

Gender Pay Gap Report: 2018-19

Introduction

At Six Degrees, our commitment to 'Our People' is one of our guiding principles. At the heart of our strategy is a commitment to a diverse and inclusive environment. We know that what matters is finding the right people, investing in their development and, together, really making a difference – to our teams, to our clients and to our communities.

Once again, through our annual Employee Engagement Survey, our colleagues voted overwhelmingly that Six Degrees is a safe place to work, free from discrimination of any kind; they told us that Six Degrees is inclusive, supportive and a place where people enjoy what they do.

With the rest of the technology sector, we understand that there is still a considerable distance to go. We're pleased to be at the forefront, however, and this our second Gender Pay Gap report sets out the great steps we have made in the last year, as well as where we are going.

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. We are pleased to be able to demonstrate that we are moving in the right direction. We still have a Gender Pay Gap, like many other organisations, with a mean difference of 18% and a median of 22%. This presents, however, a step forward on 2017-18 (23% and 22% respectively).

Mean and Median Gender Pay Gap

| | Mean (average) | Median (mid-point) |
|-----------------------|-------------------|-----------------------|
| Gender Pay Gap | 18% | 22% |

To be clear, pay decisions are in no way influenced by gender. At Six Degrees, as with most organisations in our sector, our positive pay gap reflects our larger male population, particularly in senior, more highly remunerated, roles.

Some of this is symptomatic of the industry; historically, there have been a higher number of males entering the technology arena which, coupled with Six Degrees' more recent acquisitions of other organisations, has presented an additional consideration

Our drive to have a female on every recruitment shortlist remains in place. Whilst we are not yet achieving this consistently, our increase of our profile in the wider community, removal of gendered language from our advertisements and investment in bias awareness and inclusion amongst our people has meant that 55% of our shortlists have included at least one female.

We're also driving increased rigor and transparency around our internal reviews and processes; for example, we note that, in the 12 months leading up to the publication of this report, the average salary increase awarded for females was slightly ahead of that awarded to males.

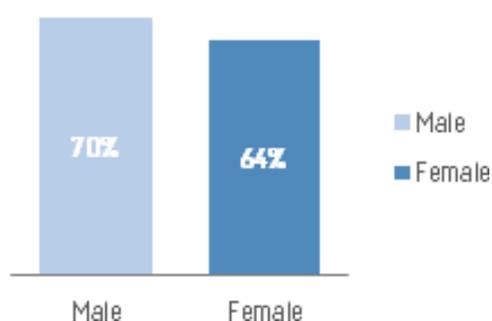
Our Bonus Pay Gap

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 2019 were 64% and -20% respectively.

Bonus Gender Pay Gap

| | Mean (average) | Median (mid-point) |
|----------------------|-------------------|-----------------------|
| Bonus Pay Gap | 64% | -20% |

Proportion of Employees Receiving a Bonus



The proportion of employees receiving a bonus overall (70% of males and 64% of females) decreased in 2018-2019 compared to the previous year (79% and 74% respectively). However, where bonuses were paid out, the median was higher for females than males (-20%).

The difference in the mean is largely due to the higher degree of participation of males in commission-based sales roles, compared to the corporate bonus scheme in the relevant period.

It is our desire to ensure that everyone has equal access to the opportunities that we can provide. Achieving a gender balance in our sales and business development function, as with the rest of our business, remains a priority for the year ahead. Additionally, we have since then revised the terms of our bonus scheme, to better reflect and recognise both individual and company performance.

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, and the lowest proportion is in the highest quartile. Having said that, this year we have seen female representation increase in both the Upper Middle and Top quartiles as a result of both internal progression opportunities and external hires.

Our Next Steps

Six Degrees is particularly passionate about advancing the interests of women in technology. We also have a number of other programmes underway to impact upon our Gender Pay Gap and to promote positive change.

- *Talent Acquisition and career progression*

Six Degrees remains committed to advancing the careers of women in technology. Recognising that there may be engrained bias within the industry around female participation, all employees have undertaken additional diversity, inclusion and bias awareness training in 2019-20. We are also investing in additional development for our managers and senior leaders in this regard.

We have maintained our focus of identifying female candidates ensuring that all shortlists feature a woman and are pleased to confirm that moving forward, all female candidates who have been shortlisted for a role will be offered a face-to-face interview. To support fairer selection, performance management and career development, we have introduced our 'Six Degrees behaviours' which support our values. By allowing current and prospective employees to relate their experience to these objective standards, we have sought to remove opportunities for unconscious bias and to ensure a consistency of assessment across the board.

We have continued to focus on the internal development and career progression for all Six Degrees employees. For example, we have introduced 'career clinics' which seek to raise awareness across the business of the opportunities to progress within Six Degrees and to be sure that every individual knows that they have the potential to progress. Throughout this process, we have been delighted to recognise a number of high performing females which has meant that, in addition to over 40% of all career opportunities in Six Degrees being filled internally, the number of females in our upper two quartiles has been bolstered.

In addition to the above, over the coming year our focus will also include working with females in more entry-level opportunities. For example, we are engaging with academic institutions focus on attracting females into our industry, particularly into technical positions.

- *Reward and Benefits*

We recognise that people are likely to be happier and more productive if they feel that they can look after themselves and their families. That's why we pay at or above the National Living Wage and the London Living Wage in all of our roles. We also offer enhanced maternity arrangements.

We've reviewed our corporate bonus arrangements in the last year, to ensure that individuals, teams, and the wider Group all have the opportunity to be rewarded for their contributions, in line with corporate and individual targets, individual behaviours, and demonstration of our core values.

- *A Culture of Diversity and Inclusion*

Inclusion is in the DNA of Six Degrees. This is why we've taken DIF, our Diversity and Inclusion Forum, and rolled it into 360 Degrees – our employee experience framework. 360 Degrees gives more people the opportunity to get involved and to bring their truest self to work, whether that's to volunteer and undertake charity work, to lead groups on interests and lifestyle, to network with colleagues or generally to have a good time. Our aspiration is to 'break the mould' and create an IT company where everybody, of all backgrounds, feels safe to be themselves.

In support of our employees' work-life balance, many of our employees enjoy agile working opportunities that enable them to manage other priorities.

Having said that, we also understand that sometimes people will move on. We continue to be committed to understanding more deeply why employees, particularly women, leave Six Degrees, and using their feedback decisively.

Declaration

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

David Howson



CEO

Liz Cook



People Director