

Gender pay gap reporting

April 2022 – March 2023

Executive summary

Commentary and figures

Arqiva's ongoing commitment to inclusion and diversity is reflected in the April 2022 – March 2023 reporting period. Our mean gender gap has improved to 8.7% which was a 1.1% improvement on the previous reporting period (9.8%) and represents a 2.7% improvement on the 2020-21 report. We remain significantly below the average gender pay gap in our industry. Of the 605 companies in Technology, Media and Telcoms, the average gender pay gap for 2022-2023 is 15.6%.

Our median gender pay was 12.2% compared to 11.2% in the previous reporting period. The median measurement for gender pay can be more susceptible to change than the mean average as it compares the middle-ranked value of both male and female pay. The results from the median gap tell us that whilst we have made strong progress in female representation at the higher levels of the organisation, there is a slightly wider median gap driven by attrition of both male and female colleagues further down the organisational hierarchy.

Our gender pay gap reporting is just one way of tracking our progress towards becoming a more inclusive business. We are building on strong foundations in strengthening our culture where all colleagues feel a sense of belonging and are able to bring the best version of themselves to work.

This report highlights some of our successes and improvements made in the reporting period while also outlining our plans to continually improve and ensure that we create an inclusive environment where there are no barriers to success.

During this reporting period, we continued to evolve our approach to flexible and hybrid working (Work.Life.Smarter) to empower our colleagues to make informed decisions on how they work and collaborate. These principles enable us to differentiate ourselves in the attraction of diverse talent and remains a significant driver of employee engagement (in March 2023, the work life balance score in our 'Have Your Say' survey was 71, 4 points higher than the UK benchmark in the Glint database).

Our employee representative groups diversified and strengthened in this reporting period. Our group of Diversity Ambassadors grew in number and in representation from traditionally less diverse parts of our business such as Operations and Technology. In this reporting period we created an internal menopause support group to share experiences and provide education. We also broadened our support for those neurodivergent colleagues with our 'Spectrum' network which is focused on enabling everyone to thrive in the workplace.

We also aligned our inclusion aspirations with our formal representative groups, specifically developing a collaborative relationship with the Diversity Lead at our officially recognised trade union, BECTU.

What actions are we taking?

Being an inclusive business for everyone is important to us and we continue to place this at the heart of what we do as a business and invest time and energy in making our working practices and environment reflect this.

To ensure that we fully understand our colleagues and to inform and tailor policies, benefits and initiatives accordingly, we launched a campaign in this period to collect employee diversity data. By March 2023, we had increased our completion rate by 20% (up to 47%). This positive trajectory continued across the rest of 2023.

Female representation across our senior leadership team (Executive Committee and their direct reports) remains a strength. At the end of the reporting period this was 46% and reflects a deliberate effort to attract more diverse talent, build balanced shortlists and promote gender balanced interview panels. During the reporting period, we made some significant senior leadership appointments in Technology and Operations which reinforces our commitment in this area.

In hiring externally, we are building our external employer brand and are using data to continually refine our approach to attracting and hiring all forms of diversity. In the hiring of our new graduate cohort, we placed specific effort on utilising female only job boards and showcasing Arqiva at female only events. This resulted in 58% of this cohort being female (all roles were technical or commercial and in traditionally male dominated areas). This outperforms the technology and engineering sector which tracks at 30% female graduate hires.

Our external diversity and inclusion partnerships continue to deepen so that we can learn from good practice and keep challenging ourselves to be better. We continue to work very closely with Inclusive Employers, who delivered a number of education sessions for colleagues for International Women's Day and National Inclusion Week. We also have collaborative relationships with Henpicked (menopause support) and Tommy's (pregnancy at work). We also work closely with our many benefit providers to leverage their resources on gender related health and wellbeing. A good example of this is signposting our colleagues to a range of expert webinars from AXA Health on topics ranging from neurodiversity to menopause.

We continue to apply consistent pay and recognition principles which ensure equitable treatment across all colleagues regardless of gender and background.

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Within this period, our employee engagement has continued to rise, improving to 71 points which brings us level with the Glint UK benchmark and represents an increase of 13 points since September 2021. Our analysis continues to show that employee engagement does not change based on gender.

We have plans to launch further employee-led networks in 2023, including a LGBTQ+ network. We will also, for the first time, be marking Baby Loss Awareness week in October with some education sessions and listening groups.

Measuring and understanding the gender pay gap continues to drive our resolve to improve the experience across every stage of the employee lifecycle. We do not discriminate based on gender or any other characteristic. We continue to have an aspiration of hiring more females into our Operations and Technology functions so that can continue to re-balance the overall gender mix of Arqiva and continue to close the gender pay gap.

Our vision is to have an environment where every contribution is seen, every perspective valued and every individual feels empowered to be successful. The progress demonstrated in this data and actions highlighted in this report highlight our ongoing commitment in making Arqiva an inclusive place to work where all colleagues can thrive.



Shuja Khan
Chief Executive Officer

Statutory declaration

What's the difference between the median and mean gender pay gap calculations?

The median gender pay gap is the difference between the midpoints of the hourly earnings of men and women in the sample; it takes all salaries/earnings in the sample, lines them up in order from lowest to highest, and picks the middle salary.

The mean gender pay gap is the difference between the average hourly earnings of men and women in the sample; it takes the total cost of salaries for each sample and then divides these figures by the number of people in each sample.

While both figures are relevant, the median is often seen as a more representative measure as it's not impacted by 'outliers' – the individuals that are at the extreme top or bottom of a salary range.

I confirm that the data and information presented in this report are accurate and meet the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



A handwritten signature in black ink, appearing to read 'Shuja Khan'.

Shuja Khan
Chief Executive Officer



A handwritten signature in black ink, appearing to read 'Sarah Jane Crabtree'.

Sarah Jane Crabtree
Chief People Officer

Our figures

Gender pay and bonus gap

The table shows our overall mean and median gender pay data as a snapshot on 05 April 2023.

Gender pay gap

Mean	Median
8.7%	12.2%

Gender bonus gap

Mean	Median
24.1%	2.1%

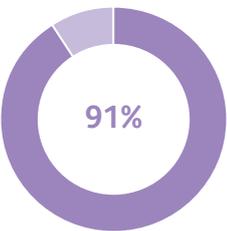
As outlined in the introductory section, this reporting period has seen a decrease in our mean gender pay gap (8.7% compared to 9.8%) and an increase in our median gender pay gap (12.2% compared to 11.2%)

The mean and median gender bonus gap data is shown in the above table. This has been impacted by our gender distribution across pay quartiles (and associated 'on target' bonus levels) and the number of male colleagues in receipt of legacy bonus arrangements. Our mean gender bonus gap is 24.1% and our median gender bonus gap is 2.1% compared to 19.9% (mean) and 16.1% (median) in the previous reporting period.

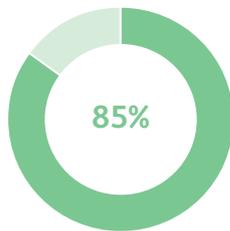
Proportion of colleagues receiving a bonus

These charts illustrate the difference between the number of men and women being paid a bonus for their performance between April 2022 and March 2023. The number of women receiving a bonus has decreased this year due to the restructure of reward for employees in the lower and lower middle quartiles which removed the performance-based bonus element and increased base pay.

Men



Women

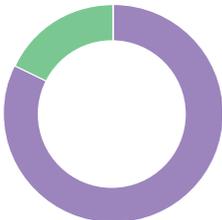


Eligibility to receive a bonus payment in any given year is based on being employed on or before 31 March as a new starter, or in service on 30 June. Because of the normal nature of staff turnover, these figures are always going to fluctuate and are not representative of eligibility relative to gender.

Pay quartiles

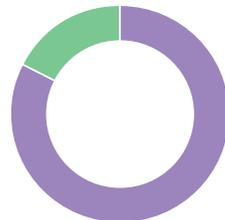
The information below illustrates the gender distribution at Arqiva across four equally sized quartiles, each containing a varied population spread of approximately 300 people in each quartile.

Upper



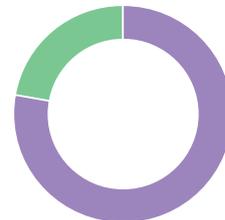
Men: 80%
Women: 20%

Upper Middle



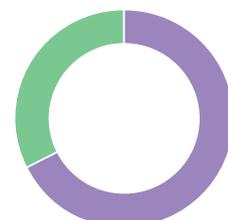
Men: 83%
Women: 17%

Lower Middle



Men: 78%
Women: 22%

Lower



Men: 68%
Women: 32%

Like many organisations in the science, technology, engineering and maths (STEM) sector, our pay quartiles demonstrate that we continue to be male dominated. In order for there to be little or no gender pay gap, there would need to be the same ratio of men to women in each quartile. This is simply a factor of our environment and we recognise that if we are to continue to close the gender pay gap then we need to not only have a better balance of women in senior positions, we also need to continue to invest in creating a more diverse talent pipeline.

Contact information

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