

## 2023 Publication | UK 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 the United Kingdom (U.K.) with more than 250 employees as at 5 April in each reporting year are required to report statutory calculations annually showing their unadjusted gender pay<sup>[1]</sup> and bonus<sup>[2]</sup> 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

#### 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 the female employees' average gross hourly rate of ordinary pay and the male employees' average gross hourly rate of ordinary pay expressed as a percentage of the average gross hourly earnings of men. This data may reflect 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 control for comparable roles, skills, and experience.

<sup>1</sup> Pay refers to ordinary pay (basic pay, allowances, pay for piecework, pay for leave, and shift premium pay) converted to an hourly rate calculated for the pay period including 5 April 2022.

<sup>2</sup> Bonus includes pay related to profit sharing, productivity, performance, vested equity, incentives, or commissions paid and received from April 6, 2021 to April 5, 2022 inclusive.

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

#### Unadjusted gender pay gap percentages using pay data including 5 April 2022

Mean (average)	Median (middle)
24.3%	32.4%

#### 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 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 the U.K., controlling for factors such as role type (sales or non-sales), job level (management or individual contributor), location, and experience.

Consistent with previous years, 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 to support gender diversity. However, if

<sup>3</sup> Pay quartile data is calculated using ordinary pay converted to an hourly rate.

<sup>4</sup> Global data can be found at <https://www.redhat.com/en/jobs/life/diversity>.

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our adjusted pay gap analysis indicates differences exist, we take action to address them.

### Pay quartiles

Pay quartile<sup>[3]</sup> data shows the percentage of men and women in four equal sized groups based on their gross ordinary hourly pay when sorted from lowest to highest paid. We've previously shared how men and women are distributed throughout our global workforce,<sup>[4]</sup> and we are committed to continuing to foster gender diversity at all levels and across all functions within Red Hat.

### Pay quartile percentages

Quartile	Men	Women
Lower	55.35%	44.65%
Lower middle	70.44%	29.56%
Upper middle	81.76%	18.24%
Upper	89.94%	10.06%

### Bonus pay gap

The mean bonus pay gap is the difference between the average of the bonuses, including stock, paid and received to men and women in the bonus pay period of 6 April 2021 to 5 April 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 bonus pay 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)
47.5%	48.4%

### 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 bonus pay 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 are eligible to participate in one of our bonus plans.

### Bonus percentages

	Men	Women
Percentage receiving bonus payment during the bonus pay period	100%	99%
Percentage not receiving bonus payment during the bonus pay period	0%	1%

### 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

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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 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.
- Providing extended family leave to both male and female associates to support shared parenting.
- Supporting the progression of underrepresented talent, including women, in their careers and build inclusive leadership skills through the Red Hat Sponsorship Program.
- The Red Hat Mentoring Program supports female associates by partnering them with connections within the organization to support development and promote an inclusive culture.
- Expanding supplemental benefits to support well-being and at-home learning to support associates 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](https://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 pay equity internally at Red Hat, we also support several programs that introduce contributors from historically underrepresented 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. For the

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past 2 years, [Red Hat sponsored Girls Into Coding](#), a mother-daughter partnership in the UK that aims to get more girls into tech and engage the next generation of diverse coders. More about these efforts, and our commitment to the advancement of women in technology, are located on our [diversity & inclusion web page](#).

### Declaration

We confirm that this report is true and accurate and our data has been prepared following the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



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