

Microsoft in Ireland Gender pay report

December 2024

Executive summary

At Microsoft, our ongoing focus on diversity and inclusion (D&I) is directly tied to our inherently inclusive mission—to empower every person and every organization on the planet to achieve more, enabling us to innovate in the age of AI.

We remain deeply committed to D&I because it is what creates transformational solutions to the most complex challenges for customers, partners and the world. Our focus on D&I has been going on for decades, and the work continues as we shared in our <u>2024 Global Diversity & Inclusion</u> <u>Report.</u>

Achieving a mission as bold as ours starts with a culture of inclusion, inviting people to contribute ideas, find innovative solutions to the most complex problems, and do their best work. This requires intentional investment in our global workforce, including increasing representation of women within Ireland and the globe. Our initiatives in Ireland include Dream Space; since 2018 this immersive STEM learning education programme has engaged with over 300,000 students and has significantly increased girls' or young women's interest in pursuing STEM careers. We are also the lead industry partner for the STEM Passport for Inclusion, which is helping to address disparities in STEM education for girls from socioeconomically disadvantaged backgrounds. Additionally, for the adult population, we launched a national AI skilling programme in October 2023 to help people of all ages develop AI fluency and skills for the future. Later in this report, we share more information



about the initiatives we deliver to support our community and workforce to upskill and develop their careers.

This 2024 gender pay report for Microsoft Ireland includes the data mandated by The Gender Pay Gap Information Act 2021 ("the Act") as well as additional data that highlights Microsoft's commitment to increasing representation of women across the entire organisation and industry. Across Ireland,¹ we are reporting a mean gender hourly pay gap of 1.8% between men and women. The mean gender bonus gap between men and women is 2.3% in favor of women. There is a 0.2 pt difference in the proportion of men and women who received Benefit in Kind (BIK); 91.2% of men receiving BIK and 91.4% of women.

Beyond the requirements of the Act, and consistent with last year's report, we are sharing pay equity analysis for Ireland. Pay equity—or equitable pay for substantially similar work—measures the difference in pay between two groups considering factors that legitimately influence pay. Women who are rewards eligible in Ireland earn €1 total pay for every €1 earned by rewards eligible men with the same job title and level and considering tenure. We believe that pay equity, combined with the gender pay gap figures required by the Act, provides a more comprehensive view of pay at Microsoft.

As we enter our 50th year as a company, diversity and inclusion remain critical to our mission: empowering every person and organization on the planet to achieve more. This annual report measures our progress, and the diversity of our workforce, combined with inclusion, unlocks individual and collective potential. We continue our long-standing commitment to the hiring, development, internal movement, and retention of a workforce that reflects the world, and our investment in a workplace culture where everyone can thrive.

Jaanne Morrisser

Joanne Morrissey Senior HR Director, Microsoft Ireland



1 This data includes two legal entities 'Microsoft Ireland Operations Ltd' and 'Microsoft Ireland Research' in accordance with the legislation. The specific data for each are included further in the report.

Our results

The Act requires organisations with more than 150 employees to report gender pay gap information within six months of a date in June chosen by the organisation. Pursuant to the requirements of the Act, we are sharing gender pay gap information based on the government's methodology for 'Microsoft Ireland Operations Ltd' and 'Microsoft Ireland Research'.

We have selected June 30, 2024, the last day of Microsoft's fiscal year, as the 'snapshot' date for this report. The analyses below are based on the employee population (i.e. employees employed on June 30, 2024) and the components of remuneration [as required under the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2022 (the "Regulations")] for the period of 12 months ending on June 30, 2024.



Results for Microsoft in Ireland

Consistent with our approach in previous years for the 2024 report, we have created a more holistic view of Microsoft's employee footprint in Ireland by providing the results for 'Microsoft in Ireland'—'Microsoft Ireland Operations Ltd' and 'Microsoft Ireland Research' combined-following the government's methodology required for each separate entity.

Hourly remuneration

1.8%	The mean pay variance shown is the difference between the average hourly remuneration of men and women.
5.8%	The median pay variance shown is the difference between the midpoint in the ranges of hourly remuneration of men and women

Bonus remuneration

-2.3%	The mean pay variance shown is the difference between the average hourly remuneration of men and women.
9.0%	The median pay variance shown is the difference between the midpoint in the ranges of hourly remuneration of men and women.

Proportion of employees who received a bonus

8	9	.8	39	6
8	9	.7	10	6

Proportion of employees who received benefits in kind

91.4%	
91.2%	

Proportion of employees per each pay quartile²

Upper	69.9%	30.1%
Upper middle	71.4%	28.6%
Lower middle	66.1%	33.9%
Lower	62.8%	37.2%

We have analysed the part-time remuneration and bonus gaps. However, given the small number of part time employees across "Microsoft Ireland Operations Ltd" and "Microsoft Ireland Research" we are not publicly reporting those results to avoid disclosure of personal remuneration data and protect privacy of individuals who may be identifiable because of the numbers involved. Our workforce primarily consists of full-time employees directly employed by Microsoft; we do not have any contractors directly employed by the company.



2 Consistent with the statutory requirements for 'Microsoft Ireland Operations Ltd' and 'Microsoft Ireland Research,' we sorted our 'Microsoft in Ireland' employee population in order of hourly remuneration from lowest to 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.

Pay equity

The gender pay gap analyses measure the difference in pay of two employee groups regardless of factors that legitimately influence pay. These analyses are different from pay equity, which measures the difference in the pay of two employee groups accounting for factors that legitimately influence pay. Microsoft remains committed to pay equity and we have voluntarily included our pay equity analysis results for Ireland, as we did in the 2023 and 2022 reports. Consistent with the approach in <u>Microsoft's 2024 Global Diversity</u> <u>& Inclusion Report</u>, the pay equity figure for Ireland is based on total pay for rewards eligible employees as of September 2024.

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





Results by legal entity in Ireland

The following tables show the gender pay gap results as per Irish legislation "Microsoft Ireland Operations Ltd" and "Microsoft Ireland Research."



Microsoft Ireland Operations Ltd

Hourly remuneration	Mean	Full time	-4.6%
	Median	Full time	0.4%
Bonus remuneration	Mean	Full time	-18.8%
	Median	Full time	-2.6%

Bonus recipients



92.0 %			
90.2%			

Proportion of employees per each pay quartile

Mean bonus pay gap	63.5%	36.5%
Upper middle	65.8%	34.2%
Lower middle	64.9%	35.1%
Lower	63.6%	36.4%

Microsoft Ireland Research

Hourly remuneration	Mean	Full time	13.7%
	Median	Full time	14.0%
Bonus remuneration	Mean	Full time	23.1%
	Median	Full time	22.2%

Bonus recipients

86.3%			
90.9%			

Benefit in kind recipients

89.5%			
93.1%			

Proportion of employees per each pay quartile

Mean bonus pay gap	82.7%		17.3%
Upper middle	78.8%		21.2%
Lower middle	75.5%		24.5%
Lower	60.6% 39.4		4%

Men Women

What is influencing our results?

The overall composition of our workforce on the 'snapshot date' of this report has shaped both the aggregated results for Microsoft in Ireland and the results for each entity separately.

As 'Microsoft Ireland Operations Ltd' primarily supports the day-to-day marketing, selling and distribution of our products and services, employees within this organisation work in the areas of sales, commercial engineering, data center operations and corporate functions. Within this legal entity, there is strong representation of women across the organisation and more specifically, in senior positions, which contributes to lower pay gap figures. The mean hourly pay gap is 4.6% in favour of women and mean bonus gap stands at 18.8% in favour of women. In contrast, employees working for 'Microsoft Ireland Research' are primarily engaged in product localisation, software engineering and research and development activities. Representation of women within these technical roles is lower, resulting in a mean hourly pay gap of 13.7% and mean bonus gap of 23.1%. As a result, we will continue to focus on both increasing representation of women across Microsoft in Ireland, but also increasing representation in more senior technical roles. Furthermore, we also know there is an underrepresentation of women within the STEM industry more broadly. This fuels our focus to create and nurture long term strategies to attract girls and women into careers in STEM.

Our decades of work and longstanding commitment increase the representation of women remain unchanged

At Microsoft, we're continuously shaping our talent practices and employee experience tailoring support and resources so our workforce can thrive. Through our Women at Microsoft Employee Resource Group, employees build community, connections, and support. This community serves as a catalyst for career development and networking and builds spaces for intersectional understanding and allyship. The Families Employee Resource Group was launched in 2018 with the goal of providing practical support to carers of all generations. In 2023 they partnered with Human Resources and Laya Healthcare to provide quarterly workshops for mothers returning to work after maternity leave and quarterly workshops for parents who want a better balance between work and home.

Over the past year, we have continued to expand our mid-level development program for women, Strategies for Success, giving more women the chance to participate. We also established our Engineering Senior Leader Women Development forum, designed to bring together women leaders and allies from Engineering to build community, network and develop key leadership skills to enhance their careers.

Through <u>Dream Space</u>, our immersive STEM and AI education experience, we are equipping the next generation with essential skills and shifting their



perceptions about the role technology can play in their future career choices. Given the gender pay gap that exists in STEM, we are working to increase interest in STEM for this group, and our research found a 42% increase in the likelihood of girls wanting to pursue STEM after their Dream Space experience.

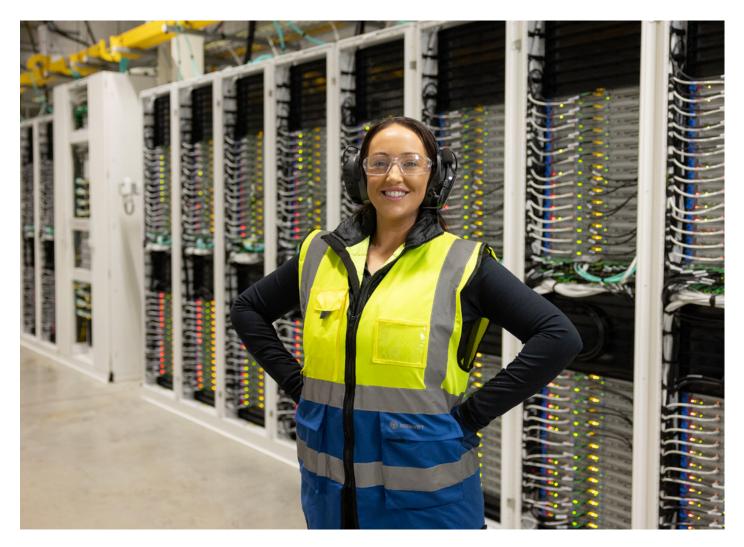
Furthermore, we have supported more than 7,000 teachers in primary and postprimary schools across Ireland to develop best practices for integrating STEM based learning into their classrooms. As part of this work, the Dream Space team have created and are delivering an Initial Teacher Education programme to trainee teachers in five Universities in Ireland.

As the <u>STEM Passport for Inclusion's</u> lead industry partner, we are helping to address critical disparities in STEM education, particularly amongst girls from socioeconomically disadvantaged backgrounds in Ireland. By offering a structured pathway with mentorship and accredited STEM training, the programme is effectively bridging gaps in knowledge, aspirations, and confidence. To date, students from 117 Delivering Equality of Opportunity In Schools (DEIS) schools have engaged in the programme and analysis has shown substantial increases in participants' desire to pursue STEM careers as a result. Students reported feeling that STEM fields were accessible to them, a change linked directly to programme participation. As the programme expands, it has the potential to reach every DEIS school in Ireland, empowering a diverse and skilled next generation of STEM-ready students.

In October 2023, we introduced a National AI Skilling Programme aimed at adults. This initiative provides individuals of all ages, backgrounds, and aspirations with the opportunity to develop their AI fluency and skills for an AI future.

Conclusion

We will continue to play our part in creating a more equitable society, by building our culture, developing initiatives and solutions that equip people of all ages with the tools, technologies and skills they need to succeed now and in the future.



Appendix

Glossary

In this section we outline the key terms used to understand and interpret our results.

- Snapshot date June 30, 2024: The date for the gender pay gap figures.
- Microsoft Ireland Operations Ltd: This entity's principal activity is the marketing, selling & distribution of Microsoft hardware and software products and services for the EMEA and APAC regions.
- Microsoft Ireland Research: This entity is engaged in product localisation, software engineering, research & development activities for Microsoft hardware and software products and services.
- Microsoft in Ireland: For the purpose of this report, we will refer to Microsoft in Ireland as the combination of 'Microsoft Ireland Operations Ltd' & 'Microsoft Ireland Research'.
- Hourly remuneration: Ordinary and bonus pay amounts on hourly basis.

- Ordinary pay: Includes basic pay, allowances, pay for piece-work, shift premium pay, or overtime pay prior to statutory deductions excl. remuneration referable to redundancy or termination of employment, or remuneration other than money.
- Bonus: Remuneration in the form of money, vouchers or shares provided to a relevant employee, and relates to profit sharing, productivity, performance, incentive or commission before statutory deductions excl. ordinary pay, overtime pay, remuneration referable to redundancy or termination of employment, or benefits in kind.
- Mean hourly remuneration gap: The mean gap is the variance shown between the average hourly pay of men and women.
- Median hourly remuneration gap: The median gap is the variance shown between the midpoint in the ranges of average pay of men and women.

- Mean bonus gap: The mean is the variance shown between the average hourly bonus of men and women.
- Median bonus gap: The median is the variance shown between the midpoint in the ranges of hourly bonus pay of men and women.
- Benefit in kind (BIK): includes any non-cash benefit of an estimated monetary value and, for the purposes of these Regulations, includes share options and interests in shares.
- Quartiles: The quartile is a statistical term that divides the total data points into 4 sections of equal size. They are divided into Upper Quartile, Upper Middle Quartile, Lower Middle Quartile, Lower Quartile.
- Pay equity: A measurement of the difference in pay of two employee groups accounting for factors that legitimately influence pay.

