

GENDER PAY GAP REPORT

This report details our April 2021 to April 2022 results and our approach to ensure Gender Equality



OUR COMMITMENTS



Francis Bird
Group HR Director

CityFibre is striving to create an inclusive workplace where everyone feels valued and respected because of their differences and the values they bring. A place where every employee can bring their full selves to work so they can reach their full potential and help us achieve our business goals.

As a responsible business in the UK, CityFibre’s vision is that our people reflect the diversity of the societies we build in. We have opportunities to build new and exceptionally talented teams. But, if we are to maximise this potential, **the team we build must reflect the diversity of the societies our networks are designed to serve.**

Ensuring we can attract, retain and develop skilled and talented women in roles throughout our organisation is critical if we are to achieve this. As an industry and as a company we still have a long journey ahead of us to build the gender-balanced workforce we aspire to, but we are working hard and making sustained and important progress.

Measuring our progress in gender diversity – through publishing our pay gaps – is an important part of understanding our progress toward achieving this vision. And for us to continue working every day for a culture that is inclusive and equitable.



80/100

Score for
recommending
CityFibre as a great
place to work



81/100

Equal Opportunities
score

EXECUTIVE SUMMARY

WE'VE TAKEN DIRECT ACTION TO ADDRESS THE LONG-STANDING LACK OF FEMALES IN OUR SECTOR

We are committed to reducing the gender pay gap and ensuring we have measures in place to introduce females to CityFibre at all levels and create opportunities for female internal mobility. Diversity and inclusion, including gender, is one of our key strategic pillars and embedded in everything we do.

Through our targeted campaign to attract more females into our industry in our Early Career roles, we've successfully increased the proportion of female employees overall, though this has increased the gender pay gap in the short term as these are entry level roles.

We will see this gap reduce in future years as our early career female hires become experienced and progress up the career ladder.

POSITIVE PROGRESS WITH CONTINUED INTERVENTIONS REQUIRED

As a progressive business, there are further opportunities to build upon the diversity of our workforce with targeted DEI initiatives. With a **median gender pay gap of 17.4%** and a **mean gender pay gap of 14.3%**, we are proud to be making positive steps towards achieving gender equality within our industry.

However, closing the gap completely and fairly will require the continued effort over the long-term that we have in plan with our Gender Balance Action Plans.

WHAT OUR PAY GAPS MEASURE

The gender pay gaps may be confused with equal pay, but they measure something different.

What do gender pay gaps measure?

The gender pay gaps measure the difference in average hourly rate of pay between all men and women irrespective of role or seniority.

The pay gaps simply reflect the difference in the midpoints in the pay range of all male and females. We tend to focus our analysis on the median pay gaps as the median is less affected by pay outliers.

How is this different to equal pay?

Equal pay relates to pay equality between men and women doing like work. Equal pay is a legal requirement.

Our approach

At CityFibre, we take deliberate steps for equality of pay for all our people. We operate pay structures which include Families and Reward to ensure equal pay for equal roles.

We also undertake annual gender pay audits, to demonstrate our ongoing commitment to remove unfair pay practices and eradicate gender bias at all levels of the organisation.

GENDER PAY GAP AND HOW IT'S CALCULATED

The gender pay gap is calculated as the difference between average (mean or median) hourly earnings (excluding overtime) of men and women as a proportion of men's average hourly earnings.

Mean

The **mean gender pay gap** shows the difference in the average hourly rate between men and women in a company. This is not the same as 'equal pay', which is the difference in pay between men and women who carry out the same or similar jobs.

Median

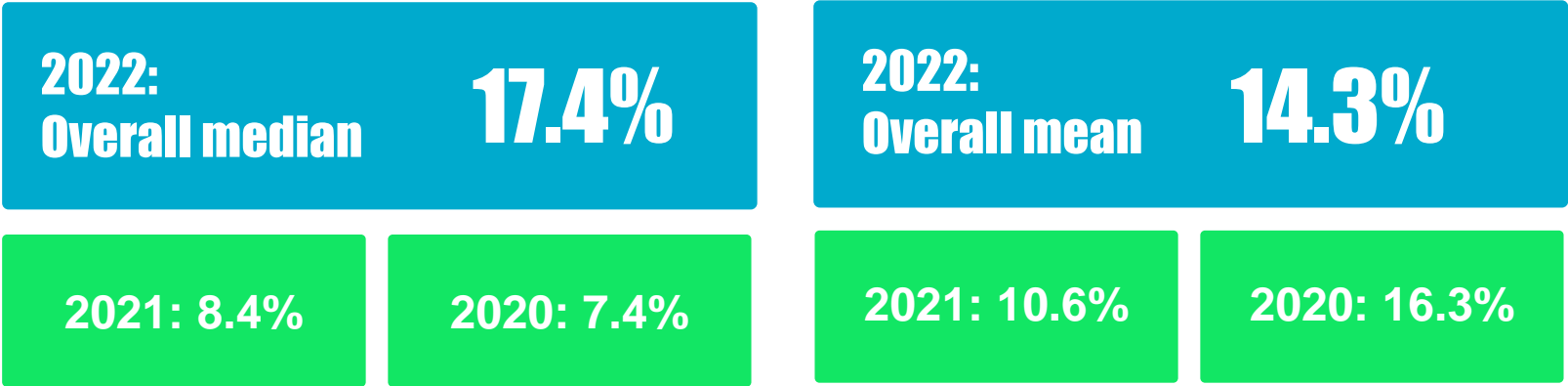
The **median is the middle value** of all hourly rates when ranked. That is the amount paid to the employee in the middle of the list, if employees are listed in order of pay or bonus.

The advantage of looking at the median is that it's less affected by numbers at the top end of the pay range, such as the earnings of a small number of senior executives.

Using both mean and median figures offers different insights into the distribution of our pay and bonus data. Regulations also require us to report on both.

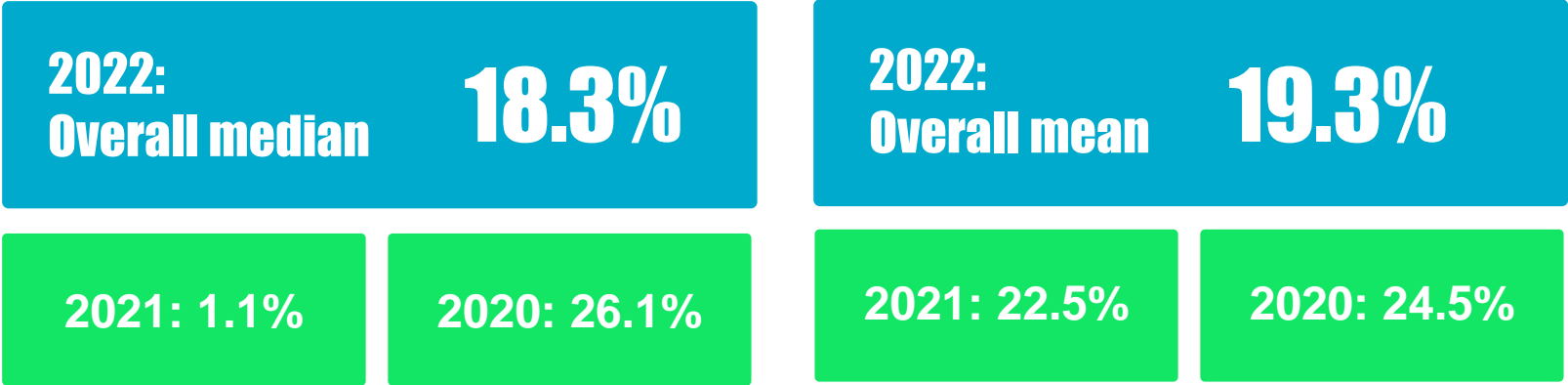
OUR GENDER PAY GAP FIGURES FOR 2022

GENDER PAY GAP IN HOURLY PAY



The gender pay gap at CityFibre has widened between 2021-2022 as expected in the short term, because of our success in attracting more females into the business in Early Career roles.

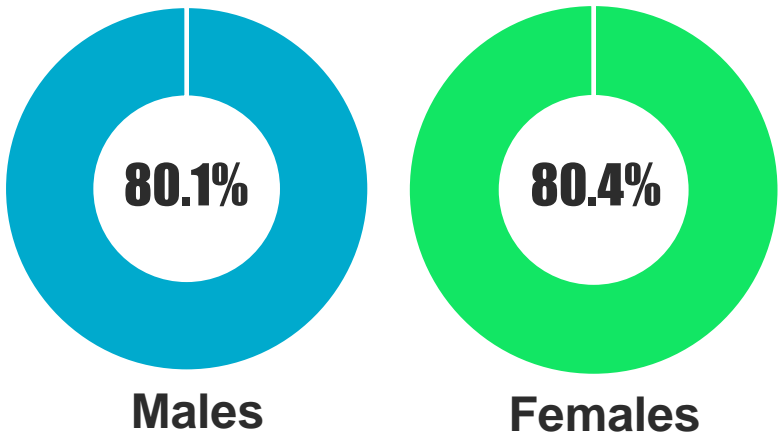
GENDER PAY GAP IN BONUS PAY (annual bonus & commission)



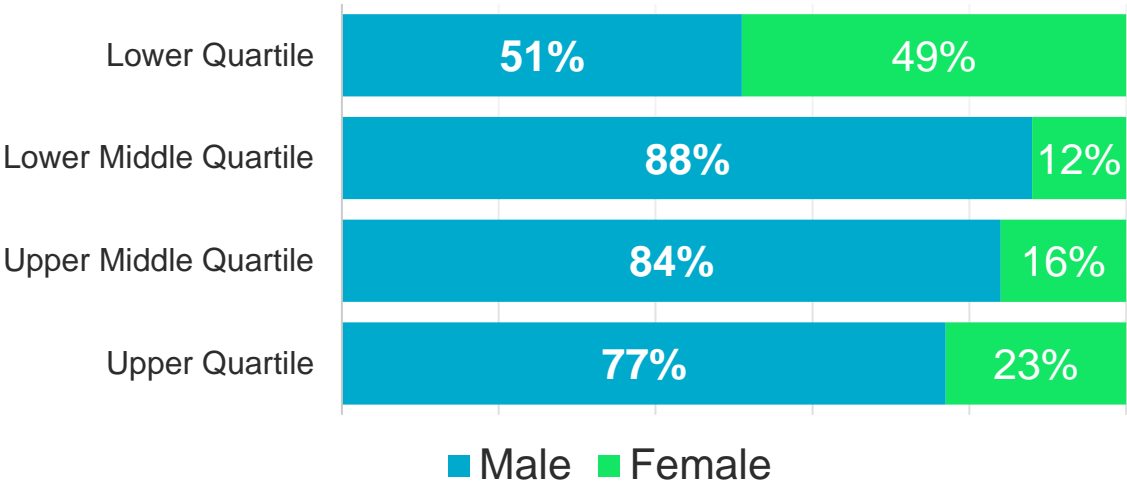
The increase in our pay gap is also attributed to the size of our colleague base which may result in positive interventions taking more than one year to impact our statistics.

OUR GENDER PAY GAP FIGURES

Proportion of employees receiving a bonus



Pay quartiles
(Distribution of males & females)



Our overall headcount increased by 28% from the snapshot date in April 2021 to the snapshot date April 2022.

During this period we increased the number of women in the upper quartile by 75% (from 57 to 100), compared to an 18% increase in the number of men (from 285 to 337).

This was the result of bringing in some senior hires, internal promotions and a considered pay review to target salaries that were behind market.

PROGRESS DURING 2021-2022

BUILDING ON OUR DIVERSITY, EQUITY & INCLUSION STRATEGY & EMBEDDING IT IN OUR CULTURE

- Every person at CityFibre plays an important part in creating an inclusive culture.
- The leadership team recognise their role in setting the tone for this, with diversity and inclusion action plan progress reported within regular business reviews. Our leaders also have KPIs related to progress in diversity and inclusion.
- To help us continue to build an inclusive culture, and to highlight every individual's responsibility in achieving this, we've launched new a Diversity, Equity & Inclusion E-learning course. **78% of CityFibre employees had completed this training as of March 2023.**

ENHANCING OUR DE&I NETWORKS & SHOWCASING OUR ACHIEVEMENTS

- The pay gaps give an important barometer of progress in relation to gender diversity, but they are not our only focus areas for our Diversity, Equity and Inclusion strategy. We recognise that each person is an individual made up of a unique combination of different characteristics – some visible, most invisible.
- Our DE&I networks continue to help us foster a supportive workforce and environment.
- **Our Gender network has launched a Menopause Policy and a new wellbeing support group** to help further develop an age and gender inclusive workplace.

PROGRESS DURING 2021-2022

MANDATING BALANCED HIRING SHORTLISTS FOR ALL VACANCIES

- Working with our recruitment partners to ensure 50% diverse shortlists for all roles and take different approaches to recruitment that enable us to attract more women in technology roles.
- Training our people managers in inclusive hiring practices to ensure candidates have an inclusive experience throughout every step of our recruitment process as well as shifting the emphasis to hiring for potential, rather than prior experience.
- Our blended shortlists have enabled us to **recruit 28% of female talent** into CityFibre.

INCREASING THE NUMBER OF EARLY CAREER HIRES WITH FORMAL DEVELOPMENT OPPORTUNITIES TO ENCOURAGE FEMALES INTO TECH ROLES

- Like many organisations in our sector, we have a low representation of women across all levels of our organisation, but particularly in technical specialist roles where they are significantly underrepresented.
- This reflects a societal issue in the technology sector which attracts fewer women from the start of their career. Women are also less represented in senior leadership positions, which typically pay more. These are factors that contribute to our pay gap.
- Our female friendly language on our job adverts has helped us recruit **39% of females into our Early Career roles.**

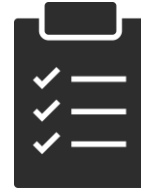
OUR ONGOING ACTION PLANS

Continuing to deliver our Gender Balance Action Plans with a focus on the following critical four areas:



Inclusive recruitment and hiring

Continuing our journey to create a gender balanced workforce by implementing the measures, processes and practices where everyone feels valued and respected because of their differences.



Formalising our Talent Management approach

Continuing career progression and talent development support for gender inclusivity to enable us to continue diversifying our leadership population.



Developing action plans from our Employee Voice Survey

We play close attention to our people engagement survey results, analysing these by diverse groups to understand any differences in experience.



Continuing to grow and mature our DE&I networks

We know that no one person is defined solely by one characteristic. Our aim is simple: we want to make sure our plans are designed for the different experiences women have, because our identities are about more than gender.

STATUTORY DECLARATION

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



Greg Mesch
Chief Executive Officer



Francis Bird
Group HR Director