

A Statement on National Grid's associated monitoring, management approval and assurance of political activity

Introduction

National Grid takes the associated monitoring, management approval and assurance of political activity seriously. Our Board is ultimately responsible and accountable for the company's political activities and we have a framework in place to support this. Moreover, we are committed to keeping these arrangements continually under review to ensure we live our values and remain at the cutting edge of best practice.

Our framework – the role of the Board

Our Board is responsible for our overall governance framework. As highlighted elsewhere on our transparency website, the Board has clear process in place via the National Grid Audit Committee to manage any emerging risks in this area. The Board sets the tone in terms of our standards, values and expectations and a clear set of associated policies and procedures are also in place, as set out in this statement. The Board also reports on political activities in our Annual Report and we are committed to maintaining transparency across these activities. Clear provisions exist and are published on this website that prohibit National Grid from making political contributions (either directly or through a third party.)

Our Governance structure – what else is in place?

We have a range of standards and policies relating to lobbying and political activity that are set out on our transparency website that enable us to manage, monitor and provide assurance in this critical area. We have high standards for our people and for those who seek to work on our behalf and we apply these consistently in all our territories.

Our monitoring and assurance process includes the following:

- All relevant Board commitments are further delegated to our Regional Executive Committees who manage these issues on a day to day basis, escalating through the Audit Committee as appropriate.
- A clear company code of conduct, anti-fraud and bribery, doing the right thing policies that apply consistently across all our territories and jurisdictions.
- A Stakeholder BMS standard that is approved by the Group Executive Committee, a formal Subcommittee of the Board. This encompasses many of the codes and obligations listed above and defines our requirements for successful external stakeholder engagement.
- Mandatory training and regular assessments on all the policies listed above for all our staff, in all job roles, applied consistently across all our territories and jurisdictions.
- All breaches of our standards are thoroughly investigated and disciplinary action up to and including dismissal is a potential consequence.
- Clear statements (also on this website) as to what is expected from lobby firms and a clear process that sets out that new firms can only be appointed/ member organisations joined,

following approval from the relevant National Grid Director of Corporate Affairs. This policy also sets out what needs to happen if concerns arise that a lobby organisation no longer complies with our policies and procedures.

- We make visible and keep up to date statements on relevant political activity and maintain registers of secondments to and from the public sectors and a broader “revolving door,” policy.

More detailed provisions are in place to support our monitoring, management approval and assurance of political activities at a local level, consistent with this overarching statement.

Our Commitment on monitoring, management approval and assurance of political activity

We recognise that this is a vital aspect of the control environment. We are committed to fully enforcing our policies and procedures consistently across our territories and to continually finding ways to further develop our framework consistent with best practice.