

Digital



VERASTAR

GENDER PAY GAP REPORT

2022

MESSAGE FROM LEE HULL, CEO



It's with great pleasure that I deliver Verastar's sixth Gender Pay Gap Report reflecting our gender pay data as at 4 April 2022.

At this time, Verastar employed 610 colleagues nationwide to deliver services including telecoms, energy and water to over 160,000 small business customers.

Continually striving for gender equality improvement has paid off and I am delighted to report that our **median gender pay result is now 4.2% vs the UK national average of 14.9%**. This is a significant improvement against our result from the previous year when our pay gap was 7.2%. This result reflects our continued focus on recruiting and rewarding the best people irrespective of gender or any other personal characteristic. It also demonstrates that all the changes we've been making to ensure our workplace is accessible, inclusive, and free from bias are helping to drive change in the right direction.

I am equally proud of the fact that our **mean pay result has also improved significantly to 6%, this is an improvement of 46% on last year's 11.1%**.

In our fifth Gender Pay Report last year we set out a number of commitments that we felt were needed to improve the imbalance and these figures demonstrate that they have had a positive effect. Initiatives such as: job analysis for each role with associated salary ranges using an externally recognised benchmark tool; advertising salaries with our roles; creation of a clear framework to guide reward decisions, governed by a Pay and Reward Committee; extending our hybrid working approach, to name but a few.

We will continue to keep the conversation front of mind with all colleagues and kicked this off with our entire workforce at our first Celebrating Women in Verastar event on International Women's Day in March. Included in this latest report is a view of the event, including colleague feedback on how beneficial they found it to be.

I'm also pleased to showcase just a few of our colleagues from across the business who took the time to share their experiences of diversity at work.

Please take time to review our full results, which set out our commitment to further activity in the next 12 months.

Kind Regards,

A handwritten signature in black ink, reading 'L 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?

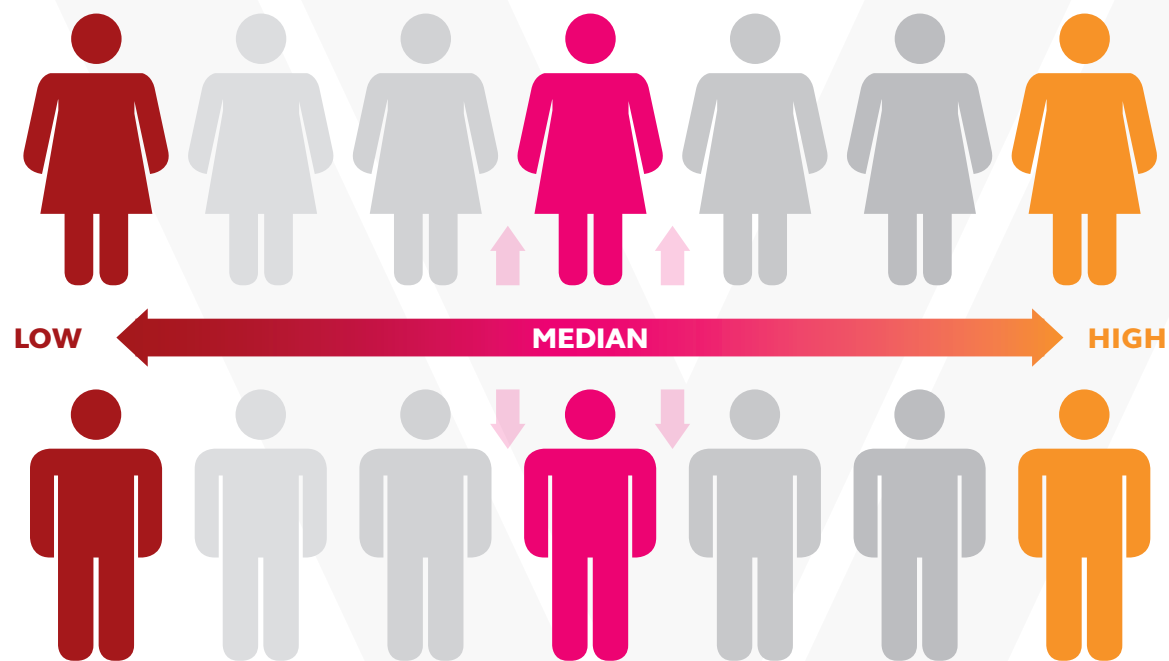
The gender pay gap is the difference in the average hourly rate of pay between males and females. This is done on a median and a mean basis.

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?

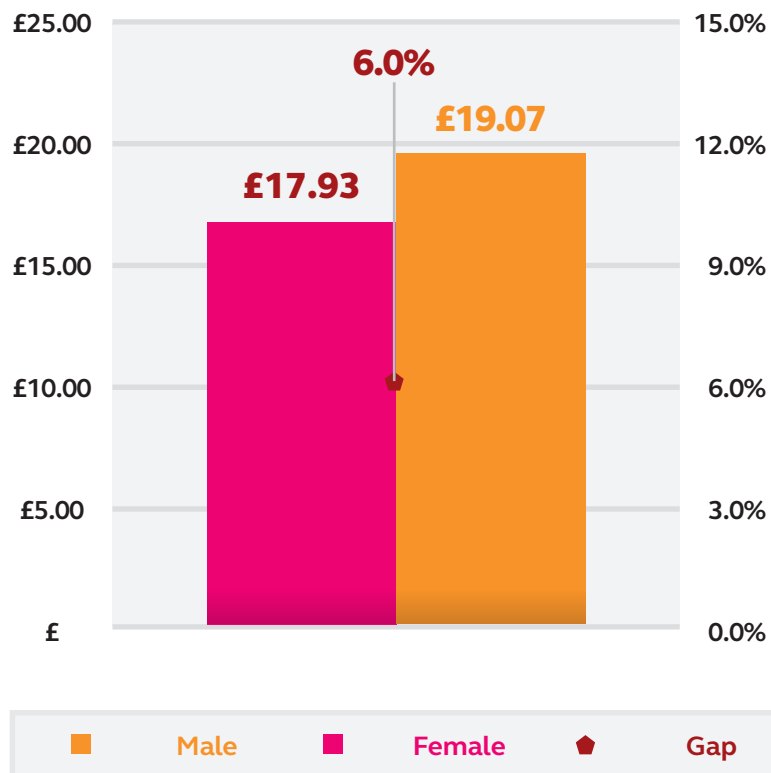
Bonus pay is calculated using the proportion of males receiving a bonus payment and the proportion of females receiving a bonus payment in the snapshot period.



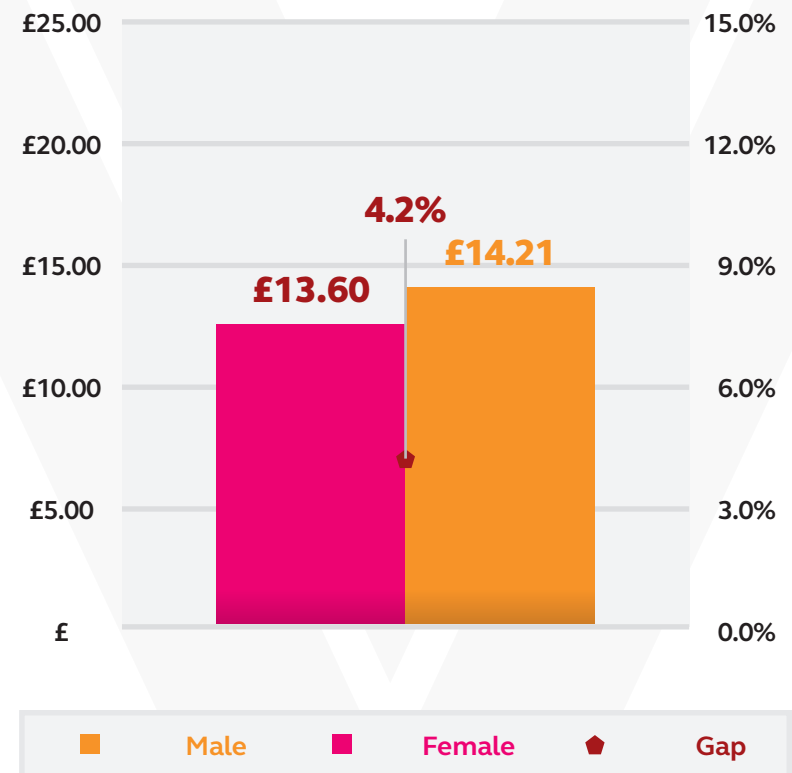
OUR RESULTS – GENDER PAY GAP

The Verastar Group has a median gender pay gap of 4.2%, compared to the 2021 national average of 14.9%, and a mean gender pay gap of 6%. Both our median and mean gaps have reduced yet again, compared to 7.2% and 11.1% respectively for the previous reporting year. These results show that our commitments to gender equality are driving improvements, and we'll continue to explore what more we can do to bring the gap down even further. (from the .gov DIT gender pay gap report 2020-2021)

MEAN GENDER PAY GAP



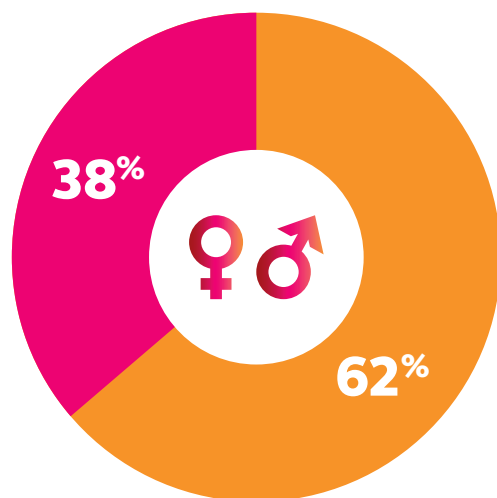
MEDIAN GENDER PAY GAP



OUR RESULTS – PAY QUANTILES

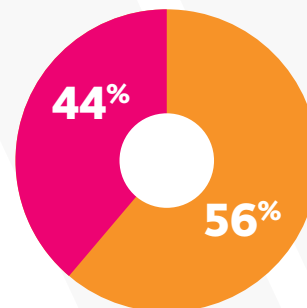
Whilst our total population split remains the same as last year, we now have a higher proportion of female colleagues in both the upper middle (38%, versus 35% in 2021) and upper (33%, versus 32% in 2021) quartiles. We know we're making progress in these areas and are proud that our senior leadership team split is currently 50/50.

TOTAL POPULATION

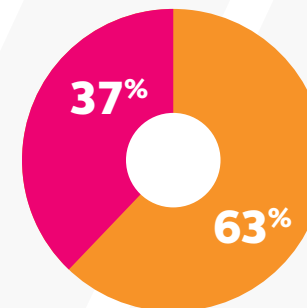


● Female ● Male

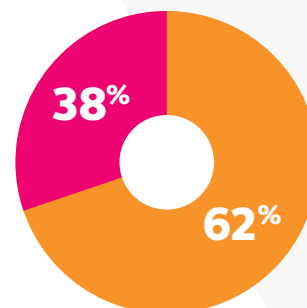
LOWER QUARTILE



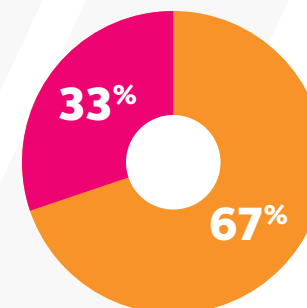
LOWER MIDDLE QUARTILE



UPPER MIDDLE QUARTILE



UPPER QUARTILE



● Female ● Male

OUR RESULTS – BONUS

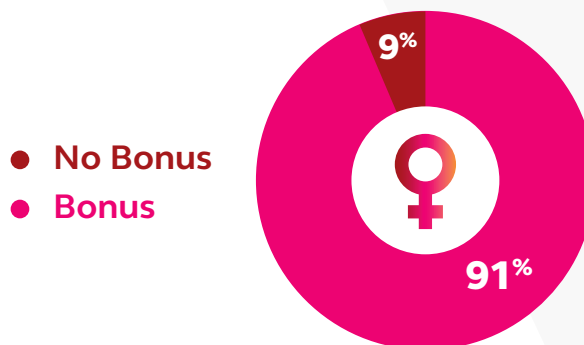
The percentage of all colleagues receiving a bonus has increased since the last reporting year, with 91% of female and 94% of male colleagues receiving a bonus. All roles within Verastar are eligible for bonus payments (or commission) based on performance, and the small percentage of both male and female colleagues not receiving a bonus is due to the application of objective criteria, including start date.

Whilst our median bonus gap has decreased yet again, down to 10%, our mean bonus gap remains high at 43.1%, and has increased from the previous year. Since bonus is based on a percentage of salary, the difference is driven by the proportion of bonus awarded to our most senior and therefore higher paid colleagues. We continue to work hard to improve the gender balance at our most senior levels within the business.

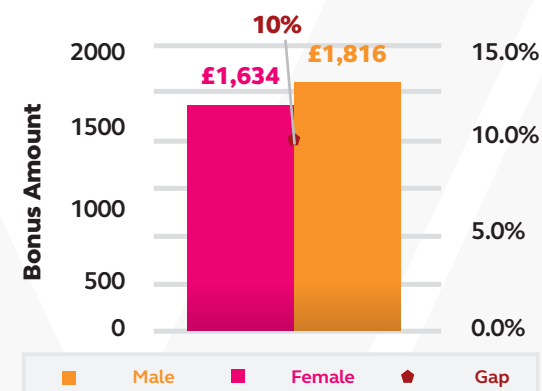
PERCENTAGE OF MALE EMPLOYEES RECEIVING A BONUS



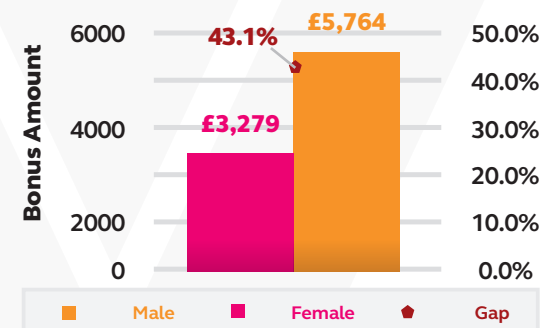
PERCENTAGE OF FEMALE EMPLOYEES RECEIVING A BONUS



MEDIAN BONUS GAP



MEAN BONUS GAP



OUR ONGOING COMMITMENT TO GENDER EQUALITY AND DIVERSITY



We've developed a clear gender diversity strategy and have been working hard over the last 12 months on initiatives to attract and support more female colleagues. Here are our key achievements:

Reward	<ul style="list-style-type: none">• Every single role in our business undergoes a formal job evaluation process to determine the level of the role and an appropriate salary range and bonus / commission structure. We use the established and recognised Willis Towers Watson framework for this process and our reward decisions are made within this framework.• We've created a Pay Review Committee, consisting of our Executive Committee members, who meet monthly to govern this process.• We've developed more structure and guidance for managers on how to make fair bonus decisions, based equally on both performance against objectives and behaviour in line with our core values. We've rolled out training for our managers to support this process and introduced calibration within and across teams to add further objectivity and fairness.
Benefits	<ul style="list-style-type: none">• We've enhanced our maternity and adoption pay to offer 10 weeks full pay for eligible colleagues, to provide further support during those first few months.• We've added further flexibility to our holiday trading scheme, to allow colleagues to buy and sell at more points throughout the year to support them if their circumstances change.
Ways of Working	<ul style="list-style-type: none">• In response to colleague feedback, we've extended our hybrid working approach to enable further flexibility to work from home and to encourage managers to make the most of office collaboration days.• We've changed our Flexible Working policy to allow colleagues the right to request flexible working arrangements from day one of employment, rather than after six months.• We've commenced a review of our working patterns across all teams to explore what further flexibility we could offer.

OUR ONGOING COMMITMENT TO GENDER EQUALITY AND DIVERSITY



Equality, Diversity and Inclusivity	<ul style="list-style-type: none">• We've held our first ever Celebrating Women in Verastar event, to mark International Women's Day. Attended by 130 colleagues from across all offices, it included discussions on challenging gender norms, the sharing of experiences and strategies about being a successful working woman, and feedback on recommended action from our colleagues.• We've updated our People database to include a more inclusive way of colleagues informing us of their gender, with options such as 'non-binary' and 'prefer not to say', in addition to male / female, and we've encouraged colleagues to share their data with us in a secure way.
Talent Acquisition	<ul style="list-style-type: none">• We now include salary details on our vacancy adverts, to add transparency and objectivity.• We've introduced the use of AI software on the content of our adverts, to avoid gender bias in the language used.
Learning and Development	<ul style="list-style-type: none">• We've extended our Grow Your Own Way schemes to include more roles across the business. Under these schemes, colleagues can clearly see a path of how to progress within their role, what support is available to enable them to drive the progress themselves, and what changes to their reward package they can expect to see at each stage.• We support 30 colleagues from across the business to secure a formal qualification under our Apprentice Scheme, with 47% of those undertaking an Apprenticeship being female.• We've developed a 12-month comprehensive training programme for all of our people managers and are in the process of delivering this to our first cohorts. It includes sections on avoiding bias in all of their management practices including recruitment, onboarding, day to day management and a full understanding of improving belonging within their teams and across the business.

OUR COMMITMENTS FOR THE FUTURE



- We'll review our flexible working practices across each of our teams and explore what more we can do to support colleagues who want more flexibility.
- We'll listen to what colleagues have told us during our Celebrating Women in Verastar event and turn their feedback into direct action.
- We'll introduce a supportive menopause policy and facilitate a menopause support group amongst our colleagues.
- We'll add new cohorts of managers to our Ignite management development programme, to ensure that every single people manager receives training in avoiding bias.
- We'll explore how we can expose more colleagues to work done within some of our under-represented teams, such as sales, data and technology, to support different career pathway choices.
- We'll explore new recruitment channels for technical talent.
- We'll introduce a formal mentoring scheme for identified female and male talent.
- We'll start to track our gender split for engagement, internal moves and leavers, to discover any trends and whether any supportive intervention is needed.
- We'll keep monitoring and sharing our progress.

WHAT ARE OUR COLLEAGUES SAYING?

We asked some of our colleagues about their thoughts and experiences of diversity at work...

Krystal Gayle (Director of Customer Retentions)

Do you believe the telecoms sector is a level playing field when it comes to diversity?

One thing I've noticed as I've progressed into managerial positions is a lack of diversity amongst these roles. I think it's slowly improving, which is great, but there is plenty more to do in the industry. Our company is the most diverse environment I have worked in and quite unique as there is a 50/50 split of both men and women in senior leadership positions compared to 67/33 split across the UK. It's great to work in such a diverse environment.



Sara Mak (PR and External Communications Manager)

Do you feel there is an accurate representation of your race/gender/age in your working field?

I've been working in the PR sector for 30 years and I've seen significant change. When I started out, the industry was very male dominated, and females only worked on smaller 'light consumer' stories rather than the financial and commercial world, where I sat.

There has been a huge issue around ageism in PR; a typical PR worker would be cited as a female in her 20s. Women in PR's recent survey showed over 34% of women working in comms have experienced ageism in the workplace. However, businesses are now waking up to the wealth of experience and knowledge that those of us who have been around for longer can bring.

We communicate with a wide range of customers, so to have a diverse workforce in the wider business is crucial for us to communicate effectively and have a mixed range of understanding, abilities and skills.



WHAT ARE OUR COLLEAGUES SAYING?



Lauren Barnes (Senior Project Manager)

Why do you think diversity in the workplace is so important?

It's all about inclusion and is something that should be celebrated. I'm in a male-dominated field working in tech, women in my role are one in ten! So why would we not want to embrace this change and this growth of women in tech? Having people of diverse backgrounds, not only gender, provides us with new and innovative ways of tackling problems within the workplace.



Georgina Lord (Chief Customer Officer)

What's changed within the women's leadership space in the last few years?

We all deserve success in our role irrelevant of seniority/position and it shouldn't be dependent on gender / equality / age. I think that we should all be treated as equals, and we prove ourselves within the role or opportunity we are given. We should accept that others may be better than us and therefore sometimes we may learn from them despite experience.

CELEBRATING WOMEN IN VERASTAR



Verastar invited employees to discuss gender norms during its inaugural **Celebrating Women in Verastar** event on International Women's Day (#IWD) Wednesday 8th March.

More than 130 attendees (male, female and non-binary) took part in the event which was delivered both remotely and in person at the company's sites across the UK. The full day event included talks, a speaker panel and break out groups to discuss gender norms in the workplace. Employees were able to open up about their personal experiences and the day to day challenges faced as a woman in the workplace



Stacey Clarke, Customer Care Director at Verastar spearheaded the event: "To coincide with #IWD this year at Verastar we held our first ever Celebrating Women in Verastar Day. We coordinated the event across all of our UK sites to encourage debate, acknowledgement and more importantly, action."

Topics tackled during the event included: family focussed hybrid or part-time working; the biggest challenges facing working women and how to overcome them; and experience or examples of gender bias. The event has triggered a series of further actions around support for 'Menopause in the Workplace', having confidence to challenge workplace bias and the availability of free period products.

Attendees contributed to the debate via a Teams chat and some of the insights are below:

Matthew Sleight: "Today we heard that women value environments where they feel safe and supported to speak more openly. It's getting better, but still a long way to go. Not all men are brave either, so changing the way organisations treat their staff will help everyone, not just women."



Emma Hardy: "This event was one of the most useful events of my entire career, not just my time at Verastar. I have been given advice on being 'tough' as a female employee over the years and even told to change how I dress to be more masculine! I now follow how I feel and I dress in pink at every opportunity I get! It's taken me years to have the confidence to be feminine!"

CELEBRATING WOMEN IN VERASTAR



VERASTAR

Patrick Herdman: “What an inspirational day! I haven’t been able to attend the sessions in full but what I have seen and heard today has been so thought provoking. As a man, I often don’t even consider or realise the challenges my female colleagues may face, each and every day - us men need educating and our eyes opening. Thank you again to everyone who has shared so openly, vulnerably and personally!”



Samantha Hales: “I agree that not everyone can speak up immediately and may not be confident to speak out – I can see the business trying to create this safe place for us to share when we have felt vulnerable. I don’t often get asked if I feel comfortable with certain things it’s just the expectation that I shouldn’t feel vulnerable and get on with it. We should ask more in the hope that we get people to speak up more.”

Celebrating Women in Verastar was opened by Georgina Lord, Verastar’s Chief Customer Officer and she added: “The last few years have celebrated successful women in a way that has allowed them to be seen, to be heard and most of all to lead the way forward. I’m proud of that.”

