

National Grid PLC Assigned ESG Evaluation Score Of 82; Preparedness Strong

NEW YORK, May 19, 2021 /PRNewswire/ -- S&P Global Ratings said today that it has assigned [National Grid PLC \(NG\)](#) an ESG evaluation score of 82. The company's ESG evaluation score is the result of an ESG profile of 75 combined with strong preparedness. Higher numbers indicate stronger sustainability in our evaluations. The report is available [here](#).

NG's ESG evaluation score of 82 reflects a robust governance structure, strong preparedness for disruptions, and overall effective management of environmental and social risks. We believe the board is diverse and exhibits strong expertise and independence. The board also shows very strong awareness of disruptive risks to its strategy of enabling the energy transition and uses robust scenario to establish flexible action plans, although political and regulatory dynamics could challenge their ability to execute. This, coupled with its sophisticated innovation capabilities, support NG's long-term resilience, in our view.

We view NG's climate strategy as more advanced than that of global peers. Its waste management leads the industry. The company's networks are reliable and relatively affordable. Community relations are generally positive, although the recent gas connection moratorium in New York stressed certain stakeholder relations. We believe that safety is well managed, with a robust approach for high-hazard assets and plans for aging pipe upgrades. NG also benefits from a diverse workforce and its talent strategy focuses on the energy transition, which aligns with its strategic goals. In our view, NG's recently announced strategic repositioning, which involves the purchase of Western Power Distribution PLC (WPD), the sale of its Rhode Island utility, and the sale of a majority stake in its U.K. gas business, will not materially affect NG's ESG evaluation, as WPD's approach to ESG is broadly aligned with NG's. We expect these transactions will be completed by the end of 2022.

NG is a regulated utility that owns and operates electricity and gas transmission networks in the U.K. (about 50% of operating profit) transmission and distribution utilities in the U.S (42%), and has unregulated operations (8%). In the U.K., NG owns the high-voltage electricity transmission system in England and Wales, operating the system across the U.K., owns and operates the gas transmission system, and owns various interconnectors. In the U.S., NG operates energy distribution networks governed by state regulators in New York, Massachusetts, and Rhode Island, as well as various transmission and interconnection businesses and 3.8 gigawatts of generation in Long Island, N.Y.

What Is An ESG Evaluation?

S&P Global Ratings' ESG evaluation is a cross-sector, relative analysis of an entity's capacity to continue to operate successfully. It is grounded in how ESG factors could affect stakeholders, potentially leading to a material direct or indirect financial impact on the entity.

Our definition of stakeholders for a particular entity goes beyond shareholders to include employees, the local community, government, regulators, customers, lenders, borrowers, policyholders, voters, members, and suppliers. A high ESG evaluation score indicates an entity is relatively less prone to experiencing material ESG-related events, and is relatively better positioned to capitalize on ESG-related growth opportunities than entities with lower ESG evaluation scores.

First, we establish an ESG profile for a given entity, which assesses the exposure of the entity's operations to observable ESG risks and opportunities, and how the entity is mitigating these risks and capitalizing on these opportunities.

Second, we assess the entity's long-term preparedness, namely its capacity to anticipate and adapt to a variety of long-term plausible disruptions.

S&P Global Ratings currently evaluates over 60 entities across the globe; they have an average score of 68. Since the first ESG evaluation, published in June 2019, we have finalized ESG Evaluations across 19 sectors globally. By region, the highest average score is 72, for companies headquartered in Europe.

Visit [spglobal.com/ratings](#) for our latest [sustainable finance research](#) and all of our [publicly available ESG Evaluations](#).

Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P) receives compensation for the provision of the S&P Global Ratings ESG Evaluation product, including the report (Product). S&P may also receive compensation for rating the entity covered by the Product or for rating transactions involving and/or securities issued by the entity covered by the Product.

The Product is not a credit rating, and is not indicative of, nor related to, any credit rating or future credit rating of an entity. The Product provides a cross-sector, relative analysis of an entity's capacity to operate successfully in the future and is grounded in

how ESG factors could affect stakeholders and potentially lead to a material direct or indirect financial impact on the entity. ESG factors typically assess the impact of the entity on the natural and social environment and the quality of its governance. The Product is not a research report and is not intended as such.

S&P's credit ratings, opinions, analyses, rating acknowledgment decisions, any views reflected in the Product and the output of the Product are not investment advice, recommendations regarding credit decisions, recommendations to purchase, hold, or sell any securities or to make any investment decisions, an offer to buy or sell or the solicitation of an offer to buy or sell any security, endorsements of the suitability of any security, endorsements of the accuracy of any data or conclusions provided in the Product, or independent verification of any information relied upon in the credit rating process. The Product and any associated presentations do not take into account any user's financial objectives, financial situation, needs or means, and should not be relied upon by users for making any investment decisions. The output of the Product is not a substitute for a user's independent judgment and expertise. The output of the Product is not professional financial, tax or legal advice, and users should obtain independent, professional advice as it is determined necessary by users.

While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Product. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for reliance of use of information in the Product, or for the security or maintenance of any information transmitted via the Internet, or for the accuracy of the information in the Product. The Product is provided on an "AS IS" basis. **S&P PARTIES MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDED BUT NOT LIMITED TO, THE ACCURACY, RESULTS, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCT, OR FOR THE SECURITY OF THE WEBSITE FROM WHICH THE PRODUCT IS ACCESSED.** S&P Parties have no responsibility to maintain or update the Product or to supply any corrections, updates or releases in connection therewith. S&P Parties have no liability for the accuracy, timeliness, reliability, performance, continued availability, completeness or delays, omissions, or interruptions in the delivery of the Product.

To the extent permitted by law, in no event shall the S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence, loss of data, cost of substitute materials, cost of capital, or claims of any third party) in connection with any use of the Product even if advised of the possibility of such damages.

S&P maintains a separation between commercial and analytic activities. S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

Copyright ©2021 by Standard & Poor's Financial Services LLC. All rights reserved.

This report does not constitute a rating action.

S&P Global Ratings is the world's leading provider of independent credit ratings. Our ratings are essential to driving growth, providing transparency and helping educate market participants so they can make decisions with confidence. We have more than 1 million credit ratings outstanding on government, corporate, financial sector and structured finance entities and securities. We offer an independent view of the market built on a unique combination of broad perspective and local insight. We provide our opinions and research about relative credit risk; market participants gain independent information to help support the growth of transparent, liquid debt markets worldwide.

S&P Global Ratings is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spglobal.com/ratings.

Update Profile:

If you would like to update your information (telephone number, email address, company, etc.) or change the sectors you receive press releases on, please [click here](#).

Visit SPRatings.com, a free, interactive, and informative portal to access highlights from our credit research offerings. Consider this your portal to perspective: www.spratings.com.

[Regulatory Affairs and Disclaimers](#) | [Privacy and Cookie Notice](#) | [Terms of Use](#)

Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any

means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and <http://www.ratingsdirect.com> and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

Australia

Ratings are statements of opinion, not statements of fact or recommendations to buy, hold, or sell any securities or make any other investment decisions. S&P Global Ratings Australia Pty Ltd holds Australian financial services license number 337565 under the Corporations Act 2001. S&P credit ratings and related research are not intended for and must not be distributed to any person in Australia other than a wholesale client (as defined in Chapter 7 of the Corporations Act). Australian users should only access information about S&P's products and services from www.standardandpoors.com.au. Other S&P Websites are not intended for Australian users.

STANDARD & POOR'S, S&P and RATINGS DIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

To manage your S&P Global Ratings subscription preferences, please click[here](#).

S&P Global Ratings, 55 Water Street, New York, NY 10041

SOURCE S&P Global Ratings

For further information: London, +44 20 7176 3605; Paris, +33 1 44 20 6740; Frankfurt, +49 69 33 999 182; Milan: +39 02 72 111 245; Moscow, +7 495 783 4009

<https://press.spglobal.com/2021-05-19-National-Grid-PLC-Assigned-ESG-Evaluation-Score-Of-82-Preparedness-Strong>