



UK Regulatory Gender Pay Gap Reporting

March 2019

Introduction

Microsoft published its first **Gender Pay Gap report in 2018**, in line with the UK government's reporting legislation. The report set out Microsoft's commitment to Diversity & Inclusion and to addressing our gender pay gap. We continue that journey, maintaining our approach and strategy.

Microsoft fully supports the UK government's focus on gender pay gap and its effort to shine a spotlight on this important issue. This year's reporting serves as an update on our progress.

Our gender pay results

Our results this year show improvement in several areas of the Gender Pay Gap analysis. We fully recognise that this is a journey and that it will take many years of investment and leadership to enable lasting change, but firmly believe our commitment and actions to drive this topic are having impact.

We will continue to focus on pay equality alongside our global commitment to increasing female representation across all levels, and professions of the organisation. Our efforts will remain concentrated on those key factors that influence change - including expanding our pipeline of talent, empowering and retaining our people through an inclusive culture and supporting our customers and partners through diversity.

The analysis below for Microsoft UK Ltd is based on the government's methodology, using hourly rates of pay as of the snapshot date of 5th April 2018, bonuses paid in the 12 months up to 5th April 2018 and organisation demographics for 5th April 2018.

Hourly pay

6.25%

The **mean** pay variance shown is the difference between the average hourly pay of men and women

7.95%

The **median** pay variance shown is the difference between the midpoint in the ranges of hourly pay of men and women

Bonus pay

6.56%

The **mean** bonus pay variance shown is the difference between the average bonus pay of men and women

13.02%

The **median** bonus pay variance shown is the difference between the midpoint in the ranges of bonus pay of men and women

Percentage of employees receiving a bonus



99.54%

The proportion of **female** employees that received bonus pay during the year to 5th April



99.50%

The proportion of **male** employees that received bonus pay during the year to 5th April

Proportion of employees in each pay quartile according to gender

Consistent with the legislation, we have reported our employee population in order of ordinary base pay from the lowest to the highest, and then divided this into four equal population sizes, to show how the distribution of men and women varies according to each pay quartile.



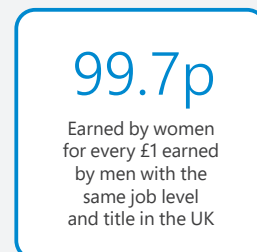
The government's Gender Pay Gap analysis measures the difference between average male and female pay as a proportion of the average male pay within an organisation. This reflects the distribution and relative proportion of men and women across all roles within an organisation and does not take into consideration factors including the job or profession of an employee, their tenure, performance or level of seniority. To provide a more complete picture of our results, we are also sharing Microsoft UK's equal pay figure and gender workforce demographic data for year ending April 2018.

Equal pay

At Microsoft we are committed to the principle of equal pay for equal work for our employees. The determination for equal pay compares male and female employees carrying out the same or similar work, including factors such as job level and title.

While the numbers will always fluctuate slightly year to year, statistically these are small adjustments. For Microsoft in the UK we are at effective parity. For every £1 earned by male employees, our female employees in the UK earned 99.7 pence at the same job title and level.

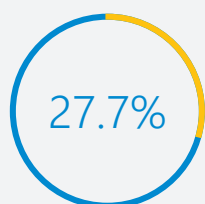
This equal pay data reflects Microsoft's focus to ensure that all employees, no matter their gender, are compensated in equal fashion. We will continue to monitor this data and ensure this remains a key value and priority for us.



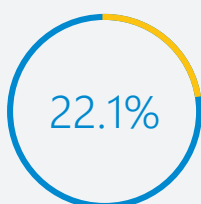
Workforce representation

Microsoft is committed to increasing the representation of female employees across all professions and levels. Like many companies, we know from our analysis that having more men at senior levels within our organisation is a key contributing factor to our results, but to be successful in reducing the gender pay gap, we need to acknowledge the industry-wide challenge we face for available skills.

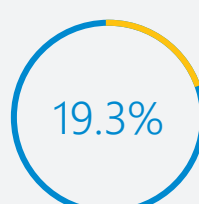
Year on year we have seen an increase in female representation of just over 1.0% and is broken down as below (as per April 2018).



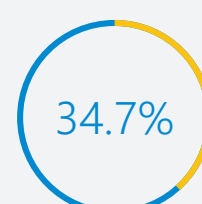
Microsoft UK's female representation in the **workforce**



Microsoft UK's female representation in **leadership** positions



Microsoft UK's female representation in **technical** roles



Microsoft UK's female representation in **non-technical** roles

At Microsoft, we are committed to improving and learning how to increase our representation of all demographics of diversity, including female representation. Further details of our approach can be viewed in our March 2018 report. We are continually evolving our inclusive culture, we are pleased with our improvements, yet we know we still have a long way to go. We strive to create an environment where everyone is respected, safe and able to do their best work.

Authorised signatory

Declaration

I confirm that the data contained within this report is accurate and meets the requirements of the Gender Pay Gap reporting regulations.

Andrea Winfield
UK HR Director

