

UK Gender Pay Gap Report 2022

for external use

Foreword

At Cloudreach, we believe that ‘our people are our product’. By nurturing a culture that underpins our belief that diverse teams means diverse solutions for our customers and our colleagues, we drive to ensure that our Cloudreachers are engaged, innovative and productive. This report is focused on gender as part of the UK reporting requirements, however our approach promotes equity and inclusion for all and in every location where we operate.

As the report shows, the technology sector demographics continue to have a big influence on our results. It is widely commented that the technology industry has a relatively high male representation. However, we have taken meaningful steps to address the demographics of the sector by adopting equitable reward practices, removing barriers to entry and progression throughout the organisation, and intentionally addressing the diversity imbalance through our own entry level talent programme. So, while we have yet to remove our gender pay gap completely due to our higher male workforce representation, we have continuously improved our gender pay gap since 2020.

We recognise that meaningful change takes time and closing the gender pay gap will not happen overnight. We will continue to work on a range of initiatives that challenge stereotypes and create opportunities for women and other communities at Cloudreach and across our industry.

We are committed to making a difference by becoming an even more inclusive and diverse workplace.



A handwritten signature in black ink that reads "Tara Tapper".

Tara Tapper
Chief Operating Officer

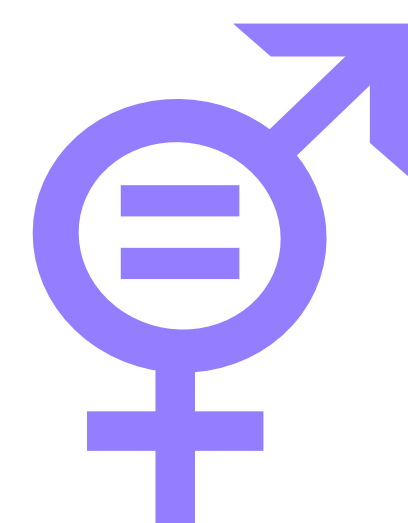
DECLARATION

We confirm Cloudreach Europe Limited's gender pay gap calculations are accurate and meet the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Equal pay versus gender pay gap

Since 2017, the UK Government requires all UK companies with 250 or more employees to report their gender pay gap between female and male employees on an annual basis. In this report, we will refer to both equal pay and the gender pay gap:

Equal pay



- When men and women are given **equal pay for work of equal value**, regardless of gender. It is our legal obligation as an employer to give men and women equal pay for work of equal value.
- We have looked **beyond the UK requirements** to report on our equal pay gap in addition to the gender pay gap.

For example:



Cloud Systems
Developer



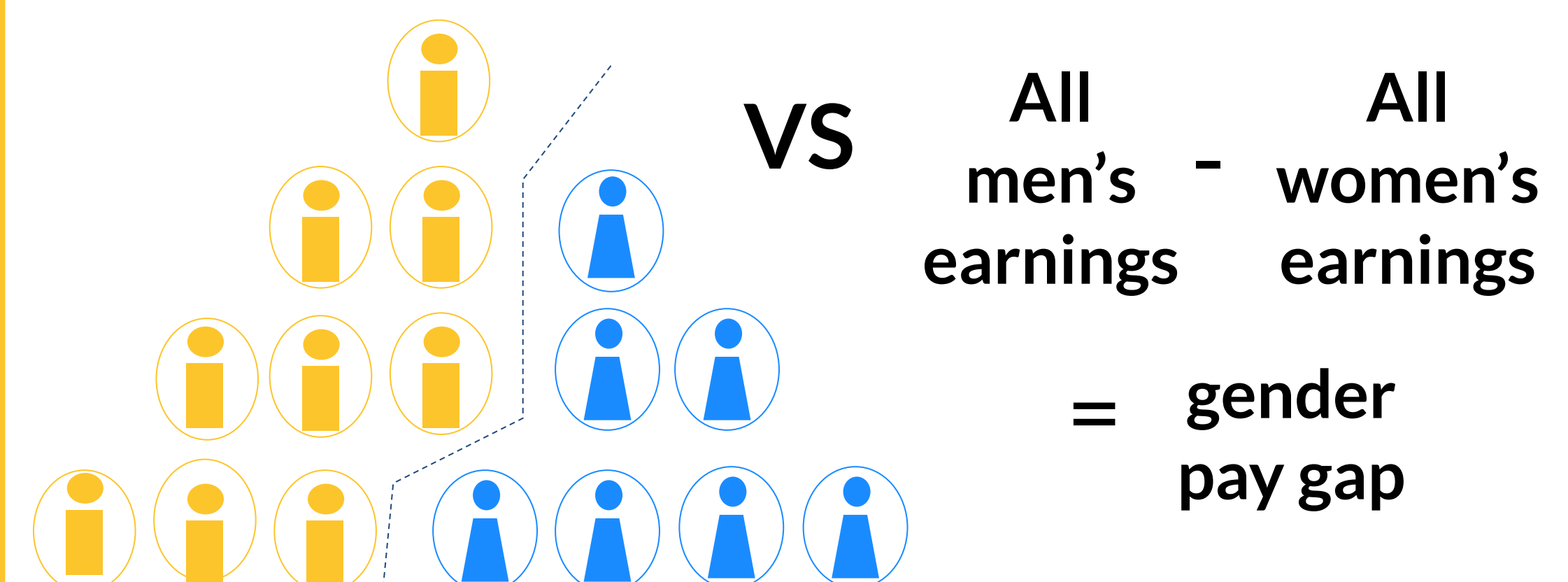
Sales Leader

Gender pay gap

$$\frac{(\text{Yellow icons}) + (\text{Yellow icons}) + (\text{Yellow icons})}{\pounds} - \frac{(\text{Blue icons}) + (\text{Blue icons}) + (\text{Blue icons})}{\pounds}$$

- The difference between average hourly earnings **between all men and women** in an organisation, irrespective of role and seniority. It highlights the differences in the balance of men and women across all roles in an organisation.

For example:



Overview

Our approach

Gender identity

At Cloudreach, we believe in employees bringing their whole authentic selves to work including how they personally identify with gender. However, the current requirements for gender pay gap reporting mean that gender recognises only 'men' and 'women', and we are unable to report non-binary or other identities in this report. For the purpose of this report, we have used the terms 'gender', 'men' and 'women', although we understand that, for some, this will be referring to their biological sex.

Equal pay

Alongside the required gender pay gap analysis, we conducted a **full equal pay audit** following the methodology prescribed by the Curo Pay Equity Audit and Remediation Handbook. At Cloudreach we are committed to the principle of equal pay for equal work for our employees and we seek to make sure that all employees, no matter their gender, are compensated equally for that work.

Our results

Equal pay findings

Cloudreach has a minimal difference in pay between males and females who are in the same job, at the same level and in the same market location. In 2022, **for every £1 earned by female employees, a male employee would earn 99.9p** at the same job, level, and location. (2021, a female earned 99.8p for every £1 earned by a male). This result shows our commitment to closing the gap; ensuring equal pay regardless of gender. We will continue to monitor this data and it will remain a critical priority for us.

Gender pay gap findings

Our 2022 results show our **mean gender pay gap has decreased from 14.9% to 12.9%** since 2021. Overall the **workforce representation** has improved, with a 9% increase of females in sales roles and a 2% increase of females in technical roles. **The upper and upper middle quartiles** have also seen a rise in female representation since 2021 by 1% and 2% respectively.

UK tech industry

According to recent analysis from **BCS the Chartered Institute of IT**, in 2021 **women only made up 18% of those in IT roles**. Our industry presents challenges to closing the gap including the availability of diverse talent and a fast moving talent market where we are competing with larger firms for that talent. Despite this, we are committed to closing the gap wherever we can.

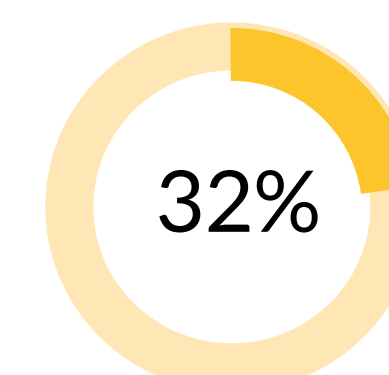
Cloudreach UK 2022 results

Summary

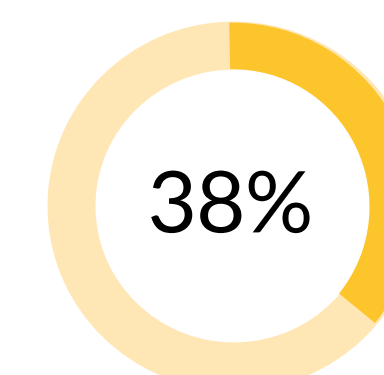
- Our **hourly mean pay gap** has decreased since 2021 from 14.9% to 12.9%.
- Overall the **workforce representation** has improved, with a 9% increase of females in sales roles and a 2% increase of females in technical roles. The **upper and upper middle quartiles** have also seen a rise in female representation since 2021.
- The **mean and median bonus gap** have changed considerably due to a one-off change activity during the Atos acquisition of Cloudreach.

Representation

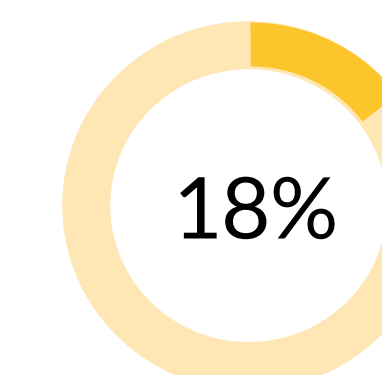
% females of our UK workforce



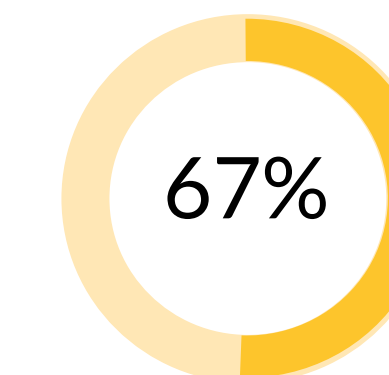
UK females in the
workforce



UK females in
sales roles



UK females in
technical roles



UK females in
non-technical roles

The total percentage of females in the workforce has improved since 2021. There has been a positive shift in female representation in the sales and technical roles, however overall there is still higher male representation in these roles which typically attract higher rates of pay.

Hourly pay*

Hourly rate of pay between men and women

12.9%

MEAN PAY GAP

difference between the average hourly pay of men and women.

22.4%

MEDIAN PAY GAP

difference between the midpoint in the ranges of hourly pay of men and women.

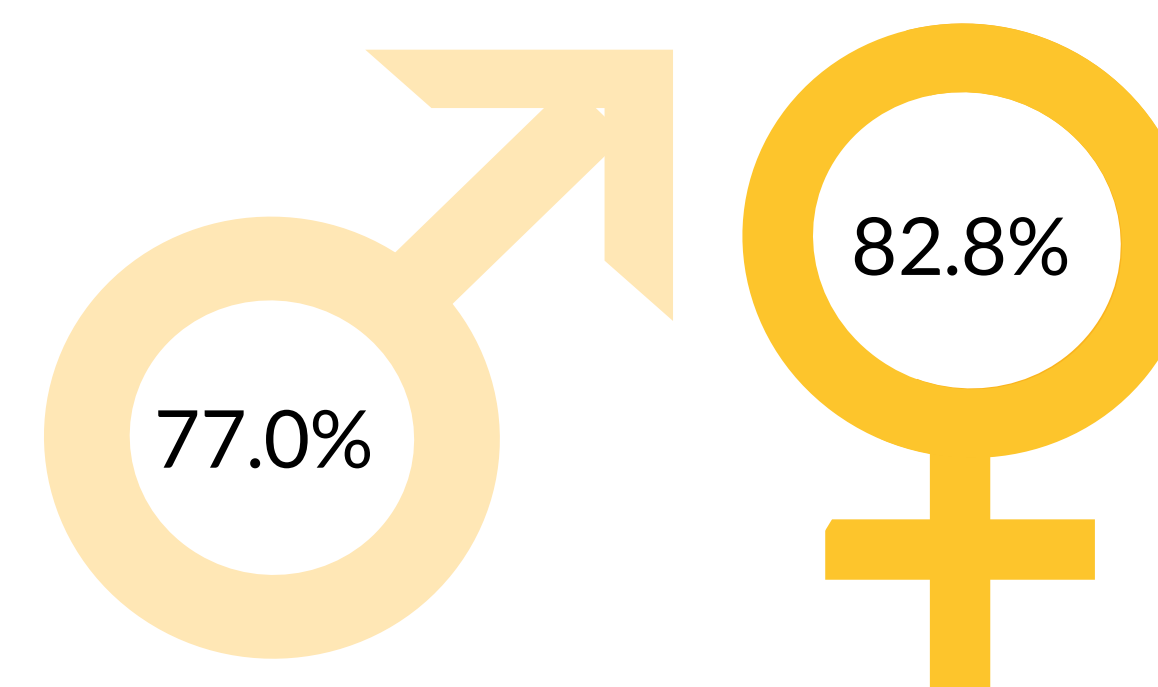
*compares hourly ordinary pay by gender including basic pay, allowances, pay for piecework, pay for leave, shift premium pay.

Our hourly mean pay gap has reduced by 2% since 2021 to 12.9%, taking it below the 13.9% mean gender gap across UK in 2022*.

However our median pay gap has increased by 3% due to the most significant increases in female representation being in the lower and lower middle pay quartiles.

Bonus pay

% of employees receiving bonus pay



Bonus pay gap*

MEAN

-21.8%

MEDIAN

15.3%

We give equal opportunity to all employees to participate and receive a bonus.

There were one-off payments made in relation to the acquisition. As the sample size is small, the variables seen this year have had a significant impact on the averages.

Pay quartiles

% of employees in each pay quartile*

UPPER

79%

21%

**UPPER
MIDDLE**

79%

21%

**LOWER
MIDDLE**

69%

31%

LOWER

53%

47%

Pay quartiles rank pay from lowest to highest by dividing into four equal sized groups, showing the proportion of men and women in each quartile.

The quartile distribution reflects our gender representation across job categories and levels.



Our progress, purpose and ambition

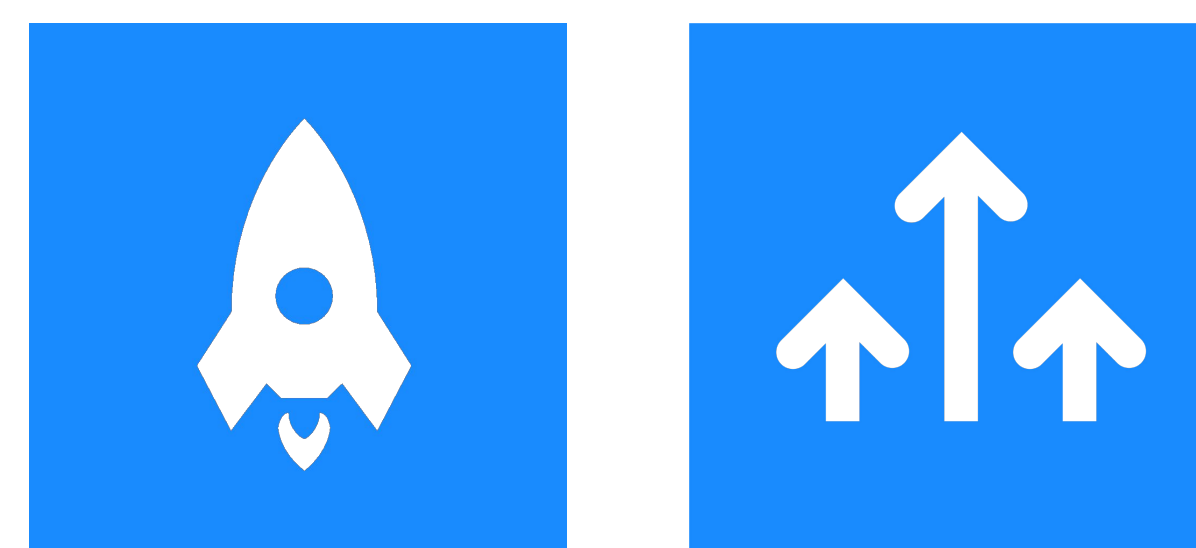
We have and plan to continue to invest in efforts that drive our progress — for our UK employees and all women at Cloudreach.

Creating an inclusive workforce



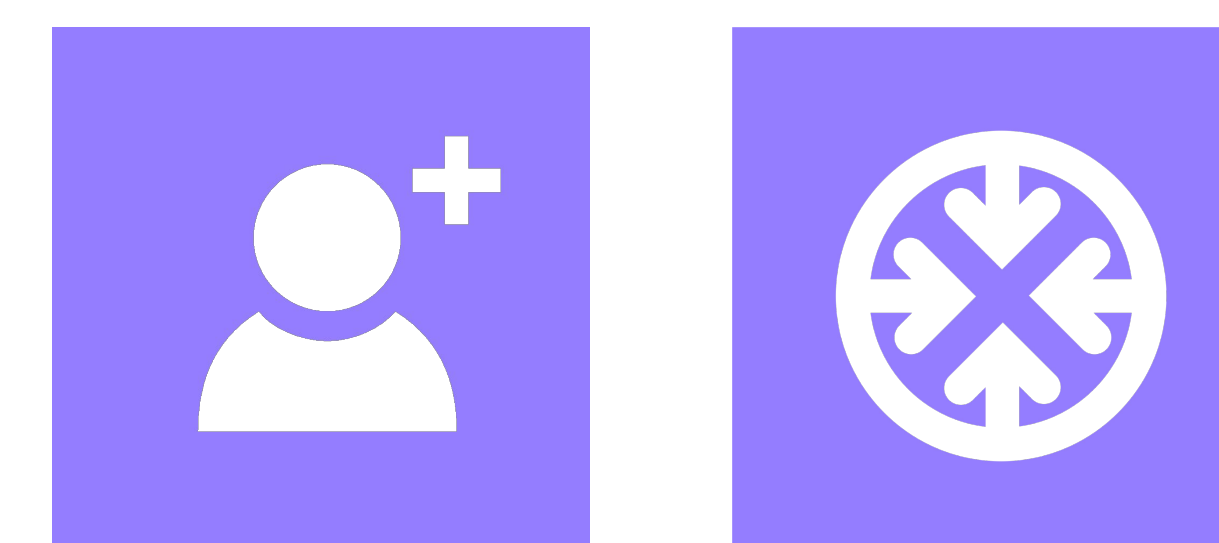
- We've enabled our systems to collect diversity demographics data and we continue to focus on recruiting a workforce that reflects our ambition to be diverse and inclusive across all roles and all regions. We are **committed to removing bias** in our recruitment process and in our processes which enable promotion and growth.
- We have invested our time and efforts into initiatives such as the **GLA** in order to broaden our understanding of how we can create and nurture a diverse workforce.

Develop and promote



- We have a **grading system and salary ranges** for all levels and roles across the business to further promote objectivity in salary setting and salary review decisions.
- We care about offering a **rounded development and career experience** so that everyone has equal access to opportunities, by recognising and promoting our people within Cloudreach first, wherever possible.

Being Culture add first



- We have a gender neutral **parental leave policy** globally, to be inclusive of all expecting parents to recognise what family structures means to different people.
- We are **'culture add'** not culture fit. We continue to be guided by our values and 'respecting the individual' is at the core. Our DE&I committee steers our objectives to ensure our people work in an open, fair and transparent environment.

Shape our industry



The Talent Academy in collaboration with AWS sets our ambition of finding untapped talent and removing the barriers for underrepresented groups, including women, into the tech industry. We promote not just the recruitment process and strategies but also ensure the environment is rich in tools and resources for those groups to succeed and thrive. We have partnered with organisations that help empower women in tech. We are committed to leading the change and being an industry advocate for the equitable treatment of women in the workplace.

Previous Gender Pay Gap Results: 2019 - 2021

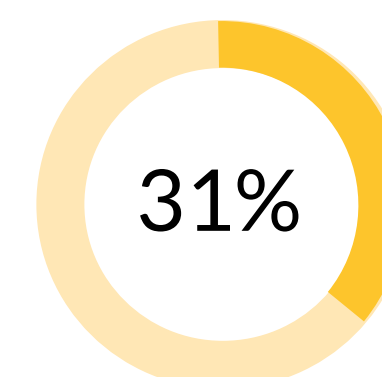
Cloudreach UK 2021 results

Summary

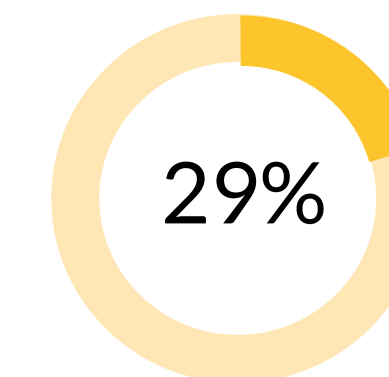
- Our **hourly mean and median pay gap** have decreased since 2020.
- Since a bonus was paid in 2021 but not 2020, the **proportion of females & males receiving bonus pay** was considerably higher this year.
- The **mean bonus gap** increased due to higher male representation in more senior positions and sales which typically attract higher rates of pay, impacting commission payments and the annual bonus amounts.

Representation

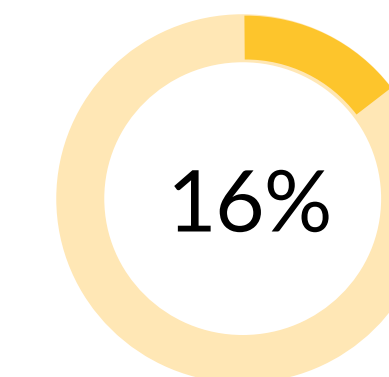
% females of our UK workforce



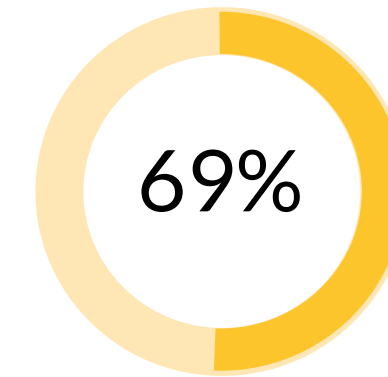
UK females in the
workforce



UK females in
sales roles



UK females in
technical roles



UK females in
non-technical roles

Overall, the total percentage of females in the workforce has remained relatively consistent since 2020. There has been an increase in female representation in the sales and non-technical roles, but higher male representation still remains in the sales and technical roles which typically attract higher rates of pay.

Hourly pay*

Hourly rate of pay between men and women

14.9%

MEAN PAY GAP

difference between the average hourly pay of men and women.

19.4%

MEDIAN PAY GAP

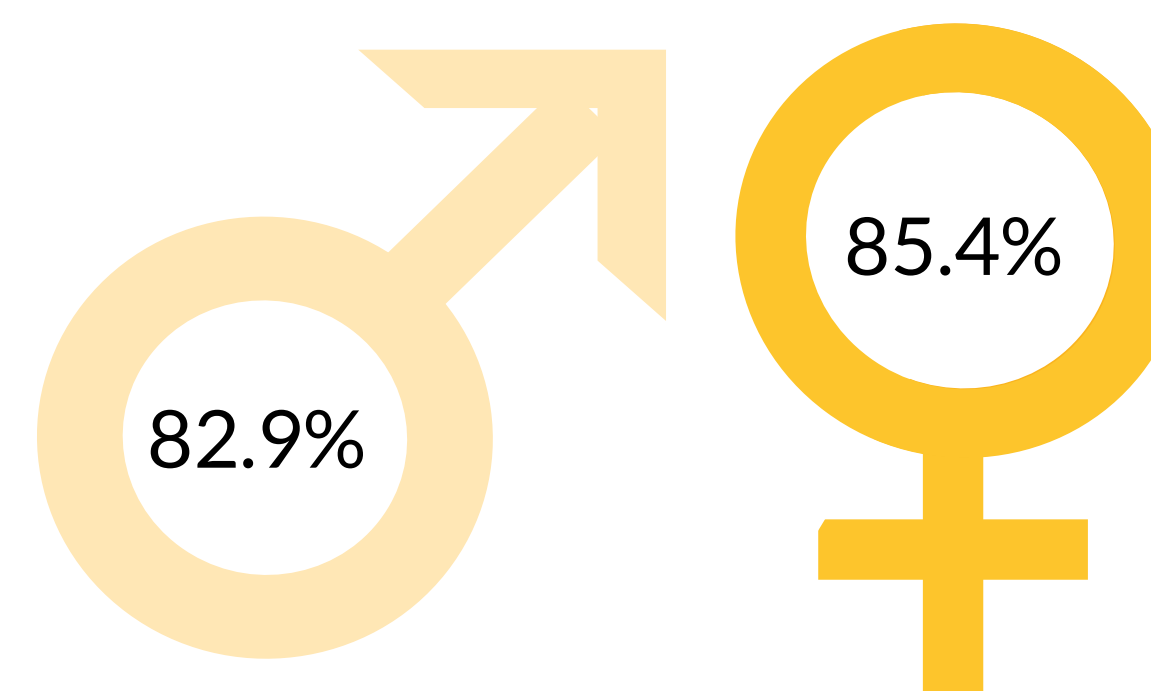
difference between the midpoint in the ranges of hourly pay of men and women.

*compares hourly ordinary pay by gender including basic pay, allowances, pay for piecework, pay for leave, shift premium pay.

Our hourly mean and median pay gap have both considerably decreased since 2020. We are continuing to focus on how we fairly recognise and reward our people for their contributions.

Bonus pay

% of employees receiving bonus pay



Bonus pay gap*

MEAN 30.0%

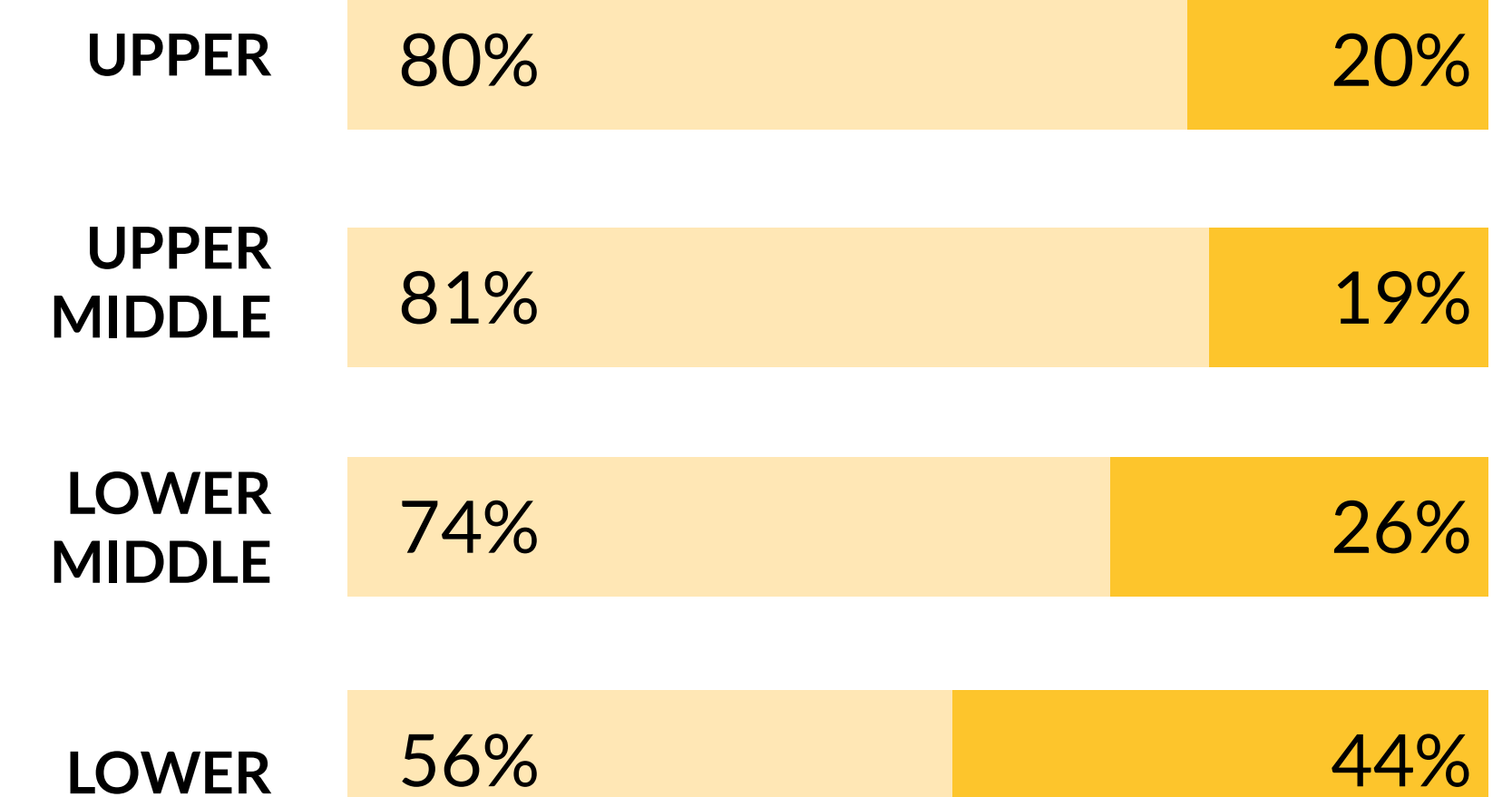
MEDIAN 31.9%

We give equal opportunity to all employees to participate and receive a bonus.

The annual bonus, which is a fixed percentage of the salary, was paid. Because of this, the mean bonus gap has seen an increase of 2.8% which has been driven by the workforce distribution. A significant portion of the largest bonus payments were made to sales and senior leaders which, due to our workforce representation, are predominantly male.

Pay quartiles

% of employees in each pay quartile*



Pay quartiles rank pay from lowest to highest by dividing into four equal sized groups, showing the proportion of men and women in each quartile.

The quartile distribution reflects our gender representation across job categories and levels.



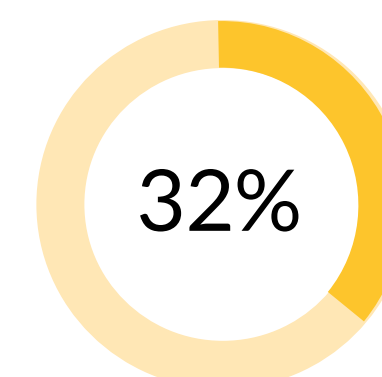
Cloudreach UK 2020 results

Summary

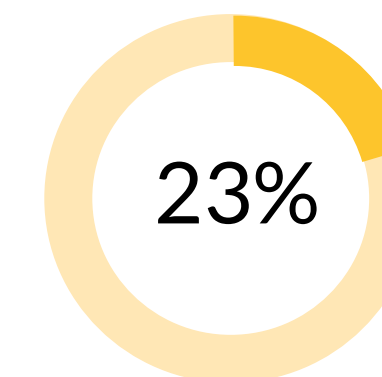
- Our **hourly mean pay gap** grew since 2019 due to a series of workforce actions that reduced the proportion of males in technical lower level roles.
- The proportion of females and males receiving **bonus pay** remained consistently equal at 28-30%, but this was lower than 2019 as we changed our company bonus structure.
- The **median bonus gap** increased due to commission payments where there were sizable more males in sales roles than females.

Representation

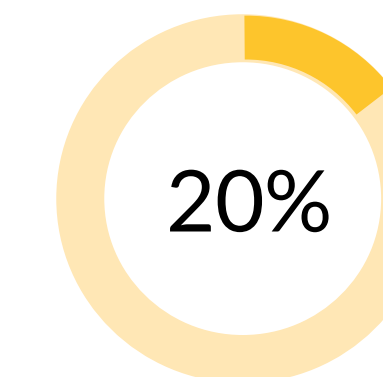
% females of our UK workforce



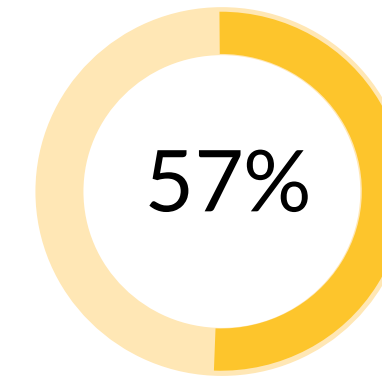
UK females in the
workforce



UK females in
sales roles



UK females in **technical**
roles



UK females in **non-technical**
roles

Our 2020 workforce remained relatively consistent with 2019, with a significantly higher male representation especially in technical and sales roles which typically attract higher rates of pay.

Hourly pay*

Hourly rate of pay between men and women

25.5%

MEAN PAY GAP

difference between the average hourly pay of men and women.

26.5%*

MEDIAN PAY GAP

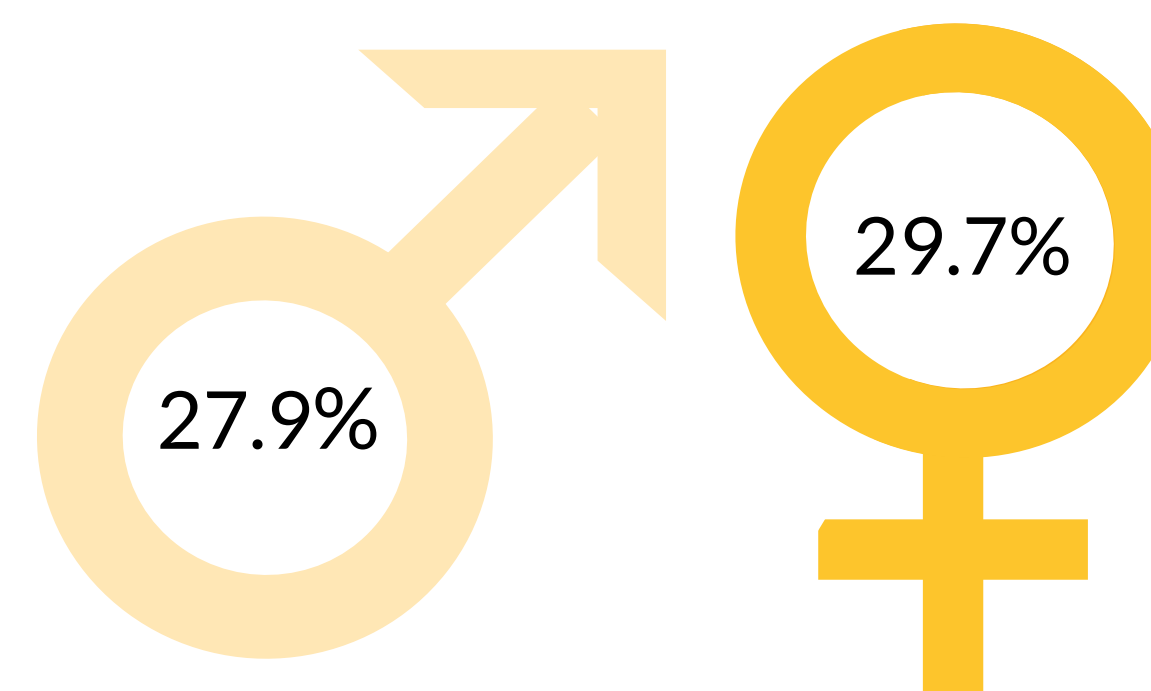
difference between the midpoint in the ranges of hourly pay of men and women.

*compares hourly ordinary pay by gender including basic pay, allowances, pay for piecework, pay for leave, shift premium pay.

Our hourly mean pay gap grew since 2019 due to a series of workforce actions that reduced the proportion of males in technical lower level roles. This alongside the lower proportion of females in sales roles and in senior leadership positions.

Bonus pay

% of employees receiving bonus pay



Bonus pay gap*

MEAN 27.2%

MEDIAN 32.3%

We give equal opportunity to all employees to participate and receive a bonus, however the company-wide bonus scheme did not pay out.

The bonus gap is due to commission payments which are determined by job function and performance, and eligible roles have a higher male representation.

Pay quartiles

% of employees in each pay quartile*

UPPER

81%

19%

**UPPER
MIDDLE**

79%

21%

**LOWER
MIDDLE**

66%

34%

LOWER

46%

54%

Pay quartiles ranks pay from lowest to highest by dividing into four equal sized groups, showing the proportion of men and women in each quartile.

The quartile distribution reflects our gender representation across job categories and levels.



MALES



FEMALES

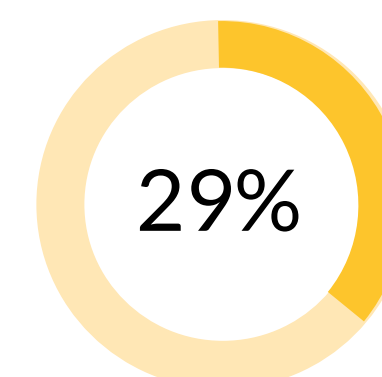
Cloudreach UK 2019 results

Summary

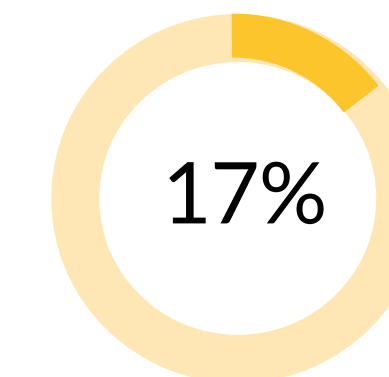
- Our **mean pay gap** halved from 2018 to 2019 and was lower than the 2018 national average of 17.3%.
- The proportion of employees receiving **bonus pay** was equal for both females and males at 68%.
- Our **mean bonus gap** stayed consistent to 2018, but our median bonus gap reduced from 43% to 3.3% as a result of awarding bonuses equally to males and females.

Representation

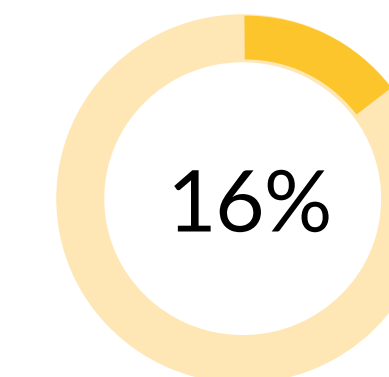
% females of our UK workforce



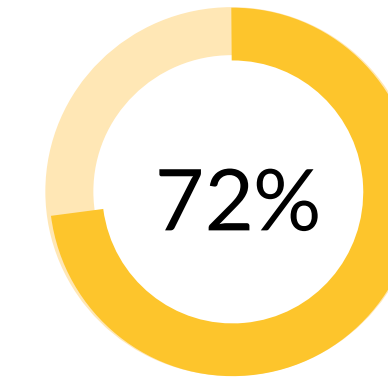
UK females in the
workforce



UK females in
sales roles



UK females in **technical**
roles



% UK females in
non-technical roles

In line with industry trends, a significantly higher proportion of our 2019 workforce were male, particularly in technical and sales job categories which typically attract higher rates of pay.

Hourly pay*

Hourly rate of pay between men and women

11.3%

MEAN PAY GAP

difference between the average hourly pay of men and women.

20.8%*

MEDIAN PAY GAP

difference between the midpoint in the ranges of hourly pay of men and women.

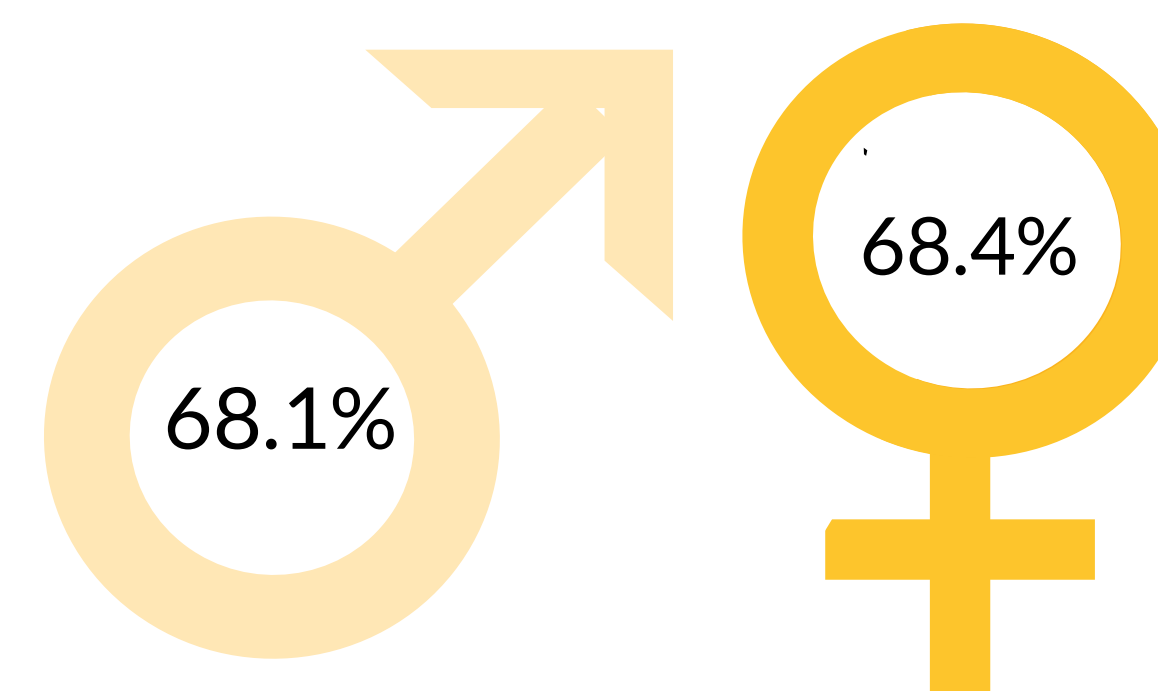
*compares hourly ordinary pay by gender including basic pay, allowances, pay for piecework, pay for leave, shift premium pay.

In 2019, we introduced a grading system to level and salary bands for all of our roles internally.

Our UK headcount grew 32% from 2018 but our gender distribution remained the same which drove a larger median pay gap.

Bonus pay

% of employees receiving bonus pay



Bonus pay gap*

MEAN 29.8%

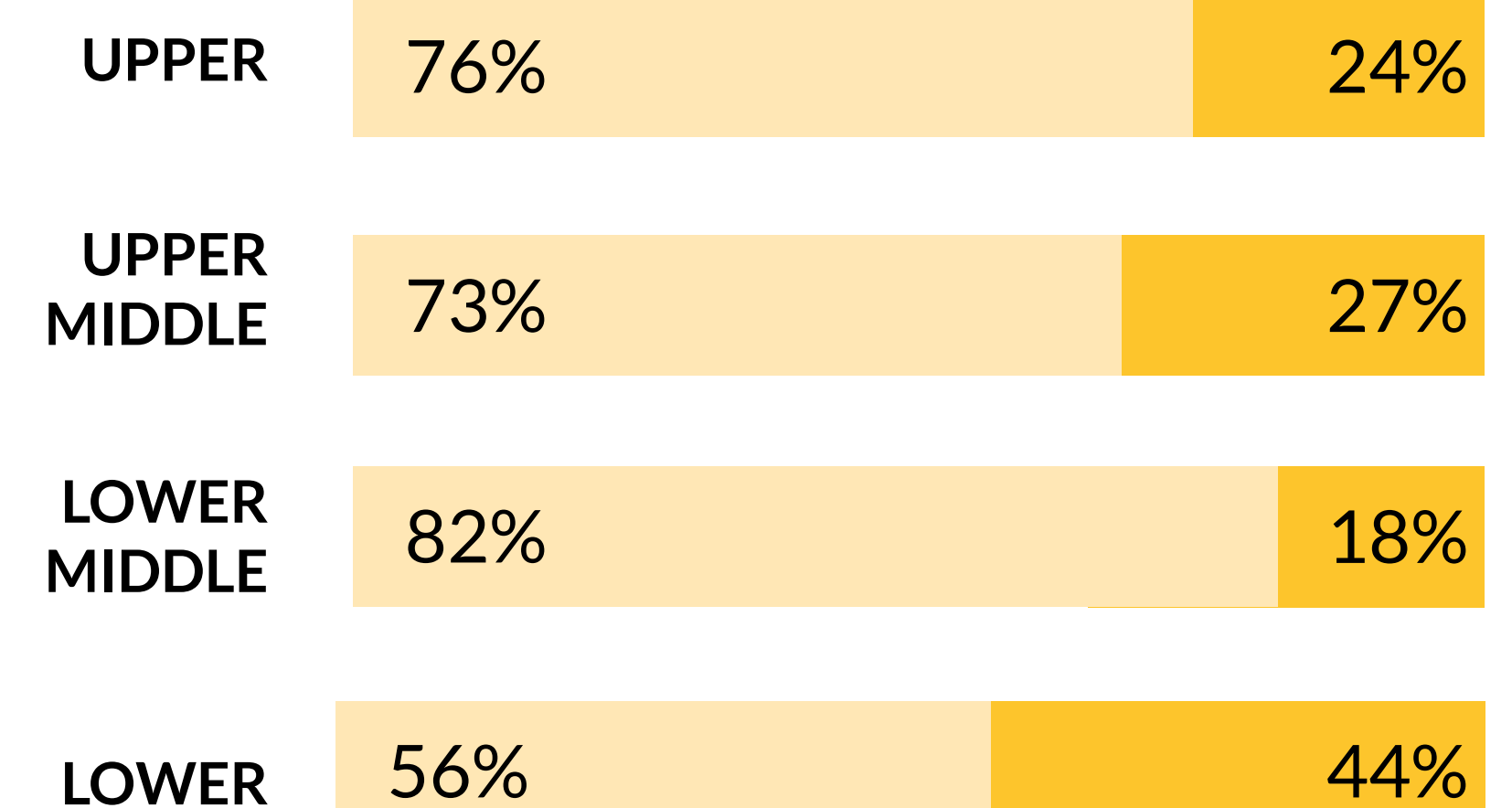
MEDIAN 3.3%

We give equal opportunity to all employees to participate and receive a bonus.

The mean bonus gap was driven by a number of higher sign on and legacy bonus arrangements from 2019 acquisitions, as well as commission payments.

Pay quartiles

% of employees in each pay quartile*



Pay quartiles ranks pay from lowest to highest by dividing into four equal sized groups, showing the proportion of men and women in each quartile.

The quartile distribution reflects our gender representation across job categories and levels.



MALES



FEMALES

