

# Gender Pay Gap Report: 2019-20

## Introduction

At Six Degrees, we believe that we must continually re-affirm our commitment to cultivating a society that embraces and vigorously defends diversity and inclusion. We are not interested in paying lip-service to diversity and inclusion, and just observing our statutory duties. Whilst these must be met, what is important is the creation of a culture of openness which respects and promotes differences. This will not only enable our people to grow and develop throughout their career, but will benefit Six Degrees, and inspire change in the wider community.

Quarterly, through our Employee Engagement Surveys, our colleagues overwhelmingly affirm that Six Degrees is a safe place to work, free from discrimination of any kind; they believe Six Degrees is inclusive, supportive and a place where people enjoy what they do whilst being able to bring their whole self to work.

Along with the rest of the technology and communications sector, we recognise there are many complex and historic reasons why certain groups of people are under-represented. As a result, we acknowledge that there can be no 'quick fix', but as part of our ongoing journey we are committed to taking a proactive approach to advancing diversity and inclusion (D&I). We have seen an overall decrease in our mean gender pay gap since we launched our first report, and remain committed to ensuring we find ways to address the gender imbalance within our organisation.

## 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 has increased for both genders compared to the previous report, however our gap has decreased by a total of 3% since our first report three years ago. We still have a Gender Pay Gap, like many other organisations, with a mean difference of 20% and a median of 22%, a small increase in the mean difference from last year's report (2018-2019, at 18% and 22% respectively).

Mean and Median Gender Pay Gap		
	Mean (average)	Median (mid-point)
Gender Pay Gap	20%	22%

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

Our commitment to having a minimum of one female per shortlist has helped us ensure 31% of our new starters during FY20 were females. However, 62% of our females were in the two lowest quartiles, and this, along with a high number of senior male hires, has negatively impacted our gender pay gap.

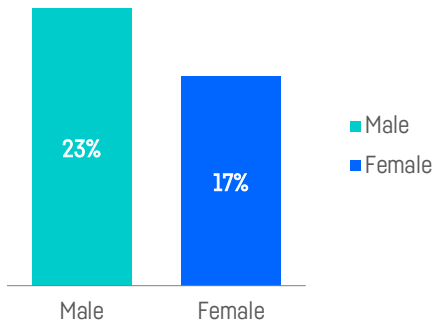
## Our Bonus Pay Gap

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 2020 were 40% and 53% respectively.

Bonus Gender Pay Gap		
	Mean (average)	Median (mid-point)
Bonus Pay Gap	40%	53%



## Proportion of Employees Receiving a Bonus



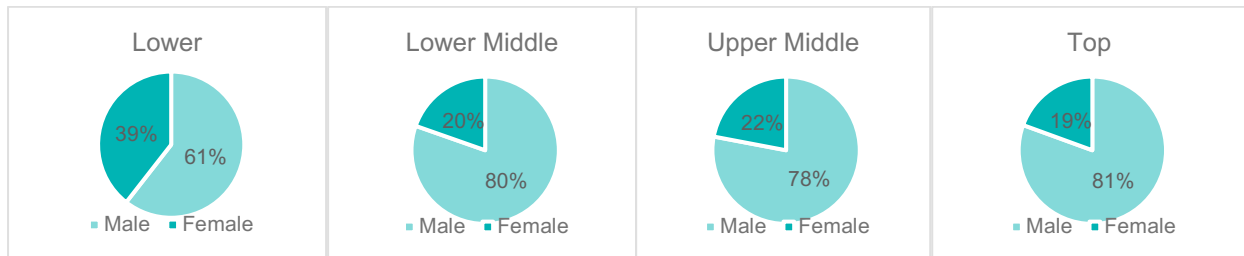
The proportion of employees receiving a bonus overall decreased in FY20 (23% of males and 17% of females) compared to the previous years. Owing to the pandemic and the current climate, the majority of employees did not receive a bonus under our new Annual Bonus Scheme, which was implemented to better recognise individual as well as company performance. Only exceptional bonuses were awarded during the period and this has impacted variable pay elements for women.

Six Degrees has a higher degree of participation of males in commission-based sales roles, compared to the corporate bonus scheme in the relevant period, which further explains the gap.

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. We are proud to say that the gender balance in our sales teams has improved significantly over the past six months, with our female sales headcount doubling.

## 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. However, we have seen a small decrease in female representation in the lower quartile and an increase the three other quartiles. In particular, female representation in the top quartile has increased, and 38% of our females are in the top two quartiles.



## Our Next Steps

The figures in this report highlight that there still is 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 each campaign, to ensure that only relevant criteria and experience are included ahead of advertising. All job adverts are run through a gender bias language tool to ensure these are accessible and not biased towards any particular gender, in addition to ensuring the content and layout of adverts would not adversely impact females applying for the positions. We have also delivered additional 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 throughout the interview stages providing diversity of opinion and an opportunity for candidates to relate to different people at Six Degrees.

We have maintained our focus of identifying female candidates and ensuring that all female candidates who have been shortlisted for a role will be offered an interview. Equally following the training of managers, we have seen them taking the lead to demand and support the generation of female candidates for vacant positions. We also instruct all external agencies to provide us with a diverse shortlist of candidates. 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 45% of all career opportunities in Six Degrees being filled internally, the number of females in our upper two quartiles has been bolstered.

Our current focus includes helping more females enter our sector. For example, we are engaging with academic institutions, and we are utilising the government Kickstart programme, apprenticeship funding and continuing to grow our graduate programme.

- *Reward and Benefits*

We recognise that people are more likely to be engaged and productive if they are rewarded fairly, offered flexibility to help achieve a positive work life balance, and are provided with a benefits package that ensures they feel valued and supported.

At Six Degrees we therefore pay at the Real Living Wage in all of our roles, and remain committed to our ongoing pay review process to ensure all our employees are fairly rewarded. In 2021 we have launched our company wide recognition scheme to further recognise individual performance and contributions.

Following FY20 and feedback from our employees, we have completed a full review of our benefits offering. This included the introduction of new benefits that support women in the workplace, for example the 'Menopause Academy', which is an online program specifically designed to help women going through perimenopause or menopause. This benefit is available to all employees and their family members.



Over the past year, we, as many other organisations, saw a lot of change implemented to support work life balance and agile working. We have launched agile working practices across the organisation enabling everyone to work from home 3-4 days per week, and flexible hours that support parents and carers in particular. Over the course of the next year, we will also conduct a bigger review of our family friendly policies and processes, to encourage not just women but men also to take shared leave, request flexible working, as well as making it more comfortable and attractive to return from Maternity leave.

- *A Culture of Diversity and Inclusion*

Our aspiration is to 'break the mould' and create an IT company where everybody, of all backgrounds, can comfortably bring their whole self to work. Our internal diversity and inclusion committee has raised awareness of different events throughout the year, such as International Women's Day. We have refreshed the Committee for 2021, and we now have over 20 new volunteers from across the business to develop initiatives and introduce activities or communications to the wider business, including promoting and raising awareness of diversity and inclusion issues. This group is supported by an Executive Level Sponsor and four Senior Leadership Sponsors to ensure there is an awareness of their work and output at a senior level, while also helping to ensure initiatives can be delivered with maximum impact

Last year, we became an active member of the Employers Network for Equality and Inclusion (ENEI). We have worked with ENEI and other organisations to provide training and workshops to all of our senior leaders on conscious inclusion and how to manage multi-cultural teams.

The journey we have been on over the last financial year has allowed us to establish our ambitious diversity and inclusion strategy for FY2022, which sets out our 5 year aims and informs our accompanying action plan. The FY2022 D&I action plan has a range of deliverables and targets to demonstrate progress against priorities. Six Degrees recognises, however, that there are key areas of focus which will require significant and sustained focus over the short-medium term in order to achieve our broader D&I aims. Therefore, we have committed to a target of increasing the number of women in our organisation to 28% by March 2022.

We do understand that sometimes people will move on. We continue to be committed to understanding more deeply why employees, particularly women, leave Six Degrees through conversations and our exit interview process, 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

Liz Cook

CEO

People Director