



VERASTAR

♂ **2017** ♀

**GENDER PAY
GAP REPORT**

MESSAGE FROM CHRIS EARLE, CEO



At Verastar we have always focused on recruiting the best people, irrespective of gender, ethnicity or personal beliefs for our available roles and as a result we are confident that a person's gender does not influence how they are paid in this business.

The Verastar group has 900 employees throughout the UK.

We provide business services such as gas, electricity, telecoms and mobile to SMEs utilising a large Sales and IT workforce to deliver our services. Utilities, IT and Sales have traditionally been male focused industries which is reflected in our gender split of 61% male and 39% female.

Therefore, we are really proud of our median gender pay gap of **7.5% vs the national average of 18.2%**.

This report details our Gender Pay Figures and sets out our commitment to improving further.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Chris Earle', is located below the 'Kind Regards,' text.

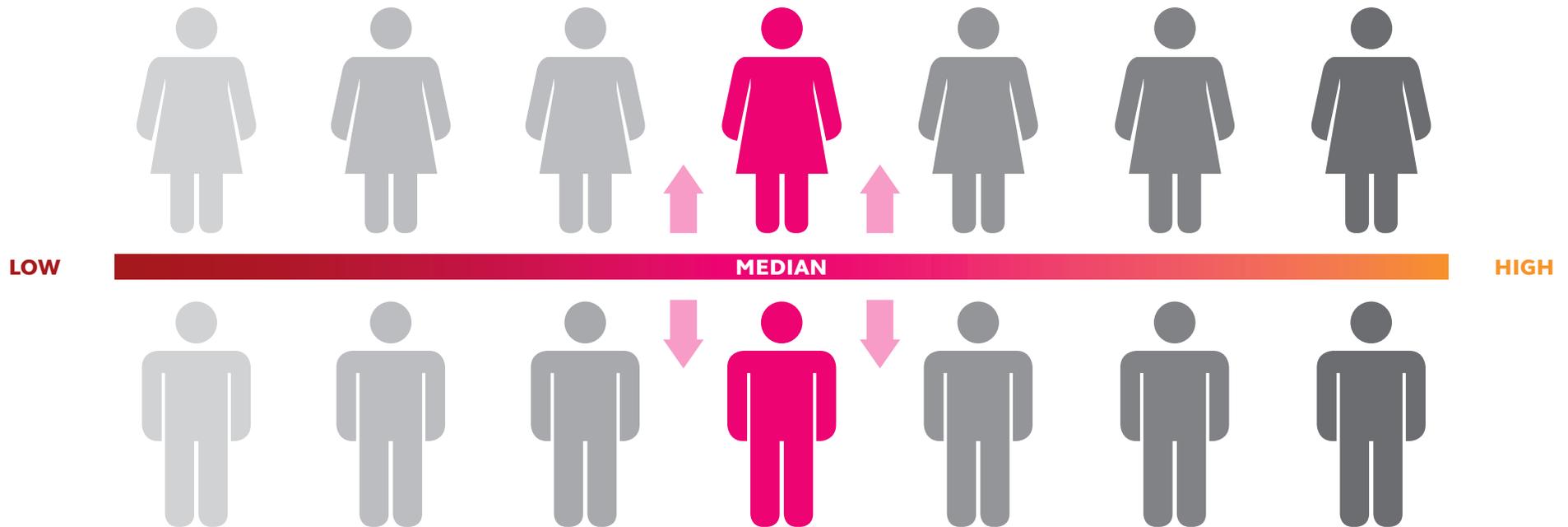


Chris Earle, CEO



VERASTAR

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 and 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. (See above)

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?

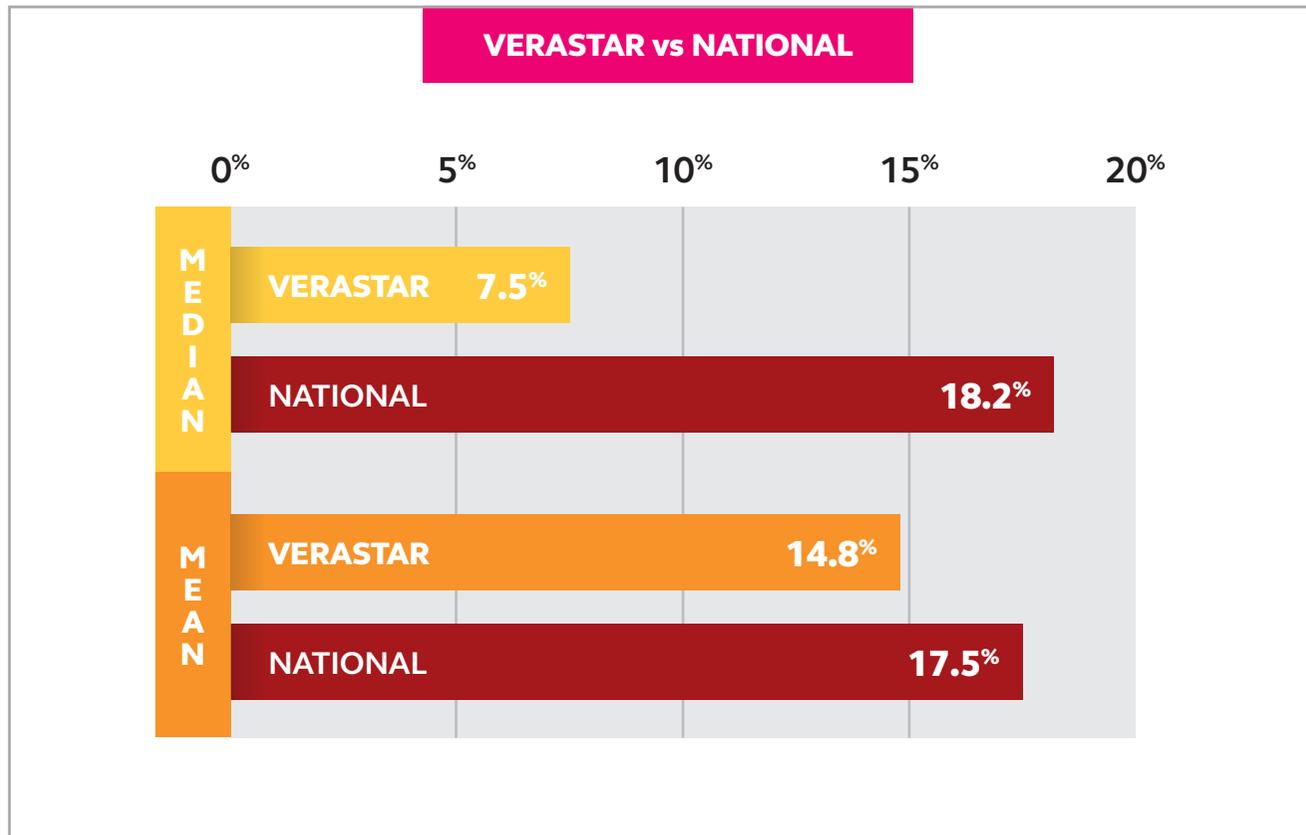
The gender pay gap is the difference in the average hourly rate of pay between males and females. This is done on a median (above) and a mean basis.



OUR RESULTS - GENDER PAY GAP



Verastar has a median gender pay gap of **7.5%** - this is considerably **better** than **the national average of 18.2%**¹. The mean gender pay gap is 14.8% which is also better than **the national average of 17.5%**.

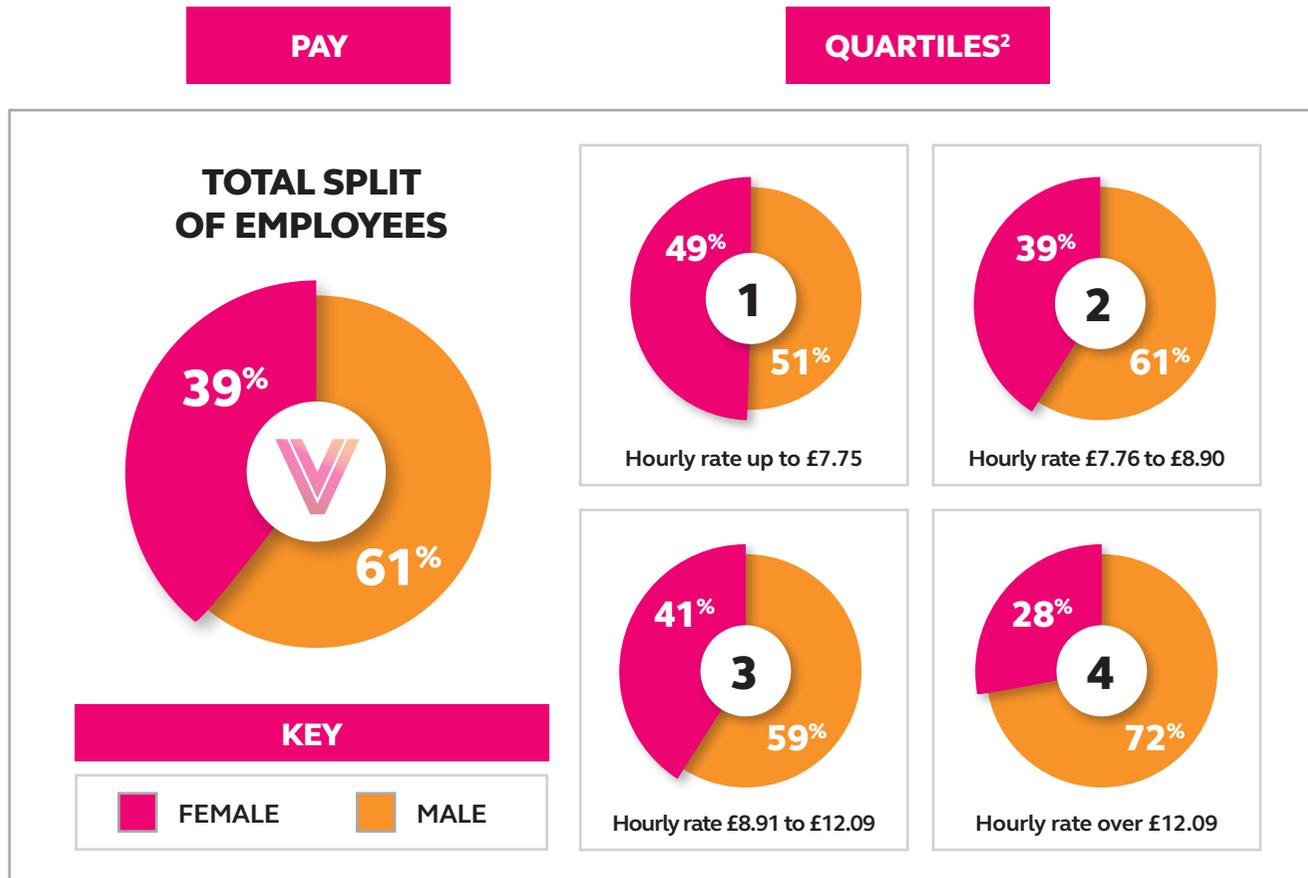


Notes: 1. Source ONS ASHE 2016 (revised).

OUR RESULTS CONTINUED - PAY QUARTILES



The pay gap is a result of more male employees in higher paid positions as set out in the tables below, which is a reflection of our workforce split with the majority of employees being male.

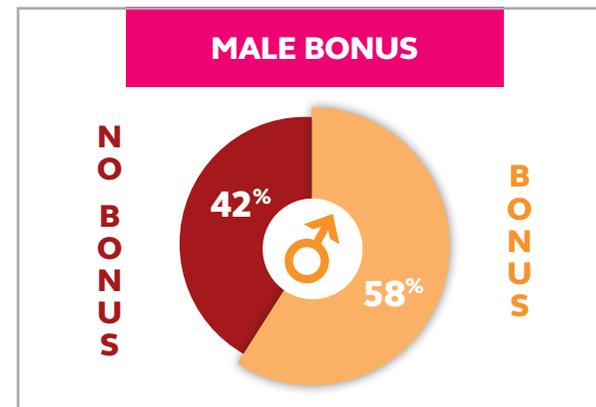
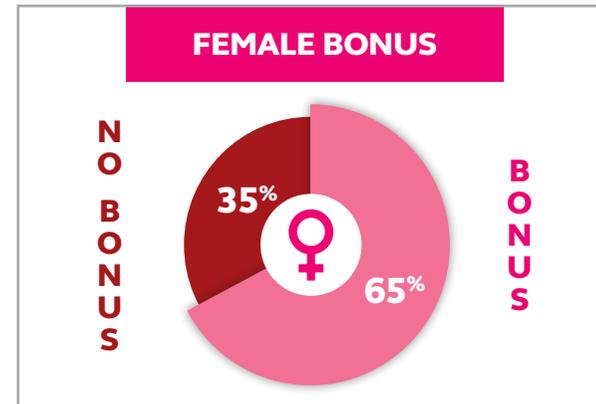
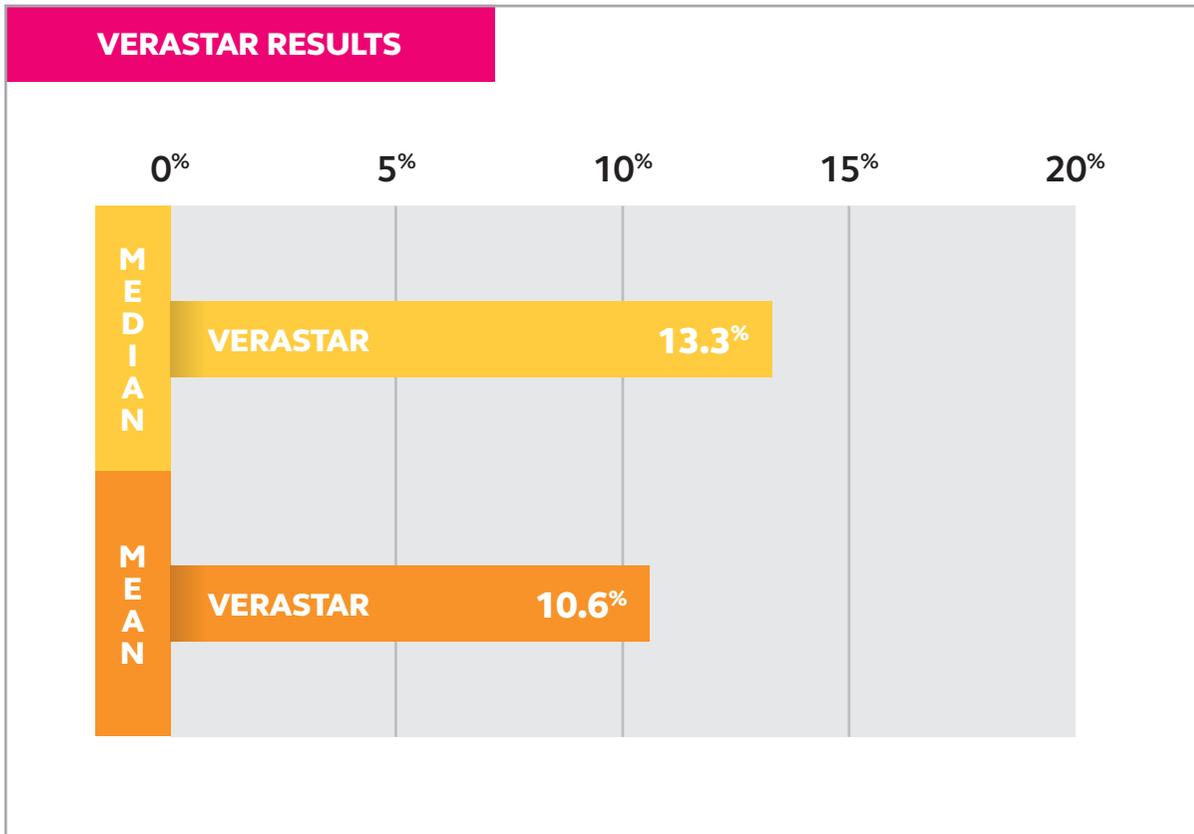


Notes: 2. Each quartile has 199 employees except quartile 4 which has 200

OUR RESULTS - BONUS



Bonus payments are awarded as a proportion of salary which results in the **bonus mean** and **median gap** reflecting the salary gap as detailed in the slides below. However, our results also show that women were more likely to receive a bonus payment with **65% of women** achieving a bonus payment compared with **58% of males**.



Notes: 1. Source ONS ASHE 2016 (revised).

OUR RESULTS IN DETAIL



VERASTAR HAS A MEDIAN GENDER PAY GAP OF 7.5% AND A MEAN PAY GAP OF 14.8%.

Both results are considerably better than the national average and reflect our long-time commitment to recruiting the best people, irrespective of gender, ethnicity or personal beliefs.

A gender pay gap *does not* mean that males and females are paid differently for performing the same role.

This gap reflects the make up of our workforce: 61% of our workforce are male and 39% female, with more men working within higher paid roles. Bonus payments are awarded as a proportion of salary which results in the bonus mean and median gap reflecting the salary gap.

However, the data also shows that more females were paid a bonus payment compared to men but was a lower percentage due to the roles, not the gender.

This data supports Verastar's efforts to ensure there is no gender bias in pay grades and that many of our job roles have a set salary and benefits irrespective of gender.



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WHAT HAVE WE ALREADY DONE TO ADDRESS ANY BIAS?



ACTIONS COMPLETED	
AREA	COMMENTARY
STRUCTURED REWARD FRAMEWORKS	<p>Fixed starting salaries for the majority of job roles to minimise the impact of any gender bias at job offer.</p> <p>Pay progression frameworks which enables team members to increase their salary as they develop their skills within structured salary bands.</p>
FIXED OR FLEXIBLE WORKING HOURS	<p>All employees work either fixed or flexible working patterns, which include no evenings, and minimal weekend working.</p> <p>We have also introduced new part time working shift patterns in our call centre to offer team members greater flexibility to working hours.</p>
INCREASE IN CONTRACTUAL HOLIDAY ENTITLEMENT	<p>In 2016 we increased contractual holiday entitlement for all job roles and also introduced a buy and sell holiday scheme to provide increased flexibility to the workforce.</p>
WOMEN IN SENIOR ROLES	<p>35% of the Senior Leadership team are now women which has been an increase of over 5% since 2015.</p>



WHAT ARE WE GOING TO DO NEXT?



At Verastar we have always been focused on recruiting the best people, irrespective of gender, ethnicity or personal beliefs. In 2017 we intend to continue this focus and aim to:

1

Incorporate a gender analysis tool into our annual pay process, to help managers see the impact of salary and bonus decisions in their teams' gender pay gap

2

Promote our existing policies more loudly like flexible working and shared parental leave

3

Embed our pay progression reward framework to ensure we are rewarding team members fairly for the development of their skills regardless of gender

4

Actively support existing employees to succeed and grow into more senior positions through the launch of several people development initiatives including; ILM accredited management development training programmes, talent programmes (including long-term personal development plans) and clear and consistent entry / assessment criteria for development activities related to career development



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FIVE SENIOR WOMEN AT VERASTAR SHARE THEIR EXPERIENCES

JANETTE PALMER,
Customer Relations Director



“Regarding being a woman in business, I am happy that it has never been an issue in Verastar.

Our CEO, Chris Earle, surrounds himself with the best people regardless of gender or age which means being a woman in this business does not provide additional challenges above and beyond that of the job.

It is fantastic to have support like that.”

JO DOGHERTY,
HR Director



Jo joined Verastar so she could be part of a dynamic growing company, which was looking to expand and develop its workforce within the UK and drive real change.

Jo met a number of the senior team during the interview process and was really encouraged by the number of senior females working across the team.

What advice would Jo give young women entering the business world? *“Hard work, commitment and being prepared to get your hands dirty and support the team to get the job done.”*

GILLIAN HILL,
Head of Legal



Gillian says managing people is the hardest part of her job as you have to make difficult decisions that people won't always like.

“You have to develop a thick skin and women can hold themselves back in progressing with their desire to be liked.”

As a working mum of two teenage boys she believes equality at home and work is crucial if women are to succeed. Women should not play the martyr or be afraid to ask for help whether from peers, managers or partners.

“Never be afraid to ask ‘stupid’ questions. Everyone else will want to ask the same questions but just won't have the bottle. Aim for the top, don't let self-doubt hold you back, blow your own trumpet and don't be afraid to express a different opinion in a roomful of people – diversity of opinions often leads to better decision-making.”

SUSIE DELVES,
Chief Marketing Officer



As part of Verastar's strategic growth plans, the company has appointed Susie Delves as Chief Marketing Officer to oversee Marketing for both kinex and Clear Business.

“Verastar's Management team has a number of impressive and highly professional women, including at Director level. It's a very progressive company culture.”

NICOLA SMITH,
Chief Commercial Officer



Gender-defined challenges aren't something Nicola has ever encountered in the business environment, but she does acknowledge that in some industries women have found it difficult to progress.

“The Gender pay gap is a great initiative to highlight the fantastic contribution that women can make in business.

In 2018 it's hard to understand that there are still prejudices which stop women from achieving their full potential. Some companies are missing out on the benefits of having diversity at all levels.

Women in business are more likely to approach problem solving from different perspectives and may be more empathetic in their business interactions.

Mutually beneficial relationships are a key part of business success.”