



UK

# Gender Pay Gap Report

April 2024

## Introduction

Microsoft continues to seek to represent the society within which we work and core to that is our commitment as an organisation to diversity and inclusion. This extends beyond something that we just talk about. It is something that we invest in, act on, review and continue to challenge ourselves to be better on. We have published Gender Pay Gap reports annually since 2018, reinforcing each year our commitment for Diversity & Inclusion (D&I) and in alignment with the UK government's focus on the Gender Pay Gap and its effort to shine a spotlight on this important issue.

Since we published our first report we have seen significant changes in the UK business as well as the growth of our organisation which have enabled us to make progress in our representation journey through conscious attention on inclusive hiring and career development opportunities for our employees. However, we acknowledge that there is still more work to do, particularly at senior levels within the technology sector.

## Our Gender Pay Gap results

Our results this year show a similar Gender Pay Gap as last 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 2023, bonuses paid in the 12 months up to 5th April 2023 and organisation demographics for 5th April 2023. Aligned with government requirements, disclosure is based on data for men and women. We continue to operate in a dynamic business environment and industry which means that factors such as hiring, attrition, employee movement, and promotions can affect the overall composition of our workforce, which then affects our year over year gender pay gap data.

We acknowledge that there is more work to be done and remain committed to increasing the representation of women in our workforce, with a particular focus on representation at the more senior levels in the organisation. Our efforts are ongoing, and we continue to invest in development experiences, our inclusive hiring efforts, and career progression, including promotions.

## Hourly pay

**6.1%**  
(+0.6%)<sup>1\*</sup>

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

**6.3%**  
(+0.1%)\*

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

## Bonus pay

**16.6%**  
(-3.9%)\*

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

**28.6%**  
(+1.7%)\*

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

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

We arranged 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	28.5% (+2.3%) <sup>2*</sup>	71.5%
Upper Middle	29.3% (+0.4%) <sup>2*</sup>	70.7%
Lower Middle	32.3% (+2.7%)*	67.7%
Lower	42.4% (+3.2%)*	57.6%

Women

Men

## The percentage of employees receiving a bonus

The government's Gender Pay Gap analysis measures the difference between the average pay of men and the average pay of women as a proportion of the average pay of men within an organisation. This difference is therefore impacted by the distribution of men and women by pay quartile as well as the relative proportion of men and women who received a bonus payment across all roles within an organisation.

**93.3%**  
(+6.8%)<sup>2\*</sup>

The proportion of **employees who are women** that received bonus pay during the year to 5<sup>th</sup> April

**94.1%**  
(+6.3%)\*

The proportion of **employees who are men** that received bonus pay during the year to 5<sup>th</sup> April

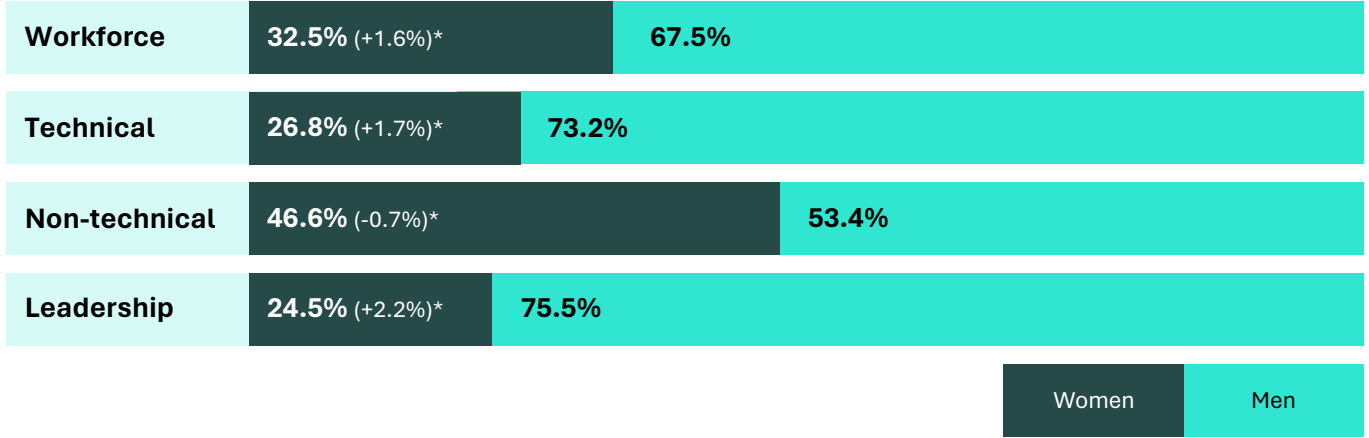
1. Since reporting last year, we have identified data duplication in the calculations for hourly pay variance included in last year's report (snapshot date of 5th April 2022). We have corrected this issue; percents versus 2023 are based on the revised figure.  
2. Since reporting last year, we have identified 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. We have corrected this issue; percents versus 2023 are based on the revised figure.

\*Versus 2023 (Negative values indicate a reduction year on year)

## Workforce representation in the UK

Year on year (“YoY”), we have observed an increase in women representation of 1.6%, and this is broken down below. While progress is still needed, we observe an improvement of 1.7% YOY in the technical roles representation.

Below is our women representation breakdown in the workforce (as per April 2023):



## Pay Equity in the UK

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

Microsoft continues to be committed to the principle of pay equity, which means paying employees equitably for substantially similar work. We believe that pay equity analysis, combined with the gender pay gap figures required by the Act, provides a more comprehensive view of pay at Microsoft.

We voluntarily publish data in support of this commitment to pay equity, as well as our commitment to increase representation and strengthen a culture of inclusion at Microsoft, in our annual [Global Diversity & Inclusion report](#). Additionally, we have again voluntarily shared our pay equity analysis result for the United Kingdom. As long as we have pay equity, the existence of a pay gap highlights the need to continue to increase representation of women in more senior roles.

**As of September 2023, women in the UK earn £1 total pay for every £1 earned by men with the same job title and level and considering tenure.**

This analysis is consistent with the approach in our [2023 Global Diversity & Inclusion report](#) and reflects total pay (base salary, annual bonus, and stock awards at the time of annual rewards) for rewards eligible women and men; all Microsoft employees are eligible for rewards if they have worked for more than 90 days in the fiscal year, provided they are still employed during the rewards period.

## Looking ahead

This report is only part of our commitment to gender diversity. The results do give confidence that our actions are delivering results but that there is still more to do and our whole leadership team in the UK continues to commit time, resources and personal effort to deliver change in this area. This annual reporting gives a foundation on which we can move forward and allows us to hold ourselves to a high standard as we continue to have impact on representation.

We believe our continued efforts to build a workforce inclusive of people with a wide range of perspectives, experiences, and backgrounds strengthens our culture of inclusion, and also helps foster innovation and serve our business and customer needs.

## 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