



## Independent Limited Assurance Report to the Directors of National Grid plc on UK Gender Pay Gap disclosures

The Board of Directors of National Grid Plc (National Grid) engaged us to provide limited assurance on the information set out in the National Grid Gender Pay Gap Report 2022 for the 12-month reporting period ending as at 5 April 2022 (together the “Subject Matter Information”) as defined below and set out within Appendix 1. Our assurance conclusion does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Report including any images, audio files or videos.

### Our limited assurance conclusion

Based on the procedures we have performed, as described under the ‘Summary of work performed as the basis for our assurance conclusion’ and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information included in the National Grid Gender Pay Gap Report for the 12-month reporting period ending 5 April 2022, has not been prepared, in all material respects, in accordance with the Reporting Criteria as laid out on the National Grid website and referenced below.

### Subject Matter Information and Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which National Grid is solely responsible for selecting and applying. The Subject Matter Information is set out in Appendix 1 and the Reporting Criteria is available at <https://www.nationalgrid.com/careers/understanding-our-uk-gender-pay-gap><sup>1</sup>

Topic	Reporting Criteria	Subject Matter Information	Materiality <sup>2</sup>
1. UK statutory pay gap for the below entities: <ul style="list-style-type: none"> <li>National Grid Electricity System Operator Ltd;</li> <li>National Grid Electricity Transmission;</li> <li>National Grid Gas plc;</li> <li>National Grid UK Ltd;</li> <li>National Grid Electricity Distribution East Midlands;</li> <li>National Grid Electricity Distribution West Midlands;</li> <li>National Grid Electricity Distribution South West; and</li> <li>National Grid Electricity Distribution South Wales.</li> </ul>	<i>The Reporting Criteria is available at <a href="https://www.nationalgrid.com/careers/understanding-our-uk-gender-pay-gap">https://www.nationalgrid.com/careers/understanding-our-uk-gender-pay-gap</a></i>	Average gender pay gap as a mean average	5%
		Average gender pay gap as a median average	
		Average gender bonus gap as a mean average	
		Average gender bonus gap as a median average	
		Proportion of males receiving a bonus payment	
		Proportion of females receiving a bonus payment	
		Proportion of males in each quartile pay band: <ul style="list-style-type: none"> <li>Lower</li> <li>Lower middle</li> <li>Upper middle</li> <li>Upper</li> </ul>	
		Proportion of females in each quartile pay band: <ul style="list-style-type: none"> <li>Lower</li> <li>Lower middle</li> <li>Upper middle</li> <li>Upper</li> </ul>	
2. UK voluntary pay gap for the total of all National Grid UK legal entities.			

### Inherent limitations

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, evaluation and measurement techniques that can affect comparability between entities and over time.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

### Responsibilities of National Grid’s directors

The Directors of National Grid are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter within the confines of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and Acas Managing Gender Pay Reporting Guide 2017 against which the performance in relation to the information set and applying these consistently;
- ensuring that those criteria are relevant and appropriate to National Grid and the intended users of the Report;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Reporting Criteria; and
- producing the Report, including underlying information and a statement of Directors’ responsibility, which provides accurate, balanced reflection of National Grid’s performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the Report.

<sup>1</sup> 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 Subject Matter Information or Reporting Criteria when presented on National Grid’s website.

<sup>2</sup> Reported metrics are percentages. A benchmark materiality of 5% has been applied to both the number of employees and the payment values used in the pay gap calculations.

## ***Our responsibilities***

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We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter 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.

## ***Professional standards applied***

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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.

## ***Our independence and quality control***

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We have complied with the Institute of Chartered Accountants in England and Wales 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, that are at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards).

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.

## ***Summary of work performed as the basis for our assurance conclusion***

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In carrying out our limited assurance engagement we:

- considered the suitability in the circumstances of National Grid's use of the Reporting Criteria, as the basis for preparing the Subject Matter Information;
- through inquiries with National Grid's management, obtained an understanding of National Grid's control environment, processes and systems relevant to the preparation of the Subject Matter Information;
- evaluated whether National Grid's methods for developing estimates are appropriate and had been consistently applied within the confines of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and Acas Managing Gender Pay Reporting Guide 2017;
- performed limited substantive testing on a selective basis of the Subject Matter Information in relation to National Grid UK's eight legal entities in scope for UK Statutory Reporting (i.e., have 250 or more employees) to check that underlying information had been appropriately evaluated or measured, recorded, collated and reported;
- performed testing over the completeness of employee listings and payroll elements used in the pay gap calculations to check that underlying information is complete;
- considered the disclosure and presentation of the Subject Matter Information; and
- reviewed the National Grid Gender Pay Gap Report 2022 for consistency with our understanding of the business and the work completed in respect of the Selected Information.

Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities, testing the data on which the estimates are based or separately developing our own estimates against which to evaluate National Grid's estimates.

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.

## ***Other information***

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The other information comprises all of the information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other information. As explained above, our assurance conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

## ***Use and distribution of our report***

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This report, including our conclusion, has been prepared solely for the Board of Directors of National Grid in accordance with the agreement between us dated 17 November 2022 (the "agreement"). Our report must not be made available to any other party save as set out in the agreement. To the fullest extent permitted by law, we do not accept or assume responsibility or liability 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**  
**16 May 2023**

**Appendix 1 - Data subject to assurance for the 12-month reporting period ending as at 5 April 2022**

<b>National Grid: UK-wide total Gender Pay Gap and Bonus Gap data</b>	
<b>KPI</b>	<b>Value</b>
Average gender pay gap as a mean average (%)	<b>1.9%</b>
Average gender pay gap as a median average (%)	<b>2.9%</b>
Average gender bonus gap as a mean average (%)	<b>-5.7%</b>
Average gender bonus gap as a median average (%)	<b>-0.9%</b>
Proportion of males receiving a bonus payment	<b>44.3%</b>
Proportion of females receiving a bonus payment	<b>56.2%</b>
Proportion of males in each quartile pay band:	
• Lower	<b>71.3%</b>
• Lower middle	<b>83.2%</b>
• Upper middle	<b>77.8%</b>
• Upper	<b>79.7%</b>
Proportion of females in each quartile pay band:	
• Lower	<b>28.8%</b>
• Lower middle	<b>16.8%</b>
• Upper middle	<b>22.2%</b>
• Upper	<b>20.3%</b>

<b>National Grid Electricity Transmission Gender Pay Gap and Bonus Gap data</b>	
<b>KPI</b>	<b>Value</b>
Average gender pay gap as a mean average (%)	<b>-2.9%</b>
Average gender pay gap as a median average (%)	<b>9.9%</b>
Average gender bonus gap as a mean average (%)	<b>-206.2%</b>
Average gender bonus gap as a median average (%)	<b>10.9%</b>
Proportion of males receiving a bonus payment	<b>98.9%</b>
Proportion of females receiving a bonus payment	<b>97.0%</b>
Proportion of males in each quartile pay band:	
• Lower	<b>87.9%</b>
• Lower middle	<b>79.5%</b>
• Upper middle	<b>88.6%</b>
• Upper	<b>93.2%</b>
Proportion of females in each quartile pay band:	
• Lower	<b>12.1%</b>
• Lower middle	<b>20.5%</b>
• Upper middle	<b>11.4%</b>
• Upper	<b>6.8%</b>

<b>National Grid Gas plc Gender Pay Gap and Bonus Gap data</b>	
<b>KPI</b>	<b>Value</b>
Average gender pay gap as a mean average (%)	<b>4.3%</b>
Average gender pay gap as a median average (%)	<b>0.5%</b>
Average gender bonus gap as a mean average (%)	<b>44.1%</b>
Average gender bonus gap as a median average (%)	<b>8.7%</b>
Proportion of males receiving a bonus payment	<b>84.4%</b>
Proportion of females receiving a bonus payment	<b>87.4%</b>
Proportion of males in each quartile pay band:	
• Lower	<b>71.5%</b>
• Lower middle	<b>84.9%</b>
• Upper middle	<b>76.7%</b>
• Upper	<b>80.0%</b>
Proportion of females in each quartile pay band:	
• Lower	<b>28.5%</b>
• Lower middle	<b>15.1%</b>
• Upper middle	<b>23.3%</b>
• Upper	<b>20.0%</b>

<b>National Grid UK Ltd Gender Pay Gap and Bonus Gap data</b>	
<b>KPI</b>	<b>Value</b>
Average gender pay gap as a mean average (%)	<b>-1.5%</b>
Average gender pay gap as a median average (%)	<b>1.1%</b>
Average gender bonus gap as a mean average (%)	<b>-16.9%</b>
Average gender bonus gap as a median average (%)	<b>-0.9%</b>
Proportion of males receiving a bonus payment	<b>88.8%</b>
Proportion of females receiving a bonus payment	<b>89.5%</b>
Proportion of males in each quartile pay band:	
• Lower	<b>70.7%</b>
• Lower middle	<b>71.5%</b>
• Upper middle	<b>71.2%</b>
• Upper	<b>73.0%</b>
Proportion of females in each quartile pay band:	
• Lower	<b>29.3%</b>
• Lower middle	<b>28.5%</b>
• Upper middle	<b>28.8%</b>
• Upper	<b>27.0%</b>

**Appendix 1 - Data subject to assurance for the 12-month reporting period ending and as at 5 April 2022**

<b>National Grid Electricity System Operator Ltd Gender Pay Gap and Bonus Gap data</b>	
<b>KPI</b>	<b>Value</b>
Average gender pay gap as a mean average (%)	<b>12.3%</b>
Average gender pay gap as a median average (%)	<b>12.5%</b>
Average gender bonus gap as a mean average (%)	<b>10.4%</b>
Average gender bonus gap as a median average (%)	<b>14.0%</b>
Proportion of males receiving a bonus payment	<b>84.5%</b>
Proportion of females receiving a bonus payment	<b>78.7%</b>
Proportion of males in each quartile pay band:	
• Lower	<b>56.4%</b>
• Lower middle	<b>63.4%</b>
• Upper middle	<b>64.0%</b>
• Upper	<b>82.7%</b>
Proportion of females in each quartile pay band:	
• Lower	<b>43.6%</b>
• Lower middle	<b>36.6%</b>
• Upper middle	<b>36.0%</b>
• Upper	<b>17.3%</b>

<b>National Grid Electricity Distribution West Midlands Gender Pay Gap and Bonus Gap data</b>	
<b>KPI</b>	<b>Value</b>
Average gender pay gap as a mean average (%)	<b>4.5%</b>
Average gender pay gap as a median average (%)	<b>5.5%</b>
Average gender bonus gap as a mean average (%)	<b>34.8%</b>
Average gender bonus gap as a median average (%)	<b>-15.0%</b>
Proportion of males receiving a bonus payment	<b>6.1%</b>
Proportion of females receiving a bonus payment	<b>3.4%</b>
Proportion of males in each quartile pay band:	
• Lower	<b>77.4%</b>
• Lower middle	<b>89.2%</b>
• Upper middle	<b>91.2%</b>
• Upper	<b>85.7%</b>
Proportion of females in each quartile pay band:	
• Lower	<b>22.6%</b>
• Lower middle	<b>10.8%</b>
• Upper middle	<b>8.8%</b>
• Upper	<b>14.3%</b>

<b>National Grid Electricity Distribution East Midlands Gender Pay Gap and Bonus Gap data</b>	
<b>KPI</b>	<b>Value</b>
Average gender pay gap as a mean average (%)	<b>8.0%</b>
Average gender pay gap as a median average (%)	<b>7.7%</b>
Average gender bonus gap as a mean average (%)	<b>45.8%</b>
Average gender bonus gap as a median average (%)	<b>44.4%</b>
Proportion of males receiving a bonus payment	<b>4.4%</b>
Proportion of females receiving a bonus payment	<b>5.0%</b>
Proportion of males in each quartile pay band:	
• Lower	<b>73.7%</b>
• Lower middle	<b>78.3%</b>
• Upper middle	<b>83.4%</b>
• Upper	<b>84.6%</b>
Proportion of females in each quartile pay band:	
• Lower	<b>26.3%</b>
• Lower middle	<b>21.7%</b>
• Upper middle	<b>16.6%</b>
• Upper	<b>15.4%</b>

<b>National Grid Electricity Distribution South Wales Gender Pay Gap and Bonus Gap data</b>	
<b>KPI</b>	<b>Value</b>
Average gender pay gap as a mean average (%)	<b>12.2%</b>
Average gender pay gap as a median average (%)	<b>12.0%</b>
Average gender bonus gap as a mean average (%)	<b>32.8%</b>
Average gender bonus gap as a median average (%)	<b>26.1%</b>
Proportion of males receiving a bonus payment	<b>4.4%</b>
Proportion of females receiving a bonus payment	<b>4.8%</b>
Proportion of males in each quartile pay band:	
• Lower	<b>79.5%</b>
• Lower middle	<b>82.2%</b>
• Upper middle	<b>92.8%</b>
• Upper	<b>92.0%</b>
Proportion of females in each quartile pay band:	
• Lower	<b>20.5%</b>
• Lower middle	<b>17.8%</b>
• Upper middle	<b>7.2%</b>
• Upper	<b>8.0%</b>

**Appendix 1 - Data subject to assurance for the 12-month reporting period ending and as at 5 April 2022**

<b>National Grid Electricity Distribution South West Gender Pay Gap and Bonus Gap data</b>	
<b>KPI</b>	<b>Value</b>
Average gender pay gap as a mean average (%)	<b>11.2%</b>
Average gender pay gap as a median average (%)	<b>11.9%</b>
Average gender bonus gap as a mean average (%)	<b>31.6%</b>
Average gender bonus gap as a median average (%)	<b>11.1%</b>
Proportion of males receiving a bonus payment	<b>5.9%</b>
Proportion of females receiving a bonus payment	<b>6.5%</b>
Proportion of males in each quartile pay band:	
• Lower	<b>72.0%</b>
• Lower middle	<b>74.5%</b>
• Upper middle	<b>91.3%</b>
• Upper	<b>88.5%</b>
Proportion of females in each quartile pay band:	
• Lower	<b>28.0%</b>
• Lower middle	<b>25.5%</b>
• Upper middle	<b>8.7%</b>
• Upper	<b>11.5%</b>