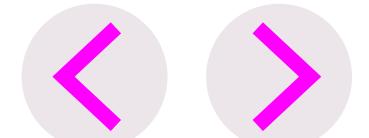




2025 UK Gender and Ethnicity Pay Gap Report

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Foreword



People are at the centre of everything we do here at National Energy System Operator (NESO), and we place a strong emphasis on the breadth of our skills and people. We are committed to being inclusive and nurturing talent from all backgrounds, creating a deep sense of belonging across the organisation. Progressing our diversity, equality, inclusion and belonging commitments and improving representation will lead us towards a sustainable future.

We have now completed our first year as NESO, a period marked by significant change and transformation. Our organisation continues to expand in response to the evolving needs of our stakeholders. While I acknowledge that further progress is required to address both the gender and ethnicity pay gaps, I am nonetheless proud of the collective accomplishments we have made to date in reducing the disparities.

The Executive Committee of NESO have reviewed the gender and ethnicity pay gaps for the reporting period ending 31 March 2025 and I can confirm that the information and data presented are accurate and in line with the mandatory reporting requirements.



A handwritten signature in black ink that reads "Fintan Slye".

Fintan Slye
Chief Executive Officer
National Energy System Operator



Executive Summary

NESO is required by the UK Equality Act 2010 (Gender Pay Gap Information Regulations 2017) to publish statutory calculations every year showing how large our pay gap is between our male and female employees. The mean gender pay gap is the difference in the average hourly pay for all women compared to all men. The median identifies the middle point of a population. The median pay gap is the gap between the hourly pay rate for a woman at the mid-point, compared to the pay rate of a man at the mid-point.

NESO has decided to voluntarily disclose the ethnicity pay gap alongside the legal requirement of the gender pay gap.

The mean pay for men is 4.0% higher than that of women and the median pay for men is 4.8% higher than that of women.

The mean pay for non-ethnic background colleagues is 7.2% higher than that of ethnic background colleagues. The median pay for non-ethnic background colleagues is 4.5% higher than that of ethnic background colleagues.

This represents the gender and ethnicity pay gap as of 31 March 2025.



What Are the Gender and Ethnicity Pay Gaps?

The gender pay gap is a measure that shows the difference in average earnings between women and men. The ethnicity pay gap uses the same measures as the gender pay gap, however it is looking at the difference of average earnings between non ethnic and ethnic employees. This report uses the payroll snapshot for the reporting period ended 31 March 2025.

The mean is calculated by adding up the relevant pay/bonus and dividing that figure by the number of employees.

The median is the number that falls in the middle of a range when everyone's relevant pay/bonus is lined up from smallest to largest and can be more representative when there is a large variation.

Pay gap measures

Mean gender pay gap

Difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

Median gender pay gap

Difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

Quartile pay bands

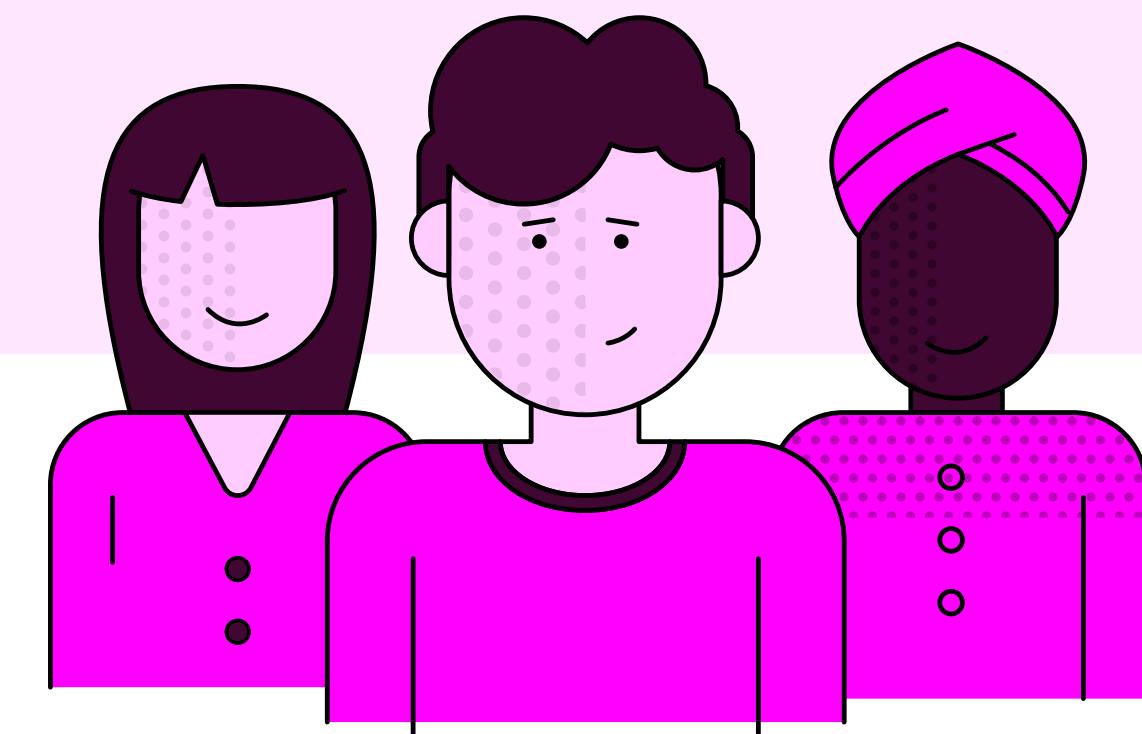
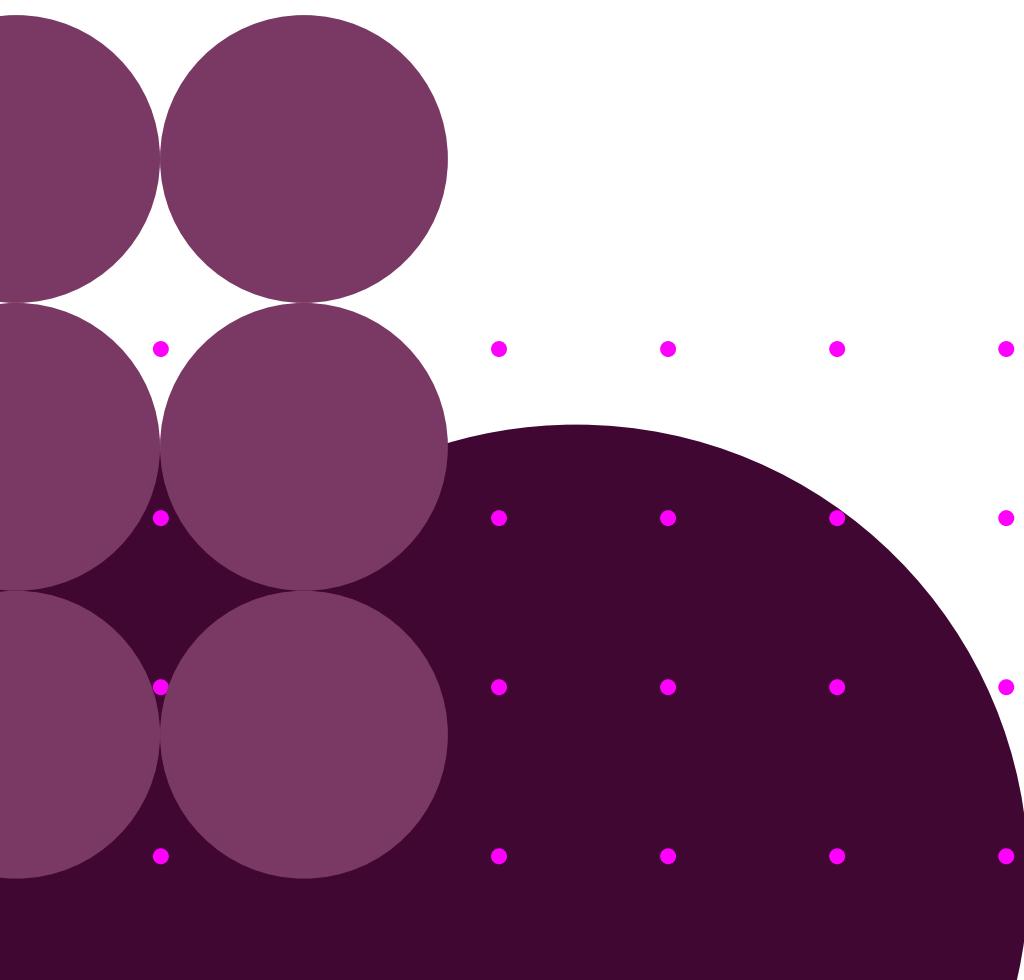
The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

Mean bonus gap

Difference between the mean bonus pay of male relevant employees and that of female relevant employees.

Median bonus gap

Difference between the median bonus pay of male relevant employees and that of female relevant employees. Bonus proportions. The proportions of male and female relevant employees who were paid bonus pay during the period.



Our Gender and Ethnicity Pay Gaps

2025 gender pay gap figures

Mean: Median:

4.0% **4.8%**

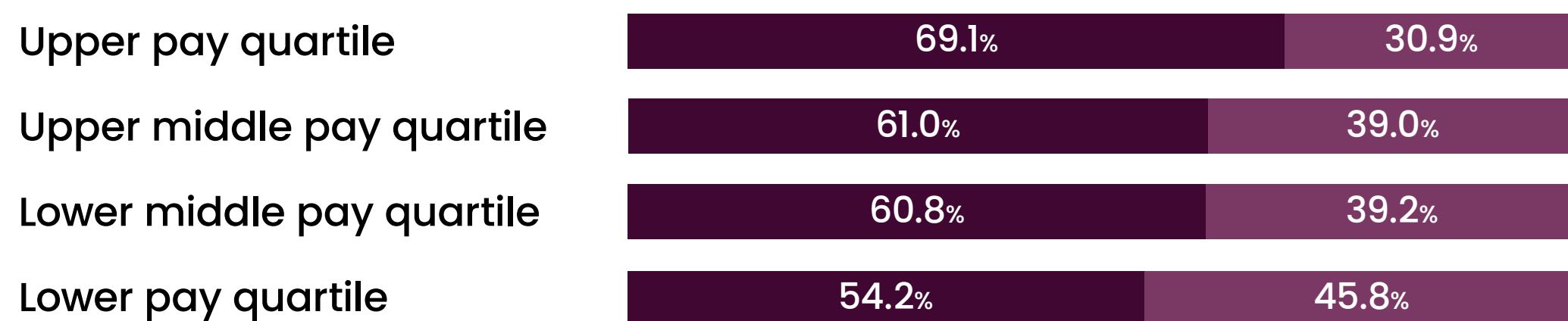
gender pay gap gender pay gap

Mean: Median:

1.6% **12.0%**

gender bonus gap gender bonus gap

Proportion of employees in each quartile pay band



Key: ■ Men ■ Women

2025 ethnicity pay gap figures

Mean: Median:

7.2% **4.5%**

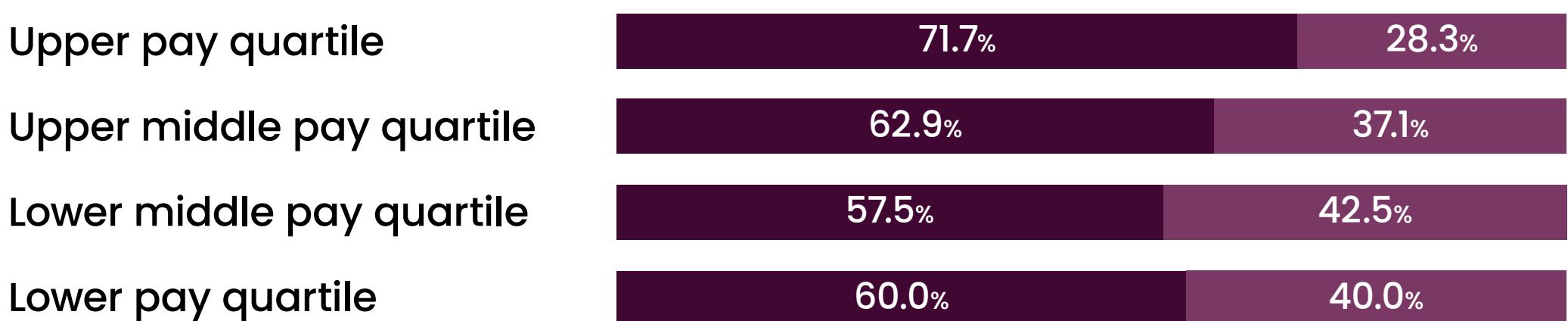
ethnicity pay gap ethnicity pay gap

Mean: Median:

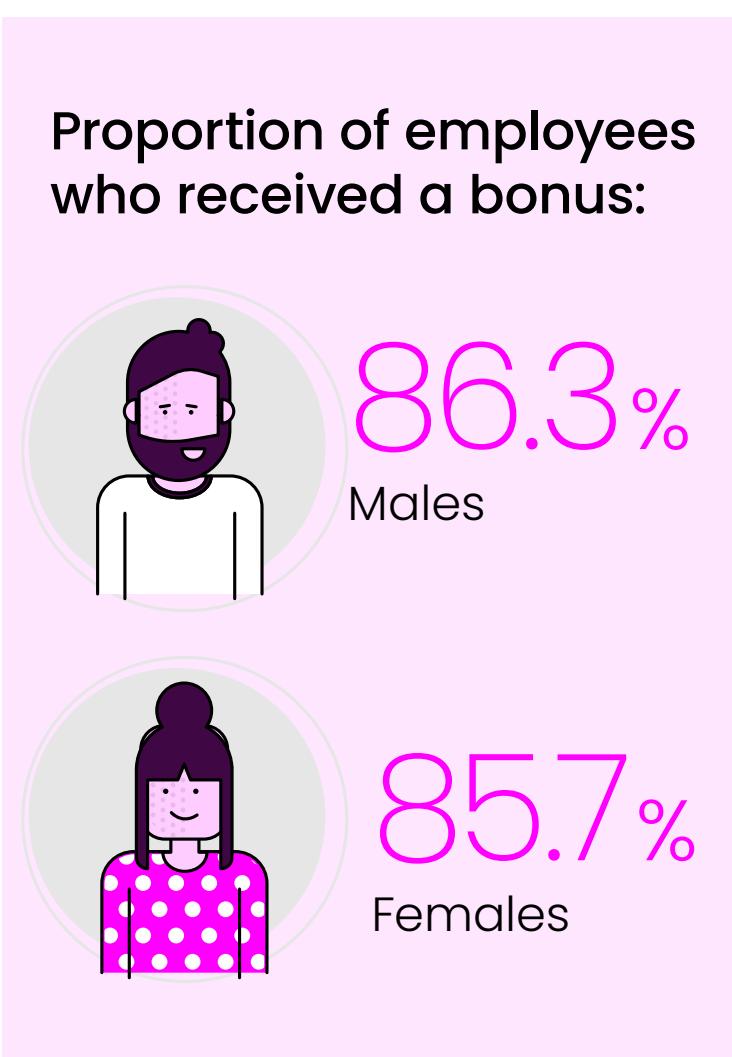
33.4% **5.5%**

ethnicity bonus gap ethnicity bonus gap

Proportion of employees in each quartile pay band



Key: ■ Non-ethnic background ■ Ethnic background



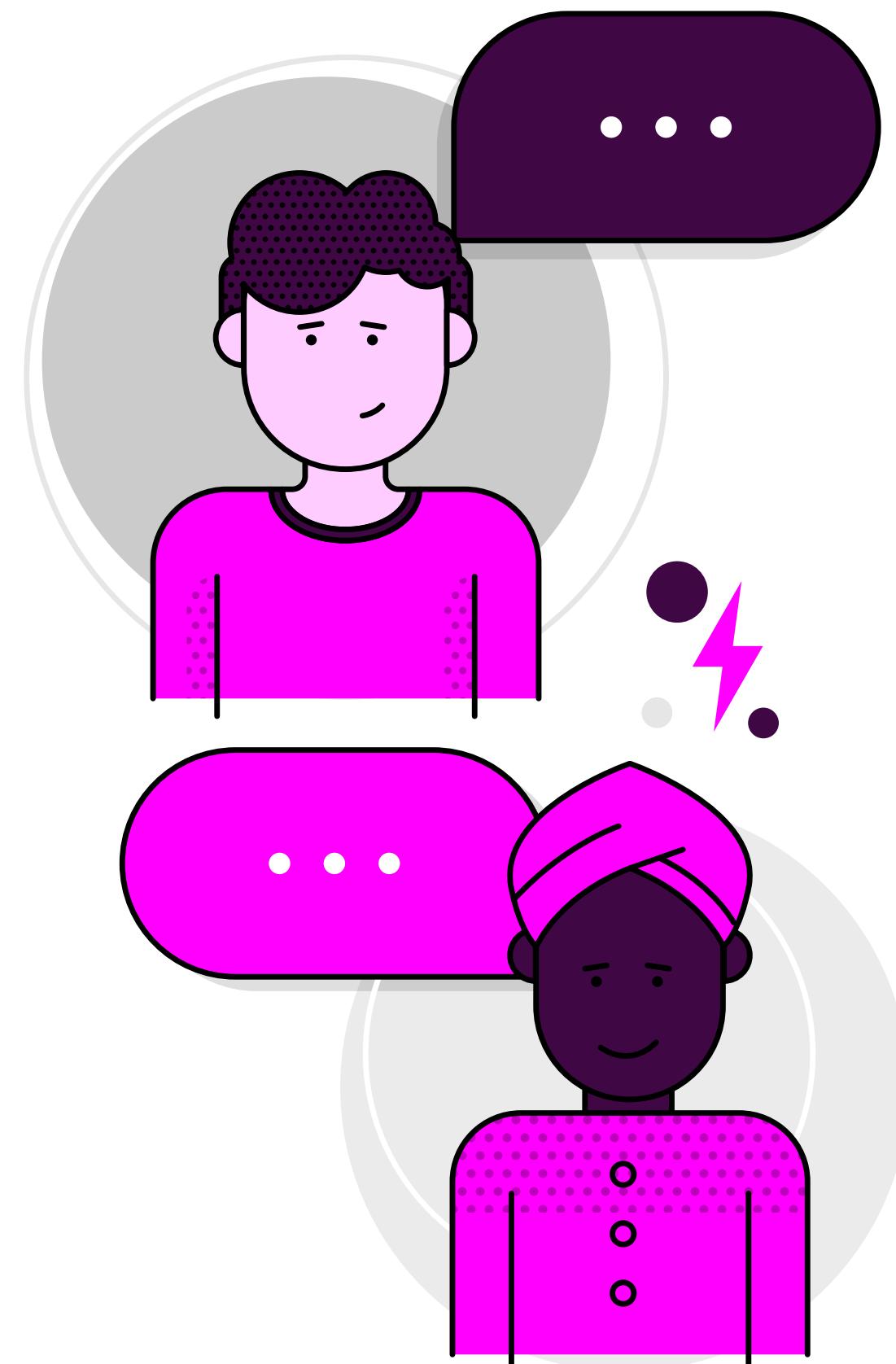
Commentary

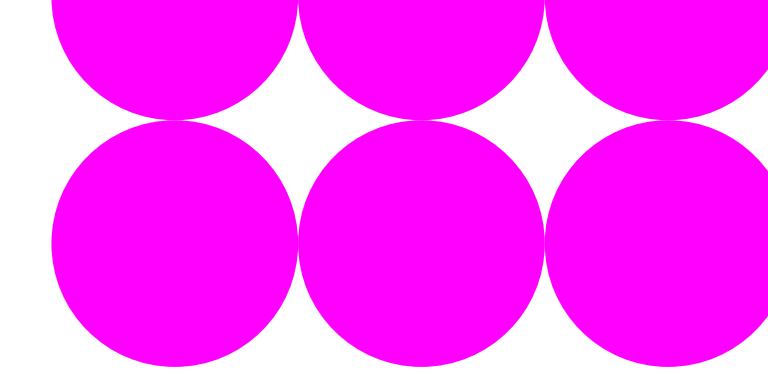
The data indicates that men are more highly paid than women at the reporting snapshot date. It is encouraging to see a reduction in both the mean and median hourly pay gaps compared to last year. NESO has undergone significant transformation, so we anticipate that these figures may continue to change as the organisation develops. Notably, the proportion of women in the top pay quartile has risen since the previous year.

The top pay quartile features many specialist engineering positions, an area historically dominated by men. While the pay gap has reduced, NESO remains committed to advancing inclusion, and we are proud of the progress made during our first year. This commitment is reflected in our achievements and the positive experiences shared by female colleagues regarding their career development, which we outline in our "achievements" section. We continue to make meaningful strides towards increasing female representation within these roles.

It is also encouraging to note that amongst the Executive Leadership Team, female representation exceeds just over half - 8 out of a total of 15 roles.

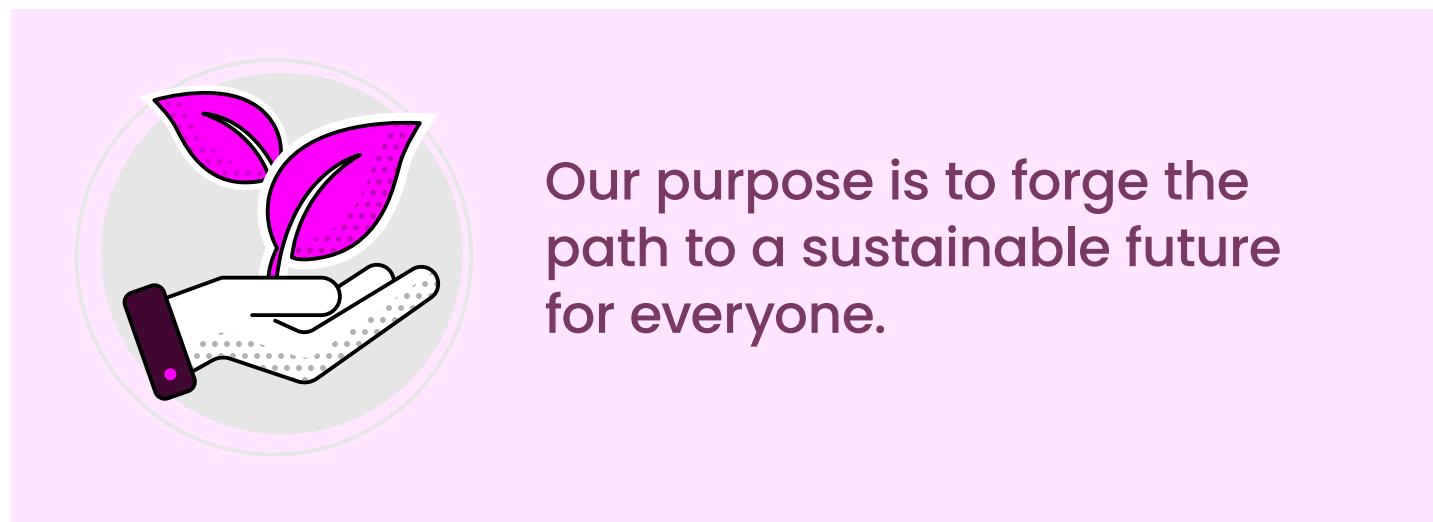
The ethnicity pay gap data indicates that more colleagues from non-ethnic backgrounds are highly paid compared to colleagues from ethnic backgrounds. This area is making some progress and there is ongoing work to make improvements and ensure fairness. It is important to note that not all colleagues have disclosed their ethnicity, and NESO has made improvements in collecting data around protected characteristics with our safe to share campaign, which encourages our colleagues to record their protected characteristics, and we will continue to make further improvements for the future.



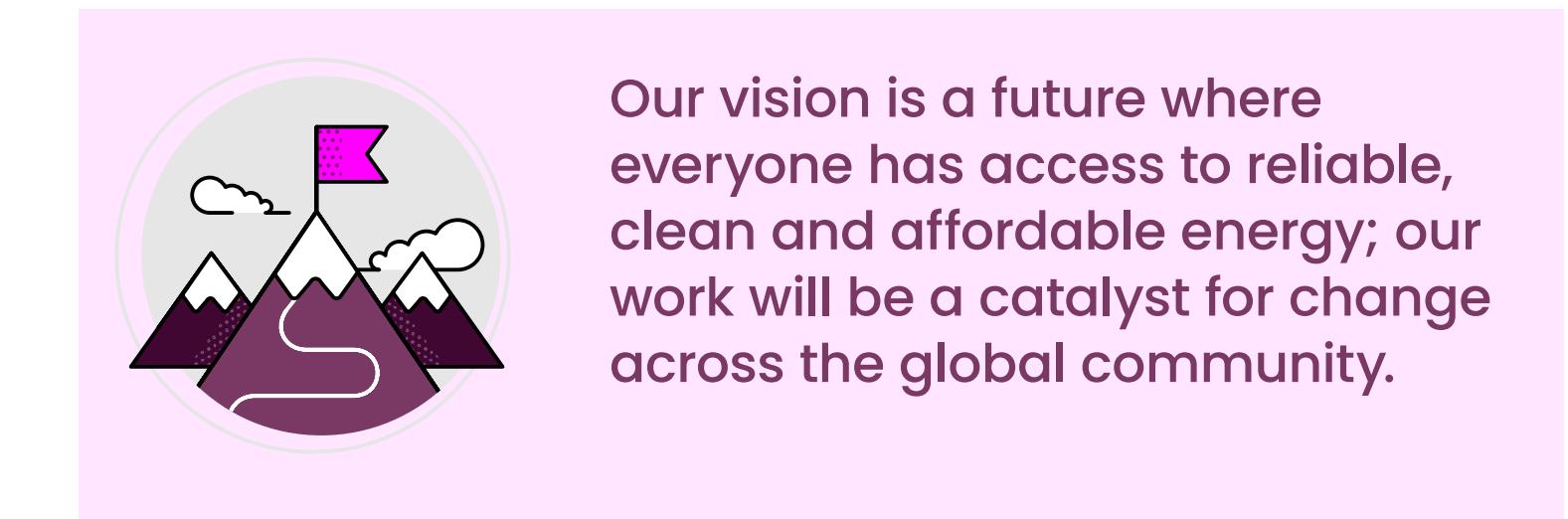


Achievements

At NESO we are proud of what we have achieved in our first year of becoming a new organisation, and we recognise we have more to do when it comes to reducing pay gaps. Our purpose, vision and values are important to highlight, as this will aid NESO for success in reducing the gaps.



Our purpose is to forge the path to a sustainable future for everyone.



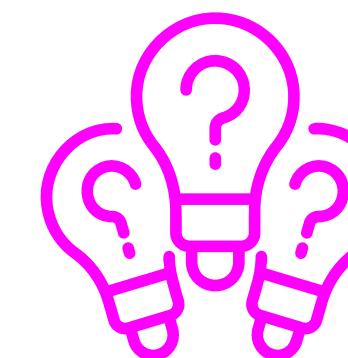
Our vision is a future where everyone has access to reliable, clean and affordable energy; our work will be a catalyst for change across the global community.

Our values are what define us, setting the foundation for our purpose and guiding us as we move towards achieving our vision.



Accelerate Progress

We deliver better outcomes at pace when we take accountability, are courageous and progress the bigger picture.



Be Curious

We achieve more when we demonstrate a growth mindset, being curious, asking questions beyond and within our organisation to develop, learn and innovate.



Build Trust

We build trust when we listen to and understand the needs of our colleagues and customers, are transparent with our actions and deliver on our commitments.



Create Belonging

We perform at our best when we can be our true selves, embrace diversity and are truly inclusive.

Our initiatives in narrowing the gender and ethnicity pay gaps include:

EmpowerU Programme: This initiative supports newly appointed and promoted managers, equipping them with essential leadership skills and fostering both professional and personal development.

Public Sector Equality Duty Integration ('PSED'):

By embedding the public sector equality duty, NESO is advancing an inclusive culture and ensuring fairness in recruitment and talent development. We have a broader duty to make sure PSED is incorporated into our decision making – for example, this could be delivery of a new project, policy or services to the Great Britain (GB) energy market. We have a published equality commitment: "As NESO, the work we do spans the whole energy system and has a profound impact on British society. We are committed to building trust, promoting fairness and tackling inequality across the energy industry. We aim to do this by putting a consideration of the diverse needs of people affected by our activities at the heart of the GB and global energy dialogue."

Our **Early Careers team** has developed a comprehensive recruitment campaign, utilising both digital and in-person approaches. This initiative involves collaboration with specialists in early careers recruitment and active participation in university and college careers fairs.

Our Employee Resource Groups (ERGs) have played a key role in promoting inclusion and advancing cultural change, contributing to our efforts to reduce pay gaps. Their achievements include:

Intersectional Collaboration: ERGs have co-hosted events that bring together diverse communities, amplifying shared experiences and promoting allyship across the organisation.

Strategic Planning: Each ERG has developed a three-year strategy, aligned with NESO's purpose and values, focusing on representation, progression, and belonging.

Recognition and Accreditation: ERG leads are now part of external development programmes, gaining industry-recognised accreditation and contributing to NESO's reputation as an inclusive employer.

Safe to Say Campaign: In partnership with the Diversity, Equity, Inclusion and Belonging (DEIB) team, ERGs have championed psychological safety, creating spaces where colleagues feel empowered to speak up and share lived experiences.

Governance and Maturity: ERGs are transitioning towards self-sufficiency, supported by tailored guidance on governance, budgeting, and engagement.

External Partnerships: NESO's ERGs have led on external partnerships with Women Utilities Network and Men for Inclusion driving gender equality across the organisation.

Case Studies

NESO's commitment in reducing the gender and ethnicity pay gaps can be seen through the career journey of some of our colleagues and demonstrates how NESO is striving to be an inclusive employer.

Claire Dykta, Director of Strategy and Policy, started her career with the organisation in 2002. Over the past 20 years, she has worked in a diverse range of regulatory, commercial and operational roles in the UK and Europe across gas and electricity. She has been at the sharp end of changes in the UK energy sector, including being responsible for optimising the power grid for the first UK coal-free day.

"I joined the organisation on a 12 month placement whilst studying for my degree and, after progressing through the Graduate Scheme, worked my way up the organisation taking on a variety of different roles.

Over the years, the energy sector has become almost unrecognisable compared to when I started. For a large part of my career it was not unusual to be the only female in the room. In external engagements a female would often be dismissed, ignored or undermined – even if you were the most senior person in the room. Now however it is noteworthy when you are the only female in the room because it happens so infrequently.

As I progressed through my career I had two strong, inspirational female role models that I looked up to. Now I look around and see them all around me, whether that is our female Power System Managers that are accountable for the second by second balancing of the Grid or a colleague who balances being responsible for collecting billions of pounds of revenue with volunteering at a charity outside of work.

I'm extremely proud to be part of the NESO Executive Leadership Team, where female representation exceeds just over half – 8 out of a total of 15 roles. We fundamentally believe that everyone should feel that they belong. The commitment of NESO to living our values is what makes NESO a great place to work."



Claire Dykta
Director of Strategy & Policy,
Executive Sponsor of Women in
NESO Employee Resource group

Urmi Mistry, Whole Energy Industry Readiness Manager, joined the organisation in 2012 on the graduate scheme and over the years has held a variety of roles, from ancillary service assessment, regulation, industry codes to early competition in the transmission network. Her first leadership role was as Regulatory Business Planning Manager where she delivered the first ever two-year business plan. She then moved to her current role in Resilience & Emergency Management looking at whole energy industry readiness and has been in this role for nearly two years.

"My career in the company has been varied and I have been lucky to experience many parts of the business. Early in my career, I was often the only woman, and frequently the only woman from an ethnic minority background present in meetings. Being unable to see 'anyone who looked like me' in leadership roles was a challenge and at times I questioned my progression within the business. However, over the years I have seen our company become increasingly more diverse in terms of both gender and ethnicity.

During my career, I have had a number of mentors, allies and sponsors who have all directly contributed to my career journey. I have also been actively involved in our employee resource group and in NESO I am now Co-Chair of the RISE employee resource group, which support colleagues from ethnic backgrounds, for over 10 years. Here I have witnessed the direct benefits groups like this can have in an organisation. As part of this group, I had the opportunity to attend the Diverse Leaders Programme which gave me the confidence and leadership skills to progress in my career.

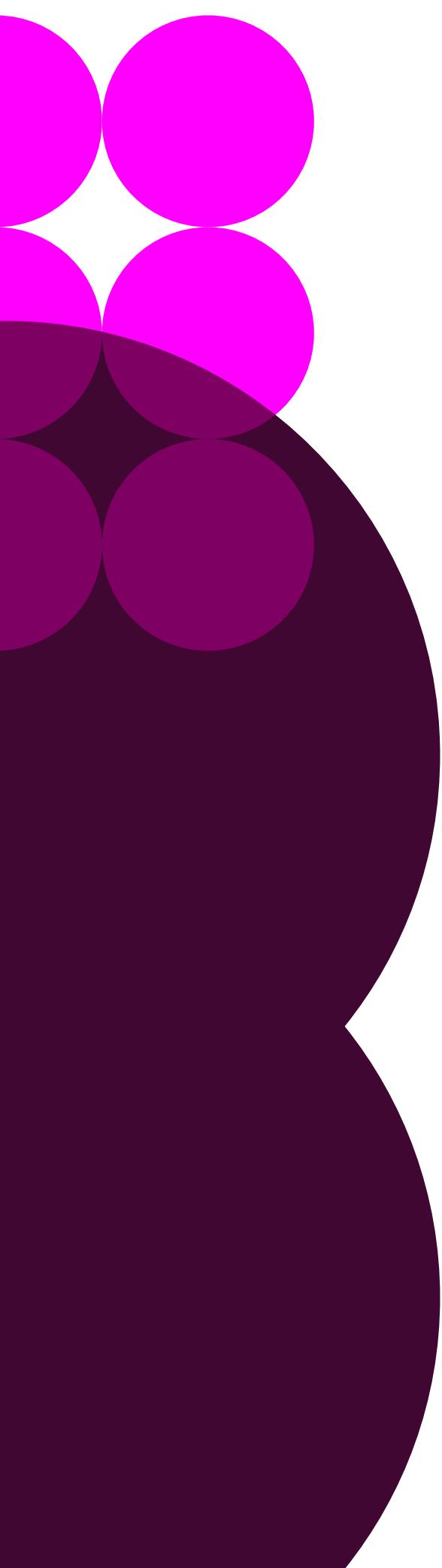
I also have worked directly with our DEIB and Executive team to help shape our DEIB policy, to support and represent ethnic colleagues and drive equality and equity throughout our business.

My proudest moment is when we held an open forum with colleagues throughout the business during the riots that occurred last summer. We were able to create a safe space for colleagues to share, listen and understand the impacts on those from ethnic backgrounds. This was fully supported by our Executive team whose active collaboration on the call exemplified genuine allyship and a commitment to fostering belonging at NESO.

I am honoured to be part of NESO, an organisation recognised for its industry-leading progress in gender diversity. We continue working to advance ethnic talent and I believe we are moving in a constructive and forward-thinking direction. I have had a varied career within this organisation and believe our values and our leadership make NESO an organisation that is striving to be a leader in promoting gender and ethnic diversity within the energy industry."



Urmi Mistry
Whole Energy Industry
Readiness Manager, Co-chair
of RISE Employee Resource
Group for colleagues of all
ethnic backgrounds



Lucy Lees is a Graduate Commercial Analyst who joined as part of the 2024 graduate intake.

"I joined the organisation in 2024 on the graduate scheme after completing an industrial placement year at NESO (ESO) in 2022/23. Having studied Economics at university and STEM-related subjects throughout school, I was often one of only a few female students in the class. This experience has made me more aware of the importance of visible female representation in technical and leadership roles.

During my industrial placement, I was fortunate to work with brilliant managers in the Energy Insights and Analysis Team, including several inspiring female colleagues and leaders. This experience shaped my development and confidence in my early career inspiring me to aim for leadership roles myself. Having that representation truly makes a real difference to how supported and motivated I feel at work. It is refreshing to join a company which champions diversity and inclusion as part of its core values, not just a 'tick-box' exercise.

During my graduate scheme, I have had the opportunity to attend a number of industry events that focus on women's progression and representation in the energy sector, such as WUN (Women's Utilities Network) events and Women in NESO (WiN) speed mentoring sessions. These experiences have provided me broader insights into the energy sector, access to role models for career advice, and connected with other women in similar roles.

I am proud to be a part of an organisation that focuses on creating a community who is dedicated to making the workplace accessible for all. Through all our Employee Resource Groups, it's clear that NESO recognises the importance of representation from all backgrounds and takes active steps to improve this.

As I continue my graduate journey, I'm excited to develop my skills, learn from colleagues across the business, and play a part in helping NESO deliver its mission to build a more diverse, inclusive and forward-thinking energy system for the future. I hope to be the representation for future colleagues that I have loved to see."



Lucy Lees
Graduate Commercial Analyst

The Future: Our Focus in Reducing the Gender and Ethnicity Pay Gaps

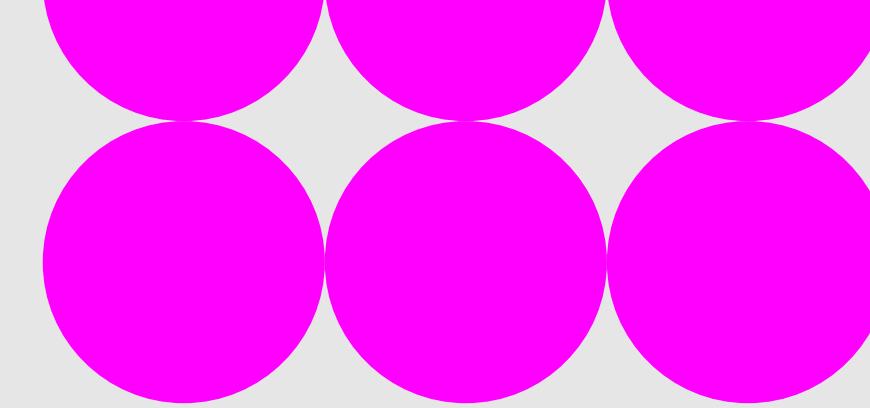
We are committed to creating a culture where everyone can reach their full potential. We believe that inclusion, equity, and opportunity is essential to our success and to the wellbeing of all of our NESO colleagues.

Looking ahead, we will continue to identify and remove barriers that prevent individuals from progressing at NESO, ensuring that everyone has fair access to opportunities to grow, and succeed.

- Our focus will be on strengthening coaching and development across all areas of the organisation and on cultivating excellent leadership at every level. We recognise that excellent leaders play a vital role in creating environments where everyone feels supported to grow, thrive and perform at their best.

Additional areas that NESO will focus on for the future to support in reducing the gender and ethnicity pay gaps include:

- Continue delivering targeted initiatives aimed at addressing barriers to career progression.
- Inclusive recruitment campaigns designed to attract and hire a diverse range of candidates by creating a level playing field and remove barriers.
- Continue to support our early careers talent and look at how barriers can be removed for their success.
- Enhance data quality through campaigns such as “Safe to Share”, enabling a clearer understanding of representation gaps.
- Support the integration of the Public Sector Equality Duty (PSED) and actively contribute to equality impact assessments.
- Promote inclusive talent attraction and retention through increased visibility, impactful storytelling, and ongoing advocacy.
- Expand the DEIB roadmap to facilitate sustained cultural transformation across the organisation.
- Increase representation through targeted interventions and enhanced data transparency.
- Strengthen psychological safety and foster inclusive leadership at all levels.
- Publish centralised DEIB guidance and continuously develop the role of DEIB Champions.



Closing Statement



I am pleased with NESO's progress so far in reducing our gender and ethnicity pay gaps, which reflect our commitment to being an inclusive employer. As this is our first year, we understand there is still work to be done to further reduce these gaps, and figures may also change as we continue to grow and develop. This year, our colleagues have achieved notable successes, such as winning and being nominated at the WUN (Women at Utilities) award, Utility Week and Young Energy Professionals (YEP). I am confident that, together, we will continue to make good progress and I look forward to NESO's future achievements.

Andreia de Melo Cabral
Chief People Officer

