

Public Position Statement

Human Rights

1. Objective

1.1 This statement describes how we, National Grid, will respect the rights of individuals and communities while managing and carry out our work. We explain how we and our employees are responsible for respecting human rights and how we will implement and monitor our activities and performance in this area.

2. Scope

2.1 We will make sure that we and our subsidiary companies (companies in which we hold or control a majority of the voting rights or the right to appoint or remove a majority of the directors), keep to this statement when carrying out work and when assessing and developing new business opportunities. We will also encourage our associate companies (companies in which we own between a 20% and 50% share) and joint ventures (a separate company we set up with partners and have shares in), to keep to the principles we describe in this statement.

2.2 Human rights are the basic rights and freedoms that everyone should have. These include a person's right to:

- not be discriminated against;
- work in a clean, healthy, safe and secure environment;
- fair working conditions; and
- freedom from the effect of bribery and corruption.

2.3 The following international standards and guidelines are relevant to this statement.

- United Nations (UN) Universal Declaration of Human Rights
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- International Labor Organization (ILO) Core Conventions on Labour Standards
- UN Global Compact

3 How we manage human rights

3.1 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. We will only keep our right to operate if we work to the highest standards and run our company responsibly.

3.2 This statement explains how we will respect the rights of individuals and communities and give them, and others that have an interest in our business, the chance to get involved in making decisions that affect them. We expect our business partners, contractors and suppliers to show that they are also committed to respecting people's human rights.

Approved by National Grid Board: 2003

Updated: Jul 05, Dec 05, Oct 06, Sep 07, Nov 08, Nov 09, Sep 10 and Sept 11

Next review: Sep 12

Page 3 of 3

- 3.3 We believe that all of our employees are responsible for respecting human rights. In particular, we believe that:
- our Board is responsible for making sure that considering people's human rights is central to the way we manage and carry out our work and develop new business opportunities;
 - our managers and supervisors are responsible for promoting human rights and leading by example; and
 - we are all responsible for working to the highest standards and making sure that through our day-to-day actions and behaviour, we respect people's human rights.
- 3.4 We are members of the United Nations (UN) Global Compact. We support the principles of the Universal Declaration of Human Rights, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the International Labor Organization (ILO) Core Conventions on Labour Standards.
- 3.5 Through our policies and procedures, we aim to make sure that we do not encourage, help or contribute in any way to anything that would go against an individual's human rights. We also aim to make sure that we:
- conform to or go beyond international and national legal obligations with respect to human rights;
 - do not offer, promise, give, accept, overlook, or knowingly benefit from or demand a bribe or other improper action;
 - take part in political elections or events in an unbiased and responsible way, to make sure our opinion is heard fairly on matters that are important to our stakeholders;
 - support our employees who, in a personal capacity, are taking part in a political process and make sure they know that they do not have to support any political party or candidate;
 - provide equality of opportunity and treatment to eliminate discrimination;
 - have a work environment where nobody is harassed, intimidated or bullied;
 - provide a safe, healthy and secure working environment for our employees and protect the safety of anyone who is affected by our work;
 - recognise the skills our employees have and the contribution they make by providing good working conditions, reasonable job security and fair pay and benefits;
 - respect the rights of our employees to join trade unions;
 - 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;
 - carry out assessments of new business opportunities to see if they have any possible positive and negative effects;
 - respect the cultures, customs and values of the communities we work in, and make sure we involve them in our decisions by listening to and taking account of their views and opinions when we plan and carry out our work;
 - give our employees appropriate training on human rights;
 - work with partners, contractors and suppliers that respect human rights; and
 - manage any human rights issues in line with our Framework for Responsible Business.

4 Related policies and documents

- 4.1 The following National Grid policies and documents relate to human rights.
- Framework for Responsible Business
 - Core Values
 - Standards of Ethical Business Conduct
 - All of our policies, public position statements and vision statements.

5 Key Contacts

- 5.1 Our Corporate Affairs Director is responsible for monitoring and reviewing this statement. If you have questions about the statement or how to keep to the principles set out in it, you should speak to the Head of Corporate Responsibility.

6 Monitoring and Compliance

- 6.1 For each related policy and document, we have a key contact that will be responsible for making sure we keep to the principles set out in section 3. The Corporate Affairs Director will monitor and review this statement annually and will regularly report on how we are keeping to it.
- 6.2 Our Board and its Risk and Responsibility Committee will be informed of any changes that are needed to make sure this statement stays effective.
- 6.3 Each of our subsidiary companies will make sure that they tell the Corporate Affairs Director about any human rights issues as they happen, and where human rights issues occur, they will report on their performance each year. We will encourage our associate companies and joint ventures to respect people's human rights, put procedures in place to make sure this happens, and to report on their performance every year.