National Grid PLC - Climate Change 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

At National Grid responsible business is enshrined in our purpose – to Bring Energy to Life. It is a clear focus of our vision, to be at the heart of a clean, fair and affordable energy future, and it underpins our Group strategy. We are one of the world's largest investor-owned energy utilities, committed to delivering electricity and gas safely, reliably and efficiently to the customers and communities we serve. Across the UK and north-eastern US, we play a vital role in connecting millions of people safely, reliably and efficiently to the energy they use. We are at the centre of one of the greatest challenges facing our society – delivering clean energy to support our world long into the future. We have a crucial responsibility to help make the transition to a low-carbon economy happen and we're fully committed to connecting as many new sources of low-carbon generation as possible. We are passionate about delivering a low-carbon network. That's why we aim to maintain high standards in environmental management as we increase our use of low-carbon technology. It's also why we're working hard to deliver a sustainable energy sector that provides value for money to consumers. We work with all our stakeholders to promote the development and implementation of sustainable, innovative and affordable energy solutions. As a responsible business, we believe that the future prosperity and comfort of every society depends on reducing carbon emissions and moving to clean, renewable energy. We are proud that our work, and our people, underpin the prosperity and wellbeing of our customers, communities and investors.

In 2021, we acquired Western Power Distribution (now National Grid Electricity Distribution) and announced the sales of our Rhode Island business and a majority stake in our UK Gas Transmission & Metering business, with these sales completed in 2022 and 2023 respectively.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
April 1 2022

End date
March 31 2023

Indicate if you are providing emissions data for past reporting years
No

Select the number of past reporting years you will be providing Scope 1 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for
<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
GBP

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

Electric utilities value chain

Electricity generation
Transmission
Distribution

Other divisions

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	GB00BDR05C01
Yes, a SEDOL code	BDR05C0

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	The overall responsibility and oversight of climate-related issues at National Grid lies with our Chief Executive Officer; a member of the National Grid Board. This responsibility is delegated to the CEO by National Grid's board and is appropriate given that the CEO is responsible for the executive leadership and day-to-day management of National Grid, both in the UK and US, to ensure the delivery of the strategy agreed by the Board. In 2022/23 the CEO - Approved the Group's first CTP at its May 2022 meeting (approved by shareholders in July 2022). - Reviewed the Responsible Business Report and TCFD draft content.
Board-level committee	The Audit & Risk Committee (a board-level committee) has oversight over non-financial disclosures and assurance, including our Responsible Business reporting, TCFD reporting and reporting in line with leading ESG frameworks such as the Sustainability Accounting Standards Board (SASB), the Global Reporting Index (GRI) and the EU Taxonomy. In 2022/23 the Committee: - Reviewed the 2022/23 draft TCFD, EU Taxonomy, GRI and SASB content, as well as the RBR assurance outcomes, at its May 2023 meeting. - Briefed on readiness initiatives and planning for imminent mandatory corporate sustainability reporting regimes. - Oversaw and monitored the progress of data governance and controls improvement initiatives on non financial information, with a focus on climate change KPIs. The Committee is appointed by the Board and comprises of at least three members on the recommendation of the People and Governance Committee in consultation with the Audit & Risk Committee Chair. Membership normally includes at least one member of the Safety and Sustainability Committee.
Board-level committee	The Safety & Sustainability Committee (a board-level committee) assists the Board in fulfilling its oversight responsibilities in respect of reviewing and challenging the strategies, policies, initiatives, risk exposure, targets and performance of the Company and, where appropriate, of its suppliers and contractors in relation to safety and sustainability. This includes approving the Company's sustainability strategy and external reporting and audit plans relating to safety and sustainability. It is also responsible for monitoring the demonstration of management commitment to these areas, the resources applied by the Company to ensure compliance, and for driving improvement. In the previous year, the Committee: - Approved the Group's first CTP at its May 2022 meeting (approved by shareholders in July 2022). - Reviewed the RBR and TCFD draft content at its May 2023 meeting. - Received a demonstration of the Group's Climate Change Risk Tool (CCRT), including how this is used to manage the Group's climate change strategy. - Reviewed and challenged the Group's performance against its RBC targets, including net zero commitments. - Undertook a deep dive into the Group's climate change GPR. The Committee is appointed by the Board and comprises of at least two Non-executive Directors and other leaders from across the business. The Chief Sustainability Officer attends this Committee, providing a link between management and Board discussions around climate-related issues.
Board-level committee	The Remuneration Committee (a board-level committee) assists the Board in fulfilling its oversight responsibilities in determining the framework and/or policy for the remuneration of the Board and Group Executive Committee and introducing and monitoring share incentive plans of the Company. In 2022/23 the Committee: - Approved the new Directors' Remuneration Policy (approved by shareholders in July 2022). The proportion of incentives linked to ESG and progress against climate-related targets have increased. The Committee shall be appointed by the Board on the recommendation of the People & Governance Committee and shall comprise at least four members, who shall be independent Non-executive directors in accordance with UK and US regulations and best practice. A member of the Audit & Risk Committee shall be a member of the Committee.
Chief Sustainability Officer (CSO)	National Grid's Chief Sustainability Officer is responsible for leading the group's engagement in decarbonisation and climate change and working closely with the CEO and board on these issues. For example, the CSO attends the Safety & Sustainability Committee, providing a link between management and Board discussions around climate-related issues.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan	<Not Applicable>	Members of the Board bring a variety of skills and experience, including expertise in driving sustainability and climate change matters. Several members of the Board have specific experience of this, including Martha Wyrsch, who joined the Board in September 2021. Martha brings extensive knowledge and experience around climate related issues through her experience as CEO of a major international gas transmission business as well as leading the growth and development of Vestas' renewable energy business in the US. See pages 70 – 71 of our Annual report for information on the individual experience of Board members and page 80 for the specific skills attributed to the Board, including sustainability and climate change. The Chair of the Safety & Sustainability Committee provided updates to the Board throughout the year on matters discussed at the Committee meetings, including updates on progress against goals and targets for addressing climate-related issues. The Board receives a CEO report at each meeting which includes tracking of climate change metrics. Following recommendation by the Safety & Sustainability Committee and the Audit & Risk Committee, the Board approved the 2022/23 RBR at their May 2023 meeting. In addition, following Audit & Risk Committee review and recommendation, the Board also approved the following 2022/23 sustainability publications: - TCFD report - The EU Taxonomy report - The Global Reporting Initiative (GRI) index - The Sustainability Accounting Standards Board (SASB) report Throughout the year, the Board undertook strategy deep dives through which consideration was given to the energy transition and climate change, and the impact of these on the Group's strategy.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Balance is an important requirement for the Board's composition; not only in terms of the number of Executive and Non-executive Directors, but also in terms of the range of expertise and backgrounds. While traditional diversity criteria such as gender and ethnicity are important, we also value diversity of skills, experience, knowledge and thinking styles. Members of the Board bring a variety of skills and experience, including expertise in driving sustainability and climate change matters. Several members of the Board have specific experience of this, including Martha Wyrsch, who joined the Board in September 2021. Martha brings extensive knowledge and experience around climate related issues through her experience as CEO of a major international gas transmission business as well as leading the growth and development of Vestas' renewable energy business in the US. The Board assesses its skills on an annual basis. This is then used to identify areas of strengths as well as any areas of opportunity that should be considered for future appointments to the Board. The People and Governance Committee regularly reviews the composition of the Board and Committees to ensure that there is an appropriate spread across the Board as a whole and across each Committee. Where it would be beneficial to strengthen certain skills, the People and Governance Committee will recommend to the Board additional appointments or revision of Committee membership.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Developing a climate transition plan
Implementing a climate transition plan

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The overall responsibility and oversight of climate-related issues at National Grid lies with our Chief Executive Officer; a member of the National Grid Board. This responsibility is delegated to the CEO by National Grid's board and is appropriate given that the CEO is responsible for the executive leadership and day-to-day management of National Grid, both in the UK and US, to ensure the delivery of the strategy agreed by the Board.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	For the 2023 Long Term Performance Plan (LTPP) remuneration grant, we have retained financial and net zero transition measures and weightings, making refinements to targets in order to reflect our strategic initiatives. As part of the 2023 LTPP, we will again set a three-year cumulative Earnings Per Share target (40%) and Group Return on Equity target (40%). The basis for the target ranges are set out in pages 104 – 105 of our Annual Report and Accounts. The remaining 20% are net-zero transition measures. For the 2022/23 LTPP these remain a combination of a reduction in our Scope 1 emissions (10%) and our enablement of net zero transition measure (10%), which focuses on specific actions to reduce our Scope 2 and Scope 3 emissions.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Chief Executive Officer (CEO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Shares

Performance indicator(s)
Progress towards a climate-related target
Reduction in absolute emissions

Incentive plan(s) this incentive is linked to
Long-Term Incentive Plan

Further details of incentive(s)
The 2023 LTPP performance measures and weightings for all Executive Directors comprise two equally weighted financial measures totalling 80% and two equally weighted net zero transition measures with a combined weighting of 20% as outlined below. LTPP targets and performance are measured over the entire three-year performance period, which for the 2023 LTPP is 1 April 2023 – 31 March 2026.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
For the 2023 Long Term Performance Plan (LTPP) remuneration grant, we have retained financial and net zero transition measures and weightings, making refinements to targets in order to reflect our strategic initiatives. As part of the 2023 LTPP, we will again set a three-year cumulative Earnings Per Share target (40%) and Group Return on Equity target (40%). The basis for the target ranges are set out in pages 104 – 105 of our Annual Report and Accounts. The remaining 20% are net-zero transition measures. For the 2022/23 LTPP these remain a combination of a reduction in our Scope 1 emissions (10%) and our enablement of net zero transition measure (10%), which focuses on specific actions to reduce our Scope 2 and Scope 3 emissions.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Climate-related time horizons are aligned with our group environmental performance targets at 2025, 2030 and 2050. However, our planned short-term trajectory within the Climate Transition Plan (CTP) effectively sets our annual GHG emission reductions and we will report on performance against this trajectory each year. Our short-term trajectory is also consistent with the three-year emissions component of the proposed LTPP remuneration targets.
Medium-term	3	7	Climate-related time horizons are aligned with our group environmental performance targets at 2025, 2030 and 2050.
Long-term	7	27	Climate-related time horizons are aligned with our group environmental performance targets at 2025, 2030 and 2050. However, as part of our work on physical climate change risk mapping we are starting to extend our long term modelling of climate-risk out to 2070.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The size and scope of each identified risk is assessed by considering the financial and reputational impacts, alongside how likely the risk is to materialise on a scale of 1-5 (see below); with higher risk scores (3+) more likely to be deemed financially and strategically substantive. Whilst risk assessment is guided by this quantitative assessment, whether it is financially or strategically substantive or not is defined on a risk by risk basis through expert-led dialogue around likelihood, impact and control factors at the relevant business level. This helps National Grid escalate a smaller number of more substantive risks and ensure that appropriate mitigation strategies are put in place swiftly to address them. At a board level, consideration is given to the main uncertainties currently facing the group as we endeavour to meet our strategic objectives. Substantive risks can also be identified through discussions of the groups broader risk profile by the groups executive committee and the board. Group-level substantive risks are tested annually on a reasonable worst-case basis, alone and in clusters, for potential impact upon the Company's viability over a 5-year assessment period. Additionally, risks are documented and monitored at lower levels within teams or business units.

Our group risks are rated on a scale of 1 to 5 across three categories:

• Group financial impact - 1: <£50m, 2: £50-£100m, 3: £100-£300m, 4: £300-£500m; and 5: >£500m

• Reputational impact - 1: Internal, 2: Intra Group (internal), 3: Local 3rd Party (external), 4: National (external), and 5: International (external)

• Likelihood - 1: Remote (<once in 20 years <10% chance), 2: Less Likely (<once in 15 years and 10-40% chance), 3: Equally unlikely as likely (<once in 10 years and 40-60% chance), 4: More likely (<once in 5 years and 60-80% chance), 5: Almost certain (<once a year and >90% chance)

An example of a long-term substantive (both financial and strategic) transitional risk would be that our business fails adapt quickly enough to enable the net zero transition. This risk receives a financial impact score of 5, a reputational impact score of 5 and a likelihood score of 4. The overall indicative risk score is calculated by multiplying likelihood by the greater of financial or reputational impact; in this case providing a score of 20. We have an extensive programme of work underway to mitigate this risk and provide an effective control environment including sustainability disclosures, data assurance, targeted actions to reduce emissions (e.g. reduce SF6 leakage, fleet electrification) and internal governance.

An example of a short-med term substantive (both financial and strategic) physical risk would be a failure of our networks to adapt to extreme weather events. This risk receives a financial impact score of 5, a reputational impact score of 5 and a likelihood score of 5. The overall indicative risk score is calculated by multiplying likelihood by the greater of financial or reputational impact; In this case providing a score of 25. We have an extensive programme of work underway to mitigate this risk and provide an effective control environment; including full compliance with TCFD, a significant programme of adaptation investment and the development of a Climate Change Risk Tool to assess physical risk across the group.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Climate change is a principal risk for National Grid and is considered with regards to both physical risks to our assets and transitional risks to our business model in the short, medium and long term. Risk identification takes place through all levels of our organisation and value chain (both upstream and downstream) using a 'top down, bottom-up' approach. Business areas identify the main climate-related risks to their business model and to achieving their business objectives on an ongoing basis. The Group Executive Committee and the Board may also identify and assess principal risks, through risk review and challenge sessions at least every 6 months, drawing on subject matter expertise to aid assessment. Identified risks and any associate management actions are cascaded through the organization.

Existing risks at UK and US Executive are viewed through a climate change lens and reported up to Executive level. There are also a dedicated climate change risks within different parts of the business, for example, within Electricity Transmission to ensure that anything not already identified is captured as part of the risk management process. Physical risks are identified by drawing on the subject matter expertise of our employees; especially asset specialists and resilience leads (specialising in flood risk for example). We work with our colleagues on-site to identify local environmental risks and collectively identify trends. We also work across the industry, with our supply chain and customers, to identify potential risk and share best practice. To better assess the physical risks, we have recently developed a Climate Change Risk tool to assess our assets in a 2°C (RCP4.5) and 4°C (RCP8.5) scenario, across 9 weather hazards. For transitional risks, our risk trend identification needs to consider the future of the energy system. Our transitional scenario modelling work is critical here as it identifies three scenarios, based on different future energy pathways, that we can test against our direct business operations, as well as our upstream supply chain and downstream activities.

The size and scope of each identified risk is assessed by considering the financial and reputational impacts, alongside how likely the risk is to materialise on a scale of 1-5; with higher risk scores (3+) more likely to be deemed substantive. Whilst risk assessment is guided by this quantitative assessment, whether it is substantive or not is defined on a risk by risk basis through expert-led dialogue around likelihood, impact and control factors at the relevant business level. This helps National Grid escalate a smaller number of more substantive risks and ensure that appropriate mitigation strategies are put in place swiftly to address them. At a board level, consideration is given to the main uncertainties currently facing the group as we endeavour to meet our strategic objectives. Substantive risks can also be identified through discussions of the groups broader risk profile by the groups executive committee and the board. Group-level substantive risks are tested annually on a reasonable worst-case basis, alone and in clusters, for potential impact upon the Company's viability over a 5-year assessment period. Additionally, risks are documented and monitored at lower levels within teams or business units.

Our group risks are rated on a scale of 1 to 5 across three categories:
• Group financial impact - 1: <£50m, 2: £50-£100m, 3: £100-£300m, 4: £300-£500m; and 5: >£500m
• Reputational impact - 1: Internal, 2: Intra Group (internal), 3: Local 3rd Party (external), 4: National (external), and 5: International (external)
• Likelihood - 1: Remote (<once in 20 years <10% chance), 2: Less Likely (<once in 15 years and 10-40% chance), 3: Equally unlikely as likely (<once in 10 years and 40-60% chance), 4: More likely (<once in 5 years and 60-80% chance), 5: Almost certain (<once a year and >90% chance)

An example of a long-term substantive (both financial and strategic) transitional risk would be that our business fails adapt quickly enough to enable the net zero transition. This risk receives a financial impact score of 5, a reputational impact score of 5 and a likelihood score of 4. The overall indicative risk score is calculated by multiplying likelihood by the greater of financial or reputational impact; in this case providing a score of 20. We have an extensive programme of work underway to mitigate this risk and provide an effective control environment including sustainability disclosures, data assurance, targeted actions to reduce emissions (e.g. reduce SF6 leakage, fleet electrification), and internal governance.

An example of a short-med term substantive physical risk would be a failure of our networks to adapt to extreme weather events. This risk receives a financial impact score of 5, a reputational impact score of 5 and a likelihood score of 5. The overall indicative risk score is calculated by multiplying likelihood by the greater of financial or reputational impact; In this case providing a score of 25. We have an extensive programme of work underway to mitigate this risk and provide an effective control environment; including full compliance with TCFD, a significant programme of adaptation investment and the development of a Climate Change Risk Tool to assess physical risk across the group.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	SF6 Regulation Regulation on the use of SF6 is an example of climate related regulation posing a significant risk to National Grid. SF6 is an extremely effective electrical insulator and has significant advantages over alternative materials that are under development. However, it also has a GWP 23,900 times that of CO2 (based on SAR 100 year time horizon). As a regulated electricity business, this risk type is particularly relevant and therefore included within the business risk assessment. The UK has now committed to achieve net zero emissions by 2050, which National Grid supports and has aligned its own targets to. NGET is exploring an increase in the rate of SF6 emission repairs to over 200% of the previous price control period and then continuing to improve until zero emissions in 2050; A programme of work which will prove to be both ambitious and challenging for National Grid. The regulator has clarified that no carbon offsetting is allowed in the context of SF6 emissions. As a result, NGET have requested an additional funding over 5 years from 2021 to increase the work for SF6 repairs. In our 2023 Responsible Business Report, we state our aim to reduce SF6 emissions from our operations 50% by 2030, from a 2019 baseline.
Emerging regulation	Relevant, always included	Regulation to support the decarbonisation of UK power by 2035 Decarbonising the UK power system by 2035 requires a fundamental step-change in the scale and pace of delivering new electricity network infrastructure. Decisive action is needed now from the UK government, industry and the regulator to make this happen and we must ensure the regulatory and governance framework is set up for delivery Earlier this year we published 'Delivering for 2035: Upgrading the grid for a secure, clean and affordable energy future' which sets out five priority areas where action is required to ensure that the networks sector can help make a decarbonised power system a reality.
Technology	Relevant, always included	Not meeting significant increase in electricity demand To meet net zero, electricity use and share of final demand will need to expand significantly, with ever-increasing volumes of intermittent renewable energy. If the ESO or our UK and US electricity networks do not adapt to these changes, there is a risk National Grid will not be able to ensure reliability and security of supply. Our current role as the GB ESO is pivotal to delivering the energy transition. If the ESO is not prepared with the systems and processes to operate a decarbonised energy supply system with significantly higher intermittency, there will be significant costs from market inefficiency and the potential for network outages impacting our customers. There is also a risk that the transmission and distribution networks we operate in the UK and US may not be equipped to deliver the significant electricity demand growth envisioned to achieve net zero. In the short term, failures could affect us through reputational damage and lost regulatory incentive income, which link directly to reliability. For example, in relation to UK ED, the Interruptions Incentive Scheme in RIIO-ED2 provides 150bps upside incentive but 250bps downside penalty on our return on retained earnings (RORE).
Legal	Relevant, always included	Future reduction in the demand for US natural gas The role that our US gas networks play in the pathway to achieving the GHG emissions reduction targets set in the jurisdictions in which we operate is currently uncertain. Our US jurisdictions have indicated an increase in electrification and a reduction in gas heating demand in their plans to achieve their respective decarbonisation targets. Though there is acknowledgement of the value of back-up heat sources such as low-carbon gas, there is a risk that the accounting assumptions, such as the useful economic life (UEL), of certain elements of our US gas networks could be adjusted in line with future legal and regulatory changes. Note: The corresponding risk in the UK is immaterial as we have sold a majority interest in our Gas Transmission and Metering business, and our retained 40% interest is not treated as part of our continuing operations. Massachusetts and New York have released their final plans to execute their respective decarbonisation targets. Though these plans indicate an accelerated programme towards electrification and a reduction in gas heating demand, they have been developed to inform future legislation and do not have the force of law or regulation. It should be noted that all net zero pathways suggest some role of gas in heating buildings beyond 2050, so we have performed sensitivity analysis to assess the impact on our Group financial results of shortening the UELs of our gas business assets, which for 2050 illustrates an unlikely worst-case scenario. This may result in an increase in depreciation expense of around £239 million to 2050 for US-regulated assets. Please refer to note 13 Property Plant and Equipment on page 158 for more details. This sensitivity calculation excludes any assumptions regarding the residual value of our asset base and the effect that shortening the asset depreciation lives would be expected to have on our regulatory recovery mechanisms. Our US fossil fuel powered electricity generation assets are currently expected to be materially depreciated by 2040 which aligns to New York's target to achieve zero emissions from electricity by 2040.
Market	Relevant, always included	Customer buy-in and trade-off management Policy focus on the cost of the energy transition to customers is likely to increase regulatory scrutiny of network operators. If customers and regulators perceive costs as unreasonable, National Grid could suffer reputational damage and regulatory repercussions. Missing our affordability commitments could damage our regulatory negotiations, trust in the market and the resulting returns and incentives of the frameworks within which we operate. Due to the degree of external variables affecting our reputation, it is difficult to meaningfully quantify the risk. However, if not managed effectively, it could undermine our corporate strategy and ability to attract capital, causing a potentially material impact on our financial performance
Reputation	Relevant, always included	Missing transition targets and commitments There is a risk that we do not deliver our crucial role in delivering the emissions reduction targets of the jurisdictions that we operate in. There is also a risk that we fall short of our own stretching GHG emissions targets and commitments. Failing to play our central role in the energy transition, for example by failing to deliver the major network reinforcement required to meet government renewable installation targets, or by failing to meet our own emissions reduction targets could undermine our corporate strategy, making it difficult to attract capital and resulting in materially lower financial performance. It could also damage our relationships with our trusted stakeholders, including our investors, regulators and customers and potentially position National Grid as an obstacle rather than an enabler in the net zero transition. Given this risk would likely materialise over the medium to long term, it is difficult to meaningfully quantify this risk at this stage. This year we published 'Delivering for 2035: Upgrading the grid for a secure, clean and affordable energy future' - which lays out five UK priority actions to ensure the networks can play their full role in achieving net zero.
Acute physical	Relevant, always included	Increased frequency of extreme weather incidents Our assets are at risk of physical impacts from increased frequency of extreme weather events such as storms and flooding, leading to asset damage and operational risks. Our New York business experienced two extreme weather incidents in December 2022, including a 48-hour blizzard which resulted in power outages to over 200,000 customers and cold weather-related gas pipeline issues. These incidents highlight the vulnerability of our energy infrastructure and communities. We experience significant costs because of asset damage and operational interruptions due to major storms, with £258 million (2021/22: £163 million) incurred in the year. Under our regulatory frameworks such costs are typically recoverable in future years. More details on our major storm costs can be found on pages 238 and 239 in the 'Other unaudited financial information' section. These incidents are likely to increase in line with the increasing likelihoods illustrated by the IPCC, and associated costs are expected to grow accordingly, unless climate adaptation is appropriately measured and implemented.
Chronic physical	Relevant, always included	Changing long-term climate trends Our assets are at risk of physical impacts from changing long-term climate trends, leading to asset damage and operational risks. Our New York business experienced two extreme weather incidents in December 2022, including a 48-hour blizzard which resulted in power outages to over 200,000 customers and cold weather-related gas pipeline issues. These incidents highlight the vulnerability of our energy infrastructure and communities. We experience significant costs because of asset damage and operational interruptions due to major storms, with £258 million (2021/22: £163 million) incurred in the year. Under our regulatory frameworks such costs are typically recoverable in future years. More details on our major storm costs can be found on pages 238 and 239 in the 'Other unaudited financial information' section. These incidents are likely to increase in line with the increasing likelihoods illustrated by the IPCC, and associated costs are expected to grow accordingly, unless climate adaptation is appropriately measured and implemented.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Decreased useful economic life of US gas assets:
The US is committed to net-zero by 2050, with strong state specific reduction targets in both Massachusetts (Senate Bill 9 – An Act Creating a Next Generation Roadmap for Massachusetts Climate Policy) and New York (Climate Leadership and Community Protection Act). There are multiple net zero pathways for heating to decarbonise which have different impacts for our US gas activities. Whilst all pathways expect a reduction of the usage of fossil gas in the long term, the regulatory environment is continually evolving and remains uncertain. There is therefore a risk that our natural gas infrastructure (that represents a significant part of our US business) will not be useful as long as is currently assumed in our financial planning and accounting.

We have performed sensitivity analysis to assess the impact shortening the useful economic lives of our gas business assets would have upon the Group's financial results, which may result in an increase in depreciation expenses of up to £239 million to 2050 for US regulated assets.

We are pursuing zero fossil fuel gas and electric systems by 2050, if not sooner, in the US. The vision proposes a hybrid approach to heating that enables customers to have more affordable and practical choices to become fossil-free.

Time horizon
Long-term

Likelihood
Unlikely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
45000000

Potential financial impact figure – maximum (currency)
239000000

Explanation of financial impact figure
With respect to our US gas distribution assets, asset lives are assessed as part of detailed depreciation studies completed as part of each separate rate proceeding. Depreciation studies consider the physical condition of assets and the expected operational life of an asset. We believe these assessments are our best estimate of the UEL of our gas network assets in the US. The weighted average remaining UEL for our US gas distribution fixed asset base is circa 52 years, however a sizeable proportion of our assets are assumed to have UELs which extend beyond 2080.

We have performed sensitivity analysis to assess the impact shortening the useful economic lives of our gas business assets would have upon the Group's financial results, which may result in an increase in depreciation expenses of up to £239 million to 2050 for US regulated assets. The maximum impact figure of £239m assumes that the UEL of our NY and NE gas assets are limited to 2050; we project this would cause an increase in depreciation expense of £185m and £54m in each region, NY and NE. The minimum impact figure of £45m assumes that the UEL of our NY and NE gas assets are limited to 2070; we project this would cause an increase in depreciation expense of £42m and £3m in each region, NY and NE.

This sensitivity calculation excludes any assumptions regarding the residual value for our asset base and the effect shortening asset depreciation lives would be expected to have on our regulatory recovery mechanisms.

Cost of response to risk
54000000

Description of response and explanation of cost calculation
We are pursuing a zero fossil fuel gas system by 2050, if not sooner, in the US. The vision proposes a hybrid approach to heating that enables customers to have more affordable and practical choices to become fossil-free. Central to this vision is the transition from Natural gas to a blend of Renewable Natural Gas (RNG) and Hydrogen. We have invested in several projects in this area covering Research, Development and Demonstration. The cumulative total of our US investment in RNG and Hydrogen projects in the US to date is £54m ($68.1m). £52.8m ($64.6m) of this has been spent on RNG RD&D, with £1.2m ($1.5m) spent on Hydrogen RD&D.

We are also continuing to engage with regulatory proceedings and processes in New York and Massachusetts to maximise recovery on our gas business assets. These include the ongoing DPU 20-80 'Future of Gas' proceeding in Massachusetts and a KEDNY/KEDLI depreciation study that will be submitted to the New York PSC in advance of our rate case filing in 2023.

Case Study of action being taken to address the risk:
Description:
In partnership with New York Cities Department of Environmental Protection, we have undertaken a demonstration project called Newtown Creek, to convert NYC's wastewater into a clean source of energy; Renewable Natural Gas. Since 2010 we have invested £52.3m ($64m) into this project, which represents our largest single

investment to date in RNG/Hydrogen to date – this investment is part of the £54m ($68.1m) total investment figure discussed above.

Result of Action
As a result of this project, 250 million gallons of wastewater per day is being converted into Renewable Natural Gas. This is enough RNG to heat 2,500 homes and reduce CO2 emissions by ~16,000 metric tons per day.

Timescale of implementation:
The project was implemented between 2010 and 2020 and is now operational. As it continues operating, it serves as an example of ways to use waste like wastewater and convert it to clean sources of energy like Renewable Natural Gas. We are currently exploring new opportunities to increase RNG production across our operations in both our NY and MA operating regions in line with our zero fossil fuel vision.

Comment
Further detail on this risk can be found on p82 and 181 of our Annual Report and Accounts.
Our Fossil Free Vision Report can be found here - https://www.nationalgrid.com/us/fossilfree.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Cyclone, hurricane, typhoon

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
US extreme weather events:
Our assets across the group are at risk of physical impacts from extreme weather events such as storms and flooding. The extent of the impacts from such events ranges from a single house to the entire New England region depending on the type and severity of the event. Our physical risk scenario modelling suggests that there will also be increased frequency of acute weather incidents and changing long-term climate trends leading to asset damage and operational risks.

We experience significant costs because of asset damage and operational interruptions due to major storms (2022/23: £258 million, 2021/22: £163 million). Our physiscal scenario modelling suggests these events are likely to increase in line with temperature rises. In these scenarios we grouped our portfolio of assets into 12 asset types to assess vulnerability to these hazards. The insights from our physical risk scenario modelling show that all scenarios will result in physical impacts to the Group's assets across consistent areas of our operations. We therefore continue to invest in storm hardening across the Group, with a further £31 million invested in the year.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
210500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We experience significant costs as a result of asset damage and operational interruptions due to major storms. In 2022/23 this amounted to £258 million and in 2021/22 £163 million. Whilst it is difficult to predict future impact, we use the average of these previous two years to estimate the magnitude of potential financial impact per annum.

Cost of response to risk
31000000

Description of response and explanation of cost calculation
We are making significant investments to respond to this risk with £619 million ($741m) of investment in our US business committed to in the five year capital investment forecast to FY26. This investment will help mitigate the impact of future extreme weather events and covers a range of storm hardening measures (with a further £31 million - part of the total investment reported above - invested in FY22-23 alone) and upgrades/ repairs to our infrastructure to make it less susceptible to storm damage, including inspection and maintenance, minor storm hardening, vegetation management, flood mitigation, side tap fusing, and multi-value transmission reliability.

Case Study of action being taken to address the risk:
Description:
We have developed an innovative Climate Change Risk Tool (CCRT) which allows each business to make more tailored use of the physical risk scenario analysis. The CCRT is available to all employees across the business, so offers a simple way for asset owners, strategy managers and senior leaders to access the information they need for their particular interest area and at the right level of detail. The CCRT gives a UK and US geographical overview of climate change risk and allows users to filter information focused to their business area, specific asset types and to a grid square level of 12km in the UK and 7km in the US. The CCRT shows the changing climate change risk profile (cross 8 hazards including compound storm events and flooding) for the 2030s, 2040s, 2050s and 2070s.

Result of action:

The insights from our physical risk scenario modelling show that all scenarios will result in physical impacts to the Group's assets across consistent areas of our operations; however, the impacts are most material in a 4°C scenario. We are continuing to use this insight to better inform our strategic planning and investment choices, as well as inform discussions with regulators and policy makers . This immediately results in a better understanding the resiliency of asset criticality and prioritisation of actions to reduce risks within the regions we operate.

Timescale of implementation:
We are already using the results of our CCRT (which began development in 2019) to inform our strategic planning and investment choices and will continue to do this within our existing 5 year regulatory period. We will also continue to enhance the tools functionality and be using the analysis to inform future regulatory periods (post 5 years).

Comment
N/A

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Missing SF6 UK regulatory targets:
Missing SF6 UK regulatory targets: There is a risk that NG fails to meet (or capitalise on) its UK regulatory target set by OFGEM for reduction of Sulphur Hexafluoride (SF6) leakage which could carry a financial penalty and loss of reputation (SF6 being an insulating and interrupting gas used in some of our electrical equipment.

During the current regulatory period there is an incentive mechanism in place to meet the annual Science Based Target (SBT) outlined in the Responsible Business Charter which will meet National Grid's commitment of a 50% reduction in SF6 emissions by 2030 from a 2018/19 baseline figure. The process for calculating the financial impact (positive or negative) is agreed with OFGEM at the outset of a price control period. The current regulatory incentive is determined annually based upon the SBT, with adjustments made for inventory additions and disposals, abatement from specific funded interventions, and the Non-Traded Cost of Carbon (NTCC). The incentive rate applied uses a Non-Traded Price of Carbon of £247 together with a sharing factor of 33% and a CO2 conversion rate of 23.5 for financial year 2023. This results in approximately £1,925 per kg for FY23 for both under and over-achieving against the annual target. Over-achieving against the SF6 target results in a financial incentive, whereas underachieving against the target results in a penalty. As a result, NG has a 5-year programme of SF6 related projects across the current regulatory period.

SF6 is an extremely effective electrical insulator and has significant advantages over alternative materials that are under development. SF6 plays a critical role on National Grid's network, however, it also has a GWP 23,900 times that of CO2 (based on SAR 100 year time horizon).

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
9300000

Potential financial impact figure – maximum (currency)
30800000

Explanation of financial impact figure
In preparation for our price control period (RIIO-T2), National Grid undertook analysis to forecast leak rates under a number of scenarios. Without intervention we anticipate that as much as 24t of SF6 could be released per annum from our equipment. However, with a proactive and ambitious schedule of SF6 R&D activities, including leak reduction, repair, capture and reuse and development of viable SF6-free alternatives, this figure could be reduced by ~16t SF6. We can contextualize the impact of not taking-action in this area by considering the financial implication of releasing an additional 16t of SF6. Under the current regulatory period (RIIO-T2), OFGEM have set a financial incentive for SF6 of approximately £584 per kg for FY22 and £1,925 per kg of SF6 from FY23. Using these figures, this approach would yield a potential financial impact figure (for failing to act) of between £9,344,000 (16000kg x £584) and £30,800,000 (16,000 x £1925).

Cost of response to risk
1200000

Description of response and explanation of cost calculation
We have developed a capital funding proposal with OFGEM which will provide a mechanism under the current price control period (RIIO-T2) for us to invest in achieving our Science Based Targets. This proposal includes a mixture of substation replacements, mid-life asset refurbishments and short-term repairs to maximize long term emission abatement at optimized cost. Achievement of our Science Based Targets is dependent on reducing emissions, of which SF6 is a contributing source. We will continue to work internationally through CIGRE, IEC, IEEE etc to ensure that we are abreast of, and can take early advantage of, the latest SF6-free developments and have collaborated through ENTSOE to respond to the ongoing debate regarding the future developments of the F-gas regulations.

At Norton substation, we worked with the OEM to refurbish assets and reduce leakage at a cost of £300k (a proportion of our overall £1.2m investment, with the other £900k being spent on array of other R&D activities related to SF6 reduction). A sig. reduction in leakage from the repair means the payback for this investment is immediate

due to an additional £1m income through the SF6 incentive scheme As part of our commitment to innovation. In 2020 we also began a collaboration with SP Transmission on the construction of a shared, fully SF6-free 132kV GIS substation near Liverpool and have contracted for the first installations of 132kV SF6-free AIS circuit-breakers as part of our ongoing asset replacement plans.

Looking forward, we have developed a capital funding proposal with OFGEM which will provide a mechanism under the current price control period (RIIO-T2) for us to invest in achieving our Science Based Targets. This proposal includes a mixture of substation replacements, mid-life asset refurbishments and short-term repairs to maximize long term emission abatement at optimized cost. Achievement of our Science Based Targets is dependent on reducing emissions, of which SF6 is a contributing source. We will continue to work internationally through CIGRE, IEC, IEEE etc to ensure that we are abreast of, and can take early advantage of, the latest SF6-free developments and have collaborated through ENTSOE to respond to the ongoing debate regarding the future developments of the F-gas regulations.

Comment
Whilst this risk is primarily UK focused, we have similar regulation in our US business. The State of Massachusetts for example has its own monitoring system through the Department of Environmental Protection, 310 CMR 7.72 (6). The State of Massachusetts allows for a max of 1.0% emission rate. For CY2021, National Grid did not exceed the max emissions rate.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
UK Flood risk:
There is a risk that National Grid's UK Electricity Transmission business may either fail to mitigate adequately or to deal with the consequences of flooding. The consequences of this could include damage to our assets, leading to loss of supply with disruption to large numbers of energy users. Such outcomes would lead to significantly increased direct financial costs, but also have negative consequences for National Grid's ability to meet regulatory standards, potentially impacting National Grid's public reputation.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
1500000

Potential financial impact figure – maximum (currency)
98000000

Explanation of financial impact figure
Owing to the significant variation of assets that we own, quantifying the financial impact of flooding at any one of our sites is difficult to do. In 2007 a number of our sites flooded, including Thorpe Marsh and Neepsend substations. The cost of repairing buildings, restoring assets and general clean up was around £1.5m - £2m per site; Importantly this does not take in to account reputational costs and any impact from supply failures. During our previous price control period (RIIO-T1) 49 sites were been identified as having a high flood risk. We can therefore use a figure of £1.5m a minimum financial impact figure (for the flooding of a single site) and £98m as a high financial impact figure (49 x £2m). As discussed this is a notional figure and it doesn't take in to account non physical costs. It also does not take in to account that a single substation can flood a number of times over its lifetime if mitigation work is not undertaken.

Cost of response to risk
193000000

Description of response and explanation of cost calculation
The combined financial impact of our UK Electricity Transmission flood mitigation strategy will be £193 million. This can be broken down in to the existing £135 million spent throughout our previous regulatory period (RIIO T1) and the estimated £58 million to be spent during our current regulatory period (RIIO T2). The sum of these two figures (£193m) is presented as our cost of response.

Case Study of action being taken to address the risk:
Description:
For UK Electricity Transmission, a flood mitigation strategy has been developed based on the highest risk assets and includes spending upon flood defence, erosion repair and further enhancement of our climate adaptation strategy. Mitigation work for sites has then been prioritised on the likelihood of a flood event, 1:100, 1:200 & 1:1000-year risk sites.

Result of action:
Works are progressing on target installing flood protection measures on identified high risk sites and continuing towards ensuring we meet our target of reducing the flooding risk at 49 substations. Examples of action taken include the purchase of 2.3km of demountable barrier system to ensure that a protection is available for at risk sites such as IVER (1:1000-year risk substation) and Stella West (1:200-year risk substation).

Timescale of implementation:
This programme of work is already well established, with significant progress made during our last regulatory period (RIIO-T1). Work will continue throughout our current regulatory period ending in 2026 (RIIO-T2).

Comment
N/A

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of supportive policy incentives

Primary potential financial impact
Returns on investment in low-emission technology

Company-specific description
Increased revenue through UK SF6 reduction incentive:
There is an opportunity to increase revenue through achievement of sulphur hexafluoride (SF6) leakage reduction targets as part of Ofgem's current regulatory incentive. Set by Ofgem, this incentive is specific to National Grid's UK Electric Transmission operations as part of our current regulated price control period (RIIO-T2). FY21 to FY26. Between FY15 and FY21 (our last price control period) National Grid Electricity Transmission's performance has resulted in incentive payments of £1.91m, £2.55m, £2.51m, £1.35m, £2.9m, £0.21m respectively. We use this total of £11.4m to demonstrate the overall potential financial impact figure across a price control period.

SF6 is an extremely effective electrical insulator and has significant advantages over alternative materials that are under development. SF6 is a critical part of our network, however, it also has a GWP 23,900 times that of CO2 (based on SAR 100-year time horizon).

During Year 1 (FY22) and Year 2 (FY23) of the RIIO-T2 period National Grid have outperformed the SBT targets with total SF6 leakage of 9,673kg and 9,276kg respectively against targets of 10,901kg and 9,759kg.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
11400000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
During the current regulatory period there is an incentive mechanism in place to meet the annual Science Based Target (SBT) outlined in the Responsible Business Charter which will meet National Grid's commitment of a 50% reduction in SF6 emissions by 2030 from a 2018/19 baseline figure. The process for calculating the financial impact (positive or negative) is agreed with OFGEM at the outset of a price control period. The current regulatory incentive is determined annually based upon the SBT, with adjustments made for inventory additions and disposals, abatement from specific funded interventions, and the Non-Traded Cost of Carbon (NTCC). The incentive rate applied uses a Non-Traded Price of Carbon of £247 together with a sharing factor of 33% and a CO2 conversion rate of 23.5 for financial year 2023. This results in approximately £1,925 per kg for FY23 for both under and over-achieving against the annual target. Over-achieving against the SF6 target results in a financial incentive, whereas underachieving against the target results in a penalty. As a result, NG has a 5-year programme of SF6 related projects across the current regulatory period. Between FY15 and FY21 (our last price control period) National Grid Electricity Transmission's performance has resulted in incentive payments of £1.91m, £2.55m, £2.51m, £1.35m, £2.9m, £0.21m respectively. We use this total of £11.4m to demonstrate the overall potential financial impact figure across a price control period.

Cost to realize opportunity
1200000

Strategy to realize opportunity and explanation of cost calculation
National Grid has invested £1.2m in SF6 R&D activities over the last 6 years (the RIIO-T1 regulatory period); including leak reduction works, repair of assets, capture and

reuse of SF6 and development of viable alternatives to SF6. Our top SF6 leaking assets have been identified and an investment sanctioned to minimize their leak rate. Work is also being done to utilize our existing refurbishment centres which have the capability to strip and replace gaskets on leaking equipment in-situ – potentially saving up to £100k per repair. At Norton substation, for example, we worked with the OEM over the RIIO-T1 price control period to refurbish assets at a cost of £300k (a proportion of our overall £1.2m investment, with the other £900k being spent on array of other R&D activities related to SF6 reduction). Due to a sig. leak reduction from the asset. The payback for this investment is immediate due to an additional £1m income through the SF6 incentive scheme. As part of our commitment to innovation we have recently begun a collaboration with Scottish Power Energy Networks on the construction of a shared, fully SF6-free 132kV GIS substation near Liverpool and have contracted for the first installations of 132kV SF6-free AIS circuit-breakers as part of our ongoing asset replacement plans.

Comment
N/A

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Increase in UK electricity use and share of final demand:
As the UK transitions towards net zero across power, transport and hear, the demand for electricity is projected to increase significantly. National Grid's UK business is well positioned for this opportunity, delivering a larger share of society's needs in the future than it does today and serving as a leader in the clean energy transition. This will increase investment opportunities as transmission and distribution electricity networks grow to serve increased demand.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
1200000000

Potential financial impact figure – maximum (currency)
2500000000

Explanation of financial impact figure
Whilst it is difficult to quantify the potential financial impact for National Grid of an increase in UK electricity use and share of final demand, sensitivity analysis has been run against our existing business plan to investigate the impact of different future energy scenarios.

In FY23, National Grid's Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) was £6.3bn. In an Orderly Transition (mid-case electrification) or Acceleration (high-case electrification) scenario, we project an increase over a Slow Progress scenario representing an additional underlying operating profit CAGR between 0.5%-1% over the medium-term.

Cost to realize opportunity
5100000000

Strategy to realize opportunity and explanation of cost calculation
Last year National Grid announced an intention to pivot our UK portfolio towards electricity through the acquisition of Western Power Distribution (WPD), the UK's largest electricity distribution business, from PPL Corporation for an equity value of £7.8 billion. As part of this transaction, National Grid also agreed to sell our Road Island business to PPL Corporation for an equity value of £2.7 billion. The net equity cost of this transaction therefore being £5.1 billion.

Our acquisition of WPD positions National Grid well for the anticipated increase in electricity use across transmission and distribution. We are also continuing to invest in both onshore renewables via National Grid Renewables and in our interconnector portfolio, which will form an important part of UK decarbonisation.

Comment
N/A

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description
Access to new markets through Interconnectors:
Interconnectors development provides a unique opportunity for National Grid and provide financial benefit by taking advantage of electricity price differentials in the two connecting countries. National Grid is a leader in developing electricity interconnector projects to connect Great Britain with other European countries. Our current project portfolio includes links to Norway, Belgium and France that are transitioning into construction; a link to Denmark in advanced development stages; and other links that are in early stage development. Interconnectors provide social, economic and environmental benefits to the connecting countries. By providing capacity for countries to exchange energy, interconnectors can displace fossil fuel electricity generation in favor of renewable energy therefore reducing the CO2 intensity of the energy mix. This increased capacity also improves the energy security in Great Britain. Interconnectors can also be a flexible tool to manage daily fluctuations in demand, potentially reducing the need to switch on more generation during brief periods of increased demand and avoiding carbon emissions – facilitating National Grid ESO's role as electricity system operator. Lastly, interconnection to countries with flexible, controllable generation enables more effective integration of intermittent renewable generation in Great Britain. This allows National Grid to support achieving its science based targets by reducing electricity system emissions. For example, hydro plants in Norway will be able to store energy during periods of high wind in GB, and release this stored energy during periods of low wind.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
50000000

Potential financial impact figure – maximum (currency)
150000000

Explanation of financial impact figure
Interconnectors provide financial benefit by taking advantage of electricity price differentials in the two connecting countries. For example, with IFA2, OFGEM's estimated annual revenue from price differentials in the range of £50m to £150m. This forms the basis of our financial impact assessment (source: Near-term Interconnector Cost Benefit Analysis A Pöyry report for Ofgem December 2017). This analysis considered a range of factors in determining the differential scenarios we use to calculate the potential impact, including; GB demand, GB thermal capacity, GB renewables capacity, Fuel prices (using DECC reference prices) and Carbon pricing (using ETS and SPS scenarios).

The low range scenario (£50m) assumed the EU TS carbon price has only risen to 17 euros/tco2 by 2040, stagnating GDP averaging 2.4% p.a and low renewable capacity. The high range scenario (£150m) assumed 15-25 euros/tco2 by 2040 over and above the current EU ETS price, higher GDP averaging 4.5% p.a and large scale build of new nuclear, CCS and CCGT. (the report in full and full calculations used can be found here: https://www.ofgem.gov.uk/system/files/docs/2018/01/near-term_interconnector_cost_and_benefit_analysis_-_independent_report_.pdf)

Cost to realize opportunity
434000000

Strategy to realize opportunity and explanation of cost calculation
We continue to invest in our interconnector portfolio which will form an important part of UK decarbonisation. Once Viking Link becomes commercially operational in 2023/24, NGV will hold 7.8 GW of interconnector capacity and the focus will switch to multi-purpose interconnectors which will increase interconnection and facilitate the construction and expansion of wind farms within the North Sea. Supporting these projects also falls under National Grid's Electricity Transmission and Electric System Operator businesses. National Grid carries out regular market assessments to review the value drivers for interconnectors and identify new project opportunities. We also work with regulators and governments to create a supportive regulatory environment. The Board conducts periodic reviews of projects as they pass through key development milestones (for example when significant funds are committed to the project). This process culminates with Final Investment Decision (FID) approval, where the board approves the construction of the project.

In FY23 National Grid Ventures spent a total of £434m on its interconnector portfolio, 6% of total group CAPEX spend of £7.4bn. These costs can be further split into three projects, IFA/ IFA2 connection with France (£228m), Viking Link connection with Denmark (£202m) and North Sea Link connection with Norway (£3m). The North Sea connection with Norway interconnector will be used as a flexible tool to manage daily fluctuations in demand, sometimes reducing the need to switch on more generation during brief periods of increased demand and avoiding carbon emissions. Interconnection to countries with flexible, controllable generation such as Norway enables more effective integration of intermittent renewable generation in Great Britain. For example, hydro plants in Norway will be able to store energy during periods of high wind in GB and release this stored energy during periods of low wind.

Comment
N/A

Identifier
Opp4

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Ability to diversify business activities

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
Energy supply structure will shift creating commercial opportunities to grow our non regulated businesses:

Growth in investment will occur in our markets as well as in adjacent markets, providing opportunity for our National Grid Ventures and National Grid Partners businesses. As pathways adapt to global and local realities, technologies and market expectations will develop new commercial opportunities from the transition towards net zero that will continue to present opportunities to shape our portfolio and strategy.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
1200000000

Potential financial impact figure – maximum (currency)
2500000000

Explanation of financial impact figure
Whilst it is difficult to quantify the potential financial impact for National Grid of an increase in UK electricity use and share of final demand, sensitivity analysis has been run against our existing business plan to investigate the impact of different future energy scenarios.

In FY23, National Grid's Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) was £6.3bn. In an Orderly Transition (mid-case electrification) or Acceleration (high-case electrification) scenario, we project an increase over a Slow Progress scenario representing an additional underlying operating profit CAGR between 0.5%-1% over the medium-term.

Cost to realize opportunity
739000000

Strategy to realize opportunity and explanation of cost calculation
Our NGV and NGP businesses actively monitor and participate in emerging growth opportunities and will continue to do so in the future. We anticipate investment in large-scale renewables to expand as the energy transition accelerates, with further innovation to create opportunities of additional revenue streams in the future. Our capital investment forecast to 2026 contains c.£739m relating to renewables. As part of this wider investment programme, in FY23 National Grid Renewables invested £147 million into renewable generation assets via the Emerald joint venture and £7 million in the offshore wind seabed lease awarded in the New York Bight.

Comment
N/A

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan
Our climate transition plan is voted on at Annual General Meetings (AGMs)

Description of feedback mechanism
<Not Applicable>

Frequency of feedback collection
<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)
Climate Transition Plan (2022)

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios: RCP 8.5	Company-wide	<Not Applicable>	The physical climate hazards that we tested in our 2 degree and 4 degree scenario analysis are summarised below. The climate hazard data is sourced from the national climate assessments (NCA4 in the US, and UKCP18 in the UK). These assessments include data from the Federal Emergency Management Agency, NOAA Physical Sciences Laboratory, Environmental Protection Agency, Met Office, Environment Agency and academic literature. The scenario data is modelled using IPCC's Representative Concentration Pathway (RCP) scenarios of RCP8.5 (4°C) and RCP4.5 (2°C). • Coastal flooding: Frequency of occurrence of coastal flood and future impacts due to sea level rise • River flooding: Frequency of occurrence of river flooding due to over 25mm (1 inch) daily rainfall • Storms (Compound Events): Number of days per year when high winds are above 34 m/s (76 mph) and high rainfall above 25mm (1 inch) on the same day. Displayed separately for summer (March – August) and winter (September to February) seasons • High wind: Number of days per year when maximum daily wind gust is above 34 m/s (76 mph) • Lightning: Number of lightning events • High temperatures: Number of days per year when maximum daily temperature is above 30°C (86°F) in the UK and 95°F (35°C) in the US • Low temperatures: Number of days per year when maximum temperature is below 0°C (32°F) in the UK and 10°F (-12°C) in the US • Freeze-thaw cycles: Number of days per year when maximum daily temperature is above 0°C (32°F) and minimum daily temperature is below 0°C (32°F) in the same day • Heatwaves: Number of times per year when maximum daily temperature is above 30°C (90°F) and minimum daily temperatures is above 20°C (70°F) for 3 consecutive days
Physical climate scenarios: RCP 4.5	Company-wide	<Not Applicable>	The physical climate hazards that we tested in our 2 degree and 4 degree scenario analysis are summarised below. The climate hazard data is sourced from the national climate assessments (NCA4 in the US, and UKCP18 in the UK). These assessments include data from the Federal Emergency Management Agency, NOAA Physical Sciences Laboratory, Environmental Protection Agency, Met Office, Environment Agency and academic literature. The scenario data is modelled using IPCC's Representative Concentration Pathway (RCP) scenarios of RCP8.5 (4°C) and RCP4.5 (2°C). • Coastal flooding: Frequency of occurrence of coastal flood and future impacts due to sea level rise • River flooding: Frequency of occurrence of river flooding due to over 25mm (1 inch) daily rainfall • Storms (Compound Events): Number of days per year when high winds are above 34 m/s (76 mph) and high rainfall above 25mm (1 inch) on the same day. Displayed separately for summer (March – August) and winter (September to February) seasons • High wind: Number of days per year when maximum daily wind gust is above 34 m/s (76 mph) • Lightning: Number of lightning events • High temperatures: Number of days per year when maximum daily temperature is above 30°C (86°F) in the UK and 95°F (35°C) in the US • Low temperatures: Number of days per year when maximum temperature is below 0°C (32°F) in the UK and 10°F (-12°C) in the US • Freeze-thaw cycles: Number of days per year when maximum daily temperature is above 0°C (32°F) and minimum daily temperature is below 0°C (32°F) in the same day • Heatwaves: Number of times per year when maximum daily temperature is above 30°C (90°F) and minimum daily temperatures is above 20°C (70°F) for 3 consecutive days
Transition scenarios: Bespoke transition scenario	Company-wide	3.1ºC - 4ºC	Slow Progress Scenario: • Decarbonisation progress is made but too slow to meet Net Zero targets • Increase in distributed generation and local solutions where local authorities compensate for lack of overall national progress • System becomes increasingly unequal
Transition scenarios: Bespoke transition scenario	Company-wide	2.1ºC - 3ºC	Orderly Transition Scenario: • Reaches most Net Zero targets through an orderly approach • Governments pursue suite of solutions for large scale and consumer options • Coordinated pathway between key market players e.g. orderly reduction in natural gas • Increase investment in renewable electric generation and networks • Gas network evolution to allow H2 clusters and/or clean gas blending
Transition scenarios: Bespoke transition scenario	Company-wide	1.5ºC	Acceleration Scenario: • Reaches 2030 Net Zero targets to be on track for 2050 • Electrification of heat and transport at fast pace • Accompanied by large scale investments (network, storage) • Increased grid scale and interconnection with smart homes and end-use electrification • Faster gas demand reduction

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

The focal question our physical scenario modelling tries to answer is:

What is the impact to the group's assets of average global temperature increases of 2°C and 4°C?

The physical climate hazards that we tested in our 2 degree and 4 degree scenario analysis are summarised below. The climate hazard data is sourced from the national climate assessments (NCA4 in the US, and UKCP18 in the UK). These assessments include data from the Federal Emergency Management Agency, NOAA Physical Sciences Laboratory, Environmental Protection Agency, Met Office, Environment Agency and academic literature. The scenario data is modelled using IPCC's Representative Concentration Pathway (RCP) scenarios of RCP8.5 (4°C) and RCP4.5 (2°C).

• Coastal flooding: Frequency of occurrence of coastal flood and future impacts due to sea level rise
• River flooding: Frequency of occurrence of river flooding due to over 25mm (1 inch) daily rainfall
• Storms (Compound Events): Number of days per year when high winds are above 34 m/s (76 mph) and high rainfall above 25mm (1 inch) on the same day. Displayed separately for summer (March – August) and winter (September to February) seasons
• High wind: Number of days per year when maximum daily wind gust is above 34 m/s (76 mph)
• Lightning: Number of lightning events
• High temperatures: Number of days per year when maximum daily temperature is above 30°C (86°F) in the UK and 95°F (35°C) in the US
• Low temperatures: Number of days per year when maximum temperature is below 0°C (32°F) in the UK and 10°F (-12°C) in the US
• Freeze-thaw cycles: Number of days per year when maximum daily temperature is above 0°C (32°F) and minimum daily temperature is below 0°C (32°F) in the same day
• Heatwaves: Number of times per year when maximum daily temperature is above 30°C (90°F) and minimum daily temperatures is above 20°C (70°F) for 3 consecutive days

Results of the climate-related scenario analysis with respect to the focal questions

In assessing the physical impacts of our scenarios, we grouped our portfolio of assets into 12 asset types to assess vulnerability to these hazards. The insights from our physical risk scenario modelling show that all scenarios will result in physical impacts to the Group's assets across consistent areas of our operations; however, the impacts are most material in a 4°C scenario, with high temperatures and coastal flooding of particular concern. We are continuing to progress our physical risk analysis to inform our strategic planning and investment choices. Across the group the following specific results were observed:

• Underground infrastructure is protected from high wind, compound (storm) events and lightning.
• Most hazards are projected to increase in frequency in the future, with high temperatures and coastal flooding of particular concern. In most cases, the level of risk is greater in a 4°C scenario than a 2°C scenario.
• Risks from high temperature and heatwaves will increase significantly over time for many asset types, particularly overhead lines for transmissions and distribution.
• Some gas pipeline infrastructure in the US has a high risk of low temperature and freeze-thaw hazards today.
• Storms (compound hazards) are difficult to assess with confidence but they are likely to be more intense, though changes in frequency are unclear. We do know that climate change will lead to increased rainfall, wind speeds, and coastal flooding/storm surges due to sea level rises, so this may make future coastal storms more damaging.
• Risks from river and coastal flooding are significant for all asset types now and in future climates. By the 2070s, almost all assets by the coast may be at high risk from coastal flooding. In coastal areas, assets can be exposed to increases in occurrence of coastal flooding and high temperatures in the future. For some asset types, most of the infrastructure is located in coastal areas, such as terminals and converter stations in the UK, and LNG/CNG facilities and generation assets in the US. Generation assets on Long Island are highlighted for the particular risk of coastal flooding.

We are continuing to use this insight to better inform our strategic planning and investment choices, as well as inform discussions with regulators and policy makers . This immediately results in a better understanding the resiliency of asset criticality and prioritisation of actions to reduce risks within the regions we operate. We are making significant investments to respond to these risks with £619 million ($741m) of investment in our US business committed to in the five year capital investment forecast to FY26. This investment will help mitigate the impact of future extreme weather events and covers a range of storm hardening measures .

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	National Grid's strategy with regards to the products and services it offers is directly influenced by climate related risks and opportunities. Where we seek to mitigate our susceptibility to physical and transitional climate related risks, there are also strong market growth opportunities which we seek to explore. One such example is investment in new low-carbon energy sources primarily through our interconnector businesses, investments in and partnerships with, companies delivering low-carbon energy sources, and investments into large-scale renewables (for example, our new investment in NGR). The continued growth of our interconnector business over the short to medium term time horizon can be viewed as an example of how climate related opportunities are directly influencing our strategy with regards to the products and services we offer. Interconnectors are one of the most significant opportunities for National Grid to broaden it's service portfolio as they provide financial benefit by taking advantage of electricity price differentials in the two connecting countries. Over the past decade this opportunity has influenced National Grid to develop its interconnector business significantly and the company is now involved in a number of projects to connect Great Britain with other European countries. This opportunity will continue to influence national grid's strategy over a short-medium term time horizon as we continue to build out our current portfolio and look for new opportunities. For IFA2, we consider the magnitude of estimated annual revenue impact from price differentials to be in the range of £50m to £150m. (source: Near-term Interconnector Cost Benefit Analysis ,a Pöyry report for Ofgem December 2014) We have also strategically pivoted our UK portfolio towards electricity, to be at the heart of the energy transition. On 18 March 2021 National Grid announced that it had agreed to acquire Western Power Distribution from PPL subject to certain regulatory approvals. The proportion of the Group's assets in electricity has increased from around 60% to around 70%, with this acquisition and the sale of a 60% share in our UK Gas Transmission business.
Supply chain and/or value chain	Yes	Climate related risks and opportunities directly influence National Grid's supply chain strategy over the short to medium term. Driving the carbon out of construction activities and the operation of our assets is an opportunity for National Grid, as we will reduce costs by our suppliers using less materials and operating more efficiently, and mitigate future risks of missing our sustainability targets. We make carbon part of a holistic decision-making process that accounts for several sustainability factors. We have continued to include carbon as a weighted section in tenders for our major construction schemes and have evaluated schemes with combined capital cost in excess of £500m. The impacts of including carbon in tenders in this way will directly impact our choice of suppliers in the short to medium term time horizon. Through including carbon in these events we have raised the profile of designing for lower carbon among our main suppliers and have received positive feedback from our supply chain for prioritising this. We have engaged with the majority of our principle contractors and have received positive feedback from our supply chain that weighting carbon at tender really helps focus their efforts on low carbon, cost effective design. Through analysis of the results of these tenders we have been able to identify that the relationship between cost and carbon is 10:6, meaning a cost reduction in the magnitude of 6% for every 10% reduction in carbon – a positive impact to the business. A lower than average carbon option was also chosen in 88% of tenders where this weighting was applied. We also leverage the CDP supply chain module and require our suppliers to submit their carbon footprint data annually. By working with our suppliers to develop their carbon footprints, we can help assess those suppliers for risks and opportunities. This allows us to make meaningful decisions through the procurement process as well as to help create the low-carbon changes needed with key suppliers. With the approval of our SBT to include scope 3 emissions, the supplier engagement strategy and timeline has become more of a focus. We will need to hasten our engagement with suppliers to ensure all key global suppliers are reporting emissions within the next three years.
Investment in R&D	Yes	Climate related risks and opportunities directly influence National Grid's strategic investment in R&D activities in the short to medium term time horizon. One of our most substantial R&D investment programmes is concerned with identifying viable alternatives to SF6 (the leakage of which is one of our largest directly controllable emissions sources). For example National Grid has a commissioned SF6 asset inventory in the UK of 919,275 kg with an annual loss of 11,688 kg. We are impacted by increasingly stringent regulation of SF6 leakage. As a result of this risk, National Grid has invested over £1.2m in SF6 research and development over the short term that will reduce the likelihood of us not meeting our regulatory targets. As part of our commitment to R&D innovation, NG is also working with partners to research innovative alternatives to SF6. For example, working with GE Energy Connections and Alstom, we have developed G3 (Green Gas for Grid) which is an SF6-free gas mixture that can reduce the GWP of the gas used in our equipment by 98%. We have successfully installed and pressurised G3 on two gas insulated busbar sections at a site in Sellindge. We have continued our work to look at other potential gases, such as CF3I, testing their dielectric and long-term stability properties. Under our current regulatory period, there is a financial incentive to reduce SF6 leakage. This results in in an impact of approximately £584 per kg and £1,925 per kg of SF6 from FY23. If targets are met there is an opportunity to increase revenue. The magnitude of our performance in in the current price control period (up to the current reporting year) is expected to result in an increased SF6 Incentive revenue of around £11.4m. This has been achieved through our work to reduce and repair assets and thereby limiting SF6 leakage rates.
Operations	Yes	Climate related risks and opportunities directly influence National Grid's operational strategy over the short, medium and long term. The GB electricity market is going through a time of significant and rapid change, caused mainly by the transition to low carbon energy sources, and energy being produced closer to where it is consumed. This has a direct impact on National Grid's operational ability to balance the system. To ensure National Grid can continue to operate the system in the future, economically and efficiently, our network development strategy considers a variety of generation mixes and future energy pathways over the short, medium and long term time horizon. As system operator, we consult widely with a range of stakeholders to develop Future Energy Scenarios. The annual consultation process allows us to review how the energy landscape continues to change by assessing emerging technologies and advancements in low-carbon generation. The magnitude of financial impact is that National Grid spends around £850m each year on services to ensure the British electricity grid remains balanced and secure. In the reporting year, ESO announced its ambition to transform the operation of the electricity system by 2025. Our goal is to be able to operate the system safely and securely at zero carbon whenever there is sufficient renewable generation online and available to meet the total national load. To facilitate this, the ESO has agreed contracts with five parties, worth £328 million over a six-year period, in a world-first approach to managing the stability of the electricity system. In addition to help facilitate this transition, we have also strategically pivoted our UK portfolio towards electricity, to be at the heart of the energy transition. On 18 March 2021 National Grid announced that it had agreed to acquire Western Power Distribution from PPL subject to certain regulatory approvals. This transaction completed in 2021. The proportion of the Group's assets in electricity has increased from around 60% to around 70%, with this acquisition and the sale of a 60% share in our UK Gas Transmission business.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures Capital allocation	As the optimal path to achieving net zero is unclear, our financial planning remains flexible enough to deliver against the range of low-carbon system developments on the pathway to 2050. In the UK for example our Electricity Transmission business, our RIIO-T2 business plan covers a crucial short term period (2021 – 2026) for investment to help deliver the UK's net zero target. In Dec 2022 Ofgem published its decision on accelerated onshore electricity transmission investment, confirming that National Grid Electricity Transmission (NGET) will be responsible for the delivery of 17 additional onshore electricity transmission projects required to facilitate the governments target of 50GW of offshore generation by 2030.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with a sustainable finance taxonomy	At the company level only

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
Revenue/Turnover

Type of alignment being reported for this financial metric
Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported
Total across all objectives

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
14400000000

Percentage share of selected financial metric aligned in the reporting year (%)
67

Percentage share of selected financial metric planned to align in 2025 (%)
0

Percentage share of selected financial metric planned to align in 2030 (%)
0

Describe the methodology used to identify spending/revenue that is aligned
National Grid supports the steps taken by the EU to standardise how businesses report on their environmental, social and governance (ESG) activities to provide more clarity to their investors and lenders. As a result, the decision was made to voluntarily disclose our activities the are considered consistent with the eligibility and alignment requirements of the EU Taxonomy's climate objectives. The goal of the project was to assess the eligibility and alignment of National Grid's economic activities with the EU Taxonomy for the financial year to 31 March 2022 and establish an evaluation methodology that could be replicated going forward. The analysis was based on the EU Taxonomy Regulation, which includes its associated legislative acts (the "Delegated Acts") described in our EU Taxonomy Report - https://www.nationalgrid.com/document/149536/download

Percentage share of selected financial metric planned to align in 2025/2030 not yet disclosed.

Financial Metric
OPEX

Type of alignment being reported for this financial metric
Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported
Total across all objectives

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
6500000000

Percentage share of selected financial metric aligned in the reporting year (%)
84

Percentage share of selected financial metric planned to align in 2025 (%)
0

Percentage share of selected financial metric planned to align in 2030 (%)
0

Describe the methodology used to identify spending/revenue that is aligned
National Grid supports the steps taken by the EU to standardise how businesses report on their environmental, social and governance (ESG) activities to provide more clarity to their investors and lenders. As a result, the decision was made to voluntarily disclose our activities the are considered consistent with the eligibility and alignment requirements of the EU Taxonomy's climate objectives. The goal of the project was to assess the eligibility and alignment of National Grid's economic activities with the EU Taxonomy for the financial year to 31 March 2022 and establish an evaluation methodology that could be replicated going forward. The analysis was based on the EU Taxonomy Regulation, which includes its associated legislative acts (the "Delegated Acts") described in our EU Taxonomy Report - https://www.nationalgrid.com/document/149536/download

Percentage share of selected financial metric planned to align in 2025/2030 not yet disclosed.

Financial Metric

CAPEX

Type of alignment being reported for this financial metric
Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported
Total across all objectives

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
5600000000

Percentage share of selected financial metric aligned in the reporting year (%)
75

Percentage share of selected financial metric planned to align in 2025 (%)
0

Percentage share of selected financial metric planned to align in 2030 (%)
0

Describe the methodology used to identify spending/revenue that is aligned
National Grid supports the steps taken by the EU to standardise how businesses report on their environmental, social and governance (ESG) activities to provide more clarity to their investors and lenders. As a result, the decision was made to voluntarily disclose our activities the are considered consistent with the eligibility and alignment requirements of the EU Taxonomy's climate objectives. The goal of the project was to assess the eligibility and alignment of National Grid's economic activities with the EU Taxonomy for the financial year to 31 March 2022 and establish an evaluation methodology that could be replicated going forward. The analysis was based on the EU Taxonomy Regulation, which includes its associated legislative acts (the "Delegated Acts") described in our EU Taxonomy Report - https://www.nationalgrid.com/document/149536/download

Percentage share of selected financial metric planned to align in 2025/2030 not yet disclosed.

C3.5c

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

Since our first EU Taxonomy disclosure in 2021/22, we have taken steps to further embed the EU Taxonomy into our strategic sustainability decision making by applying its alignment criteria to calculate our green investment forecasts and associated monitoring processes. Most recently, we announced that around £29 billion (c.73%) of our £40 billion investment programme over our five-year framework to 31 March 2026 would be aligned to the EU Taxonomy.

Further, we have developed an internal sustainability reporting regime within which all sustainability information, including our EU Taxonomy performance, is monitored through our quarterly forecasting processes. In pulling this year's reporting together, the following steps were taken:

- The project team was led by the ESG Centre of Excellence within Group Financial Control, with support and expertise from wider internal stakeholders. In addition, we engaged with industry peers and external advisers and their respective working groups in the reporting year, to improve and challenge our understanding of the EU Taxonomy.

- In order to perform our detailed eligibility and alignment assessments, the project team engaged with over 15 different departments across the Group, obtaining senior management approvals for all business level data submissions.

- Relevant members of the Board, Executives and senior management were kept up-to-date on major outcomes and assumptions throughout the process, including reporting of findings to the Audit & Risk Committee ahead of publication.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

Well-below 2°C aligned

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
1990

Base year Scope 1 emissions covered by target (metric tons CO2e)
15262480

Base year Scope 2 emissions covered by target (metric tons CO2e)
8595589

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
23858069

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
80

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
4369413

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
2876199

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
7245612

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
This is equivalent to a 50% absolute reduction from a FY2016 base-year, aligned to the SBTi criteria on more recent baseline years.

This target covers 100% of Group S1&2 emissions. With a 70% reduction against our 1990 baseline we are on track to meet our 80% 2030 reduction target. We have changed our future targets to reflect our current performance and our role in achieving Net Zero by 2050.

Our interim scope 1, 2 and 3 emission reduction targets were verified by SBTi in 2020/21, demonstrating a clear, credible commitment to deliver our longer-term net zero strategy in line with a well below 2 °C pathway. Since then, National Grids operational boundary has changed with the acquisition of ED (previously Western Power Distribution) and divestment of Gas Transmission and Rhode Island. We do not believe these materially impact our emissions, but are currently working with SBTi to ensure our targets remain representative.
A significant proportion of our emissions are driven by market conditions, energy demand and prevailing weather conditions giving us uncertainty in the short-term. Scope 1 & 2 GHG emissions for 2022/23 are around 7% lower than last year, primarily due to a decrease in emissions from our US power generation business, due to a reduction in demand. Though the dispatch is outside National Grid's control, the units are maintained to operate as efficiently and reliably as possible. National Grid utilises Continuous Emissions Monitoring System (CEMS) to monitor its generator emissions. We still continue to challenge each of our business units to make year on year reductions in emissions.

Plan for achieving target, and progress made to the end of the reporting year
Our climate change strategy has its foundation in a solid understanding of where our material areas of impacts are; not only within our own operations (direct Scope 1 emissions) and the energy we use (indirect Scope 2 emissions), but also impacts from our wider value chain (Scope 3 emissions). Considering the entirety of our climate footprint in a combined way allows us to identify which areas of our business operations have most significance and where we have the most influence and control. We can then put strategies in place to ensure alignment with our science-based greenhouse gas reduction targets.

In FY22 we published our first Climate Transition Plan which sets out our Group greenhouse gas reduction targets, our overall pathway to 2050, and the actions we're taking across each of the material areas of our climate footprint. We have set ambitious near-term targets aimed at accelerating the decarbonisation of our most significant impacts, with action being taken now. These include - reducing SF6 emissions from our global operation 50% by 2030, investing in infrastructure to deliver fossil-free gas and electric solutions, serving 10-20% of gas demand with renewable national gas (RNG) by 2030 and reducing our generation emissions intensity through the growth of National Grid Renewables.

In the US, we have launched our Fossil Free Vision to set out our vision for how to transition the communities we serve to zero carbon through a combination of energy efficiency, fossil-free gas, hybrid gas-electric systems and full electrification. In the UK, we announced an intention to pivot our portfolio towards electricity, through the sale of a majority stake in Gas Transmission (GT) and acquisition of Western Power Distribution (WPD), the UK's largest electricity distribution business. These changes

significantly enhance National Grid's central role in the energy transition.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
1990

Base year Scope 1 emissions covered by target (metric tons CO2e)
15262480

Base year Scope 2 emissions covered by target (metric tons CO2e)
8595589

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
23858069

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2040

Targeted reduction from base year (%)
90

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
4369413

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
2876199

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
7245612

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
This target covers 100% of Group S1&2 emissions. With a 70% reduction against our 1990 baseline we are on track to meet our 90% 2040 reduction target. We have changed our future targets to reflect our current performance and our role in achieving Net Zero by 2050.

Our interim scope 1, 2 and 3 emission reduction targets were verified by SBTi in 2021, demonstrating a clear, credible commitment to deliver our longer-term net zero strategy in line with a well below 2 °C pathway. Since then, National Grids operational boundary has changed with the acquisition of ED (previously Western Power Distribution) and divestment of Gas Transmission and Rhode Island. We do not believe these materially impact our emissions, but are currently working with SBTi to ensure our targets remain representative.
A significant proportion of our emissions are driven by market conditions, energy demand and prevailing weather conditions giving us uncertainty in the short-term. Scope 1 & 2 GHG emissions for 2022/23 are around 7% lower than last year, primarily due to a decrease in emissions from our US power generation business, due to an reduced in demand. Though the dispatch is outside National Grid's control, the units are maintained to operate as efficiently and reliably as possible. National Grid utilises Continuous Emissions Monitoring System (CEMS) to monitor its generator emissions. We still continue to challenge each of our business units to make year on year reductions in emissions.

Plan for achieving target, and progress made to the end of the reporting year
Our climate change strategy has its foundation in a solid understanding of where our material areas of impacts are; not only within our own operations (direct Scope 1 emissions) and the energy we use (indirect Scope 2 emissions), but also impacts from our wider value chain (Scope 3 emissions). Considering the entirety of our climate footprint in a combined way allows us to identify which areas of our business operations have most significance and where we have the most influence and control. We can then put strategies in place to ensure alignment with our science-based greenhouse gas reduction targets.

In FY22 we published our first Climate Transition Plan which sets out our Group greenhouse gas reduction targets, our overall pathway to 2050, and the actions we're taking across each of the material areas of our climate footprint. We have set ambitious near-term targets aimed at accelerating the decarbonisation of our most significant impacts, with action being taken now. These include - reducing SF6 emissions from our global operation 50% by 2030, investing in infrastructure to deliver fossil-free gas and electric solutions, serving 10-20% of gas demand with renewable national gas (RNG) by 2030 and reducing our generation emissions intensity through the growth of National Grid Renewables. We have

In the US, we have launched our Fossil Free Vision to set out our vision for how to transition the communities we serve to zero carbon through a combination of energy efficiency, fossil-free gas, hybrid gas-electric systems and full electrification. In the UK, we announced an intention to pivot our portfolio towards electricity, through the sale of a majority stake in Gas Transmission (GT) and acquisition of Western Power Distribution (WPD), the UK's largest electricity distribution business. These changes significantly enhance National Grid's central role in the energy transition.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 3

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Year target was set
2019

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
1990

Base year Scope 1 emissions covered by target (metric tons CO2e)
15262480

Base year Scope 2 emissions covered by target (metric tons CO2e)
8595589

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
23858069

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2050

Targeted reduction from base year (%)
100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
4369413

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
2876199

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
7245612

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
This target covers 100% of Group S1&2 emissions. With a 70% reduction against our 1990 baseline we are on track to meet our 100% 2050 reduction target. We have changed our future targets to reflect our current performance and our role in achieving Net Zero by 2050.

Our interim scope 1, 2 and 3 emission reduction targets were verified by SBTi in 2021, demonstrating a clear, credible commitment to deliver our longer-term net zero strategy in line with a well below 2 °C pathway. Since then, National Grids operational boundary has changed with the acquisition of ED (previously Western Power Distribution) and divestment of Gas Transmission and Rhode Island. We do not believe these materially impact our emissions, but are currently working with SBTi to ensure our targets remain representative.
A significant proportion of our emissions are driven by market conditions, energy demand and prevailing weather conditions giving us uncertainty in the short-term. Scope 1

& 2 GHG emissions for 2022/23 are around 7% lower than last year, primarily due to a decrease in emissions from our US power generation business, due to an reduced in demand. Though the dispatch is outside National Grid's control, the units are maintained to operate as efficiently and reliably as possible. National Grid utilises Continuous Emissions Monitoring System (CEMS) to monitor its generator emissions. We still continue to challenge each of our business units to make year on year reductions in emissions.

Plan for achieving target, and progress made to the end of the reporting year
Our climate change strategy has its foundation in a solid understanding of where our material areas of impacts are; not only within our own operations (direct Scope 1 emissions) and the energy we use (indirect Scope 2 emissions), but also impacts from our wider value chain (Scope 3 emissions). Considering the entirety of our climate footprint in a combined way allows us to identify which areas of our business operations have most significance and where we have the most influence and control. We can then put strategies in place to ensure alignment with our science-based greenhouse gas reduction targets.

In FY22 we published our first Climate Transition Plan which sets out our Group greenhouse gas reduction targets, our overall pathway to 2050, and the actions we're taking across each of the material areas of our climate footprint. We have set ambitious near-term targets aimed at accelerating the decarbonisation of our most significant impacts, with action being taken now. These include - reducing SF6 emissions from our global operation 50% by 2030, investing in infrastructure to deliver fossil-free gas and electric solutions, serving 10-20% of gas demand with renewable national gas (RNG) by 2030 and reducing our generation emissions intensity through the growth of National Grid Renewables. We have

In the US, we have launched our Fossil Free Vision to set out our vision for how to transition the communities we serve to zero carbon through a combination of energy efficiency, fossil-free gas, hybrid gas-electric systems and full electrification. In the UK, we announced an intention to pivot our portfolio towards electricity, through the sale of a majority stake in Gas Transmission (GT) and acquisition of Western Power Distribution (WPD), the UK's largest electricity distribution business. These changes significantly enhance National Grid's central role in the energy transition.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 4

Is this a science-based target?
Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition
Well-below 2°C aligned

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 11: Use of sold products

Base year
2018

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
5967008

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
4241235

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
1051

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
13886

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
16558

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
18364694

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
28604432

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
28604432

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2033

Targeted reduction from base year (%)
37.5

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
6291248

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
3510283

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
45941

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
38156

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
21109

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
17972516

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
27879254

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
27879254

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
Combined scope 3 targets cover 100% of total scope 3 emissions, corresponding to the following categories: Purchased goods and services (including Capital Goods), Fuel and energy related activities, waste generated in operations, business travel, employee commuting, use of sold products.

Following the divestment of Gas Transmissions and Rhode Island and acquisition of Western Power Distribution, we are currently in the process of working with SBTi to re-baseline our base year to align to the new reporting boundary.

Plan for achieving target, and progress made to the end of the reporting year
Our climate change strategy has its foundation in a solid understanding of where our material areas of impacts are; not only within our own operations (direct Scope 1 emissions) and the energy we use (indirect Scope 2 emissions), but also impacts from our wider value chain (Scope 3 emissions). Considering the entirety of our climate footprint in a combined way allows us to identify which areas of our business operations have most significance and where we have the most influence and control. We can then put strategies in place to ensure alignment with our science-based greenhouse gas reduction targets.

In FY22 we published our first Climate Transition Plan which sets out our Group greenhouse gas reduction targets, our overall pathway to 2050, and the actions we're taking across each of the material areas of our climate footprint. We have set ambitious near-term targets aimed at accelerating the decarbonisation of our most significant impacts, with action being taken now. These include - reducing SF6 emissions from our global operation 50% by 2030, investing in infrastructure to deliver fossil-free gas and electric solutions, serving 10-20% of gas demand with renewable national gas (RNG) by 2030 and reducing our generation emissions intensity through the growth of National Grid Renewables. We have

In the US, we have launched our Fossil Free Vision to set out our vision for how to transition the communities we serve to zero carbon through a combination of energy efficiency, fossil-free gas, hybrid gas-electric systems and full electrification. In the UK, we announced an intention to pivot our portfolio towards electricity, through the sale of a majority stake in Gas Transmission (GT) and acquisition of Western Power Distribution (WPD), the UK's largest electricity distribution business. These changes significantly enhance National Grid's central role in the energy transition.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 5

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 11: Use of sold products

Base year
2018

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
5967008

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
4241235

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
1051

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

13886

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
16558

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
18364694

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
28604432

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
28604432

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2050

Targeted reduction from base year (%)
100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
6291248

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
3510283

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
45941

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
38156

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
21109

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
17972516

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
27879254

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
27879254

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
Combined scope 3 targets cover 100% of total scope 3 emissions, corresponding to the following categories: Purchased goods and services, Fuel and energy related activities, waste generated in operations, business travel, employee commuting, use of sold products.
Following the divestment of Gas Transmissions and Rhode Island and acquisition of Western Power Distribution, we are currently in the process of working with SBTi to re-baseline our base year to align to the new reporting boundary.

Plan for achieving target, and progress made to the end of the reporting year
Our climate change strategy has its foundation in a solid understanding of where our material areas of impacts are; not only within our own operations (direct Scope 1 emissions) and the energy we use (indirect Scope 2 emissions), but also impacts from our wider value chain (Scope 3 emissions). Considering the entirety of our climate footprint in a combined way allows us to identify which areas of our business operations have most significance and where we have the most influence and control. We can then put strategies in place to ensure alignment with our science-based greenhouse gas reduction targets.

In FY22 we published our first Climate Transition Plan which sets out our Group greenhouse gas reduction targets, our overall pathway to 2050, and the actions we're taking across each of the material areas of our climate footprint. We have set ambitious near-term targets aimed at accelerating the decarbonisation of our most significant impacts, with action being taken now. These include - reducing SF6 emissions from our global operation 50% by 2030, investing in infrastructure to deliver fossil-free gas and electric solutions, serving 10-20% of gas demand with renewable national gas (RNG) by 2030 and reducing our generation emissions intensity through the growth of National Grid Renewables. We have

In the US, we have launched our Fossil Free Vision to set out our vision for how to transition the communities we serve to zero carbon through a combination of energy efficiency, fossil-free gas, hybrid gas-electric systems and full electrification. In the UK, we announced an intention to pivot our portfolio towards electricity, through the sale of a majority stake in Gas Transmission (GT) and acquisition of Western Power Distribution (WPD), the UK's largest electricity distribution business. These changes significantly enhance National Grid's central role in the energy transition.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Net-zero target(s)
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2020

Target coverage
Business activity

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers	Percentage of suppliers (by emissions) setting emissions reduction targets

Target denominator (intensity targets only)
<Not Applicable>

Base year
2021

Figure or percentage in base year
49

Target year
2030

Figure or percentage in target year
75

Figure or percentage in reporting year
62

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Is this target part of an emissions target?
This target contributes to reducing our overall S3 emissions.

Is this target part of an overarching initiative?
Science Based targets initiative - other

Please explain target coverage and identify any exclusions
In 2019/20, we achieved our target of 92% of our top 250 suppliers disclosed their greenhouse gas emissions via the CDP supply chain programme. We are now using supplier disclosure to assess how many of our suppliers have, or are working towards a carbon target. This will be a key area of focus for us going forward. In this carbon engagement goal, we continue to target the top 250 suppliers within our supply chain that have high spend or their activity with National Grid is perceived to be carbon intensive. We utilize the procurement process to select and engage with these suppliers to encourage them to set carbon reduction goals for their operations, not just the work they perform with us.

Plan for achieving target, and progress made to the end of the reporting year
We are working with our supply chain partners to influence the development of their climate change strategies and target setting. We track the number of our top 250 suppliers which have developed active carbon reduction targets and aim for at least 75% achievement. This is managed through our participation in the CDP Supply Chain programme. We address these emissions in a multifaceted approach. We engage our suppliers to understand their issues, data needs, and to help shape their climate strategies. We provide technical expertise where needed to enable our suppliers to manage their carbon footprint as well as to set carbon reduction targets. Internally, we provide expertise to procurement teams at the early stages of the tender process and will input language into contracts to support carbon reductions as applicable. We also provide a questionnaire in the early stages of the Request For Proposal (RFP) process to narrow the field of suppliers when there is ample choice. We currently utilise the CDP Supply Chain Initiative as our management and support tool for engagement with suppliers. Our Global Procurement function has positioned Responsible Business and Sustainability as one of its three strategic priorities alongside value creation and supply chain resilience.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Oth 2

Year target was set
2020

Target coverage
Company-wide

Target type: absolute or intensity
Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles	Percentage of battery electric vehicles in company fleet

Target denominator (intensity targets only)
Other, please specify (Total light-duty vehicle count)

Base year
2020

Figure or percentage in base year
0

Target year
2030

Figure or percentage in target year
100

Figure or percentage in reporting year
5

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Is this target part of an emissions target?
Move to a 100% electrical fleet by 2030 for our light-duty vehicles. Commitment from a 2020 baseline. This target ties directly into our scope 1 and 2 emissions reduction efforts for our fleet as part of our net zero by 2050 commitments. Target is part of Abs 1 emissions target from C4.1a.

Is this target part of an overarching initiative?
Science Based targets initiative - other

Please explain target coverage and identify any exclusions
Target is focused on the light-duty portion of our vehicle fleet. Medium- and heavy-duty vehicles are excluded for now, although we will still pursue zero-carbon alternatives when available.

Plan for achieving target, and progress made to the end of the reporting year
Purchase of electric vehicles has been incorporated into vehicle procurement plans through to 2030. Achieving this target is reliant on market availability of vehicles and the ability of our supply chain to deliver. We currently have 312 zero-emission vehicles across our UK and US commercial fleets.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Oth 3

Year target was set
2020

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency	Other, please specify (SF6 emissions in ktCO2e)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
351897

Target year
2030

Figure or percentage in target year
175949

Figure or percentage in reporting year
277856

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Is this target part of an emissions target?
Reduce SF6 emissions from our operations 50% by 2030. Commitment from a 2019 baseline. This target ties directly into our scope 1 and 2 emissions reduction efforts for our electricity networks as part of our net zero by 2050 commitments. Target is part of Abs 1 emissions target from C4.1a.

Is this target part of an overarching initiative?
Science Based targets initiative - other

Please explain target coverage and identify any exclusions
Target covers both our UK and US electric networks, including both transmission and distribution. Target rebaselined following acquisition of Western Power Distribution (now
National Grid Electricity Distribution) .

Plan for achieving target, and progress made to the end of the reporting year
Our strategy for achieving our SF6 target is to pursue leak identification and repair in the short-term and support the development of replacement technologies in the medium- to long-term. We have reduced SF6 emissions across our UK and US networks by 21% since 2019, against our target of a 50% reduction by 2030.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1
Abs2
Abs3
Abs4
Abs5
Abs6

Target year for achieving net zero
2050

Is this a science-based target?
No, but we are reporting another target that is science-based

Please explain target coverage and identify any exclusions
Our 2050 Net Zero target covers the entirety of our direct (Scope 1), indirect (Scope 2) and value chain (Scope 3) emissions.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
No

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)
National Grid Partners (NGP) is the venture investment and innovation arm of National Grid, created to help National Grid 'disrupt itself' and drive toward a smarter, greener, and more reliable energy future. Through NGP, we're actively exploring investments in and collaborations with organisations that are at the forefront of carbon capture, utilisation, and sequestration.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	2	718381
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Fugitive emissions reductions	Oil/natural gas methane leak capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)
11480

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
122967

Investment required (unit currency – as specified in C0.4)
919520000

Payback period
>25 years

Estimated lifetime of the initiative
21-30 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Energy efficiency programs for residential, commercial, and industrial customers)

Estimated annual CO2e savings (metric tonnes CO2e)
706901

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Scope 3 category 11: Use of sold products

Voluntary/Mandatory
Mandatory

Annual monetary savings (unit currency – as specified in C0.4)
206511368

Investment required (unit currency – as specified in C0.4)
945594991

Payback period
4-10 years

Estimated lifetime of the initiative
>30 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Some of our emissions are the subject of regulatory incentives, for instance Sulphur hexafluoride (SF6) leakage and methane emissions from the UK Gas Transmission network. New Gas Insulated Switchgear in the state of Massachusetts is subject to a maximum allowable leak rate and all active GIS has a maximum allowable SF6 emission rate per state DEP regulation. New methane regulations in the state of MA have put forth annual methane emissions limits.
Compliance with regulatory requirements/standards	National Grid use compliance schemes such as the Carbon Reduction Commitment and the Energy Savings Opportunities Scheme (ESOS) to raise the profile of energy consumption and highlight the cost saving opportunities through energy reduction projects. This has helped with engagement at a senior level and gaining support for developing an energy reduction strategy across the business. We have a target in the UK to increase the energy efficiency of our property portfolio.
Employee engagement	Our environmental sustainability strategy provides high level targets for the business. Through communications and engagement activity, we encourage our employees to be aware of activities or changes they could make to drive carbon reduction. A monthly communications planner ensures there is regular engagement to increase employee awareness around emissions reduction and other sustainable behaviours. We've held a series of sustainability roadshow events at our key sites for World Environment Day respectively. The roadshows encouraged NG employees to make pledges of sustainable behaviours that will contribute to the achievement of the company sustainability targets. At these roadshows, the sustainability team engage with employees about how they consider sustainability in their roles, highlighting the link between company-wide emissions reduction targets and the impact that individual teams and employees can make. We also encourage employees to put forward ideas for new ways of doing things, through our innovation funds. Forums such as the Sustainability Coordinators Group, cross-entity Sustainability Champions Network and Sustainability Leads network within Capital Delivery share these messages and priorities with the wider employee base in office environments and the operational field force. By involving individuals from each entity, messages are cascaded and multilateral input is received. Cascading the high-level targets and sharing accountability for achievement is something we worked to address through the update of our sustainability strategy and addition of more entity-specific sustainability priorities. In the US, the Sustainability Leadership Alliance has been established to combine our four location-specific Sustainability Lunch Groups. The group's purpose is to increase awareness, advocate for sustainable change, and volunteer in the community to reduce our carbon footprint and protect the environment. The Alliance brings in outside guest speakers and experts in the sustainability field to come in and talk to employees. This year around Earth Day, the Alliance held virtual talks across a range of topics within and outside National Gris's role as a leader in the clean energy transition.
Internal incentives/recognition programs	Our management are incentivised through our target setting and remuneration policies to deliver the actions necessary to achieve our net-zero objectives. Our 2022 remuneration policy expands the focus of ESG and incorporates further measures aligned to targets set out in our Responsible Business Charter. This introduces elements to the Long-Term Performance Plan (LTPP) aligned to: • Quantitative reductions in National Grid's Scope 1 emissions; and • The enablement of the net zero transition These measures have a combined weighting of 20% of the overall LTPP and are set out in more detail in our Annual Report and Accounts on pages 104 and 105.
Other (Inclusion of carbon as weighted element of tenders)	Our belief is that by driving the carbon out of construction activities and the operation of our assets, we will reduce costs by using less materials and operating more efficiently, and mitigate future risks. We make carbon part of a holistic decision-making process that accounts for a number of sustainability factors. We have continued to include carbon as a weighted section in tenders for our major construction schemes. Through analysis of the results of these tenders we have been able to identify a 10% reduction in carbon equates to a 6% cost reduction. Through including carbon in these events, we have also raised the profile of designing for lower carbon among our main suppliers, and have received positive feedback from our supply chain for prioritising this. We have engaged the majority of our principle contractors and have received positive feedback from our supply chain that weighting carbon at tender really helps focus their efforts on low carbon, cost effective design.
Dedicated budget for energy efficiency	Corporate Property have a dedicated budget for implementation of energy conservation measures across their portfolio, with further exceptional funding available for projects of particular note. Energy cost savings are partially recycled to fund further initiatives where possible.
Financial optimization calculations	Energy and carbon costs (internal and external) are considered at the project design stage and applicable investment decisions make use of LCCA.
Partnering with governments on technology development	US - National Grid has partnered with Environmental Defence Fund (EDF), Google Earth Outreach and Colorado State University to target and repair National Grid's largest non-hazardous leaks to improve the gas system. The partnership has already resulted in collecting data in NY that will also help inform repair and replacement efforts across National Grid's entire U.S. territory, which includes communities in MA and RI.
Internal price on carbon	We use an internal price of carbon in some of our decision-making processes across our operations, mainly in our UK regulated businesses and continue to look for opportunities to widen the use within our business. We have used a value of £45 per tonne of carbon in our regulated businesses. Alongside the use of an internal carbon price we apply specific policies aligned to commitments (e.g. replacing our fleet with electric vehicles) and carbon weighting in our competitive tender processes.
Dedicated budget for low-carbon product R&D	As part of the RIIO-2 price control, there are two funding mechanisms that facilitate innovation across the electricity industry: the Network Innovation Allowance (NIA) and the Strategic Innovation Funding. The NIA provides an annual allowance to fund smaller scale projects. NIA funding is accessible throughout the year, providing opportunities to develop innovation programmes across the industry. The purpose of Ofgem's Strategic Innovation Fund is to support network innovation that will contribute to achieving Net Zero rapidly and at lowest cost; deliver real net benefits to network companies, energy users and consumers; and help the UK to become a 'Silicon Valley' of energy.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Power	Other, please specify (UK and US Electricity Distribution Networks)

Description of product(s) or service(s)

EU Taxonomy eligible and aligned revenue from our UK and US Electricity Distribution Networks.

Full breakdown available within our investor databook: https://www.nationalgrid.com/document/149556/download

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
31

Level of aggregation
Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon
The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Power	Other, please specify (UK and US Electricity Transmission Networks)

Description of product(s) or service(s)
EU Taxonomy eligible and aligned revenue from our UK and US Electricity Transmission Networks.

Full breakdown available within our investor databook: https://www.nationalgrid.com/document/149556/download

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
12

Level of aggregation
Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon
The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Power	Other, please specify (Renewable solar and wind)

Description of product(s) or service(s)
EU Taxonomy eligible and aligned revenue from our US Renewables business.

Full breakdown available within our investor databook: https://www.nationalgrid.com/document/149556/download

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
1

Level of aggregation
Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon
The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Power	Other, please specify (Electricity Interconnectors)

Description of product(s) or service(s)
EU Taxonomy eligible and aligned revenue from our electricity interconnectors business.

Full breakdown available within our investor databook: https://www.nationalgrid.com/document/149556/download

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
2

Level of aggregation
Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon
The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Power	Other, please specify (UK Electricity System Operator Business)

Description of product(s) or service(s)
EU Taxonomy eligible and aligned revenue from the UK Electricity System Operator (ESO) business.

Full breakdown available within our investor databook: https://www.nationalgrid.com/document/149556/download

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions

<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
22

C-EU4.6

(C-EU4.6) Describe your organization's efforts to reduce methane emissions from your activities.

Methane leaks can occur from our natural gas distribution network in the US as methane is a principal component of natural gas. Leaks occur due to the aging infrastructure and material composition. National Grid is actively replacing the aging or leak-prone pipeline infrastructure that carries our natural gas. Leak prone pipe ("LPP") includes unprotected (i.e., non-cathodically protected) steel pipe (whether bare or coated), cast and wrought iron pipe, pre-1985 vintage Aldyl-A plastic pipe, and unprotected steel/wrought iron, copper, vintage HDPE and Aldyl-A plastic services ("associated services"). Eliminating or replacing LPP with pipe with a lower leak rate will reduce the number of open leaks within the system and therefore reduces methane emissions.

Case Study - LPP Programme

We have made progress against our greenhouse gas emissions targets (that include methane emissions) through our leak-prone pipe programme, which replaced or eliminated over 360 miles (579 kilometers) of leak-prone pipe across New York and Massachusetts in 2022/23, taking the cumulative total to over 4,250 miles and avoiding approximately 410 metric tonnes of methane emissions annually and 4,783 metric tonnes of methane emissions cumulatively (410 and 4,783 metric tonnes are the equivalents of taking 2,555 and 29,802 cars off the road each year, respectively). With our projected work plans and anticipated regulatory support, we plan to eliminate all LPP in NE and NY by 2039 and 2045, respectively.

For the future of the US gas networks, in April 2022, we announced our Clean Energy Vision, which is our plan to fully eliminate fossil fuels from both our gas and electric systems by 2050, if not sooner – setting clear and measurable milestones along the way. To decarbonise our gas system, our Clean Energy Vision has four pillars: energy efficiency; targeted electrification and networked geothermal; efficient hybrid electric–gas heating systems and a 100% fossil-free gas network that delivers renewable natural gas (RNG) and hydrogen. These pillars will help either reduce methane emissions or completely eliminate them in the case of targeted electrification and networked geothermal.

One such pillar already underway is our Geothermal Program Implementation Plan in Massachusetts, which was approved by the Department of Public Utilities in late 2022. This five-year demonstration programme will evaluate the potential for geothermal energy systems to provide highly efficient space heating and cooling to commercial and residential customers, as an alternative to natural gas, therefore eliminating any resultant methane emissions.

Case Study - Networked Geothermal Pilot Project

On 19 April, National Grid broke ground on its first geothermal pilot in partnership with the University of Massachusetts Lowell, the City of Lowell and the local community. This included a demonstration of the borehole drilling technology that will be used in studying the properties of the bedrock in the area and is a milestone of National Grid's geothermal pilot, which is a multi-year initiative to bring clean energy to customers in the Acre neighbourhood in Lowell. This is the first site selected under National Grid's geothermal pilot, which was approved in 2021 by the Department of Public Utilities. As part of National Grid's efforts to help meet its net zero goals by 2050, the five-year geothermal demonstration programme will evaluate the potential for networked geothermal energy systems that could be installed to serve other communities.

https://www.nationalgridus.com/News/2023/04/National-Grid-Breaks-Ground-on-Geothermal-Borehole-on-UMass-Lowell-Campus/

National Grid is a member of the ONE Future Coalition, a group of more than 50 natural gas companies working together to voluntarily reduce methane emissions across the natural gas value chain to 1% (or less) by 2025 and is comprised of some of the largest natural gas production, gathering & boosting, processing, transmission & storage and distribution companies in the U.S. and represents more than 40% of the U.S. natural gas value chain. National Grid is also an EPA Methane Challenge Program Partner, where we made commitments to reduce their methane emissions through the programme's two commitment options: the Best Management Practice Commitment Option and the ONE Future Emissions Intensity Commitment Option.

https://onefuture.us/2022-methane-emissions-intensity-report/

https://www.epa.gov/natural-gas-star-program/national-grid-methane-challenge-partner-profile#reductions

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition
Yes, a divestment

Name of organization(s) acquired, divested from, or merged with

We acquired Western Power Distribution (now National Grid Electricity Distribution) and announced the sales of our Rhode Island business (The Narragansett Electric Company) and a majority stake in our UK Gas Transmission & Metering business.

Details of structural change(s), including completion dates

Acquisition -
On 14 June 2021, National Grid plc acquired 100% of the share capital of PPL WPD Investments Limited (WPD), the holding company of National Grid Electricity Distribution plc (formerly known as Western Power Distribution plc), which is the UK's largest electricity distribution network operator.

Divestments -
On 17 March 2021, the Group signed an agreement to sell 100% of the share capital of a wholly owned subsidiary, The Narragansett Electric Company (NECO). The Group subsequently completed the NECO Sale to PPL Rhode Island Holdings, LLC on 25 May 2022 . NECO was part of our New England operating segment and is a retail distribution company providing electricity and gas to customers in Rhode Island. The associated assets and liabilities were presented as held for sale in the consolidated financial statements with effect from the year ended 31 March 2021.
On 27 March 2022, the Group entered into an Acquisition Agreement to sell 100% of the UK Gas Transmission business in exchange for cash consideration and a 40% interest in a newly incorporated company, GasT TopCo Limited. The Group subsequently completed the sale on 31 January 2023. The other 60% interest in GasT TopCo Limited is owned by Macquarie Infrastructure and Real Assets (MIRA) and British Columbia Investment Management Corporation (BCI) (together, the 'Consortium').

The acquisition, along with the two disposals, strategically pivots National Grid's UK portfolio towards electricity, in order to significantly enhance National Grid's role in the delivery of the UK's net zero targets, given that electricity distribution is expected to see a high level of asset growth as a result of the ongoing energy transition.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology Yes, a change in boundary	Our 2022/23 GHG performance and transition pathway has been rebaselined following the sale of our US Rhode Island business, the majority stake in UK Gas Transmission & Metering businesses, and the acquisition of Western Power Distribution (now National Grid Electricity Distribution). Methodological adjustments have also been made to improve data accuracy, including the transition to new standards and Global Warming Potential (GWP) measurements contained within the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report (AR5).

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 1 Scope 2, location-based Scope 2, market-based	Our prior year comparatives for GHG emissions metrics have been adjusted to reflect the changes to our Group portfolio, acquisition of National Grid Electricity Distribution and sales of NECO and the majority stake in our UK Gas Transmission & Metering business. This ensures we are comparing 'like with like' when reporting our performance. We have also updated the global warming potential (GWP) factors that we use to reflect external best practice. This is in line with the GHG Protocol, the externally recognised standard for GHG reporting.	Yes

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

April 1 1990

Base year end

March 31 1991

Base year emissions (metric tons CO2e)

15262480

Comment

This figure represents the overall group baseline figure for Scope 1 GHG emissions.

Scope 2 (location-based)

Base year start
April 1 1990

Base year end
March 31 1991

Base year emissions (metric tons CO2e)
8595589

Comment
This figure represents the overall group baseline figure for Scope 2 GHG emissions.

Scope 2 (market-based)

Base year start
April 1 1990

Base year end
March 31 1991

Base year emissions (metric tons CO2e)
8595589

Comment
This figure represents the overall group baseline figure for Scope 2 GHG emissions.

Scope 3 category 1: Purchased goods and services

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
5967008

Comment
Relevant, calculated. Explanation provided is C6.5

Scope 3 category 2: Capital goods

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
4241235

Comment
Relevant, calculated. Explanation provided is C6.5

Scope 3 category 4: Upstream transportation and distribution

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

Scope 3 category 5: Waste generated in operations

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
1051

Comment
Relevant, calculated. Explanation provided is C6.5

Scope 3 category 6: Business travel

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
13886

Comment
Relevant, calculated. Explanation provided is C6.5

Scope 3 category 7: Employee commuting

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
16558

Comment
Relevant, calculated. Explanation provided is C6.5

Scope 3 category 8: Upstream leased assets

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

Scope 3 category 9: Downstream transportation and distribution

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

Scope 3 category 10: Processing of sold products

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

Scope 3 category 11: Use of sold products

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
18364694

Comment
Relevant, calculated. Explanation provided is C6.5

Scope 3 category 12: End of life treatment of sold products

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

Scope 3 category 13: Downstream leased assets

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

Scope 3 category 14: Franchises

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

Scope 3 category 15: Investments

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

Scope 3: Other (upstream)

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

Scope 3: Other (downstream)

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not relevant, explanation provided is C6.5

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
Energy Information Administration 1605(b)
The Climate Registry: Electric Power Sector (EPS) Protocol
The Climate Registry: General Reporting Protocol
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
US EPA Mandatory Greenhouse Gas Reporting Rule
US EPA Emissions & Generation Resource Integrated Database (eGRID)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
4369413

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Scope 1 emissions are from electricity generation, leaks and venting from our gas transmission and distribution systems, SF6 leaks from equipment on our electricity network, fleet vehicle use, combustion for heating at our facilities, and use of gas-fired equipment. Approximately 90% of our Scope 1 emissions were generated in the US where generation assets are owned.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Scope 2 emissions are indirect emissions from the energy purchased and consumed (including electricity system losses consumption) by National Grid. Scope 2 emissions are reported on a market basis and location basis.

In the UK a residual factor is applied to supplier contracted electricity using European residual mix and, in the US, where no residual factor is available the EPA's eGRID sub-regional factors are used and applied to contracted electricity.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
2876199

Scope 2, market-based (if applicable)
2900885

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Scope 2 emissions are from electricity network losses, energy purchased for use at our facilities and the use of electric drive compressors on our gas transmission network. Line losses make up over 95%. Approximately 70% of our Scope 2 emissions (location basis) were generated in the UK, with the remainder through US operations.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
6291248

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Global annual spend on purchased goods (including capital goods) and services including purchased gas and electricity multiplied by Environmentally Extended Input-Output (EEIO) database factors for emissions based on spend. These factors are based on the University of Arkansas factors, and the NAICS industrial classification.

Spend categories applied to each spend line were analysed and refined using the time adjusted Carbon Trust Environmentally Extended Input-Output (EEIO) database, based on the University of Arkansas factors, and the NAICS industrial classification. Each spend line (including relevant taxes) on the financial ledger is assigned to a spend category using UVDB information. Each spend category has then been allocated a relevant EEIO factor. The spend is in $ as the EEIO factors are in kgCO2e/$. The Carbon Trust EEIO factors use cradle-to-gate emission factors by year. These are adjusted for global inflation and reflect the average global improvements in CO2e/GDP as spend categories become less carbon intensive from year to year. Where a spend type cannot be mapped to a spend category to employ the specific EEIO factor then a weighted average factor is used

Capital goods

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The expenditure on capital goods falls under purchased goods and services and it was agreed with CDP that there is no material benefit in separating out this data set.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
3510283

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Cat 3 Fuel and Energy Related activities includes any emissions associated with the generation of electricity purchased and sold by National Grid to customers in the US jurisdictions. This is calculated from metered supply and uses average regional carbon factors sourced from the EPA's eGRID. Third party customers (transportation only) are not included, only direct customers of National Grid are included in the methodology.

Emissions from electricity generation are calculated using the formula: Electricity sold (kWh) X eGRID/2204.62 (conversion from lbs to metric tonnes) X Global Warming Potential (GWP); equation from EPA eGRID.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Upstream transportation and distribution emissions associated with National Grid's purchased goods and services are covered in category 1 above. DEFRA calculator Annex 13 clearly states "all stages of production of these goods are included".

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
45941

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Cat 5 waste includes all waste generated from our operations including office waste, operational waste and construction waste. This is calculated from quantity of waste types generated, data from our waste collection service providers on the disposal method and DEFRA/BIES or EPA waste conversion factors. The formula applied is: Waste disposed of (quantity) X Emission factor (kgCO2e/quantity).

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
38156

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Business Travel Cat 6 includes employee business travel, not in National Grid owned vehicles (air travel, hire cars, personal cars, taxis and rail travel). Business travel not recorded in our systems (i.e., not expensed) is not included, however, policies are in place to minimise this.

This is calculated by: Distance travelled on business (miles) X Emission factor. Carbon emissions factors used are UK industry standard factors from DEFRA/BEIS or EPA industry standard factors for US and are specific for each type of transport.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
21109

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Employee Commuting Cat 7 includes emissions based on commuting distances of our employees to their offices and includes travel types such as bus, car and train. This is estimated from UK employee commuting survey data that is extrapolated to represent the entire National Grid business using the Global FTE employee count at financial year end (31 March).

Emissions are calculated by: Distance travelled to work (miles) X Emission factor (dependent upon travel method). Emission factors are from DEFRA/BIES, specific for each type of transport.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
There are no upstream leased assets within our operational control boundary for which we could identify emissions.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No downstream transportation and distribution activities could be identified; National Grid does not sell any physical product that is not distributed through the energy networks.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No processing of sold product was identified as electricity and gas supplied by National Grid in its US operations are used directly with no further processing.

Use of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
17972516

Emissions calculation methodology
Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Cat 11 Use of sold product includes any emissions associated with the use of gas sold by National Grid to its customers in the US jurisdictions. Data on the sold gas delivered to third-party and retail customers is provided through billing system reports for each gas region. Metered supply data is collected for annual filings submitted to the Energy Information Administration (EIA Form 176) for each region. The specific greenhouse gas emissions for all the gas regions are then calculated by incorporating the volumes into the combustion formulas (Eq. C-1 and C-8) provided by the EPA's Mandatory Greenhouse Gas Reporting regulations. Third party customers (transportation only) are not included, only direct customers of National Grid are included in the methodology.

Emissions from gas sold are calculated using the following formula: Thousand cubic feet (MCF) X Higher Heating Value (HHV) x Emission Factor (EF).

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No end of life of sold product identified as the electricity and gas supplied by National Grid are consumed/combusted directly with emissions accounted for by user.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
There are no downstream leased assets within our operational control boundary for which we could identify emissions.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
There are no franchises within our operational control boundary for which we could identify emissions.

Investments

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No relevant investments could be identified that are within our reporting boundary.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other upstream emissions identified.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other downstream emissions identified.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000337

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
7245612

Metric denominator
unit total revenue

Metric denominator: Unit total
21476000000

Scope 2 figure used
Location-based

% change from previous year
27

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities

Please explain
% change from previous year calculated using restated figure of 0.000459 mt CO2e/£. Restatement resulted in a 12% increase in our previous year's intensity metric. Restatement resulted from a change in operational boundary following the following changes to our global operations: (1) Acquisition of WPD, now our UK Electricity Distribution business, (2) Sale of our Rhode Island electricity and gas business, and (3) Sale of majority interest (60%) in our UK Gas Transmission and Metering business.

Revenue denominator is calculated excluding remaining interest in UK Gas Transmission, whereas revenue published in our Annual Report of Accounts includes this revenue.

Our CO2e footprint has decreased by 7% while our revenue has increased by 26% leading to an overall reduction in emissions intensity. We have limited the increase in emissions per unit of revenue by undertaking the emissions reduction activities outlined in section 4.3. Further discussion of change is provided in section 7.9.

Intensity figure
245

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
7245612

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
29614

Scope 2 figure used
Location-based

% change from previous year
21

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities

Please explain
% change from previous year calculated using restated figure of 309 mt CO2e/FTE employees. Restatement resulted in less than 1% decrease in our previous year's intensity metric. Restatement resulted from a change in operational boundary following the following changes to our global operations: (1) Acquisition of WPD, now our UK Electricity Distribution business, (2) Sale of our Rhode Island electricity and gas business, and (3) Sale of majority interest (60%) in our UK Gas Transmission and Metering business.

Our CO2e footprint has decreased by 7% while our FTE employee count has increased by 17% leading to an overall reduction in emissions intensity. We have limited an increase in emissions per employee by undertaking the emissions reduction activities outlined in section 4.3. Further discussion of change is provided in section 7.9.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CH4	714405	IPCC Fifth Assessment Report (AR5 – 100 year)
CO2	3367152	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	10000	IPCC Fifth Assessment Report (AR5 – 100 year)
SF6	277856	IPCC Fifth Assessment Report (AR5 – 100 year)

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	0	714405	277856	992261	This figure is produced from the fugitive emissions, as well as the venting activities which National Grid carries out across its networks.
Combustion (Electric utilities)	3093766	0	0	3093766	This is the emissions produced by the combustion from our electricity generation plants in the US.
Combustion (Gas utilities)	148664	0	0	148664	This includes all gas burnt as part of delivery the Gas supply in UK and US. It does not include gas burnt for heating.
Combustion (Other)	124722	0	0	124722	This includes fleet diesel/petrol combustion, property combustion, and oil/propane combustion.
Emissions not elsewhere classified	0	0	0	10000	This is the refrigerant leak estimate. The gases are HFCs.

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	397680
United States of America	3971732

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
UK Electricity Transmission	228401
UK Electricity Distribution	31263
UK NGV	132072
UK Other	944
US NGV Generation	3093767
US Electricity Transmission & Distribution	34709
US LNG	30661
US Gas Distribution	711771
US Fleet	74922
US Property	20581
US NGV Renewables	321
Group (CFCs)	10000

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	3093767	<Not Applicable>	US Generation (Electric utilities)
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?
Yes

C7.7a

(C7.7a) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Subsidiary name
UK Electricity Transmission

Primary activity
Electricity networks

Select the unique identifier(s) you are able to provide for this subsidiary
No unique identifier

ISIN code – bond
<Not Applicable>

ISIN code – equity
<Not Applicable>

CUSIP number
<Not Applicable>

Ticker symbol
<Not Applicable>

SEDOL code
<Not Applicable>

LEI number
<Not Applicable>

Other unique identifier
<Not Applicable>

Scope 1 emissions (metric tons CO2e)
228131

Scope 2, location-based emissions (metric tons CO2e)
1311157

Scope 2, market-based emissions (metric tons CO2e)
1311157

Comment
Emissions have been broken down by operating segment per National Grid's Annual Record of Accounts available at:
https://www.nationalgrid.com/document/149701/download
An exhaustive breakdown of emissions is not possible owing to the number of subsidiaries

Subsidiary name
UK Electricity Distribution

Primary activity
Electricity networks

Select the unique identifier(s) you are able to provide for this subsidiary
No unique identifier

ISIN code – bond
<Not Applicable>

ISIN code – equity
<Not Applicable>

CUSIP number
<Not Applicable>

Ticker symbol
<Not Applicable>

SEDOL code
<Not Applicable>

LEI number
<Not Applicable>

Other unique identifier
<Not Applicable>

Scope 1 emissions (metric tons CO2e)
31263

Scope 2, location-based emissions (metric tons CO2e)
691530

Scope 2, market-based emissions (metric tons CO2e)
691530

Comment
Emissions have been broken down by operating segment per National Grid's Annual Record of Accounts available at:
https://www.nationalgrid.com/document/149701/download
An exhaustive breakdown of emissions is not possible owing to the number of subsidiaries

---

Subsidiary name
UK Other

Primary activity
Electricity networks

Select the unique identifier(s) you are able to provide for this subsidiary
No unique identifier

ISIN code – bond
<Not Applicable>

ISIN code – equity
<Not Applicable>

CUSIP number
<Not Applicable>

Ticker symbol
<Not Applicable>

SEDOL code
<Not Applicable>

LEI number
<Not Applicable>

Other unique identifier
<Not Applicable>

Scope 1 emissions (metric tons CO2e)
1214

Scope 2, location-based emissions (metric tons CO2e)
5824

Scope 2, market-based emissions (metric tons CO2e)
5824

Comment
Emissions have been broken down by operating segment per National Grid's Annual Record of Accounts available at:
https://www.nationalgrid.com/document/149701/download
An exhaustive breakdown of emissions is not possible owing to the number of subsidiaries. Other reflect activities that do not form part of any of the other segments.

Subsidiary name
National Grid Ventures

Primary activity
Energy infrastructure construction

Select the unique identifier(s) you are able to provide for this subsidiary
No unique identifier

ISIN code – bond
<Not Applicable>

ISIN code – equity
<Not Applicable>

CUSIP number
<Not Applicable>

Ticker symbol
<Not Applicable>

SEDOL code
<Not Applicable>

LEI number
<Not Applicable>

Other unique identifier
<Not Applicable>

Scope 1 emissions (metric tons CO2e)
3226160

Scope 2, location-based emissions (metric tons CO2e)
90727

Scope 2, market-based emissions (metric tons CO2e)
90727

Comment
Emissions have been broken down by operating segment per National Grid's Annual Record of Accounts available at:
https://www.nationalgrid.com/document/149701/download
An exhaustive breakdown of emissions is not possible owing to the number of subsidiaries.

Subsidiary name
New York

Primary activity
Energy infrastructure construction

Select the unique identifier(s) you are able to provide for this subsidiary
No unique identifier

ISIN code – bond
<Not Applicable>

ISIN code – equity
<Not Applicable>

CUSIP number
<Not Applicable>

Ticker symbol
<Not Applicable>

SEDOL code
<Not Applicable>

LEI number
<Not Applicable>

Other unique identifier
<Not Applicable>

Scope 1 emissions (metric tons CO2e)
559899

Scope 2, location-based emissions (metric tons CO2e)
451396

Scope 2, market-based emissions (metric tons CO2e)
451396

Comment
Emissions have been broken down by operating segment per National Grid's Annual Record of Accounts available at:
https://www.nationalgrid.com/document/149701/download
An exhaustive breakdown of emissions is not possible owing to the number of subsidiaries.

Subsidiary name
New England

Primary activity
Energy infrastructure construction

Select the unique identifier(s) you are able to provide for this subsidiary
No unique identifier

ISIN code – bond
<Not Applicable>

ISIN code – equity
<Not Applicable>

CUSIP number
<Not Applicable>

Ticker symbol
<Not Applicable>

SEDOL code
<Not Applicable>

LEI number
<Not Applicable>

Other unique identifier
<Not Applicable>

Scope 1 emissions (metric tons CO2e)
312715

Scope 2, location-based emissions (metric tons CO2e)
325501

Scope 2, market-based emissions (metric tons CO2e)
325501

Comment
Emissions have been broken down by operating segment per National Grid's Annual Record of Accounts available at:
https://www.nationalgrid.com/document/149701/download
An exhaustive breakdown of emissions is not possible owing to the number of subsidiaries.

Subsidiary name
National Grid Partners

Primary activity
Other professional services

Select the unique identifier(s) you are able to provide for this subsidiary
No unique identifier

ISIN code – bond
<Not Applicable>

ISIN code – equity
<Not Applicable>

CUSIP number
<Not Applicable>

Ticker symbol
<Not Applicable>

SEDOL code
<Not Applicable>

LEI number
<Not Applicable>

Other unique identifier
<Not Applicable>

Scope 1 emissions (metric tons CO2e)
31

Scope 2, location-based emissions (metric tons CO2e)
49

Scope 2, market-based emissions (metric tons CO2e)
49

Comment
Emissions have been broken down by operating segment per National Grid's Annual Record of Accounts available at:
https://www.nationalgrid.com/document/149701/download
An exhaustive breakdown of emissions is not possible owing to the number of subsidiaries. National Grid Partners' primary activity is investment in technology and innovation companies.

Subsidiary name
Group (CFCs)

Primary activity
Energy infrastructure construction

Select the unique identifier(s) you are able to provide for this subsidiary
No unique identifier

ISIN code – bond
<Not Applicable>

ISIN code – equity
<Not Applicable>

CUSIP number
<Not Applicable>

Ticker symbol

<Not Applicable>

SEDOL code
<Not Applicable>

LEI number
<Not Applicable>

Other unique identifier
<Not Applicable>

Scope 1 emissions (metric tons CO2e)
10000

Scope 2, location-based emissions (metric tons CO2e)
0

Scope 2, market-based emissions (metric tons CO2e)
0

Comment
Group CFCs estimate cannot be broken down further in current reporting year

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	During the reporting year 22/23 our renewable energy consumption has remained constant. The proportion of our emissions from self-generated renewable energy is negligible due to our licence restrictions.
Other emissions reduction activities	21173	Decreased	0.2836	The implementation of 'other emission reduction activities' contributed to an overall decrease in GHG emissions during the reporting year 22/23. National Grid has a specific commitment in our Responsible Business Charter to reduce emissions of SF6 by 50% by 2030 from a FY19 baseline (restated at 352 ktCO2e) and emissions were 278 ktCO2e in FY21/22, a reduction of 21%. SF6 is widely used in the electricity industry for its insulating properties but it is also a potent GHG, with a global warming potential (GWP) 23,500 times that of CO2. Continued progress on the identification of leaks and replacement of SF6 containing equipment led to a reduction in emissions of 7,941 tCO2e. Note that progress on SF6 reductions was partly offset by a one-off failure in our New York jurisdiction, which is discussed under the 'other change' section below. Our Leak-Prone Pipe (LPP) programme in the US resulted in a reduction in scope 1 emissions of 11480 tCO2e. This emission reduction activity is discussed in more detail in section 4.3b. National Grid has a specific commitment to move to 100% electric fleet by 2030 for our light duty vehicles. At the end of the reporting year, the proportion of electric light-duty vehicles stands at 5%, representing a total of 312 electric vehicles and a reduction of 1,752 TCO2e. This year we have reduced emissions from 'other emission reduction activities' by 21,173 tCO2e, a decrease of 0.28% relative to the previous reporting year (not restated) ((21,173 / 7,465,098)*100 = 0.28%).
Divestment	542356	Decreased	7.2652	During the reporting year 22/23 there were two sales events related to National Grid's businesses. First, the sale of our US Rhode Island electricity and gas business was finalised in May 2022. Second, the sale of majority interest (60%) in our UK Gas Transmission (GT) and Metering business was finalised in January 2023. These sales reduced National Grids scope 1 and 2 GHG emissions associated with these Business Units by 542,356 metric tons CO2e relative to the previous year. Overall, the sales of US Rhode Island business and UK GT led to a decrease in scope 1 and 2 emissions of 7.3% relative to the previous reporting year (not restated) ((542,356 / 7,465,098)*100 = 7.3%).
Acquisitions	837194	Increased	11.2148	On 14 June 2021, National Grid acquired Western Power Distribution plc (WPD) an electricity distribution business based in the South West of the UK. This reporting year 22/23 WPD GHG emissions were incorporated into the group total for the first time. As a result, National Grids scope 1 and 2 GHG emissions increased by 837,194 tCO2e relative to the previous year. Of this increase, 94% of the increase was due to additional line losses associated with electricity distribution. Overall, the acquisition of WPD led to an increase in scope 1 and 2 emissions of 11.2% previous reporting year (not restated) ((837,194 / 7,465,098)*100 = 11.2%).
Mergers	0	No change	0	No mergers took place within the reporting year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in output	582277	Decreased	7.8	Changes in output during the reporting year 22/23 were evaluated using restated prior year emission values. Restatement resulted from several changes to our global operations as well as updates to our GHG calculation methodologies. Changes that directly resulted from divestments, acquisitions, and changes in methodology are discussed separately in their respective sections. Overall, the changes in output led to a decrease in scope 1 and 2 emissions of 7.66% relative to the previous reporting year (not restated) ((582,277 / 7,465,098)*100 = 7.8%). Key drivers of this change are highlighted below. US Generation: A decrease in scope 1 emissions was driven by US generation GHG emissions decreasing by 705,179 mtCO2e from a restated value of 3,798,945 tCO2e in 2021/22 to 3,093,766 tCO2e in FY 22/23. The decrease in emissions resulted from a 19% decrease in fuels consumed for power generation. UK Grain: The Isle of Grain saw a further increase in imports this year, resulting in an increase in operations and emissions. Grain LNG emissions have increased by 55,545 tCO2e, from a restated value of 124,726 tCO2e in 2021/22 to 180,272 metric tons CO2e in FY 22/23. US and UK Transmission and Distribution Line Losses: National Grid is now both an electricity transmission and distribution owner in both the UK and USA. Electricity network losses occur when transferring energy across our transmission and distribution systems. These line losses are most of our scope 2 emissions. During the reporting year our line loss emissions increased by 64,345 tCO2e, from a restated value of 2,055,672 tCO2e in 2021/22 to 2,748,279 tCO2e in FY 22/23; 92% of this change in emissions is attributable to a change in output. We saw an increase in UK ET emissions due to an increase in the distance between electricity supply and demand, with an increase in offshore wind generation output contributing to this. While such renewable interconnections will reduce the average carbon intensity of electricity over time, UK government carbon intensity factors do not immediately reflect this. NG Renewables: There was an increase generation sites this year, resulting in an increase in energy consumption and emissions. Emissions have increased by 3,012 tCO2e, from a restated value of 2,654 tCO2e in 2021/22 to 5,666 metric tons CO2e in FY 22/23.
Change in methodology	76871	Increased	1.0297	Methodological adjustments have also been made during the reporting year 22/23 to improve data accuracy, namely the transition to new standards and Global Warming Potential (GWP) measurements contained within the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report (AR5). New GWPs were used for methane, nitrous dioxide, and sulphur hexafluoride. These changes in the calculation of our emissions resulted in an increase of 76,871 metric tons CO2e in National Grid's scope 1 and 2 GHG emissions. Overall, the change in methodology led to an increase in scope 1 and 2 emissions of 1.0% relative to the previous reporting year (not restated) ((76,871 / 7,465,098)*100 = 1.0%).
Change in boundary	0	No change	0	No changes in boundary took place within the reporting year.
Change in physical operating conditions	0	No change	0	No changes attributable to a change in physical operating conditions took place within the reporting year.
Unidentified	0	No change	0	No unidentified changes took place within the reporting year.
Other	12255	Increased	0.1642	At the end of the reporting year 22/23, an equipment failure event led to a one-off release of sulphur hexafluoride (SF6) emissions in the New York business. Although the leak was identified and the equipment replaced, this event led to a net increase in SF6 associated GHG emissions of 6,530 metric tons CO2e from the US. In addition, emissions from our US gas distribution system saw a one-off increase of 10,259 metric tons CO2e following a data improvement effort. Other factors contributing to a reduction of 4,533 tCO2e in GHG emissions include a reduction in business travel, as well as electricity and gas usage. Overall, 'other' changes led to a net increase in scope 1 and 2 emissions of 0.03% relative to the previous reporting year (not restated) ((12,255 / 7,465,098)*100 = 0.1642%).

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	1943703	1943703
Consumption of purchased or acquired electricity	<Not Applicable>	75293	815403	890696
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	222	<Not Applicable>	222
Total energy consumption	<Not Applicable>	75515	2759106	2834621

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We do not consume sustainable biomass

Other biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We do not consume biomass

Other renewable fuels (e.g. renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We do not consume renewable fuels

Coal

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We do not consume coal

Oil

Heating value
HHV

Total fuel MWh consumed by the organization
1999

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
1999

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We consume oil for standby backup generators.

Gas

Heating value
HHV

Total fuel MWh consumed by the organization
922801

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
922801

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We consume gas for gas turbine compressors, property heating, stationary combustion, and line heaters.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
HHV

Total fuel MWh consumed by the organization
1018903

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
1018903

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We consume diesel, aviation and motor gasoline/petrol, and compressed natural gas (CNG) for transportation.

Total fuel

Heating value
HHV

Total fuel MWh consumed by the organization
1943703

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
1943703

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
This represents our total fuel consumed.

C-EU8.2d

(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.

Coal – hard

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use coal as a fuel source

Lignite

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use Lignite as a fuel source

Oil

Nameplate capacity (MW)
1022

Gross electricity generation (GWh)
567

Net electricity generation (GWh)
529

Absolute scope 1 emissions (metric tons CO2e)
453507

Scope 1 emissions intensity (metric tons CO2e per GWh)
800

Comment
These generators are only used when peak demand is exceeded on Nantucket Island or in the event there is a cable break, isolating the power grid on Nantucket.

Gas

Nameplate capacity (MW)
2736

Gross electricity generation (GWh)
4701

Net electricity generation (GWh)
4434

Absolute scope 1 emissions (metric tons CO2e)
2638534

Scope 1 emissions intensity (metric tons CO2e per GWh)
561

Comment
This is our primary generation fuel at present

Sustainable biomass

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use Biomass as a fuel source

Other biomass

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use other biomass

Waste (non-biomass)

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use waste as a fuel source

Nuclear

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use nuclear as a fuel source

Fossil-fuel plants fitted with CCS

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use fossil-fuel plants fitted with CCS

Geothermal

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use geothermal as a fuel source

Hydropower

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use hydropower as a fuel source

Wind

Nameplate capacity (MW)
314

Gross electricity generation (GWh)
1002

Net electricity generation (GWh)
1002

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
This covers NGV wind generation

Solar

Nameplate capacity (MW)
607.71

Gross electricity generation (GWh)
633

Net electricity generation (GWh)
633

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
This covers NGV solar generation

Marine

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use Marine as a fuel source

Other renewable

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use other renewable as a fuel source

Other non-renewable

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
We do not use non-renewable as a fuel source

Total

Nameplate capacity (MW)
4680

Gross electricity generation (GWh)
6903

Net electricity generation (GWh)
6598

Absolute scope 1 emissions (metric tons CO2e)
3092040

Scope 1 emissions intensity (metric tons CO2e per GWh)
448

Comment
This represents the total breakdown of our power capacity, generation, and related emissions during the reporting year by source.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
United States of America

Consumption of purchased electricity (MWh)
143518

Consumption of self-generated electricity (MWh)
304903

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
275

Consumption of self-generated heat, steam, and cooling (MWh)
161918

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)
442276

Consumption of self-generated electricity (MWh)
222

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
615573

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?
Yes

C-EU8.4a

(C-EU8.4a) Disclose the following information about your transmission and distribution business.

Country/area/region
United Kingdom of Great Britain and Northern Ireland

Voltage level
Transmission (high voltage)

Annual load (GWh)
291020

Annual energy losses (% of annual load)
2.51

Scope where emissions from energy losses are accounted for
Scope 2 (location-based)

Emissions from energy losses (metric tons CO2e)
1299340

Length of network (km)
8690

Number of connections
140

Area covered (km2)
151190

Comment
We own and operate the electricity transmission network in England and Wales, with day to day responsibility for balancing supply and demand.
Our networks comprise approximately 8,690 km of overhead lines and underground cables and 347 substations.
The number of generation connections in the TEC register on our website (https://www.nationalgrideso.com/connections/registers-reports-and-guidance) connected to National Grid Electricity Transmission with “Built” (connected and operating) status is 140.

Country/area/region
United States of America

Voltage level
Transmission (high voltage)

Annual load (GWh)
53029

Annual energy losses (% of annual load)
8.08

Scope where emissions from energy losses are accounted for
Scope 2 (location-based)

Emissions from energy losses (metric tons CO2e)
484009

Length of network (km)
13806

Number of connections
4724

Area covered (km2)
74807

Comment
Covers transmission in the states of MA, NH, VT, and NY. Annual load includes transmission and distribution. Annual energy losses includes transmission and distribution for NY. As transmission asset routes are linear, distribution area has been used for area covered.

Country/area/region
United States of America

Voltage level
Distribution (low voltage)

Annual load (GWh)
53029

Annual energy losses (% of annual load)
2.01

Scope where emissions from energy losses are accounted for
Scope 2 (location-based)

Emissions from energy losses (metric tons CO2e)
263477

Length of network (km)
101408

Number of connections
3020606

Area covered (km2)
74807

Comment
Covers distribution in the states of MA and NY. Annual load includes transmission and distribution.

Country/area/region
United Kingdom of Great Britain and Northern Ireland

Voltage level
Distribution (low voltage)

Annual load (GWh)
24905

Annual energy losses (% of annual load)
5.2

Scope where emissions from energy losses are accounted for
Scope 2 (location-based)

Emissions from energy losses (metric tons CO2e)
788350

Length of network (km)
228122

Number of connections
8000000

Area covered (km2)
55500

Comment
NGED are one of the six Distribution Network Operators (DNOs) who deliver electricity to homes and businesses across England, Wales and Scotland. Our network, which

serves eight million customers, is the largest in the UK, operating from the Lincolnshire coast, across the Midlands, South Wales and the South West to the Isles of Scilly. Our five key business tasks are:
• Operating our network assets to ensure we 'keep the lights on' for all of our customers.
• Fixing our assets should they get damaged or if they are faulty.
• Maintaining the condition and therefore reliability of our assets.
• Upgrading the existing network or building new ones to provide additional electricity supply or capacity to our customers.
• Operating a smart system by managing two-way power flows and flexible services

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
61

Metric numerator
Total office energy consumption

Metric denominator (intensity metric only)
Not an intensity metric

% change from previous year
3

Direction of change
Decreased

Please explain
At National Grid, we are committed to reduce energy consumption by 20% by 2030, from a 2020 baseline.

C-EU9.5a

(C-EU9.5a) Break down, by source, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.

Coal – hard

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Lignite

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Oil

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Gas

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
93108536

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
37.22

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
6.53

Most recent year in which a new power plant using this source was approved for development
2001

Explain your CAPEX calculations, including any assumptions
Reporting year generation CAPEX is approximately £93M for gas, £7M for wind and £150M for solar. The generation five-year forecast spend for FY24 to FY28 is £106M. There will be a significant ramp up in renewables CAPEX from FY24 onwards, with approx. £1,519m direct CAPEX planned over the next 5 years from wind and solar projects.

Sustainable biomass

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Other biomass

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Waste (non-biomass)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Nuclear

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Geothermal

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Hydropower

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Wind

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
7074696

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
2.83

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
18.03

Most recent year in which a new power plant using this source was approved for development
2022

Explain your CAPEX calculations, including any assumptions
Reporting year generation CAPEX is approximately £93M for gas, £7M for wind and £150M for solar. The generation five-year forecast spend for FY24 to FY28 is £106M. There will be a significant ramp up in renewables CAPEX from FY24 onwards, with approx. £1,519m direct CAPEX planned over the next 5 years from wind and solar projects.

Solar

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
149967094

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
59.95

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
75.44

Most recent year in which a new power plant using this source was approved for development
2022

Explain your CAPEX calculations, including any assumptions
Reporting year generation CAPEX is approximately £93M for gas, £7M for wind and £150M for solar. The generation five-year forecast spend for FY24 to FY28 is £106M. There will be a significant ramp up in renewables CAPEX from FY24 onwards, with approx. £1,519m direct CAPEX planned over the next 5 years from wind and solar projects.

Marine

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Fossil-fuel plants fitted with CCS

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Other renewable (e.g. renewable hydrogen)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

Other non-renewable (e.g. non-renewable hydrogen)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)
0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year
0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years
0

Most recent year in which a new power plant using this source was approved for development
<Not Applicable>

Explain your CAPEX calculations, including any assumptions
N/A

C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
Other, please specify (Electricity Distribution Grid)	UK/ US Electricity Distribution	10801000000	27	2026
Other, please specify (Electricity Transmission Grid)	UK Electricity Transmission	11956000000	30	2026
Other, please specify (Electricity Renewable Generation)	US Electricity Renewables	739000000	2	2026
Other, please specify (Methane leak prone pipe replacement)	US Methane leak prone pipe replacement	5915000000	15	2026

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)	Average % of total R&D investment planned over the next 5 years	Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Other, please specify (Innovation for climate change mitigation and adaptation (SF6, Resilience, Net Zero Construction portfolios))	Pilot demonstration	20.34		50.47	This row reports on three specific technology areas within our UK Electricity Transmission business NGET's NIA funded innovation portfolio. These are SF6 management, Net Zero Construction and Resilience, aimed at minimizing our impact on the environment while adapting our assets and systems for changing climate. Please note: All % values are in 2018/19 price bases in line with the norms for our regulatory and external reporting. Future forecasts are until 2025/26 when the current price control ends. In the last 3 years, we have spent £1.4m on SF6 related projects on reduction, repair, and alternatives to SF6. We are part of the Tx Collab Panel SF6 work stream run by EIC which brings together the three Transmission Owners to develop and work on collaborative projects. We will continue to work internationally through CIGRE, IEC, IEEE and EPRI to ensure that we are abreast of, and can take early advantage of, the latest SF6-free developments. We've been factoring optimal construction practices in relevant innovation projects over the previous price control. In line with Net Zero Construction targets, we've now designed a specific innovation portfolio/program to explore projects in this area. If successful they can be used on construction schemes and within the business and help us to change and update our standards to allow us to use novel construction techniques and materials. These projects will also include the impact of natural habitats around our assets. Of the 15.6m we have spent, £2.4m was on resilience projects. These include projects that look at the impact of the weather on our assets and the network, how different energy vectors can work together to achieve net zero etc. Forecasted spend over the next 3 years will significantly increase in this area as we look to areas such as the impact of multi hazard weather events on our assets and extreme heat impacts on our assets for example. In line with our current price control period, we are unable to forecast overall R&D spend beyond 2025/26, however, we are forecasting increased R&D spend on the topics mentioned above until 2025/26 when compared our spend in the last 3 years. This highlights our enhanced ambition and commitment to meet our decarbonization targets and help combat climate change.
Other, please specify (Digital Technology)	Pilot demonstration	28.5		33.3	National Grid Partners (NGP) is the venture investment and innovation arm of National Grid, created to help National Grid 'disrupt itself' and drive toward a smarter, greener, and more reliable energy future. Through NGP, we're actively exploring investments in and collaborations with organizations that are at the forefront of carbon capture, utilization, and sequestration to create durable and meaningful offsets. To date, NGP invested nearly $400 million into a portfolio of 42 start-ups to support National Grid's decarbonization strategy going forward – including: - Modern Hydrogen, which produces turquoise hydrogen, which has a very low CO2-emission profile. It can be used as a behind the meter technology for hard to decarbonize large C&I customers - EV.Energy provides a comprehensive managed charging solution to make EV charging cleaner, cheaper and smarter - Leap, a distributed energy marketplace platform that efficiently brings Demand Response and Distributed Energy Resources assets to market. - TS Conductor, a next-generation high temperature, low sag conductor that doubles line capacity and reduces line losses; and - Risilience, a climate and enterprise risk management solution that empowers net-zero planners to develop, track and report on climate impact mitigation strategies. NGP is committed to supporting the objective of National Grid of becoming the clean energy transition company. NGP is expected to increase the investment % relating to decarbonization to 33.3% in the next 5 years
Other, please specify (Advanced Transmission technology)	Pilot demonstration	100		100	This row represents our UK Electricity Transmission business: National Grid Electricity Transmission's (NGET) Regulatory funded innovation portfolio. This R&D portfolio is funded by Ofgem's Network Innovation Allowance (NIA) from 2021/22 to 2025/26. Please note: All % values are in 2018/19 price base, in line with the norms for our regulatory and external reporting. Future forecasts are until 2025/26 when the current price control ends. In NGET's NIA R&D portfolio, we have invested £15.6m over the last 3 years on a range of projects, all aimed at decarbonization and transitioning the energy system to a net zero future. Our R&D portfolio is aimed at delivering 10 key engineering outcomes that decarbonize our transmission network and enable Net Zero transition, as highlighted in our Innovation Strategy (NGET Innovation Strategy April 2023). This strategy aligns to National Grid's strategic priorities as well as our climate goals. We are constantly working with colleagues, innovators, and suppliers to develop projects that help meet our decarbonization targets. All our spend within this portfolio in the next 3 years will be to develop low carbon solutions to support decarbonization.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
PwC National Grid Signed Assurance Opinion - 17 May 2023.pdf
Responsible Business Report 2022-23.pdf

Page/ section reference
Entire document

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
PwC National Grid Signed Assurance Opinion - 17 May 2023.pdf
Responsible Business Report 2022-23.pdf

Page/ section reference
Entire document

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
PwC National Grid Signed Assurance Opinion - 17 May 2023.pdf
Responsible Business Report 2022-23.pdf

Page/ section reference
Entire Document

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
PwC National Grid Signed Assurance Opinion - 17 May 2023.pdf
Responsible Business Report 2022-23.pdf

Page/section reference
Entire Document
Cat 3 Fuel and Energy- related Activities (Not included in scopes 1 & 2) is only relevant for our US business

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Use of sold products

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
PwC National Grid Signed Assurance Opinion - 17 May 2023.pdf
Responsible Business Report 2022-23.pdf

Page/section reference
Entire document
Cat 11. Sold Product is only relevant for our US business.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Purchased goods and services

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
PwC National Grid Signed Assurance Opinion - 17 May 2023.pdf
Responsible Business Report 2022-23.pdf

Page/section reference
Entire document
UK & US Cat 1 (Purchased Goods and Services)

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C2. Risks and opportunities	Other, please specify (Environmental Management System)	ISO14001	Our environmental management system is ISO14001 certified ISO 14001 Certificates.docx
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	GHG Protocol	All National Grid Scope 1&2 emissions are subject to external assurance PwC National Grid Signed Assurance Opinion - 17 May 2023.pdf
C4. Targets and performance	Financial or other base year data points used to set a science-based target	SBTi	Base year data and targets assessed by SBti (2030 Abs2 target) SBTiTargetValidationDecisionLetter.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

RGGI - ETS

UK ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

RGGI - ETS

% of Scope 1 emissions covered by the ETS
73.54

% of Scope 2 emissions covered by the ETS
0

Period start date
January 1 2022

Period end date
December 31 2022

Allowances allocated
313026

Allowances purchased
2900270

Verified Scope 1 emissions in metric tons CO2e
3062479

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment
RGGI - ETS considers CO2 only. A surplus allowance of 313,026 mtCO2 was carried over from 2021 and a further 2,900,270 purchased in 2022 leading to a total allowance of 3,123,296. As a result, there was a surplus in 2022 of 150,817 mtCO2 (3,123,296 - 3,062,479).

UK ETS

% of Scope 1 emissions covered by the ETS
1.95

% of Scope 2 emissions covered by the ETS
0

Period start date
April 1 2022

Period end date
March 31 2023

Allowances allocated
37721

Allowances purchased
50000

Verified Scope 1 emissions in metric tons CO2e
85316

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment
Surplus of 2,405 metric tons CO2e

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

In the US, our Generation business must comply with the Regional Greenhouse Gas Initiative (RGGI), which is a carbon cap and trade programme in the Northeast region of the country. As the operation of our gas generation, solely located in our New York jurisdiction, is under the control of a supply agreement with Long Island Power Authority (LIPA), the agreement reflects the requirements of RGGI. National Grid's strategy for compliance is to maximize unit efficiency to reduce emissions and then to acquire required allowances (emission credits) at auction or on the secondary market to cover CO2 emissions from the affected plants. Allowance purchases are based on forecasted emissions with an additional buffer added. As RGGI has a decreasing annual emissions cap, our CAPEX investments are aligned with a decreasing in investment in fossil fuel generation. To date, National Grid has not exceeded the annual caps. Our strategy is further aligned with New York State legislation that requires all electricity generation to be carbon-free in 2040 and we will work with LIPA during our current generation contract period (due to end in 2028) to responsibly reduce emissions to ensure we're on track with this decarbonisation path.

In the UK, we have a proactive strategy to manage the financial implications of the UK ETS scheme through reducing the amount of methane released and strategically pivoting our UK portfolio towards electricity, through the sale of a majority stake in Gas Transmission (GT) and acquisition of Western Power Distribution (WPD), the UK's largest electricity distribution business. Specifically, in Jan 2023 National Grid completed the sale of a 60% equity interest in this business to a consortium comprised of Macquarie Asset Management and British Columbia Investment Management Corporation. The agreement includes an option to sell the remaining 40% of the business still held by National Grid to the consortium within the current FY. This is strategically important from an emissions trading perspective as it means that National Grid will have fewer credits to purchase through the UK ETS scheme. Only our Grain business will now be required to do this.

The result of our actions to date has led to surplus emissions credits this year for the RGGI trading scheme of 150,817 and for the UK ETS of 2,405.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price
Shadow price

How the price is determined
Benchmarking against peers

Objective(s) for implementing this internal carbon price
Change internal behavior
Drive low-carbon investment
Identify and seize low-carbon opportunities

Scope(s) covered
Scope 1
Scope 2
Scope 3 (upstream)

Pricing approach used – spatial variance
Uniform

Pricing approach used – temporal variance
Static

Indicate how you expect the price to change over time
<Not Applicable>

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)
45

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)
45

Business decision-making processes this internal carbon price is applied to
Capital expenditure
Procurement

Mandatory enforcement of this internal carbon price within these business decision-making processes
Yes, for some decision-making processes, please specify (The internal carbon pricing mechanism is mandatory on schemes over £7.5m and is applied during optioneering to inform major investment decisions in UK Electricity Transmission.)

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan
Data is being collected on the use of the policy across the business units and whether the carbon price and inclusion in tenders has influenced the investment decision. Within Electricity Transmission during the financial year a sig. number of schemes that applied carbon as a weighted element during their tender selected the lowest carbon option. Whilst this has driven positive dialogue and behaviour in the organisation, this year it has been less instrumental in changing investment decisions due to the type of schemes progressed. A recent review of the impacts of the carbon pricing and inclusion of carbon in tenders suggested that the options chosen were driven by cost or feasibility, rather than a direct influence of the carbon pricing. As such, National Grid are working to refine the approach. Examples of where carbon pricing influencing has influenced investment decisions include deployment of state of the art leak detection (gasvue cameras), adhesive compound repairs to reduce SF6 leakage (Scope 1) and the replacement of assets containing SF6. Our annualised NPV approach integrates carbon in order to draw out trade-offs between annual cost of the network solution and carbon impact. This approach has been applied to our SF6 circuit breaker replacement programme, resulting in accelerated asset replacement schemes that reduce long term carbon impacts and deliver business benefits. In 2016 the use of carbon pricing at the decision-making stage ensured that our highest leaking asset at Norton substation was highlighted as a priority repair despite being technically difficult to do so. By working with the original equipment manufacturer it was possible to refurbish the asset to 'as new' at a cost of £300k. The payback for this investment has been immediate due to an additional £1m income through the SF6 incentive scheme. Initial review of the asset performance demonstrates an immediate drop in SF6 leakage. We have continued to apply carbon as a weighted element within investment decision making. Whilst this has driven positive dialogue and behaviour in the organisation, this year it has been less instrumental in changing investment decisions due to the type of schemes progressed.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number
1.4

% total procurement spend (direct and indirect)
71

% of supplier-related Scope 3 emissions as reported in C6.5
80

Rationale for the coverage of your engagement
Annually, National Grid invites 260 of over 18,000 suppliers to respond to our CDP supply chain data collection request. Typically these 260 suppliers represent 65-75% of our spend and 75-85% of our emissions, depending on activities they perform for us. This year's selection of suppliers represented 71% of spend and 80% of emissions. These suppliers are chosen based on spend as well as carbon relevancy associated with their particular activity or the categorization of spend to provide more focused engagement. Typically, the activities we select are those supplies that do civil construction, pipe installations/gas mains and services, over-head line repair, maintenance and installation, vegetation management, environmental clean-up and hazardous waste hauling. These are suppliers that are core to operations and engaging with them is key to us reducing our scope 3 emissions across construction activities.

Impact of engagement, including measures of success
Engagement activities included conducting supplier webinars and further sessions to outline our commitments and the importance of addressing emissions in the supply chain. We also trained our Procurement team on the importance of considering Sustainability in their sourcing activity and promoting the use of CDP. Toward the end of this fiscal year, we outlined a strategy that would involve direct engagement with key suppliers to help identify any gaps or concerns they have with addressing emissions data development and emissions reductions target setting. The impact of this climate-related supplier engagement has been to enhance our performance across the chosen metrics ultimately reducing our Scope 3 emissions, provide us with more accurate data, and build trusting relationships with our suppliers to foster low carbon collaboration and innovation. Through this increased engagement and knowledge, we've seen key suppliers actively engage more in carbon reduction initiatives; for example, within our UK electricity transmission business we ask key suppliers to fill in carbon footprints and over time have seen improvements in engagement with this process and enhanced support for demonstrating meaningful reductions throughout design an delivery.

While we measure success across a number of metrics, our principle KPI is to have 75% of our top suppliers to have set active carbon reduction targets for their operations. Previously, our target was to engage our top 250 supplier to have them report data into CDP Supply Chain, we achieved 92%, beating our target of 80%. We are also on track with our principle KPI achieving 59% of suppliers with carbon reduction targets at a global level (74% for UK suppliers / 38% for US suppliers)

Comment
% of supplier-related Scope 3 emissions is calculated as total scope 3 emissions from top 250 suppliers as a percentage of the total scope 3 emissions.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
100

Please explain the rationale for selecting this group of customers and scope of engagement
National Grid directly sells gas and electricity to residential, commercial, and industrial customers in the US, whereas we do not have customers in the UK. These US customers are responsible for 100% of our Cat 3 Fuel and Energy Related Activities and Cat 11 Use of Sold Product emissions. These categories comprise 77% of our Scope 3 emissions as reported in C6.5, so it is relevant to make efforts to engage 100% of these customers with energy efficiency and engagement programmes, with some programmes further targeted to low-income demographics.

The scope of engagement includes:
• Electrification offerings include residential heat pump incentives, manufacturer and distribution engagement to create allies in driving all pillars of the market transformation effort towards electrification, and focusing on homes where electrification outcomes are likely to be most positive.
• The Home Energy Reports (HER) program achieves energy savings through changes in customer behaviour by presenting personalized energy usage data and encouraging energy consumption reduction behaviours
• Energy Star Lighting provides discounts to customers for the purchase of ENERGY STAR®lighting through instant rebates, special promotions at retail stores, pop-up retailers, and social marketing campaigns. A programme is also run for the purchase of high efficiency household appliances.
• EnergyWise offers single-family customers (buildings with 1-4 dwelling units) home energy assessments, weatherization services, and information regarding their energy usage. Comprehensive energy services are also offered for market-rate multifamily customers (buildings with 5+ dwelling units) including energy assessments, incentives for heating and domestic hot water systems, cooling equipment, lighting, and appliances.
• The Residential New Construction (RNC) program promotes the construction of high-per-forming energy efficient single family, multifamily, and income eligible homes, as well as the education of builders, tradespeople, designers, and code officials.

Impact of engagement, including measures of success
The US regulatory scheme requires National Grid to report against measures of success for our incremental energy efficiency improvement programme, calculated as energy efficiency savings in either MWh or Dth. The programme delivers energy efficiency improvements through a variety of means, from weatherization (i.e., building insulation) to incentives for the installation of more efficient appliances, including high-efficiency heat pump technologies. We deliver these programmes by leveraging relationships with customers, contractors, and other vendors and stakeholders to coordinate efforts, share ideas and best practices, and serve customers.

In 2022, we successfully delivered on very ambitious energy savings goals for the year notwithstanding the lingering disruptions caused by the pandemic:

In MA, electric net annual savings were 419 GWh against a target of 935 GWh, an estimated saving of 166,133 tCO2e.

In NY, electric net annual savings were 481 GWh against a target of 391 GWh, an estimated saving of 240,572 tCO2e.

In MA, gas net annual savings were 2,130,153 Dth against a target of 415,165 Dth, an estimated saving of 175,583 tCO2e.

In NY, gas net annual savings were 2,130,153 Dth against a target of 223,124 Dth, an estimated saving of 124,614 tCO2e.

In addition, we responded to geopolitical factors such as inflation and the war in Ukraine by launching winter-season price mitigation measures for low- and moderate-income customers who are most vulnerable to price increases.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?
Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement
Climate-related disclosure through a public platform

Description of this climate related requirement
We request our top 260 suppliers based on spend and carbon intensity are required to complete the CDP climate change submission, as part of our CDP supply chain membership. As part of this requirements we monitor the CDP KPIs; setting a science based emissions target, implementation of emission reduction initiatives, purchasing renewable energy, setting a low-carbon energy target

% suppliers by procurement spend that have to comply with this climate-related requirement
71

% suppliers by procurement spend in compliance with this climate-related requirement
59

Mechanisms for monitoring compliance with this climate-related requirement
Supplier self-assessment
First-party verification
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement
Retain and engage

Climate-related requirement
Complying with regulatory requirements

Description of this climate related requirement
All suppliers required to complete environmental regulatory pre-qualification questions within the Utilities Vendor Database system used across the UK utilities sector. This is a pre-requisite to supplier selection for all suppliers.

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement
100

Mechanisms for monitoring compliance with this climate-related requirement
Off-site third-party verification

Response to supplier non-compliance with this climate-related requirement
Exclude

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
Responsible Business Report
Responsible Business Report 2022-23.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
National Grid's position and strategy on climate change are published both internally and externally. National Grid coordinates communication relating to our climate change policy, strategy and material activities, checking our messaging through internal governance processes to enable us to provide clear, coherent and consistent messaging to our various stakeholders.

We will be undertaking a review of the membership of all our trade associations and their alignment with our decarbonisation targets by the end of 2023 and will publish our findings by the end of the 23/24 financial year.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Planning policy and frameworks, including: Offshore Transmission Network Review, National Policy Statements, National Planning Policy Framework, Community Benefits framework, Levelling Up and Regeneration Bill

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Electricity grid access for renewables

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
In the UK, National Grid has engaged extensively with the Department for Business Energy and Industrial Strategy (BEIS) (and now the Department for Energy Security and Net Zero) and Ofgem officials on reforming the planning process while ensuring that communities can benefit from hosting energy infrastructure.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
While we support the intentions of these policies and recognise and welcome the positive progress that has been made, we consider that a clearer, sharper approach is needed to deliver an effective planning policy framework and suite of National Policy Statements which would reduce delays in the delivery of energy infrastructure.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
While not central to NG's own transition plan, it is crucial to the delivery of the UK's net zero targets and the decarbonisation of the UK power system.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
The Energy Bill

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Other, please specify (Energy production, security and the regulation of the energy market)

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
In the UK, National Grid has engaged extensively with Parliamentarians, the Department for Business Energy and Industrial Strategy (BEIS) (and now the Department for Energy Security and Net Zero) as well as Ofgem officials on key areas of relevance within the Energy Bill, including the establishment of an Independent System Operator and Planning, introducing competitive markets for major onshore electricity transmission networks, licensing reforms and changes to Ofgem's statutory duties to explicitly support the delivery of net zero. This has included submitting a number of briefings and contributing to those of trade associations at various stages of the Bill.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
While not central to NG's own transition plan, it is crucial to the delivery of the UK's net zero targets and the decarbonisation of the UK power system.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
The Review of Electricity Market Arrangements (REMA)

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Other, please specify (Market arrangements)

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
In the UK, National Grid has engaged with the Department for Business Energy and Industrial Strategy (BEIS) (and now the Department for Energy Security and Net Zero) both bilaterally and through the formalised REMA roundtables and Market Participant Forums. This has included responding to the REMA consultation in April 2022.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
We had concerns about the option of Locational Marginal Pricing (LMP) in the REMA proposals as we are not convinced that the case has been made of the benefits which could be derived at this stage of power decarbonisation. LMP also risks undermining investment right at the point we need investors to have confidence to invest at pace to

support the energy transition.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
While not central to NG's own transition plan, it is crucial to the delivery of the UK's net zero targets and the decarbonisation of the UK power system.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
UK Emissions Trading Scheme and carbon leakage mitigation measures. The EU Carbon Border Adjustment Mechanism.

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate
Emissions trading schemes

Policy, law, or regulation geographic coverage
Regional

Country/area/region the policy, law, or regulation applies to
United Kingdom of Great Britain and Northern Ireland
Europe

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
A small part of National Grid in the UK is covered under the UK Emissions Trading Scheme and has been engaging on the developments proposed to bring the UK ETS in line with Net Zero. We have also been engaging on the UK government's proposals to introduce carbon leakage mitigation measures such as a Carbon Border Adjustment Mechanism (CBAM).

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
While we support the implementation of a CBAM to avoid carbon leakage, the treatment of electricity in the EU CBAM had the potential to significantly compromise trade in low carbon electricity across interconnectors from the UK to the EU. We put forward that reducing barriers to energy trade and increasing cooperation between the UK and continental Europe, as well as unlocking the potential of interconnection across the Channel and in the North Sea, is vital to achieving net zero.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
While not central to NG's own transition plan, it is crucial to the delivery of the UK's net zero targets and the decarbonisation of the UK power system.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
North Sea Energy Co-operation Memorandum of Understanding (implementation of UK-EU Trade & Co-operation Agreement)

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
International agreement related to climate change mitigation
Renewable energy generation

Policy, law, or regulation geographic coverage
Regional

Country/area/region the policy, law, or regulation applies to
Belgium
Denmark
France
Germany
Ireland
Luxembourg
Netherlands
Norway
United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Engagement with the Department for Energy Security and Net Zero European team in London and UK Mission to the EU (UKMis) in Brussels to support and facilitate cross-border collaboration toward the achievement of the UK and EU's 2050 net zero and offshore wind targets.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
While not central to NG's transition plan, it can significantly enhance National Grid's central role in the delivery of the UK's net zero targets via effective cross-border co-operation with European partners.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Adaptation Reporting Power - Task Force on Climate-related Financial Disclosures (TCFD) - UK Climate Change Risk Assessment.

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate-related reporting

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
In the UK, National Grid Electricity Transmission submitted its Climate Change Adaptation Report in July 2021. National Grid Group plc also submitted a response to the Defra Adaptation Reporting - Consultation and Proposals for the Fourth Round of Reporting in April 2023. National Grid plc's 2022/23 Responsible Business Report and Annual Report covering our support of the TCFD Framework. Our TCFD report discusses our related climate change risks and opportunities.UK - National Grid Electricity Transmission submitted its Climate Change Adaptation Report in July 2021. This report fulfils our commitment to the third-round DEFRA Climate Change Adaptation Reporting Power (ARP3) cycle. National Grid plc's 2020/21 Responsible Business Report and Annual Report covering our support of the TCFD Framework. Our TCFD report discusses our related climate change risks and opportunities.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
While not central to NG's transition plan, it can significantly enhance National Grid's central role in the delivery of the UK's net zero targets.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Federal carbon pricing

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate
Emissions trading schemes

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
National Grid is broadly supportive of international, regional and national policy and legislative developments aimed at creating carbon pricing programs.
At the U.S. federal level, National Grid remains supportive of a federal price on carbon and has engaged policymakers directly and through allied coalitions to advocate for an economy-wide price on carbon.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
While not central to NG's own transition plan, carbon pricing is considered a very effective tool to reduce GHG emissions.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Inflation Reduction Act of 2022 - Provisions related to clean energy tax credits and clean energy investments.

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate
Subsidies for renewable energy projects
Subsidies on products or services
Subsidies on infrastructure

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
At the U.S. federal level, National Grid has been engaged for years to support an expansion of tax credits to incentivize clean energy deployment and accelerate the clean energy transition in a way that balances affordability for customers. Many of these policy priorities were realized in the 2022 Inflation Reduction Act. Advocacy included direct engagement with policymakers and advocacy through allied coalitions and trade associations.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
The Inflation Reduction Act includes incentives for zero- and low-carbon energy resources, clean transportation, building electrification and other subsidies and investments that will help enable our climate transition plan.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Securities and Exchange Commission's Enhancement and Standardization of Climate-Related Disclosures for Investors rulemaking

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate-related reporting

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
National Grid submitted comments to the SEC on June 17, 2022. National Grid supports the SEC's objective to ensure that investors are provided consistent, comparable, reliable, and decision-useful information to enable them to make informed judgments about the impact of climate-related risks on current and potential investments.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
As a dual-listed business, we are already required to make comprehensive climate-related disclosures in the UK, the location of our primary listing. To manage the burden of compliance on foreign private issuers, while also meeting the objectives of the SEC Proposed Rules, our principal recommendation is for foreign private issuers subject to substantially comparable climate-related disclosure requirements, such as ourselves, to be exempt from complying with the Proposed Rules.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
These proposals help make certain that our ongoing clean energy transition is fair, affordable, and equitable for our customers and communities.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
EPA Proposed Regulations for New Source Performance Standards, Emissions Guidelines

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Low-carbon innovation and R&D

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
National Grid filed comments in support of EPA's proposal to reduce methane emissions from the oil and gas sector. The company also advocated for federal incentives to help advance the affordability and deployment of low-carbon products including clean hydrogen and renewable natural gas (RNG).

National Grid has engaged with both the legislative and executive branches to help craft the expansion of offshore wind and climate legislation. The company is also part of a coalition of business, industry and environmental leaders helping to influence positive change across the nation.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Complying with applicable emissions standards and reducing fugitive natural gas emissions from the gas system are important parts of our energy transition plan.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
At the federal level, National Grid has been engaged for years to support an expansion of tax credits, grants and other incentives to accelerate transportation electrification. Many of these policy priorities were realized in the 2022 Inflation Reduction Act, and National Grid has also been focused on implementation of the Infrastructure Investment and Jobs Act provisions regarding clean transportation.

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Technology requirements

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
In the US, we have proactively engaged with the Biden Administration, including the Departments of Energy and Transportation, as well as Congressional leaders.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Clean Transportation Incentives in the Inflation Reduction Act will help the business and our customers more affordably adopt electric vehicles, which relates to our plan to reduce scope 1 emissions.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Massachusetts State (US): H.5060- An Act driving clean energy and offshore wind-Establishes a Grid Modernization Advisory Council (GMAC), "to encourage least-cost investments in the electric distribution systems, alternatives to the investments or alternative approaches to financing investments that will facilitate the achievement of the state-wide greenhouse gas emission limits." The Council has been established and National Grid is a member. Each electric distribution company (EDC) is currently in the process of developing an Electric Sector Modernization Plan to submit to the GMAC in fall 2023.

New York State (US): The state's 2019 passage of the Climate Leadership and Community Protection Act (CLCPA or Climate Act) has led to numerous subsequent regulatory and legislative proposals supporting the implementation policies. The company was actively engaged in the public comment process associated with development of the Scoping Plan adopted in December 2022 to achieve the goals of the Climate Act. The company supported the state's new All-Electric Building Act that was approved as part of the 2022-23 budget. The company actively engaged with a coalition seeking passage of legislation calling for a study and plan for the build out of utility infrastructure to support electric vehicle charging along highways in New York State. The bill was approved by both Chambers of the Legislature and awaits action by the Governor.

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Alternative fuels
Electricity grid access for renewables

Policy, law, or regulation geographic coverage
Sub-national

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
In Massachusetts, National Grid has engaged with both the legislative and executive branches to help craft the expansion of offshore wind and climate legislation. The company is also part of a coalition of business, industry and environmental leaders helping to influence positive change in the state.

In New York, National Grid has consistently engaged with the legislature and executive chamber, as well with state regulators to support and enable clean energy connections, transportation electrification, and decarbonization of the energy system. The company has initiated discussions with the state related to permitting and siting to ensure that the pace of transmission development does not impair integration of new renewables into the grid.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
In Massachusetts, the DRIVE Act (H.5060) includes remuneration for offshore wind procurement to support for transportation electrification and geothermal technologies that will help propel the Commonwealth further towards the pathway to net zero.

In New York, the All-Electric Building Act focuses on future construction of buildings utilizing electrification while balancing the impacts on the electric system. It aligns with the company's support for targeted electrification to achieve net zero.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Massachusetts (US)- H.5060- An Act driving clean energy and offshore wind- sets a 5.6 GW offshore wind development minimum target by 2027.

New York (US) - National Grid's offshore wind joint venture, Community Offshore Wind, filed comments on the NYSERDA draft RFP and RFI for offshore wind in preparation for submitting project proposals in January 2023.

New Jersey (US) - Community Offshore Wind filed comments on the New Jersey Board of Public Utilities (NJBPU) draft solicitation guidance document for offshore wind in preparation for submitting project proposals in August 2023.

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Renewable energy generation

Policy, law, or regulation geographic coverage
Sub-national

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
In Massachusetts, National Grid has engaged with both the legislative and executive branches to help craft the expansion of offshore wind and climate legislation. The company also continues to engage on the need for permit streamlining to support clean energy development and anticipatory investment for EV charging. The company is also part of a coalition of business, industry and environmental leaders helping to influence Climate change and clean energy policy.

In New York, National Grid's primary role for its regulated business is related to renewable generation is related to interconnection. With the approval by the New York Commission of the CLCPA Phase 1 and Phase 2 transmission system project plans, the company will be engaged in the upgrading and building out a portion of the state's transmission system to facilitate integration and delivery of renewable generation.
In addition, National Grid is also developing offshore wind in New York through its Community Offshore Wind joint venture to help achieve both the state's offshore wind target of 9GW and overall goals of 70% renewable energy by 2030 and 100% emission free by 2040.

In New Jersey, National Grid is developing offshore wind through its Community Offshore Wind joint venture to help achieve both the state's offshore wind target of 11GW and overall goal of 100 percent clean energy by 2050.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Offshore wind is an important renewable energy resource for states in the northeast to leverage in meeting their climate and clean energy goals. In addition to building offshore wind generation via Community Offshore Wind, National Grid plays a central role in readying the grid infrastructure to deliver increasing amounts of clean energy to customers. National Grid is a key enabler of the energy transition in the states in which we operate.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Massachusetts (US): H.5060- An Act driving clean energy and offshore wind - National Grid supported the passage of the legislation that includes support for heat and transportation electrification, supports renewable generations (solar and offshore wind), and lays the groundwork for a decarbonized energy future. National Grid has also participated in the rulemaking process for the Commonwealth's Clean Energy and Climate Plans (both the 2030 and 2050 versions).

New York (US): The state's 2019 passage of the Climate Leadership and Community Protection Act (Climate Act) established renewable energy, energy efficiency, building and transportation decarbonization goals. Subsequent to legislative enactment, there have been various associated activities related to the law's implementation.

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate-related targets

Policy, law, or regulation geographic coverage
Sub-national

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
In New York, the company was engaged with the scoping plan process by providing comments and continues to be involved singularly as well as in coordination with other large utilities in the state regarding Climate Act implementation. This will be an ongoing process that will result in new rulemakings (e.g., cap and invest), proceedings (e.g., transmission, electric vehicles, energy efficiency) and subsequent legislation involving the administrative, executive and legislative branches of government in the state.

In Massachusetts, National Grid has engaged with both the legislative and executive branches to help craft the expansion of offshore wind and climate legislation that will help to support adoption of increased clean energy and necessary infrastructure for electrification. The company is also part of a coalition of business, industry and environmental leaders helping to influence positive change in the state.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
In Massachusetts, the DRIVE Act (H.5060) includes remuneration for offshore wind procurement to support for transportation electrification and geothermal technologies that will help propel the Commonwealth further towards the pathway to Net Zero.

In New York, the Climate Act and the state's clean energy goals align with the company's clean energy vision. Positions taken by the company seek to enable the necessary pathways related to heat decarbonization, transportation electrification, interconnection of renewable energy to the electric transmission and distribution systems, and other clean energy solutions.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Massachusetts (US): H.5060- An Act driving clean energy and offshore wind. Establishes a pilot program for 10 cities and towns to implement fossil fuel free building codes for new construction and major renovations.

New York (US): All Electric Building Act that focuses on the phased in requirements for the electrification of new buildings going forward, with limited exceptions. The company is also supportive of a low carbon fuel standard for the transportation sector, a potential precursor for a carbon intensity standard for natural gas.

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Low-carbon innovation and R&D

Policy, law, or regulation geographic coverage
Sub-national

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
In Massachusetts, National Grid has engaged with both the legislative and executive branches to help craft climate legislation. The company is also part of a coalition of business, industry and environmental leaders helping to influence positive change in the state.

In New York, National Grid engaged with the legislature and executive to support the advancement of the new building electrification law in a manner that aligns with the company's clean energy vision, while ensuring the reliability of the electric grid is protected and maintained.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
In Massachusetts, the DRIVE Act (H.5060) includes remuneration for offshore wind procurement to support for transportation electrification and geothermal technologies that will help propel the Commonwealth further towards the pathway to Net Zero.

In New York, the All-Electric Building Act focuses on future construction of buildings utilizing electrification while balancing the impact on the electric system. It aligns with the company's support for targeted electrification to achieve net zero.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Massachusetts (US): The state legislature is considering legislation that would study and then craft a plan for utility infrastructure necessary to support electric vehicle charging along the state's highway corridors. The legislation was crafted based on National Grid led study on the topic. The company has been awarded a DOE grant to support a company led study of the Northeast states needs to assist with regional planning.

New York (US): The state legislature approved legislation that would study and then craft a plan for utility infrastructure necessary to support electric vehicle charging along the state's highway corridors. The legislation was crafted based on National Grid led study on the topic. The company has been awarded a DOE grant to support a company led study of the Northeast states needs to assist with regional planning.

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Low-carbon innovation and R&D

Policy, law, or regulation geographic coverage
Sub-national

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Working with key lawmakers in Massachusetts, the company assisted with drafting the above-mentioned legislation. The company has met with the Department of Transportation, Department of Energy Resources, and others on the legislation and the topic in general.

Working with NYS lawmakers, the company assisted with drafting the above-mentioned legislation. The company has met with the Department of Transportation, Thruway Authority, the Power Authority, the Governor's office and NYSERDA on the legislation and the topic in general.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
In Massachusetts, acceleration of infrastructure is necessary to raise EV adoption to meet decarbonization goals. 2030 CECP sets out goals to accelerate the uptake of ZEVs and these cannot be achieved without rapid and strategic expansion of the public charging network in the Commonwealth.

In New York, the electrification of transportation will be dependent upon the ability of the electric system to support fast paced demand of EV charging. Infrastructure will need to be sited and built ahead of demand to meet the anticipated change in market trends as supported by state policy.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
In Massachusetts, we have been engaging with policymakers on the creation of the clean heat standard, which would require heating energy suppliers to replace fossil heating fuels with clean heat over time by implementing clean heat options or purchasing credits.

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate

Alternative fuels
Energy efficiency requirements

Policy, law, or regulation geographic coverage
Sub-national

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
We have been engaging with stakeholders by submitting comments, which include National Grid's policy priorities and preferred program design.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
The clean heat standard is central to the achievement of National Grid's climate transition plan. The clean heat standard is MA's primary pathway to decarbonize the heating sector and achieve its target of net zero GHG emissions by 2050. The clean heat standard could spur electrification and investment in decarbonized fuels, including renewable natural gas, and zero carbon electricity, which will help National Grid achieve net zero.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Ongoing development of an emission cap and invest program in New York State.

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate
Emissions trading schemes

Policy, law, or regulation geographic coverage
Sub-national

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
National Grid is broadly supportive of international, regional and national policy and legislative developments aimed at creating carbon pricing programs. In the US, National Grid participates on the Regional Greenhouse Gas Initiative (RGGI) stakeholder committee regarding modifications of the RGGI programme.

In New York, National Grid was actively engaged in the public comment period leading up to the Climate Action Council's Climate Act Scoping Plan and has since been engaged in the process to inform the creation of a Cap and Invest program (ongoing) through providing direct comments, as well as providing joint comments with fellow utilities, and encouraging participation by impacted customers.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
While not central to NG's climate transition plan, cap and trade is central to achieving NY's net zero target. Cap and Invest will generate revenues to fund energy transition programs, could spur investments in electrification and decarbonized fuels, including renewable natural gas and zero carbon electricity, which will help achieve the state's climate goals.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Legislative policies that promote the availability and use of renewable natural gas (RNG) and clean hydrogen for utility end use.

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Alternative fuels

Policy, law, or regulation geographic coverage
Sub-national

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
We are engaging with policymakers in MA and NY to enable utilities to procure renewable natural gas (RNG) and clean hydrogen to decarbonize the gas supply. These policies would be complementary to other policies that NY and MA are developing, including the cap and invest program (NY) and the clean heat standard (MA). By adopting these policies, NY and MA would be providing another pathway for utilities to decarbonize their gas operations and meet the climate targets in each state.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Legislation allowing utilities to procure RNG and clean hydrogen is central to the achievement of the climate transition plan. Our climate transition plan states that 10-20% of gas demand will be served by RNG by 2030.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
American Gas Association

Is your organization's position on climate change policy consistent with theirs?
Mixed

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
AGA is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure and advanced technologies. This pledge includes 10 commitments to further reduce methane emissions from natural gas utility systems. It also includes eight principles for an effective national policy approach to reducing greenhouse gas emissions and addressing climate change. National Grid leads efforts within AGA on decarbonizing natural gas networks through work on various membership committees.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Edison Electric Institute (EII)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
EEI is a trade association that represents investor-owned utilities (IOUs) in the United States. EEI's member companies are leading a clean energy transformation. EEI and its member companies are committed to getting the energy they provide as clean as they can as fast as they can, without compromising customer affordability and reliability. EEI has been heavily engaged on climate issues, notably supporting the inclusion of clean energy investments in the Inflation Reduction Act.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Energy Networks Association (ENA))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
ENA is the trade association that represents energy networks across the UK. The work of the group recognises the critical role networks play in connecting greater levels of renewable energy, thereby supporting the UK's decarbonisation ambitions.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Confederation of British Industry (CBI)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
CBI is aligned to the government's ten-point plan for a Green Industrial Revolution and has set out key actions needed to accelerate the energy transition, decarbonise homes and buildings, and shift to greener forms of transport to meet Net Zero by 2050.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Business Council of the State of New York)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Yes, as the largest utility member, we regularly engaged with the Business Council seeking to influence their support or opposition to legislation related to the energy sector.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (American Clean Power Association (ACP))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
ACP is the voice of companies from across the clean power sector that are powering America's future and providing cost-effective solutions to the climate crisis while creating jobs, spurring massive investment in the U.S. economy, and driving high-tech innovation across the nation. ACP and its member companies are focused on removing barriers and accelerating the growth of clean power. ACP has been heavily engaged on climate issues, notably supporting the inclusion of clean energy investments in the Inflation Reduction Act.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Solar Energy Industries Association (SEIA))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
SEIA is leading the transformation to a clean energy economy, creating the framework for solar to achieve 30% of U.S. electricity generation by 2030. SEIA works with its 1,000 member companies and other strategic partners to fight for policies that create jobs in every community and shape fair market rules that promote competition and the growth of reliable, low-cost solar power. SEIA has been heavily engaged on climate issues, notably supporting the inclusion of clean energy investments in the Inflation Reduction Act.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Alliance for Clean Energy New York (ACE NY))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
ACE NY's mission is to promote the use of clean, renewable electricity technologies and energy efficiency in New York State, to increase energy diversity and security, boost economic development, improve public health, and reduce air pollution. ACE NY has been heavily engaged on climate issues, notably supporting New York State's clean energy and climate investments and policy.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
WindEurope

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Wind Europe is one of the key pan-European trade associations involved in the European energy transition advocating for the increased deployment of wind energy in order to meet European including UK targets for renewable energy that are key to meeting UK and EU emissions reductions targets.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Energy UK)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Energy UK represents a number of organisations across the energy sector. They are supportive of the UK's net zero targets and the energy transition.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Aldersgate Group)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Aldersgate Group are a cross-sectoral trade association representing firms who support an environmentally sustainable economy. They argue the business case for decarbonising the UK economy, improving resource efficiency and investing in the natural environment.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (RenewableUK)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
RenewableUK a trade association representing over 400 companies who are focussed on increasing the levels of renewable electricity generation both in the UK and beyond.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual
Other, please specify (Environmental policy think tank - 501(c)(3))

State the organization or individual to which you provided funding
Center for Climate and Energy Solutions (C2ES)

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
C2ES is an independent, nonpartisan, non-profit organization working to advance strong policy and action to address the twin challenges of energy and climate change. C2ES's Business Environmental Leadership Council (BELC) was created in 1998 with the belief that business engagement is critical for developing efficient, effective solutions to the climate problem. BELC members accept the following guiding principles: 1. We accept the scientific consensus that climate change is occurring and that the impacts are already being felt. Delaying action will increase both the risks and the costs. 2. Businesses can and should incorporate responses to climate change into their core corporate strategies by taking concrete steps in the U.S. and abroad to establish and meet greenhouse gas (GHG) emission reduction targets, and/or invest in low and zero GHG products, practices and technologies. 3. The United States should significantly reduce its GHG emissions through economy-wide, mandatory approaches, which may vary by economic sector and include a flexible, market-based program. Complementary policies may also be necessary for sectors such as buildings, electricity generation, forestry, agriculture, and transportation that will help drive innovation and ease the transition to a low-carbon economy. 4. Climate change is a global challenge that ultimately requires a global solution. An international climate framework must establish fair, effective, and binding commitments for all developed and major developing economies.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Type of organization or individual
Other, please specify (Social welfare organization - 501(c)(4))

State the organization or individual to which you provided funding
Business Council for Sustainable Energy (BCSE)

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
Business leaders from the energy efficiency, renewable energy and natural gas sectors formed the Business Council for Sustainable Energy in 1992 to advocate policies that support a diverse portfolio of energy options in the US and ensure access to affordable, reliable and clean energy solutions. National Grid currently holds a Board seat and therefore has a leadership role in BCSE's priorities.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Type of organization or individual
Other, please specify (Environmental policy think tank - 501(c)(3))

State the organization or individual to which you provided funding
Alliance to Save Energy

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
The Alliance to Save Energy is a bipartisan, non-profit coalition of business, government, environmental, and consumer leaders advocating to advance federal energy efficiency policy.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Type of organization or individual
Other, please specify (Environmental policy think tank - 501(c)(3))

State the organization or individual to which you provided funding
Ceres

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
Ceres is a non-profit organization working with the most influential capital market leaders to solve the world's greatest sustainability challenges. Through the organization's networks and global collaborations of investors, companies and non-profits, the organization seeks to advance equitable market-based and policy solutions throughout the economy to build a just and sustainable future.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Type of organization or individual

Other, please specify (Environmental policy think tank)

State the organization or individual to which you provided funding
New York League of Conservation Voters

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
The LCV is actively advancing a number of energy and environmental related proposals, in doing so they are involved with lobbying the legislature and the executive chamber. Chief among our goals is the advancement of low carbon fuel standards and a balanced approach to the energy transition.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
Annual Report and Accounts 2022-23_6.pdf

Page/Section reference
38-51

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
TCFD Report, within ARA

Publication
In mainstream reports

Status
Complete

Attach the document
Climate Transition Plan 202122.pdf

Page/Section reference
Whole document

Content elements
Governance
Strategy
Emissions figures
Emission targets
Other metrics

Comment
Climate Transition Plan

Publication
In mainstream reports

Status
Complete

Attach the document
National Grid RBR 2022-23 FINAL_3.pdf

Page/Section reference
Whole document

Content elements
Governance
Strategy
Emissions figures
Emission targets
Other metrics

Comment
Responsible Business Report

Publication
In mainstream reports

Status
Complete

Attach the document
National_Grid_Responsible_Business_Charter_2020_UK.pdf

Page/Section reference
Whole document

Content elements
Governance
Emission targets
Other metrics

Comment
Responsible Business Charter

Publication
In mainstream reports

Status
Complete

Attach the document
EU Taxonomy Report 2022-23_0.pdf

Page/Section reference
Whole document

Content elements
Governance
Other metrics

Comment
EU Taxonomy Disclosure

Publication
In mainstream reports

Status
Complete

Attach the document
Green Financing Report 2022-23_0.pdf

Page/Section reference
Whole document

Content elements
Strategy
Other metrics

Comment
Green Financing Framework

Publication
In mainstream reports

Status
Complete

Attach the document
GRI Index 2022-23_0.pdf

Page/Section reference
Whole document

Content elements
Governance
Emissions figures
Emission targets
Other metrics

Comment
GRI Index

Publication
In mainstream reports

Status
Complete

Attach the document

SASB Report 2022-23_0.pdf

Page/Section reference
Whole document

Content elements
Governance
Emissions figures
Emission targets
Other metrics

Comment
SASB Report

Publication
In mainstream reports

Status
Complete

Attach the document
Our Reporting Methodology 2022-23.pdf

Page/Section reference
Whole document

Content elements
Emissions figures
Other metrics

Comment
Our Reporting Methodology

Publication
In mainstream reports

Status
Complete

Attach the document
16659_NG_EnviroReport_2022_AW21.pdf

Page/Section reference
Whole document

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
NGET Annual Environmental Report

Publication
In mainstream reports

Status
Please select

Attach the document
National Grid - Delivering for 2035_1.pdf

Page/Section reference
Whole Document

Content elements
Strategy

Comment
National Grid - Delivering for 2035 (UK)

Publication
In mainstream reports

Status
Complete

Attach the document
National Grid Clean Energy Vision- Fossil-Free_0.pdf

Page/Section reference
Whole Document

Content elements
Strategy

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Business Ambition for 1.5C Climate Action 100+ Race to Zero Campaign Science Based Targets Network (SBTN) Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact We Mean Business World Business Council for Sustainable Development (WBCSD)	National Grid are a signatory to the Business Ambition 1.5ºC/ Race to Zero campaign and are actively assessing how we can increase our Group-wide ambition even further to be consistent with SBTi's new net-zero pathway (released earlier this year). We are corporate members of the UN Global Compact, WBCSD, We Mean Business coalition and SBT network of committed organisations. We annually disclosure progress against the recommendations of the TFD and engage with many ESG benchmarking organisations including Climate Action 100.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	The ultimate responsibility and oversight of sustainability-related issues at National Grid lies with our Chief Executive Officer; a member of the National Grid Board. The CEO and Board of Directors are responsible for setting and leading the Company's sustainability related strategy and goals and have oversight of sustainability-related risks and opportunities impacting the Group. The Board in turn delegates some elements of responsibility to various subcommittees. The Safety & Sustainability Committee (a board-level committee) assists the Board in fulfilling its oversight responsibilities in respect of reviewing and challenging the strategies, policies, initiatives, risk exposure, targets, and performance of the Company and, where appropriate, of its suppliers and contractors in relation to safety and sustainability. This includes approving the Company's sustainability strategy and responsible business reporting, which incorporates biodiversity. It is also responsible for monitoring the demonstration of management commitment to these areas, the resources applied by the Company to ensure compliance, and for driving improvement. In September 2022, the Safety & Sustainability Committee were given an overview of the evolving external landscape for nature and our recommendations for the evolution of our approach and strategy. This included incorporating nature and biodiversity more fully into our Responsible Business and ESG disclosures and to set more ambitious targets. Our Responsible Business Charter and annual Responsible Business Report outline our management of biodiversity-related issues, and the Board receive regular updates throughout the year on how we are performing against our commitments. This year they have also reviewed our proposed Responsible Business Charter refresh which includes our approach to managing biodiversity.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to Net Positive Gain	Other, please specify (Get Nature Positive)

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area
Other biodiversity sensitive area, please specify (Endangered Species Habitat)

Country/area
United States of America

Name of the biodiversity-sensitive area
Various sites in upstate New York (Albany, Glen Falls, Gansevoort, Voorheesville, Schenectady, Saratoga Springs, Round Lake)

Proximity
Adjacent

Briefly describe your organization's activities in the reporting year located in or near to the selected area
Right of Way (ROW), corridor for electric transmission and distribution lines. These corridors are maintained to ensure reliability of supply and to facilitate line maintenance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity
Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area
Restoration
Biodiversity offsets

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented
The Karner blue butterfly (Lycaeides melissa samuelis) ("KBB") is both an endangered species under the Endangered Species Act (ESA) and is also listed as Endangered by the New York State Department of Environmental Conservation (NYSDEC). The KBB recovery plan published by the USFWS identifies 13 populations for recovery, two of which exist within National Grid's operational boundary in upstate New York.

In 2012, a Habitat Conservation Plan ("HCP") was prepared in support of National Grid's application to the United States Fish and Wildlife Service (USFWS) for an Incidental Take Permit pursuant to the ESA for the KBB. The HCP was designed to support NG's activities along ROWs and to compensate or mitigate for potential habitat destruction associated with utility activities including operation and maintenance, reconstruction, and new construction activities along electric transmission and distribution lines.

Baseline surveys were conducted in 2006, 2012, and 2017 to assess where the largest and most contiguous areas of blue lupine (a crucial habitat for the KBB) were located along the National Grid's ROWs. Mitigation efforts include the establishment of buffer zone around blue lupine habitat, as well as the protection of the blue lupine habitat itself. Biannual presence/absence surveys for KBB are then conducted within the mitigation areas to assess the status of the population.

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness Livelihood, economic & other incentives

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	State and benefit indicators

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Impacts on biodiversity Biodiversity strategy	Page 18 of the report Responsible Business Report 2022-23.pdf
In other regulatory filings	Impacts on biodiversity Details on biodiversity indicators	Page 28 of the report NGET_EnviroReport_2022.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

N/A

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
Please select

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
Please select

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
Please select

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below
I have read and accept the applicable Terms