

nationalgrid

A clean,  
fair and  
affordable  
future

Responsible Business  
Report 2021/22



PRINCIPAL PARTNER  
UN CLIMATE  
CHANGE  
CONFERENCE  
CONFERENCE  
UK 2021

IN PARTNERSHIP WITH ITALY

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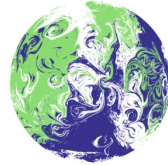




**John  
Pettigrew**  
Chief Executive

# Highlights

- Principal Partner at COP26
- Launching our US Northeast Clean Energy Vision
- Early return of £200m from our UK interconnector business
- Record level of capital investment
- New community investments in both the UK and our US jurisdictions



PRINCIPAL PARTNER  
**COP26  
PRESIDENCY  
UK 2022**  
DELIVERING THE  
GLASGOW CLIMATE PACT

**In an increasingly challenging macro environment, the well-being of our people and the communities we serve has never been more important**

## Responsible Business Charter Five Pillars

The environment

Our people

Our communities

The economy

Our governance

# The environment – own emissions

## Scope 1 and 2 emissions

### Progress:



**65%**

**reduction in Scope 1 and 2 emissions**

(from our 1990 baseline)

- Across our networks businesses **Scope 1 and 2 emissions** decreased **5%** driven by
  - Targeted leak repair programmes
    - 18% reduction in SF<sub>6</sub>
  - Gas leak prone pipe replacement
    - 4% reduction in methane emissions
- Including LIPA<sup>1</sup>, **Scope 1 and 2 emissions** increased **8%**

### Targeted reduction (from 1990 baseline)



**80%**  
by 2030

**90%**  
by 2040

**Net  
Zero**  
by 2050

1. National Grid are contracted to supply electricity to the Long Island Power Authority (LIPA), using fossil fuel power generation





# The environment – own emissions

## Scope 3 emissions targeted reduction

(from 2019 baseline)



**37.5%**  
by 2034

- **Actions to achieve our targets:**
  - Expansion of our energy efficiency and demand side management programs
- **Scope 3 emissions** increased **4%**, driven by:
  - Rebound in demand post COVID



# The environment - Clean Energy Vision

## A pathway to a zero fossil network in the US Northeast by 2050

### 4 Key Pillars:

- Increasing energy efficiency in buildings
- 100% fossil-free gas network by 2050
- Hybrid electric-gas heating systems
- Targeted electrification of heating and networked geothermal



# Reaching Net Zero

Climate  
Transition Plan 2022



# The environment – enabling net zero

## The Energy Transition Company

Green investment in the decarbonisation of energy systems

**c.£24bn<sup>1</sup>**  
from FY2022 - 2026

### Including:

- Electricity transmission and distribution investment
- Investment to reduce emissions in gas networks

Investing for the  
**clean energy future**

**£30-35bn**

capital investment FY2022-26

**c.£24bn**

Green capex aligned to EU Taxonomy<sup>1</sup>

**6-8%**

group asset growth CAGR<sup>2</sup>

**5-7%**

EPS CAGR<sup>2</sup>

Whilst maintaining a strong balance sheet and aim to grow dividend per share in line with CPIH

1. Capital expenditure considered to be aligned with the principles of the EU Taxonomy Legislation at the date of reporting, and includes most electricity investment, including connecting clean sources of generation such as renewables and nuclear, as well as investment which reduces emissions in our gas networks

2. Compound annual growth rate FY2022-26. Based upon GBP/USD FX rate of 1.3; long run CPIH and RPI inflation assumptions, and scrip uptake of 25%, as well as completion of sale of Rhode Island business and 60% majority interest in UK Gas Transmission and Metering

# Our people

## Natalie Edwards

Chief Diversity Officer



- Launched our Group-wide Diversity, Equity and Inclusion Commitments
- On average employees spend a week training each year
- Launch of new programme to identify and develop next generation of leaders

Senior Leadership  
Diversity

**49.5%**

2020/21 UK gender pay gap

**-1.6%**

vs 1.5% in 2019/20

2020/21 US gender pay gap

**12.6%**

vs 13.5% in 2019/20



# Our communities

**Our networks** continued to **maintain excellent levels of reliability** at

**over 99.9%**

across **Transmission and Distribution**

## UK

- Returning **£200m** from interconnector business to customers early
- **£2m** to Citizens Advice and the Fuel Bank Trust to support advice services on managing and reducing energy bills

## US

- HeartShare partnership in New York has helped **120,000 families** with heating bills
- More than **\$1.3bn** in energy efficiency measures in Massachusetts over last 3 years





# Our communities

**over £18m**  
contributed to community initiatives

## Launched Project C

- Partnering with communities on positive economic and social initiatives
  - Northland Workforce Training Centre

## Grid for Good

- Supported nearly **4,000 people** in training and mentoring to develop employability
- **30%** increase in employee volunteering hours



# A Fair Transition

Our statement,  
approach and  
engagement



# The economy

**record £7bn**

of investment in critical energy infrastructure

## To support our capital investment programme:

- Raised over **£2.5bn** in Green Financing Instruments
  - Including our largest ever green bond of **€850m**
- **30,000** jobs across our businesses
- A diverse supply chain of over **8,000 suppliers**
- **£93m** invested in new start-ups through National Grid Partners





# Our governance

## Committed to the highest standards of corporate governance and making sure we apply best practices

- **54%** Board diversity
- **Code of Ethics** sets out frameworks, policies, processes, and governance structures for important topics across our business
  - Ethics training completed by over **95%** of colleagues last year



A row of wind turbines on a hill at sunset. The sky is filled with vibrant orange and blue clouds. The sun is low on the horizon, casting a warm glow over the scene. The turbines are silhouetted against the bright sky, and a dirt road winds through the grassy hillside.

The heart of a  
**clean, fair and  
affordable energy future**

nationalgrid

# Q&A



**By text only**

use the **'Text Q&A'** tab below