

Gender Pay Gap Report: 2020-21

Introduction

At Six Degrees we seek to embed diversity and inclusion in all our activities and work hard to deliver a culture of openness which respects differences and promotes inclusion. We continue to monitor our processes, policies and action plans to work towards an environment where all employees can thrive and succeed.

Our quarterly engagement survey continues to show our employees feel Six Degrees is inclusive, supportive and a place where people can bring their whole self to work. However, like a lot of other organisations in the technology and communications sector, we recognise we are not yet where we need to be with respect to our overall diversity and have been working hard to rectify this situation. We continue to monitor and implement our Equality, Diversity and Inclusion action plan, and although we acknowledge it will take time to see the results of our efforts, we are committed to taking a proactive approach to finding ways to address the gender imbalance within our organisation, advancing diversity and inclusion and drive positive change.

About this report

This report details the Gender Pay Gap reporting requirements as per the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, which require companies with more than 250 employees to publish:

- Mean (average) and median (mid-point value) Gender Pay Gaps;
- Mean and median bonus Gender Pay Gaps;
- The proportion of males and females receiving a bonus; and
- The proportion of males and females in each pay quartile.

Note, however, that a Gender Pay Gap is not about equal pay: equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. A Gender Pay Gap is a measure of male versus female participation in the workplace across all levels, irrespective of their role or responsibilities.

Our Gender Pay Gap

The Gender Pay Gap illustrates the difference in male versus female earnings across Six Degrees. The mean gross hourly rate of pay for FY21 has increased for males and decreased slightly for females compared to FY20. Like many other organisations, we still have a Gender Pay Gap, and we have seen an increase in our mean difference from 20% in FY20 to 25% in FY21. However, the median pay rate has increased for both genders since our first report and the median difference has remained the same at 22%.



Mean and Median Gender Pay Gap

	Mean (average)	Median (mid-point)
Gender Pay Gap	25%	22%

Six Degrees is committed to diversity and inclusion in all aspects of reward and pay, and is committed to being an equal opportunities employer, where employees are treated fairly and are valued for their contribution. As with most organisations in our sector, Six Degrees' pay gap reflects our larger male population, particularly in senior, more highly remunerated, roles.

We are seeing a positive change moving towards a more evenly distributed population across our pay quartiles. Male headcount in the top quartile has decreased since 2018, and female headcount in the lowest quartile is also decreasing as we are seeing females progress in the organisation, or more senior females join.

We remain committed to having a minimum of one female per shortlist, which has helped us ensure 28% of our starters in FY21 were female, bringing our headcount split on the snapshot date to 25% female.

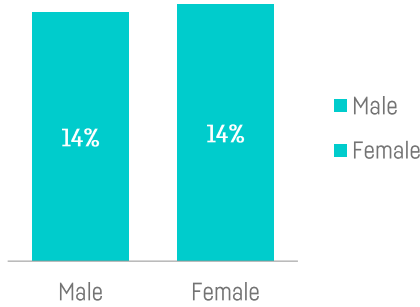
Our Bonus Pay Gap

Six Degrees operates a range of bonus and commission schemes which are designed to recognise and reward individual, team and organisational achievement. The mean and median differences between male earnings and female earnings in the 12 months to 5 April 2021 were both 62%.

Bonus Gender Pay Gap

	Mean (average)	Median (mid-point)
Bonus Pay Gap	62%	62%

Proportion of Employees Receiving a Bonus



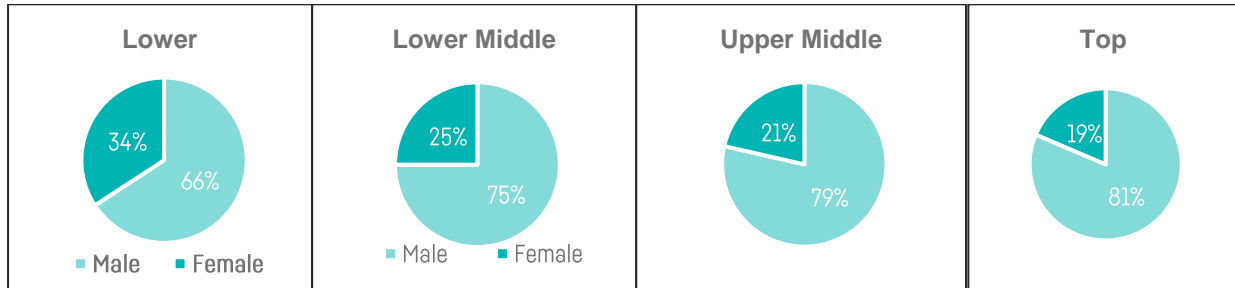
The last two years we have seen a large decrease in the proportion of employees receiving a bonus overall, due to the pandemic and current climate, which has impacted variable pay elements for women in particular. 14% of males and 14% of females received a bonus in FY21. This was at 23% and 17% respectively in FY20, compared to 70% of males and 64% of females the year before.

The majority of relevant payments in FY21 were commission payments, and the majority of these roles are male which explains the 62% bonus pay gap we see in FY21. We remain focused on achieving a gender balance in our sales teams and are proud to say this is improving with 24% of the commission-based roles now held by females, which is broadly in line with our female headcount across the business.



Our Pay Quartiles

The charts below outline the proportion of males and females in each pay quartile.



The largest proportion of females is still in the lower quartile. However, we continue to see a more evenly distributed population across our pay quartiles as women progress into more higher paid roles.

Our Next Steps

Our results for FY21 highlight that there is still more for us to do to achieve a better gender balance. We remain focused on delivering key initiatives to help us increase our female headcount and reduce the gender pay gap, including:

- *Talent Acquisition and Career Progression*

Six Degrees remains committed to advancing the careers of women in technology. Our job descriptions and adverts are reviewed for possible gender bias, in terms of language and content. We have delivered refresher training for our hiring managers in relation to their role in the recruitment process, to ensure there is an enhanced awareness of the benefits of a diverse shortlist and the impact their biases may have in the process. The recruitment process also ensures that there are multiple assessors from different perspectives and backgrounds, providing diversity of opinion and an opportunity for candidates to relate to different people at Six Degrees.

We remain committed to ensuring the progression of our employees is fundamental to our recruitment policy, aiming to fulfil one quarter of our vacant positions with people looking to take their next step in Six Degrees and particularly showcasing the achievements of our female employees.

Furthermore, we continue to focus on ensuring a diverse shortlist for consideration of our hiring managers, aiming for at least one female candidate on a shortlist, with a guaranteed interview for each. Our recruitment partners are also instructed on this basis and we are working to engage more widely with the community to support more women, and particularly future generations, into careers in technology.

- *Reward and Benefits*

We continue to review our benefits offering to ensure our employees feel valued and supported.

We are a Real Living Wage employer, and also ensure increases awarded to males and females are proportionate. We have also benchmarked all employees to ensure they are paid fairly and consistently in line with the market, continuing our commitment that a fair process is applied to all, whilst focused on recognising high performance.



We have recently carried out an internal policy review of our Family Friendly policies increased employee entitlements in a number of areas. This includes significantly enhanced Maternity, Paternity, Adoption and Shared Parental leave, supporting working parents.

Our new Annual and Special Leave policy, with new types of leave and increased entitlements to better support work life balance, working parents and employee wellbeing, was also recently launched. This includes for example increased compassionate leave, paid time off for dependants leave, time off for domestic emergencies, fertility treatment leave, time off to support with miscarriage and stillbirth, and unpaid sabbaticals.

- *A Culture of Diversity and Inclusion*

We remain committed to our aspiration to 'break the mould' and create a culture in which everybody, from any background, can comfortably bring their whole self to work.

We have created our Women in Tech group, who aim to raise awareness of the challenges to women in the workplace as well as support the advancement of women within the business. In addition, our work with Employers Network for Equality and Inclusion (ENEI) resulted in attaining our Bronze TIDE accreditation and we continue to work with them in our efforts to manage multi-cultural teams effectively.

Six Degrees recognises the changing nature of work and what it offers our people and as a result, we regularly evolve our approach to Agile Working to ensure flexibility to balance work and personal commitments.

Six Degrees aims to challenge itself with attraction of diverse talent and remain committed to increasing our female representation to 25% by end of FY23.

Declaration

The Gender Pay Gap data contained in this report is accurate and has been produced in accordance with the regulations.

Simon Crawley-Trice Lindsay Gallard

CEO

People Director