



Flagging memo

National Grid

Annual general meeting: 10 July 2023

Resolutions are flagged by a Climate Action 100+ initiative signatory for the attention of other signatories. Please note that the below information is provided by and accredited to the investor who is publicly predeclaring their voting intention and rationale to other Climate Action 100+ signatories, for routine votes as well as management or shareholder resolutions.

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Organising requesting a 'flag' on a resolution

- Church of England Pensions Board. Pre-declaration is here: [Church of England Pensions Board pre-declares vote against Chair and CEO of National Grid over lack of climate lobbying disclosure](#)

Resolution text

Church of England Pensions Board is flagging three votes and stating their intention to vote against the following resolutions:

Item 3: To re-elect Paula Rospot Reynolds as a Director of the Company.

Item 4: To re-elect John Pettigrew as a Director of the Company

Item 16: Resolution on Authority to make Political Donations. To authorise the Company and those companies which are subsidiaries of the Company at any time during the period for which this resolution has effect for the purposes of Part 14 of the Companies Act 2006 (the '2006 Act'): (i) to make political donations to political parties, and/or independent election candidates not exceeding £125,000 in aggregate; (ii) to make political donations to political organisations other than political parties, not exceeding £125,000 in aggregate; and (iii) to incur political expenditure, not exceeding £125,000 in aggregate provided that the aggregate amount of any such donations and expenditure shall not exceed £125,000 during the period commencing on the date of passing of this resolution and ending at the earlier of the close of the next annual general meeting or 30 September 2024. Words and expressions defined for the purpose of the 2006 Act shall have the same meaning in this resolution.

Notice of 2023 Annual General Meeting is [available here](#).

Summary of why resolution is being flagged

National Grid are one of the only electric utilities in Europe to have never produced climate change industry association and public policy disclosure. The Company

currently scores a 'No' on every sub-indicator within indicator seven ('climate lobbying') of the Climate Action 100+ Net Zero Benchmark.

The Company's CEO and Chair were asked in a letter, to make a commitment prior to this AGM that the Company will produce a lobbying disclosure on climate change, aligned with the asks of Climate Action 100+. The Company has made no commitment to do this, despite being a clear laggard on climate lobbying. This is why we are voting AGAINST the re-election of the Company CEO and Chair (item 3 and 4 on the ballot).

The Company has also requested shareholders approve a resolution (item 16) allowing them to make large political donations (up to £120 000). This appears inappropriate given the Company has no transparency around its current approach to lobbying, existing policies, or the practices of its industry associations.

Background

Corporate climate lobbying is a highly influential part of the policy development process, and in some cases, blocks or delays good climate policy from being established.

The Church of England Pensions Board collaborated with a number of others to establish the Global Standard on Responsible Climate Lobbying, which sets out a series of indicators that companies can use to report on their climate related public policy positions, approaches and governance, and to assess the alignment or misalignment of lobbying via their industry association memberships.

National Grid is one of only two European electric utilities which have yet to produce a climate change lobbying and industry associations disclosure. This is despite this being on the agenda with Climate Action 100+ for a number of years.

Independent analysis from InfluenceMap shows National Grid is active in climate policy debates in the United Kingdom, and the United States, including state-level debates in New York, Rhode Island and Massachusetts. They are also a member of a number of industry associations with concerning track records on lobbying according to InfluenceMap including the American Gas Association, Gas Infrastructure Europe (GIE) and Edison Electric Institute.

Conclusion

The Company is a clear laggard on climate lobbying disclosure, evidenced by its Climate Action 100+ Net Zero Company Benchmark [assessment](#) and InfluenceMap's [list of non-reporters](#). Given the importance of climate policy to the electric utility sector, this lack of transparency is not acceptable.