



# Cisco UK Gender Pay Gap Report

## 2019

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Cisco's success depends on our people feeling inspired by their jobs and fulfilled in their careers. We believe strongly in the power of diverse thinking and support an inclusive culture, embracing and harnessing the talents of all of our employees. Our inclusive culture helps build a trusting environment that drives the best teams, allows us to retain the best talent, and positions Cisco as a top employer.



## What is Gender Pay Gap Reporting (GPGR)?

The Gender Pay Gap Reporting 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.

## What do we believe contributes to our Gender Pay Gap?

While Gender Pay Gap Reporting could help illuminate issues of pay fairness, Cisco believes that the focus should be on ensuring diverse representation across all levels of our organisation. There has been a longstanding issue of female representation at the higher levels of organisations and higher paid roles across many industries. The tech sector is no different. Our own pay parity review shows that people are paid fairly for the jobs they do, but we do have a higher representation of men in the higher paying roles (and roles with higher variable pay, which amplifies the difference for the bonus pay gap number below) which accounts for our gender pay gap using the GPGR methodology. Our results show we have more work to do in the representation of women at all levels and particularly in more senior levels of the organisation.

## What Does Pay Parity Mean to Cisco?

Cisco believes that understanding and taking into account relevant business information is critical to understanding whether people are paid fairly within an organisation. That's why "pay parity" at Cisco means that Cisco's people are paid fairly – regardless of gender – based on roles, location, prior work experience, performance and other business relevant factors. To achieve this level analysis, our methodology and practice differs from that of GPGR.

Cisco's philosophy seeks to understand pay differences among employees doing similar work and address where necessary. 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 most recent pay parity review resulted in Cisco making minor adjustments to less than 0.3% of our UK employee population to bring them in alignment with their peers; providing our employees with the assurance that we continue to monitor pay practices and make adjustments where necessary.



## Cisco UK 2019 Gender Pay Gap Submission

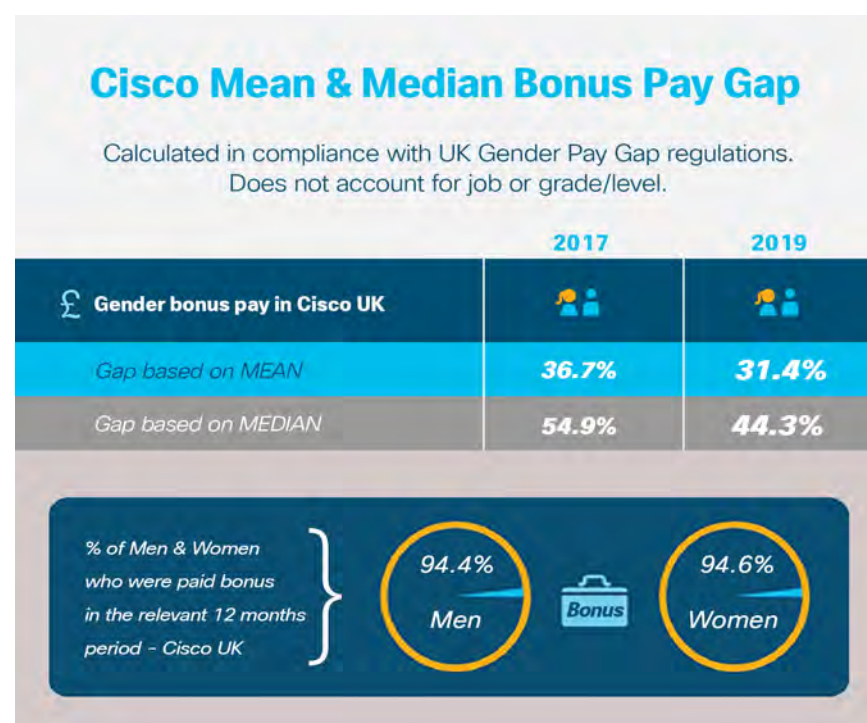
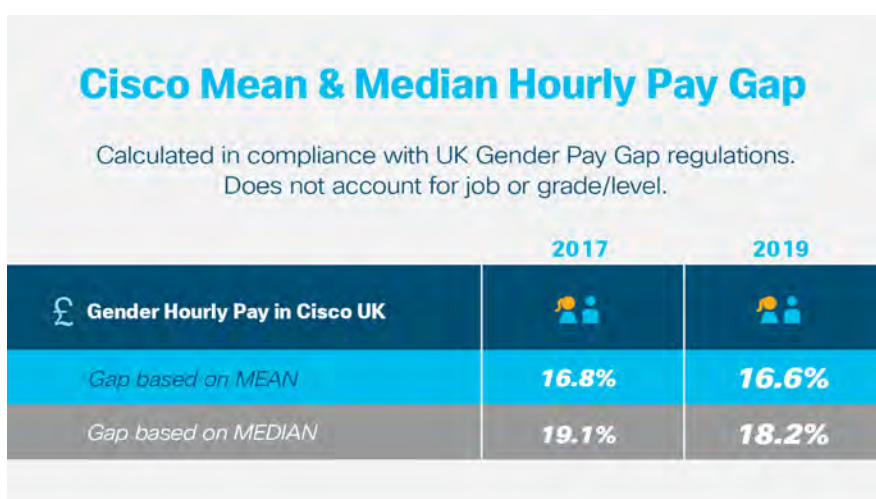
Cisco welcomes GPGR's focus on gender pay differences. Cisco's GPGR reports, published in 2018 and 2019 clearly showed that having a balanced gender representation throughout the organisation is key to minimizing any gaps GPGR might identify. Whilst this is common across our industry, where representation of women in senior, higher paid and/or technical roles is substantially less than men, we remain committed to dealing with this not only through the actions we do internally, but also our work and partnerships externally.



Although we understand that making progress with regard to gender representation is a long term objective, our 2019 analysis shows continued positive movement in almost all indicators year-on-year and suggests that our efforts to improve the representation of women in the organization, through retention efforts, promotions, and hiring practices, can have positive effects. Still, whilst we are pleased to report a narrowing of the gender pay gap during the time since the statutory reporting requirement was introduced, it can take years to see a sustained shift in representation and the eradication of the gender pay gap. Even with positive momentum, Cisco will continue to drive inclusion and diversity in its workforce and maintain a focus on full spectrum inclusion and collaboration.

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 16.6%
- A decrease in our median gender pay gap from 19.1% to 18.2%
- A decrease in our mean gender bonus pay gap from 36.7% to 31.4%
- A decrease in our median gender bonus pay gap from 54.9% to 44.3%
- An increase in female representation across all notional pay bands since, representing a positive change in our workforce demographics since the introduction of mandatory Gender Pay Gap reporting,



To put our Gender Pay Gap in to context, the Office for National Statistics in 2019 stated that the mean Gender Pay Gap in the UK was 17.3%.



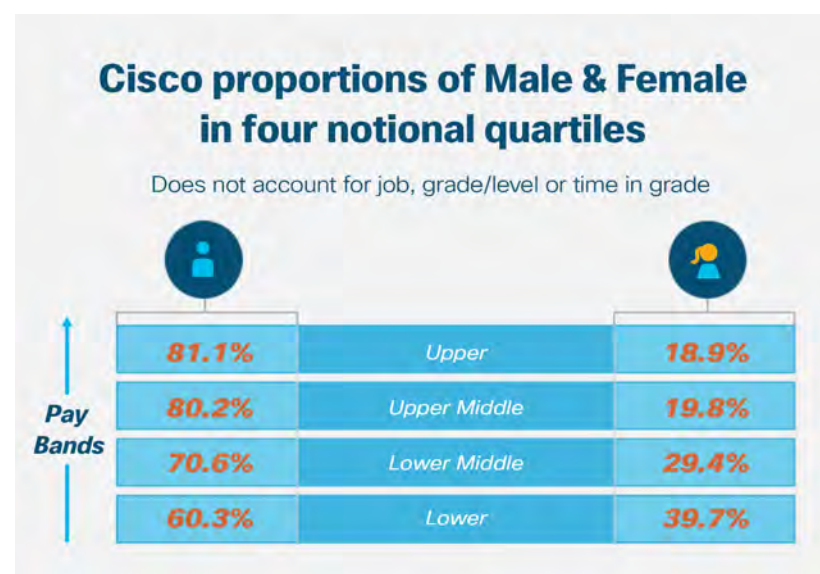
For the purposes of this analysis, a bonus is defined as any cash payment over and above the base salary.



## Cisco UK 2019 Gender Pay Gap Submission

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 females in the four notional pay bands between this year's submission and 2017, we see the following results:

- Lower quartile – an increase of 2.6 percentage points
- Lower middle quartile – an increase of 8.2 percentage points
- Upper middle quartile – an increase of 2.1 percentage points
- Upper quartile – an increase of 3.1 percentage points



## What progress have we made addressing gender representation in our workforce to date?

Like many of our peers in technology, Cisco does not have an even distribution of males and females across all jobs and levels. In the UK, we have seen progress over the past three years with regards to our female representation in the organisation including:

- Our momentum to increase female representation across the organisation continues as women now make up 5% more of our overall organisation in the UK than four years ago.
- The representation of women as a share of Cisco's new hires continues to exceed that of Cisco's current internal workforce. This positively impacts Cisco's overall female representation.
- While attracting talent is key, retaining and promoting our female talent is essential to a diverse workforce. The percentage of those leaving Cisco that are women continues to be substantially less than the representation of women in the organisation.
- Females continue to make up a higher percentage of the promoted population than the representation of women in the organisation.





## What actions are we taking to close the gap?

At Cisco, we want to build a future where technology helps people everywhere reach their potential and creates a better world for all and we know we must have a diverse and inclusive global workforce committed to technology innovation in order to achieve this. We strive to build a workforce that reflects our society and has a broad range of backgrounds. As part of our commitment to having a diverse and inclusive workforce, we continue to invest in a number of programmes focused specifically on our female employees, including the following:

- 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.
- Cisco's **DARE (Development, Authenticity, Readiness, Excellence)** Women's Development Programme addresses the needs of women early in career and our **JUMP** programme develops world-class, next generation female leaders. Nearly 250 employees have attended this programme.
- **Connected Women** and **WISE (Women in Science and Engineering)** are global employee communities, with UK representation and participation. They build community within Cisco, share best practices and learning and help attract, develop, retain and celebrate talented women as part of a competitive and diverse workforce.
- In 2018, we implemented **major changes to our compensation structure and systems**, providing our leaders with deeper insight into market pay rates as part of rewards planning. These insights help leaders understand how pay compares to similar jobs (inside and outside of Cisco) in the same location with the goal of enabling them to make better, fairer decisions about pay for their employees as they prioritise investments.
- In 2019, we have further enhanced our benefits for parents and also changed the language from gender stereotypical language (e.g. maternity, paternity) to **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.
- Our **Back to Business Employee Resource Group** continues to offer support to employees returning to work from any period of extended leave, including forms of parental leave. This group provides support for all, not just those on maternity leave. In addition, this group has launched guidance for those on Main Caregiver Leave and are next focussing on providing guidance to managers.
- **Women of Impact** is an annual conference devoted to the development and advancement of professional women. It has grown in the 7 years since its inception to over 15,000 attendees. The audience includes Cisco women employees, male allies, our Cisco partners, customers, students and other external participants.
- Cisco is a proud partner of the prestigious **30% Club** which is committed to better gender balance at all levels of organisations.
- Cisco is a corporate subscriber to **Women on Boards UK (WOB)**. Women on Boards' focus is to encourage, inspire and actively support women - from all sectors - to find their own pathway to the boardroom.
- Our **Pathway to Your Future** programme offers 16-18 year old girls the opportunity to join us for four days of exploring the diverse range of careers available the technology industry. To date over 600 girls have been through this programme.
- Cisco supports **Girls Powertech Day**, which is a global event encouraging girls aged 13 to 18 to consider education and career paths in STEM. We welcomed over 100 girls in 2018 in the UK.
- Cisco also supports **Athena Hack**, the largest female/non-binary hackathon in the UK. After the success of the inaugural Athena hack in 2019, Cisco has partnered with ShowCode and Imperial College London in order to champion, engage and inspire women in tech and bridge the nation's digital skills shortage by nurturing new talent by furthering our support of **Athena 2020**.



## Our Ongoing Commitment

At Cisco, we're expanding how we think about our culture and leading a new dialogue on the possibilities we can create in this era of digital transformation – we continue to transform our culture—driving diversity and inclusion throughout our entire organization. Cisco aims to help set a new standard, reinforcing the values and behaviours that make this a great place to work. In FY19, we built upon our solid foundation and started defining culture using a new framework.

We call it “Conscious Culture.” It has three components:

- Environment. An inclusive, diverse environment that positively impacts people, society, and the planet.
- Characteristics. The typical traits of our culture, such as our unique beliefs, behaviours, and Principles.
- Experience. The everyday interactions people have with their leaders and colleagues.

Many companies focus on only one of these three aspects of culture. Bringing all three pieces together is what sets Cisco apart. And this culture is “conscious”—aware and accountable for what’s working, what’s not, and how we can improve. Inclusion and Collaboration is the heart of our approach to creating a Conscious Culture where everyone takes responsibility for fostering an inclusive, collaborative, and respectful environment and we are committed to full-spectrum diversity inclusive of gender, ethnicity, race, orientation, age, ability, veteran status, religion, culture, background, experience, strengths, and perspectives.

*“We believe in an inclusive future for the UK with equal access to opportunity. The technology sector is inherently challenged by diversity, yet as every industry starts to embrace more digital ways of working, we have a responsibility to make sure the technology we develop reflects the diverse talent and needs of society.*

*We are actively working to improve our own representation. Cisco is the most diverse it has been since we started measuring in 1998 and half of our Global Executive Leadership team are women.*

*In the UK and Ireland, we’ve seen a steady increase in the number of women being hired, promoted and being represented across all our pay bands. We’ve seen a reduction in gaps in pay and bonuses, as well as women leaving the organisation.*

*Whilst we recognise the steps forward that we have taken, we are also aware there’s more work to be done. In support of gender pay equality and diversity, we’ll continue to partner with our community of educators, influencers, policymakers and the technology industry, to create a workplace and digital society that is inclusive for everyone.*

*Our Gender Pay Gap figures have been calculated in line with the regulations set out in the Gender Pay Gap reporting.”*



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