

Gender pay gap report 2023







In National Gas we are all united behind an important purpose: **to lead a clean energy future for everyone.**

Our purpose reflects a critical role at the heart of the net zero transition, and we challenge our people to be the energy behind the change that's needed.

Creating that energy means we wholeheartedly embrace and encourage diversity in our workforce. That's because diversity of gender, thought and experience will play a major part in helping us to overcome complex challenges and deliver success.

A big part of this is our commitment to improving female representation at all levels – not only to create a more equal and diverse organisation, but to be truly representative of the communities we live and work in across the length and breadth of our network.

Gender pay gap reporting is just one of the ways we show our commitment to taking action on greater representation.

This year, we're pleased that at 5.5% our mean pay gap continues to be lower than the UK average of 14.9% as reported by the Office for National Statistics for 2022. We're also pleased that our median pay gap decreased from 0.5% to -0.2% in 2023 compared to the previous year.

We recognise, though, that there's more to do – both in terms of closing the pay gap further and attracting women into a traditionally male dominated energy industry.

To help us, our toolkit includes a comprehensive employee value proposition, showcasing the opportunities and benefits of working for a business that's at the heart of helping the UK meet its net zero ambitions. Other initiatives to help us shift the balance include a business-wide Diversity, Equality and Inclusion (DEI) plan, with input from members of our Belonging Forum; innovative partnerships; and refining and improving recruitment and promotion processes.

Reporting on the gender pay gap will help fuel our work to improve representation so that our business is not only somewhere with a great purpose, but one that is committed to building careers that offer competitive pay in a supportive and nurturing environment.



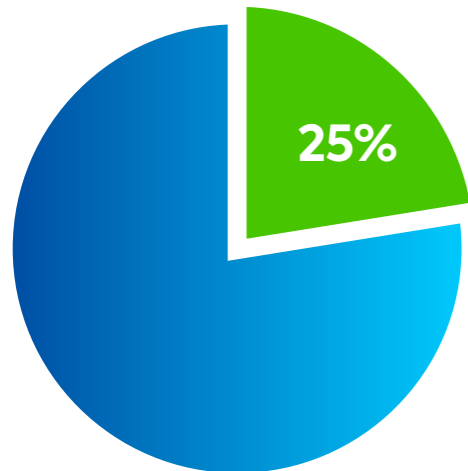
Sarah Stanton

Sarah Stanton
Chief People Officer

Workforce and gender mix

Employing 1,679 people

National Gas employed 1,679 people in April 2023. This comprised **1,498** colleagues working in National Gas Transmission and **181** colleagues in National Gas Metering.



The gender split of the whole organisation showed that **73.1% of colleagues were males** and **26.8% of colleagues were females**, with 0.1% preferring not to state their gender.

Traditionally, there has always been more men than women in the UK energy industry and this is mirrored in our gender make up, too, with a female workforce of around **25% of our total number**.



We are pleased that **our gender pay gap continues to be lower than the UK average of 14.9%** as reported by the Office for National Statistics for 2022.

Pay gap methodology

Numbers of people in scope	National Gas Transmission
Hourly paid pay gap	1,203
Bonus pay gap	1,410

All data and information was compiled using standard methodologies set out in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, and with reference to the ACAS guidelines where appropriate.

The information provided is based on a 'snapshot' date of 5 April 2023, with the 'pay period' described as 1 to 30 April 2023. The number of colleagues included in this data is lower than the total number of employees working at National Gas. This is because reporting regulations require a number of individuals to be deselected from the data.

This includes the requirement to exclude anyone who:

- started after the start of the pay period (1 to 30 April 2023);
- left before the end of the pay period;
- had any absence that affected their pay (e.g. sick pay or maternity); and
- received any other payment that made their pay period payment irregular.



Mean and median

The regulations require the mean (average) and median (middle) figures to be reported for both hourly pay and bonus.

The mean difference is the difference in average hourly pay, adding all pay rates together and dividing by the total number of people.

The median difference is the difference in hourly pay between the middle paid male employee and middle paid woman employee (the individuals at the mid-point if you were to line all employees up from the highest paid to the lowest paid).

It is important to remember that gender pay gap information is different to equal pay situations. At National Gas, we have two ways of determining pay, depending on the role:

1. Staff pay is allocated according to one of two job family pay ranges, at the level that the role has been evaluated. These pay ranges are part of our collective bargaining process with recognised trades unions.
2. National Gas also operates a rigorous process to determine pay for managers and leaders. For these people, a range of pay is determined from a benchmarked market reference point (MRP), with the use of a job evaluation methodology.

Gender pay gap report 2023

Gender pay gap data and analysis

Our mean gender pay gap has increased from 4.3% to 5.5%, and our median gender pay gap has decreased to -0.2%.

As the proportion of females in our organisation is around 25%, the figures in each quartile are not dissimilar to the gender make up of the whole organisation.

It should be noted that there is a slightly higher proportion of females in the lower quartile and a lower proportion of females in the upper quartile.

Proportion of male and female employees by quartile

Overall proportion of male and female employees

		Hourly pay
2022	Mean	4.3%
	Median	0.5%
2023	Mean	5.5%
	Median	-0.2%

Gender bonus gap data and analysis

The mean bonus (incentive) pay gap reduced by more than 10 percentage points from 44.1% in 2022 to 31.9% in 2023.

This is the 'standard average' of bonus payments to men and bonus payments to females. One reason our bonus gap remains high is due to the difference in bonus proportions (quantum) by seniority of role.

In addition, the bonus gap includes long-term incentive payments, which only apply to employees at senior levels where there are proportionally more males than females. The number of individuals receiving bonus payments, deemed 'relevant employees' by the regulations, is 1,410 – meaning 1,066 males and 344 females were paid a bonus.

Proportion of male and female employees receiving bonus pay

		Incentive pay
2022	Mean	44.1%
	Median	8.7%
2023	Mean	31.9%
	Median	4.3%



National Gas Transmission
Gallows Hill, Warwick.
CV34 6DA United Kingdom
Registered in England
and Wales No. 2006000

www.nationalgas.com