



Gender pay gap report

Virgin Media 2021

This report details our April 2020 to April 2021 results and focus areas to ensure gender equality.

March 2022



Introduction

In June 2021, two of the nation's most iconic brands came together to create one of the UK's largest businesses – Virgin Media O2. A 50/50 joint venture between Liberty Global and Telefónica, our new business now employs around 17,000 people.



This Gender Pay Gap report is based on data which was captured before Virgin Media and O2 joined forces, and therefore is based on Virgin Media employees during the 2020/21 reporting period.



Now together as Virgin Media O2, we're committed to building a company that represents the diverse communities we serve, while creating an environment where our people genuinely feel they can bring their whole selves to work.

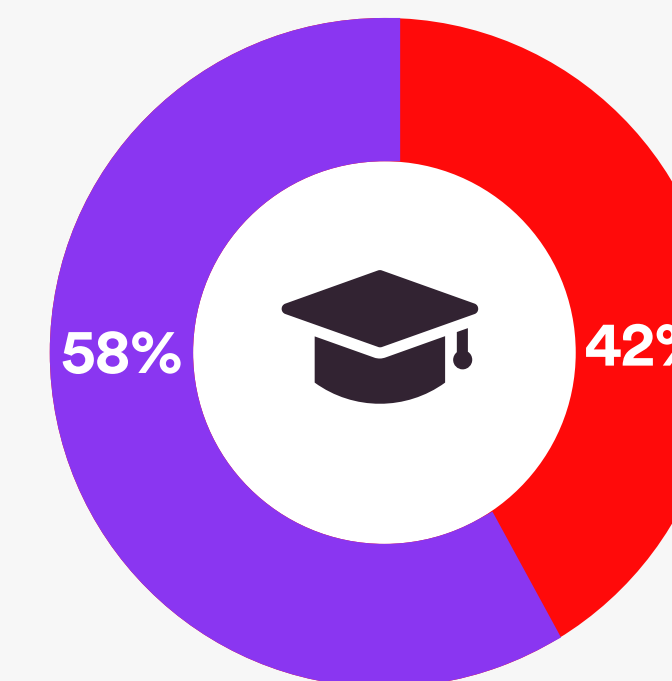
We're committed to building a company that drives greater equity for all genders

- We've created a gender-neutral job description and job advert template which ensures the use of inclusive language, and only asks candidates to demonstrate essential skills to help encourage more women to apply for our job vacancies.
- We've implemented a more inclusive and accessible psychometric assessment tool to reduce potential bias from our pre-screening process for interview candidates.
- Interviews are carried out with an independent assessor on the panel to ensure a diverse and equitable process.
- We've hired 42% women onto our graduate and internship schemes, following a targeted campaign. We also implemented a number of innovative tools and initiatives to increase the applications of women to our future careers programmes. This included the removal of CVs throughout the application process, plus holding coaching calls to support applicants before an assessment centre. We also use a tool called 'Match Me' to encourage women to consider roles they may not have otherwise.

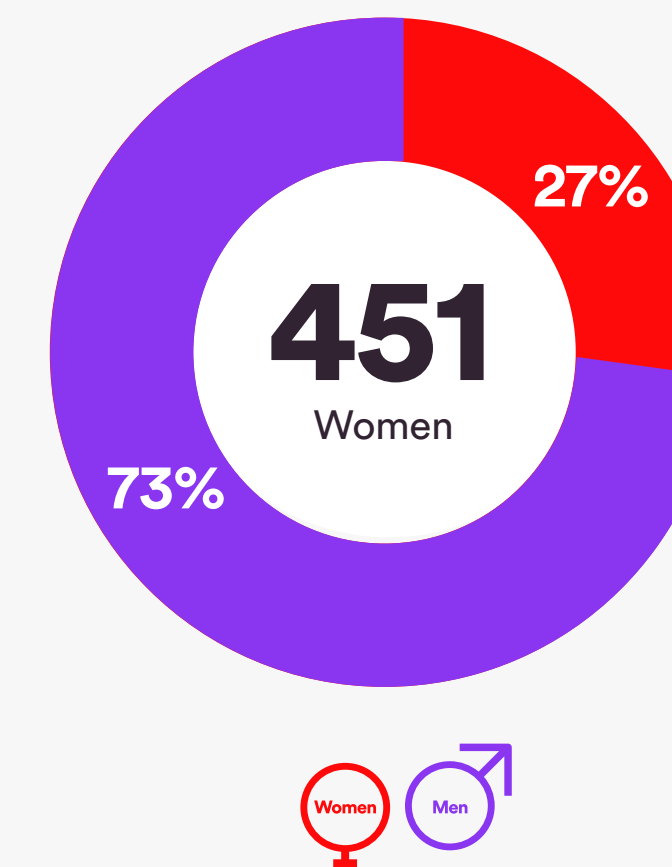
- We hired 451 women into the business – 27% of our total new joiner population between April 2020 and March 2021.
- We launched our 'We Care' employee network in June to provide dedicated support to the many unpaid carers who work among us, many of whom identify as women or non-binary.
- We sponsored 'Step Up', a six-month mentoring programme for women in their second university year, interested in pursuing a career in STEM, providing 20 mentors from our business to work with students for the duration of the programme.
- We launched a menopause and fertility toolkit for our manager community to help them better understand and support our colleagues navigating through these life experiences.



Graduate & internship



New joiners



Introduction

Gender pay reporting in the UK

From 5 April 2017 any UK company employing more than 250 employees were required to publish their gender pay gap data.

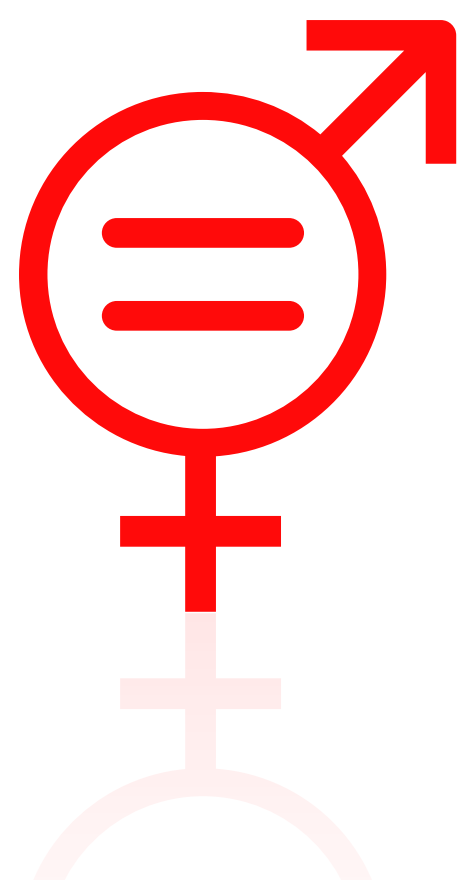
This is Virgin Media's fifth year of reporting. Gender pay shows the difference in average pay between all men and women in a company and we must publish certain data for this.

The number of men and women employees in each pay quartile

Mean and median gender pay gaps for bonus

Mean and median gender pay gaps for total ordinary pay

Proportion of men and women employees in receipt of a bonus payment



Key terminology

Calculating Gender Pay Gap means following specific Government legislation and definitions. These definitions may be different to how we might normally talk about gender pay in Virgin Media.



Relevant employees

All Virgin Media UK employees who were employed by us on 5 April 2021.

Relevant full pay employees

All Virgin Media UK employees who were paid their usual full pay on the snapshot date (i.e. did not receive a one-off bonus, nor were they on unpaid leave, both of which may skew the figures).

Snapshot date

Gender pay gap calculations will be based on figures from a set date each year – for businesses like Virgin Media UK this is 5 April each year.

Pay quartiles

The proportion of employees across the Virgin Media ordinary pay range is represented in quartiles by dividing the workforce into four equal segments from the lowest Virgin Media hourly rate to the highest.

Ordinary pay

Ordinary pay is basic hourly pay on the snapshot date (5 April), bonus (monthly and quarterly) and premiums (shift premiums, on call allowances, etc.) and converted into an hourly rate.

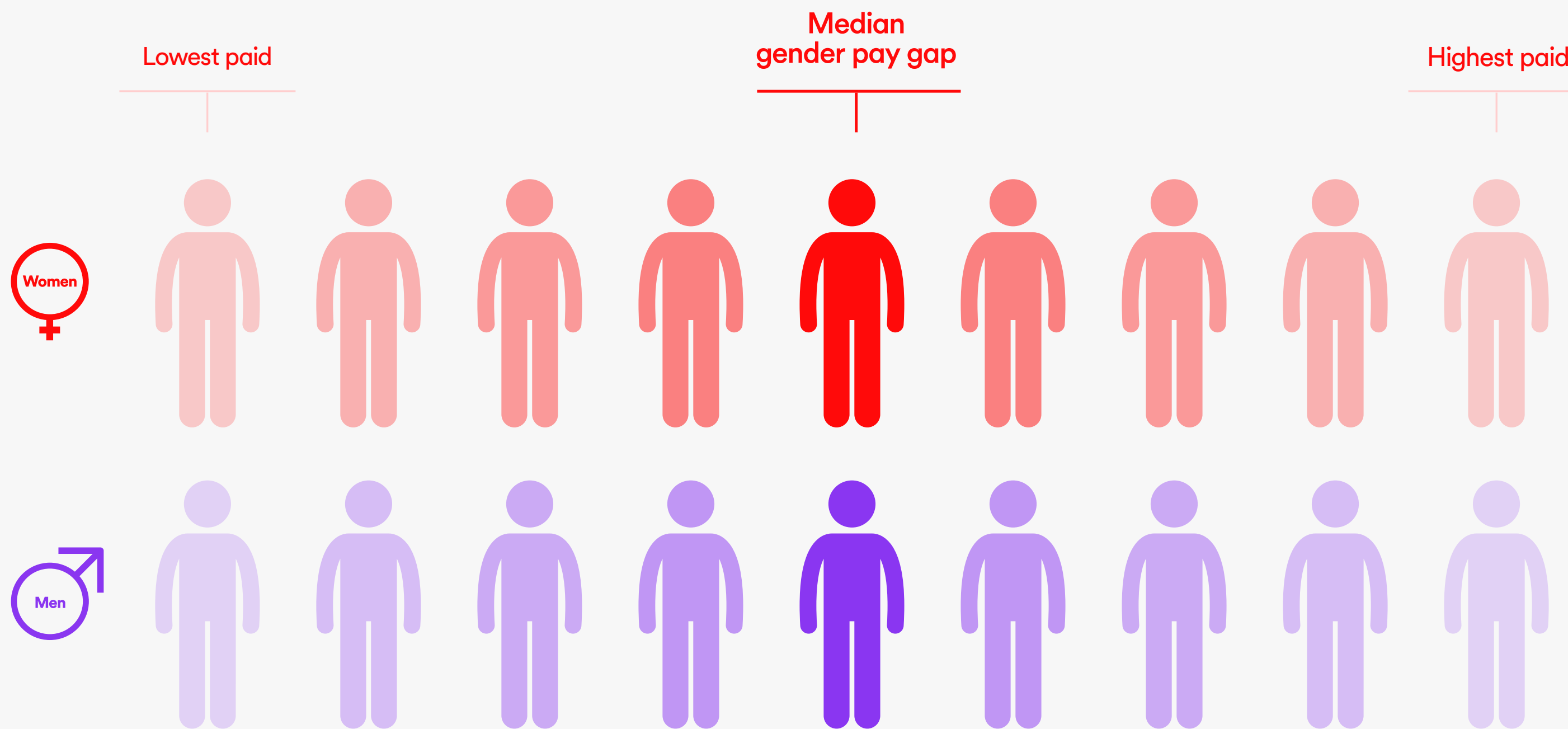
Note: Overtime and pension contributions are excluded and annual bonus paid in March is therefore not included in ordinary pay.

Definitions

Women \ hourly rate (£)



Men \ hourly rate (£)



Mean (average) gender pay gap in hourly pay

The average hourly rate of women compared to the average hourly rate of men in Virgin Media shown as a percentage. A positive % indicates a favourable pay gap towards men, and a negative % indicates a favourable pay gap towards women.

Median (middle) gender pay gap in hourly pay

If we lined up every man in the company from highest to lowest paid, the median is the man standing in the middle of the line. We then do the same for women, comparing the hourly rate to the men's hourly rate. A positive % indicates a favourable pay gap towards men, and a negative % indicates a favourable pay gap towards women.

Bonus pay

Bonus Pay refers to any bonus, commission or equity (vested RSUs, PSUs or exercised SARs) paid between 1 April 2020 and 31 March 2021, this doesn't pro-rate for part-time employees and those who have joined or left through the year. This is not an hourly figure but an overall total figure of bonus awarded during the year. We then calculate mean and median bonus pay gaps.

Context

During the Covid-19 pandemic, many of our front-line employees were classed as keyworkers, and due to the nature of their work, many were unable to work from home.

To thank them for keeping our customers connected during lockdown, we awarded them a £500 one-off payment in May 2020. The largest population of those eligible were our Field Engineers. As a population, this employee group is 95%+ men.

Additionally, as part of our Annual Salary Review, we made additional salary adjustments to align with market data where necessary, this includes increasing lower salaries to the Virgin Media Living Wage (VMLW) as a minimum. The top three headcounts for roles that received an additional uplift to the VMLW were across our Sales and Contact Centres - who, as an employee group, are 68% men.

Initial observations

On the 2021 snapshot date (5 April 2021), we employed 5,262 fewer women than men. This affects our ability to close the gender pay gap.

We also saw a 21% increase in employees receiving a bonus between April 2020 and March 2021. This was mainly due to the one-off Covid bonus we awarded our frontline key workers. This increased the bonus pay gap.

Keyworkers



One-off payment

Men 95%+

Field engineers

Uplift to Virgin Media Living Wage (VMLW)

Men 68%

Sales & contact centres

Employees

5,262
fewer women

8217

2955



Bonus



21%
increase



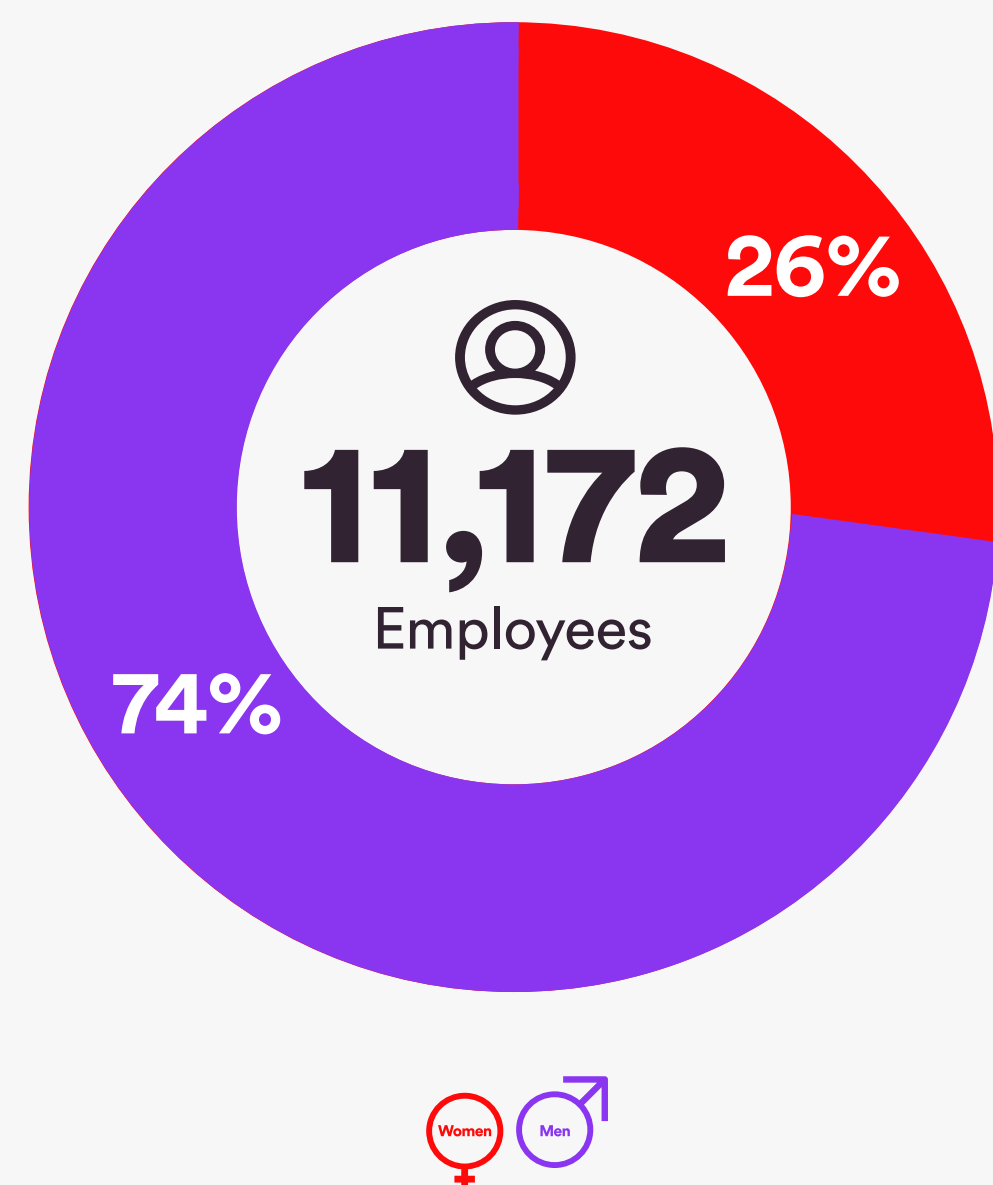
Results: Proportion of men and women

Headcount: Men and women employees

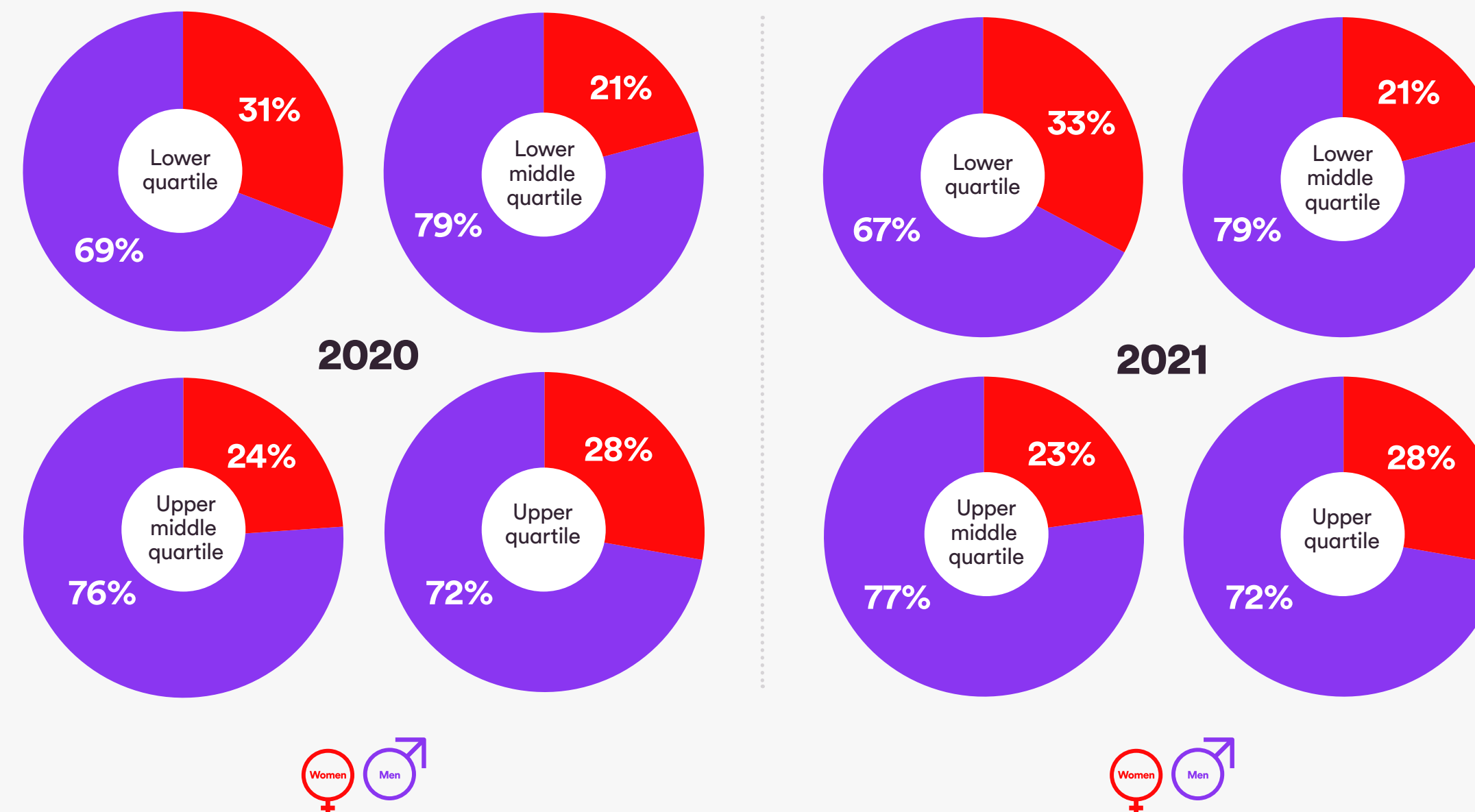
1% variance



Relevant full pay employees



Men and women in each pay quartile



Headcount remains stable year-on-year - with just a 1% variance between 2019, 2020 and 2021 across relevant employees employed by us on 5 April 2021. There was a small increase in relevant full pay employees in comparison to 2020 demonstrated in our pay quartiles.

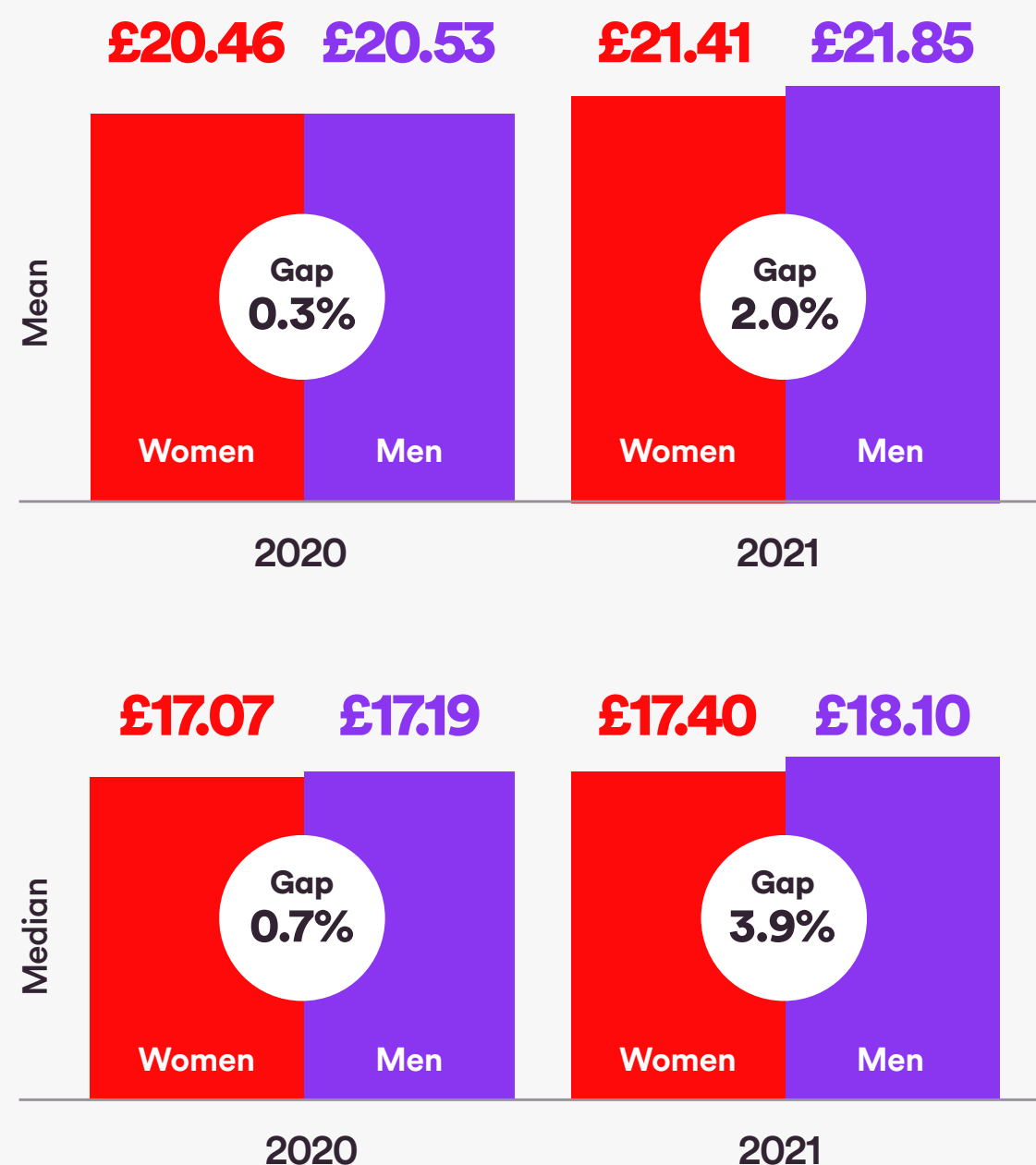
The proportion of women in the organisation is 26%, this is stable compared to 2019 and 2020.

Year-on-year there is no movement in the lower middle quartile and the upper quartile, with minimal movement in the upper middle quartile.

The proportion of women in the lower quartile has increased since 2020. There was an increase of 86 relevant full pay employees (72 women) in addition to last year's report, 60 of which fall into the lower quartile women's percentage.

Results: Gender pay gap 2021

Hourly pay gaps



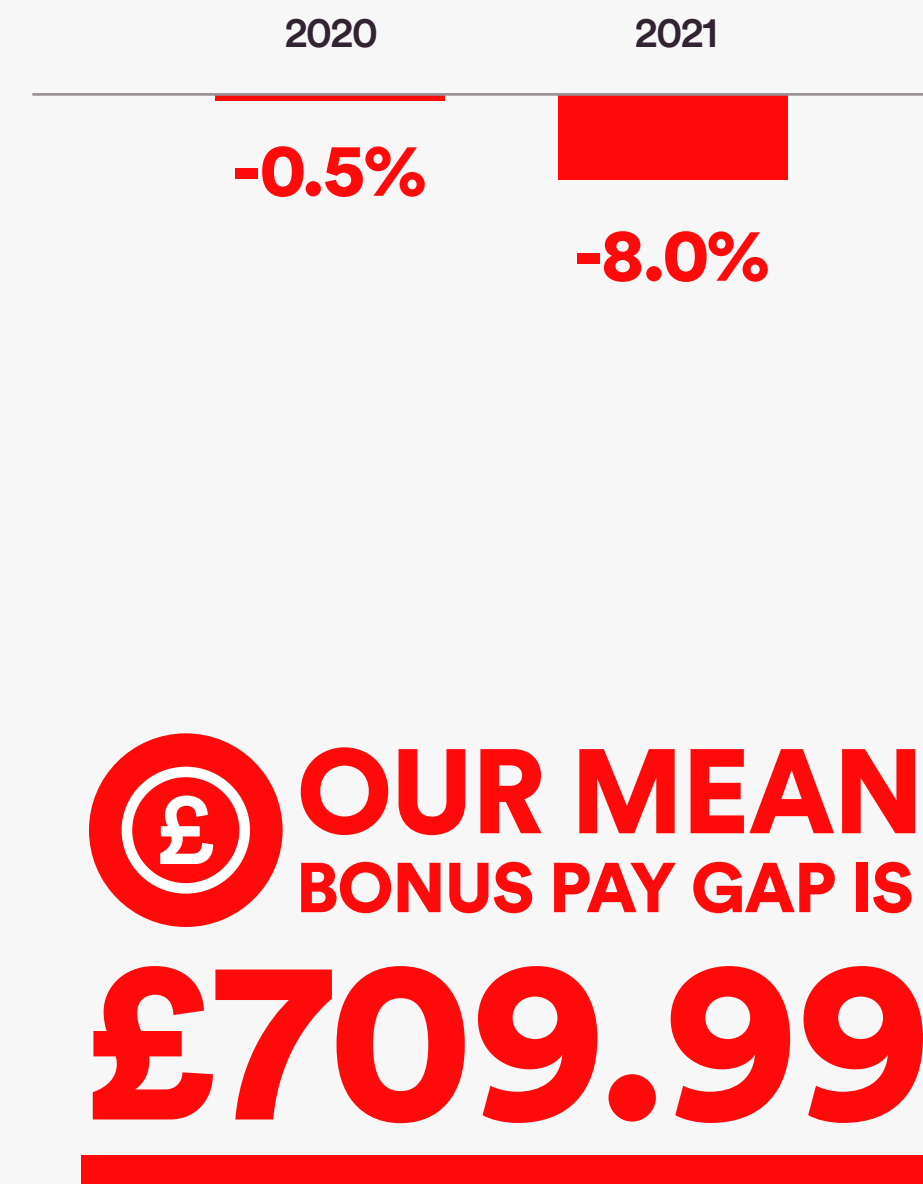
OUR MEAN (AVERAGE) GENDER PAY GAP IS

2.0%

OUR MEDIAN (MIDDLE) GENDER PAY GAP IS

3.9%

Bonus pay gaps



OUR MEAN BONUS PAY GAP IS

£709.99

OUR MEDIAN BONUS PAY GAP IS

£2,983.16

Our gender pay gap has slightly increased however we maintain a small gap, as seen in previous years.

Year-on-year reporting definitions are tweaked and there are changes in payroll reporting affecting these numbers.

Why is the mean and median negative? Approximately 74% of our population are men, with a significant majority in engineering/consumer roles. These roles receive commission based on our referral scheme. The majority of women in our organisation receiving a bonus are in a higher-grade role.

Comparatively the value of the median bonus therefore favours women. In addition, this year more people at lower levels received the Covid front-line worker bonus.

What's next?

It's important to recognise that large parts of our business have historically been dominated by men – for example, our engineering and installation roles – so achieving sustained gender parity will take time and continuous effort because we hire a large number of people in these teams.

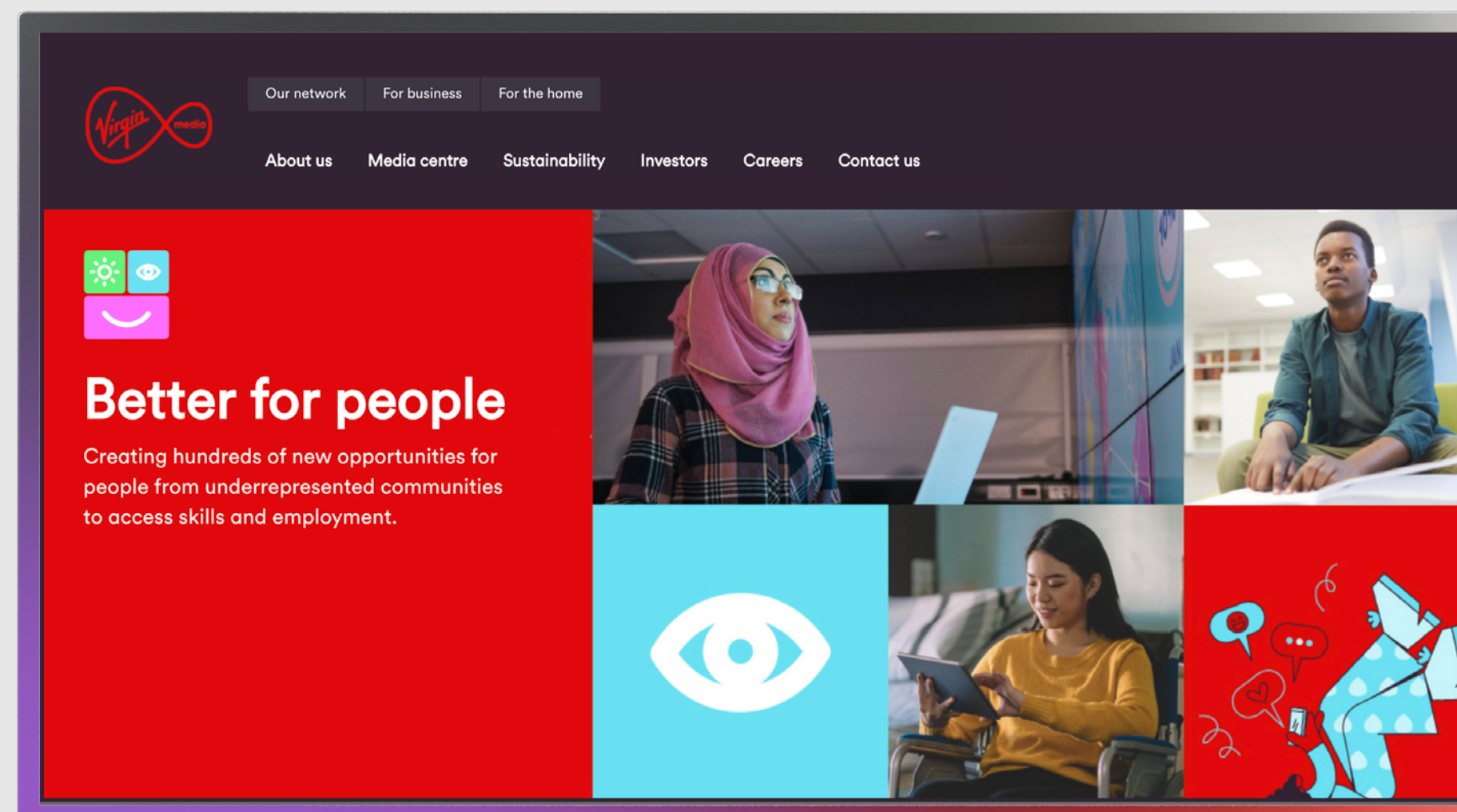
We still have progress to make when it comes to driving forward gender parity for women and those with diverse gender expressions and identities. Only through sustained effort and commitment can we drive equity for women to ensure a greater gender balance across our workforce.

Looking ahead, we're committing to doing more, not less. Being better and using our privilege and power to remove barriers for our people and the communities we connect.



We are going to...

- Use our Diversity, Equity & Inclusion (DE&I) strategy to create an environment where everyone can thrive. An environment based on equity, where we remove systematic barriers, while targeting representation and make greater progress in driving forward gender parity for women and those with diverse gender expression and gender identities.
- Continue focusing on new ways we can encourage women into fields that have historically been dominated by men. Equally, we will continue taking steps to nurture women in fields traditionally dominated by men, ensuring we offer a working environment where they can thrive and progress their careers.



What's next?

Ensure our working policies are family-friendly, intelligent and agile so they meet the needs of our current and future workforce, while exploring ways to remove systemic barriers and introduce specific reproductive and women's health policies, wherever possible.

- Implement fair pay checking – so that prior to any job offer we extend, whether internal or external, we can ensure our proposed salary is in line with market benchmarks.
- Explore ways we can expand the remit of our Gender Pay Gap report to ensure it represents everybody within our business. Traditionally the data captured across our Gender Pay Gap report has been limited to 'legal' gender identities – men and women. But we know we have people working within our business use different gender expression and identities.

- Create a safe environment to encourage greater disclosure of diversity data among our people, to give us enough data to start implementing other pay gap reports, such as ethnicity and disability. While there is no current legal requirement to submit pay gap reports outside of gender, to truly make progress across DE&I as a whole, we need to be transparent about how we stack up.
- Continue to encourage more women into STEM roles, in through our partnerships with the 'Step Up' and 'Step into STEM' programmes.



This statement was approved by the Chief Executive Officer and the Chief People & Transformation Officer of Virgin Media Limited

Lutz Schuler
CEO,
Virgin Media

Philipp Wohland
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