



Electricity
Transmission

Our 2021–2026 Environmental Action Plan

April 2021



nationalgrid

**Our 2021–2026
Environmental
Action Plan
April 2021**

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Who we are

We are National Grid Electricity Transmission plc (NGET). We own and maintain the high-voltage electricity network in England and Wales. That includes c.4,500 miles of overhead line, about 900 miles of underground cable and over 300 substations.

Serving England and Wales

We move electricity from where it is generated, down the superhighway of the electricity system, to our direct customers and to the distribution companies that deliver power to homes and businesses.



c.4,500

miles of
overhead
line



900

miles of
underground
cable



**Over
300**

substations



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“For us, it is about being
a responsible business
and leaving a positive legacy”

**Our electricity network is transitioning
to a cleaner, greener future.**

As society wrestles with a global pandemic that is having profound impacts, we must stay focused on two long-term imperatives: driving reductions in greenhouse gas emissions and accelerating the low-carbon energy transition.

Our starting point is strong. In 2018 we set out a clear path for progress for National Grid Electricity Transmission, creating our own environmental strategy with commitments for our electricity network up to 2020, complementing targets already set by Group. We have now developed a new Environmental Action Plan for 2021–2026, focused on how we will operate in an environmentally sustainable way. This involved looking at the environmental areas most relevant to our business, then developing and testing these with stakeholders.

Our Environmental Action Plan will guide us in how we should plan and manage our network, in terms of how it is run, to be a responsible and sustainable electricity network. It will be our handbook to further reduce our carbon emissions, reduce our resource use, improve our natural environment and demonstrate leadership for change. It sets firm targets for a five-year period including a science-based target to reduce controllable scope 1 and 2 emissions by 34 per cent from a 2018 baseline. We will deliver net zero construction, achieve zero-waste to landfill across key areas of waste and deliver 10 per cent environmental net gain. It charts a course for us to go further, faster.

It is fully aligned with our recently published **Responsible Business Charter**, which sets out what responsibility means for us and our commitments

and ambitions over the coming years. For us, it is about being a responsible business and leaving a positive legacy. That is why this Environmental Action Plan matters to me and to everyone in National Grid Electricity Transmission.

Setting ambitious environmental targets for how we manage our network is one of the ways that we are helping to decarbonise Britain’s energy networks. In unison, we will continue to enable a fully decarbonised electricity grid through grid modernisation and increased flexibility, in addition to continuing to connect renewables quickly and efficiently.

Alice Delahunty

Alice Delahunty
President, Electricity Transmission



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Our environmental vision

We have a unique position at the heart of Britain's energy system, connecting people to the energy they use, safely and reliably. We keep the lights on, so people can go about their daily lives. And we are working to build a cleaner, fairer and affordable energy system that serves everyone. **Our environmental vision is to build a sustainable electricity network, which makes a positive contribution to the environment.**

Our Environmental Action Plan

We play a dual role in the transition to a low-carbon economy and in achieving net zero.

As a transmission owner, we connect low-carbon energy sources and are influencing a whole system approach to creating the UK's net zero infrastructure. As an infrastructure business, our day-to-day activities in maintaining and constructing assets also have an environmental impact. Our Environmental Action Plan focuses on the latter. It centres on our transition to a sustainable, low-carbon business.

Our Environmental Action Plan concentrates on the areas where we can make the greatest contribution to a more sustainable future, aligned to the United Nations' Sustainable Development Goals (UN SDGs). It responds to – and is driven by – environmental issues which are most significant to our stakeholders and our business. We are committed to reducing our negative impacts, but we will also focus on the areas where we can bring about positive change. More details on our materiality assessment are on page 24.

To deliver on our vision, we will focus on four environmental priorities:



Net zero carbon emissions

We will reduce our direct emissions in line with science-based targets and deliver carbon neutral construction



Minimise waste and sustainable use of materials

We will achieve zero-waste to landfill and use circular economy principles to make the most out of natural resources and our assets



Caring for the natural environment

We will value nature, and will protect and enhance it where possible using 'natural capital' and 'net gain' principles



Leading the way

We will be leaders in our industry to advance environmental good practice

2021–2026 environmental commitments

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Priorities	 Net zero carbon emissions	 Minimise waste and sustainable use of materials	 Caring for the natural environment	 Leading the way
Ambitions	We will reduce our direct emissions in line with science-based targets and deliver carbon neutral construction	We will achieve zero-waste to landfill and use circular economy principles to make the most out of natural resources and our assets	We will value nature, and will protect and enhance it where possible using 'natural capital' and 'net gain' principles	We will be leaders in our industry to advance environmental good practice
Commitments	<p>By 2026, we will:</p> <ul style="list-style-type: none"> achieve 34% reduction in controllable scope 1 and 2 emissions from a 2018/19 baseline, with additional targets of: 50% reduction by 2030 and net zero by 2050 replace 60% of our fleet with alternative fuel vehicles (AFVs) reduce carbon emissions for our business transport by 10% on 2013–2020 averages purchase 100% of electricity we use from renewables create a transmission losses strategy create a substation energy efficiency programme deliver carbon neutral construction focus on an efficiency-first approach to reduce energy use by 20% from a 2019/20 baseline encourage 75% of National Grid's UK top 250 suppliers (by category/spend) will have carbon reduction targets. 	<p>By 2026, we will:</p> <ul style="list-style-type: none"> achieve zero-waste to landfill across our construction projects reduce the waste tonnage (from a 2018/19 baseline) and water use (from a 2018/19 baseline) at our offices by 20% reduce the waste intensity of our construction projects year on year pilot and implement circular economy principles by aligning our business to internationally recognised standards, e.g. BS 8001– circular economy standards increase our construction recycling and composting rates and set a target from a 2021/22 baseline align our Procurement Strategy to internationally recognised standards, e.g. ISO20400 Sustainable Sourcing Standard increase our operational and office recycling rates from 45% and 46% (respectively) to 60% maintain our high standards of oil containment and pollution management. 	<p>By 2026, we will:</p> <ul style="list-style-type: none"> increase environmental value of non-operational land by 10% against a natural capital and biodiversity baseline deliver net gain by at least 10% or greater in environmental value (including biodiversity) on all construction projects (including those delivered by third parties building on our land). 	<p>By 2026, we will:</p> <ul style="list-style-type: none"> have senior leadership accountability which reflects our corporate focus on the environment work collaboratively with the other transmission owners to develop a consistent approach to capital carbon management have an engaged workforce on environmental issues that lead by example work collaboratively with the other transmission owners to develop and pilot a common and robust methodology for assessing natural capital Impacts and opportunities (associated with Electricity Transmission activities) take bold steps to tackle our SF₆ emissions and stimulate the market to more rapidly meet our stakeholders' needs be an environmental leader for the energy industry by actively contributing and shaping the discussions in external working groups.
Sustainable Development Goals				   





Net zero carbon emissions

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**“Managing our emissions from SF₆ leaks
is critical in our journey to reach net zero
emissions by 2050.”**

Steve Thompson
Sustainability Manager



Net zero carbon emissions

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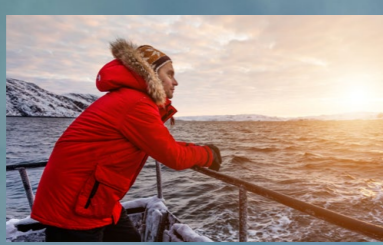
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Overview

We will reduce
our direct emissions
in line with
science-based targets
and deliver carbon
neutral construction



External context

Climate change is the greatest challenge of our generation, and the next 10 years will be crucial to addressing it. World leading scientists have made it clear that we are now facing a ‘climate emergency’.

The science is clear – to avert the worst effects of the rapidly changing climate, the world needs to transition to a net zero carbon emissions economy by 2050.



Our commitments

Direct emissions

By 2026, we will:

34%

Achieve 34% reduction in controllable scope 1 and 2 emissions from a 2018/19 baseline, with additional targets of:

- 50% reduction by 2030 and
- **net zero** by 2050.

100%

Purchase 100% of electricity we use from renewables.



Replace 60% of our fleet with alternative fuel vehicles (AFVs).



Create a substation energy efficiency programme.



Create a transmission losses strategy.



Focus on an efficiency-first approach to reduce energy use by 20% from a 2019/20 baseline.



Reduce carbon emissions for our business transport by 10% on 2013–2020 averages.

Indirect emissions

By 2026, we will:



Deliver carbon neutral construction.

Top 250

Have **75%** of our UK top 250 suppliers (by category/spend) with carbon reduction targets.

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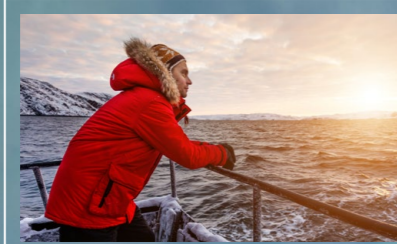
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Our approach

**Responding to
climate change is
a key priority for us.
We are fully committed
to making tangible
progress in reducing
carbon emissions,
mitigating climate
change and being
a key facilitator
in the transition
to a net zero
economy.**



Scope 1 and 2 emissions

Electricity transmission losses

The largest source of our carbon emissions is transmission line losses. Losses are an inevitable consequence of transmitting electricity to consumers, as energy is lost as heat from power flows through electrical equipment such as cables, overhead lines, and transformers. There is a limited amount we can do to reduce losses because they are mostly driven by the generation source and the distance over which electricity is transmitted.

As electricity generation continues to decarbonise, the carbon emissions from the losses will decrease. We will create a transmission losses strategy to focus our efforts in the areas where we do have control, such as how we factor losses into our investment decisions.



Use of insulating gases

Our biggest contributor to climate change under our direct control is leakage of sulphur hexafluoride (SF₆) used as an insulating gas in high-voltage equipment. SF₆ is a very potent greenhouse gas with a global warming potential (GWP) of 23,900TCO₂e*.

To achieve net zero, we are working with our regulator to secure funding to enable us to deliver a targeted investment programme to replace equipment containing SF₆.

We will also continue to explore alternative gases and capture techniques. We are at the forefront of the global development of low-carbon alternatives to SF₆. In 2019 we stated our position to minimise the amount of new SF₆ added to the system and we will use alternative technologies where commercially viable.



Energy use

Our third key contributor is energy use. To reduce our impact, we will purchase 100 per cent renewable electricity for our own use, we will increase energy efficiency by 20 per cent for our offices and we will create an energy efficiency programme for our substations.



Operational travel

Our fourth key contributor is operational travel. We will replace 60 per cent of our fleet with alternative fuel vehicles (AFVs), that is 537 vehicles by 2026.

We will also install and maintain charge points across 234 National Grid Electricity Transmission sites to enable our fleet commitment.



*Source: Greenhouse Gas Protocol, 2020



Net zero carbon emissions

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Scope 3 emissions

Capital carbon

The infrastructure we provide and services that we deliver to support a lower carbon future are critical to the delivery of national and regional climate change targets. Our target is to deliver net zero construction.

We will reduce emissions as much as is feasibly possible in line with internationally recognised industry standard PAS2080 Carbon Management in Infrastructure, and only offset residual emissions that cannot be avoided.

We already have tools in place to measure carbon emissions from construction right through to the end of an asset's life. This approach has helped us achieve a 30 per cent reduction in carbon intensity from a 2015/16 baseline.

Supply chain emissions

Environmental sustainability is a collective responsibility and our supply chain is critical to help us turn our visions for a sustainable future into reality.

Our commitment is that 75 per cent of our top 250 suppliers will have carbon reduction targets by 2026.

We will step up our level of ambition from asking suppliers to disclose their emissions, and will now ask for ambitious carbon targets.



Scopes explained

Scope 1

Direct emissions created by our activities.

These types of emissions come from:

- the energy sources that power our substations and buildings (approx. 0.8 per cent of our scope 1 and 2 emissions)
- the leakage from insulating gases we use for high-voltage equipment, SF₆ (approx. 15.9 per cent of our scope 1 and 2 emissions).



Scope 2

Indirect emissions from production of the electricity and heat we use.

These types of emissions come from:

- our operational travel (approx. 0.4 per cent of our scope 1 and 2 emissions)
- electricity transmission losses from our network (approx. 82.9 per cent of our scope 1 and 2 emissions).



Scope 3

Indirect emissions from all other activities in which we are engaged.

These emission sources can be extensive. They cover all parts of our supply chain, from materials in buildings to business travel, all the way to carbon emissions from the waste we dispose of.

*Source: Greenhouse Gas Protocol, 2020



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National Grid Group became one of the Supply Chain Carbon Disclosure Project (CDP) founding members and committed to having 80 per cent of its top 250 suppliers disclosing their greenhouse gas emissions by 2020.

2014



We became an active member of the Supply Chain Sustainability School and are now involved in a number of special interest groups looking to promote sustainability into the supply chain.

2015



We created an in-house Carbon Interface Tool (CIT) which allows us to estimate the projected carbon impact of our infrastructure projects.

We started to include a 5 per cent weighting related to carbon in major infrastructure project tenders.

2017



We commissioned the world's first pilot installation of 420kV, SF₆-free gas-insulated busbar at our Sellindge substation. By using a novel alternative gas mixture developed by GE Grid Solutions and known commercially as g3 (green gas for grid), we have reduced the potential GWP by more than 98 per cent.

National Grid Group developed an internal carbon pricing policy to ensure carbon is considered in our major investment decisions.



Net zero carbon emissions

What we have achieved to date



We ordered our first 30 electric vans to identify optimum charging solutions in order to reduce the environmental impact of our operational fleet.



We reviewed our SF₆ policy to state that we will no longer be putting SF₆ into our network when there is an alternative. SF₆-free technologies will be proactively pursued, progressively adopted and installed as they become technically and commercially viable.



We achieved:
33 per cent reduction in our business carbon footprint from our 2012/13 baseline including losses.

3 per cent increase in our business carbon footprint from our 2012/13 baseline excluding losses.

30 per cent reduction in capital carbon from a 2015/16 baseline.



87 per cent of our top 250 suppliers disclosed their emissions via the CDP supply chain programme.

2018

2019

2020



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**“Minimising our own waste
is essential to preserving
natural resources and
reducing carbon emissions.”**

Helene Wright
Workplace Services
Sustainability Manager





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Overview

We will achieve
zero-waste to landfill
and use **circular
economy principles**
to make the most
**out of natural
resources and
our assets.**



External context

Every year, the world collects 11 billion tonnes of waste, according to the United Nations, Environment Programme. Waste is choking our oceans, spoiling our landscapes, as well as contributing to landfill and greenhouse gas emissions. There is an urgent need to use resources more wisely to reduce the strain we are putting on our planet as the global population grows.

Moreover, there are incredible economic and environmental benefits to taking a circular approach to materials management, which reduces waste and keeps products and materials in use.



Our commitments

By 2026, we will:



Zero

Achieve zero-waste to landfill across our construction projects.



Reduce the waste intensity of our construction projects year on year.



Increase our construction recycling and composting rates and set a target from a 2020/21 baseline.



60%

Increase our operational and office recycling rates from **45%** and **46%** (respectively) to **60%**.



20%

Reduce the waste tonnage and water use (from a 2019/20 baseline) at our offices by **20%**.



Pilot and implement circular economy principles by aligning our business to internationally recognised standards, e.g. BS 8001 – circular economy standards.



Align our Procurement Strategy to internationally recognised standards, e.g. ISO20400 Sustainable Sourcing Standard.

Maintain our high standards of oil containment and pollution management.

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Our approach

To build and maintain energy networks that perform safely and reliably, we need to use finite – or non-renewable – resources, such as steel for pylons and aluminium for overhead lines. We have an important role to play in ensuring we source our materials responsibly and manage them appropriately at end of life.



Minimising waste

Our principal goal is to produce minimal waste across our whole value chain – from our construction activities, our operations, to our offices. For that to happen, we must eliminate, reduce, reuse and recycle more than we do now.

Most of the waste we create comes from our construction activities. To develop new infrastructure sustainably, we need to continue to drive down waste throughout the lifecycle of our projects. We will achieve zero avoidable waste to landfill across our construction projects, reduce the waste intensity of our construction projects year on year and we will set a target to increase our construction recycling and composting.

We will continue encouraging our suppliers to play their part.

By asking suppliers to consider end-of-life processes at the design stage of infrastructure projects, they are building our assets with sustainability in mind and designing components that will be easier to disassemble, reuse and remanufacture. This reduces our need for raw materials and energy during construction and ensures our assets hold their value. Ensuring we procure items that have recycled content or can be recycled at the end of life is likewise vital.

In addition, we will focus on improving resource use within our operations and our offices. We will increase recycling rates in our substations and reduce the amount of waste we create and water we use in our offices. We will do this by changing the behaviour of our employees, and across our supply chain and contractors.

Circular economy principles

The most effective way to reduce waste is to not create it in the first place. We will adopt the principles of the circular economy using internationally recognised standards such as the BS8001 – Circular Economy Standard and ISO20400 Sustainable Sourcing Guidance.

By adopting the principles of the circular economy, we will design assets that can be recycled, refurbished and reused.

High standards of environmental management

We will maintain our high standards of oil containment and pollution management. We actively work to prevent pollution that may result from our activities and continually improve our environmental management system (accredited to ISO14001:2015) to protect the environment and reduce risks of environmental incidents.

“The most effective way to reduce waste is to not create it in the first place.”

1980s



We set up our own refurbishment centres in Doncaster and Leicester, allowing us to extend the life of our assets and materials, such as high voltage circuit breakers. Refurbishment is more environmentally friendly and more cost effective than replacement.

1990s–2000s



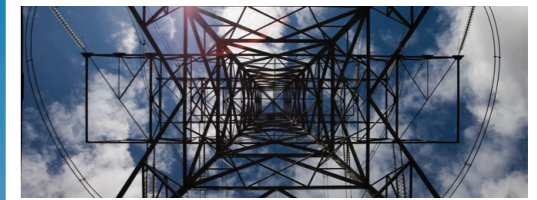
We set up our Oil Management Units in Doncaster and Dartford to reuse the oil from circuit breakers. They remove dirty oil from assets during maintenance and, on completion of the maintenance work, reconditioned oil is then used to refill the circuit breaker – reusing 100 per cent of the oil.

2014



We joined the Major Infrastructure Resource Optimisation Group (MIROG). This is a multi-utility collaboration that aims to reduce the impact of infrastructure developments, realising shared objectives and opportunities to improve the management of the materials and resources that are fundamental to our businesses.

2015



We set up pilot projects with suppliers to look at the benefits and costs of reusing redundant metallic assets, reducing the amount of new material we need.

We completed a pilot to reuse overhead line taken down from the electricity network.



Minimise waste and sustainable use of materials

What we have achieved to date



National Grid UK made a commitment to remove single-use plastics from sale at our offices by 2020.



National Grid UK created the 'Save Evie's whale' campaign to encourage employees to think about the impact of single-use plastics and how they end up in our oceans, and worked with our suppliers to eliminate the sale of these products from our offices.



At NGET:
98 per cent of construction waste was diverted from landfill.

97 per cent of operational waste was diverted from landfill and 45 per cent was recycled.



At National Grid UK:
A staggering five million pieces of single-use plastic in offices were eliminated. This has prevented over 25 tonnes of plastic waste from going to landfill.

2018

2019

2020



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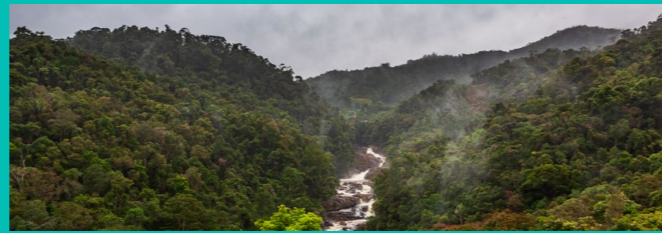
“Recognising the value of our natural assets – the natural environment around our operational and non-operational sites – is helping us to identify and focus on managing them in ways that deliver the greatest value to stakeholders and nature.”

Matthew Pearce
Head of UK Core Land
Portfolio Development



Overview

We will value nature, and will protect and enhance it where possible using ‘natural capital’ and ‘net gain’ principles.



External context

One of the most important challenges facing humanity, alongside the climate emergency, is the global biodiversity crisis. There is a severe decline in the natural ecosystems that underpin our global economies, regulate the climate and provide raw materials and essentials fundamental to life itself.

Alarming statistics forecast the number of species at risk of extinction within the near future, and without appropriate action to prevent further loss and fragmentation of habitats across the globe, the negative impacts will have ramifications for this and future generations.

The UK Government’s primary goal for environmental policy over the last few years has been the overarching ambition to “leave the environment in a better state for the next generation”, rightly emphasising the need to deliver environmental net gain.



Our commitments

By 2026, we will:



10%

Increase environmental value of non-operational land by 10% against a natural capital and biodiversity baseline.



10%

Deliver net gain of least 10% or greater in environmental value (including biodiversity) on all construction projects (including those delivered by third parties building on our land).

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Our approach

We own around 1,800 hectares of non-operational land, including a rich variety of habitats from ancient woodland to peatbogs. It is therefore important, and it gives us a great opportunity, to manage the land we own in ways that recognise, preserve and create the most value for stakeholders and nature.

Increasing environmental value in our non-operational land

As a major landowner, our activities have an impact on the natural environment at our sites. We are adopting best practice methods, such as the 'natural capital' approach, so we create the most benefit. We have developed a bespoke natural capital tool that utilises third party data to provide indicative financial values associated with the provision of the ecosystem services. These help us place a value on the benefits and services our natural assets provide, taking into consideration the surrounding environment.

In the next five years, we will find new opportunities, in partnership with local environmental organisations, to make the best of our natural assets and efficiently manage them in ways that benefit local communities and nature. Natural assets – such as trees, water sources and green spaces – are important for society and provide essential services that help to mitigate the impacts

of climatic change, from carbon capture and storage to temperature regulation, flood control and air quality.

Our approach seeks to increase environmental value in our non-operational land by 10 per cent by 2026. The increase in environmental value may include replanting of wildflower meadows and native trees, installing beehives and other habitats and many more – each serving a specific purpose to the chosen site.

Delivering environmental net gain (including biodiversity) in all construction projects

As we build and maintain our electricity assets, we have an impact on the land and local habitats. It is essential that we do so in ways that seek to reduce the fragmentation of our habitats and species, prevent permanent habitat loss, and deliver new opportunities to reconnect the landscape and enhance the natural environment.

We will minimise the impact of our construction projects and deliver at least 10 per cent 'environmental net gain' as a result of our works. We are going further than 'not net loss'.

Each scheme will engage with stakeholders to develop an approach that is tailored to mitigate impacts and design enhancements that can deliver a range of benefits to people and biodiversity (for example heathland and woodland restoration and enhancement, control of non-native species and improving footpath access).

Teams in our network development process (design of projects and construction of projects) as well as specialist environmental contractors will use the latest version of the Department for Environment, Food and Rural Affairs (DEFRA) Biodiversity Metric calculator, in parallel with natural capital tools, to quantify the potential impacts of our capital works to habitats, biodiversity and the services they provide. The outputs from the tools are used to inform our mitigation and enhancement strategies.

Definitions explained

What is Natural capital?

Natural capital is the stock of natural features, woodlands, wetlands, soils, rivers and seas, that deliver benefits, services and value to people and biodiversity. These are all elements of nature that either directly or indirectly bring value to people, chiefly by providing us with food, raw materials, clean air and water, energy, recreation and support our health and wellbeing.

It is a financial representation of the benefits and services that these elements provide to society and businesses.

What is net gain?

Leaving the environment (including biodiversity) in a better state than before. Where our impacts cannot be totally avoided, we will work with partners to develop mitigation and enhancements that can make important contributions towards regional and national priorities for conservation. By doing this, we ensure the environment is improved as a result of our works.



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2012



We established the 'Natural Grid' programme to transform the way landholdings are managed by making a contribution to the creation of better, bigger and connected spaces for nature alongside our energy grids.

2013



National Grid Group set a target of making proactive sustainability improvements to 50 sites (30 electricity transmission sites by 2020 target was then set by NGET in 2018).

2014



Jointly with Aecom, we built a natural capital tool, including biodiversity.

2017



Building on our natural capital approach, we expanded the capability of our assessment tool to consider the biodiversity impacts and opportunities associated with construction schemes to deliver net gain.



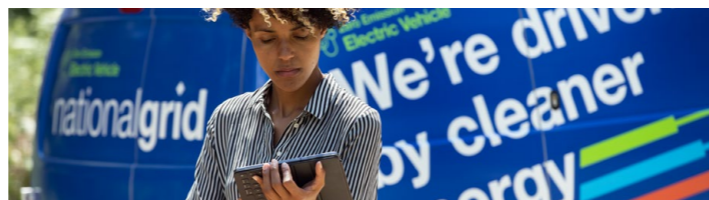
Caring for the natural environment

What we have achieved to date



We started to integrate 'net gain' into our network development process.

The approach tracks progress against key milestones in the net gain process, including developing a baseline, assessing impacts and developing landscape enhancement plans to mitigate losses and deliver net gains.



In NGET:

Proactive sustainability improvements were delivered across 36 electricity transmission sites (as well as the 50 Group sites), delivering approximately 24 per cent

increase in natural capital value against their initial baseline position (values calculated over a 30-year period).



Started to set out net-gain proposals. This has been included within planning application documents for Peak East and Snowdonia Visual Impact Provision (VIP) schemes.

“We have supported a network of Environmental Education Centres for over 30 years, all of which are located on non-operational land adjacent to four electricity substations: Bishops Wood, Iver, Skelton Grange, and West Boldon.”

2018

2020



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“We are committed to shaping a sustainable economy for all, in partnership with others in our industry and beyond.”

Alice Delahunty
President, Electricity Transmission



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Overview

We will be leaders in our industry to advance environmental good practice.



External context

The role of business in a society battling with environmental and social crises like never before is changing. Businesses have a duty to lead the way and deliver change across industry.

Business leadership in sustainable development is central to developing and maintaining the kind of markets and economies that the environment and society need to thrive.



Our commitments

By 2026, we will:



Have senior leadership accountability which reflects our corporate focus on the environment.



Have a workforce engaged on environmental issues which leads by example.



Take bold steps to tackle our SF₆ emissions and stimulate the market to more rapidly meet our stakeholders' needs.



Be an environmental leader for the energy industry by actively contributing and shaping the discussions in external working groups.



Work collaboratively with the other GB transmission owners to develop and pilot a common and robust methodology for assessing natural capital impacts and opportunities (associated with Electricity Transmission activities) that reflects best practice, complements biodiversity net gain and delivers measurable and quantifiable benefits.



Work collaboratively with the other GB transmission owners to develop a consistent approach to capital carbon management.





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Our approach

Society's expectations of business and the role business plays in the world are changing. We share the belief that business needs to stand for something more than profitability. Now, more than ever, we have a responsibility to demonstrate our contribution to society in tackling a wide range of environmental issues, and lead by example.



Internal accountability

For us, leading the way means, firstly, having our senior leadership take accountability for our environmental performance.

It also means having a workforce that are engaged on environmental issues and lead by example.

We will deliver a comprehensive employee engagement programme, increasing employee confidence and knowledge on a wide range of environmental issues, including the climate crisis. We will measure engagement via attendance at events, and views on the company's environmental performance appraised using our Employee Engagement Survey.



External engagement

Leading the way also means looking outside of our organisation. For us, that means being bold and stimulating the market for cleaner and greener alternatives, such as alternatives for SF₆. We have been at the forefront of the global development of low-carbon alternatives to SF₆, and we will continue to be at the forefront within the next five years. It means driving forward industry in areas where we are leading by example and thus sharing our expertise, data and tools.

We will work collaboratively with the other transmission owners to develop a consistent approach to capital carbon management, and to develop and pilot a common and robust methodology for assessing natural capital impacts and opportunities.



Collaborating for a sustainable future

We understand the importance of collaboration and partnership for scaling positive impact. Long-term partnerships are instrumental to delivering our environmental sustainability agenda. We are members of organisations, such as:

- Business in the Community (BITC)
- Contaminated Land Applications in Real Environment (CL:AIRE)
- Natural Capital Taskforce
- Net Zero Infrastructure Coalition
- The Aldersgate Group
- The Institute of Environmental Management and Assessment (IEMA)
- The Major Infrastructure Resource Optimisation Group (Mi-Rog)
- Supply Chain Sustainability School
- Valuing Nature Network.

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2012

THE RESPONSIBLE BUSINESS OF THE YEAR AWARD



We received the Business in the Community (BITC) 'Responsible business' of the year award.

2017



We received the Business in the Community (BITC) Leadership award for Carbon Management award.

2015–2020



As National Grid Group, we annually participate in the CDP (formerly Carbon Disclosure Project) Climate Change Index. We publicly disclose our carbon data and climate change strategies using a scoring methodology.

In 2020, we retained our position on CDP's Climate Change "A-list" for the fifth consecutive year.



Leading the way

What we have achieved to date



As National Grid Group, we announced that we will be principal partners in COP26.

We also joined the Race to Zero campaign – a global effort from the United Nations

Framework Convention on Climate Change that

calls for a resilient, zero carbon recovery from the COVID-19 pandemic.



We published our 'Responsible Business Charter' setting out what responsibility means and our commitments over the coming years.



We are ongoing members of the Business in the Community (BITC) Environmental Leadership team, helping business drive innovation that turns the threat of the climate emergency into opportunity for people and nature.

2020

2020

Materiality – identifying what matters

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Understanding our footprint

Our Environmental Action Plan focuses on how we will operate in an environmentally sustainable way. However, we know that helping society to decarbonise is the biggest contribution we can make to the environment. We will support the decarbonisation of the communities we serve and fully decarbonise our electricity grid, connecting renewables quickly and efficiently.

For more information on how we are facilitating the low-carbon transition, please read our **Responsible Business Charter**. We also recognise that a sustainable approach can benefit from innovative thinking, so ‘leading innovation’ is an essential part of our strategy to improve performance.

You can find more details in our **Innovation Strategy**.



Materiality assessment

We carried out a materiality assessment to understand where we could make the greatest contribution to a more sustainable future, as we build and maintain electricity assets.

This followed a six-step process:

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Step 1: Identifying issues

We initiated our materiality assessment by carrying out a comprehensive review of the significant environmental impacts created by our network.

This involved a review of the environmental aspects that relate to our activities, products and services, to identify which we can control and those we can influence. This ensured that all our significant risks and opportunities had been considered.



Step 4: Target setting

We then assessed what targets to apply for our material areas. We followed two approaches:

- 1. What to (target oriented)**
We followed this approach when there was a direct policy or scientific target that we should be aiming for, or the industry was clear on what the target should be.
- 2. What if (scenario oriented)**
We followed this approach when there was little policy or scientific guidance. We looked at our performance to date and what we could achieve within five years.



Step 2: Defining materiality

The second step involved defining material impact areas. An issue was considered material if it met one of these three conditions:

- 1.** It is important to our stakeholders or a concern has been voiced in the scientific community or policy circles.
- 2.** It is an environmental aspect that is considered high risk/high opportunity for our business.
- 3.** It is required by the energy regulator, Ofgem, for inclusion in the plan.



Step 5: Understanding external stakeholder perspectives

The fifth step entailed obtaining stakeholder feedback. This was an integral part of the process to ensure we were focusing on the right areas, and were setting challenging targets, in line with stakeholder expectations. Expert bodies were engaged to confirm targets and measures.



Step 3: Assessing the external landscape

Next, we reviewed material issues against upcoming legislation, consideration of macro trends, using global sustainable frameworks such as the 2030 United Nations' Sustainable Development Goals (UN SDGs) and internationally recognised environmental standards.



Step 6: Validating targets

The final step consisted of revising our targets based on what stakeholders told us and approving these targets internally.

Stakeholder engagement



Since 2017, we have engaged extensively with our stakeholders over what our approach to the environment should be in the five-year period and beyond.

We carried out engagement with over 1,000 individuals covering all our main stakeholder groups. We have also listened to over 11,000 households and over 750 business consumers via webinars, bilateral meetings, focus groups, surveys and consultations.

We will continue to engage with our stakeholders regularly to ensure we are constantly challenged on our commitments and performance.

Please read our [stakeholder engagement log](#) for more information on our stakeholder engagement approach to the environment.

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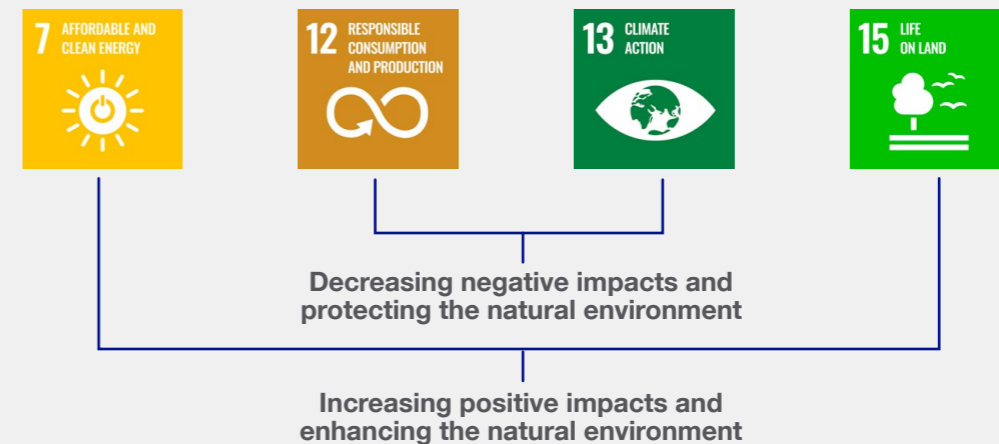
United Nations' Sustainable Development Goals (UN SDGs)

In 2016, the United Nations' 17 Sustainable Development Goals (SDGs) to 'transform our world' officially came into force. These goals promote prosperity while protecting the planet.

Business has an important role to play in helping to achieve these goals. We have reviewed the goals to see how we can best support them.

All the goals are vitally important to the future social and environmental wellbeing of people and the planet. However, listening to what stakeholders have told us and combining this with the areas where we have the most impact and/or opportunity to improve, we are focusing on four specific SDGs related to our Environmental Action Plan focus areas. These are:

- Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.
- Goal 12: Ensure sustainable consumption and production patterns.
- Goal 13: Take urgent action to combat climate change and its impacts.
- Goal 15: Sustainably manage forests; combat desertification; halt and reverse land degradation; and halt biodiversity loss.



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We are committed to tracking our progress and both monitoring and sharing the changes we are making:

- We have developed a suite of annual milestones which we will use to assess our progress.
- We will produce an annual environmental report. This will be available on our website on 1 October each financial year, starting in 2022.
- We will share our progress and seek regular feedback from key stakeholders.
- We will continue to refine and improve our strategy if there are new policy changes, or if the science tells us we need to act faster.
- Where we are failing, we will reassess how to get back on track.

Contact us

We will share updates, successes and insights along the way on our [website](#).

We would also like to hear from you – our communities, customers, employees, investors and suppliers. Our Environmental Action Plan is a collaborative programme, so we need your feedback to make sure we are focusing on the right areas and delivering the right results.

If you would like to contact us about any aspect of our Environmental Action Plan, please email [.box.ET.Environmental@nationalgrid.com](mailto:box.ET.Environmental@nationalgrid.com).

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