

Understanding our UK Gender Pay Gap - 2017

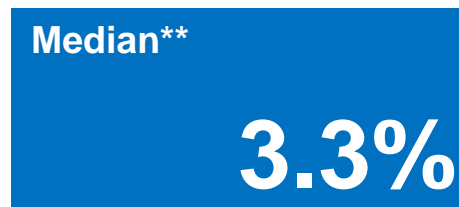
Building a diverse workforce and creating an inclusive workplace are vitally important to achieving our purpose, vision and values. We support the UK Government's initiative on this important topic.

We have regularly tracked equal pay internally, and in December 2015 we voluntarily disclosed gender pay gap information. We have now conducted the analysis according to the UK gender pay gap regulations which came into effect April 2017.

2017 UK-Wide Results

Pay Gap based on 5 April 2017 snapshot

The UK-wide pay gap is 5.6% at the mean and 3.3% at the median, which is significantly narrower than the mean gender pay gap cited by the Office of National Statistics (ONS) of 18.1%.



**Mean: a comparison of the average pay for a woman and the average pay for a man.*

***Median: a comparison of the 'middle' pay for a woman if all pay amounts were sorted from low to high and the 'middle' pay for a man. The median is less impacted by outlier numbers (very high or very low) than the mean.*

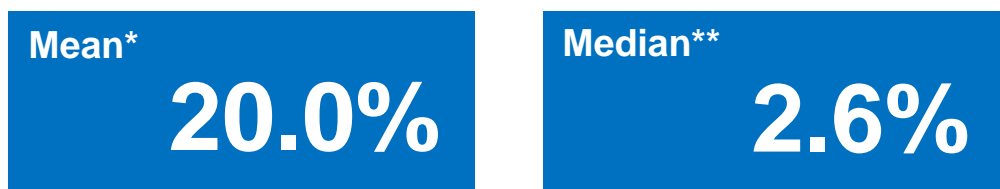
The quartile analysis below shows that females, who represent 25% of our total UK population, are under-represented at National Grid and in our industry more generally and both we and our industry need to continue our work to recruit more women.

Proportion of male and female employees by quartile pay		
	Male	Female
Upper quartile	79.3%	20.7%
Upper middle quartile	73.2%	26.8%
Lower middle quartile	75.9%	24.1%
Lower quartile	72.1%	27.9%
Overall	75.1%	24.9%

Bonus Gap based on 12 months preceding 5 April

The UK-wide bonus gap is 20.0% at the mean and 2.6% at the median, which presents a mixed picture. The mean number is driven by a number of factors, including:

- several senior females not receiving full year short-term incentive payouts or any long-term incentive payouts in the year due to being recently appointed;
- fewer women than men in the most senior roles; and
- the higher proportion of women working part-time versus men and therefore receiving pro-rated bonuses and long-term incentive awards.



**Mean: a comparison of the average bonus for a woman and the average bonus for a man.*

***Median: a comparison of the 'middle' bonus for a woman if all pay amounts were sorted from low to high and the 'middle' bonus for a man. The median is less impacted by outlier numbers (very high or very low) than the mean.*

Proportion of male and female employees receiving bonus pay	
Male	Female
84.5%	81.9%

Actions we are undertaking to address the gap

We already have a number of initiatives underway to actively recruit women, including:

- signing up to the Government's Your Life campaign – a nationwide call to action to attract more women into technology and engineering – which recognises that boosting skills in science, technology, engineering and maths (STEM) subjects will be essential if the UK is to thrive in the global economy;
- participation in the Women's Engineering Society which actively campaigns to encourage women to participate and achieve as engineers, scientists and as leaders;
- being part of the POWERful Women pledge, which is showcasing female leadership potential in the UK's energy sector. The campaign is working towards a position where, by 2030, women will make up 30% of energy company executive board members and 40% of energy company middle managers; and
- developing a Women in National Grid Yearbook, which showcases a number of our UK female role models, and is available to potential applicants so they can envisage a career with us.

We also have a number of internal-facing initiatives under way, including:

- reverse mentoring programme which provides leaders with a greater understanding of the challenges facing our diverse workforce, and more confidence in discussing diversity in the organisation;
- Unconscious bias training for managers;
- an employee resource group (WiNG – Women in National Grid) that builds awareness and understanding of inclusion and diversity throughout the organisation and provides valuable feedback and suggestions for improvements; and
- Spring Board / Spring Forward training courses with a target audience of females in junior grades to provide support with career and personal development.

We regularly track our progress against our diversity metrics and take appropriate actions to drive improvement. For example, women represented a greater proportion of appointments last year than in the year prior, and the proportion of women who were promoted was the same as the proportion of men who were promoted.

Gender Pay Gap Statistics by Employing Company

Results by employing company with at least 250 employees are shown below. Please note that not all of our Gas Transmission and Electricity Transmission employees are employed by NGG Plc and NGET Plc. Both of our transmission businesses also have employees from other subsidiaries, particularly NG UK Ltd which has been the employing entity for most of our managerial grade employees since 2006.

National Grid Electricity Transmission gender pay gap statistics:

There are 978 employees on a National Grid Electricity Transmission contract. The bonus gap data is heavily impacted by a small sample size of senior employees employed on this contract, and also a higher proportion of men in collectively bargained roles with a different pay structure from our personal contract roles.

Pay Gap Mean*

5.8%

Pay Gap Median**

14.5%

Proportion of male and female employees by quartile pay

	Male	Female
Upper quartile	91.6%	8.4%
Upper middle quartile	85.1%	14.9%
Lower middle quartile	79.8%	20.2%
Lower quartile	86.9%	13.1%
Overall	85.8%	14.2%

Bonus Gap Mean*

-80.6%

Bonus Gap Median**

15.1%

Proportion of male and female employees receiving bonus pay

Male	Female
99.2%	99.3%

*Mean: a comparison of the average pay for a woman and the average pay for a man.

**Median: a comparison of the 'middle' pay for a woman if all pay amounts were sorted from low to high and the 'middle' pay for a man. The median is less impacted by outlier numbers (very high or very low) than the mean.

National Grid Gas plc gender pay gap statistics

There are 641 employees on a National Grid Gas plc contract. There is a higher proportion of females in the lower quartile due to relatively fewer men at the most junior grade employed by this employing company.

Pay Gap Mean*

5.5%

Pay Gap Median**

-0.6%

Proportion of male and female employees by quartile pay

	Male	Female
Upper quartile	78.8%	21.3%
Upper middle quartile	63.1%	36.9%
Lower middle quartile	73.5%	26.5%
Lower quartile	42.1%	57.9%
Overall	66.9%	33.1%

Bonus Gap Mean*

1.1%

Bonus Gap Median**

8.8%

Proportion of male and female employees receiving bonus pay

Male	Female
97.0%	97.2%

**Mean: a comparison of the average pay for a woman and the average pay for a man.*

***Median: a comparison of the 'middle' pay for a woman if all pay amounts were sorted from low to high and the 'middle' pay for a man. The median is less impacted by outlier numbers (very high or very low) than the mean.*

National Grid UK Ltd gender pay gap statistics:

There are 4,504 employees on a National Grid UK Ltd contract. The same three factors that impact the UK-wide bonus gap impact the mean bonus gap:

- several senior females not receiving full year short-term incentive payouts or any long-term incentive payouts in the year due to being recently appointed;
- fewer women than men in the most senior roles; and
- the higher proportion of women working part-time versus men and therefore receiving pro-rated bonuses and long-term incentive awards.

Pay Gap Mean*

5.2%

Pay Gap Median**

1.9%

Proportion of male and female employees by quartile pay		
	Male	Female
Upper quartile	77.0%	23.0%
Upper middle quartile	72.4%	27.6%
Lower middle quartile	75.9%	24.1%
Lower quartile	71.4%	28.6%
Overall	74.2%	25.8%

Bonus Gap Mean*

27.0%

Bonus Gap Median**

-7.8%

Proportion of male and female employees receiving bonus pay	
Male	Female
79.3%	77.2%

**Mean: a comparison of the average pay for a woman and the average pay for a man.*

***Median: a comparison of the 'middle' pay for a woman if all pay amounts were sorted from low to high and the 'middle' pay for a man. The median is less impacted by outlier numbers (very high or very low) than the mean.*

We confirm that the information and data provided is accurate and in line with mandatory requirements.



Sir Peter Gershon
Chairman, National Grid



John Pettigrew
Chief Executive, National Grid

