2024 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 of 05 April in each reporting year are required to report statutory calculations annually showing their unadjusted gender pay[1] and bonus[2] gaps. Red Hat views these ongoing requirements as an opportunity to highlight where we need to focus as we continue our efforts to build an inclusive 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.

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 05 April 2023

Mean (average)	Median (middle)
26.6%	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 the types of factors mentioned above. Red Hat is committed to increasing gender diversity across all levels and roles within our organization through hiring, promoting, and

[1] 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 05 April 2023.

[2] Bonus includes pay related to profit sharing, productivity, performance, vested equity, incentives, or commissions paid and received from April 06, 2022 to April 05, 2023 inclusive.

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 our efforts to provide a workplace where all associates, regardless of their gender, are invited to contribute. However, if our adjusted pay gap analysis indicates differences exist, we take action to address them.

Pay quartiles

Pay quartile[3] 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,[4] and we are committed to continuing to foster an inclusive workforce at all levels and across all functions within Red Hat.

Pay quartile percentages

Quartile	Men	Women
Lower	48.8%	51.2%
Lower middle	69.3%	30.7%
Upper middle	80.1%	19.9%
Upper	89.2%	10.8%

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 06 April 2022 to 05 April 2023 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)
52.9%	51.2%

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	99%	97%
Percentage not receiving bonus payment during the bonus pay period	1%	3%

How are we making a difference?

Red Hat is committed to providing equitable pay and opportunities for all employees. Our global diversity, equity, and inclusion web page states that "Our vision is a Red Hat where diversity, equity, and inclusion (DEI) are infused in all we do, and where all Red Hatters feel included, aligned to the business, and safe to be their authentic selves." The following are some of the

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[3] Pay quartile data is calculated using ordinary pay converted to an hourly rate.

[4] Global data can be found at https://www.redhat.com/en/jobs/life/diversity.

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 and promotions for targeted individuals based on outcomes of these analyses.

- Launching a 3 year DEI strategy to strengthen our open and inclusive culture which includes Functional DEI Action Plans that serve as an accountability tool to ensure we are intentional in our efforts to cultivate a culture of belonging at Red Hat.

- Aligning to an enterprise-wide Talent Philosophy that articulates our beliefs about how to best support associates to help them grow, achieve their best, and contribute to achieving our company goals. Red Hat's talent philosophy creates a set of guiding principles and provides a consistent approach for talent management practices across all teams, business units, and geographies.

- Furthering pay transparency by providing associates with visibility to the salary range for their role and increasing access to information about compensation programs and practices.

- 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, including:

  - Koa Foundations — a mental health and well-being digital, interactive 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.

- Achieving a shared baseline of DEI understanding, and building more inclusive team environments using research-backed tools and resources, including toolkits and courses that provide guidance resources and learning opportunities for associates and managers.

  - Inclusive Team Dynamics: 10 specific, actionable steps you can use immediately, regardless of your role, to promote trust and psychological safety in your team.
  - Building a Culture of Belonging: Provides strategies for creating an inclusive work environment.

- Clarifying the role of the manager in our open culture with Red Hat's Manager Expectations. These expectations set a universal foundation for what it means to be a manager at Red Hat and guide managers in how to lead healthy and high performing teams where outcomes are delivered in alignment with our strategy, purpose, and values.

- Activating inclusive hiring and development practices.

- Reinforcing the value of an inclusive work environment where all employees feel invited to contribute in our Red Hat hiring process

More about our efforts to build an inclusive workforce can be found on our [diversity, equity, and inclusion web page](#).
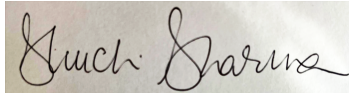
Declaration

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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