

Virgin Media O2

Pay Gap Report

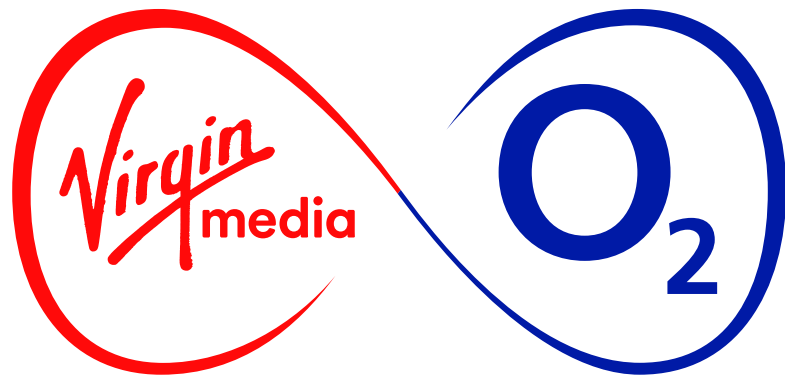
March 2023



Foreword



In June 2021, Virgin Media and O2 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 over 16,000 people.



By March 2022 we’d launched our first combined Diversity, Equity & Inclusion (DE&I) strategy, ‘All In’, a five-year plan underpinned by bold ambitions to better reflect the communities we serve.

All In is about moving the dial when it comes to diversity, making equity part of everything we do and putting inclusion at the heart of how we do business. It’s about everyone in Virgin Media O2, going ‘All In’ to make positive change happen. As part of this, we’ve set ambitions to improve representation around gender and ethnicity across the organisation by the end of 2027.

This is our first combined pay gap report as Virgin Media O2, and the first time we’re voluntarily disclosing our joint Ethnicity Pay Gap data. As one of the UK’s leading employers, we’re standing firmly behind our strategic commitments to gender and ethnicity, and that starts with complete transparency about where we are now and how we’re going to get to where we want to be.

Both pay gaps show we’ve got work to do, and as a relatively new organisation we are at the start of that journey. I am encouraged that our Gender Pay Gap currently stands at a narrow 2% mean and 4.2% median. Our Ethnicity Pay Gap is wider, at 10.3% mean and 15.4% median.

It’s worth bearing in mind that our ethnicity figures are based on a smaller data set compared to the data informing our Gender Pay Gap, as it is based on the 63% of employees who shared their ethnicity information on the snapshot date. The gap itself being driven by a higher representation of people from Global Majority groups at junior levels and lower representation in leadership roles.

While we have progress to make, I’m proud of what we’ve achieved during our first full year as Virgin Media O2. Read on for our pay gap analysis, as well as the work we’re doing to increase diversity, drive inclusion and achieve genuine equity.

Philipp Wohland
Chief People and Transformation Officer
Virgin Media O2

Pay Gap reporting in the UK

Since 2017, all UK companies with 250 employees or more have been required to publish their Gender Pay Gap data to demonstrate the difference in average pay between men and women in their employment.

When it comes to Ethnicity Pay Gap reporting, there is no legislative requirement on UK organisations to publish this yet. However, for the past three years O2 have published an Ethnicity Pay Gap on a voluntary basis.

This year marks the first time Virgin Media O2 is voluntarily disclosing its combined Ethnicity Pay Gap.

As a leading UK employer, we've chosen to publish this data because we recognise the importance of transparency in encouraging accountability and inspiring impactful, action-led change. It holds us accountable, helps us learn, and will lead to positive improvement.

We've chosen to use the same calculation methodology set out by the Government Equalities Office for our Gender Pay Gap reporting, our Ethnicity Pay Gap, bonus gap, and distribution across pay quartiles. However, unlike gender, our ethnicity disclosure rate is not yet at 100% (at the time of reporting this stood at 63%), meaning any individuals who had not disclosed their ethnicity by the snapshot date have been excluded from our calculations.



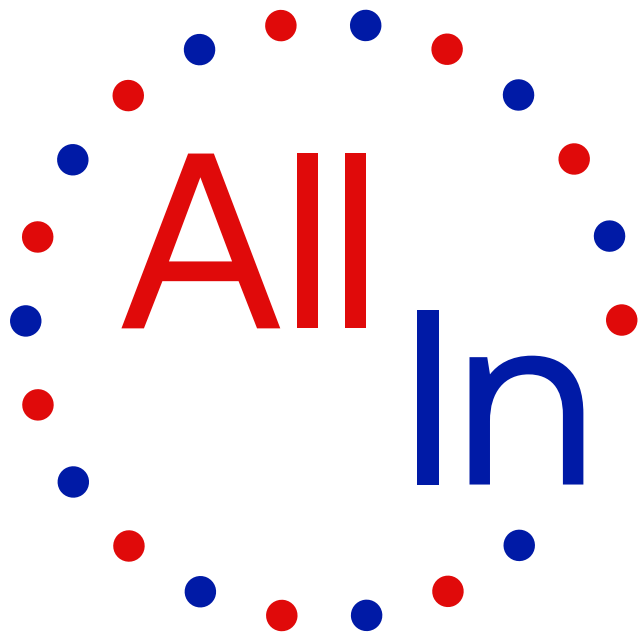
All In: Bringing our strategic commitments to life

Diversity • Equity • Inclusion



Our five-year All In DE&I strategy comprises of three pillars – Diversity, Equity and Inclusion – while publicly setting out clear ambitions to move towards genuine gender parity (including diverse gender expressions) and to increase employee representation from Global Majority groups.

In our short time as a combined business, we’ve taken important steps to better support our entire workforce, while working to drive gender and race equity across Virgin Media O2.



Transgender Healthcare Benefit

In August 2022 we launched our Transgender Healthcare Benefit to better support our trans and non-binary colleagues. Offered through our existing healthcare insurer, the benefit is available to anyone within the business seeking support around their gender identity or any aspect of transition. It includes early consultation, diagnosis and counselling support, as well as medical support and intervention on fundamental elements of transitioning.

Enhancing our leave policies

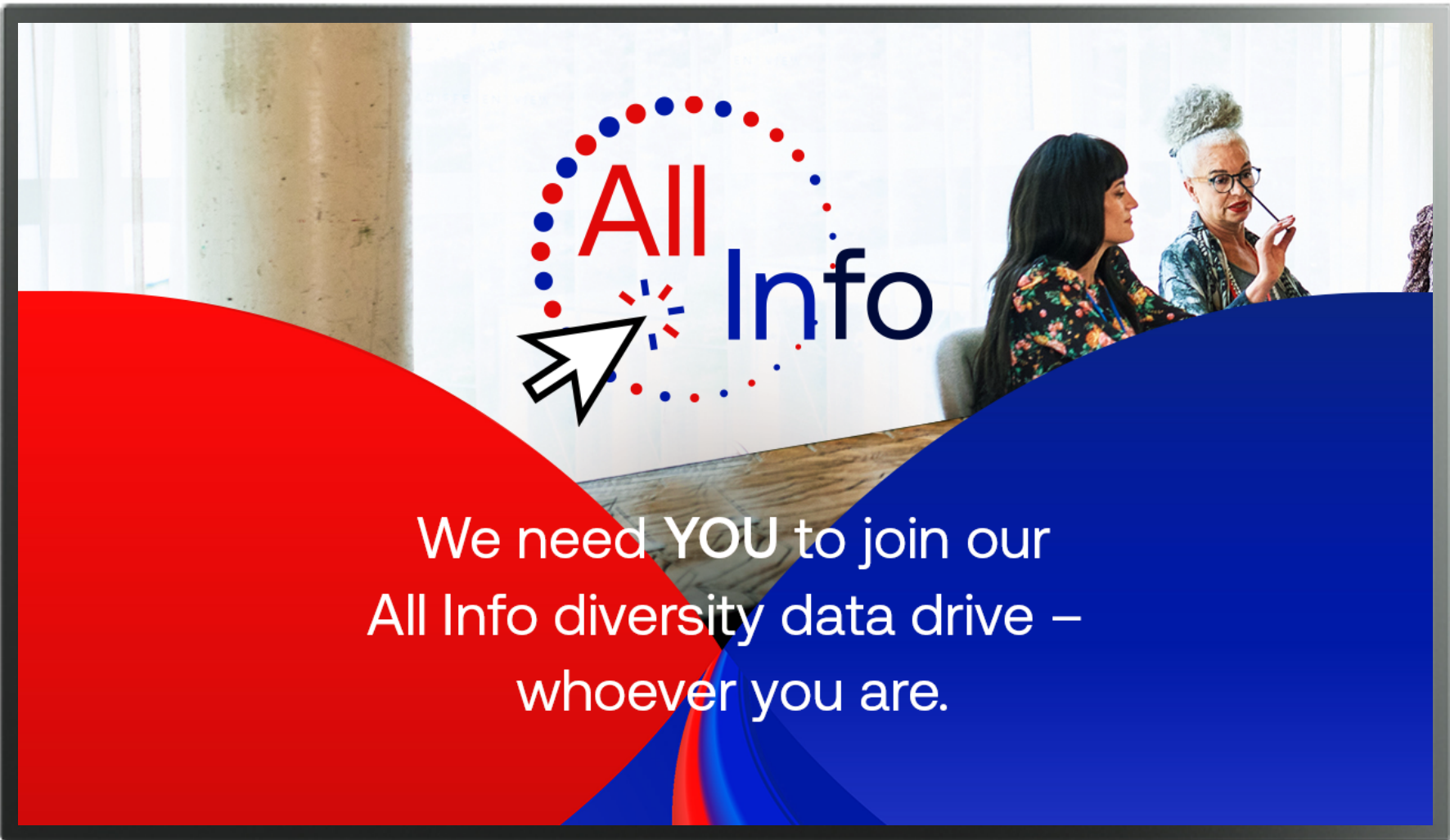
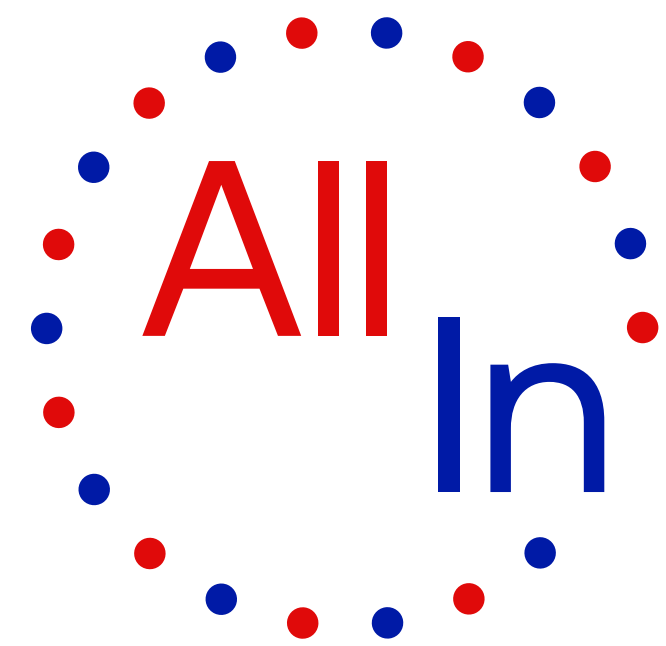
September 2022 saw the launch of our new ‘Family Friendly policies’, designed to help our people take time off when it really matters – whether welcoming a new addition or dealing with the unexpected. Taking the best from both former organisations, we enhanced leave allowances and added new ones to create a unified approach that’s equitable and inclusive for everyone at Virgin Media O2. Covering Maternity, Adoption, Paternity, Parental Leave, Emergency Time Off, Bereavement Leave and Pregnancy Loss, we also took the opportunity to launch new policies on Neonatal Leave and Carer’s Leave.

Celebrating diversity and encouraging allyship



To raise awareness across the business, we host regular DE&I events run by our employee networks. For our flagship event, National Inclusion Week, we hosted our ‘All In Day Out’ in our Slough office – a day of speaker sessions and workshops to celebrate all things DE&I. Speakers included Gok Wan and Gemma Cairney, Neurodiverse comedian Stephanie Davies, author Shola Kaye, Elliot Ray (founder of Music, Football, Fatherhood), and award-winning poet Raymond Antrobus. We used the event to encourage employees to share their diversity data, and also hosted the first in our ongoing series of ‘Ally Up’ workshops, covering topics from anti-racism to inclusive leadership.





Increasing data disclosure



Since launching our strategy, we’ve encouraged employees to share their diversity data on our HR systems – to help understand the diversity within our newly merged organisation. Over the past year, we’ve been running a communications campaign – the ‘All Info’ diversity data drive – which has helped significantly increase disclosure across disability, ethnicity and sexuality.

Supporting our All In Networks

Our six employee networks (representing Gender, Race & Ethnicity, LGBTQ+, Disability, Neurodiversity and Carers) are helping to shape our culture, while supporting employees to connect with others who have diverse backgrounds, experiences, and perspectives. Sponsored by two Executive Management Team leaders, they’re designed by employees for employees to celebrate key dates and increase awareness of the challenges faced by traditionally marginalised groups.

- [Gender](#)
- [Race & Ethnicity](#)
- [LGBTQ+](#)
- [Disability](#)
- [Neurodiversity](#)
- [Carers](#)

Listening mechanisms

Our culture is critical to ensuring our employees feel safe, and empowered, to be their whole self at work. We provide a range of feedback channels and opportunities for our people to share their views and challenges on DE&I within Virgin Media O2 – most notably, our regular employee engagement survey (Pulse), our dedicated annual DE&I Survey (Vibe), and via our employee networks and DE&I team.

Inclusive recruitment

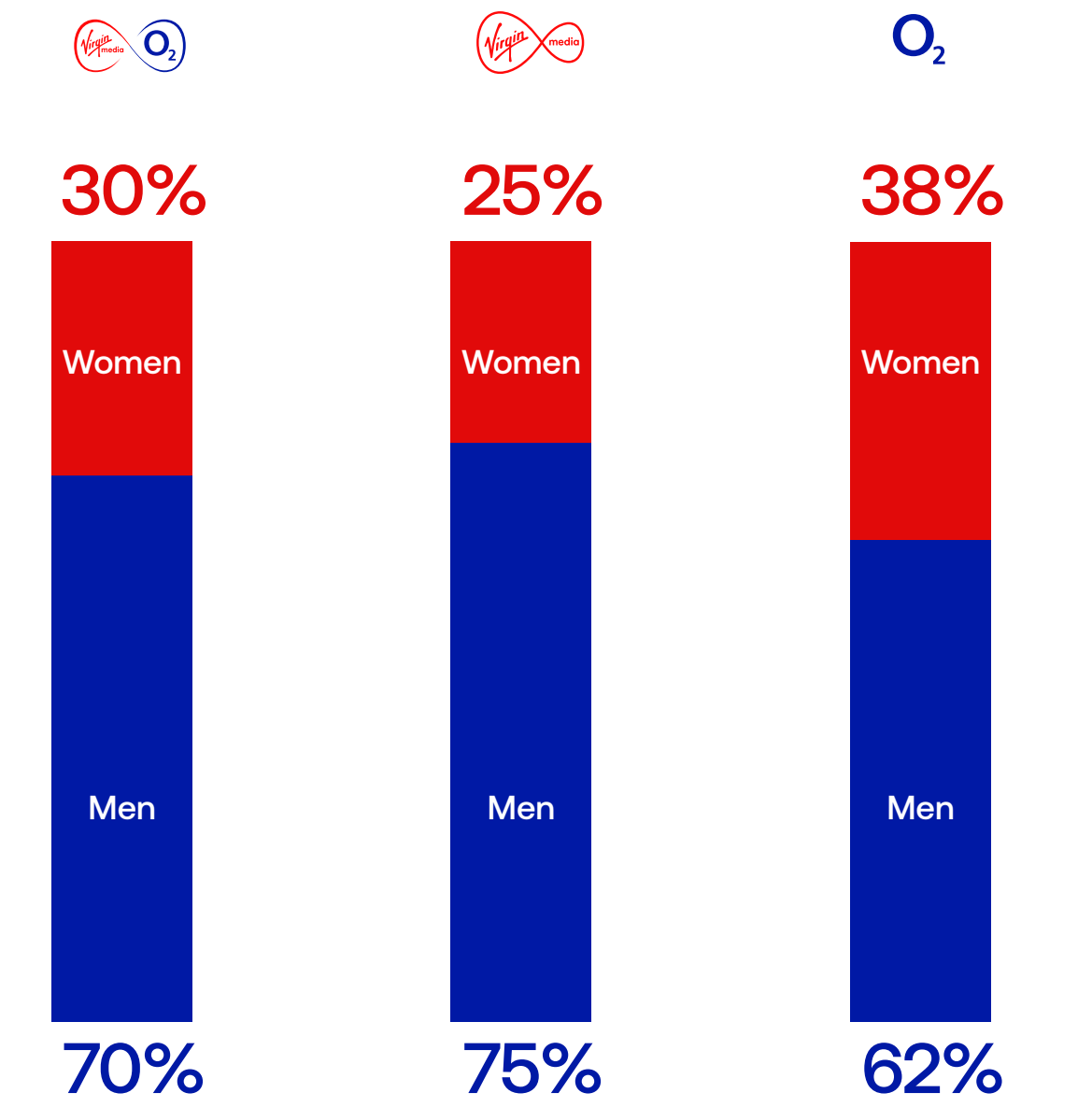
We remain focused on evolving how we attract, hire and engage diverse talent to ensure inclusivity and gender neutrality – demonstrated by our 2022 win at the In-House Recruiter Awards for “Best Equity, Diversity and Inclusion Strategy”. We use workforce analytics to provide our leaders with regular insight on opportunities to create more diversity in their teams and at senior levels. We also encourage diversity across our early careers vacancies by utilising innovative support tools such as Match Me and Practice Situational Judgement Tests (SJTs). Match Me encourages people from diverse backgrounds to apply for roles they would not have previously considered (e.g. women into engineering), while Practice SJT aims to give women and Global Majority candidates enhanced skills and confidence in the recruitment process.



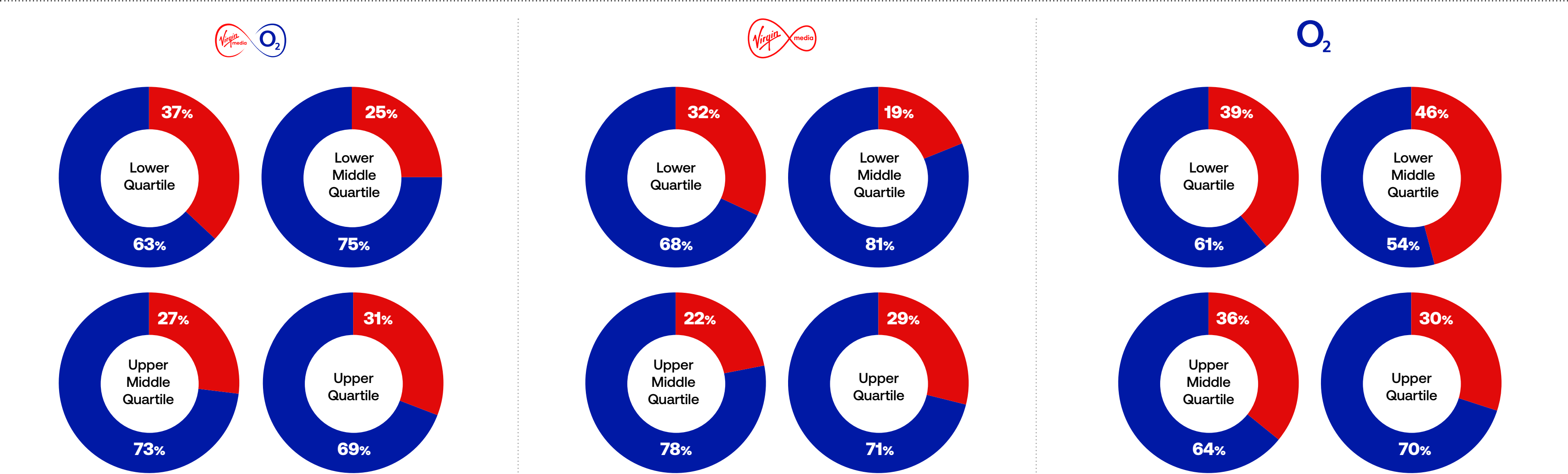
Binary Gender Pay Gap Report 2021-2022

Headcount & Binary gender split

	<div>Virgin media</div> <div>O₂</div>	<div>Virgin media</div>	<div>O₂</div>
Relevant Employees	16,670	10,629	6,042
Relevant Full Pay Employees	15,549	9,936	5,523



Pay Quartiles 2022



Pay quartiles help explain the overall pay gaps, as they show us where our employees sit based on their salary, and the corresponding gender split across each quartile.

When the Virgin Media and O2 pay quartiles are combined, there is consistency with our overall gender split across our higher pay quartile, however the lower quartile has the lowest ratio of men to women.

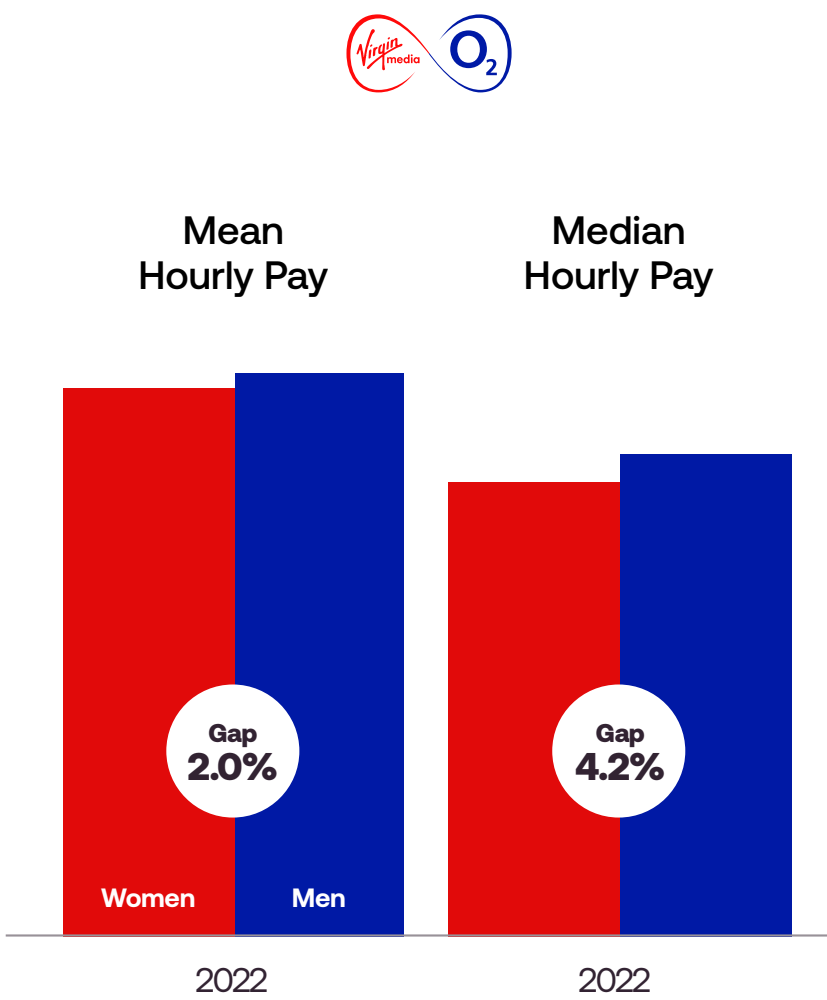
Virgin Media data shows a similar proportion of female employees across lower and upper quartiles. Having a balanced spread of female employees in lower and higher paid roles helps us achieve a narrower pay gap but in reality it disguises the fact that women are underrepresented at all levels of Virgin Media.

For O2, the ratio of women to men is lower across the higher quartiles, indicating there are more women in lower paid roles, which widens the pay gap.

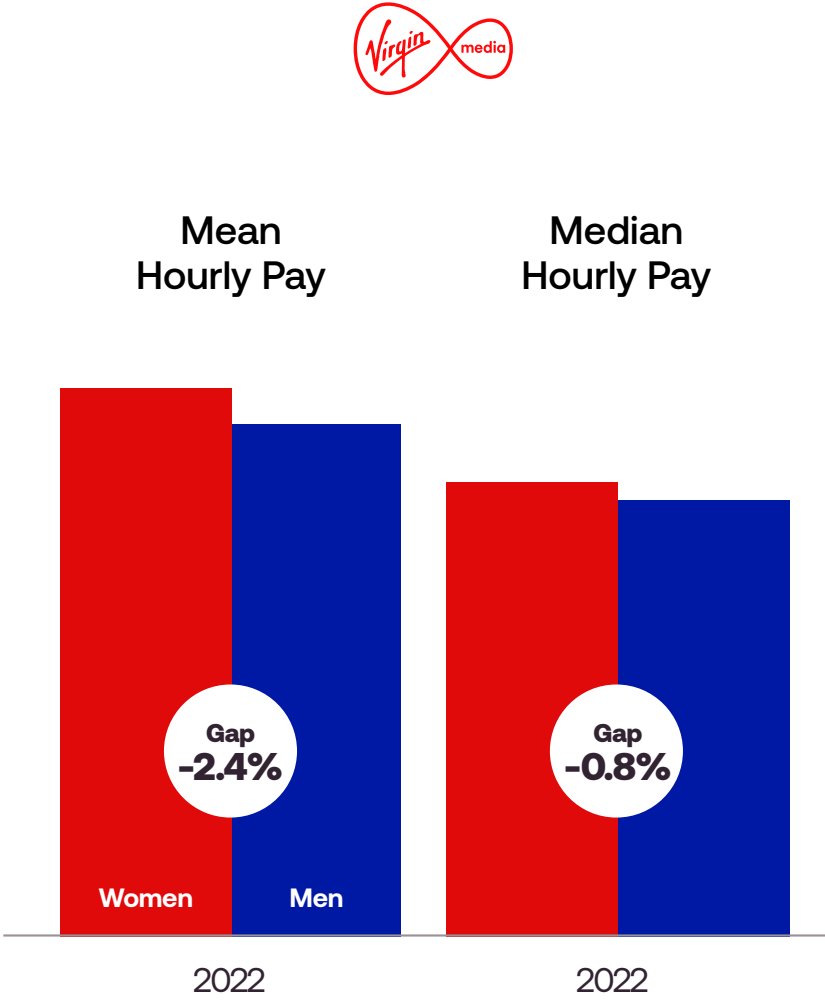
Binary Gender Pay Gap Report 2021-2022

Mean and median pay gaps

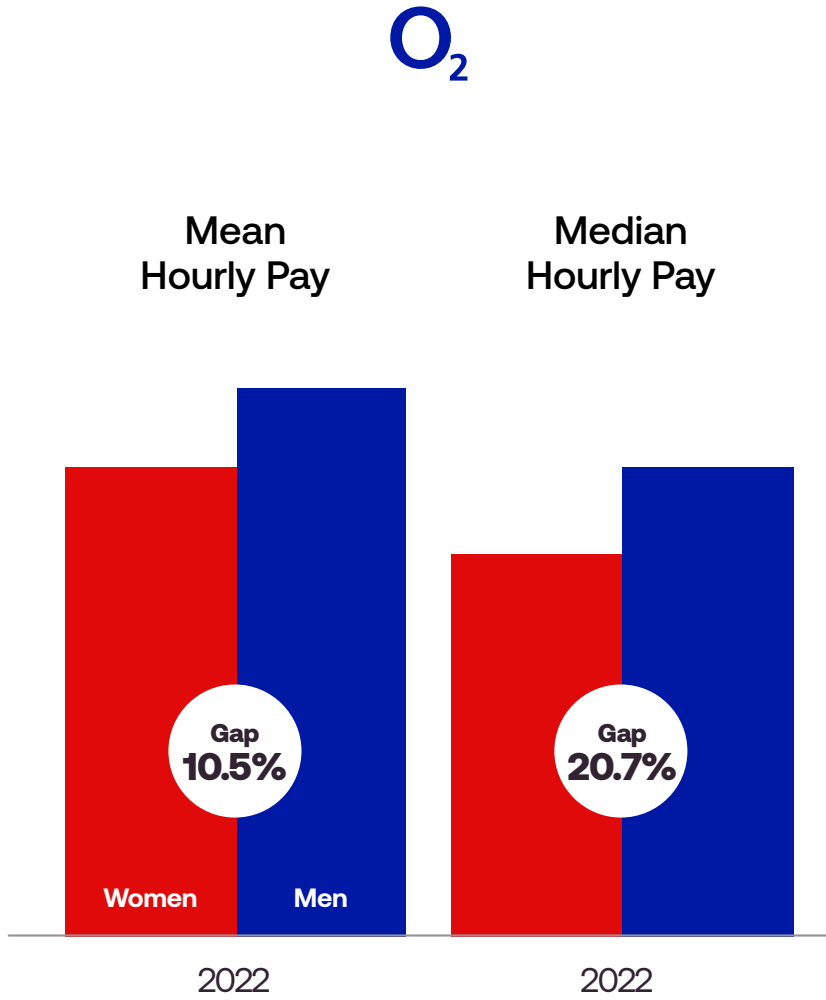
● Women ● Men



As a combined view, the Virgin Media O2 pay gaps are narrow. However, there is a wider gap when looking across Virgin Media and O2 individually. This is linked to the roles we have across our organisation.



For Virgin Media, there are a high population of men in technician roles across the lower quartiles, which has the effect of reducing the volume of women employees in these quartiles.






O2 is more evenly spread across its lower quartile volume roles, for example with retail roles made up of 40% women and 60% men

Bonus pay gaps

Proportion of men and women eligible for 2022 bonus payments

Men	71.5%	64.2%	87.0%
Women	66.5%	48.9%	86.9%

Bonus pay gaps

						
	% Gap	£ Gap	% Gap	£ Gap	% Gap	£ Gap
Mean	3.6%	£404	-27.7%	£3,334	21.4%	£2,179
Median	-51.6%	£2,066	-184.4%	£4,998	14.8%	£950

The mean Virgin Media O2 bonus pay gap is narrow, however a wide gap in favour of women can be seen when looking at the median. This is because the majority of bonus eligible women are in more senior roles that are included in our Annual Bonus scheme. This contrasts with men, who have a wider spread over smaller commission and referral schemes. O2 bonus data is fairly aligned, with both genders being 87% bonus eligible.

What are we doing to close the Binary Gender Pay Gap?

Strategic goal to move the dial on gender representation

Our first ambition in our All In strategy is to move the dial on diversity. We've committed to making significant headway in driving gender parity across our organisation by 2027; and to achieve gender parity in our wider leadership population (both inclusive of representation from those with diverse gender expression and identities).



Supporting carers

Since the start of our partnership with Carers UK in 2021, we've undertaken a lot of work to build a more inclusive workplace for our employees who are, or will become, carers. This is particularly important with regards to gender as recent Census reports indicate that the burden of care in society tends to fall on women.

As well as donating £2 million to Carers UK to support their ongoing work, we've also introduced a market-leading Carers Leave policy – providing five days' paid leave for employees with caring responsibilities; a Carers Passport and Manager handbook (to enable discussions that may be helpful for carers within our team); and achieved Employers for Carers 'Carer Confident Level 1'.

We Care, our employee network for carers, continues to champion the needs of employees juggling work and caring responsibilities, while helping them find space and time for themselves. Looking ahead, we've refined our strategic partnership to better focus on supporting the 1 in 10 employees within our business who identify as an unpaid carer.

Girls Talk London

We've established a five-year partnership with award-winning gender equality organisation, Girls Talk London, to support their Step Up Programme to increase the representation of women in technology.

Our combined focus is on the development of a graduate level talent pipeline of women, while equipping ambitious female students with the tools to secure a post-graduate role.



www.girlstalklondon.com

Women's Network

We support the ongoing efforts of our Women's Network which works to raise awareness of the topics that impact working women. The network provides a safe space for women to focus on achieving their business and personal goals, plus support, inspiration, development and networking through events and online discussion. Their current areas of focus are Development, Health & Wellbeing, Family and Women in Technology.



Menopause Friendly Employer

In 2022, following a full assessment of our culture and the levels of support available for our people, we became the first telecommunications organisation to achieve the Henpicked 'Menopause Friendly Employer' accreditation. We'll continue our work to be a forward-thinking organisation with a clear understanding of how menopause affects women at work.



www.henpicked.net

everywoman

We sponsor everywoman's Tech Hub – a great go-to space for women in technical roles looking to expand their careers. everywoman connects women, businesses, and organisations across the globe with inspiring and educational content, plus networking and mentoring opportunities.



www.everywoman.com/tech-hub/

Ethnicity Pay Gap Report 2021-2022

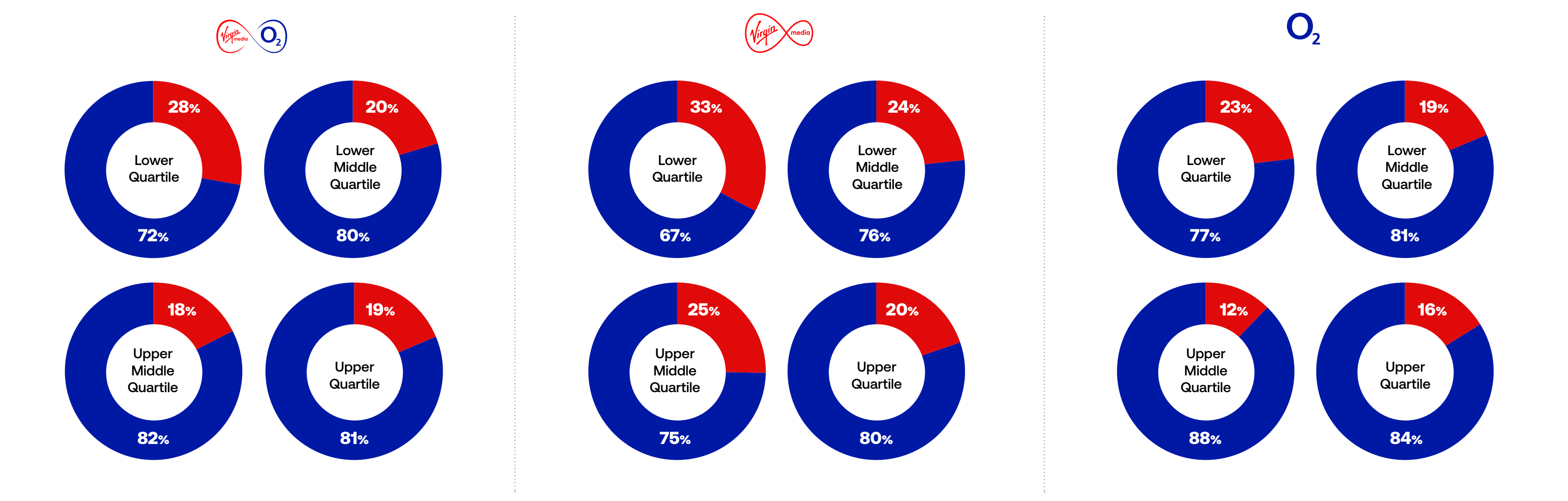
Ethnicity split

	<div>Virgin Media</div>	<div>Virgin Media</div>	O ₂
Relevant Employees	10,504	5,778	4,726
Relevant Full Pay Employees	9,965	5,467	4,498
Disclosure	63%	54%	78%
Global Majority	21%	18%	26%
White	79%	82%	74%

This is the first year Virgin Media O2 has published Ethnicity Pay Gap data. On the 2022 snapshot date, 63% of relevant employees had declared their ethnicity data, so the data shown is based on these employees.

Proportion of Global Majority and White employees in each pay quartile

● Global Majority ● White



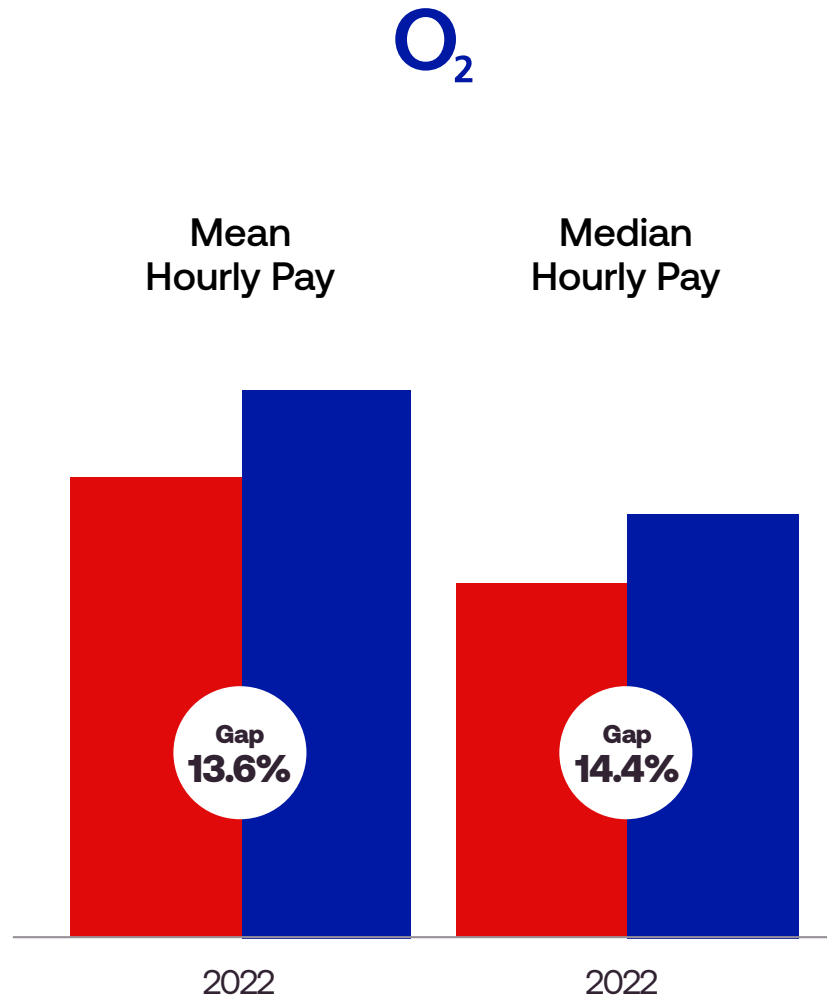
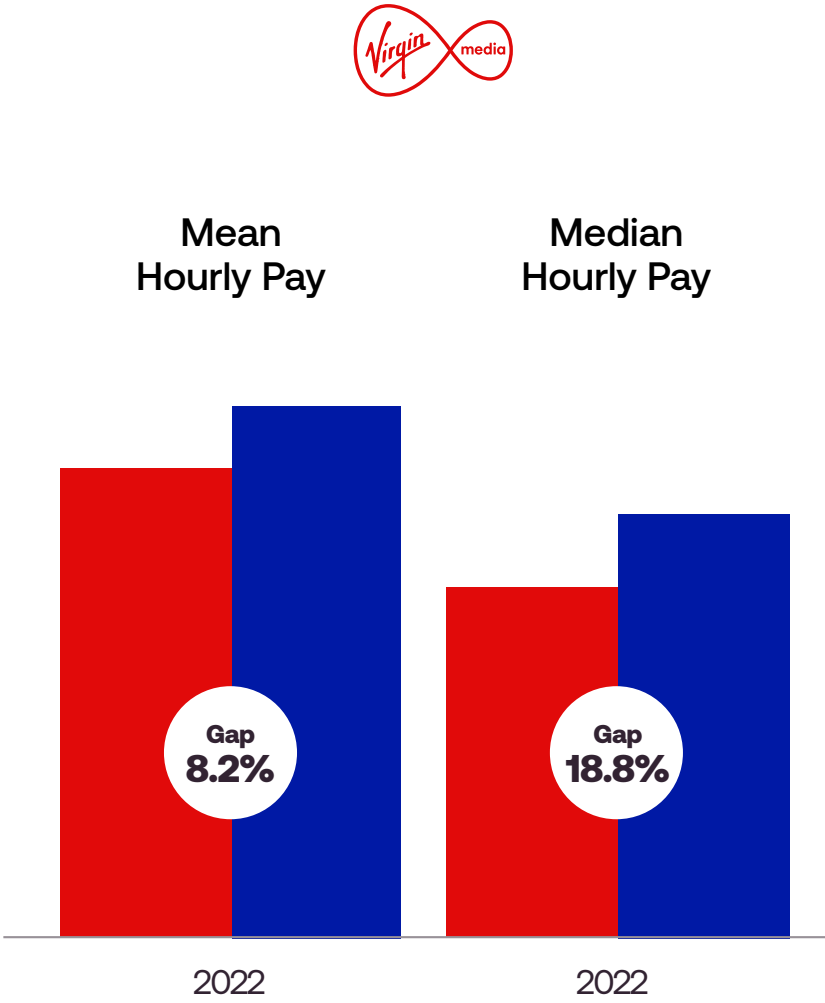
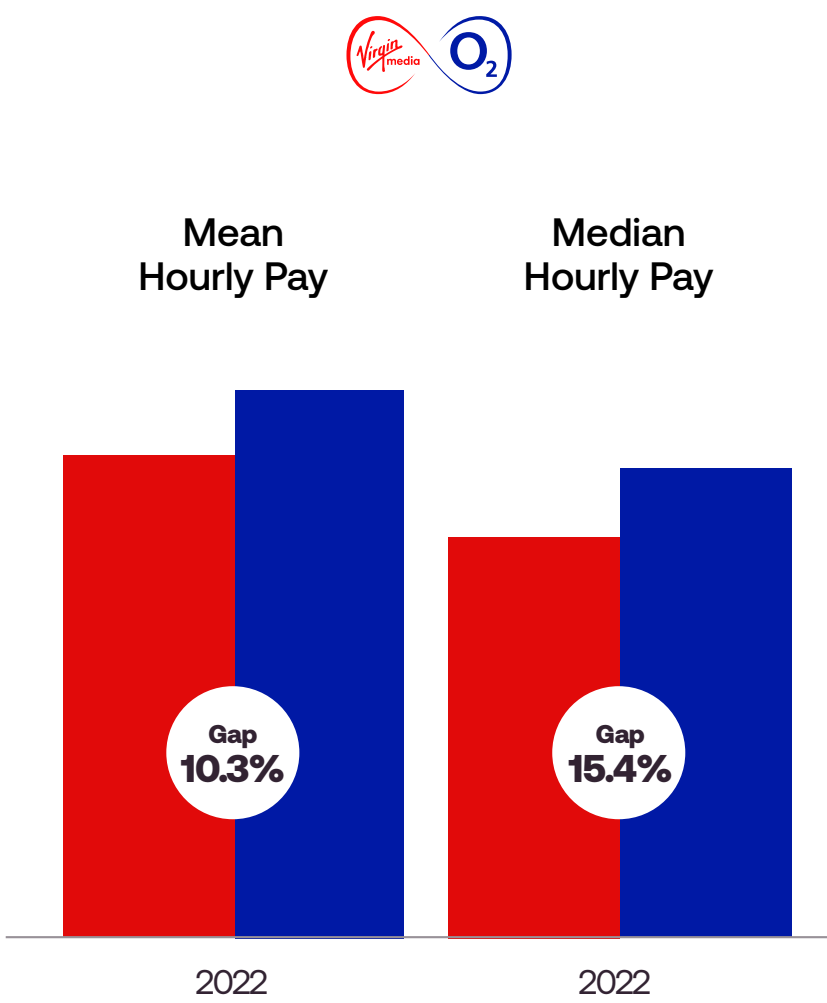
Our ethnicity quartiles help us understand where employees from Global Majority groups sit based on their salary.

We have a higher proportion of employees from Global Majority groups in our lower quartiles, although this is only based on those who disclosed their ethnicity by the snapshot date.

Ethnicity Pay Gap Report 2021-2022

Hourly pay gaps

● Global Majority ● White






Our hourly pay gap favours White employees. Our gap is largely driven by a high number of employees from Global Majority groups in lower paid roles compared to the number in higher paying roles, such as leadership positions.

Our ethnicity figures are based on a smaller data set compared to the data informing our Gender Pay Gap. As a relatively new business, on the 2022 snapshot date, just 63% of employees had voluntarily shared their ethnicity information.

Since then, we’ve been encouraging employees to share their ethnicity data by promoting the importance of holding a rich ethnicity data set. This has led to an increase in disclosure rates, which will provide greater insight for our next Pay Gap report.

Bonus pay gaps

						
	% Gap	£ Gap	% Gap	£ Gap	% Gap	£ Gap
Mean	42.3%	£4,836	40.1%	£4,935	42.8%	£4,543
Median	46.4%	£2,779	66.7%	£3,468	30.2%	£1,864

The bonus pay gaps follow a similar trend to the hourly pay gaps and are favourable to White employees, this is due to a greater representation of Global Majority employees across lower paid roles, as these roles attract a lower, or no, bonus payment, and poorer representation in leadership roles, which attract higher bonus payments.

What are we doing to close the Ethnicity Pay Gap?



Strategic goal to move the dial on ethnicity

A core ambition from our All In strategy is to move the dial on diversity. As part of this, we’ve committed that, by 2027, 15% of our leadership population and 25% of our entire organisation will be from Global Majority groups. The ambition is different for leadership because we are starting from a lower position in terms of leadership representation. Our ambitions need to be stretching but achievable. Ultimately, we want to make meaningful change where decisions are made.

20/20 Change

We continue to partner with 20/20 Change to empower and inspire 17-30 year olds from Black communities to discover and fulfil their potential as part of the “I am Change” programme. We provide venues for 20/20 Change to run sessions, support their careers fairs, graduations and external roundtable events. We also offer volunteer support to provide one-to-one mentoring and advice to give young people the tools they need to get their next step on the career ladder.



<https://2020change.org/i-am-change>

Increase diversity data

As a relatively new business, we’re encouraging employees to voluntarily share their ethnicity data with us. Improving the data we hold will help us to better understand our employee population, and inform actions we need to take to further reduce our Ethnicity Pay Gap and drive improved equity for Global Majority groups. Our 2022 data disclosure communications campaign – All Info – encouraged employees to share their data, while demonstrating the benefits of doing so, leading to an increase in ethnicity disclosure. We’ll evolve our All Info campaign for 2023 to continue promoting the importance of disclosure in driving race equity.

Ally Up anti-racism training

All employees can sign up to a two-part workshop (running continually throughout the year) exploring anti-racism. The workshop covers terminology, privilege, history and anti-racist practice. It also provides a safe space to address any questions employees want to ask.



Our Enrich Network

Enrich, our employee network for race, ethnicity and cultural heritage, supports and educates all Virgin Media O2 employees on issues related to race and ethnicity. Enrich also consult with the business to ensure we are driving race equity in our policies and practises.

Enrich aim to enhance company culture by maintaining an anti-racist community, amplifying employee voices, and influencing or changing things if they’re not right.

During 2022, Enrich held events and highlighted storytelling moments to celebrate, commemorate and educate. Most notably for South Asian Heritage Month, Islamophobia Awareness Month and Black History Month (which included a conversation with Dr Makaziwe Mandela).



Looking to the future

Ally Up

We continue to promote our Ally Up campaign amongst employees – an internal programme of activities to provide our leaders and our people with the understanding, skills and tools to be greater allies to traditionally marginalised groups. This includes a series of regular Ally Up Workshops running throughout 2023 on a range of DE&I topics including anti-racism, accessibility, LGBTQ+, Neurodiversity, Inclusive Leadership, Gender Dynamics and Managing High Performing Flexible Teams.



Inclusive recruitment practices

We continue to review the way we recruit by investing in new systems that provide improved data to help us drive positive action to increase the diversity of our talent. We are also reviewing our assessment and interview processes to remove any barriers and eliminate bias.

Celebrate and champion all aspects of diversity

Supporting and working alongside our six employee networks (Women, Global Majority, Disability, Neurodiversity, LGBTQ+ and Carers) to create and maintain a truly diverse, equitable and inclusive environment where all employees can thrive.

Listening to our people

Through both our employee networks and our annual DE&I survey (Vibe) we'll continue to use feedback from our workforce to take action to improve the culture at Virgin Media O2. We've also commissioned an exit interview research project to understand the reasons why women and Global Majority leader's leave our organisation.

External Partnerships

We continue to work closely with external partners, such as 20/20 Change and Step Up, to understand better ways to truly support the development of diverse talent within Virgin Media O2.



Appendices

Key terminology

Relevant Employees

All employees who were employed by us on 5 April 2022.

Relevant Full Pay Employees

All 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 O2 this is 5th April.

Pay Quartiles

The proportion of employees across our Ordinary Pay range is represented in quartiles by dividing the workforce into four equal segments, from the lowest hourly rate to the highest hourly rate.

Ordinary Pay

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

(Note: Overtime and pension contributions are excluded, as is our annual bonus paid in March).

Global Majority

This includes Asian, Dual Heritage, Black and other Global Majority groups.

Calculation definitions

Mean (average) calculation

The mean is calculated by adding up the wages of all relevant employees and dividing the figure by the number of employees.

The average hourly rate of traditionally marginalised groups (women or Global Majority) compared to the average hourly rate of majority groups (men and white employees) as a percentage. A positive % indicates a favourable pay gap towards traditionally dominant groups, and a negative % indicates a favourable pay gap towards traditionally marginalised groups.

Median (middle) calculation

The median is the figure that falls in the middle of a range when the wages of all relevant employees are lined up from smallest to largest. The median gap is calculated based on the difference between the employee in the middle of the range of traditionally marginalised groups (Global Majority or women) and the middle employee in the range of the majority groups (white or men). A positive % indicates a favourable pay gap towards majority groups, and a negative % indicates a favourable pay gap towards traditionally marginalised groups.

Bonus Pay Calculation

Bonus Pay refers to any bonus, commission, or equity (vested RSUs, PSUs or exercised SARs) paid between 1 April 2021 and 31 March 2022, 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.



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