



VERASTAR

♂ **2018** ♀

**GENDER PAY
GAP REPORT**

MESSAGE FROM CHRIS EARLE, CEO



It is my pleasure to introduce our second Gender Pay Report and share our results with you. We have achieved another strong result with a median gender pay gap of 10.4% vs the national average of 17.9%.

We are proud of this result and that we remain well below the national average for a second year running. Our focus remains on recruiting the best people irrespective of gender, ethnicity, or personal belief and we are committed to ensuring that gender does not influence how colleagues are paid.

Our headcount has steadily grown over the last year, we now employ approximately 1000 colleagues nationwide delivering essential telecoms, utilities and insurance services to over 160,000 small business customers.

Alongside our results, I am keen to showcase some of our other core achievements over the last 12 months:

- We have increased the proportion of females within our business by 2% from 39% to 41% and one of the key factors supporting this increase has been the launch of our first Term-Time only team offering colleagues the opportunity to balance work alongside home commitments.
- The number of females within our Senior Leadership team (SLT) has also increased to 50%.

Our dedication to diversity and equality was recognised by Forward Ladies, the nationwide network created to empower women. In their National Awards 2018, two of our senior team were finalists and I was named Male Agent of Change for the North West, Wales and Ireland. I see this win as testament to the culture we have all worked hard to create where success and hard work is rewarded regardless of any other factors.

The unique nature of our business, means Verastar utilises a large IT and Sales workforce. Traditionally these have been male-focused industries, therefore to see an increase in the overall number of females within our workforce is something I am particularly pleased about.

Please take time to review our full results, which also sets out our commitment to ongoing improvements.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Chris Earle', written over a white background.

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 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?

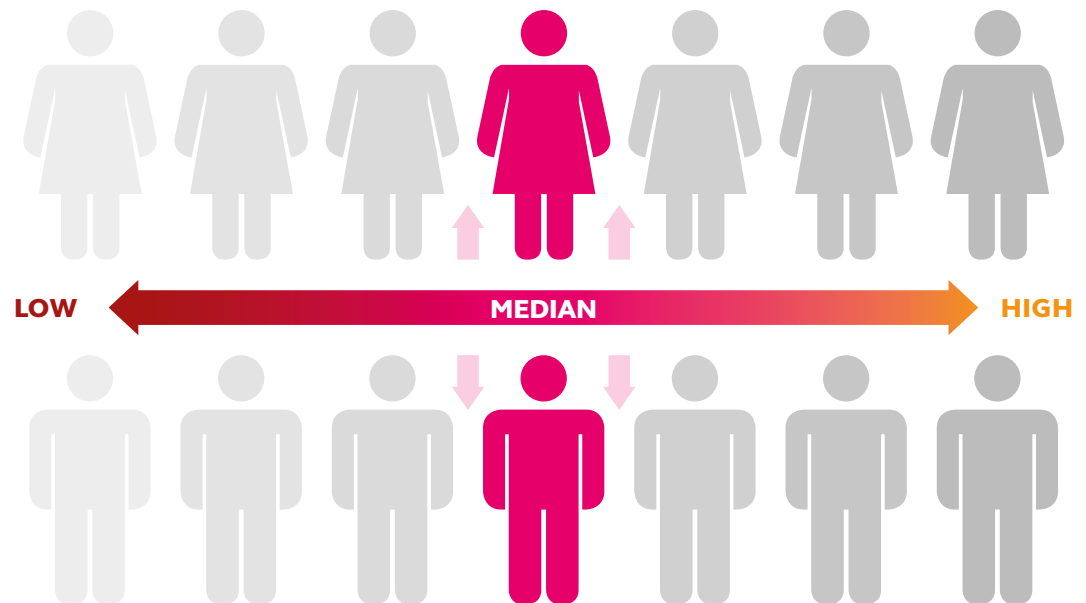
The gender pay gap is the difference in the average hourly rate of pay between males and females. This is done on a median and a mean basis.

HOW ARE THE PAY QUANTILES CALCULATED?

Pay Quartiles 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?

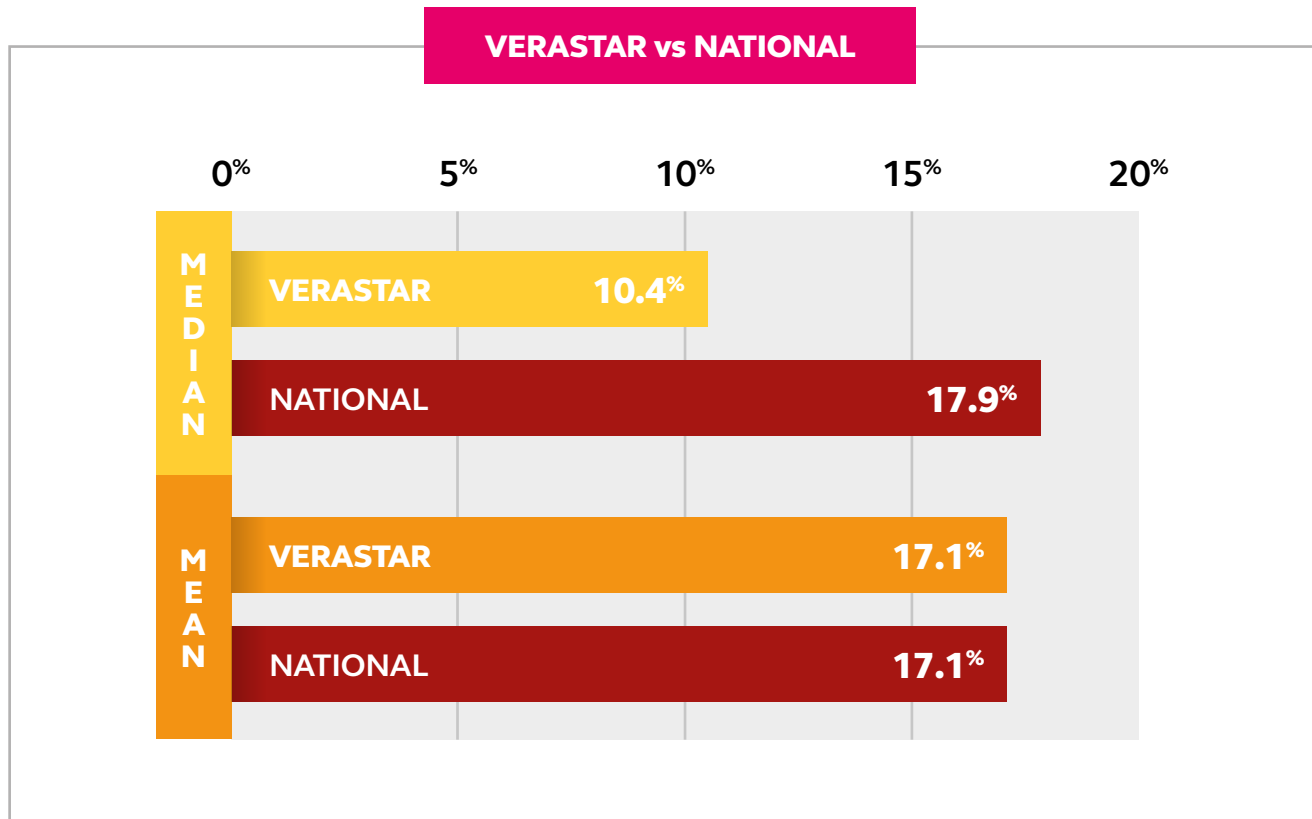
Bonus pay is calculated using the proportion of males receiving a bonus payment and the proportion of females receiving a bonus payment in the snapshot period.



OUR RESULTS - GENDER PAY GAP



Verastar has a median gender pay gap of **10.4%** - this is well below **the national average of 17.9%**. The mean gender pay gap is **17.1%** which is in line with the national average of **17.1%**¹.

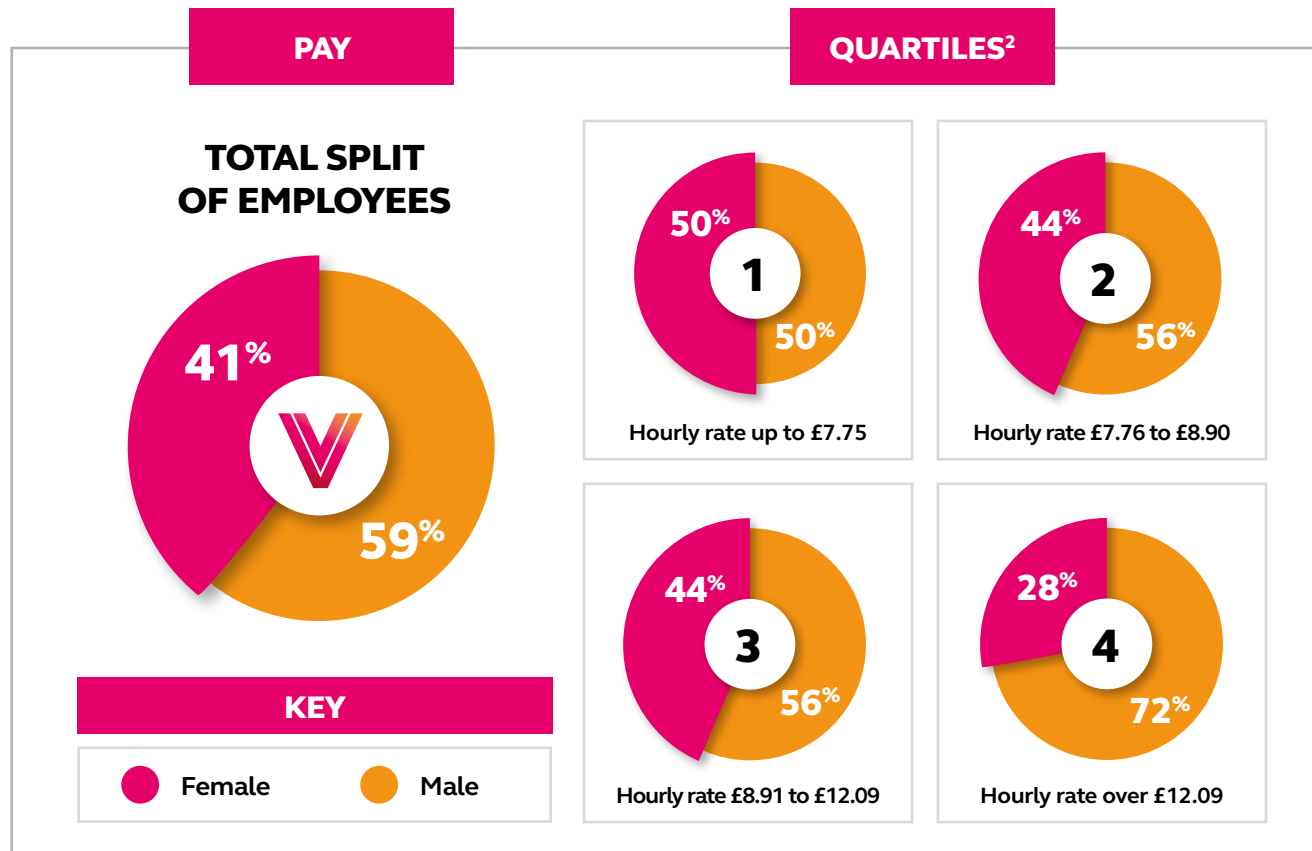


Notes: 1. Source ONS ASHE 2018 (provisional).

OUR RESULTS CONTINUED - PAY QUARTILES



On the whole our results are similar to last years in terms of more male employees in higher paid positions, which is a reflection of our workforce split where the majority of employees are male. However, we have seen a **2% increase** in our female population and this increase is predominately in **pay quartiles 2 and 3**.



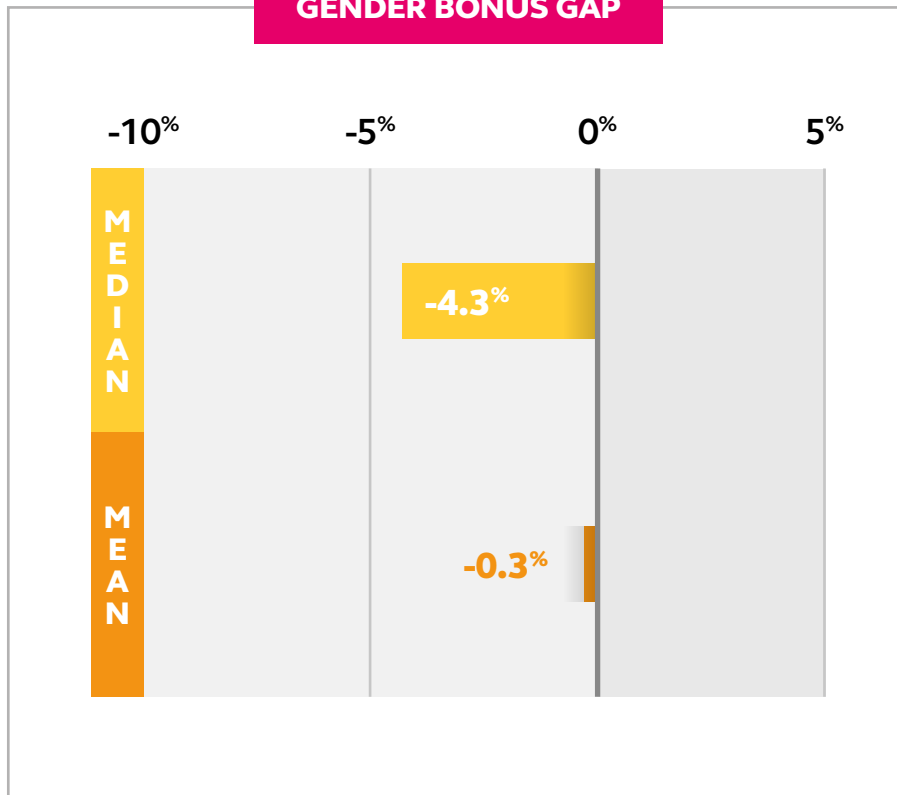
Notes: 2. Each quartile has 187 employees in Q1 and Q4 and 186 employees in Q2 and Q3.

OUR RESULTS - BONUS

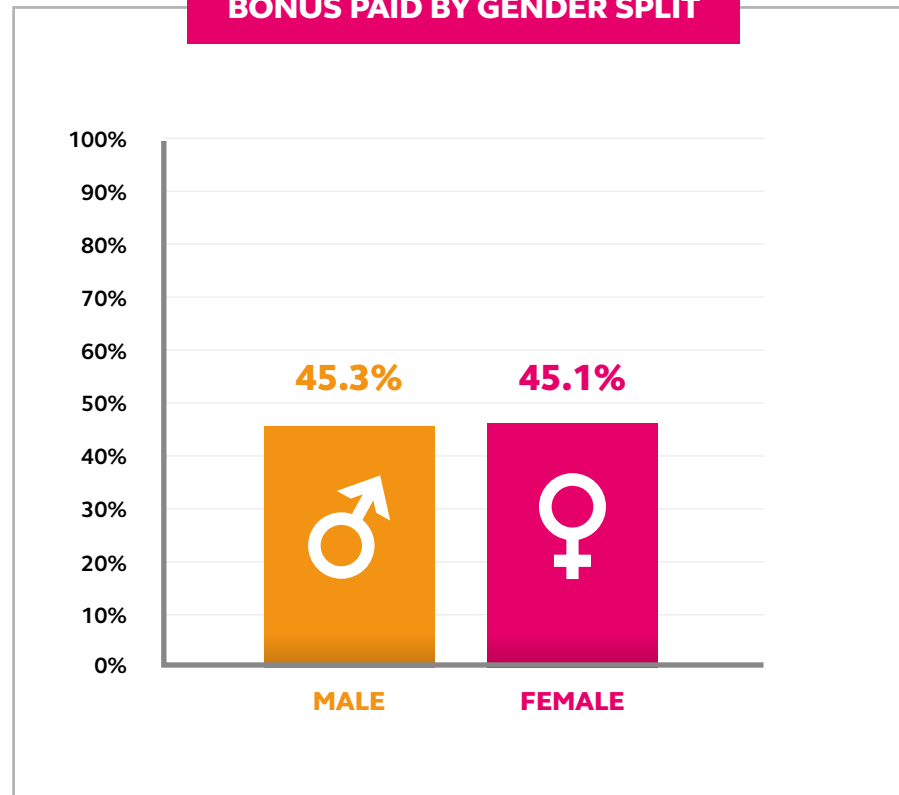


Bonus payments were paid on a fairly equal basis across our population with 45.3% of males receiving a bonus compared to 45.1% of females. However, **females received a higher bonus payment** in both mean and medium calculations.

GENDER BONUS GAP



BONUS PAID BY GENDER SPLIT



Notes: 1. Source ONS ASHE 2018 (provisional).



OUR RESULTS IN DETAIL



WE ARE PROUD THAT VERASTAR HAS A MEDIAN GENDER PAY GAP OF 10.4% AND A MEAN GENDER PAY GAP OF 17.1%.

Both results fall inside the national average which continues to demonstrate our long term commitment to recruiting, rewarding and developing the best people regardless of gender.

As with last years' results, the 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: 59% of our workforce are male and 41% female, with more men working within higher paid roles.

However over the year we have increased the number of females colleagues by 2% ensuring better gender diversity across our teams. Initiatives like the Term-Time only contracts of employment have also helped us to deliver this.

We have seen a change in the make up of bonus payments with women earning higher bonus payments across both the median and mean calculations. Bonus payments are predominately governed by our STAR bonus scheme aligning payments to the delivery of objectives, ensuring there is no gender bias in how bonus decisions are made.

We continue to work hard to deliver a series of initiatives to support equality and diversity at Verastar, as set out in this pack, and we remain committed to gender pay and progressing all colleagues irrespective of gender, ethnicity or personal beliefs.



VERASTAR

OUR ONGOING COMMITMENT TO GENDER PAY



Many of our core people practices ensure that we recruit, develop and support the progression of all our employees, promoting equality and diversity. An example of some of these initiatives are set out in the table below.

KEY INITIATIVES	
AREA	COMMENTARY
Structured reward frameworks	We continue to review our Reward framework, Pay Progression, which enables team members to increase their salary within a structured reward framework. In 2018, we extended this framework into 6 additional front line departments.
Professional Development	We are committed to the ongoing development of all our employees and are now supporting over 15 colleagues, 9 of which are female, through multiple professional qualifications across various areas of our business.
Your Voice	In 2018, we launched the first employee engagement survey to gain the views and opinion of all our people.
Women in Senior Roles	We continue to evolve the make-up of our Senior Team, with 50% of this team now being female.
Term-Time Only	In 2018 we launched a term-time only contract to increase the number of flexible job opportunities in our workforce and to provide our teams with a better work/life balance.
Psychometric Testing	We are trialling psychometric tests within our Sales Recruitment process to minimise any gender bias during the selection process.
Buy and Sell Holidays	In 2018, we extended our policy on buy and sell holidays to include part of our Sales operation giving opportunity to work more flexibly.
STAR Bonus	Bonus payments are governed by our STAR Bonus scheme with payments being based on the achievement of agreed objectives. This process again demonstrates our commitment to rewarding team members based on performance.

HOLLY MACK - JOINS THE SENIOR LEADERSHIP TEAM



Holly Mack,
Head of Programme Delivery

"I joined Verastar in 2009 as part of the Graduate Management Programme and in 2018 was promoted to the Senior Leadership Team as Head of Programme Delivery. I am now responsible for the development and delivery of the company strategy and programme delivery across Verastar.

Alongside my promotion I am also being sponsored to complete an MBA course to support my ongoing professional development.

To be the youngest person joining the senior team, as well as another female within this team, is a real privilege. I feel fortunate to work for a company like Verastar where there are so many opportunities and you are rewarded for hard work and results – irrespective of gender."

SPECIAL PROJECTS - TERM TIME ONLY TEAM



Special Projects

In 2018 we launched a brand-new Term-Time only team called Special Projects, with the goal of creating rewarding job opportunities for people seeking to build a career alongside supporting a family or requiring additional flexibility outside of work.



**Kate Feenan, Continuous
Improvement Manager**

"I joined Verastar as Team Manager to set up the Special Projects Team and was delighted to join a company that enabled me to work on rewarding business projects, utilise my skills and experience, whilst working flexibly to support my family. This team has grown over the last 12 months and we now have 8 team members all working flexibly whilst supporting the business on multiple activities. I am so proud to be part of this initiative."



Chloe Tozer,
Special Project Advisor

"With two small children, I found hunting for a job, that would fit in with family-life extremely difficult, a problem I know many mums have. I joined Verastar as the working hours fitted in perfectly with the daily school run and only working Term-Time means I can care for my children in the school holidays.

Most of the team are working mums, like me, and we all love what we do and how our job enables us to support the rest of the business on multiple initiatives. It is great to be putting my qualifications and experience to good use whilst I support a busy family life."