

# Responsible Business Report 2021/22

A clean, fair and affordable energy future

June 2022

National Grid – Investor Relations



*'At National Grid, being a responsible business sits at the very heart of what we do. Our people tell us they are proud of the responsibility that comes from our central role in everyday lives of the communities we serve.'*

**John Pettigrew** Chief Executive

## Report overview

Access the full report: [Responsible Business Report 21/22](#) which summarises our progress against our Responsible Business Charter pillars for 21/22:

- [The environment](#)
- [Our people](#)
- [Our communities](#)
- [The economy](#)
- [Our governance](#)

We have released our first [Climate Transition Plan](#), outlining:

- Our action plan to achieve our emissions targets
- The concept of 'real zero' – our aim to achieve zero emissions by 2050 without relying on carbon offsetting measures

And our first [Fair Transition Statement](#) which outlines what we believe our role can be in ensuring a fair and affordable transition.

## The Energy Transition Company

Capital investment of **£6.7bn** (continuing operations) in critical infrastructure in FY21/22.

01

Deliver for our customers efficiently

- Implemented **>\$1.3bn** in energy efficiency measures in Massachusetts over the last 3 years
- In the UK, we are returning **£200m** from our interconnector business early to customers
- Delivering our **£400m**, 3-year cost efficiency programme will continue to benefit consumers today and long into the future

02

Enabling the energy transition for all

- We've set out medium and long-term targets to reduce our Scope 1, 2 and 3 emissions and to achieve **net-zero by 2050**
- Our [Clean Energy Vision](#) sets out how we envisage a fossil free future in the Northeast US

Between FY22-26 we're investing:

**c.£24bn** ► more than 70% of green capex<sup>1</sup> of our 5 year framework

**c.£14bn** in the UK

**c.£10bn** in the US

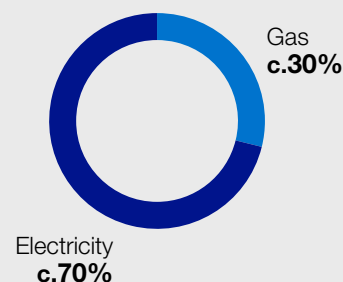
One of the FTSE's biggest investors in the delivery of net zero

03

Grow our organisational capability

- Following our strategic repositioning, our portfolio is now focused on electricity and enhances our role at the heart of the energy transition

Post transactions energy split<sup>2</sup>



<sup>1</sup> Capital Expenditure considered to be aligned to EU taxonomy legislation. Includes most electricity investment, including connecting clean sources of generation such as renewables and nuclear, as well as investment in reducing gas network emissions

<sup>2</sup> Calculated as a proportion of actual FY22 asset base post completion of acquisition of Western Power Distribution, and sale of Rhode Island business and 60% interest in UK Gas Transmission & Metering

## The Environment

### Highlights



Decarbonised Great Britain's electricity system by **61%** (over past nine years)



Renewable energy connections **2,498MW** connected to US and UK transmission and distribution grids during 2021/22



**65%** reduction in Scope 1 and 2 emissions (on our 1990 baseline)

**CDP Climate Change 'A list'** rating for six consecutive years

### Key commitments

- Reduce **Scope 1 & 2** emissions from a 1990 baseline:
  - by **80% by 2030**, by **90% by 2040**
  - to **net zero by 2050**
- Reduce **Scope 3** emissions from a 2019 baseline:
  - by **37.5% by 2034**
- Reduce SF6 emissions from our operations from a 2019 baseline:
  - by **50% by 2030**

### Climate Transition Plan:

- Our [Climate Transition Plan](#) sets out our Group GHG reduction targets, our overall pathway to 2050 and the actions we're taking now

## Our People

### Highlights



Employee engagement index score **81%**



Annual average training days per employee **5.4**



Lost time injury frequency rate **0.13** number of hours worked per 100,000



**38.6%** of our workforce are diverse

### Key commitments

- Maintain fairness across the organization for pay** and make sure our pay practices do not show bias. We will work until pay equity is achieved for our people
- Achieve **50% diversity** in all our **new talent** programmes by **2025**

## Our Communities

### Highlights



Number of colleague volunteering hours **23,416** This is an increase of 30% on 2020/21

**£2.8m awarded in grants** to community projects since 2015



Combined group-wide contribution of over **£18.3m** to Corporate Responsibility work



**1,167** employees registered as volunteers with Grid for Good, helping 3,972 young people

### Key commitments

- 500,000 employee volunteering hours** by **2030**
- Provide access to skills development for **45,000 people** by **2030**

grid for good

## The Economy

### Highlights



Expecting to invest around **£24bn** in green capex over the five year period to 2025/26



Total investment in energy infrastructure **£6.7bn** (continuing operations including WPD)



**30,000** employees (including WPD)

Through National Grid Partners, in 2021/22, we committed to **£93m** of investment in technology and innovation

### Key commitments

- Maintain reinvestment in our infrastructure** and demonstrate the social benefits of our capital delivery programmes
- Continue to influence our supply chain to operate as responsible businesses
  - At least **75%** of our **top 250 suppliers** will have active carbon reduction targets by **2030**

## Our Governance

### Highlights



**49.5%** Diversity across Senior Leadership Group



**95%** of employees completed Code of Ethics training



**53.8%** Diversity at Board level

**Supplier Code of Conduct (SCoC)** integrates human rights into the way we interact with our supply chain

### Key commitments

- Continue to review and adapt our governance policies** to reflect and support our responsible business commitments
- Ensure the voices of our stakeholders are heard and understood by the Board
- Achieve **50% diversity** in our **Group Executive Committee** and **Senior Leadership group** by **2025**

