

Microsoft in the UK Gender pay report

Introduction

At Microsoft, we are committed to our culture, values and mission. We know our ability to empower every person and every organisation on the planet depends on our ability to attract the best talent on the planet, and ensure everyone has the opportunity to contribute and grow. This focus enables us to drive innovation and create transformational solutions to complex challenges for our customers, partners, and the world.

Since 2018, we have published annual Gender Pay Gap reports, aligning with the UK Government's focus on the issue. Since then, significant changes in our UK business and organisational growth have enabled us to make progress in our representation journey through conscious attention on hiring, developing, internally moving, and retaining the best talent on the planet, as well as investing in a workplace culture where everyone can thrive.

We recognise that work needs to continue, 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 2024, bonuses paid in the 12 months up to 5th April 2024 and organisation demographics for 5th April 2024. 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.

Reporting figures – Microsoft UK Limited

The graphics below set out the reporting figures as calculated by PwC for Microsoft UK Limited.

Hourly pay

6.6% (+0.5%*)

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

5.3% (-1%*) The **median pay variance** shown is the difference between the midpoint in the ranges of hourly pay of men and women.

Bonus pay

21.2% (+4.6%*)

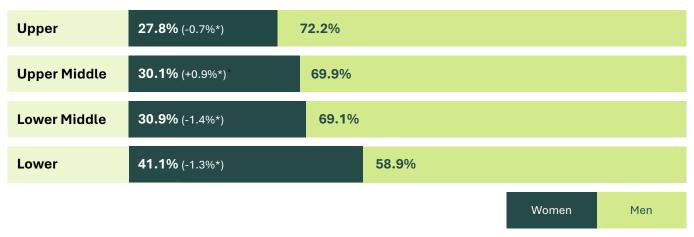
The **mean bonus pay variance** shown is the difference between the average bonus pay of men and women.



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.



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.

95.9%	The proportion of employees who are women that received bonus pay during
(+2.6%*)	the year to 5 th April

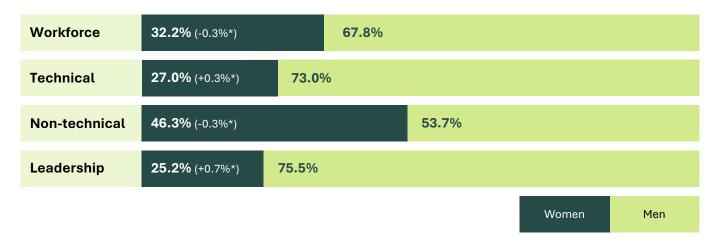
96.8% (+2.7%*)

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

Workforce representation in the UK

Year on year ("YoY"), we have observed a decrease in women representation of 0.3%, and this is broken down below. While progress is still needed, we observe an improvement of 0.3% YOY in the technical roles representation.

Below is our women representation breakdown in the workforce (as per April 2024)



Pay Equity in the UK

The Gender Pay Gap analyses 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.

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. As long as we have pay equity, the existence of a pay gap indicates opportunities to continue to increase representation of women in more senior roles. As a result, we are again voluntarily sharing our pay equity analysis result for United Kingdom in this report.

In addition to pay equity, Microsoft remains deeply committed to ensuring access to opportunities, fostering teams with a wide range of perspectives and backgrounds, and cultivating an inclusive culture that fuels innovation.

As of September 2024, women who are rewards eligible in the UK earn £1 total pay for every £1 earned by men with the same job title and level and considering tenure.

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.



Keyonda Gallardo UK Sr. HR Director