



VERASTAR

GENDER PAY GAP REPORT

2020-2021



MESSAGE FROM LEE HULL, CEO



I am pleased to present Verastar's fifth Gender Pay Report reflecting our gender pay data as at 5 April 2021. At this time the Verastar Group employed 684 colleagues nationwide to deliver services including telecoms and utilities to over 220,000 small business customers.

While we continue to aim for improvements, overall I am satisfied with our **median gender pay result of 7.2% vs the national average of 10.8%**. This is an improvement against our result from the previous year, when our pay gap was 11.5%. The improvement reflects our continued focus on recruiting and rewarding the best people irrespective of gender, ethnicity, or personal belief.

I acknowledge we need to do much more to improve our **mean pay result of 11.1%, compared to the national average of 5.8%**, although am pleased to see an improvement from the previous year's 11.6%.

I joined Verastar as CEO in October 2020. I presented its fourth Gender Pay Report last year setting out a number of commitments that are needed to address the imbalance. Included in this latest report is a view of the current Leadership Team at Verastar, who are working hard to address the imbalance our current report demonstrates.

I'm also pleased to showcase just a few of our female colleagues in sales and technical roles, where we are focused on addressing an existing gender imbalance.

Please take time to review our full results, which set out our commitment to further improvements.

Kind Regards,

A handwritten signature in black ink, appearing to read 'L R Hull'.

Lee Hull



WHAT IS GENDER PAY GAP AND HOW IS IT CALCULATED?

MEDIAN CALCULATION

Imagine if all the employees formed a male line and female line in hourly wage order. The person in the middle of those two lines would have the median salary. 50% of employees earn more, and 50% earn less.

MEAN CALCULATION

Add up the salaries of a gender and divide by the number of individuals of that gender. This is what is generally accepted as 'the average'.

WHAT IS THE PAY GAP?

Men and women take on different roles within the company and because of the differing mix of salary for the roles and the number of males and females doing those roles, a gender pay gap can emerge

HOW IS IT MEASURED?

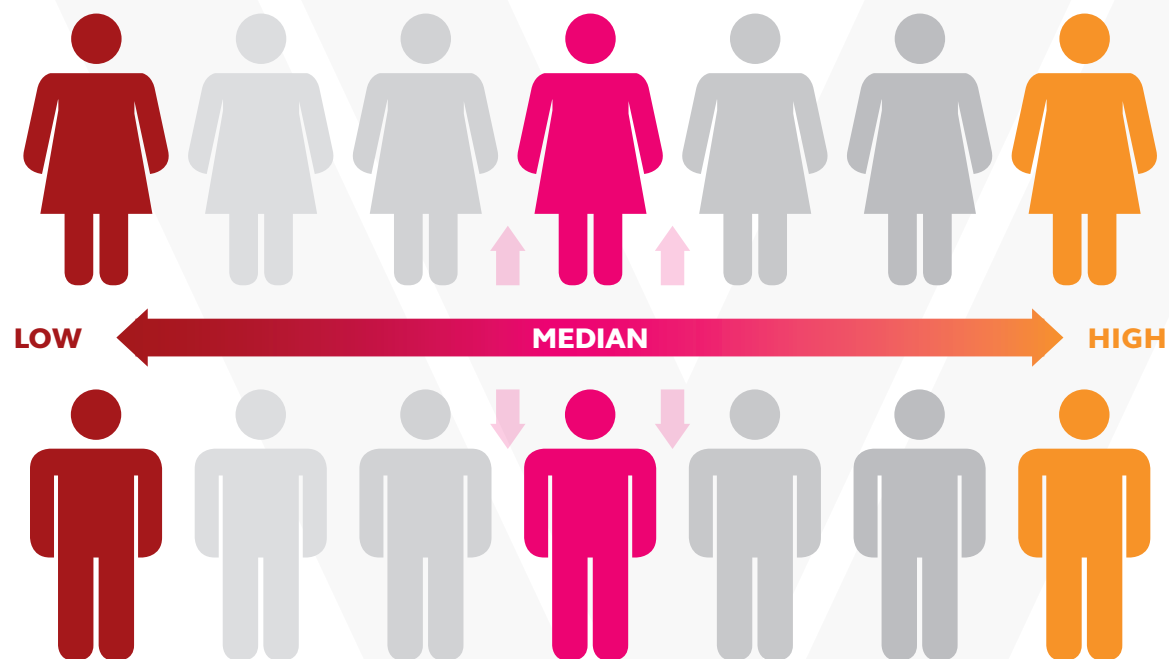
The gender pay gap is the difference in the average hourly rate of pay between males and females. This is done on a median and a mean basis.

HOW ARE THE PAY QUANTILES CALCULATED?

Pay quantiles are calculated by ranking rates of pay from lowest to highest and dividing those rankings into four equal-sized groups, calculating the percentage of how many males and females are in each.

HOW ARE THE BONUS FIGURES CALCULATED?

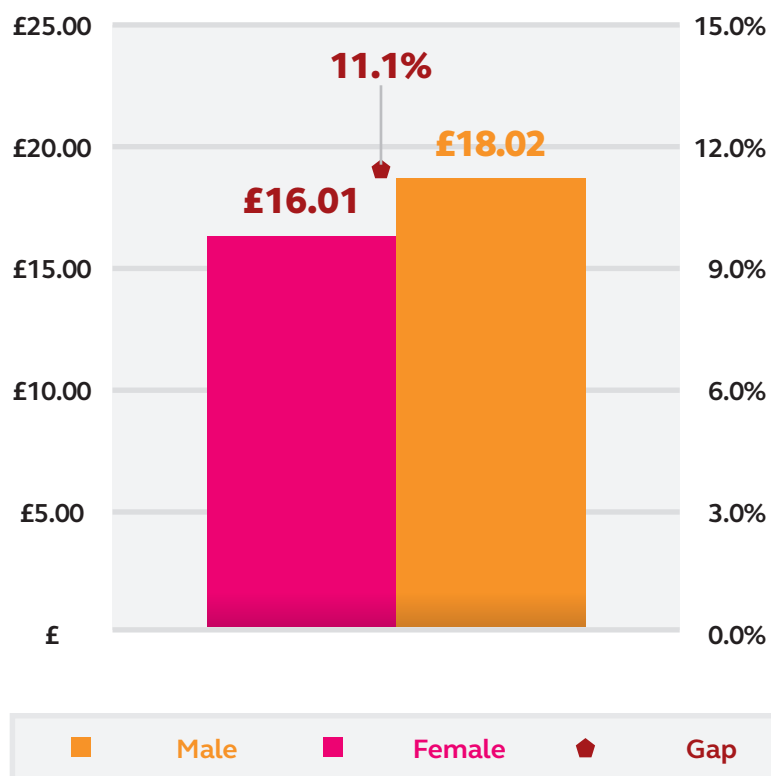
Bonus pay is calculated using the proportion of males receiving a bonus payment and the proportion of females receiving a bonus payment in the snapshot period.



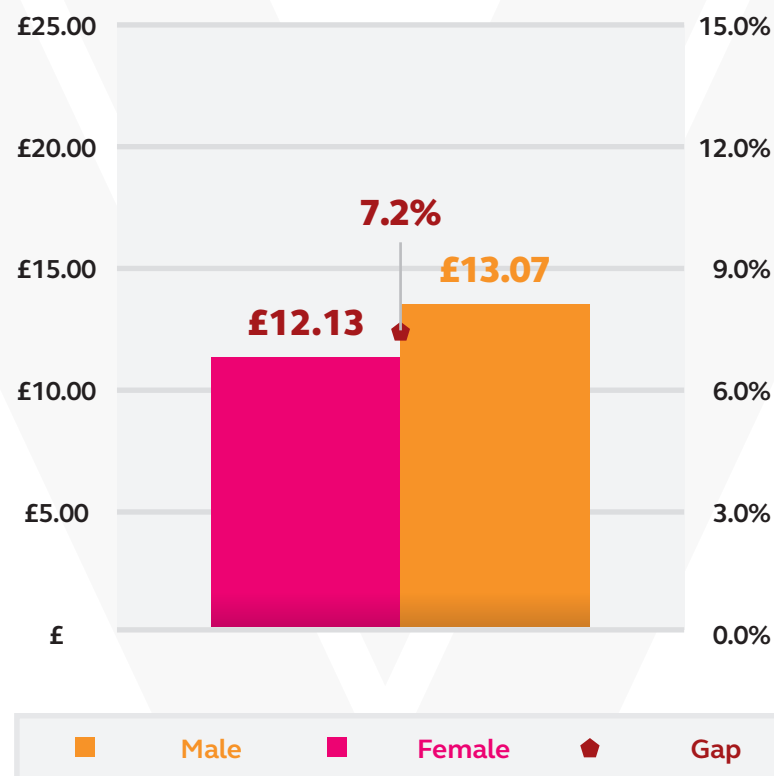
OUR RESULTS – GENDER PAY GAP

Verastar has a median gender pay gap of 7.2% compared to the national average of 10.8%, this is a strong performance and reflects that we reward colleagues based on their performance and contribution within role, not gender. The mean gender pay gap is 11.1%, compared to the national average of 5.8% which reflects that we have more male colleagues employed within our senior and higher paid jobs. We acknowledge the need to do more to address this. (from the .gov DIT gender pay gap report 2020 - 2021)

MEAN GENDER PAY GAP



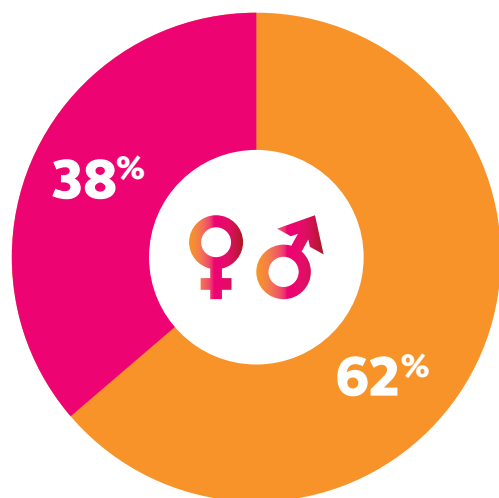
MEDIAN GENDER PAY GAP



OUR RESULTS – PAY QUARTILES

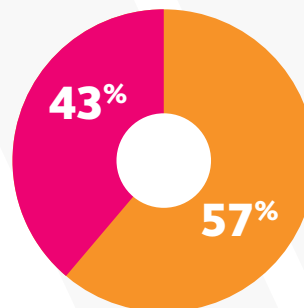
This has improved from 65% vs 35% last year, but we acknowledge that we need to continue our efforts to employ more female colleagues. Particular focus is required in technical, sales and leadership roles, where we aim to increase the proportion of female colleagues across our upper and upper middle quartile salary levels.

TOTAL POPULATION

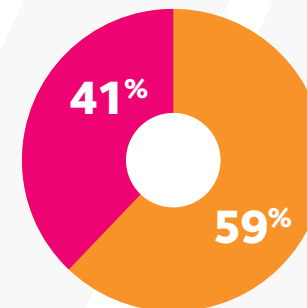


● Female ● Male

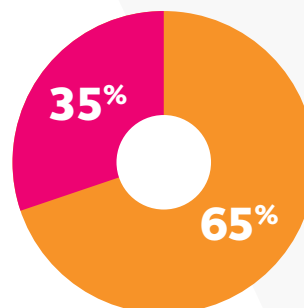
LOWER QUARTILE



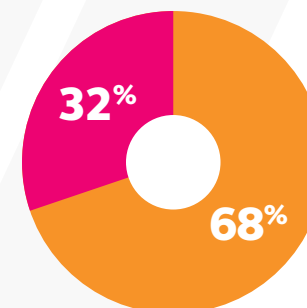
LOWER MIDDLE QUARTILE



UPPER MIDDLE QUARTILE



UPPER QUARTILE



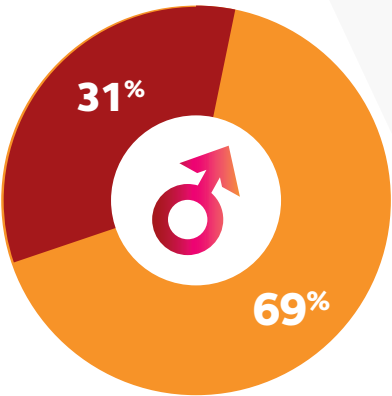
● Female ● Male

OUR RESULTS – BONUS

The proportion of colleagues receiving a bonus payment is balanced across the genders, reflecting the alignment of structured bonus and or commission payments to job roles and performance. However as bonus payments are awarded as a proportion of basic salary, our bonus mean and median gap do reflect our salary gap.

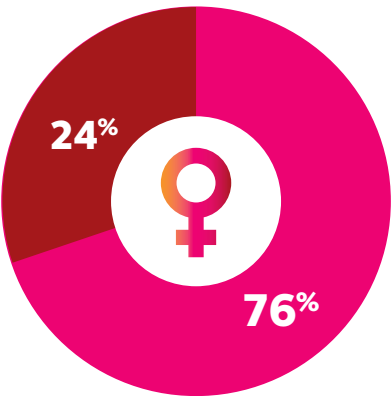
PERCENTAGE OF MALE EMPLOYEES RECEIVING A BONUS

- No Bonus
- Bonus

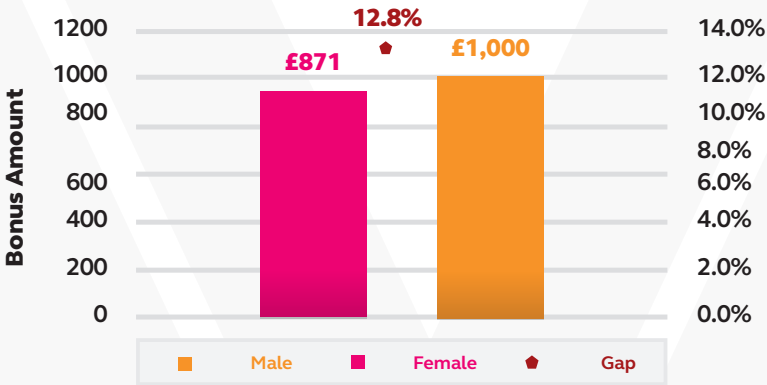


PERCENTAGE OF FEMALE EMPLOYEES RECEIVING A BONUS

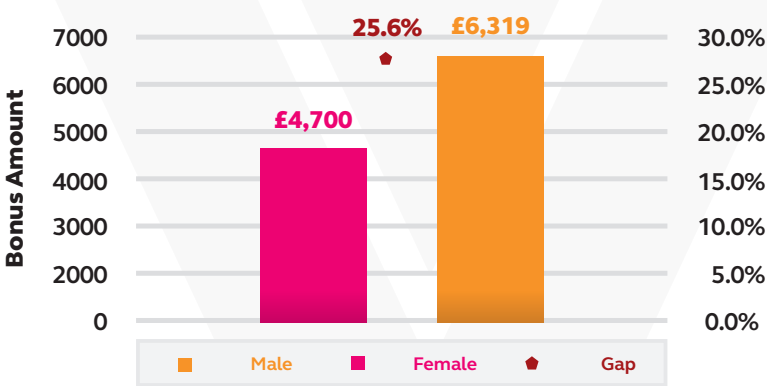
- No Bonus
- Bonus



MEDIAN BONUS GAP



MEAN BONUS GAP



OUR ONGOING COMMITMENT TO GENDER PAY



Over the last four years we have worked hard on initiatives that have supported Gender Pay.

We've introduced:

Reward and Benefits	<ul style="list-style-type: none">• A structured reward framework across our front line job roles, to further enable clear career progression for all, based on evidence of specific skills and values-based behaviour.• Extended our policy on buy and sell holidays to 5 days per year giving colleagues further opportunity to work flexibly and support work-life balance.• Introduced a STAR bonus scheme which aligns the payment of bonuses to achievement of objectives and evidence of values-based behaviour.• Introduced company sick pay and compassionate leave pay to support all colleagues' wellbeing.
Talent Acquisition and Early Careers	<ul style="list-style-type: none">• Competency and values based recruitment assessments to minimise any gender bias during the selection process.• Invested in Early Careers with the introduction of Business and IT Graduate programmes along with Apprenticeships.
Ways of Working	<ul style="list-style-type: none">• Introduced hybrid working and invested in laptops for all of our people to support our new ways of working.• Introduced more part time opportunities across the business, including term time working.
Culture and Wellbeing	<ul style="list-style-type: none">• Launched our Corporate Social Responsibility activities including a Giving Back Colleague forum, and paid Giving Back Volunteering Days for all colleagues.

OUR ONGOING COMMITMENT TO GENDER PAY



We are committed to gender pay and have two overarching improvements we are committed to delivering against:

1. To increase the proportion of female employees across our business
2. To increase the proportion of female employees in the Upper and Middle Upper Pay quartiles

Our action plan to deliver these improvements:

2022 activity aligned and governed by the People Plan 2022

- We'll use Willis Towers Watson pay framework to complete benchmarking within all roles across the business in line with a defined Reward Framework.
- We'll seek to offer enhanced Family Leave to ensure our offering is competitive and provides the right level of support.
- We'll ask all colleagues to share diversity data (if they want to) so we can monitor how we're doing, aligning to a D&I Objective and Key Result (OKR) for the business.
- We'll complete a full people policy review to ensure all barriers are clear and a plan is in action to remove them
- We'll undertake a full review of flexible working across our Customer division to ensure we're maximising all opportunities to offer flexible working.
- We'll review flexible benefits offering to support all colleagues ensuring our benefits drive diversity.
- We'll continue to listen to our colleagues across the business via our annual engagement survey and regular pulse surveys, giving us the opportunity to understand what's on our colleagues' minds.
- We'll extend our range of Wellbeing activities to support a diverse workforce.
- We'll implement a Pay and Reward Committee to govern pay decisions.

OUR ONGOING COMMITMENT TO GENDER PAY



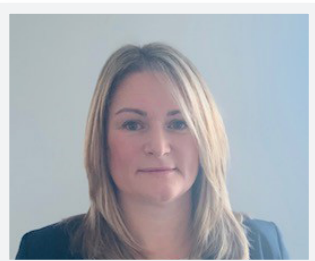
Our commitments to delivering this (continued):

2022 and beyond

- We'll continue to offer flexibility on start and finish times each day, to help everyone manage their work with other commitments
- We'll continue to engage with partners who can support with hiring of candidates from a more diverse candidate pool
- We'll aim to introduce a minimum gender split at the recruitment stage for all leadership, team manager and graduate job roles
- We'll assess engagement data from our surveys by gender to identify any gender-specific trends
- We'll encourage salary negotiation by showing salary ranges on our adverts, internally and externally
- We'll seek to execute a plan to remove all barriers following a full people policy review
- We'll implement flexible benefit offerings to support all colleagues ensuring our benefits drive diversity
- Through our People team Board reporting we'll share data with the Board on our progress and activity committed to gender pay

We'll continue to work hard to improve our results and ensure we offer a fair, diverse and transparent workplace for all colleagues, because we're committed to gender pay.

MEET OUR FEMALE LEADERS



RACHEL BEARDSMORE
OPERATIONS DIRECTOR



NICOLA SMITH
CHIEF COMMERCIAL
OFFICER



GILLIAN HILL
GENERAL COUNSEL



HOLLY MACK
TELECOMS DIRECTOR



GEORGINA LORD
CHIEF CUSTOMER
OFFICER



JO DOGHERTY
CHIEF PEOPLE OFFICER



STACEY CLARKE
CUSTOMER CARE
DIRECTOR



HELEN BUSH
INSURANCE
DIRECTOR

WHAT OUR COLLEAGUES SAY



Charlene Glen (Sales Department Head)

I've found Verastar to be a place where you can work without gender being a consideration. You're judged based on merit, on hard work and on having the right behaviours and attitudes to fulfil the role and be a good team member.

Transparency is incredibly important when it comes to pay. How can you be sure what your value is and what you should be earning if you don't know what a male in the same position is earning? There's been great progress in Verastar on transparency and benchmarking salaries to ensure they're fair across the board. Clear roles and role definitions helps to create that transparency.

When it comes to recruiting more women into sales, we need to change a few perceptions. The old perception was that to work in sales as a woman you must be hard and aggressive, and that's definitely not the case. Many of the traits that make a great salesperson or sales manager are those that people would think of as female traits.



Anna Russell (Sales Manager)

I've had a strong female manager since I started at Verastar. She's been a great influence on me. Even in the four years since I joined the business, I've seen a real shift towards more female managers within the sales teams.

Looking around I can see strong female leaders across the business and people can see that pathway to the top. **It's great to see women leading the conversation around the changes that need to happen.**

People think sales managers have to be these dominant personalities that are able to take over a room, whereas really the key skills lie in understanding the details and using the data we have at our disposal to help manage people. This shift in personality type is allowing women to thrive more in senior sales roles.



WHAT OUR COLLEAGUES SAY



Stephanie Crosbie (Lead Business Analyst)

Having worked in tech recruitment early in my career, I had a good view on the career opportunities in the sector and worked my way into a BA role working in software teams. My role is about translating the needs of the organisation to the tech team and working out how best to solve problems or improve the business using tech.

Using a skills matrix helps us to ensure people are being paid fairly, based on their skills and experience level. As you become more competent and learn more skills you move up the pay ladder, or you can move into new areas within the tech department and support different projects to discover the area you are passionate about. Creating opportunities for progression and learning new skills helps us hold on to great people, whatever their gender or background.

Software and technology is still a male-dominated space but I find it a really enjoyable environment to work in as a woman. It's so important that tech teams strive to have a diverse mix, which provides a better balance when it comes to decision making and skillsets.