Green Financing Framework

nationalgrid

November 2019

About National Grid – who we are[1]

National Grid plc is one of the largest investor-owned utilities focused on transmission and distribution of electricity and gas in the UK and US. With over 22,000 employees worldwide, it plays a vital role in connecting millions of people to the energy they use, safely, reliably and efficiently.

1 National Grid Annual Report and Accounts 2018/19, p.2-7, https://investors.nationalgrid.com/~/media/Files/N/National-Grid-IR-V2/reports/2018-19/ng-annual-report-and-accounts-2018-19.pdf

UK Regulated Business

UK Electricity Transmission

National Grid owns the high-voltage transmission network in England and Wales, and also operates, but does not own, the Scottish networks. We are responsible for ensuring that electricity is transported safely and efficiently, as well as connecting sources of electricity generation to the network and transport it onwards to the distribution system, so electricity can reach homes and businesses. We rely on a network of 4,481 miles (7,212 kilometres)[2] of overhead lines and 1,417 miles (2,280 kilometres)[3] of underground cable to carry out the transmission of electricity in the UK.

The energy system in Britain is transitioning to a net zero carbon future by 2050 with new, smaller, and more diverse parties entering the market. Our unique position operating the National Electricity Transmission System gives us the perspective and reach to play a pivotal role in enabling this transformation.[4]

Electricity System Operator (ESO)

The ESO has operated as a separate company within National Grid since 1 April 2019. It is responsible for making sure supply and demand of electricity is balanced in real time across Great Britain.

UK Gas Transmission

National Grid owns and operates the high-pressure gas transmission network in Great Britain. We are responsible for making sure Great Britain's gas is transported safely and efficiently from where it is produced to where it is consumed, across 4,760 miles (7,660 kilometres)[5] of high-pressure pipe network. As the Gas System Operator we are also responsible for ensuring that supply and demand are balanced in real time on a day-to-day basis.

The UK Gas Transmission business is not part of the scope of this Framework.

US Regulated Business

Electricity

National Grid owns and operates transmission facilities across upstate New York, Massachusetts, New Hampshire, Rhode Island and Vermont, along with electricity distribution networks in upstate New York, Massachusetts and Rhode Island that serves approximately 3.4 million customers[6]. We operate a network of 8,881 miles (14,293 kilometres)[7] of overhead lines.

Gas

National Grid owns and operates gas distribution networks across the north-eastern US (New York, Massachusetts, Rhode Island). We deliver gas to approximately 3.6 million customers[8], and are responsible for connecting millions of customers to the energy they use through our 35,560 miles (57,228 kilometres)[9] of gas pipelines.

The US Gas business is not part of the scope of this Framework.

National Grid Ventures and other activities

National Grid Ventures (NGV) develops, operates and invests in innovative energy projects, technologies, and partnerships to help accelerate the development of a clean energy future for consumers[10]. This diverse portfolio of energy businesses that is adjacent to our core regulated operations represents our main strategic growth area outside our regulated core in competitive markets across the US and the UK.

National Grid Ventures helps bring low carbon power to consumers through a portfolio of interconnectors, energy metering operations, and a liquefied natural gas (LNG) storage facility in the UK. We have a growing portfolio of renewable energy interests in the United States including battery storage, solar power and offshore wind development partnerships[11]. In July 2019, we also completed the acquisition of Geronimo Energy, a wind and solar energy project developer with a strong track record of being farmer-friendly, community-driven and customer focused[12].

Moreover, in November 2018, we established National Grid Partners with a focus on investment and future activities in emerging growth areas.

2 As at 31 March 2019
3 As at 31 March 2019
4 National Grid ESO website, « About us » page, https://www.nationalgrideso.com/about-us
5 As at 31 March 2019
6 National Grid's US operations website, "About us" page, https://www.nationalgrid.com/group/about-us/what-we-do/us-principal-operations
7 As at 31 March 2019
8 National Grid's US operations website, "About us" page, https://www.nationalgrid.com/group/about-us/what-we-do/us-principal-operations
9 As at 31 March 2019
10 NGV's website, "About Us" page, https://www.nationalgrid.com/group/about-us/what-we-do/national-grid-ventures
11 NGV's website, "About Us" page, https://www.nationalgrid.com/group/about-us/what-we-do/national-grid-ventures
12 National Grid's website, « National Grid completes acquisition of Geronimo Energy » https://www.nationalgrid.com/national-grid-completes-acquisition-geronimo-energy

Decarbonisation represents a major challenge for the energy industry; addressing it is an essential part of creating the sustainable future that we aspire to.

An industry in transition

The energy industry is experiencing unprecedented change, shaped by four key themes: **affordability, decarbonisation, decentralisation and digitisation**[13].

Affordability

As the energy industry transitions to a decarbonised, decentralised, and digital future, new investment will be required to maintain the reliability customers expect. We have a role to play in helping them reduce their energy usage, cut total energy costs, and reduce their carbon footprint.

Decarbonisation

Decarbonisation represents a major challenge for the energy industry; addressing it is an essential part of creating the sustainable future that we aspire to. Progress is being made. In the UK, almost a third of electricity was generated by renewables in 2018 Q3[14], and the carbon intensity of British electricity reached 248g Co_2/kWh in 2018, from 529g Co_2/kWh in 2013. 2019 will be the first year in history when more electricity generation will come from zero carbon sources than fossil fuels. As a major player within the industry it is clear that we can play a fundamental role in the transition towards a low-carbon economy.

Decentralisation

The energy system is in transition from high to low carbon. This change coincides with a shift to more decentralised generation, from renewables to renewables paired with emerging battery storage. As the volume of this intermittent and distributed generation increases, a more resilient and flexible system will be required; one that makes best use of available energy resources to meet consumers' needs in a balanced, efficient and economical way.

Digitalisation

Businesses and lives are being transformed by innovations such as artificial intelligence and virtual reality. The energy landscape has seen several changes as companies look to create new business models and reduce energy prices through digital technologies. Technology commercialisation, consumer demand and regulatory stimulus will continue to drive these trends.

Helping society to decarbonise is the biggest contribution we can make to the environment. As an infrastructure business, our day-to-day activities result in greenhouse gas (GHG) emissions. We see the value in operating in an environmentally and socially responsible way. Responsible business and environmental benefit go hand-in-hand. By embedding responsibility into our business strategy and using societal impact as a lens to guide the way we do business, we are doing well while doing good, and future-proofing our organisation within a changing environmental and social landscape.

13 National Grid Annual Report and Accounts 2018/19, https://investors.nationalgrid.com/~/media/Files/N/National-Grid-IR-V2/reports/2018-19/ng-annual-report-and-accounts-2018-19.pdf

14 Department for Business, Energy & Industrial Strategy, UK Energy Statistics, Q3,2018, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766776/Press_Notice_December_2018.pdf

National Grid's Sustainability Commitment

Operating our business with responsibility at the heart of what we do is shaping our thinking and decision-making. It is helping us find better ways to do business; more efficiently, whilst reducing environmental impact, and building strong relationships with our local communities and stakeholders.

We believe the way we affect the economy, environment, people, and wider society is an important lens through which to measure our overall performance. We have made good progress in embedding our responsible business principles to drive and create positive social impact, and incorporating Environmental, Social and Governance (ESG) criteria, in our decision-making. In doing so, we aim to ensure that the communities in which the Company operates in thrive by being economically, socially and environmentally strong, with the benefits of the clean energy transition enjoyed by all, with no communities left behind.

a) Our Contribution

National Grid has been a leader in our sector in defining our ESG commitments. Our Environmental Sustainability Strategy, "Our Contribution"[15], was originally developed in 2012 with a wide range of internal and external stakeholders.

Our Contribution focuses on three main areas: **climate change, responsible resource use, and caring for the natural environment.**

The objectives can be summarised in three commitments, namely:

- Reducing our carbon footprint;
- Maximising the value of resources through re-use and recycling, so we can reduce our impact on the environment; and
- Using our land holdings in ways that benefit not just our business, but also the environment and the communities in which we live and work.

ESG External Performance

External recognition of National Grid's sustainability performance has increased in recent years distinguishing our strong performance in this area.

In 2018, we retained our position on CDP's Climate Change 'A list' for a 3rd consecutive year; we are one of 11 companies in the UK to be included on the A list, out of nearly 7,000 submissions.

CDP DISCLOSURE INSIGHT ACTION A LIST 2018 CLIMATE CHANGE

In 2019 we ranked as the 8th highest constituent of the FTSE by EcoAct, recognising our approach to tackling climate-related sustainability issues and disclosing progress.

ecoact

We are a longstanding constituent of the FTSE4Good Index Series, which is designed to measure the performance of companies demonstrating strong (ESG) practices.

FTSE4Good

We were awarded the BITC Environmental Leadership Award in 2017 for our approach to reducing the carbon impact of our construction projects. We challenge our suppliers to support us in this approach by making carbon reduction a part of the competitive tender process for our major projects. In 2018 we also achieved a Supplier Engagement Rating of 'A' for working to promote environmental sustainability across our supply chain.

RESPONSIBLE BUSINESS OF THE YEAR 2014 BUSINESS IN THE COMMUNITY

15 Our Contribution, National Grid's Environmental Sustainability Strategy, https://www.nationalgrid.com/sites/default/files/documents/OurContribution_PDF_Brochure.pdf

b) UN Sustainable Development Goals

National Grid is a signatory to the United Nation's Global Compact, which has a strategy to drive business awareness and action in support of achieving the Sustainable Development Goals (SDGs) by 2030. These goals promote prosperity while protecting the planet.

All 17 goals are important, and there are eight (see below) that are particularly linked to our three responsible business focus areas: Enabling the transition to a decarbonised energy system, our people, and the communities we serve.[16]

Decarbonised energy system

Alignment to SDGs

- 7 AFFORDABLE AND CLEAN ENERGY — Ensure access to affordable, reliable, sustainable and modern energy for all
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Ensure sustainable consumption and production patterns
- 13 CLIMATE ACTION — Take urgent action to combat climate change and its impacts
- 15 LIFE ON LAND — Sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss

People

Alignment to SDGs

- 3 GOOD HEALTH AND WELL-BEING — Ensure healthy lives and promote well-being for all at all ages
- 4 QUALITY EDUCATION — Ensure inclusive and quality education for all and promote lifelong learning
- 5 GENDER EQUALITY — Achieve gender equality and empower all women and girls
- 8 DECENT WORK AND ECONOMIC GROWTH — Promote inclusive and sustainable economic growth, employment and decent work for all

Communities

Alignment to SDGs

- 3 GOOD HEALTH AND WELL-BEING — Ensure healthy lives and promote well-being for all at all ages
- 4 QUALITY EDUCATION — Ensure inclusive and quality education for all and promote lifelong learning
- 7 AFFORDABLE AND CLEAN ENERGY — Ensure access to affordable, reliable, sustainable and modern energy for all

16 National Grid Annual Report and Accounts 2018/19, p.40-44, https://investors.nationalgrid.com/~/media/Files/N/National-Grid-IR-V2/reports/2018-19/ng-annual-report-and-accounts-2018-19.pdf

Environmental Contribution Targets[17]

Net zero

Greenhouse gas emissions by 2050

Our climate commitment (GHG emission)

By 2050, National Grid aims to reduce its own (Scope 1 and 2) greenhouse gas emissions to Net Zero across the entire group.

As of May 2019, we had achieved a 68% reduction in Scope 1 and Scope 2 GHG emissions from its 1990 baseline[18], already exceeding our 2020 target.

Responsible resource use **100%** by 2020/21

Responsible resource use

To build and maintain safe and reliable energy networks National Grid needs to use finite – or non-renewable – resources, such as steel for pylons, aluminium for overhead line conductors, and copper for transformers.

Our objective is to make the most of all the materials we own and purchase, and to reuse or recycle 100% of our recovered assets by 2020/21. In addition, National Grid aims to send zero office waste to landfill by 2020.

To achieve this, the group will follow three principles: minimising waste, using resources more efficiently, and reusing and recycling materials.

2020

By 2020 we will recognise and enhance the value of our natural assets on at least 50 of our sites

Caring for the natural environment

National Grid's assets, operations and infrastructure have an impact on both the natural environment and the communities living around our sites. Across the UK and the US, we own over 18,000 hectares of land, including more than 1,500 substations and the non-operational land around them. This puts us in a position to create a positive legacy.

That's why National Grid is working with local communities and stakeholders to use our non-operational land for schemes linked to local biodiversity and community projects.

We aim at recognising and enhancing the value of the natural assets on at least 50 sites by 2020 (37 sites as at 31 March 2019) and drive net gain in environmental value (including biodiversity) on major construction projects by 2020.

17 « Delivering our Environmental Future, » National Grid Electricity Transmission, August 2019, https://www.nationalgridet.com/document/131221/download

18 « A Responsible Business », May 2019, https://investors.nationalgrid.com/~/media/Files/N/National-Grid-IR-V2/factsheets/2019/IR%20SRI%20FINAL.pdf

National Grid Green Financing Framework

Rationale and scope of our Green Financing Framework

Our business remains at the centre of one of the 21st century's greatest challenges: enabling the clean energy transition, delivered in a fair and affordable way for all the communities we serve, with no one left behind, and no compromise on reliability.

To do so, we are investing in the decarbonisation of our networks, and we believe the issuance of Green Financing Instruments will support our efforts, and reinforce our commitment to the clean energy transition.

We have developed a Green Financing Framework under which National Grid plc and any of its subsidiaries (collectively referred to as "National Grid") will be able to issue green bonds, loans or other financial instruments (collectively the "Green Financing Instruments") to finance our responsibility efforts. The Framework aims at facilitating disclosure, transparency, and integrity of our Green Financing Instruments for our investors.

This Green Financing Framework is aligned with the ICMA Green Bond Principles published in June 2018[19] and the LMA Green Loan Principles published in December 2018[20].

National Grid intends to follow best market practice and will communicate in a transparent manner on:

I. Use of Proceeds
II. Process for Project Evaluation and Selection
III. Management of Proceeds
IV. Reporting

19 ICMA, Green Bond Principles, June 2018, https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/

20 LMA, Green Loan Principles, December 2018, https://www.lma.eu.com/application/files/9115/4452/5458/741_LM_Green_Loan_Principles_Booklet_V8.pdf

Use of proceeds

An amount at least equivalent to the net proceeds from the issuance of the Green Financing Instruments will be used to finance or refinance, in whole or in part, new or existing, Eligible Green Projects, carried out by National Grid.

The Eligible Green Projects, whose key selection criteria are their contribution to sustainable development, their environmental benefits on climate change mitigation and/or adaptation, and their contribution to energy transition, fall into the following categories, aligned to the Green Bonds Principles and the Green Loan Principles and which are contributing to the following UN SDGs, and respond to the following Eligibility Criteria:

Eligible categories	Eligibility criteria
Renewable energy 	Investments and/or expenditures in projects that would increase the share of low carbon electricity below the threshold of 100g CO_2e / kWh in power networks, including: • **Connection infrastructure:** connection and/or integration of low carbon electricity generation sources to the grid, including: – Connection of renewable energy generation[21] – Connection of energy storage systems – Infrastructure allowing the integration of renewable energy to the grid • **Transmission and Distribution infrastructure:** construction, operation and/or maintenance of electric power transmission and distribution networks, including: – Extra-high voltage and high-voltage interconnected and interconnection systems, including subsea interconnectors – High-voltage, medium-voltage and low-voltage distribution systems • **Renewable Energy generation:** acquisition, conception, construction, development and/or operation of renewable energy production plants, including: – Solar PV and concentrated solar – Wind – Small scale hydro (<25MW) and run-of-river and tidal – Bioenergy (sourced from sustainable feedstock)
Energy efficiency 	Investments and/or expenditures in projects that would reduce energy consumption, improve network/energy efficiency and/or reduce electricity grid losses, including: • **Power Control devices:** devices and/or facilities allowing higher transmission, distribution and balancing efficiency, and/or better flexibility and technical availability of the grid • **Storage systems:** acquisition, conception, construction, development and/or operation of electricity storage facilities, aiming at power grid stabilisation and/or management of peak generation of renewable energy • **Retrofits:** replacements and / or improvements to reduce energy losses, improve resilience of the grid and improve energy efficiency, leading to energy savings of at least 20%, including: – Investment in new primary stations – Investment in replacement of LED lighting or ventilation • **Smart Equipment:** devices and/or infrastructure allowing for energy efficiency, reliability, resiliency, and/or exchange of Renewable electricity between users, including: – Smart grids – Smart meters

21 Connection infrastructure net of customer contributions

Green buildings

Investments and/or expenditures in projects that would improve the energy efficiency performance of buildings, including:

- **Acquisition or construction of existing or new commercial buildings that** have achieved or expect to achieve the below certification:
  - BREEAM ≥ "Very Good"
  - LEED: ≥ "Gold"
  - or similar recognized standard
- **Renovations of existing buildings** that achieve energy savings of at least 30% in comparison to the baseline performance before the building renovation

Clean transportation

Investments and/or expenditures in projects that would reduce greenhouse gas emissions from transports, including:

- **Infrastructure for clean transportation:** construction, development, operation, acquisition and/or maintenance of electric grid infrastructure supporting sustainable mobility and cleaner vehicles with a lower environmental impact, including:
  - Electric vehicle charging stations
  - Transmission and Distribution systems and facilities supporting clean transportation, such as network extensions or capacity upgrades
- **Renewal of the Group's fleet,** including passenger cars, light commercial vehicles and large vehicles for:
  - Electric vehicles
  - Hybrid vehicles (threshold of 50g CO_2/km until 2025)

Pollution prevention and control

Investments and/or expenditures in projects that would reduce waste and greenhouse gas emissions, including:

- the construction, development, operation and/or maintenance of facilities, systems or equipment aiming at **reducing greenhouse gas emissions**, including:
  - SF_6 alternative or replacement projects
  - g3 technology
- **Greenhouse gas control devices**, including:
  - SF_6 release monitoring equipment
- **Waste prevention, reduction and recycling:** projects and programmes aimed at reducing, reusing and/or recycling office and industrial recovered assets and wastes, including:
  - Recovered assets reusing and recycling programmes
  - Industrial waste reusing and recycling programmes
- **Transforming technology:** projects aimed at using and recycling energy and material wastes to reduce our emissions and carbon footprint, including:
  - Heat-to-energy facilities and technologies

Environmentally sustainable management of living natural resources and land use

Investment and/or expenditures on projects that would reduce the impact on land and terrestrial biodiversity, such as:

- **the sustainable management and value enhancement of our land**
- **the preservation and restoration of natural landscapes**
- **grid improvements,** including:
  - the substitution of overhead line by underground cables

Process for project evaluation and selection

A dedicated Green Financing Committee has been created to oversee the governance of our Green Financing Programme. The Committee is chaired by the Group Treasurer, and comprises representatives from:

- Sustainability,
- UK Regulated Business,
- US Regulated Business,
- National Grid Ventures,
- Finance.

The Committee will meet at least on a semi-annual basis.

The Committee's primary objectives are to:

1. Carry out the process of project evaluation and selection. This includes reviewing on a semi-annual basis the Sub-Portfolios of Eligible Green Projects for Green Financing Instruments, and deciding on the inclusion of new projects.
2. Monitor and approve the Annual Green Financing Report processes and publication.
3. Review and approve the Green Financing Framework and any changes proposed or made to the Framework.

Projects are considered/ assessed based on their positive environmental impact, on their compliance with our Green Bond and Green Loan Eligibility Criteria, and on how they contribute to our environmental and sustainability performance objectives. Eligible Green Projects will be selected according to our environmental strategy and are expected to adhere to our group environmental standards; such as ISO14001:2015 – certified Environmental Management Systems (EMS). 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.

Any decision will be made per our organizational purpose: Bringing Energy to Life, and under our Responsible Business ambition of enabling the clean energy transition in a fair and affordable way, with no one left behind, and no compromise on reliability.

New projects will be identified by the respective operational and/or finance teams of the UK Regulated, US Regulated, and NGV businesses. The Group Treasury team will then coordinate the submission of the identified projects to the Green Financing Committee, who will evaluate their eligibility and decide on their integration to the dedicated Sub-Portfolio of Eligible Green Projects.

National Grid's Eligible Green Projects will exclude fossil fuels generation plants and gas transmission and distribution infrastructure.

Management of proceeds

The net proceeds from each of National Grid Financing Instruments will be tracked internally. Each Operating Company of the Group will have a dedicated Sub-Portfolio of Eligible Green Projects (collectively "Sub-Portfolios of Eligible Green Projects"), and an amount equivalent to the net proceeds of each instrument will be earmarked for allocation to the Sub-Portfolio of the issuing entity, in accordance with the National Grid Green Financing Framework. In the case of a Green Financing instrument issued by National Grid plc, National Grid North America Inc. or National Grid Holdings One plc, the Holding Companies, an amount equivalent to the net proceeds of each instrument will be earmarked for allocation to the Sub-Portfolio of at least one of their subsidiaries. National Grid will always ensure that an Eligible Green Project will be earmarked for allocation only once.

Eligible Green Projects may include new projects, projects under construction or development or projects that have been completed, with disbursements made in the last 36 months prior to the issuance date.

The balance of the tracked proceeds should be periodically adjusted on a quarterly basis, in order to match allocations to Eligible Green Projects (re)financed during this period.

National Grid will maintain a level of allocation for the Sub-Portfolios of Eligible Green Projects that matches or exceeds the net proceeds of its outstanding Green Financing Instruments. To this end, National Grid will substitute any projects that are no longer eligible as soon as practical once an appropriate substitution option has been identified, on a best efforts basis.

The payment of principal and interest on any bond issued by National Grid under the Framework will be made from its general funds and will not be linked to the performance of any Eligible Green Projects.

Where proceeds cannot be immediately allocated or reallocated, National Grid Group will invest the balance of the net proceeds at its own discretion as per the company's liquidity management policy, including in cash or cash equivalents, or in other liquid marketable instruments.

Reporting

National Grid will report on the allocation of net proceeds and associated impact metrics of the Green Financing Instruments within one year from the first borrowing date and annually thereafter until the proceeds have been fully allocated, and as necessary in the event of material development.

The Green Bonds section of the report will be published as a standalone report and/or part of National Grid annual report or sustainability report, and will be made available on National Grid's website.

Allocation Report

The report will include:

- The list of Eligible Green Projects (re)financed;
- The aggregated amount of allocation of the net proceeds to the Eligible Green Projects at category level;
- The proportion of net proceeds used for financing versus refinancing; and,
- The balance of any unallocated proceeds invested as per the company's liquidity management policy, including in cash or cash equivalents, or in other liquid marketable instruments.

Impact Reporting

National Grid will also report on relevant environmental impact metrics where feasible, and it will disclose measurement methodology for quantitative indicators. Below are examples of impact indicators that may be reported:

Eligible category	Potential Quantitative Performance Indicators
Renewable Energy	• CO_2 emission avoided (tCO_2e) • Renewable Energy Sources connected (MW)
Energy Efficiency	• CO_2 emission avoided (tCO_2e) • Expected Energy savings per year (MWh)
Green Buildings	• CO_2 emission avoided (tCO_2e) • Floor space of green real estate (m^2)
Clean Transportation	• CO_2 emission avoided (tCO_2e)
Pollution prevention and control	• Waste reduction (tons) • Increase of recycling capacity (tons) • CO_2 emission avoided (tCO_2eq)
Environmentally sustainable management of living natural resources and land use	• Total surface financed (hectares)

External review

a. Second Party Opinion (Pre-Issuance)

National Grid has appointed DNV-GL provide a Second Party Opinion on its Green Financing Framework. The Second Party Opinion and the Green Financing Framework will be made available on National Grid's website.

b. Post-issuance External Verification

An independent auditor who will provide a limited assurance will review the allocation of Green Financing Instruments proceeds, adherence to asset selection criteria, and environmental metrics. The auditors' report will be made available on National Grid's website.

Periodic improvement

As the green bond and loan markets continues to evolve, so too will National Grid's approach to remain consistent with shifting expectations. Using this Framework, ICMA's Green Bond Principles and LMA's Green Loan Guidelines, we aim to continuously enhance our approach and respond to changes in industry best practice and market expectations.

This Green Financing Framework (the "Framework") does not constitute or form part of, and should not be construed as, an offer or invitation to sell securities of National Grid plc or of any of its subsidiaries (collectively referred to as "National Grid"), or the solicitation of an offer to subscribe for or purchase securities of National Grid, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever. Any decision to purchase any securities of National Grid should be made solely on the basis of the information to be contained in the relevant prospectus and any final terms or pricing supplement (if applicable) produced in connection with the offering of such securities. Prospective investors are required to make their own independent investigations and appraisals of the business and financial condition of National Grid and the nature of the securities before taking any investment decision with respect to securities of National Grid.

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