



Independent Limited Assurance Report to the Directors of National Grid plc

The Board of Directors of National Grid plc (National Grid) engaged us to provide limited assurance on the information described below and set out in the National Grid Gender Pay Gap Report 2020 for the 12-month reporting period ending as at 5 April 2020.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the 12-month reporting period ending as at 5 April 2020 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of our report.

Selected Information

The scope of our work was limited to assurance over the information shown in Appendix 1 (the "Selected Information"). Our assurance does not extend to information in respect of earlier periods or to any other information included in the National Grid Gender Pay Gap Report 2020.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and Quality Control

We complied with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and which is at least as demanding as Parts 1, 3 and 4B of the IESBA Code of Ethics.

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multi-disciplinary team with experience in pay gap reporting and assurance.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria, available on National Grid's website¹ <https://www.nationalgrid.com/careers/understanding-our-uk-gender-pay-gap> which National Grid is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 5 April 2020.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of National Grid's management;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information;
- performed limited substantive testing remotely on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- considered the disclosure and presentation of the Selected Information; and
- reviewed the National Grid Gender Pay Gap Report 2020 for consistency with our understanding of the business and the work completed in respect of the Selected Information.

National Grid's responsibilities

The Directors of National Grid are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information within the confines of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 against which the performance in relation to the information set and applying these consistently;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the National Grid Gender Pay Gap Report 2020.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of National Grid.

This report, including our conclusions, has been prepared solely for the Board of Directors of National Grid in accordance with the agreement between us dated 16 October 2020, in order to assist the Directors in reporting National Grid's performance and activities. We permit this report to be disclosed in the National Grid Gender Pay Gap Report 2020 for the 12-month reporting period ending as at 5 April 2020, to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and National Grid for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
29 January 2021

¹ The maintenance and integrity of National Grid's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the

reported Selected Information or Reporting Criteria when presented on National Grid's website.

Appendix 1 - Data subject to assurance for the 12-month reporting period ending as at 5 April 2020

National Grid: UK-wide total Gender Pay Gap and Bonus Gap data	
KPI	Value
Average gender pay gap as a mean average (%)	1.5%
Average gender pay gap as a median average (%)	3.2%
Average gender bonus gap as a mean average (%)	-25.4%
Average gender bonus gap as a median average (%)	-12.9%
Proportion of males receiving a bonus payment	87%
Proportion of females receiving a bonus payment	82%
Proportion of males in each quartile pay band:	
• Lower	69.4%
• Lower middle	73.0%
• Upper middle	72.0%
• Upper	76.3%
Proportion of females in each quartile pay band:	
• Lower	30.6%
• Lower middle	27.0%
• Upper middle	28.0%
• Upper	23.7%

National Grid Electricity Transmission Gender Pay Gap and Bonus Gap data	
KPI	Value
Average gender pay gap as a mean average (%)	-7.4%
Average gender pay gap as a median average (%)	3.3%
Average gender bonus gap as a mean average (%)	-203.6%
Average gender bonus gap as a median average (%)	-7.5%
Proportion of males receiving a bonus payment	100%
Proportion of females receiving a bonus payment	93%
Proportion of males in each quartile pay band:	
• Lower	93.2%
• Lower middle	83.2%
• Upper middle	86.0%
• Upper	90.7%
Proportion of females in each quartile pay band:	
• Lower	6.8%
• Lower middle	16.8%
• Upper middle	14.0%
• Upper	9.3%

National Grid Gas plc Gender Pay Gap and Bonus Gap data	
KPI	Value
Average gender pay gap as a mean average (%)	3.6%
Average gender pay gap as a median average (%)	2.0%
Average gender bonus gap as a mean average (%)	13.9%
Average gender bonus gap as a median average (%)	1.4%
Proportion of males receiving a bonus payment	99%
Proportion of females receiving a bonus payment	99%
Proportion of males in each quartile pay band:	
• Lower	15.4%
• Lower middle	86.3%
• Upper middle	62.6%
• Upper	75.6%
Proportion of females in each quartile pay band:	
• Lower	84.6%
• Lower middle	13.7%
• Upper middle	37.4%
• Upper	24.4%

National Grid UK Ltd Gender Pay Gap and Bonus Gap data	
KPI	Value
Average gender pay gap as a mean average (%)	0.0%
Average gender pay gap as a median average (%)	1.2%
Average gender bonus gap as a mean average (%)	-10.6%
Average gender bonus gap as a median average (%)	-17.7%
Proportion of males receiving a bonus payment	82%
Proportion of females receiving a bonus payment	78%
Proportion of males in each quartile pay band:	
• Lower	69.9%
• Lower middle	72.0%
• Upper middle	71.9%
• Upper	73.5%
Proportion of females in each quartile pay band:	
• Lower	30.1%
• Lower middle	28.0%
• Upper middle	28.1%
• Upper	26.5%

Appendix 1 - Data subject to assurance for the 12-month reporting period ending and as at 5 April 2020

National Grid Electricity System Operator Ltd Gender Pay Gap and Bonus Gap data	
KPI	Value
Average gender pay gap as a mean average (%)	12.6%
Average gender pay gap as a median average (%)	11.6%
Average gender bonus gap as a mean average (%)	-5.9%
Average gender bonus gap as a median average (%)	3.1%
Proportion of males receiving a bonus payment	98%
Proportion of females receiving a bonus payment	97%
Proportion of males in each quartile pay band:	
• Lower	49.2%
• Lower middle	60.4%
• Upper middle	71.9%
• Upper	78.3%
Proportion of females in each quartile pay band:	
• Lower	50.8%
• Lower middle	39.6%
• Upper middle	28.1%
• Upper	21.7%