

Our Framework for Responsible Business

Our Framework for Responsible Business defines the principles by which we manage the business, sets the context for corporate governance, and helps us take account of economic, environmental and social factors in our decisions.

Our Framework is based on three business goals, which comprise a number of underlying values:

- Sustainable Growth.
- Profits with Responsibility.
- Investing in the Future.

Sustainable Growth

We are constantly looking to expand and grow our business by transferring our skills to new markets. Growth needs to be sustainable if we are to bring long-term value both to our shareholders and to others.

So we must:

- Contribute to the economic growth of the countries in which we operate through the way in which we manage and invest in our business.
- Act with honesty and integrity as we undertake and develop our business.
- Protect the future of our business by proactively managing existing and future non-financial and environmental risks.
- Value our employees through inclusion.
- Employ the right number of people with the right skills for the work we have to do.

- Treat our employees fairly.
- Act in accordance with all laws and regulations.
- Respect human rights.

Profits with Responsibility

For our business to be sustainable, we must be profitable. However, increasing our profitability at any cost is neither sustainable nor acceptable. We therefore have to be responsible in the way in which we generate our profits.

So we must:

- Improve our efficiency without compromising the reliability and integrity of our operations.
- Maintain a sound system of internal financial control.
- Be efficient in our use of natural resources.
- Keep our waste to a minimum and increase the economic value of any waste we produce.
- Help protect the environment for future generations, including making our contribution to minimising climate change.
- Safeguard each other and those who work with us by operating an injury-free and healthy workplace and protect the safety of the public through the integrity of our operations.
- Help our employees balance work with their other commitments.

- Respect our customers and suppliers by conducting our business in a professional manner.
- Be open and constructive in the dialogue we have with our stakeholders.

Investing in the Future

As a responsible business, our commercial success enables us to invest in the future in a way that benefits our shareholders, our employees, the environment and society. This investment is a reflection of our desire to be a long-term business.

So we:

- Seek to deliver progressively increasing returns for our shareholders.
- Enable others to contribute to economic growth by providing high-quality dependable services.
- Improve, where we can, the environmental status of the land on which we operate.
- Contribute to the development of new laws and initiatives aimed at improving the environment and the quality of life.
- Develop our employees so that they can add value to the company, to themselves and to society.
- Recognise and reward our employees for the contribution they make.
- Encourage and support investment in the community through both the activities of our employees and our financial contributions, with an emphasis on developing partnerships.

Our Framework for Responsible Business was developed in 2002 with the help of more than 4,000 stakeholders from a variety of backgrounds in the UK and the US including employees, government, pressure groups, media, institutional investors, customers and regulators. It was approved by the National Grid Board in October 2002 and applies to all of our operations.

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