a position to influence areas like pay, performance or commercial decisions, the senior person must tell their HR business partner, manager or the Ethics and Compliance Team. Also, you should never direct the work or supervise someone who is either a relative or close acquaintance of yours. Doing so could be perceived as favouritism.

#### Workplace pressures

At times we may feel under pressure to act in a way that's not in line with doing the right thing, just so we can meet our business objectives. If that happens, you should follow the guidance contained in this document, speak to your line manager, or contact Human Resources or the Ethics and Compliance Team. There are many ways you can report anonymously if you don't feel comfortable raising your concerns, otherwise.

#### Certificate of Compliance and Disclosure

All management employees (in the US) and managers (in the UK) must report any potential conflicts of interest on their annual Certificate of Compliance and Disclosure. When completing your certificate, you should err on the side of disclosure. It is important to remember that if during the year something changes (for example, you are appointed to a board or something similar), you will need to amend your Certificate.



## General conflicts of interest *continued*



### Do

- Always report any relationships that could result in a conflict of interest.

### Don't

- Hide personal interests (including outside financial interests) that could conflict with our interests. Transparency is the important factor – always admit actual and potential conflicts of interest, promptly and in full.
- Alter a business record or incident report to achieve a business objective. Competing pressures such as costs, time and management direction can make it difficult, but we shouldn't compromise our ethical standards. Purposely falsifying a record is considered fraud and will lead to serious disciplinary outcomes.
- Take a second job or a directorship without a manager or supervisor's approval.

### Dilemma

*The business unit I work in isn't performing very well. An employee recently had a lost-time incident and my manager asked me to record it as annual leave instead. I know that reporting the lost-time incident will affect our performance measures.*

### What you should do

Everyone is responsible for keeping accurate records and you should report the lost-time incident correctly. Your manager's request is inappropriate and has put you in a difficult position, so you should also contact Human Resources or the Ethics and Compliance Team for help and guidance. Never take a directive, regardless of who it is from, if you know that the decision is unethical. By putting yourself in that situation you could ultimately compromise your career, regardless of who you obtained the directive from.

### Dilemma

*My cousin is part-owner of a business that's bidding on a contract to provide services for National Grid, and I've been asked to get involved in the bid evaluation process.*

### What you should do

This situation could be perceived as an actual conflict of interest and you should disclose it to your manager immediately. It's likely that you will not be permitted to get involved (now or in the future) in any decisions related to your cousin's business. This relationship should also be disclosed on your Certificate of Compliance and Disclosure if you are required to complete one.

### FAQs

#### **What if one of my relatives or a close friend works for one of National Grid's suppliers?**

If you don't deal with the supplier at work, or have an influence on the procurement process, there's no need to tell your manager about this relationship. Otherwise, you must report it, even if you don't directly procure goods from the supplier.

#### **I was recently elected to public office. Will this create any conflicts of interest with my job at National Grid?**

Ideally you would have gained approval from your manager before standing for election. You should tell your manager about the commitment and make sure that:

- it doesn't conflict with your working hours at National Grid
- you don't use company resources for your duties in public office
- you don't use your position to look for favours for National Grid, or to grant any favours
- you don't get involved in any discussions relating to National Grid or provide any opinions – they could be seen as the opinion of National Grid, rather than your own.

#### **What this guidance means to you**

As an employee, you must report any financial, employment or other interests that could create a possible conflict of interest between you and National Grid.



## Price-sensitive information, insider trading and material non-public information

Information is 'price sensitive' when it's precise; not yet public knowledge; relates directly or indirectly to National Grid or its shares and securities; and, if it's disclosed, might lead to a significant movement (up or down) in the price of shares or other securities such as National Grid retail bonds.

It includes information that would have a substantial likelihood of affecting a reasonable investor's decision to buy, sell or hold National Grid's shares or other securities.

We have a policy in place to manage the disclosure of price-sensitive information. Also, it's a legal requirement that if you have access to price-sensitive information you must be named on a specific list that National Grid is required to maintain. This is called an Insider List and means you will be considered to be an Insider.

### Main points

It is illegal to unlawfully disclose price-sensitive information; this means if you require access to price-sensitive information in order to carry out your job, you must keep that information confidential. Also, you must not share the information with anyone else except where you are required to do so by law or as part of your employment.

If you have access to price-sensitive information, you will be considered an Insider. This means you must not deal in National Grid shares and securities without obtaining prior clearance in accordance with the company's Share Dealing Rules.

Even if you are granted clearance to deal, if you use price-sensitive information to influence your share dealing, this is called 'insider dealing', which is illegal. Insider dealing isn't limited to financial information. It also covers information about the activities and future prospects of any company listed on the stock market.

Just as you cannot use price-sensitive information to influence your share dealing, you must not recommend or induce anybody else to engage in insider dealing, as this is also illegal.

### Don't

- Make investment decisions (buying or selling shares or other listed securities) based on price-sensitive information. This rule applies whether you are doing this in person or through an intermediary.

You may also be responsible if you pass price-sensitive information on to a third party, who then uses it to buy or sell shares.

- Share price-sensitive information with anyone else except where you are required to do so by law or as part of your employment.

If you have access to price-sensitive information, you must make sure you are placed on an Insider List and that you do not deal in National Grid shares and securities without obtaining prior clearance. If you think you may have access to price-sensitive information and have not been informed you are an Insider or require more information on the company's Share Dealing Rules, please contact [insiders@nationalgrid.com](mailto:insiders@nationalgrid.com) immediately.

### Dilemma

*Recently I overheard two employees talking about the possibility of National Grid buying another company. I checked the market listings and found out the other company's share price is down because they haven't been performing well. If National Grid announces its plans to buy this company, the value of that company's stock will increase. I realise I can't invest in this company because I work for National Grid. However, my parents just sold their home and have a large sum of money they are looking to invest. Can I tell them that National Grid is thinking about buying this company and/or recommend that they make an investment?*

### What you should do

No. It's illegal to pass on price-sensitive information to others, even if you don't make any investments yourself. The laws on insider dealing contain severe civil and criminal penalties. You should never use price-sensitive information to make, or encourage others to make, investments in National Grid shares or other securities. This also applies to investments in other companies National Grid might be planning to buy or merge with.

### FAQs

#### What is 'price-sensitive information'?

Price-sensitive information is positive or negative information that is precise, not available to the general public, and could influence a reasonable investor to buy, sell or hold shares or other securities.

The term 'price-sensitive' applies to information about securities of any company listed on the stock market. In the UK it's also known as 'inside information' and in the US it's referred to as 'material non-public information'.

#### What are examples of potentially price-sensitive information?

- Exceptional events or facts in the annual or half-yearly financial results and interim management statements.
- Major business developments (such as substantial projects or regulatory developments).
- Dividend announcements.
- Major deals to buy or sell a business.
- Significant changes in our financial condition or business performance.
- Significant changes in expectations of our performance.
- People being appointed to, or leaving, our Board of Directors.
- Significant share dealings by directors.
- Major contracts awarded.
- Significant potential legal action.

#### What this guidance means to you

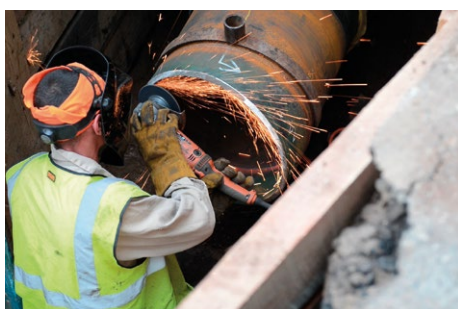
Never deal using price-sensitive information because that's insider dealing, which is illegal.

Be aware at all times – never disclose price-sensitive information to a third party because this could lead to insider dealing.

If you use or pass on price-sensitive information you could face disciplinary action and criminal proceedings.

## Relationships with third parties

Our relationships with vendors and suppliers are particularly vulnerable to real and apparent conflicts of interest, so we all need to be extra vigilant and exercise caution in our day to day business with them.



### Main points

Some of the most important relationships at work are with third-party vendors and suppliers. These relationships are particularly vulnerable to real and apparent conflicts of interest, so we all need to be extra vigilant and exercise caution in our day-to-day business with them.

The company has resources to help us manage business relationships like these. If you manage contracts and oversee contractors, you should make sure you are familiar with the terms of the contracts and understand the obligations or their role in contractor oversight where appropriate.

Suppliers, contractors and business partners of National Grid are held to the same standards of conduct as National Grid employees. This is described in the National Grid Global Supplier Code of Conduct.

For example, many of us deal with suppliers in our jobs. We need to be careful about even the appearance of a conflict of interest. You must not purchase goods or use the services of any contractor or supplier retained by National Grid for private purposes, except under the normal terms and conditions of that contractor or supplier (or under special arrangements negotiated by National Grid for the benefit of all employees).

If you buy goods or services on behalf of National Grid, you must disclose in writing to your manager any personal interests that might appear to reduce your ability to make objective procurement decisions.

All company employees are expected to comply with procurement policies that relate to identifying potential suppliers, bids, negotiations, contracts or sole source justifiers, managing orders and contractors, and payment of invoices. If you are involved in a procurement event, you must keep all bidding information confidential.

### Do

- Be transparent about personal interests or relationships that could lead to conflicts of interest or perceived conflicts of interest.

### Don't

- Allow your personal interests or relationships to compromise the impartiality of the decisions you make for National Grid.

### Dilemma

*A close friend owns a business that is bidding on a contract to provide services to National Grid. If she wins the bid she would be providing services to my department and I would be able to work with her each day. I would like to work with my friend and I also want her to succeed in her business. She asked me if I could obtain copies of bids submitted by other businesses bidding on the same contract. Can I give her this information?*

### What you should do

You should tell your manager about your relationship and the request your friend has made. Do not provide your friend, or any outside party, with information that would give them an unfair advantage when bidding on a contract.

### Dilemma

*A contractor that I work with has confided in me that he feels he is being harassed and bullied by a National Grid employee.*

### What you should do

Let him know that he can get in touch through any of the means National Grid has in place to report concerns. His concern will be investigated thoroughly and promptly. The company takes all concerns brought to its attention seriously.

### FAQs

**I have been made aware that one of our contractors is undertaking an activity that is potentially unlawful. What should I do with this information?**

You should immediately notify your manager about the contractor's activity, or you can contact the Ethics and Compliance Team. Our vendors and contractors are important business partners who must be held to the same standards of conduct, because our reputation is at stake.

### What this guidance means to you

We need to hold our contractors to the same ethical standards as our employees. If you are responsible for contractor oversight you should recognise the additional responsibilities that are expected of you. You should realise the importance of our relationships with suppliers, customers and other third parties, as well as how these relationships are areas where real or perceived conflicts could arise. You need to be extra vigilant and make sure you adhere to the relevant procurement policies.

## Useful contact numbers

### UK

#### Internal/Business Conduct Helpline

Freephone: **0800 328 7212**

Email: **[business.conducthelp@nationalgrid.com](mailto:business.conducthelp@nationalgrid.com)**

#### External/Focus Helpline

(24 hours a day, seven days a week)

Freephone: **0800 298 6231**

Email: **[report@seehearspeakup.co.uk](mailto:report@seehearspeakup.co.uk)**

#### Employee Assistance Helpline

Freephone: **0845 094 8107**

### US

#### Internal/Toll-Free Helpline

**1-888-867-6759**

Email: **[businessconduct@nationalgrid.com](mailto:businessconduct@nationalgrid.com)**

#### External/Alertline

(24 hours a day, seven days a week)

Toll-Free: **1-800-465-0121**

Email: **[www.nationalgridalertlineus.com](http://www.nationalgridalertlineus.com)**

#### Employee Assistance Helpline

Toll-Free: **1-800 833 8707**

### Consequences

This code of business conduct provides a source of guidance for you. It is not a contractual document and will be subject to amendments over time. All employees must comply with both the provisions of this code and the company's policies and procedures, breaches of which will be taken seriously and may result in disciplinary action up to and including dismissal. Please refer to your local disciplinary policy for further details.

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Energy  
to Life**

