

Our Framework for Responsible Business

June 2010

trust |trəst| noun

1 firm belief in the reliability, truth, ability, or strength of someone or something
have to be built on trust | *they have been able to win the trust of the voters*

- acceptance of the truth of a statement without evidence or primary sources
- the state of being responsible for someone or something
- a hope or expectation for which one has responsibility
- placed in a person by making that person responsible for the benefit of one or more other people
- property is held in trust for someone

Our Framework for Responsible Business



“We, at National Grid, will be the foremost international electricity and gas company, delivering unparalleled safety, reliability and efficiency, vital to the wellbeing of our customers and communities.

We are committed to being an innovative leader in energy management and to safeguarding our global environment for future generations.”

Our Framework for Responsible Business outlines how we will achieve these aims by managing our business in a responsible way. It explains how we take account of environmental, economic and societal issues when we make our business decisions. Our Standards of Ethical Business Conduct, global policies and public position statements support the framework.

We intend to play a central role in tackling the challenges of energy security, climate change, and making energy affordable.

We will face these challenges by employing the right people and by striving to use best practices across our company.

We will work with government and regulators to develop international and national energy policies, legislation and regulation. We will also work with national and local government, regulators, investors, customers and society to try to make energy more secure, affordable and environmentally sound.

We are committed to playing our

part in reducing the amount of greenhouse gases released by society. We also recognise we need to make sure our networks are resilient to the possible effects of climate change and are able to accommodate society’s increasing demand for renewable energy.

We want National Grid to be a company where people want to work and where they can develop to their full potential. We will support our employees with the right training, knowledge and resources. We will trust them to use their skills and expertise

to do their jobs well. We will always make sure the safety and wellbeing of our employees, contract partners and the public are at the centre of everything we do.

We are a long-term business and these are long-term commitments. We have a duty to deliver value to our shareholders and they too are essential to our long-term commercial success. This allows us to invest in the future to further benefit our customers, shareholders, employees, the environment and society as

a whole, ensuring we have a successful and sustainable future.

We believe it is not acceptable to make a profit regardless of the effects this may have on the environment, society, our customers or our employees. Our reputation depends on our stakeholders being able to trust us and be confident in us. We will only retain our right to operate by working to the highest standards, by trusting our employees to do the right thing and by running our company responsibly and sustainably.



Sir John Parker
Chairman



Steve Holliday
Chief Executive

Our commitments



“We continually look to improve our performance and reputation as a responsible and sustainable company. To do this, we must make sure that we are open and honest with all our stakeholders.”

Doing the right thing

We take pride in working safely, reliably and efficiently and we are proud that we do this in a professional and ethical way. We take our responsibilities to our employees, our customers and other people with an interest in our business seriously, and make every effort to work to the highest standards.

We continually look to improve our performance and reputation as a responsible and sustainable company. To do this, we must

make sure we are open and honest with all our stakeholders.

We aim to create a working environment where our employees and business partners will do the right thing and speak out about any concerns they have about actions or decisions they think are wrong.

We have set out the ethical standards we will keep to in our Standards of Ethical Business Conduct.

Making safety and wellbeing central to the way we work

We recognise that our operations potentially give rise to risk. We will work hard to eliminate or minimise those risks and we believe by doing so we can prevent all injuries and harm to our employees, our business partners and members of the public. We further believe that everyone in National Grid, collectively and individually, has a part to play to achieve that.

If something does go wrong, we will investigate this to make

sure we learn from it, and share what we find to prevent it from happening again.

We believe we can only achieve unparalleled safety performance when individuals are as free as possible from distractions caused by both physical and emotional harm. So for us, success is more than just avoiding injuries and harm - it also includes improving the wellbeing of individuals. We will actively encourage our employees to make a positive impact on their wellbeing and the wellbeing of those around them.

Our commitment to working in a safe and healthy workplace is set out in our Safety and Wellbeing Policy and our Process Safety Commitment Statement.

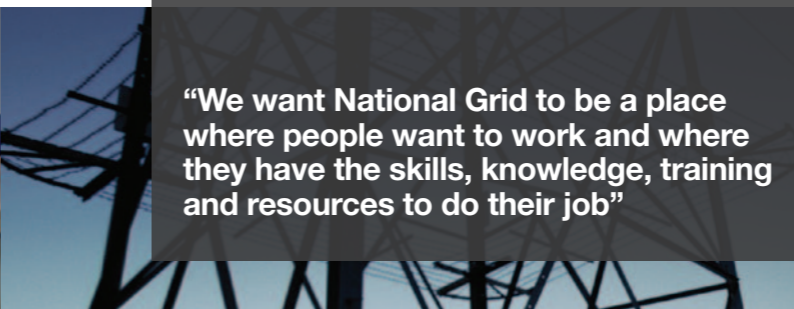
Safeguarding the environment for future generations

Protecting the environment is extremely important to us and is a significant part of our reputation as a responsible business.

Investing in and running safe and reliable electricity and gas infrastructure means we use

energy and raw materials, and produce waste. The effect we have on the environment and the communities we serve depends on how we, together with our supply chain, work. Our goal is to reduce any impact we may have and look for ways to improve the environment.

In particular, we believe that we must lead the way in tackling climate change and supporting society in reducing the amount of greenhouse gas it releases into the environment. We will do this by helping to change the way energy



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markets work and by helping our customers use energy responsibly and efficiently. We will make sure we are a sustainable, low carbon business.

How we manage the environmental impacts of our business is set out in our Environment Policy.

Building strong partnerships

We will treat our customers fairly and deliver a safe, reliable and efficient service.

We will communicate clearly, listen to feedback and make it as easy as possible for people to deal with us. We will also help our customers with their energy needs and make sure they know how to use electricity and gas safely, responsibly and efficiently.

Operating in a safe, reliable and efficient way and focusing on customer service are important to our relationship with our regulators, as it builds trust. We will provide high-quality information and keep to rules and regulations. We will

work in an ethical way and, most importantly, deliver our promises to provide efficient, reliable and affordable energy.

We will work with our business partners and suppliers, developing good relationships and working together effectively.

Valuing an inclusive, diverse and talented workforce

We will create an inclusive workplace and treat all our employees fairly and with respect.

We will also make sure our employees have the chance to develop to their full potential, regardless of race, gender, nationality, age, disability, sexual orientation, gender identity, religion and background.

We want National Grid to be a place where people want to work and where they have the skills, knowledge, training and resources to do their job. We will also trust them to use their skills and expertise to make the right decisions. We are committed to

making sure the environment within which we work encourages our employees to develop their skills and grow as individuals. We will also make sure people’s efforts are recognised and rewarded.

We have a duty to provide a working environment free of harassment, bullying and unfair discrimination. Our Global Inclusion Charter and Human Resources Policy show how we will do this.

Respecting human rights

We will respect the rights of individuals and communities, and give them and other stakeholders the chance to get involved in decisions that affect them.

We support the United Nations Global Compact (UNGC), which is a United Nations initiative to encourage businesses around the world to have responsible policies and report on how they work. As part of the UNGC, we will support and respect human rights. We expect our business partners,

“We want to be welcomed and seen as a valued partner in the communities we serve”



contractors and suppliers to show a similar commitment.

We set out how we will effectively manage our business and keep to the principles of human rights in our Public Position Statement on Human Rights.

Working with communities

Developing and investing in electricity and gas networks can affect the communities the networks pass through. How we manage our relationships and work together with these communities

and other stakeholders is very important to us.

Society faces some difficult choices in reshaping energy networks to reduce the amount of greenhouse gases it produces. We will work with stakeholders and communities and we are committed to involving them in our decisions by listening and taking into account their views and opinions when we plan and carry out our work.

The way we work with the community in the UK is set out in our Stakeholder, Community and

Amenity Policy. We use a similar stakeholder management and community outreach process in the US.

We want to be welcomed and seen as a valued partner in the communities we serve. We will prioritise our community investment in areas where we have a business interest as well as knowledge and expertise to share.

As a business based on science and engineering, we support science, technology, engineering

and mathematics subjects, helping to deal with the skills gap in this area using education programmes and resources designed to inspire and motivate young people. This will benefit us by creating a group of talented potential future employees.

We will also inspire and encourage our employees to volunteer to support relevant projects in their local communities.

The way we invest in the community is set out in our Community Impact Framework.

Who does our Framework for Responsible Business apply to?

Throughout this document, ‘we’ means all of us at National Grid. Our Framework for Responsible Business applies to all employees, executive and non-executive directors and other corporate officers. We will encourage associate companies and joint ventures to use the framework. We will work with our business partners and suppliers to make sure they use business principles and policies consistent with our

framework throughout their supply chain and make sure that they are also working responsibly and sustainably.

Reporting our progress

Our corporate responsibility report, Operating Responsibly, explains our policies, performance and achievements on a wide range of economic, environmental, employee and social issues. You can find this at www.nationalgrid.com/responsibility.



“We will work with our business partners and suppliers, developing good relationships and working together effectively.”

If you have any questions or would like more information about our approach to corporate responsibility, our Framework for Responsible Business or our performance, we would like you to contact us. We would also like your suggestions for improving our online corporate responsibility report.

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trust |trəst| noun

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