

Gender pay gap reporting

06 April 2020 – 05 April 2021

Executive summary

Arqiva continues to place emphasis and commitment around diversity and inclusion and the April 2020 - March 2021 reporting period shows an improved picture for Arqiva. Our mean gender pay gap is 11.4% demonstrating a 3.4% improvement on the previous period (14.8%). A mean gender pay gap of 11.4% is below the figure for organisations in the same sector and significantly below the figure for organisations in the same industry. Our median gender pay gap is 16.7% in the period April 2020 – March 2021, an improvement of 4.9% over the previous period (21.6%), although this is above the figure for organisations in the same sector, but below the figure for organisations in the same industry.

Our gender pay gap reporting is just one way by which we track our progress towards becoming a more diverse and inclusive organisation. This report shares not only the progress we are making in gender balance, but also the wider actions we are taking as a business to ensure an inclusive environment in which all colleagues, regardless of background, can thrive. During this reporting period, we have focused our efforts to improve diversity in our recruitment practices. Following the sale of one of our business units in July 2020, Arqiva reorganised to introduce a new integrated function-led organisation design. In doing this, a large number of roles were changed and a number of new roles were created. In making appointments to these new roles the outcome has been an increase in the representation of females in our leadership team (direct reports to the Executive Team) from 20% to 40%. Increasing the number of women in senior positions can be considered a lead indicator of an organisation's culture becoming more accepting of diversity, as well as improving our median gender pay gap.

We know that having flexible and agile working practices can help to enable a more diverse team when it comes to attracting and retaining talent. Moreover, these have been shown to disproportionately positively impact attraction and retention of women and ethnic minorities. As a direct result of the COVID-19 guidelines to work from home throughout 2020, we fast-tracked our plans to actively work with colleagues in a range of ways to understand what 'flexible' means to them. The launch of Arqiva's approach to flexible

and hybrid working – Work. Life. Smarter. – has provided the opportunity for greater flexibility – an important factor for everyone and particularly for carers and working parents. We also introduced Emergency Dependents Leave during the height of COVID-19 restrictions and lockdown and around 160 employees across all areas of the business benefitted from additional paid leave to enable them to better balance their caring responsibilities with work.

What actions are we taking?

We have established six key focus areas covering education and development; recruitment; data and reporting; reward; policies; and building networks. These are the pillars of our three-year plan to enable us to move closer to our aim to be an integrated, inclusive employer as benchmarked against the Inclusive Employer maturity model.

Having launched training programmes to tackle bias in our thinking, such as Inclusive Leadership for Arqiva leaders and Unconscious Bias e-learning for all employees, we widened this scope to include specific training for hiring managers. We've reviewed our overall use of language and launched an engineering-led inclusive language review, which included the rollout of Microsoft functionality in early 2021 to flag non-inclusive language in written communication.

We continue to maintain our membership of Inclusive Employers and Women in Science and Engineering (WISE) to ensure we can learn from external best practice. This year we've launched an inclusive events calendar celebrating meaningful dates, such as International Women's Day, Women in Engineering Day and National Inclusion Week. We celebrated International Women's Day by setting up internal networking events, including external speakers and a diverse female panel event.

As we recruit externally, we monitor and challenge our recruitment partner and hiring managers to ensure diverse candidate pools for every vacancy. We have updated our recruitment guides and training to ensure that we provide opportunities that are accessible and truly inclusive and we are trialling a targeted advertising approach by using, for example, women-only STEM job boards. In choosing our external recruitment partner, their track record in promoting and delivering diverse candidates was a key consideration in the selection process. We've updated our interview questions

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to reflect our move towards a more diverse and inclusive culture and introduced a policy of gender-balanced interview panels (wherever possible). As a direct result, we have hired our first female field operations apprentice and achieved much improved gender balance across all emerging talent hires.

In March 2021 we launched a new reward framework, which aims to increase transparency, consistency and fairness in our reward strategy and practices. Specifically we have updated our pay principles on appointment to ensure equity of treatment regardless of background.

We want to ensure everyone in Arqiva has a voice and is heard and we continue to support established Arqiva network groups, such as Women in Arqiva, Working Families and Neurodiversity. Following the successful introduction of Diversity Ambassadors across Arqiva in 2019, we continue to train, support and work with them. We've recently established membership of Tommy's Pregnancy at Work Scheme which provides tools and support for pregnant employees, new parents and their managers to offer staff wider support and understanding as well as access to industry-leading resources and learning opportunities.

We have introduced a review process for all policies, practices and procedures to ensure that these are reviewed with a diversity and inclusion lens. We have also created and released resources to support employees to initiate courageous conversations around diversity and inclusion and the calling out of non-inclusive behaviour or language.

Measuring and understanding our gender pay gap has increased our awareness and the need to increase and improve access to higher paying jobs for all. As a result, we are updating and promoting inclusive recruitment practices that do not discriminate on the basis of gender or any other characteristic. The actions that we have taken have gone some way to improving our overall gender pay gap. However, we have more to do to remove the gap completely and we remain committed to our actions as outlined above.

Paul Donovan

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 'Paul Donovan', written in a cursive style.

Paul Donovan
Chief Executive Officer



A handwritten signature in black ink, appearing to read 'Vivian Leinster', written in a cursive style.

Vivian Leinster
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 2021

Gender pay gap

Mean	Median
11.4%	16.7%

Gender bonus gap

Mean	Median
10.6%	5.3%

As outlined in the executive summary section, this reporting period has seen a decrease in both our mean and our median gender pay gap. Our mean gender pay gap is 11.4% and our median gender pay gap is 16.7% compared to 14.8% (mean) and 21.6% (median) in the previous reporting period.

We have seen an improvement in both mean and median gender bonus gap data. Our mean gender bonus gap is 10.6% and our median gender bonus gap is 5.3% compared to 50.7% (mean) and 24.6% (median) in the previous reporting period.

Proportion of colleagues receiving a bonus

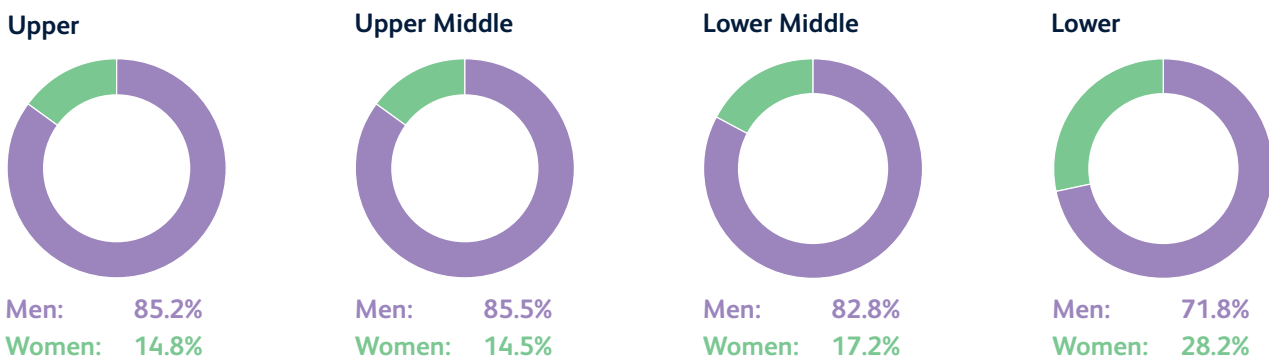
These charts illustrate the difference between the number of men and women being paid a bonus for their performance between April 2020 and April 2021. The number of women receiving a bonus has improved again this year by 3.9 percentage points.



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 around 330 people.



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 more women in senior positions, but we also need to invest in creating a more diverse future talent pipeline.

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