For 2021/22, our total tax contribution globally was £3,719 million (2020/21: £2,839 million), taxes borne were £1,964 million (2020/21: £1,565 million) and taxes collected were £1,755 million (2020/21: £1,274 million). Our taxes borne have increased in the year primarily due to higher income taxes paid. Taxes collected have increased as a result of higher indirect taxes.

Approximately two thirds of the tax borne by the Group continues to be in relation to property taxes, of which £889 million are paid in the US across over 1,100 cities and towns in Massachusetts, New Hampshire, New York, Rhode Island and Vermont. These taxes are the municipalities’ principal source of revenue to fund school districts, police and fire departments, road construction and other local services.

In the UK, we participate in the 100 Group’s Total Tax Contribution Survey. The survey ranks the UK’s biggest listed companies in terms of their contribution to the total UK government’s tax receipts. The most recent results of the survey for 2020/21 ranks National Grid as the 19th highest contributor of UK taxes (2019/20: 19th), the 15th highest in respect of taxes borne (2019/20: 11th) and the 3rd highest in respect of capital expenditure (£1,594 million; 2019/20: £1,663 million) on fixed assets (2019/20: 6th). Our ranking in the survey is proportionate to the size of our business and capitalisation relative to the other contributors to the survey.

However, National Grid’s contribution to the UK and US economies is broader than just the taxes it pays over to and collects on behalf of the tax authorities.

Both in the UK and the US we employ thousands of individuals directly. We also support jobs in the construction industry through our capital expenditure, which in 2021/22 was £6,446 million, as well as supporting a significant number of jobs in our supply chain.

Furthermore, as a utility we provide a core essential service which allows the infrastructure of the country/states we operate in to run smoothly. This enables individuals and businesses to flourish and contribute to the economy and society.

Development of future tax policy
We believe that the continued development of a coherent and transparent tax policy across the Group is critical to help drive growth in the economy.

We continue to engage on consultations with policymakers where the subject matter impacts taxes borne or collected by our business, with the aim of openly contributing to the debate and development of tax legislation for the benefit of all our stakeholders.

To ensure that the needs of our stakeholders are considered in the development of tax policy we are a member of a number of industry groups which participate in the development of future tax policy, such as the Electricity Tax Forum and CBI Employment Taxes Working Group, together with the 100 Group in the UK, which represents the views of Finance Directors of FTSE 100 companies and several other large UK companies. We undertake similar activities in the US, where the Group is an active member in the Edison Electric Institute, the American Gas Association, the Global Business Alliance, the American Clean Power Association, the Energy Storage Association and the Solar Energy Industries Association.

Feedback from these groups, such as the results of the 100 Group Total Tax Contribution Survey, and consideration of third party reporting frameworks like the GRI (Global Reporting Initiative) helps to ensure that we consider the needs of our stakeholders and are engaged at the earliest opportunity on tax issues which affect our business.

Pensions
In 2021/22, defined benefits pensions and other post-retirement benefits operating costs increased to £321 million (2020/21: £302 million) with £66 million related to an increase from the acquisition of WPD in 2021/22.

During the year, our pensions and other post-retirement benefit plans improved from a net surplus position of £715 million at 31 March 2021 to a net surplus of £3,075 million at 31 March 2022. This was principally the result of actuarial gains on plan assets of 0.8 billion (as a result of higher investment returns) and actuarial gains on plan liabilities of £1.6 billion (reflecting higher discount rates from corporate bond yields net of higher expectations for long-term RPI inflation). The acquisition of WPD in June 2021 increased the Group’s net pension surplus by £566 million, but this was offset by the reclassification of National Grid Gas plc’s section of the NGUKPS (£664 million in surplus) at 31 March 2022 to held for sale. Employer contributions during the year were £300 million (2020/21: £274 million), including £84 million (2020/21: £88 million) of deficit contributions. As at 31 March 2022, the total UK and US assets and liabilities and the overall net IAS 19 (revised) accounting surplus (2020/21: surplus) is shown below. Further information can be found in note 25 to the financial statements.

### Net pension and other post-retirement obligations

<table>
<thead>
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<th>UK</th>
<th>US</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Plan assets (£m)</td>
<td>16,865</td>
<td>10,148</td>
<td>27,013</td>
</tr>
<tr>
<td>Plan liabilities (£m)</td>
<td>(14,275)</td>
<td>(9,663)</td>
<td>(23,938)</td>
</tr>
<tr>
<td>Net surplus (£m)</td>
<td>2,590</td>
<td>485</td>
<td>3,075</td>
</tr>
</tbody>
</table>

As at 31 March 2022, we recognised in the statement of financial position pension assets of £3,885 million (UK pensions £2,668 million; US pensions £732 million; and US other £485 million) and pensions liabilities of £3,610 million (UK pensions £378 million; US pensions £248 million; and US other £484 million).

### Dividend

The Board has recommended an increase in the final dividend to 33.76p per ordinary share (£2.0929 per American Depository Share), which will be paid on 17 August 2022 to shareholders on the register of members as at 6 June 2022. If approved, this will bring the full-year dividend to 50.97p per ordinary share, an increase of 3.7% over the 49.16p per ordinary share in respect of the financial year ended 31 March 2021. This is in line with the increase in average UK CPIH inflation for the year ended 31 March 2022 as set out in our dividend policy. Our aim is to grow the annual dividend in line with CPIH, thus maintaining the dividend per share in real terms. The Board will review this policy regularly, taking into account a range of factors including expected business performance and regulatory developments.

At 31 March 2022, National Grid plc had £12 billion of distributable reserves, which is sufficient to cover more than five years of forecast Group dividends. If approved, the final dividend will absorb approximately £1.2 billion of shareholders’ funds. This year’s dividend is covered approximately 1.3x by underlying earnings.

The Directors consider the Group’s capital structure and dividend policy at least twice a year when proposing an interim and final dividend and aim to maintain distributable reserves that provide adequate cover for dividend payments.

### New accounting standards

We did not adopt any new accounting standards in 2021/22. Amendments to certain existing accounting standards were adopted during the year, but these had no material impact on the Group’s results or financial statement disclosures.

### Post balance sheet events

On 6 April 2022, the UK government announced that ESO will become part of an independent system operator public body, following the Future System Operator consultation. On 11 May 2022, Ofgem approved the Group’s request to return £200 million of interconnector revenues subject to the cap and floor regime to consumers ahead of schedule. For further details, see note 36 to the financial statements.