

2022 Publication | Ireland Gender Pay Gap Report

Red Hat’s culture is built on the open source principles of transparency, collaboration, and inclusion, where the best ideas can come from anywhere and anyone. When this is realized, it empowers people from diverse backgrounds, perspectives, and experiences to come together to share ideas, challenge the status quo, and drive innovation. Our aspiration is that everyone experiences this culture with equitable opportunity and access, and that all associates are invited to contribute.

Our approach to diversity, equity, and inclusion (DEI) includes our goal of paying employees equitably for comparable roles, skills, and experience. One of the ways we enable this is by providing managers with guidance to support objective, data-driven, reward decisions.

All companies in Ireland with more than 250 employees as of June 2022 are required to report statutory calculations annually for a 12-month pay reporting period showing their unadjusted gender pay and bonus gaps. Red Hat views these ongoing requirements as an opportunity to highlight where we need to focus as we continue our efforts to build a more gender diverse workforce across all levels and roles within the organization.

Key findings

The 12-month pay reporting period for all key findings within this report is 1 July 2021 to 30 June 2022 inclusive.

Unadjusted gender pay gap

The unadjusted mean gender pay gap shows how much men and women earn on average when compared to each other. It is calculated using the difference between women and men’s average earnings expressed as a percentage of the average

earnings of men. This data often reflects differences in factors such as the type of work performed and job level. We refer to the result of this calculation as the “unadjusted mean gender pay gap” because it does not account for role type, level, or experience.

The median unadjusted gender pay gap is the difference between the earnings of the median man and the earnings of the median woman expressed as a percentage of the median earnings of men. The median for each is the man or woman who is in the middle of a list of hourly rates ordered from highest to lowest paid.

For purposes of this report, the mean and median gender pay gaps are calculated for the hourly rate of remuneration^[1]

Hourly remuneration pay gap percentages

Type of Employment*	Mean (average)	Median (middle)
Hourly remuneration pay gap	18.58%	18.09%

*Per regulations, pay gaps are to be reported for each, full-time, part-time, and temporary employees. The results above are for Red Hat’s full-time employees as there were no temporary employees employed within the organization during the pay reporting period; and it is not possible to carry out the required calculation for part-time employees as there were no male part-time employees employed within the organization during the pay reporting period.

Adjusted pay gap

The adjusted pay gap, also referred to as the pay equity gap, shows how men and women in comparable roles with comparable skills and experience are paid. To understand whether our unadjusted pay gap data also reflects pay equity differences, we work with a third party to conduct a statistical analysis of pay for employees based in Ireland, controlling for factors such as role type (sales or non-sales), job level

¹ Hourly remuneration refers to ordinary pay plus bonus remuneration (pay related to profit sharing, productivity, performance, incentives, or commissions) converted to an hourly rate.

² Pay quartile data is calculated using total remuneration pay converted to an hourly rate.

³ Bonus includes pay related to profit sharing, productivity, performance, incentives, or commissions paid and received

(management or individual contributor), location, and experience.

The result of this analysis indicates that our unadjusted mean and median pay gaps are largely explained by the different types of roles women and men are in, rather than differences in compensation, when controlling for factors such as those mentioned above. Red Hat is committed to increasing gender diversity across all levels and roles within our organization through hiring, promoting, and developing talent. In the "How are we making a difference?" section below we highlight some of the key initiatives we're currently engaging in in Ireland to support gender diversity. However, if our adjusted pay gap analysis indicates unexplained differences exist, we take action to address them.

Pay quartiles

Pay quartile^[2] data shows the percentage of men and women in four equal sized groups based on their hourly pay when sorted from lowest to highest paid.

Pay quartile percentages

Quartile	Men	Women
Upper	74.5%	25.5%
Upper middle	51.5%	48.5%
Lower middle	50.5%	49.5%
Lower	50.5%	49.5%

Bonus pay gap

The mean bonus^[3] pay gap is the difference between the average of the bonuses paid and received to men and women in the pay reporting period of 1 July 2021 to 30 June 2022 inclusive. The median bonus pay gap is the difference between the midpoints in the range of bonuses paid to men and women during the pay reporting period when the bonuses are arranged from highest to lowest paid. Similar to our unadjusted mean and median gender pay gap and pay quartile data, these outcomes are heavily influenced by the types of roles men and women are in. Further analysis confirms that the differences we see are primarily the result of the different types of roles women and men occupy and how those roles typically receive stock as a part of their compensation.

Bonus pay gap percentages

Mean (average)	Median (middle)
48.74 %	36.80%

Proportion of employees receiving a bonus during the bonus pay period

This data is a calculation of the percentage of male and female employees who receive a bonus during the pay reporting period. We researched the differences between men and women receiving bonuses and determined that they were primarily driven by the proximity of the associate's hire or termination date to the bonus payout date, as all of our employees, except interns, are eligible to participate in one of our bonus plans.

Bonus percentages

	Men	Women
Percentage receiving bonus payment during the pay reporting period	87%	91%

Proportion of employees receiving benefits in kind

This data is a calculation of the percentage of male and female employees who receive benefits in kind (non-monetary benefits). All employees are eligible to participate in a benefit in kind program however, given the offerings are opt-in, not all employees choose to participate.

Benefits in kind percentages

	Men	Women
Percentage receiving benefits in kind	85%	86%
Percentage eligible for benefits in kind	100%	100%

How are we making a difference?

Red Hat is committed to advancing women in the workplace, and providing equitable pay and opportunities for all employees. Our global [diversity, equity, and inclusion web page](#) states that "At Red Hat, we believe inclusive collaboration drives innovation" The following are some of the activities in which we engage to support equal opportunities and pay equity:

- Conducting regular pay equity analyses as a part of our salary program and recommending increases for

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targeted individuals based on outcomes of these analyses.

- Providing additional insights to our managers and Talent Acquisition team to enable equitable pay decisions from hiring through to on-going compensation reviews
- Promoting the visibility of, and support for, underrepresented talent inside Red Hat through 9 DEI Communities, including a global Women's Leadership Community.
- Supporting flexible work schedules and part-time employment.
- Expanding supplemental benefits to support well-being and at-home learning to support associates during COVID-19, including:
 - Sanvello—a mental health and well-being app.
 - Care.com Care@Work—a service that provides access to caregivers, elder care, pet care, and housekeeping online resources.
 - VP Engage—a well-being platform that focuses on self-care and developing healthy habits.
- Building more inclusive team environments using research-backed tools and resources, including DEI toolkits and courses that provide guidance resources and learning opportunities for associates and managers.
 - **Unconscious Bias:** Provides steps to operate more fairly and effectively at work by identifying unconscious biases and their true impacts.
 - **Inclusive Team Dynamics:** 10 specific, actionable steps you can use immediately,

regardless of your role, to promote trust and psychological safety in your team.

- Clarifying the role of the manager in our open culture with [Open Management Practices](#), which includes guidance on creating an environment of belonging, respect, and mutual support, and stresses the importance of using fair and consistent criteria for performance reviews, promotions, bonus allocation, and all other rewards.
- Promoting the role of the Red Hat hiring process to reinforce the value of a diverse workforce.
 - DEI is heavily promoted on jobs.redhat.com and Red Hat social media channels, highlighting the role of a diverse workforce in shaping our inclusive culture.

In addition to these actions to bolster diversity, equity, and inclusion internally at Red Hat, we also support several programs that introduce contributors from historically marginalized backgrounds to open source such as Co.Lab and the Red Hat Open Source for Education (ROSE) project. Since 2014, Red Hat has also sponsored Open Source Day at the annual Grace Hopper Celebration, which highlights women in computing. Red Hat Ireland conducts various outreach initiatives with a focus on encouraging women to explore software engineering as a career. These outreach initiatives include school visits, supporting Transition Year Programmes, internships, providing STEAM support, promoting women in tech events, and open office days.

More about these efforts, and our commitment to the advancement of women in technology, are located on our [diversity & inclusion web page](#).

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