



# UK Gender Pay Gap Report

April 2023

## Introduction

At Microsoft, the work of diversity and inclusion is about having intention in all we do. It's about leveraging our global influence to drive positive change, within our company and across the communities where we live and work. We published our first Gender Pay Gap report in 2018 which continues to drive our commitment for Diversity & Inclusion (D&I) and address our Gender Pay Gap. It is aligned with the UK government's focus on the Gender Pay Gap and its effort to shine a spotlight on this important issue.

Our efforts to drive positive change within our UK D&I strategy, have enabled us to reduce our Gender Pay Gap for the fourth year in a row. Microsoft UK employee population continues to evolve, resulting in changes to the size of our total headcount. In fact, our UK organisation has grown +110 % since we published our first report in 2018. This growth is a combination of organic and acquisitional growth.

The representation of women employees in the UK year on year has also increased continuing our long-term trend.

## Our Gender Pay Gap results

Our results this year show the Gender Pay Gap reducing year on year.

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 2022, bonuses paid in the 12 months up to 5th April 2022 and organisation demographics for 5th April 2022.

The difference in bonus pay is largely driven by the effect of higher representation of men in incentive eligible roles and in more senior levels.

While we have more progress to make, the data shows that our steadfast commitment to the D&I work is yielding measurable results and positive change. As we push ourselves to do more, we're working to deepen our understanding of our workforce and where additional efforts are most needed. To further highlight the opportunity to continue to make progress on representation at all levels of the company, we have chosen to voluntarily disclose the unadjusted differences in median total pay in our annual Global Diversity & Inclusion Report.

## Hourly pay

5.5%\*\*  
(-1.5%)\*

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

6.2%  
(-0.7%)\*

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

## Bonus pay

20.5%  
(+11.1%)\*

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

26.9%  
(+6.8%)\*

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

\*Versus Gender Pay Gap Report 2022

\*\* We identified data duplication in the calculations for hourly pay variance initially reported. We corrected this issue in April 2024, and the revised figure is presented above.

## The proportion of employees in each pay quartile according to gender

We have reported our employee population in order of hourly 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.

|              |                    |       |
|--------------|--------------------|-------|
| Upper        | 26.2% (+0.7%)**    | 73.8% |
| Upper Middle | 28.9% (+1.5%)**    | 71.1% |
| Lower middle | 29.6% (no change)* | 70.4% |
| Lower        | 39.2% (+0.8%)*     | 60.8% |

Female
Male

## The percentage of employees receiving a bonus

The government's Gender Pay Gap analysis measures the difference between the average male pay and the average female pay as a proportion of the average male pay within an organisation. This, therefore, reflects the distribution and relative proportion of men and women across all roles within an organisation.

|                            |  |                           |  |
|----------------------------|--|---------------------------|--|
| <b>86.5%**</b><br>(+1.7%)* | The proportion of <b>female</b> employees that received bonus pay during the year to 5th April | <b>87.8%</b><br>(+11.1%)* | The proportion of <b>male</b> employees that received bonus pay during the year to 5th April |
|----------------------------|--|---------------------------|--|

## Workforce representation

Year on year we have seen an increase in female representation of 1.5%, and this is broken down as below. While progress is still needed, we do see an improvement of 5.3% YOY in the technical roles representation.

Below is our female representation breakdown in the workforce (as per April 2022):

|               |                 |       |
|---------------|-----------------|-------|
| Workforce     | 30.9% (+1.5%)*  | 69.1% |
| Technical     | 25.1% (+5.3%)*  | 74.9% |
| Non-technical | 47.3% (+11.1%)* | 52.7% |
| Leadership    | 22.3% (+1.4%)*  | 77.7% |

Female
Male

\*Versus Gender Pay Gap Report 2022

\*\* We identified typographical errors in the display of the proportion of employees in each pay quartile according to gender, as well as the proportion of women that received a bonus initially reported. We corrected this issue in April 2024, and the revised figures are presented above.

## Pay equity

The Gender Pay Gap analyses above measure the differences in average pay of two employee groups regardless of factors that legitimately influence pay such as job title, level and tenure. This analysis is different from pay equity analyses, which measure the differences in average pay of two employee groups accounting for factors that legitimately influence pay.

To provide a more complete picture of compensation at Microsoft, we have voluntarily included our pay equity analysis results for the UK as we have done previously. In prior reports, the pay equity figure we have provided for the UK has included the same components of pay as those required for the government's Gender Pay Gap report. This year, consistent with the approach in the Microsoft 2022 Global Diversity & Inclusion Report, the pay equity figure for the UK is based on "total pay," which includes base salary, annual bonus, and stock awards at the time of annual rewards for rewards eligible employees as of September 2022.

**As of September 2022, women who are rewards eligible in the UK earn £1 total pay for every £1 earned by rewards eligible men with the same job title and level and considering tenure.**

## Looking ahead

As our workforce evolves, we continue to show progress in increasing our female representation and are committed to continued progress guided by our mission to empower every person and organisation on the planet to achieve more.

Despite current conditions, geopolitical instability, and economic headwinds, we remain optimistic about the future and relentless in our focus on systemic progress. The possibilities for employees to thrive, for teams to collaborate, for organizations to excel, and for customers, partners, and developers to innovate are unlocked when we all have the same shared commitment. Together we continue to support Microsoft's inherently inclusive mission and cultivate the culture necessary to make it real.

## 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.



A handwritten signature in black ink, appearing to read 'Claire Logan'.

Claire Logan  
UK HR Director