

Social responsibility

Investor Relations | National Grid

March 2013

nationalgrid



Investing for the future

In the UK National Grid will invest around £3bn p.a. for the next 8 years. The majority of this spend falls into UK Transmission – rewiring the country to support:

- ◆ UK Climate Change Act – greenhouse gas levels must be 80% of 1990 levels by 2050
- ◆ Connection of new generation fleet
- ◆ Increased demand for energy
- ◆ Security of supply

Corporate governance

- ◆ Fully compliant with UK Corporate Governance Code 2010
- ◆ Director remuneration set by independent Non-executive Directors via Remuneration Committee. Significant proportions of total reward are performance based
- ◆ 50% of Director bonuses are deferred into National Grid shares, which are held in trust for 3 years – the Chief Executive is required to build up and retain a shareholding representing at least 200% of annual salary, and other Executive Directors are required to hold 125%

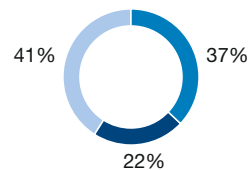
Employees

- ◆ Our Employee Engagement Index was 66% in 2012, compared with 68% when last measured in 2010
- ◆ 13.4% of our workforce are black or minority ethnic, compared with 13.5% in 2010/11
- ◆ 21.8% of our workforce are female compared with 22.3% last year
- ◆ A Times Top 50 Employers of Women Company in 2012, appearing in index since 2006
- ◆ Over one million learner hours of training across our UK and US businesses
- ◆ Continuing to invest in our Eakring, Nottinghamshire and Millbury, Massachusetts learning centres

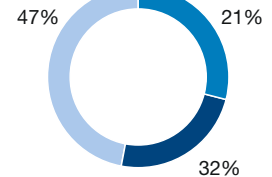
Executive Directors' remuneration package 2011/12

CEO

On target performance

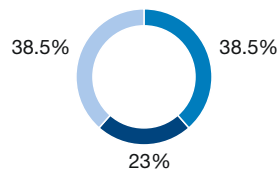


Maximum stretch performance

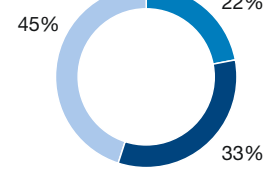


Other Executive Directors UK & US

On target performance



Maximum stretch performance



■ Base salary ■ Annual performance plan ■ Long term performance plan

Society

- ◆ Invested around £15.6 million in support of community initiatives and relationships across our operations. Direct donations to charitable organisations amounted to around £4 million, compared with £0.8 million in 2010/11.
- ◆ Opened our new London tunnels energy education centre, helping visitors understand the future energy challenge
- ◆ Broadened our partner ship with City Year, supporting more than 13,000 students across New England and New York
- ◆ Provided \$1 million to Albany, New York, for use in revitalising the community. Since 2003, our economic development grants have totalled \$53 million and we have helped create or retain more than 19,000 jobs.
- ◆ Held a competition to design the next generation of electricity pylons

Summary of our performance

			2011/12	2010/11	2009/10	Target	Global Reporting Initiative (GRI)	
Doing the right thing	Business ethics	Substantiated breaches of codes of conduct (per 1,000 employees)	13.3	13.9	13.6	-		
		Employee survey respondents who considered something would be done if they reported an inappropriate business practice or an ethical issue (%)	#	66	66	-		
Embedding safety and wellbeing into the way we work	Fatalities	Employees (number)	0	0	0	Zero	LA7	
		Contractors (number)	1	0	0	Zero	EU25	
		Public (number)	2	0	0	Zero		
	Injuries	Employee lost time injuries (number)	92	96	86	Zero	LA7	
		Employee lost time injury frequency rate (per 100,000 hours worked)	0.18	0.18	0.15	Zero	EU25	
		Contractor lost time injuries (number)	52	51	85	Zero		
		Injuries to members of the public (excluding fatalities)	32	50	39	Zero		
	Health	Employee sickness rate (%)	2.85	2.82	2.87	Zero	LA7	
	Safeguarding the environment for future generations	Greenhouse gas emissions	Scope 1 and 2 emissions (million tonnes CO ₂ equivalent)	8.7	9.7	8.8	-	EN16
			Emission intensity (tonnes per £million of revenue)	630	675	630	-	
Percentage reduction against baseline (% of scope 1 and 2 emissions)			55	51	55	-	EN17	
Carbon dioxide (CO ₂) (% of scope 1 and 2 emissions)			54	56	52	45% by 2020		
Methane (CH ₄) (% of scope 1 and 2 emissions)			41	40	43	-		
Sulphur hexafluoride (SF ₆) (% of scope 1 and 2 emissions)			4	3	4	-		
Other Kyoto gases (N ₂ O, HFC, PFC) (% of scope 1 and 2 emissions)			1	1	1	-		
Scope 3 emissions (million tonnes CO ₂ equivalent)			37.2	37.5	-	-	EN16	
Other emissions to air		SF ₆ leaked to atmosphere (tonnes)	15.2	15.8	14.0	-	EN20	
		SF ₆ leakage as percentage of inventory (%)	2.0	2.2	2.6	-		
	Sulphur oxides (SO _x) (tonnes)	1,339	2,167	3,408	-			
	Nitrogen oxides (NO _x) (tonnes)	3,159	4,232	4,532	-			
Water	Total water consumed (million cubic metres)	2.7	2.3	1.7	-	EN8		
	Water used for cooling and returned to source (million cubic metres)†	1,632	1,556	1,420	-			
	Consumption intensity (cubic metres per £million of revenue)‡	197	162	122	-			
Waste	Total waste (million tonnes)	1.9	1.7	1.3	-	EN22		
	Intensity (tonnes per £million of revenue)	136	118	91	-			
	Recycled/reused (%)	73	74	77	-			
	To landfill (%)	27	26	23	-			
Energy‡	Gas used (million MWh)	2.9	2.9	3.8	-	EN3		
	Electricity used (million MWh)	0.6	0.6	0.6	-			
	Fuel used for transport (million litres)	42.8	44.8	49.9	-			
Significant environmental incidents	Own fault (number)	13	9	10	Zero	EN23		
	Contractor (number)	0	0	0	Zero	EN28		
	Third party (number)	4	0	2	Zero			
	Employees working to certified ISO 14001 EMS (%)	91	94	87	-			
Valuing an inclusive, diverse and talented workforce	Employee engagement and development	Employee Engagement Index (%)	66	#	68	-		
		Hours of professional and technical training (million hours)	1.05	1.08	-	-		
		Training hours per employee	40.1	38.9	-	-		
Working with communities	Community investment	Total community investment (£million)	15.6	12.9	11.4	-		
Building strong partnerships	UK	Customer service	Gas Distribution – customer service (quartile ranking)	3rd quartile	4th quartile	4th quartile	To improve	
			Transmission – customer service (score out of 10)	7.0	6.9	-	To improve	
		Network reliability	Electricity Transmission – network reliability: Electricity delivered by the electricity transmission system as a proportion of electricity demanded (%)	99.99999	99.9999	99.9999	99.9999 in 2011/12	
	Gas Transmission – network reliability: Gas delivered by gas transmission system as a proportion of gas demanded (%)		100	100	100	100 in 2011/12		
	Gas Distribution – network reliability: Proportion of total customer days without unplanned gas interruptions (%)		99.999	99.999	99.999	99.999 in 2011/12		
	US	Customer service	Gas Distribution – residential customer service (quartile ranking)	3rd quartile	2nd quartile	3rd quartile	To improve	
			Gas Distribution – commercial customer service (quartile ranking)	3rd quartile	4th quartile	2nd quartile	To improve	
			Electricity Distn & Gen – residential customer service (quartile ranking)	3rd quartile	3rd quartile	4th quartile	To improve	
			Electricity Distn & Gen – commercial customer service (quartile ranking)	2nd quartile	2nd quartile	3rd quartile	To improve	
	Network reliability	Electricity Transmission – network reliability: Number of MWh lost (MWh)	558	414	147	-		
Electricity Distribution – network reliability: Average time the average customer is without power over the year (mins)		121	123	114	-			

Key One of our key performance indicators (KPIs)
 - Incomplete or no data
 # We did not conduct an employee survey in 2011
 † Restated to correct over-reporting of around 0.7mcm p.a. in 2009/10 and 2010/11
 ‡ Excludes gas and fuel oil used by generating facilities

Further information

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