

VIAVI Solutions UK Limited Gender Pay Gap Report

2022

Introduction from Todd Taylor

At VIAVI Solutions UK Limited, we strongly believe that our colleagues deliver their best when they are encouraged to contribute their unique talents while driving outcomes for our customers. We strive to foster, cultivate, and preserve a culture of diversity, equity and inclusion that creates a work environment where everyone is positioned to succeed.

The collective sum of our individual differences, life experiences, knowledge, innovation, business acumen, self-expression, and unique capabilities contributes to a culture that enhances our reputation and achievement. We embrace, encourage, and celebrate our employees' differences and what makes them unique, to enable them to bring their authentic selves to work. We are working on long-term changes that may take time to materially move the dial, as we understand that short-term, ad-hoc actions will not work in relation to gender disparity.

This report presents our 2022 Gender Pay Gap results and compares them to the previous years' findings including prior Aeroflex Limited historical figures.

We are pleased to see that for another year we have a decreasing trend in our mean and median Gender Pay Gap. There is a greater proportion of women in the upper pay quartile versus 2021, which would be influencing these figures. We have seen a slight increase in the median Gender Bonus Gap, something that we will continue to investigate and review.

Our Gender Pay Gap is driven by comparatively lower female representation throughout the business, particularly at the more senior levels.

We are confident that positive change is visible throughout our organisation to support all employees. In particular, in 2023, we are focussing on cultivating a positive workplace that works for everyone. We stand ready and committed to improving the employee experience for all.

We have made steady progress, but more work needs to be done. We note that reducing our Gender Pay Gaps and Gender Bonus Gaps remains a key priority for us and to which we remain committed.

I invite you to read further about our results, understand more about our actions, and our future commitments to closing the gaps.



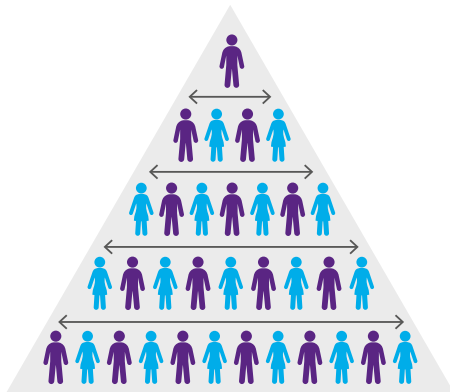
I confirm the data reported is accurate, in accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Todd Taylor
Vice President - Commercial Engagement Team;
Legal Lead - Europe, Middle East, Africa

Understanding the Gender Pay Gap

What is gender pay reporting?

The gender pay gap is the percentage difference in the mean or median hourly rate for all male and female employees across an organisation. It is a single figure for all workforce employees – irrespective of the job they do, grade, skills or experience. It is not the same as equal pay, which is the legal requirement that male and female employees, doing the same or similar work, receive the same pay.



Equal Pay

Equal pay requires that women and men carrying out the same or similar work in the same employment should receive the same pay.



Gender Pay Gap

However, the **Gender Pay Gap** measures the difference between the earnings of women and men across the business, regardless of the work they do. This is expressed in mean and median earnings, based on equivalent hourly rates, and is shown as a percentage of men's earnings. This includes base pay, allowances and any other bonus and incentive pay paid in April 2022.

The **Gender Bonus Gap** is the difference in incentive pay received by men and women in the 12 months prior to 5 April 2022. This includes all bonuses and incentives.

Understanding the Gender Pay Gap continued

How is the gender pay gap measured?

From April 2017, the UK Government has required all UK companies with over 250 employees on payroll to publish annually specific calculations relating to the following:

Gender Pay Gap (hourly pay):

The mean (average) and median (middle of a ranking from lowest to highest) difference between what male and female employees were paid on 5th April 2022, shown as a percentage of men's earnings.

Gender Bonus Gap:

The mean and median difference between the incentive pay received by male and female employees in the 12 months prior to 5th April 2022.

Bonus Proportions:

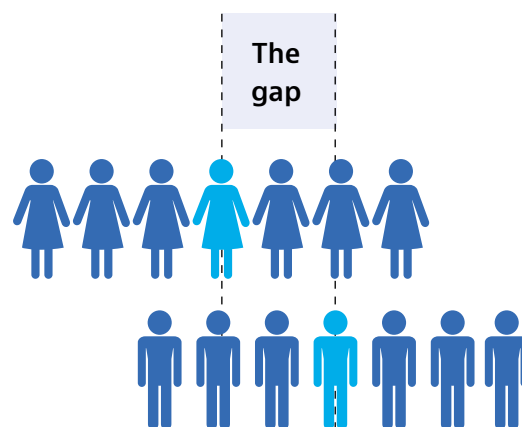
The percentage of male and female employees receiving any bonus payment in the 12 months prior to 5th April 2022.

Hourly pay quartiles:

The percentage of males and females in each pay quartile. All hourly pay is ranked from highest to lowest and employees are divided into four equal groups. The percentage of males and females in each group is then calculated.



Mean: The mean is calculated by adding up the total hourly pay of employees and dividing by the number of employees in the list. The calculation is completed separately for men and women and the totals are compared.



Median: The median is the middle number of a ranking of hourly pay from lowest to highest and gives us the best view of 'typical' hourly pay.

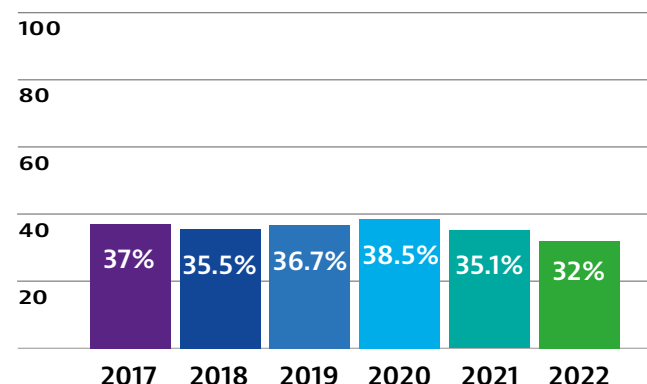
It is important to note that the UK Gender Pay Gap legislative requirements are binary in regard to gender (specifying females compared to males). Whilst we are reporting our statistics in accordance with the UK legislation, we recognise and support all gender identities.

Gender Pay Reporting Results 2022

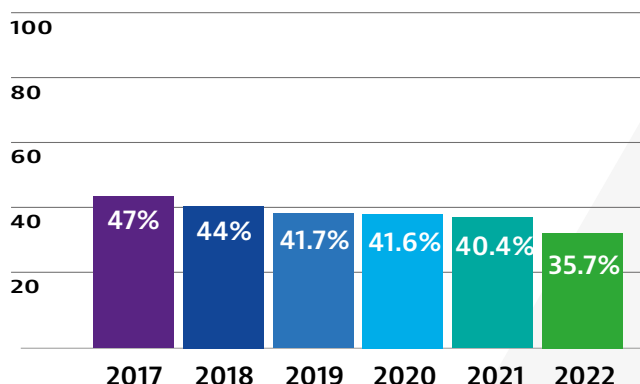
UK Gender Pay Gap

The chart below shows our VIAVI Solutions UK Limited Gender Pay Gap results for 2022 compared to previous results, including Aeroflex Limited results (2017-2020).

Mean



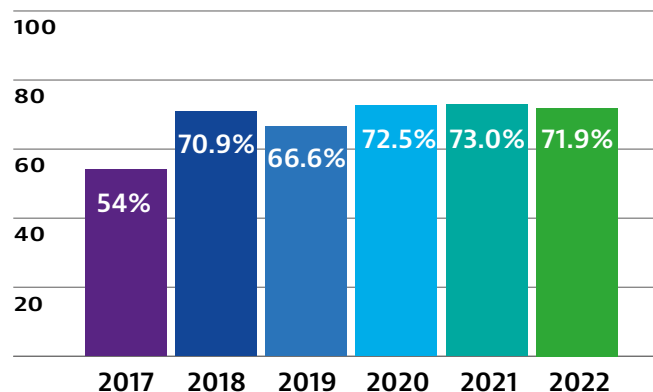
Median



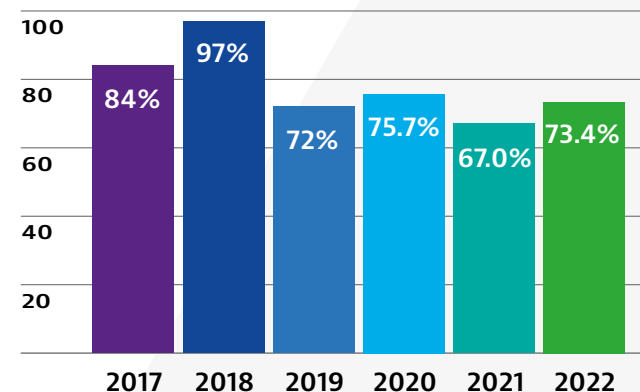
UK Gender Bonus Gap

The chart below shows our VIAVI Solutions UK Limited Gender Bonus Gap results for 2022 compared to previous results, including Aeroflex Limited results (2017-2020).

Mean



Median



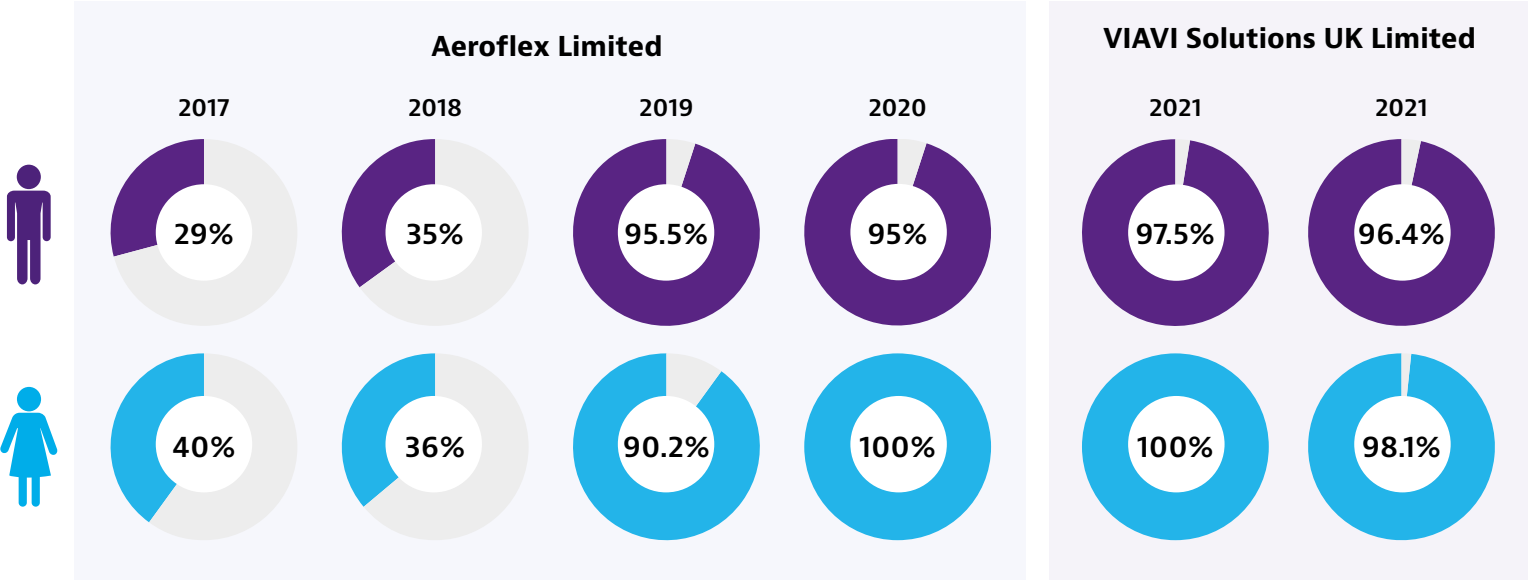
The pay data is taken at a snapshot date of the 5th of April 2022 and the bonus data is all bonuses paid between 6th April 2021 and 5th April 2022.

Gender Pay Gap Summary

The mean pay for men is 32% higher than that of women and the median pay is 35.7% higher. The mean and median gaps have decreased by 4.7% and 3.1% respectively compared to the 2021 results. Both the mean and median Gender Pay Gaps remain favourable to male employees, although they do demonstrate a trend over the last 6 years towards closing the pay disparities.

Proportion of Employees Receiving a Bonus

The charts below show the percentage of employees who received a bonus.



In 2022, the proportion of our employees receiving a bonus in the period remains high and stable. The bonus proportion calculations include employees who were not eligible for bonuses due to their start dates. As such, the 1.7% difference between the proportion of females and males receiving a bonus is not due to different eligibility levels.

Bonus Pay Gap

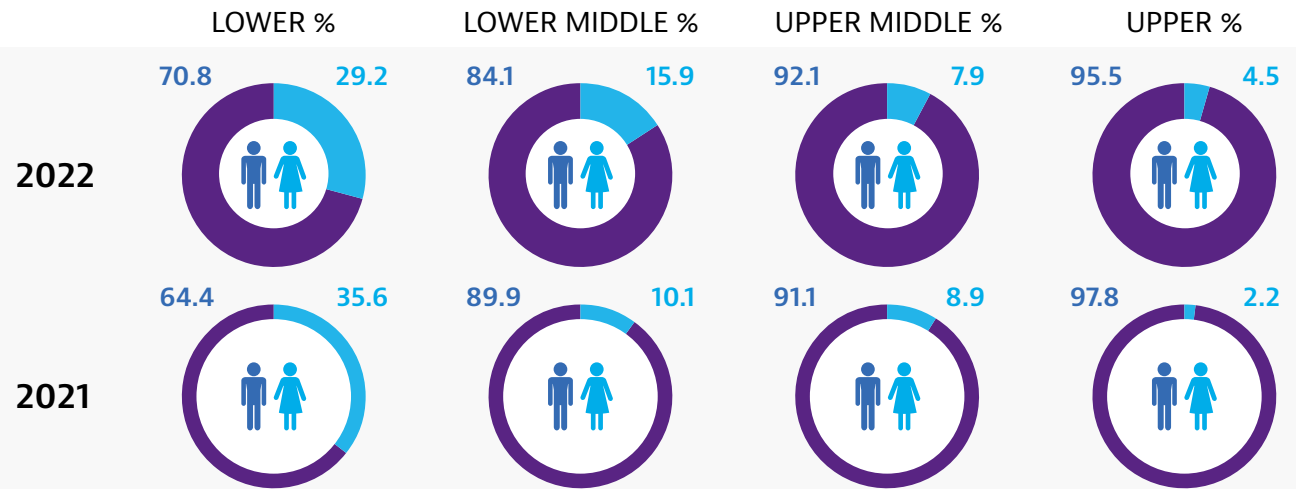
The mean bonus gap has decreased by 1.1%; however, the median bonus gap has increased by 6.4%. Both the mean and median Gender Bonus Gaps remain favourable to male employees by 71.9% and 73.4% respectively.

Population by Pay Quartiles

Like many other companies in our sector, the gender distribution of our workforce has the greatest influence on our Gender Pay Gap.

Our year-on-year gender distribution across the four equally sized pay quartiles shows that the proportion of females continues to be low in both the upper and the upper middle pay quartiles, accounting for our high Gender Pay Gap. However, the increase in the proportion of females in the upper quartile has helped to narrow the Gender Pay Gap year-on-year.

VIAVI Solutions UK limited



Aeroflex Limited



Our DEI commitment and actions

Our DE&I Mission represents our commitment to fostering, cultivating and preserving a culture of diversity, equity and inclusion at VIAVI. We are actively incorporating DE&I into our People Strategy. Our Diversity, Equity and Inclusion (DE&I) Pillars embody our approach as we make progress in this space.



Actions to support our values and culture

We are a company that values the unique contributions of our people, and it is our managers who set the tone with teams by modelling inclusive practices and holding regular check-ins. In support of our managers and teams, we provide relevant cultural programmes and learning. We recently launched a programme for all levels of leadership called Leading Forward, which included a leadership diagnostic for managers to assess and improve on how they engage in the development, and create alignment and trust in the teams that they lead.

Over the past year, our Leadership Development Programming shifted from Management Basics to support leaders to 'Expand their Impact' including topics on Leading Virtual Teams, Change Leadership, Coaching and Project Management.

To drive awareness and belonging, we held a Menopause awareness training for managers that was well received.

We have set up a partnership with STEMPOINT to encourage our highly skilled employees to volunteer their time and experience to inspire the next generation to continue a STEM pathway. This is the start of a programme of activities which is aimed at delivering a younger generation of employees into VIAVI. We hope that reaching out at the early careers stage will encourage more females into STEM careers as we are aware that the dropout rate increases with age.

All of these activities are helping managers to embed inclusiveness and belonging into their teams which we anticipate will help our female employees to feel confident to progress with VIAVI.

Next steps

It is important that we continue to work on reducing our Gender Pay Gap. We will be guided by the organisation globally with respect to the integration of our DE&I pillars into business as usual, and we will continue to strive to ensure the workplace is inclusive and equitable for all employees. Although we recognise it may take time for us to start seeing the evidence in our results, we are certain these will have a positive effect on our pay disparity efforts and our culture overall.

From a UK perspective, in 2023 we will focus on:



Performance Management

- We will continue to work with our managers to ensure that they inspire trust in their teams, ensuring there is a safe environment for individuals to take risks and providing support in doing so through the Leading Forward programme



Hiring and Selection

- We remain committed to the recruitment of females at all levels to reduce the Gender Pay Gap
- We will work with our recruitment partners to identify areas for improving the level of female candidates for our vacancies



Broader Diversity

- We commit to supporting the DE&I pillars and focusing on long-term, sustainable change for our workforce.
- Our early careers activities, outlined as follows aimed to assist in closing the skills gap for STEM-related careers, including providing opportunities within underprivileged areas of society



Early Careers

Although the Gender Pay Gap is due to the lack of female representation at our senior levels, we are committed to improving the status in the long term. We believe that improving the number of young women entering STEM careers now will positively impact the Gender Pay Gap in future years. We are therefore committing to investing in early careers and ensuring female representation within this group.

- We will commence a structured experience for the Year 10 and Year 12 School Work Experience weeks and will collaborate with local schools to bring in young people. We will ensure female representation during these weeks
- We will attend local careers fairs, ensuring we have female representation at these events specifically to enable outreach to potential future female employees
- We will commence a new apprenticeship scheme with the aim of female representation within this group
- These activities will contribute towards our global VIAVI Early-Career Program which brings in the best graduate talent into a two-year experience, learning from the world's best network test and optical security experts. We have a focus in the UK on recruiting female talent within this programme for our 3rd year

Next steps continued



Family Friendly Policies

- VIAVI has a host of family-friendly policies which support women in fulfilling their careers and managing their work-life balance
- Extended Maternity Leave entitlements
- Hybrid and flexible working opportunities
- Open door policy by management
- Equal opportunities policy
- Regular training on unlawful harassment including sexual harassment
- Benefits
 - Private Medical Benefit, with the option to buy up family members
 - Company-contributed pension scheme
 - Generous Annual Leave entitlements which increase with service
 - Insurances to assist the employee and their families in case of illness or death
 - Employee Assistance Program for employees and their families
 - Health Assessments

Employee Spotlight



From Cecilia Wickramasinghe

I started my career more than 2 decades ago; I was one of the first people to be certified in the second version of Java programming. My first job was as an assistant professor in the computer science and engineering department and then I moved on to software programming. I worked in different countries such as India, the USA, Canada, and the UK. I have been lucky to have exposure to different cultures and a diversity of people. I have worked in many roles such as programmer analyst, software developer, technical lead, technical consultant, solution architect, engineering manager etc and worked with distributed teams globally throughout my career. All these roles and the working environment helped me to develop my leadership skills. It is imperative as a leader that you are constantly challenging the status quo, and pushing yourself to acquire new skills, or improve existing ones. Pursuing leadership skills training is an essential ingredient to staying relevant. I joined VIAVI Solutions during the COVID-19 lockdown as a Release and DevOps Manager in the engineering department and was able to settle down faster as I received excellent support from all the teams and my managers. The most important thing I learned in my career is the world of technology can be very demanding. It changes so fast that you can often feel that you are many steps behind. It is perfectly normal not to know something. Do not beat yourselves up about it. Instead — embrace any opportunity to learn!



From Nida Shafi

After completing my B.Sc. Engineering in 2003, I started my career in the telecommunications sector as a junior engineer testing mobile handsets. This led me to take on a role as a software developer for a multinational test and measurement company. Although I enjoyed programming, I realized my passion was working with people and bringing out the best in them because success for the individual is also success for the business.

I progressed through different team-leading roles each presenting new challenges as technology evolved and the nature and skills of teams changed. As a Technical Project Manager with teams spanning a wide range of countries, I learned how to mentor and lead diverse teams with different languages and cultures, whilst also enjoying the opportunities for travel.

In 2020, I was given the opportunity to join VIAVI, where I could grow my leadership skills. Despite the challenges of working in a male-dominated field, I used these opportunities to show my strengths and promote the company's commitment to diversity, equality, and inclusivity. As a female Manager, I aim to create a positive and inclusive work environment that benefits everyone I work with. I look forward to continuing to learn and grow with VIAVI while supporting others in their professional development.

Glossary

Diversity: Diversity is about recognising, respecting and valuing differences based on any number of areas inclusive of, but not limited to, ethnicity, gender identity/expression, age, race, religion, disability and sexual orientation.

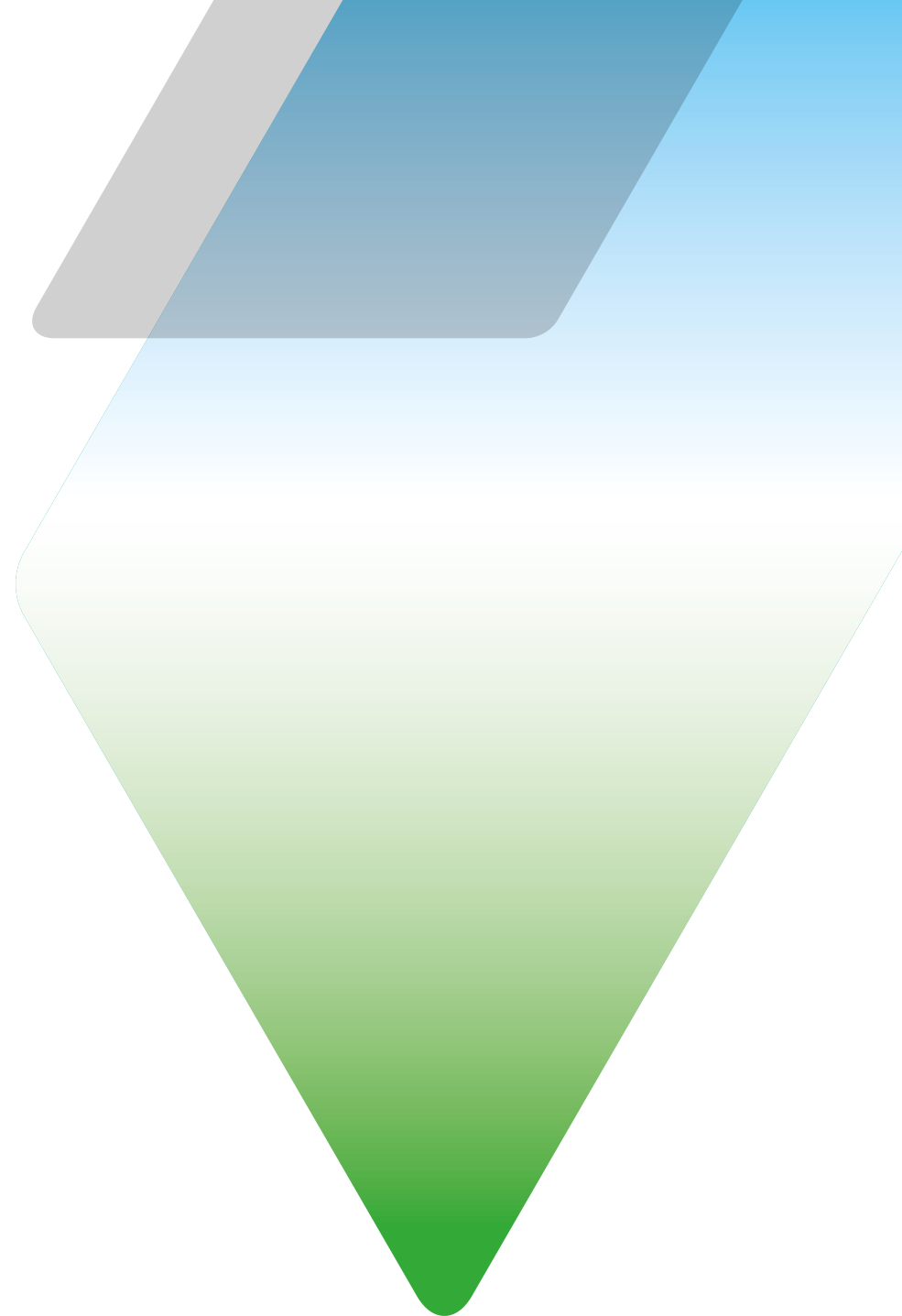
Equity: Equity implies justice or fairness, thereby providing each individual with the tools and resources they need to be successful. Note, this differs from Equality, which relates to treating everybody equally.

Inclusion: Inclusion is the culture in which everyone can come to work and feel comfortable and confident to be themselves.

Median: The median is the middle number of a ranking of pay from lowest to highest and gives us the best view of 'typical' pay

Mean: The mean is calculated by adding up the total pay of employees and dividing by the number of employees

Quartile: A quartile is a metric which divides the number of data points into four parts, or quarters, of more-or-less equal size. The data must be ordered from smallest to largest to compute quartiles.





VIAVI Solutions