Cisco UK Gender Pay Gap Report

2020

Powering an Inclusive Future for All

At Cisco, we believe ensuring equity is one of the ways we will power an Inclusive Future for All and foster a culture of 'Inclusion and Collaboration'. For us, it's about making sure everyone's voice is heard and that every employee feels welcome, respected, represented and supported. This makes us stronger, more creative and innovative in our thinking.

Actively holding each other accountable is how we make a positive and sustainable change — not just for women and fair pay but for everyone who has faced the injustice of inequity. Through our own efforts and ecosystem of support within the technology sector and wider community, we will purposely influence and break down barriers to achieve inclusivity.

We know there is additional work to be done to further reduce the gender pay gap and our culture fuels us to keep talking, listening and learning so the outcome is effective and sustainable. Removing gender bias within the language we use and the actions we take, and measuring what we do in quantifiable ways, will help us on the journey of transformation to ensure that more women are hired, promoted and retained at all levels in our company.

Sincerely,

David Meads
Vice President and Country Leader,
United Kingdom & Ireland

*To align with UK government reporting requirements, data in this report refers to the traditional sex categories of male and female. Cisco respects that gender is on a non-binary spectrum, based on the employee's self-identification, and reporting in this manner should not be interpreted as our position on the issue. We confirm that per regulatory requirements, our gender pay gap figures have been calculated in line with the regulations set out in the Gender Pay Gap reporting.
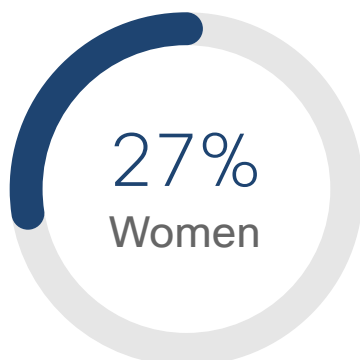
What is Gender Pay Gap Reporting (GPGR)?

The Gender Pay Gap Reporting (GPGR) legislation requires employers in the UK with 250 or more employees to publish calculations every year showing the pay gap between their male and female employees. A pay gap identified through this reporting process shows a very broad overview of a gender pay comparison across the organisation without considering the actual work performed by the employees, their level or work history in and out of Cisco. GPGR, while effective at placing a spotlight on an important industry and cultural issue, does not help companies, or external parties, understand whether men and women within an organisation are paid fairly for doing similar work.
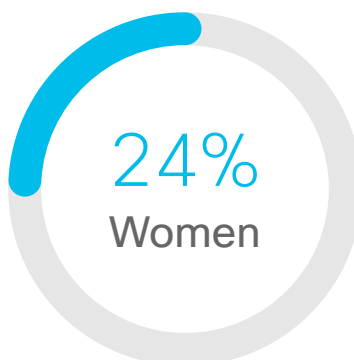
2020 UK Gender Pay Gap Report at Cisco

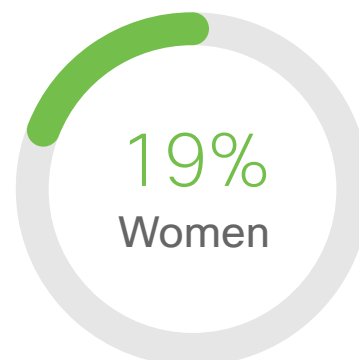**1**   We have the **greatest representation** of women in our overall UK workforce to date

UK Overall Workforce	UK People Leaders	UK Executives
27% Women	**24%** Women	**19%** Women

2   We have had a **steady increase** in representation of women across **all notional pay bands** since 2017.

*2017 was the introduction of mandatory UK gender pay gap reporting

3   Our recruitment of women **continues to be strong**; specifically, our applicant-to-offer pipeline data shows that **representation of women in our applicant pool increases** as they go through our recruitment process.

Cisco's previous GPGR reports, published annually since 2018, show that having a balanced gender representation throughout the organisation is key to minimising any gaps GPGR might identify. Whilst it is common across our industry that there are fewer women than men in senior, higher paid and/or technical roles, we remain committed to dealing with this issue not only through internal actions, but also through our external work and partnerships.

Although we understand that progress in gender representation is a long-term objective, our 2020 analysis shows continued improvement in almost all indicators year-over-year and suggests that our efforts to increase the representation of women in the organisation, through retention efforts, promotions, and hiring practices are having a positive effect.

Looking at the overall trend in the data since the gender pay gap reporting requirements were introduced in 2017, we are reporting:

A decrease in our mean gender pay gap from **16.8%** to **15.2%**

A decrease in our median gender pay gap from **19.1%** to **16.9%**

A decrease in our mean gender bonus pay gap from **36.7%** to **31.2%**

A decrease in our median gender bonus pay gap from **54.9%** to **47.6%**

An increase in women representation across all notional pay bands, representing an increase in female representation in our workforce demographics

Cisco Mean & Median Hourly Pay Gap

Calculated in compliance with UK Gender Pay Gap regulations.
Does not account for job or grade/level.

	2017	2020
Gap based on MEAN	**16.8%**	**15.2%**
Gap based on MEDIAN	**19.1%**	**16.9%**

**To put our gender pay gap into context, in 2020 the Office for National Statistics stat-
ed that the median gender pay gap among all employees in the UK was 15.5%.*

Cisco Mean & Median Bonus Pay Gap

Calculated in compliance with UK Gender Pay Gap regulations.
Does not account for job or grade/level.

	2017	2020
Gap based on MEAN	**36.7%**	**31.2%**
Gap based on MEDIAN	**54.9%**	**47.6%**

**For the purposes of this analysis, a bonus is defined as any cash payment over and
above the base salary.*

Bonus pay is widely and fairly distributed
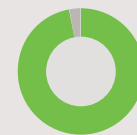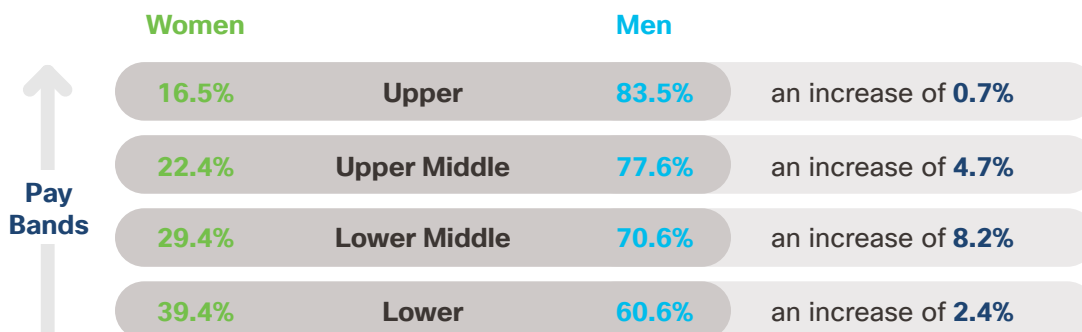
97.1%
of women were
paid a bonus

97.8%
of men were
paid a bonus

**Percentage of women & men who were paid
a bonus in the relevant 12 months period*

Cisco proportions of Men & Women in Four Notional Quartiles

Calculated in compliance with UK Gender Pay Gap regulations. Does not account for job or grade/level.

Recognising that closing the gender pay gap will require sustained changes in the representation of women in our workforce, Cisco is proud to announce that we have seen sustained improvement in the representation of women across all four notional pay bands. Specifically, when comparing the representation of women in the four notional pay bands between this year's submission and 2017, we see the following results:

Women		**Men**	
16.5%	Upper	**83.5%**	an increase of **0.7%**
22.4%	Upper Middle	**77.6%**	an increase of **4.7%**
29.4%	Lower Middle	**70.6%**	an increase of **8.2%**
39.4%	Lower	**60.6%**	an increase of **2.4%**

Pay Bands

Commitment to Fair Pay for Everyone

We are proud to have expanded our approach to fair pay beyond base salary to also include additional forms of compensation like promotions, stock, and bonuses. In the past 6 months, we've completed incentive bonus fairness adjustments for 2020 bonus payouts and stock grant value fairness in our most recent rewards program. We will also add promotion and stock participation fairness during the upcoming rewards program to ensure our leader population and new hire pipeline represent an Inclusive Future For All.

Cisco believes that understanding and taking into account relevant business information is critical to understanding whether people are paid fairly within an organisation based on roles, location, prior work experience, and performance. Our own pay fairness review shows that people are paid fairly for the jobs they do, but since we have a higher representation of men in the higher paying roles, it negatively amplifies the gaps using the GPGR methodology.

We have now completed four cycles of global pay review including in the UK, all of which revealed a healthy and fair pay practice. Our 2020 pay fairness review resulted in Cisco making minor salary adjustments to 0.3% of our UK employee population to bring them into alignment with their peers who identify as men.

Building on our Momentum

Like many of our peers in technology, Cisco does not have an even distribution of men and women across all jobs and levels. Based on our efforts around inclusion and diversity, we are proud to report the following progress in the UK:

Representation of women has grown **more than 5 percentage points** in four years, which is **a 22% increase**.

The representation of women in Cisco's new hires continues to **exceed that of Cisco's current internal workforce**. This trend continues to grow Cisco's overall women representation.

In the majority of our job grades, women are promoted at a rate that **exceeds their proportion of the headcount**.

Our Ongoing Commitment

At Cisco, we are committed to creating a culture that values the contributions of women, and this focus has resulted in our highest levels ever of gender diversity globally. We have made good progress, but we know we have a lot more work to do. Meaningful change will take time, but we are resolute in this effort.

We will continue to build a more inclusive and representative workforce through the dedication of our leaders and their investment in a multitude of programmes, resources and initiatives that support our women employees and the rest of our workforce as well:

Initiatives and Programmes

1 In 2019, we further **enhanced our benefits for parents** and replaced stereotypical gender language, such as maternity and paternity leave, with gender neutral terms, such as main and supporting caregiver leave. These benefits are offered regardless of gender and family make up, and there is no longer a length of service requirement to be eligible for these enhanced pay periods.

2 Accelerating diversity starts with the ways we find and attract extraordinary talent. **Our Diverse Talent Accelerators** suite of solutions provides us with powerful analytics we can use to more accurately map the talent market and adjust our searches to target diverse candidates.

3 Our learning and development solutions offered at Cisco, and the conferences that we participate in, can increase an employee's odds of being promoted. For example, **Cisco's JUMP programme** develops world-class, next generation women leaders. Nearly 20% of our UK women employees have attended this programme, and those who attended JUMP were **2.6x times** more likely to get promoted than nonparticipants.

4 Our UK Inclusive Communities, Community Networks, and Inclusive Leadership Team all champion diversity and inclusion to support the individual needs of employees in the UK. **Women of Cisco (WoC)**, one of our global Inclusive Communities with passionate UK participation, builds community within Cisco and shares best practices and learnings to help attract, develop, retain and celebrate talented women as part of a competitive and diverse workforce.

"I am proud to be a member of Women of Cisco; as well as expanding my professional network within Cisco and attending the amazing and motivational Women of Impact events every year, I now have the opportunity to focus on one of my passions by being the WoC STEM outreach coordinator between Cisco and Welsh schools. As a proud mum to three daughters, this is a subject very close to my heart."

Eigen Halpin
Senior Leader, Customer Experience,
Wales, United Kingdom

5 Cisco's **UK Apprenticeship Programme** offers a degree apprenticeship (Digital Technology Solutions Professional) for those looking to pursue a technical career by different means than the traditional academic route. Whilst studying, our apprentices can apply their learnings in over 70 teams at Cisco through meaningful role experiences via rotations. Our UK Apprenticeship Programme has some of their highest levels of gender diversity to date – supporting almost 50 women apprentices ; we attribute this success to 1) our ever-deepening partnerships with local schools, colleges and social enterprise networks; and 2) our growing apprentice pipeline from our **Pathway to Your Future** work experience programme, which to date has helped over 860 young women explore the diverse range of careers in the technology industry

Multiplying the Benefits of Sponsorship at Cisco

Sponsorship is a critical success factor in developing and advancing diverse talent. At Cisco, we are creating conscious leaders who are accountable to help create an inclusive environment where all employees can thrive. That's why, in 2017, Cisco introduced **The Multiplier Effect**, an external pledge that all company leaders can take to sponsor a person different from themselves and support their career advancement. The pledge has inspired leaders at Cisco and hundreds of other companies to take bold, decisive action to open doors and overcome obstacles to change the equation for diversity.

Cisco leaders at all levels are committed to building a culture of sponsorship. The UK's sponsorship adoption rate trends higher than that of the global enterprise; this region is exceeding the goals set by the company, with 100% of VPs and 42% of Directors having taken the pledge. We look forward to increasing participation even more in the coming year.

Our Path Forward at Cisco

Cisco has a history of taking courageous steps to fight injustice and inequality across many communities, and gender has been a critical component of our efforts. As mentioned in our opening, Cisco's purpose is to Power an Inclusive Future for All. When we say all, we mean everyone: all communities of color, races and ethnicities, gender identities, military service, abilities, age, sexual orientations, social classes, faiths, nationalities, relationships and family statuses...

In September 2020, Cisco publicly unveiled our **Social Justice Beliefs and Actions**. Our beliefs influence how we act as a business, including our commitment to social justice. These beliefs are constant, provide a foundation for all communities, and serve as an ever-present inspiration for our team and for Cisco globally.

As we move forward in our efforts to increase gender representation and break down barriers to gender equality in the workforce, we will use our beliefs to guide and inspire our actions. We must work in partnership to make this happen; we are stronger together. Join us and become part of a movement to power an Inclusive Future for All.

Our Social Justice Beliefs and Actions

1 Technology for Good

2 Commitment to Justice

3 Addressing Insecurity of Being

4 Culture of Coalescence

5 Curiosity, Proximity & Empathy

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