

nationalgrid

Social Contract

January 2023



[nationalgrid.co.uk](https://www.nationalgrid.co.uk)

Introduction

At National Grid Electricity Distribution, we deliver an essential public service, providing a safe and reliable supply of energy for our eight million customers.

At the same time, we are driving a transformation in the energy sector, moving towards a smart, low carbon network to enable our communities to reach net zero, by connecting their renewable generation, electric vehicles and heat pumps. In this context, the network we operate is becoming ever more vital; we're not just responsible for keeping the lights on, but also for powering our customers' Wi-Fi, charging their cars and heating their homes. Our stakeholders' expectations are clear. Not only must we continue to 'get the basics right', we have to go beyond our traditional obligations and demonstrate excellent corporate responsibility and transparency, to remain a trusted figure in the energy industry.

The National Grid Group acquired Western Power Distribution in 2021, and we are now part of the largest electricity transmission and distribution business in the UK. Crucially, our purpose and values were already closely aligned with those of National Grid, and I am excited by the huge opportunities this brings for us to join forces and maximise our impact. What we do matters, but so does the way we do it, and I take the commitment to support our region very seriously – it's where our 6,600 colleagues live and work. To articulate this promise, we worked with stakeholders to co-create our first Social Contract, a document that brings together our wide-reaching efforts to deliver positive social and environmental impact within a single strategy. Since then, our name may have changed, but our absolute focus on being a responsible corporate citizen remains unfaltering.

Significant external changes in the last 12 months have further reinforced the crucial part we have to play, not only to keep the power flowing, but to support the wellbeing of our customers, colleagues and environment. A devastating war in Ukraine, triggering rising energy prices globally, has deepened a cost of living crisis in the UK; for many of our customers, energy affordability is a huge concern. At the same time, the impacts of climate change are already being felt, intensifying the need for a just transition to net zero. Never has our role – to drive a clean, fair and affordable energy future for all – been so important.

In a challenging year, I am proud of how we have responded. Since our Community Matters Fund became an enduring, shareholder-funded initiative, we have committed over £4.3 million to local grassroots organisations, including £3 million targeted at those facing fuel poverty over the winter. We have also made great strides in our approach to diversity, equity and inclusion, establishing new internship and traineeship pathways to bring talent into the business, and Employee Resource Groups to champion and support colleagues. What's more, with an ambitious target to reach net zero by 2028, we're continuing to lead the way with our own business carbon footprint, and supporting our communities to do the same.

We are living through a transformative time. The actions we take now, to reduce carbon emissions, support our customers and develop the capabilities of our colleagues are critical. Our Social Contract is not, therefore, an exercise in patting ourselves on the back for a job well done. It's an ongoing commitment to collaborate with our stakeholders, do the right thing and always strive for improvement. This is the spirit in which I want readers to engage with this document – and I am confident that with this approach, we will continue to make a positive difference for our communities.



Phil Swift
President,
National Grid Electricity Distribution



This year - on a page

Our customers and communities

- ✓ Awarded £4.3 million to grassroots organisations through our Community Matters Fund since its launch at the end of 2021.
- ✓ Our Science, Technology, Engineering and Maths (STEM) ambassador programme has grown to 23 ambassadors, who engaged with more than 5,300 students.
- ✓ New traineeship launched, requiring no academic qualifications to apply.



Our people

- ✓ New Diversity, Equity and Inclusion strategy launched, along with a suite of training for people managers.
- ✓ First interns employed through a new partnership with the 10,000 Black Interns programme.
- ✓ Responses to our Grid:voice colleague survey used to develop and begin delivery of 37 key actions.



Our environment

- ✓ 465 used iPads refurbished, to be redistributed through our fuel poverty partner network to customers facing digital exclusion.
- ✓ Worked with local ecologists to assess the biodiversity at our sites and develop our plans to achieve a biodiversity net gain.
- ✓ Sponsored an all girls team to build and race an electric car through the Greenpower Challenge.



Who we are and what we do

We are one of the six Distribution Network Operators (DNOs) which 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.



Maintaining the condition and therefore reliability of our assets.



Fixing our assets should they get damaged or if they are faulty.



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.



 **8 million**
Our network serves eight million customers, by area in the UK.

We are not a supplier. We do not buy and sell electricity, or directly bill customers.

In 2021/22, our costs accounted for around £100 of a domestic customer's annual electricity bill.

We deliver electricity to over eight million customers over a 55,500 square kilometre service area and we employ over 6,600 staff.

What is a Social Contract, and why is it important?

At National Grid, we are committed to doing the right thing, delivering social and environmental value for our colleagues, customers and wider society. It's enshrined in our purpose - Bring Energy to Life.

Our Social Contract sets out how we do business in a way that actively benefits our region and the people we serve, both now and well into the future. This is not a silver bullet or a 'one size fits all' solution. It's a promise to listen actively to our communities and colleagues and act with integrity, contributing positive, locally-tailored solutions to the challenges they face.

In practice, it enables us to identify opportunities for collaboration, ways to generate additional benefits from existing activities, and entirely new focus areas.

While the Social Contract provides a framework for us to make a local impact, our alignment with the United Nations Sustainable Development Goals demonstrates the crucial role our communities play in global society. It acts as a platform for our actions to be shared and upscaled to deliver even more benefits.

We use a continual process of engagement, review and improvement to ensure the Social Contract provides transparency and enables stakeholders to hold us to account. By doing this, and by meeting our targets, we can continue to cement the trust we have already built with our customers.

We're also continuing our dialogue with customers as we deliver our Social Contract, using learning and best practice from the process to ensure continued improvement.

In this document, we summarise our approach to delivering the Social Contract. This centres around three interconnected themes: **our customers and communities, our people and our environment.** You'll also find our annual report and action plan, which details progress made since our first Social Contract, and our approach for 2023.



What has changed since our first Social Contract?

Since we published our first Social Contract in December 2021, we have joined the National Grid Group.

This makes us part of the largest electricity transmission and distribution business in the UK, leading the change to a carbon-free energy network.

Becoming part of National Grid was an important step in bringing together our two businesses and putting us at the heart of a clean, fair and affordable energy future.

- **Clean**
Because we have a critical role to play in tackling climate change, leading the way to net zero.
- **Fair**
Because we want to enable the energy transition for all, making sure that no one gets left behind.
- **Affordable**
Because everyone should be able to pay for all their essential energy needs.

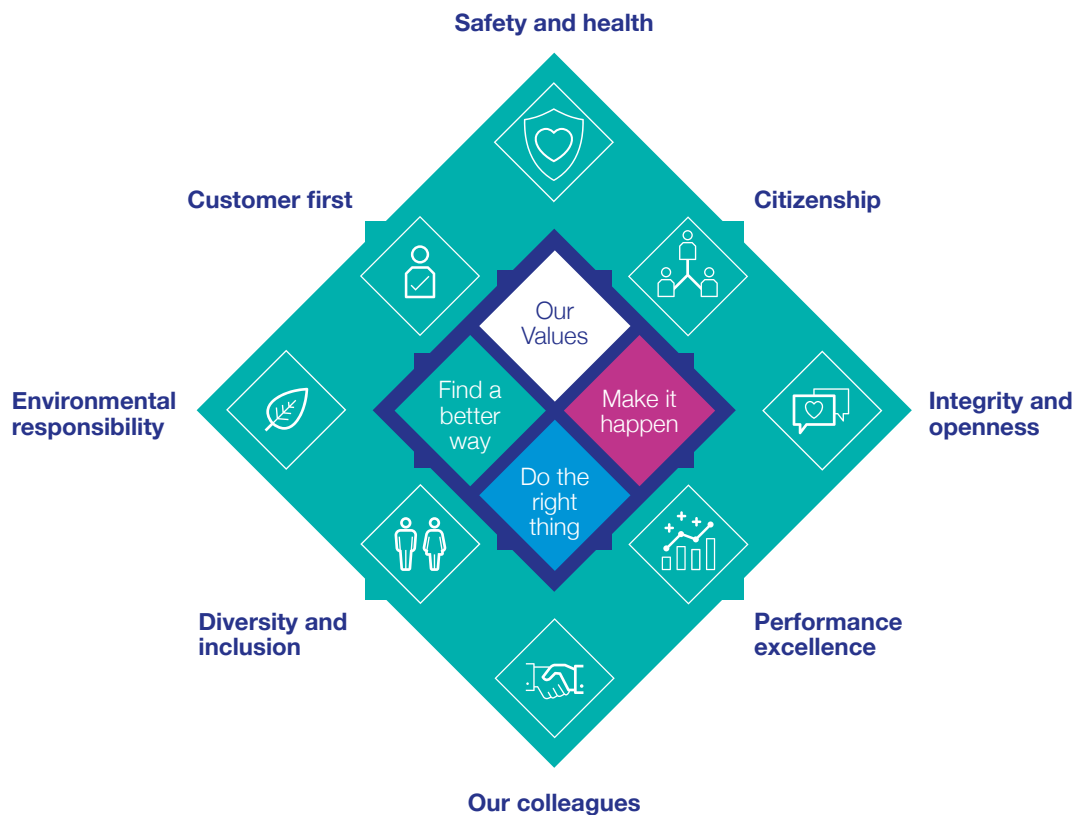
As Western Power Distribution (WPD), we made a promise to deliver exceptional service to customers and support the environmental and social wellbeing of the communities we serve through our commitment to 'power for life, power for future generations'.

With National Grid, our commitment to being a responsible business in everything that we do hasn't changed.

It is now an integral part of our purpose as National Grid – **to Bring Energy to Life.**

Crucially, the purpose and vision of our two businesses were already closely aligned. So, while things may look and sound a little different, we're still the same people, dedicated to bringing power to the local communities we serve and leading the transition to net zero.

Our Social Contract is underpinned by eight WPD values, built with our stakeholders. As National Grid, these haven't changed, but are now united under three core values which drive everything we do: to do the right thing, find a better way and make it happen.



The development of the Social Contract

Our first Social Contract was co-created with our stakeholders over a number of years.

They identified the key priorities and principles around which we built the Social Contract, and helped us to develop the commitments in our action plan.

But engagement doesn't end there. Our Social Contract is a living document, and we continue to collaborate with stakeholders to deliver these commitments and improve our approach.

Key engagement mechanisms

We engage with different stakeholder groups in a number of ways, to ensure our Social Contract continues to be built from the 'bottom up'.

Customer Panel 'buddy' system

A key part of the Social Contract is to take a locally-tailored approach. Working with our Customer Panel, an enduring group of 30 expert members, representing all stakeholder segments, we developed a 'buddy system'. As 'buddies', panel members partner with National Grid colleagues to provide advice and steer on specific activities. For the Social Contract, this has been key to the development of a pilot initiative in Stroud, bringing a rural community perspective to our solar panels on schools commitment.

Social Contract working group

Senior managers oversee and champion the Social Contract's development and delivery throughout the organisation. Quarterly working group meetings provide an opportunity to identify new, collaborative approaches and synergies.

Deliberative customer group

Detailed engagement with our customers is sometimes challenging, where an initial lack of knowledge about our business can limit their ability or confidence to provide thorough feedback.

We adopted a new approach to seek the insights of 96 domestic, business and future customers – developing their expertise over weekly research exercises and deliberative discussions.

The group provided initial, spontaneous insights through an online platform, before participating in focus groups, building their knowledge to provide informed feedback on specific areas of the Social Contract.



Richard Hellen

The Schumacher Institute

"I have worked with the Customer Panel as a specialist in low carbon energy technologies and applied systems thinking. Helping to formulate the Social Contract and taking the opportunity to help develop policy into practical implementation is both challenging and rewarding.

It aligns well with my local secondary school's desire to both improve its environmental performance and become more engaged with the community, Cam and Dursley, in which it is embedded.

We have two initial projects, firstly to deliver the model solar PV project that will be scaled up across other schools and secondly, the development of a simple but rigorous "citizen science" method for quantifying biodiversity net gain - a method that National Grid will then deploy internally as part of its environmental strategy.

It has to be said that these projects are already generating exciting follow-on activities in our community which will benefit greatly from the relationships we have developed with National Grid staff."



Ellie Patey

Social Obligations Officer, National Grid

"It's never been more important for us to work collaboratively, across all areas of the business, to put our expertise and resources to action on the social and environmental challenges our communities are facing.

Our working group ensures we can find those opportunities to get the maximum social and environmental benefit from everything we do."

Our approach

The Social Contract acts as a focal point for our business to deliver greater social and environmental benefits – giving strategic direction to our promise to ‘do the right thing’ for customers.

Our stakeholders want us to be ambitious, which is why we’ve made commitments that go above and beyond our traditional activities, while still fulfilling our core purpose.

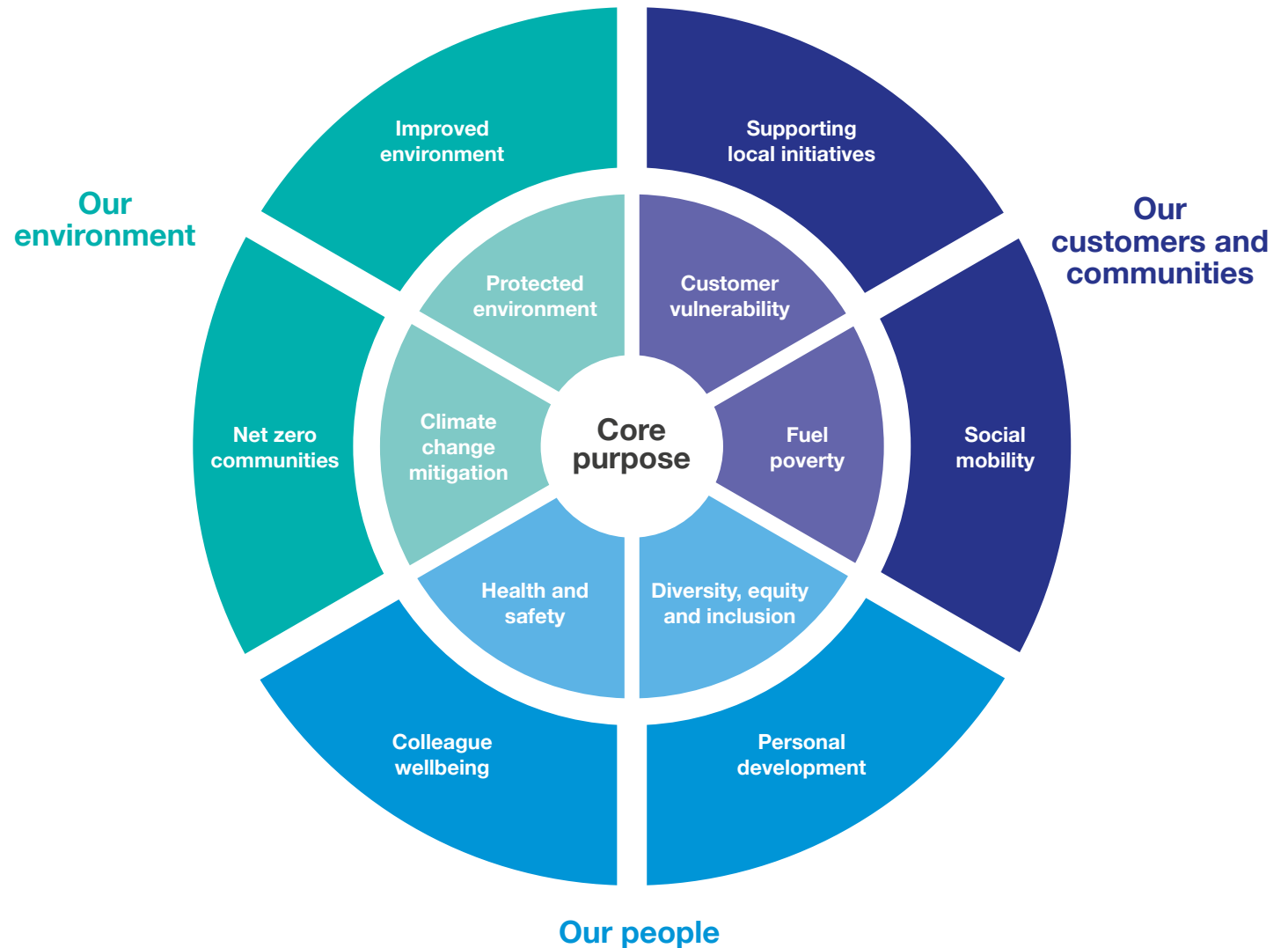
Our Social Contract strategy therefore builds on key ‘core purpose’ areas - where stakeholders expect us to demonstrate excellent performance as a minimum - to benefit our communities, colleagues and the environment.

This framework, along with the **delivery principles**, is helping our teams to identify better ways of working and collaborative approaches to create a positive impact in everything we do.

Links to other National Grid strategies and reports

National Grid’s Electricity Distribution Social Contract is aligned to the National Grid responsible business pillars, as set out in the **Responsible Business Report** and **Responsible Business Charter**.

Social Contract Strategy



Delivery principles – how we live our values through the Social Contract

Our **progress report and action plan** set out how these delivery principles are embodied in our actions.

Transparent

Clarity on company governance and ethics.

Impact measurement.

Show our successes and failures for others to learn from.

Innovative

Innovation to meet challenges and maximise the value to society.

Industry-leading approaches that can be adopted by others.

Embedded

Collaboration and partnerships to deliver the best possible outcomes.

Purposeful leadership at every level.

Understanding of the full impact of our operations.

Locally-specific

Bespoke actions developed with stakeholders to meet the needs of communities.

Support for community-led initiatives, taking a 'bottom up' approach to social impact.

Evolving

Ability to react and adapt quickly.

Flexibility in the face of future challenges.

Continual engagement, review and improvement.



Impact measurement and reporting

Transparency is key to the Social Contract. Stakeholders have asked us to remain honest and open about our performance, even when things don't go to plan.

To be accountable, and enable others to learn from our approach, we will ensure clear, regular reporting on the Social Contract's progress in a number of ways:

- evaluation with targets/metrics for each key action, developed with, and measured by, senior managers and stakeholders
- recognised external accreditations in line with the aims of the Social Contract
- annual assessment of our Environmental, Social and Governance (ESG) activities by an external organisation, with the aim of maintaining or improving our prime rating
- expert scrutiny of the actions delivered from our Customer Panel
- social value research to capture the full impact delivered and identify opportunities for greater efficiency and benefits for customers
- updates on our stakeholder engagement portal
- annual reporting and an updated action plan, highlighting progress, new actions and improvements each year.



Environmental, Social and Governance (ESG)

To give customers and stakeholders assurance that we are delivering on our promises, we undertake an annual Environmental, Social and Governance (ESG) assessment.

We've been awarded prime status for our outstanding performance in this area every year since our first rating in 2020. The rating is determined by the Institutional Shareholder Services Inc. (ISS) using the three pillars below.

The award recognises our achievement of ambitious performance targets relating to sustainability and social impact, and places us significantly above the majority of ISS-rated Gas and Electricity Network Operators.



Environment

Climate change strategy, eco-efficiency, energy management, environmental impact of product portfolio, environmental management, water risk and impact.



Social

Equal opportunities, freedom of association, health and safety, human rights, product responsibility, social impact of product portfolio, supply chain management, taxes.



Governance

Business ethics, compliance, independence of the board, remuneration, shareholder democracy, shareholder structure.



Commitment at a senior level

With delivery of our Social Contract now well underway, commitment to these principles begins at the highest level of the company.

Our Social Contract is therefore a key performance indicator for our President, whose personal goals are aligned with the delivery of key commitments in this area.

Our Regulation and Corporate Director is also a sponsor of our Social Contract, as well as being our vulnerability champion.



When it comes to our executive and Board assurance, stakeholders have been clear that excellent governance is a priority.

The current composition of our Board is 37.5% female. We fully comply with the Financial Reporting Council Wates Corporate Governance Principles for Large Private Companies, covering six principles: purpose and leadership; board composition; director responsibilities; opportunity and risk; remuneration; and stakeholder relationships and engagement.

A governance sub-committee facilitates the most effective Board leadership and ensures the highest standards of corporate governance and transparency are upheld.

Our Social Contract working group comprises senior managers within the business who oversee and champion its development and delivery.

In addition, environmental, social and governance activities and the Social Contract have both featured as key topics at recent senior leadership conferences, embedding positive social and environmental impact across the business.



Social Value

Our Social Contract aims to maximise the value of the work we do, delivering benefits to society and the environment over and above every pound we invest.

To measure this, we aim to take the broadest meaning of 'value', to consider the wide spectrum of impact our activities deliver.

We have collaborated with the industry to develop a social value framework, which combines social return on investment (SROI) methodology and bespoke research to enable organisations to measure the value they deliver to society.

Used alongside outcomes data, customer research and stakeholder feedback, it provides a comprehensive view of the value our activities have delivered.

Our pilot initiative to refurbish and redistribute iPads to customers experiencing fuel poverty, along with mobile data and digital skills training, highlights the importance of the social value framework. This showed that the project generates a significant SROI of £3.51, meaning that for every pound spent, we delivered £3.51 of net value to our customers and society.

When paired with stakeholder feedback endorsing our support for digitally excluded customers, this high value gave an early indication of the project's impact, influencing our quick decision to scale this approach.

How social value influences our decision making

As well as measuring the actual impact delivered, we use social value measurement to inform decision making, by evaluating initiatives before we undertake them. For example, when deciding whether to scale up a pilot initiative, social value is a key factor in our assessment. However, we don't take these values in isolation. Instead, customer, stakeholder and employee feedback are also key factors in the final decision.

Our social value model is continually evolving; as the data we capture increases in quality, depth and breadth, our modelling becomes more robust and therefore better reflects the true value of delivery.

In some cases, the benefits we are currently able to model and measure do not outweigh the costs, and therefore generate a negative SROI, but still create a gross benefit for society.

This demonstrates that although there is clear value in delivering the activity, more data or further enhancements may be required to better measure our impact and ensure the maximum benefit is realised.

In these cases, SROI modelling helps us to identify improvements and refine our approach.

For example, initiatives to increase diversity in the company, through different internships and apprentice routes (10,000 Black Interns, Change 100 and Power Network Craft Assistant Scheme) currently generate a negative SROI.

The 10,000 Black Interns programme and our Power Network Craft Assistant Scheme are new initiatives, launched this year, and this modelling has revealed where further data is needed to accurately quantify the full range of benefits.

Because we are driven by our values, we know that investing in diversity is the right thing to do. Our customers and employees have also urged us to attract more diverse talent.

These factors - along with the fact that additional data is likely to show increased social value from these activities - illustrates a clear benefit to their continued delivery.


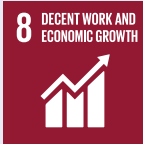







Measuring social value over time

Where activities deliver immediate benefits within the time period of delivery, the social value is only measured for the year in which the initiative took place. However, some activities take a number of years for the benefits to be wholly realised. For example, planting a tree today will reduce carbon emissions for years to come, and therefore calculating an SROI ratio that only includes the emissions captured for one year doesn't represent the benefits that will be delivered.

In these cases, it's important to take a long term view, measuring the SROI over an extended time period of 10 years to capture the impact of our activities fully. This enables us to compare initiatives on an even basis considering all the benefits they will deliver. In our Social Contract action plan and progress report, we present a combination of activities, with both long and short term benefits.

Sustainable Development Goals

Our Social Contract activities and core focus areas are aligned to a number of United Nations Sustainable Development Goals. The Sustainable Development Goals provide a global framework for delivering positive change, helping to shape our focus on key issues and situate National Grid's activities in the wider context we operate in.

SDG	Definition	Key actions	SDG	Definition	Key actions
	End poverty in all its forms everywhere.	<ul style="list-style-type: none"> Fuel poverty partnership schemes. Community Matters Fund. Energy Affordability Fund. 		Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	<ul style="list-style-type: none"> Apprentice programme. Internships in partnership with Change 100 and 10,000 Black Interns. Power Network Craft Assistant scheme.
	Ensure healthy lives and promote well-being for all at all ages.	<ul style="list-style-type: none"> Mental health first aid training. Employee Assistance Programme. Priority Services Register and support for customers in vulnerable situations. 		Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	<ul style="list-style-type: none"> Investment in the electricity network. Greenhouse gas emission reduction targets and action plans. Community energy support.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	<ul style="list-style-type: none"> Science, Technology, Engineering and Maths (STEM) outreach. Safety education & Power Discovery Zone. Internal traineeships and employee development. 		Make cities and human settlements inclusive, safe, resilient and sustainable.	<ul style="list-style-type: none"> Support customers in vulnerable situations. Collaborate with local communities on net zero ambitions, education and awareness. Minimise pollution, protect local habitats and increase biodiversity.
	Achieve gender equality and empower all women and girls.	<ul style="list-style-type: none"> Gender pay gap report and associated action plan. Flexible working policy. Employee Resource Groups. 		Ensure sustainable consumption and production patterns.	<ul style="list-style-type: none"> Reduce waste across the supply chain. Colleague engagement, training and awareness. Certification to ISO 14001: environmental management systems.
	Ensure access to affordable, reliable, sustainable and modern energy for all.	<ul style="list-style-type: none"> Fuel poverty partnership schemes. Community energy support. Solar panels on schools. 		Take urgent action to combat climate change and its impacts.	<ul style="list-style-type: none"> Climate change adaptation plan. Environmental Action Plan. Community energy support.

Our customers and communities

We take our commitment to support the diverse communities we serve very seriously - our colleagues live and work in these same communities. Building on our long standing customer vulnerability and fuel poverty programme, we are determined to deliver wider benefits and improve social mobility in our region, with support for grassroots organisations, employee volunteering and STEM (science, technology, engineering and maths) outreach.

Our ambitions



Play a meaningful role in improving social mobility and building STEM skills and interest among young people in our region.



Support communities by focusing on local, grassroots organisations and good causes.

Stakeholder insights:

“I think that [National Grid] should keep focusing on local and hyper-local networks. In order to have a real impact, you need to find out the nuts and bolts of what’s happening on the ground and identify what each local region needs to live better. Then you can co-produce actions that will drive real change.”

“We try to empower local communities and upskill residents to raise awareness. These are the people you want to talk to in terms of the Social Contract and improving local resilience.”

Aligned Sustainable Development Goals



Customer vulnerability and fuel poverty

Supporting customers in vulnerable situations and those facing fuel poverty is central to what we do.

We have been delivering an industry-leading service in this area for many years, with a focus on collaborative working, building on local expertise and relationships to generate the greatest value for our customers.

At its core, our customer vulnerability programme aims to support customers in vulnerable situations during power cuts, through the maintenance and expansion of our Priority Services Register (PSR).

We also recognise that vulnerability and fuel poverty often go hand in hand. Our two flagship fuel poverty programmes 'Power Up' and 'Affordable Warmth' (comprising eight individual schemes, each with a lead agency, and over 100 sub-partners) match the bespoke needs of customers with the correct expertise.

These core schemes have provided the blueprint for a range of innovative projects, aimed at targeting customers' specific needs, such as digital exclusion, health related vulnerability and new parent support.

In 2021/22, our fuel poverty programme supported nearly 26,000 customers to save £14.6 million



Supporting local initiatives



Community Matters Fund

We established our Community Matters Fund to deliver far-reaching support in our communities.

This enduring, annual fund is paid for by shareholders and distributes £1 million a year to local grassroots organisations.

The fund began as a Covid-19 response in 2020, donating £1 million to 871 initiatives and benefiting more than 565,000 people affected by the pandemic.

Building on our Covid-19 support, the Community Matters Fund ensures that the local initiatives playing a key role in our communities get the support they need, sharing learning from our core fuel poverty services and partnerships to reach the most vulnerable.



Volunteering

Alongside our Community Matters Fund, we offer colleagues the chance to give back to causes they are passionate about, allotting 14,000 volunteering hours each year.

We also hold an annual apprentice challenge during which our apprentices spend a number of days developing their team work and collaborative skills as part of a community service project.

Opportunities like this allow our colleagues to share their skills, provide support and mentorship within the community and improve their own wellbeing and self-confidence through acts of community service.

Volunteering brings National Grid's values to life, providing opportunities to be active in the communities we serve, while building a greater understanding of the vulnerable situations customers face.

By participating in the scheme, colleagues can choose to take up volunteering opportunities that are truly meaningful to them, creating strong relationships locally.



Supporting local initiatives

Our Community Matters Fund and volunteering days are delivered in five key areas where National Grid's expertise and partnerships can help to achieve the greatest benefits. These have been developed collaboratively with stakeholders to ensure that the money and time spent delivers the maximum social impact and contributes to the delivery of our vision: to be at the heart of a clean, fair and affordable energy future.



Science, Technology, Engineering and Mathematics (STEM) subjects:

Activities designed to encourage greater and more diverse participation in STEM subjects, and the future career opportunities they offer.



Diversity:

Activities to support diverse workforces and inclusiveness for all. This could include mentoring services and funding for skills training packages.



Safety:

Activities encouraging people to stay safe, such as community defibrillators and safety training for key groups working in close proximity to the electricity network.



Supporting customers in vulnerable situations:

Support for organisations like food banks, health and social care charities and initiatives to tackle fuel poverty.



Low carbon and energy efficiency:

Low carbon initiatives, energy saving projects or climate change activities that engage communities in the net zero transition and promote environmental awareness and understanding.

Our Social Contract and Community Matters Fund are central to our support for our local communities and have already delivered clear benefits.

In an exceptionally difficult year for those hit hardest by the cost of living crisis and rising energy prices, our Community Matters Fund has become a vital channel for providing a huge uplift in our fuel poverty support.

Our approach ensures help goes directly to those who need it most, focusing primarily on small community groups and organisations.

Since the launch of the Community Matters Fund as an ongoing initiative in 2021, we have awarded £4.3 million to grassroots organisations. Of this, £3 million has been targeted at tackling fuel poverty.

Our experience of delivering an extensive fuel poverty programme has enabled us to maximise the impact of our funding, providing training to upskill organisations with the tools and knowledge they need to recognise signs of fuel poverty and provide effective support.

Over the next five years, we will continue to use the fund to support the communities we serve, distributing £1 million of shareholder funding every year across the five key areas shown to the left.

STEM ambassadors

Promoting careers in STEM and ‘green jobs’ to young people within our region is crucial to ensure the energy industry can meet the challenges of decarbonisation.

Our colleagues, who are already at the heart of this transition, play a vital role by sharing their passion for STEM careers with the next generation.

Colleagues can enrol as STEM ambassadors to run outreach activities and careers talks with young people in our region.

We seek to recruit ambassadors from a wide range of roles and geographic regions, to share the vast knowledge and experience we have across the company.

Building relationships with schools and communities, they play an important role in delivering our purpose, to **Bring Energy to Life**.



Vanessa Padfield

Applications Programmer

“Since attending university, I have been very aware of the gender imbalance in STEM careers and STEM subjects. As I became more settled in my role here, I started to think about the difference I could make in this area – and that’s when I decided to become a STEM ambassador.

“For me it’s about diversity, that’s something I’m really passionate about. It’s also important for the company to be more visible, helping young people to understand the kind of roles that are out there, and attracting more applications.”

Vanessa shares her experience as a woman in the energy industry through careers talks and events in schools, telling students about her journey in STEM. She has also delivered hands on learning in her field of expertise, organising a session on the basics of coding for year 1 students for British Science Week.

“It was something I came up with myself, and I researched the level to pitch it at for a class of six year-olds. The feedback I got from the teachers, that the students were getting it and enjoying the session, made it worthwhile.

“Being a STEM ambassador really helps with communication skills, explaining the work that we do so that it can be understood by different audiences. You get the presenting skills as well, it’s built my confidence with speaking in front of a room full of students – which was daunting at first!”



Social mobility

National Grid has an important role to play in improving social mobility, by providing people from all backgrounds with opportunities for rewarding careers.

'Earn and learn' positions, like apprenticeships, are often more accessible than higher education and offer an affordable alternative to university. These are an important tool to increase social mobility, by boosting skillsets and offering paid routes to higher education and training.

In 2022, we recruited over 100 apprentices and trainees through a number of different schemes.

To remove additional barriers to a career in the energy industry, we have developed a new traineeship. Our Power Network Craft Assistant (PNCA) scheme has no formal educational requirements, and is designed to encourage applications from those who found education challenging, but have valuable skills and life experience (see case study).

A university degree can also aid social mobility, helping to develop skills and knowledge to unlock employment opportunities.

In addition to our Graduate Trainee programme, National Grid is also actively involved in the 'Power Academy', a body of employers and universities which supports the recruitment of graduates with engineering degrees.

By offering financial and professional support to scholars, the Power Academy supports the personal and career development of a diverse pool of engineering students while addressing the engineering skills shortage in the UK.

Social Contract

Partnerships and outreach

We work with a number of schools, colleges and universities, holding careers fairs to educate young people about jobs at National Grid and in STEM more widely, mentoring students and sponsoring STEM challenges.

Case study

Power Network Craft Assistant scheme



Our PNCA traineeship was launched in 2022 to reduce barriers to careers in the energy industry, specifically for those leaving school with no or minimal qualifications.

Chief People Officer Ian Payne explained: "We pride ourselves on serving our customers and we see the PNCA scheme as another way of helping the communities we serve.

"We know that school doesn't suit some people but that doesn't mean there isn't a role for them here - the drive to work safely, fix a customer's problem, deal with what the weather throws at you and work as part of a team are the strengths we're looking for."



Power Network Craft Assistant scheme



Nathan Bignell

PNCA scheme trainee

"I've never had the opportunity to get into a career like this – I lost out on getting the grades I wanted, and at the time there weren't many options available. I've got lots of life experience – working in teams under pressure and handling stressful situations.

"I applied for the position because I've watched my brother have a long career in the energy industry, and it's given me a glimpse of what my life could be like. At the same time, it's a really interesting network, and after learning a lot more about it at the training school I've spent a lot of my own time doing research. Financial security is important, but what this programme offers is an opportunity to work for a great company with a family ethos, and have a career for life."

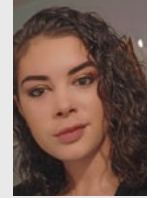
Power Network Craft Assistants work on the company's 225,000km network of underground cables, spending 12 to 15 months earning a salary while they are being trained. Once their training is complete, they are qualified as craft attendants and can then take advantage of further career development opportunities.

"It's been challenging to learn so much in a short space of time, especially when there are so many acronyms and different terms to get used to. The programme is great because it teaches you to be your own commander; you have to be proactive, alert and ask questions. That's one of the main things that we covered – if you don't know, stop and ask. Even if I'm not the one performing the task, I want to understand not just how, but why things are done a certain way.

"I think this is a stepping stone to something good; it's not only providing the opportunity to do the job I want, but the wider, underpinning knowledge to help me do it well.

"The scheme is going to help a lot of people coming from different backgrounds – people with a lot of life experience but who may not have the grades to become successful in their careers.

"I hope that we do it justice and you can see at the end that we've all thrived and done well, so that it opens the door for other people who never thought they would have a job like this."



Amy Bird

PNCA scheme trainee

"My old job was desk based and I wanted to do something outdoors, where I could be out and about doing something different every day.

"The scheme seemed like an opportunity to have a job where I could progress – a lifetime career.

"I didn't really know what to expect before starting; the job is completely different to anything I've done before but I've found everything so far really interesting. It was a very big change, but it's been really fun.




"One of the most exciting parts was being on site for the first time – actually putting all the training into practice.

"I like taking responsibility for tasks and learning more about the processes."







Progress report and action plan

As part of the National Grid Group, we are contributing to new organisational targets and reports. Therefore, while our commitment to deliver the actions in this plan remains the same, in some cases we have signposted to other documents where we are reporting these key business metrics.





-  Delivery is on, or above target
-  Good progress made toward target
-  Slow, or no, progress has been made

Our customers and communities

Key Actions/Outputs	Progress 2022	Next steps 2023	Key Principle	
1 Shareholder-funded Community Matters Fund for local organisations.	<p>Since the fund was launched at the end of 2021, we have awarded £4.3m of funding across five phases:</p> <ol style="list-style-type: none"> Phase 1 provided £500,000 to tackle fuel poverty, funding 79 organisations to support 29,000 people. Phase 2 provided £500,000 for mental health, loneliness and social isolation, funding 81 organisations to support 11,559 people. Phase 3 provided £500,000 to tackle holiday hunger, funding 217 organisations to support 70,314 people. <p>1 year SROI, on top of every pound spent: £2.33 1 year Gross Present Value: £5,008,849</p> <ol style="list-style-type: none"> Phase 4 provided £2.5m to tackle fuel poverty. Phase 5 was a £320,000 Christmas fund, with good causes nominated by MPs and teams at our local depots. 	In addition to our annual £1m fund, we will be awarding £2m to local good causes in 2023.	Locally-specific	
2 Volunteering days for colleagues to dedicate to charities and good causes that are important to them.	Our volunteering scheme is being established, ready to commence in April 2023.	Deliver 14,000 volunteering hours (1,900 days*) annually across the business.	Locally-specific	
3 Recruit STEM ambassadors to deliver outreach with schools and community groups across our region.	23 STEM ambassadors have engaged with over 5,300 students via numerous outreach activities, including: STEM fairs, sixth form STEM challenges, 'women in STEM' days, talks and presentations.	We will continue to partner with schools and initiatives across our region to deliver STEM outreach activities, and raise awareness internally to encourage more colleagues to become STEM ambassadors.	Evolving	
4 Deliver outreach (STEM mentorship, careers fairs, workshops) at schools, colleges and universities, targeting areas of poor social mobility.	16.6% of the schools we engaged with were in areas with the highest proportion (>9.6%) of 'children in low income households' and 50% were in areas with the 3 highest percentages (>4.9% of households are classed as 'children in low income households').	We will develop our approach to identifying and targeting areas of poor social mobility to increase our impact in this area, and ensure we have robust ways to measure this.	Locally-specific	

*Based on a 7.4 hour working day

Our customers and communities

	Key Actions/Outputs	Progress 2022	Next steps 2023	Key Principle	
5	Continue to support graduates through the Power Academy.	This year, we supported one graduate through the Power Academy (with a total of 25 graduates employed via the Power Academy since 2017).	We will continue to support Power Academy graduates with roles in the business.	Embedded	
6	New Power Network Craft Assistant scheme, with no formal educational requirements, to reduce barriers to careers in the energy industry.	14 trainees were recruited to the scheme (see case study). 10 year SROI, on top of every pound spent: -£0.03 10 year Gross Present Value: £585,512	We plan to continue the scheme in 2022/23, recruiting another 17 trainees. 10 year SROI, on top of every pound spent: £0.05 10 year Gross Present Value: £768,171	Innovative	
7	Support the New Model Institute for Technology and Engineering (NMITE) through industry insights to enrich the curriculum, mentorship and careers fairs.	Delivered a session on 'failure' to around 20 students as part of the NMITE curriculum.	Working with NMITE professors, we will continue to collaborate to provide 'real life' scenarios for the curriculum and promote careers in National Grid.	Innovative	
8	Facilitate skills-building and lifelong learning at a local level through a partnership with the Skills Foundry.	The building of the Skills Foundry has not yet commenced, but planning and approval is now in the final stages.	We will collaborate with NMITE as the Skills Foundry is built, with the aim of supporting the skills-development programme.	Innovative	
NEW	Engage with external organisations to expand our school education and outreach.	We have partnered with 5 primary schools to deliver 'The Bumbles of Honeywood' enterprise education programme, which includes resources for students and teachers. The programme covers themes of diversity, sustainability and wellbeing, and focuses on skills such as communication, teamwork and leadership. Sessions are delivered with each primary school three times per year, supported by National Grid representatives.	We will continue to work in collaboration with others to expand our reach and promote National Grid's core purpose across our region, particularly in areas of higher economic deprivation.	Evolving	

Our people

We are committed to being a stand out employer, attracting new talent to the electricity sector and driving the transition to net zero. While continuing to prioritise safety, health and wellbeing, we are focused on improving diversity, equity and inclusion, upskilling and empowering our people to thrive in their careers.

Our ambitions



Support colleagues to ensure they remain safe and healthy in the workplace and beyond.



Reflect the diversity of our communities and ensure an inclusive culture, where all colleagues have equal opportunities to succeed.



Prepare our organisation for the future by investing in the development of our colleagues.

Stakeholder insights:

“National Grid needs to represent the people that it serves.”

“Diversity should be a top priority... that’s a moral obligation.”

“I think you fail to be an employer of choice unless you provide this support.”

Aligned Sustainable Development Goals



Health and safety

The health and safety of our employees is paramount. Our commitment to this runs through our training programmes, policies, processes and procedures - all of which align with national and international standards and have been tested and implemented over many years.

In everything we do, we promote a culture of safety both for colleagues and for members of the public who may be affected by our work. We do this by implementing safe ways of working built upon industry best practice.

We have a fair culture programme and work in partnership with our colleagues and unions to ensure we learn from incidents or near miss events that are reported to us.

Our safety management system is ISO 45001, accredited and independently audited each year.

In line with our core values, we already have extensive safety initiatives in place, including:

- regular meetings between managers and colleague representatives to discuss, agree and implement initiatives related to health and safety
- digital safety solutions such as iPads and in-house apps to provide colleagues with quick, easy access to important health and safety information at all times
- an annual Safety, Health and Environment (SHE) calendar and programme focussed on key topics identified from our annual SHE plan, employee feedback, accident statistics and, where appropriate, national programmes
- monthly colleague communications focussed on health and safety topics in support of an annual safety action plan
- proactive colleague communications to share learning from incidents or events
- collaborative working with our contractor organisations to ensure we share best practice, and all achieve the same SHE standards
- joint colleague and contractor annual SHE conferences
- 'Stand up for Safety' internal communications campaign, with useful resources for managers and colleagues
- regular safety surveys, for colleagues to share their views on the company's safety culture.



Safety education

Electricity can kill - which is why it is critical that we ensure the safety of members of the public who may come into contact with our network.

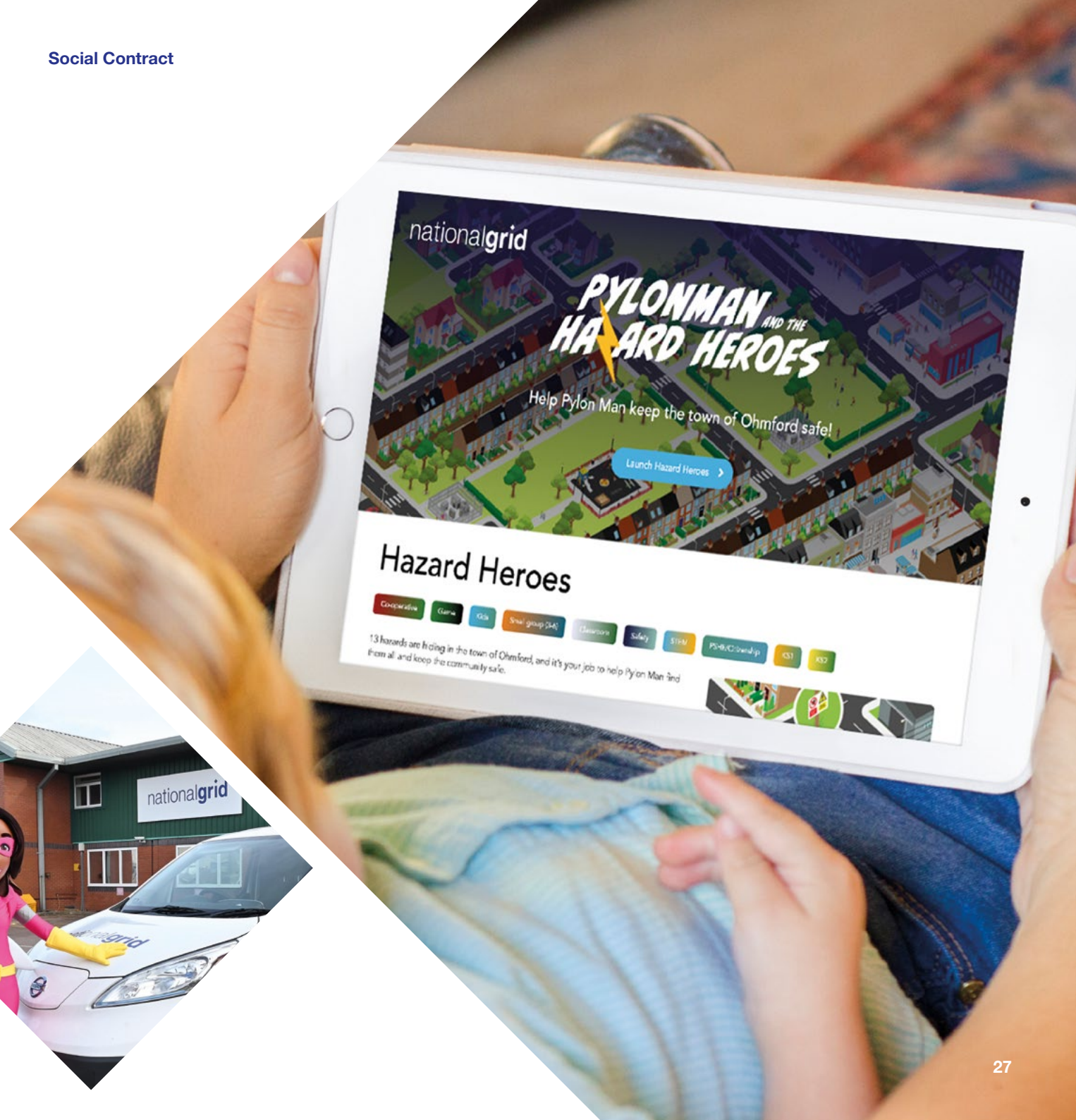
We provide safety information focussed on potential hazards and how to avoid them, so that our customers stay safe around our electrical assets.

Our comprehensive education programme uses a range of activities to teach children about the importance of electrical safety. This includes school visits, competitions and interactive displays at agricultural events and electrical safety resources at various educational hubs.

Our Crucial Crew and Life Skills events are held in conjunction with other utilities and emergency services to deliver engaging safety education.

More fun educational resources are available in our online Power Discovery Zone, including a wealth of interactive lessons, games, videos and puzzles for children, as well as teaching resources, linked to Key Stage 2 of the National Curriculum.

The site promotes electrical safety, energy saving and renewable energy, with a 'Circuit Squad' of superhero characters.



Diversity, Equity and Inclusion

It is important that our colleagues reflect the diverse communities we serve. By increasing the diversity of our organisation, we will be even better placed to represent these communities and to drive innovative solutions for all our customers.

We recognise that this remains a key challenge for our business; the electricity distribution industry as a whole continues to fall short of other sectors when it comes to colleague diversity. However, we refuse to be complacent and are committed to making significant changes to our approach, to see a real and sustained difference.

Building on our proven policy, we recognise that the benefits of expanding our Diversity, Equity and Inclusion (DE&I) activities are numerous. We have therefore developed a DE&I strategy which we update annually to continue our progress in this area.

Example actions include:

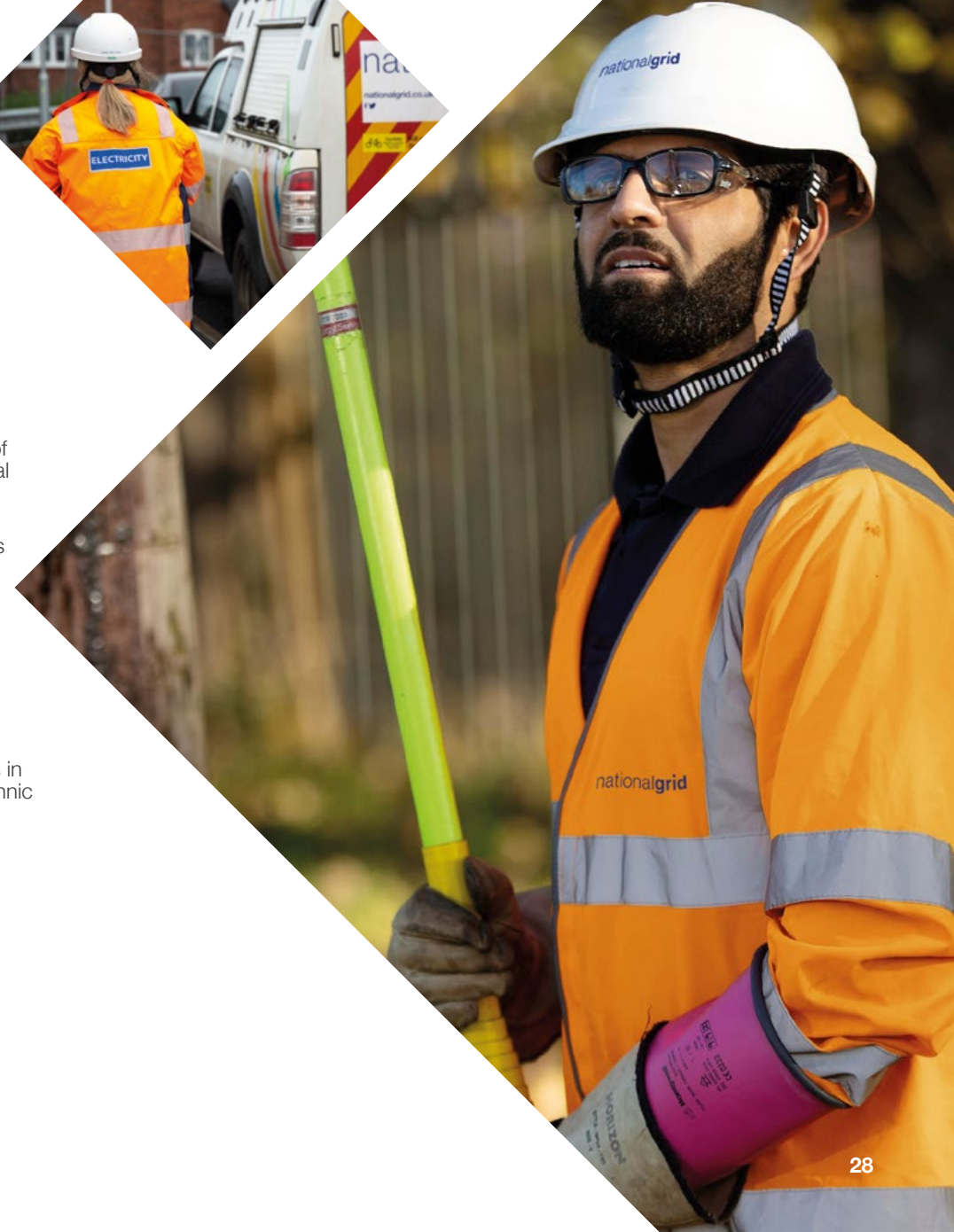
- launching new DE&I training courses for all people managers, helping equip them with the confidence to handle sensitive issues
- advertising external job roles more widely to attract more diverse candidates
- appointing a Diversity Officer who drives our diversity and inclusion agenda and attends national events on best practice to recruit, support and retain diverse talent
- requiring all new colleagues to review the DE&I policy and code of Ethics during the induction process
- using an online applicant tracking system to anonymise applications and ensure recruitment and progression is based on merit
- training managers and team members who sit on interview panels to recognise and overcome unconscious bias
- reviewing our job vacancy advertisements to ensure the language is accessible, and assisting candidates who require adjustments.

We also engage with a range of partner organisations to improve our approach to recruiting diverse talent, e.g.:

- #10,000 Black Interns¹: a programme facilitating paid work experience, training and professional development for young Black people in the United Kingdom, across a range of industries.
- Change 100²: a programme aiming to remove the workplace barriers experienced by disabled people through a programme of paid summer work placements, professional development and mentoring.
- Career Transition Partnership (CTP)³: an organisation providing resettlement services for those leaving the Royal Navy, Army, Royal Air Force and Marines.

All colleagues are able to join National Grid's Employee Resource Groups (ERGs), providing a critical support network and helping to raise awareness of the diverse people who work within our organisation.

The groups champion and support colleagues in areas including LGBTQ+, disability, gender, ethnic minority and faith and new starters.



1 <https://www.10000blackinterns.com/>

2 <https://www.leonardcheshire.org/get-support/working/change-100-internships/>

3 <https://www.ctp.org.uk/>

10,000 Black Interns

10,000 Black Interns is a programme that aims to “transform the horizons and prospects of young Black people in the United Kingdom, by offering paid work experience across a wide range of industries, as well as world-class training and development”⁴. In 2022, we employed two interns via this programme.



Adedotun Ogunjimi

Aerospace Engineering student at the University of Bristol

“I decided to take part in the 10,000 Black interns programme because I wanted to get my foot in the door of the industry. I wasn’t sure what opportunities were out there, and the 10,000 Black Interns programme provides a balanced view of a range of companies, even ones I wouldn’t have considered before.

“I didn’t have much industry experience before coming to National Grid. The environment is good, the work has been interesting and I really felt like I was getting something out of it. It has been great to feel like I was contributing to something meaningful and important.

“The work has been very varied and I’ve travelled all around the country visiting different sites. I’ve rotated around a few teams working on the HS2 project. I spent the first two weeks with the control team, then spent two weeks on site advising people about how to stay safe around our assets.

“I also spent time with new connections, project management and the compliance team. Before applying to National Grid, I hadn’t really thought much about other industries. This internship has really given me the opportunity to see what working here is like, and now I know that project management is something I’d like to pursue in the future. It’s definitely helped me shape my future and where I want to go next.”



Damilola Adegbesan

Chemical and Environmental Engineering student at the University of Nottingham

“Before starting, I didn’t know too much about the utilities industry, the company or the role of a data engineer.

“I have been surprised by how welcoming the team has been. I didn’t realise that I’d need a lot of advanced coding knowledge before I started, so I was quite nervous about how I’d be able to keep up with the project work – but the team have been so helpful and supportive, and open to answer my many questions!

“As a result, I’ve really been able to develop my skillset. Going through Python training and working on multiple coding projects with the help of my line manager, I’ve been able to upskill enough that the things I used to find confusing made sense to me. Since then my knowledge of Python has gone up exponentially, which is a great skill I’ll be able to take away from this.

“I have already taken so much from the internship, both in terms of technical skillsets but also soft skills like communication and resilience when projects have been difficult. I’ve been given a lot of freedom to get what I want from my time here – I had an interest in finding out more about the company as a whole, so I’ve reached out to people for meetings to talk about what they do and

to gain experience by supporting different teams. For example, I played a small role in changing a tap on a transformer with network services, and I visualised some data for a project presentation with the Property team.

“I’ve been able to progress a lot further than I thought I could, and it’s been nice to see how much I’ve gained from this.

“I always knew that I had an interest in green energy and sustainability, but I never thought that data management would play such a big role in these fields. This internship made me consider working in data to have an impact in sustainability, especially as National Grid is working to achieve net zero by 2028 which is such an ambitious goal.

“I think it is great that National Grid are so open to partnering with 10,000 Black Interns and that they are looking to do more to increase diversity.

“Without the connections or the specific electrical engineering background, it can be hard to get into the company, but this is speeding up the process to bring different backgrounds and skills into the business.”

⁴ <https://www.10000blackinterns.com/>

Colleague wellbeing

We are driven to enable our teams to do their best, by feeling their best.

We have several schemes that actively promote the mental and physical wellbeing of our colleagues and offer support when they need it, for example:

- ‘Switched on to Health’ intranet, providing a wide range of resources for the health and wellbeing of our colleagues and managers
- access to our in-house occupational health team and Employee Assistance Programmes. Our Employee Assistance Programme is a 24/7, confidential service providing free access to support and counselling across a range of issues, including family, legal, financial or work related difficulties
- monthly health communications which raise awareness and provide advice around different physical and mental health topics, based upon colleagues’ feedback and health monitoring programmes
- flexible working policies, providing support to eligible colleagues who wish to incorporate homeworking or flexible working
- a proactive mental health provision including a mental health first aider programme and Employee Assistance Programme aligned to colleagues’ feedback and health monitoring.

In addition to initiatives for physical and mental wellbeing, we also provide enhanced maternity and paternity support, flexible working options and care for retirees and terminally ill colleagues. Recognising that significant life transitions can impact mental health and wellbeing, we strive to adopt leading policies that provide holistic support to our colleagues during difficult times.

For team members who are nearing retirement, we offer in-house retirement courses, pension support and 35 days pre-retirement leave to help individuals adapt to being out of the workplace.




To protect the rights of terminally ill colleagues, we are signatories of the ‘Dying to Work’ charter. This charter ensures that when faced with terminal illness, colleagues who decide to continue working are able to do so with the support of their employers.

For new parents, we provide childcare vouchers to encourage eligible colleagues to continue their careers while caring for a family, adoption leave, shared parental leave arrangements and keeping in touch days, in line with government guidelines.










Progress report and action plan







As part of the National Grid Group, we are contributing to new organisational targets and reports. Therefore, while our commitment to deliver the actions in this plan remains the same, in some cases we have signposted to other documents where we are reporting these key business metrics.

-  Delivery is on, or above target
-  Good progress made toward target
-  Slow, or no, progress has been made

Our people

	Key Actions/Outputs	Progress 2022	Next steps 2023	Key Principle	
9	Achieve gold accreditation with Investors in People.	We have worked with Investors in People to establish a baseline and, in conjunction with responses to the Grid:voice employee survey, begun to develop an action plan.	We will continue to work with Investors in People to improve our approach.	Transparent	
10	Attend national events on best practice to recruit, support and retain diverse talent.	Attended the energy industry's Diversity, Equity & Inclusion Conference 2022, led by Energy UK, Ofgem and the Energy Networks Association.	We will continue to work with National Grid's New Talent Team and Electricity Distribution's Recruitment team to identify events to attend.	Evolving	
11	Deliver DE&I awareness training during the induction process.	Every new starter undertakes a group induction covering ethics and our diversity and inclusion policies.	We will review our processes to further embed DE&I training as part of the induction.	Embedded	
12	Continue to promote and update our Respect Charter.	Our Respect Charter continues to be in place.	We will continue to uphold the commitments in the Respect Charter.	Embedded	
13	Engage with external organisations to deliver workshops to colleagues and improve our approach.	<p>For people managers, we have launched a suite of new DE&I training courses, and developed new High Performance Teams training, with a key focus on cultivating diverse and inclusive teams.</p> <p>Our Employee Resource Groups (ERGs) offer events and workshops to engage colleagues around diversity and inclusion. National Grid's Global Inclusion Week 2022 included workshops for colleagues on Transgender and Non-binary inclusion, celebrating neurodiversity at work and anti-racism.</p>	We will continue to run DE&I training for all people managers, as well as a diversity training workshop with MindGym for 16 senior leaders.	Evolving	
14	Recruit interns through the 10,000 Black Interns programme.	<p>Two students undertook internships during summer 2022 (see case study).</p> <p>1 year SROI, on top of every pound spent: -£0.22 1 year Gross Present Value: £6,995</p>	<p>We have a commitment to take on five new interns in 2023, and offered our previous interns another internship.</p> <p>1 year SROI, on top of every pound spent: -£0.22 1 year Gross Present Value: £24,481</p>	Embedded	
15	Work with Change 100 to offer students & graduates with disabilities a paid summer placement.	Regrettably, Change 100 were unable to connect us with an intern in 2022.	<p>We will continue to support the programme in 2023, and place one intern within National Grid Electricity Distribution.</p> <p>1 year SROI, on top of every pound spent: -£0.42 1 year Gross Present Value: £4,372</p>	Embedded	

Our people

	Key Actions/Outputs	Progress 2022	Next steps 2023	Key Principle	
16	Explain the gender pay gap reporting outputs, implementing an associated action plan.	Our Gender Pay Gap reporting outputs and key actions are published as part of our DE&I Strategy, and statistics are included in National Grid's Responsible Business Report .	We will continue to report our Gender Pay Gap annually, and implement associated improvement actions.	Transparent	
17	Annually update our DE&I action plan.	DE&I strategy published in February 2022.	We will publish an updated DE&I strategy in early 2023, with key associated actions.	Evolving	
18	Annually measure and report progress in colleagues diversity across underrepresented sectors.	Diversity figures published as part of our DE&I Strategy and included in National Grid's Responsible Business Report .	We will implement a data capture exercise to provide wider, more accurate data on DE&I within National Grid Electricity Distribution.	Transparent	
19	Continue to promote and expand internal traineeships for colleagues.	We have a number of trainee programmes that support the development of our colleagues including Internal Craft Apprenticeships (Jointing, Fitting and OHL), Planning and Design & Electrical Engineering. This year, we had 28 internal Craft Apprentices and 35 designate Adult Trainees.	These programmes will continue in 2022/23 we will also aim to develop 'new' technician and team manager training programmes.	Embedded	
20	Deliver leadership training to middle and senior managers.	We have developed and launched a new training programme for people managers which is bespoke to National Grid Electricity Distribution and focussed on developing and underpinning soft skills.	The programme will be provided to approximately 300 people managers during 2022/23, after which a review will take place and any further opportunities considered.	Embedded	
21	Provide mental health training to managers and the wider colleagues.	We have completed four Safety, Health and Environment conferences with a guest speaker focussed on Mental Health. We have also reviewed mental health training and implemented a new Mental Health First Aid training programme which began in the late autumn of 2022.	Mental Health First Aid training will be continued for front line volunteers from across the business. We have developed six colleague-focussed videos on recognising and supporting mental health issues and included Samaritans in our trainee induction programmes.	Embedded	
NEW	Employee resource groups.	All colleagues now have access to Employee Resource Groups (ERGs), which champion and support colleagues in areas including LGBTQ+, disability, gender, ethnic minority and faith and new starters.	We will continue to encourage colleagues to get involved with ERGs and apply for key roles within the ERGs as they become available.	Innovative	
NEW	Grid:voice.	We undertake an annual Grid:voice survey to give colleagues a forum to share open and honest feedback.	Responses to the survey have been used by the Senior Leadership Team to develop an action plan. The Grid:voice action plan identified 37 areas for improvement and so far 21 of the actions have been completed.	Evolving	
NEW	Grid:voice – pulse survey.	We undertake an interim 'pulse' survey, to capture colleague feedback throughout the year.	Responses to the pulse survey will be collated and used to inform the Senior Leadership Team's action plan.	Evolving	

Our environment

We are committed to leading in the net zero transition, setting an example for others to follow. While rapidly reducing emissions in our own operations, demonstrating excellent environmental performance and improving diversity at our sites, we are helping others to achieve their own net zero ambitions.

Our ambitions



Improve our impact on the environment, and support our supply chains to do the same.



Demonstrate leadership in the transition to net zero.



Ensure the benefits of decarbonisation are shared by all, by supporting local community energy groups.



Promote environmental understanding in communities through education and outreach.

Stakeholder insights:

“It’s about leading by example. Set [your] zero waste target at the highest level and let that filter down through the supply chain. I think [National Grid] need to prioritise this leadership”

“The long-term emissions we’ll pay for in the future. If you can get ahead, it’ll be beneficial to you, customers, everyone.”

Aligned Sustainable Development Goals



Climate change mitigation and adaptation

Since 2011, we've been working to an internationally agreed environmental standard (ISO 14001) to improve our environmental performance.

To be certified to this standard, an organisation must consider all environmental issues relevant to its operations, such as air pollution, water and sewage issues, waste management, soil contamination, climate change mitigation and adaptation, and resource use and efficiency.

This certification ensures National Grid strives for continual improvement and innovation in our approach to the environment, while maintaining legal compliance.

Net zero

We are committed to playing a leading role in driving a decarbonised energy system, and reducing our own emissions to zero by 2028 (excluding losses), in line with the expectations and ambitions of our stakeholders.

To become a net zero carbon organisation by 2028, we will:

- install renewable energy generation at all suitable depots and offices
- purchase all building energy from a renewable or low carbon source
- reduce energy use in our buildings
- ensure that all new buildings achieve an 'excellent' rating in the BREEAM sustainability assessment
- replace a large proportion of our existing operational fleet with electric vehicles by 2028
- cut carbon emissions from our operational fleet by 50%
- install electric vehicle charging infrastructure at all our operational sites
- include only non-carbon technology cars in our company car scheme by 2025
- reduce business travel by encouraging more remote working and virtual meetings.

Colleague awareness

To achieve our environmental targets, it's vital that our colleagues are aware of the environmental impact of their activities, and those of National Grid.

We deliver environmental awareness training throughout the organisation, while also spending time engaging directly with colleagues.

This includes media such as podcasts and informational videos for both internal and external use, on topics like net zero, biodiversity and waste.

We hold annual safety, health and environment conferences across our region, supported by senior management and attended by colleagues and contractors.

Environmental sustainability is now a well established agenda item, with discussions around achieving net zero, electric vehicles, biodiversity and resource management.



Protected environment

Waste to landfill

We work closely with all of our waste contractors, ensuring that wherever possible, waste streams are diverted from landfill.

One significant area of waste at National Grid is redundant cabling and metalwork, which is segregated at our depots, and collected and processed by contractors, before being returned to the marketplace for re-use.

The largest source of waste by weight comes from wooden poles, which are routinely replaced when they come to the end of their useful life and disposed of at a 'waste to energy' plant.

We will continue to engage with our supply chain to reduce the actual tonnage of waste entering our business in the first place, before focusing on the amount of waste being reused, recycled or recovered.

Single use plastics

Our stakeholders are keen for us to reduce the amount of single use plastics entering our business.

Reducing this supports our ambition to reduce our total waste and use resources more efficiently and sustainably, while offering an opportunity for collaboration with our suppliers.

While good progress has been made with smaller items like vending machine cups, further evaluation and engagement with our colleagues is expected to identify other opportunities to reduce single use plastics.



Improved environment

Our supply chain

We are working with third party organisations, such as local ecologists, to understand the impact of our activities on biodiversity. This includes increasing scrutiny of environmental and sustainability factors in our tendering process, and identifying areas in our business with the highest emissions, so that we can engage with suppliers and contractors to improve the impact of our supply chain on the environment.

Biodiversity

The decline of biodiversity in the UK is well documented and we are conscious that our activities can impact habitats and species of wildlife. To minimise this impact in nature reserves, we carry out environmental surveys to identify the wildlife present and alter our programmes accordingly.

We also use habitat assessments prepared by our ecologists and surveys conducted prior to new undergrounding and replacement of overhead lines to identify protected species issues and sensitive habitats.

Over the period 2023-28, we are committed to achieving a 10% biodiversity net gain for new major projects and for selected primary and grid substation sites. ('Biodiversity net gain' is an approach to development and land management that aims to leave the natural environment better off than beforehand).

We are working closely with local ecologists and external experts to help us develop solutions that can be rolled out across our diverse regional sites, and will act as a springboard for engagement and learning in the wider community.

Community environmental support and awareness

We support local schools and environmental groups to deliver activities that align with our vision and values.

As part of National Grid's ongoing commitment to biodiversity and the environment, we plant native trees and shrubs across our operating regions each year, in partnership with Conservation Volunteers.

Energy efficiency is a key contributor to preserving our environment, and we campaign to promote key ways our organisation has saved energy, to inspire National Grid colleagues and the wider community.

We are keen supporters of the Big Energy Savings Week, which we promote extensively on social media, alongside energy saving advice on our website.



Net zero communities

Outreach and education

As part of our STEM ambassador programme, National Grid supports schools in our region to take part in the Greenpower Challenge, an initiative which engages young people in net zero engineering solutions by building and racing an electric car.

We provide schools with the tools to design and build an electric car using renewable and recycled materials.

Our STEM ambassadors visit the schools to educate students on the electrical engineering components of the design and support teams to build their cars.

The schools then get the chance to take part in a race day event in their local areas.

The Greenpower Challenge helps to engage a diverse range of young people in STEM subjects and 'green jobs', with a platform for all students to learn future-ready skills and put them to the test in an exciting real world context.

As part of our agreement with the representing schools, we require a 50% gender balance, to ensure mentorship and careers development activities engage young women in STEM.



The Greenpower Challenge

The Greenpower Challenge is a project for teams of students (aged 11-16) to design, build and race their own electric cars.

The initiative aims to promote low carbon transport, the use of recycled materials and the varied career opportunities in engineering.

National Grid has supported our first team to participate in the Greenpower Challenge this year, providing the equipment for the school to build their electric car and enthusiastic STEM ambassadors to help with their construction.

Shaun Pennington, a technician based in National Grid's Exeter office, has supported an all-girls team at Ivybridge Community College in Devon, advising with the technical construction of their car, as well as giving an insight into National Grid's activities and careers in engineering.

"Part of what we're trying to do while we're there, especially because we're working with an all-girls team, is talk to them about our business and encourage the students to pursue whatever career path they want – so that if they want to go for jobs at National Grid there are no barriers – they can be fitters, jointers or technicians – whatever they want, it's possible.

"Lots of the students we speak to don't know what National Grid is or how electricity gets to their house.

"We're getting the message out there about what we do and also sharing our safety messages, especially around overhead lines."

To help the team stay on track with the build, Shaun and his manager have dedicated their time to the school's weekly after-school club.

With a passion for motorsports and racing, Shaun pulled out all the stops for the team, organising a trip to the Williams formula one factory for a full factory and museum tour.

"One of the girls is now looking to try and pursue a career in motorsport engineering.

"Before participating in the Greenpower Challenge she wanted to be an architect but being part of this team has really opened up the possibility of studying engineering.

"Their confidence from day one to now, actually racing the car, is completely different".

However, Shaun explained that achieving this success wasn't without challenges:

"At the beginning we really struggled to get schools to take up the opportunity, but now that the team is up and running, everyone is seeing the benefits of it."

To cover the cost of race days, National Grid's contractors rallied together in support of the team:

"We wanted to ensure no one was excluded from attending the race days due to financial barriers, so we reached out to our local contractors and secured sponsorship for all the students' travel and accommodation. The benefits have been massive. At the beginning some of the students were quite reserved, now they're not afraid to take the cars out on the track on their own.

"The experience has only been positive for us – not only have they built the car, they reached the finals in their first heat and won "best engineering" on the day. Whether they win or not it doesn't matter – as we've said to the team, if they've enjoyed it and it's inspired them to carry on with engineering that's all that matters. The fact that they've done really well is just a bonus!"



Community energy

The net zero transition can't happen without us, and we take our role very seriously. The uptake of low carbon technologies by our customers will play an essential part in this.

We are committed to ensuring that all customers, including those in vulnerable situations, get the support they need to participate in, and benefit from, the transition to a greener, more sustainable energy system.

To support this, we will help schools and community buildings in areas of high economic deprivation to install solar panels, allowing them to bring down their bills through renewable energy generation.

Alongside the provision of solar panels, funded by our shareholders, we will increase our involvement with these local communities to deliver wider education and outreach, on topics such as: biodiversity and habitat restoration, STEM careers, fuel poverty and energy efficiency.

With almost 100 groups already in our network area, community energy is central to delivering local energy plans and ambitions.

With this in mind, our stakeholders want to see us provide even more targeted advice, guidance and expertise to encourage the growth of community energy schemes across our network.

Our Net Zero Communities Strategy sets out how we will support community energy groups to engage in the energy market, while using our social indicator mapping and Priority Services Register to benefit those in greatest need.

With some community energy groups well established, and others relatively new, it is important that we dedicate resources to supporting groups which need additional help.




We are continually expanding the range of support offered to new and under resourced groups, with dedicated National Grid colleagues to provide expertise and one-to-one guidance around areas such as connections to the network and access to funding streams.

To enable successful ideas to be replicated and scaled, we share case studies, newsletters and video content for other community energy groups to learn from.







Progress report and action plan







As part of the National Grid Group, we are contributing to new organisational targets and reports. Therefore, while our commitment to deliver the actions in this plan remains the same, in some cases we have signposted to other documents where we are reporting these key business metrics.

-  Delivery is on, or above target
-  Good progress made toward target
-  Slow, or no, progress has been made






Our environment

Key Actions/Outputs	Progress 2022	Next steps 2023	Key Principle	
22 Become a net zero organisation by 2028.	<p>Our greenhouse gas emissions are published as part of our Environment and Innovation Report, and included in National Grid's Responsible Business Report.</p> <p>To reduce our Business Carbon Footprint (BCF), we have continued undertaking energy efficiency reviews at many of our sites and have installed low energy lighting and energy efficient heating/cooling systems.</p> <p>We have continued to replace older vehicles with more fuel efficient alternatives and have started to introduce electric vehicles into our operational transport fleet, with 166 small vans now electric.</p> <p>We have maintained virtual meetings post Covid-19 pandemic which has reduced carbon emissions associated with business travel.</p>	<p>We are working in partnership with the Heart of England Forest to support the creation of woodland habitat through tree planting. We will use our collaboration with the Heart of England Forest charity as a blueprint to establish similar partnership agreements with other charitable organisations.</p> <p>We will continue to purchase all building energy from a renewable / non-carbon source and account for this in our reported BCF.</p> <p>In addition to our electric vehicle strategy for operational and company vehicles, we are trialling alternative fuels to further reduce our Scope 1 emissions, for example the use of Hydrotreated Vegetable Oil (HVO) fuel, a renewable source, accounting for this in our reported BCF.</p>	Innovative	
23 Continue to support the 'Big Energy Saving Week' campaign.	We supported the 'Big Energy Saving Week' campaign, with extensive promotion across our social media channels in January 2022. Our new Power Discovery Zone website provides teaching resources to engage children and promote energy efficiency and renewable energy, as well as electrical safety.	We will continue to support the annual campaign and share energy saving advice on our website.	Embedded	
24 Continue to run 'The Big Switch Off' internal campaign.	In addition to using sensors, low energy lighting, energy and water saving devices and renewable energy generation at our offices and depots we communicate with colleagues around energy saving behaviours they can adopt in the office and at home.	We will continue to identify energy efficiency improvements at our offices and depots, and promote energy saving with colleagues.	Embedded	
25 Select and implement a natural capital assessment tool to measure and improve biodiversity and amenity value by at least 10%.	We have begun working with local ecologists and third party organisations to better understand how we can welcome nature into our substations, to make our sites greener and more environmentally friendly – while at the same time keeping nature, our colleagues and our equipment safe (and making our sites nicer places to live and work around). We have used insect traps to visualise the difference in species levels in wilder vs heavily mown areas and will use the learnings from these studies to inform our activities.	<p>We will continue to assess the areas around our live compounds, and how we could improve biodiversity – e.g. by changing mowing schedules to enable wildflowers and rich species to flourish during the summer, and trimming brambles which hinder wildlife. We will trial changes to gravelled areas surrounding live compounds.</p> <p>Once the methodology of calculating biodiversity units is proven, this will be scaled up to other sites. We will also work with our substation maintenance contractors to ensure biodiversity improvements are rolled out throughout all four of our licence areas, where appropriate.</p>	Innovative	

Our environment

	Key Actions/Outputs	Progress 2022	Next steps 2023	Key Principle	
26	Collaborate with landowners, local authorities and specialists.	We have worked with The Conservation volunteers and Groundwork Wales to plant 2,123 trees across our licence areas. We have also worked with the Avon Wildlife Trust and a primary school in Bristol to help children plant 100 wildflowers in their school grounds.	Through our partnership with the Heart of England Forest, we will support the creation of woodland habitats through tree planting.	Embedded	
27	Donate computers, office furniture and telephones.	We have collaborated with the Good Things Foundation and the National Databank to refurbish 465 used iPads, to be redistributed in our communities. 1 year SROI, on top of every pound spent: £3.51 1 year Gross Present Value: £104,801	Through our partnership with the Good Things Foundation and our network of fuel poverty partners, we will provide 465 iPads, paired with mobile data, to digitally excluded customers we encounter through our fuel poverty support programmes.	Innovative	
28	Continue to carry out and promote office recycling, reduction and reuse schemes.	The % of waste diverted from landfill is published as part of our Environment and Innovation Report , and included in National Grid's Responsible Business Report . We continue to segregate our waste at all depot locations and transport units and have outperformed our RIIO-ED1 waste reduction target for the fourth year in a row. Some sites have had stationery amnesties so that any stationery that is unused is redistributed to reduce waste.	We will consult with our colleagues to identify where single use plastics are currently used in our depots and in products used on the network. This will provide a basis to engage with our supply chain to obtain more goods made from recycled plastics, eliminate plastic packaging and plastics which cannot be recycled in favour of more suitable materials.	Embedded	
29	Segregate and recycle site waste, dispose of wooden poles at a waste-to-energy plant.	We continue to dispose of the poles via a waste to energy plant in the north of England, avoiding expensive and prohibitive landfill costs whilst ensuring that we comply with the waste hierarchy. The ACE (Active Creosote Extraction) innovation project commenced in January 2022 and will investigate and trial methods to extract creosote from end of life poles to levels where they will be deemed as non-hazardous waste. If proved successful, they can be re-purposed and donated, avoiding disposal through high temperature incineration.	The ACE project is expected to be complete by March 2023.	Innovative	
30	Support our supply chain to improve environmental performance.	We have increased scrutiny of environmental and sustainability credentials in our tendering process, identified key areas of scope 3 emissions to engage with suppliers on reducing, and begun examining the biodiversity impacts of our supply chain.	We will continue to engage with our suppliers to ensure that we are improving our environmental performance.	Evolving	
31	Build on stakeholder engagement to develop our education and outreach activities, increasing the STEM pipeline to deliver local decarbonisation ambitions.	We are developing a Net Zero Community Challenge to engage schools across our region in the challenges of decarbonisation, STEM subjects and roles at National Grid.	The challenge is currently being piloted with a school, in readiness to scale up across our region from spring 2023.	Evolving	

Our environment

	Key Actions/Outputs	Progress 2022	Next steps 2023	Key Principle	
32	Collaborate with landowners, local authorities and specialists.	<p>In 2021/22, we supported our first school to participate in the Greenpower Challenge (see case study). The school is provided with an electric car kit, and supported with weekly visits from our STEM ambassadors to help students build their cars. Our STEM ambassadors accompany the teams to race days and National Grid provides transport to the events. To encourage diverse participation in STEM activities, we ensure the teams are at least 50% female.</p> <p>10 year SROI, on top of every pound spent: £0.73 10 year Gross Present Value: £40,375</p>	We will support four teams to participate in the Greenpower Challenge in 2022/2023, to reach a further 60 students.	Innovative	
33	Build decarbonised communities and local energy schemes by providing £540,000 shareholder funded support per year to install solar PV on schools in areas of high economic deprivation.	<p>We are working with Rednock school in Gloucester to pilot this initiative. As well as a solar panel installation, we are working with a local ecologist to trial biodiversity activities with students, replicating the insect traps used at our own operational sites on the school grounds.</p> <p>10 year SROI, on top of every pound spent: £3.52 10 year Gross Present Value: £54,216</p>	Learning from the pilot will inform the roll-out of this commitment in Spring 2023.	Innovative	
34	Hold community energy surgeries for local groups, providing a dedicated community energy engineer to support the development of new schemes and connections.	<p>We have worked with stakeholders to co-create and refine our Net Zero Communities Strategy, which was updated in 2022. As part of our strategy, we have expanded our programme of engagement to support community energy groups, including a series of YouTube videos covering connections, innovation, data and digitalisation and social obligations.</p> <p>Our dedicated community energy engineer has delivered 61 individual surgeries with stakeholders in 2022, supporting individual groups with support and expertise.</p>	Our next Net Zero Communities Strategy will be published in early 2023 following further engagement with stakeholders. Our community energy engineer will continue to provide support for local groups via community energy surgeries	Innovative	
35	Work collaboratively with community and local energy stakeholders to develop tailored connection and flexibility offers.	We have engaged with 136 stakeholders across five online and in person events, with connections and flexibility as a key discussion topic.	We will continue to hold community energy events to engage with groups and share best practice and learning across our region.	Locally-specific	
36	Facilitate access to funding streams by providing support to community energy groups when making submissions to our calls for ideas.	We have launched a community energy newsletter, which highlights work in the sector, keeps groups abreast of support available within National Grid, and signposts funding opportunities.	We will continue to keep community energy stakeholders informed of funding opportunities and support via our newsletter.	Evolving	

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