

Understanding our UK Gender Pay Gap - 2018

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 conducted our analysis in line with the gender pay gap regulations which require disclosure of data for all UK legal entities employing more than 250 employees. We also include a Company UK-wide analysis. The separate disclosures for our three UK legal entities (each having more than 250 employees) are provided.

2018 UK-Wide Results

Pay Gap based on 5 April 2018 snapshot

The UK-wide pay gap is 3.9% at the mean and 4.4% at the median. We have seen a slight decrease in the mean and a slight increase in the median since last year.



**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 26% 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	78.9%	21.1%
Upper middle quartile	71.7%	28.3%
Lower middle quartile	75.9%	24.1%
Lower quartile	69.0%	31.0%
Overall	74.0%	26.0%

Bonus Gap based on 12 months preceding 5 April

The UK-wide bonus gap is 25.0% at the mean and -1.2% at the median, which presents a mixed picture. The mean has increased slightly since last year, and the median has decreased. The mean number is driven by a number of factors, including:

- several senior females not receiving full year short-term incentive payouts or, in particular, 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
88.0%	85.0%

Actions we are undertaking to address the gap

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

- promoting National Grid and our career opportunities to women in a number of ways including engaging with schools and through social media. We promote our job opportunities through social media channels;
- participation in the Women’s Engineering Society which actively campaigns to encourage women to participate and achieve as engineers, scientists and as leaders; and
- we continue to sign up to the POWERful Women pledge and this year (May 2018) we have joined the Energy Leaders’ Coalition which is committed to increasing the number of women at senior levels and middle management in the UK’s energy industry.

We continue to prioritise a number of internal-facing initiatives, including:

- the involvement of our leadership, which is an important factor in building an inclusive culture, and as such, many leaders are sponsors of our ongoing employee resource groups; senior role models are encouraged to show how they are bringing an inclusive culture to life;
- reverse mentoring programme, which provides our leaders with a greater understanding of the challenges facing our diverse workforce, and more confidence in discussing diversity in the organisation;
- our Employee Resource Groups build awareness and understanding of inclusion and diversity throughout the organisation;
- our ‘Women in National Grid’ (WiNG) resource group in particular is proactive in raising awareness to gender equality. They have launched ‘Remarkable 2’ a role model book and campaign to celebrate the diverse talent at National Grid. They also provide 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, once again women represented a greater proportion of appointments last year than in the year prior and the proportion of women who were promoted marginally reduced versus the proportion of men who were promoted, compared with the prior year.

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 920 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*

2.8%

Pay Gap Median**

9.6%

Proportion of male and female employees by quartile pay

	Male	Female
Upper quartile	92.6%	7.4%
Upper middle quartile	81.4%	18.6%
Lower middle quartile	80.4%	19.6%
Lower quartile	87.1%	12.9%
Overall	86.0%	14.0%

Bonus Gap Mean*

20.8%

Bonus Gap Median**

10.9%

Proportion of male and female employees receiving bonus pay

Male	Female
99.2%	97.7%

*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 597 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*

5.6%

Pay Gap Median**

0.4%

Proportion of male and female employees by quartile pay

	Male	Female
Upper quartile	79.1%	20.9%
Upper middle quartile	61.5%	38.5%
Lower middle quartile	80.0%	20.0%
Lower quartile	22.2%	77.8%
Overall	66.8%	33.2%

Bonus Gap Mean*

8.9%

Bonus Gap Median**

3.9%

Proportion of male and female employees receiving bonus pay

Male	Female
97.5%	98.5%

**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 4,776 employees on a National Grid UK Ltd 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.

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 in particular 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*

3.2%

Pay Gap Median**

3.6%

Proportion of male and female employees by quartile pay		
	Male	Female
Upper quartile	75.5%	24.5%
Upper middle quartile	72.2%	27.8%
Lower middle quartile	74.6%	25.4%
Lower quartile	68.5%	31.5%
Overall	72.7%	27.3%

Bonus Gap Mean*

22.5%

Bonus Gap Median**

-7.9%

Proportion of male and female employees receiving bonus pay	
Male	Female
84.4%	81.6%

**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