



Annex A16.03

Environmental BMS

December 2019

As a part of the NGGT Business Plan Submission

Note that this BMS is a static version taken for our RIIO-2 proposal supporting information and is currently in the process of being updated to reflect company targets post 2020 and relating to our net zero ambition.

Environmental Sustainability



Why is this important?

National Grid takes its responsibilities for environmental sustainability very seriously. We will, as a minimum, meet our legal and customer obligations. However, National Grid aspires to world-class performance. This standard describes what our businesses and people must do to build the foundation to deliver that.

Our purpose is to bring energy to life by delivering energy to our customers' homes and businesses, safely and securely. But how we do it is just as important. We want to operate in an environmentally sustainable way because we know that's the right thing to do – for society, the environment and our business.

Our sustainability strategy goes hand in hand with our ISO14001:2015-certified environmental management systems (EMS).

These help us deliver our values of 'Doing the right thing' and 'Finding a better way'. Our EMS require the development of continual improvement targets and the publishing of an Environmental Policy. This standard incorporates those requirements as well as the Group-level sustainability targets. This standard sets out what needs to be achieved as each of our Group-level targets has primary or interim targets set for 2020.

Scope

This standard establishes minimum environmental compliance and environmental sustainability performance requirements for all operational and non-operational activities to be delivered by our leadership teams; it also sets out our expectations for those working on our behalf.

National Grid will continue to comply with our Regulatory requirements. The business will continue to maintain its ISO14001 certification as a minimum standard of demonstration of compliance and continual improvement.

The business will continue to work towards the Group-level sustainability strategy targets:

- reuse or recycle all of our recovered assets by 2020
- divert 100% of our office waste from landfill by 2020 at our selected sites in the UK and US
- reduce greenhouse gas (GHG) emissions by 45% by 2020, 70% by 2030 and 80% by 2050.

Core principles

National Grid follows the widely recognised good practice of 'Plan-Do-Check-Act' to manage environmental sustainability. Our overall approach is to identify and understand our key risks. We will then develop strategies and plans that systematically eliminate, reduce, isolate or control those key risks. This will be achieved by implementing and maintaining good management systems, by engaging all of our people, and by sharing and embedding improvement plans and good practices.

We believe that everyone is responsible for good environmental performance and embedding sustainable business practices. In particular:

- the Board has overall responsibility for the EMS
- management provides visible leadership that promotes environmental sustainability and commits the appropriate resources to achieve our goal

We are all responsible for ensuring our actions and behaviours prevent harm, seek to enhance the environment and drive sustainable practices. The following topics provide a framework to help us set goals to promote continual improvements in environmental performance.

1. Risk assess
2. Seek opportunities
3. Training, skills and resources
4. Work with governments, regulators and stakeholders
5. Those who work on our behalf
6. Review our progress

1. Risk Assess

We continually strive to 'Do the right thing' by identifying and assessing our environmental risks. We develop strategies, plans and initiatives to mitigate them. Therefore, each National Grid business and the Environment team shall...

Ref	Performance requirement
1.1	Set annual environmental performance targets based on risk and our sustainability strategy.
1.2	Plan environmental improvement by developing an annual environmental improvement plan.
1.3	Identify ways to reduce the impact of climate change by implementing mitigation and adaptation measures.
1.4	Ensure our assets on our land have been risk assessed, ensuring we are adequately protecting sensitive areas.
1.5	Actively manage the risks associated with sites where we have responsibility for dealing with contamination associated with past operation.
1.6	Provide all information as requested by the Safety, Health and Sustainability team to support any audit needs.

2. Seek Opportunities

We 'Find a better way' and seek opportunities to have a positive environmental impact. Therefore, at National Grid we shall...

Ref	Performance requirement
2.1	Consider environmental sustainability in each relevant business decision, establishing objectives for planning, investment, procurement and operations.
2.2	Ensure all major investment decisions include a carbon assessment consistent with the carbon pricing policy.
2.3	Ensure prevention of pollution is a key consideration in the design of all of our assets.
2.4	Identify where there are opportunities to use alternatives to hazardous materials.
2.5	Ensure all applicable (as per the Capital Delivery Sustainability rating system) procurement decisions include environmental sustainability considerations.
2.6	Use resources more efficiently through good design, using sustainable materials.
2.7	Ensure our operations that have an impact on natural habitats are conducted in a manner to protect biodiversity, and seek ways to enhance the natural value of the area for the benefit of local communities and/or the environment.
2.8	Reduce waste produced by refurbishing existing assets, recovering assets and waste, (where possible) and recycling.

3. Training, Skills and Resources

Ensure all our employees have the training, skills, knowledge and resources necessary to meet our environmental commitments. Therefore, at National Grid we shall...

Ref	Performance requirement
3.1	Ensure all our employees have the training, skills, knowledge and resources necessary to meet our environmental commitments.

4. Work with Governments, Regulators and Stakeholders

We will work with governments and regulators to help them develop and deliver more effective environmental policies and targets. Therefore, each National Grid business and the Environment team shall...

Ref	Performance requirement
4.1	Ensure any environmental discussions and feedback sessions with regulators are conducted in line with the Stakeholder Engagement standard and the Corporate Affairs standard.

5. Those Who Work on Our Behalf

We expect those who work on our behalf to demonstrate the same commitment to the environment as we do. Therefore, at National Grid we shall...

Ref	Performance requirement
5.1	Set environmental expectations through the Supplier Code of Conduct.

6. Review Our Progress

We continually review our progress against our own targets and feedback from our stakeholders, and challenge our performance against our contemporaries. Therefore, each National Grid business shall...

Ref	Performance requirement
6.1	Report on our environmental compliance and sustainability performance to all of our stakeholders.
6.2	Report and share progress against environmental improvement plans and metrics through the SHE Governance process and ISO 14001 Management Review.
6.3	Implement actions that continuously update and maintain environmental improvement plans, metrics and targets as per the ISO 14001 review cycle and the expectations of National Grid change.

Owner

Head of Safety, Health and Sustainability

Who must comply

All National Grid businesses.

