



Microsoft in Ireland

Gender Pay Report

December 2023

Executive summary

3.0%

Mean gender hourly pay gap.

1.6%

Mean gender bonus gap.

At Microsoft, diversity and inclusion (D&I) are central to our mission to empower every person and every organisation on the planet to achieve more. We believe our continued work to build diverse workforces and strengthen our culture of inclusion helps foster innovation and serve our business and customer needs. Our work is anchored in our D&I strategy at both a global and local level and our [2023 Global Diversity & Inclusion Report](#) shares our intention and our efforts to continue to make progress against our commitments.

Long-term meaningful progress toward our D&I mission, including representation of women, requires investing both across Ireland and in our workforce. Through our [Dream Space](#) initiative, we have reached over 200,000 students, 52% of which are young women, and their teachers in our immersive STEM experience. We've further expanded our focus to help develop pathways to careers in technology. Our [Skill Up Ireland](#) programme provides every person with the opportunity to develop the skills required for a digital future.

Further in this report, we share more examples of our local initiatives to support this agenda for our Microsoft workforce, ranging from development programmes, to our women's employee



resource group and our benefits offering.

Each year, we review data to help us measure our progress. This 2023 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 **3.0%** between men and women. The mean gender bonus gap is **1.6%** between men and women. There is a 0.2 pt difference in the proportion of men and women who received Benefit in Kind (BIK); **91.8%** of men receiving BIK and **91.6%** 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, such as job title, level, and tenure. **Women who are rewards eligible² 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.

We continue to operate in a dynamic business environment and industry. 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. Amidst these changes, we have made progress in some areas of representation and also acknowledge that there is more work to do.

While we prioritise D&I on a daily basis and use data to help understand our progress each year, we are also striving for meaningful, lasting progress for Microsoft and the regions in which we operate. **We will continue to hold ourselves accountable to build a diverse, inclusive and innovative future for our employees, for Ireland and for the world.**

Joanne Morrissey

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.

² 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.

Our results

The Act requires organisations with more than 250 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’.

Microsoft Ireland Operations Limited’s principal activity is the marketing, selling and distribution of Microsoft hardware and software products and services for the EMEA and APAC regions.

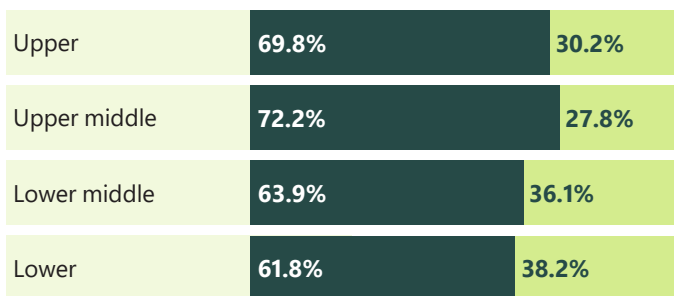
Microsoft Ireland Research is engaged in product localisation, research and development, and software engineering activities for Microsoft hardware and software products and services.

We have selected June 30, 2023, 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, 2023) 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, 2023.

Results for Microsoft in Ireland

Consistent with our approach to the 2022 report, for the 2023 report, in addition to analysing the data for these two legal entities, 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.

Proportion of employees per each pay quartile³



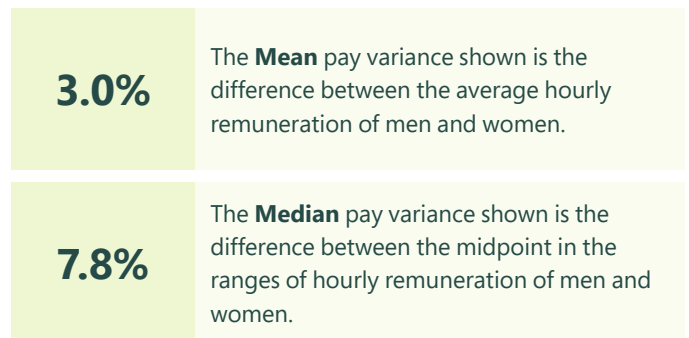
Bonus recipients



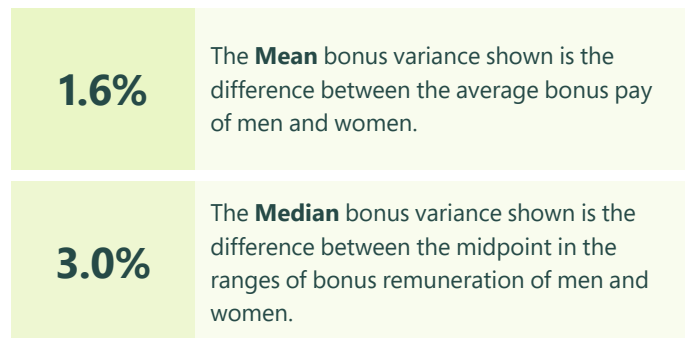
Benefit in kind recipients



Hourly remuneration



Bonus remuneration



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.

● Men ● Women

³ 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 above measure the difference in average pay of two employee groups regardless of factors that legitimately influence pay such as job title, level and tenure. These analyses are different to pay equity, which measures the difference in the pay of two employee groups accounting for factors that legitimately influence pay.

Microsoft remains committed to the principle of pay equity and we have

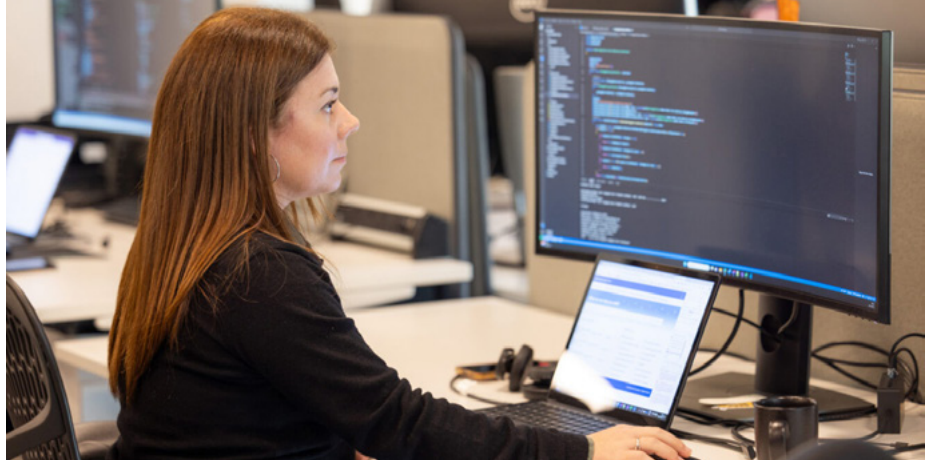
voluntarily included our pay equity analysis results for Ireland, as we did in the 2022 report. Consistent with the approach in Microsoft's 2023 Global Diversity & Inclusion Report, the pay equity figure for Ireland is based on "total pay," which includes base salary, annual bonus, and stock awards at the time of annual rewards for rewards eligible employees as of September 2023.

As of September 2023, **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 and graphs show the Gender Pay Gap Results as per Irish legislation "Microsoft Ireland Operations Ltd" and "Microsoft Ireland Research."



Microsoft Ireland Operations Limited

Hourly Remuneration	Mean	Full time	-2.8%
	Median	Full time	3.2%
Bonus Remuneration	Mean	Full time	-8.2%
	Median	Full time	-6.7%

Microsoft Ireland Research

Hourly Remuneration	Mean	Full time	14.6%
	Median	Full time	14.3%
Bonus Remuneration	Mean	Full time	23.8%
	Median	Full time	17.5%

Proportion of employees per each pay quartile

Upper	63.0%	37.0%
Upper middle	66.3%	33.7%
Lower middle	60.2%	39.8%
Lower	62.6%	37.4%

Proportion of employees per each pay quartile

Upper	82.7%	17.3%
Upper middle	81.0%	19.0%
Lower middle	76.0%	24.0%
Lower	64.1%	35.9%

Bonus recipients



Bonus recipients



Benefit in kind recipients



Benefit in kind recipients



● 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 centre 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 2.8% in favour of women, mean bonus stands at 8.2% 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 14.6% and a mean bonus gap of 23.8%. 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 under representation 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 sustained efforts in driving the representation of women

At Microsoft Ireland, we are striving for an organisation that represents and supports the society and the world we operate in. We want to create opportunities for people to pursue careers in technology and contribute to the skills development of current and future generations.

Within our organisation, our managers complete Inclusive Hiring training to support efforts in building teams that are representative of a range of backgrounds and perspectives. Earlier this year, we expanded our women's health offering in Ireland, introducing tailored supports for women experiencing menopause and also new supports for new, expectant and aspiring parents. Membership of our Women@ Microsoft Employee Resource Group continues to grow, enabling increasing opportunities for networking, mentorship and sponsorship both internally across our workforce and externally through our STEM partnerships. In the last year, we have expanded our targeted mid-level development programme for women, Strategies for Success, establishing an Ireland series with the aim to enable more women the opportunity to take part.



We recognise that people continue to look for a diversity of career opportunities to meet the demands of their lifestyles. We remain committed to considering and learning how to adapt to the needs of our organisation, reviewing work patterns, part time opportunities and increased flexibility through hybrid working.

Within the industry, our Dream Space investment is making significant impact; research conducted by Maynooth University showed that after participating in the experience, girls were 42% more likely to pursue STEM subjects.⁴ We continue to be the STEM Passport for Inclusion's lead industry partner. This joint initiative by Maynooth

University, Microsoft Ireland, Science Foundation Ireland and the Department of Education addresses inequalities with access to STEM careers among post-primary students, particularly women, in socially disadvantaged communities. The programme's innovative approach is providing a unique pathway for approximately 5,000 women to progress to 3rd level education and achieve a STEM qualification.

Through our Skill Up Ireland initiative, Microsoft is collaborating with Fastrack into IT to support the delivery of Skills for Jobs, a programme that offers a range of courses and professional certificates to help people learn the foundational and relevant skills needed

for in-demand tech and tech-enabled jobs, including a dedicated AI learning pathway.

Conclusion

At Microsoft, we hold ourselves accountable to attract, develop, and retain a workforce that reflects society and to build a culture where everyone can thrive. We believe our sustained focus will enable us to continue to progress towards a more diverse and inclusive organisation, industry and country.



4 How to Influence Teachers and Students Motivation for STEM: Lessons Learned from Microsoft's Dream Space STEM 21CLD Educational Activity

Appendix

Glossary

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

- **Snapshot date June 30, 2023:** 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, share options or interests in 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.
- **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.