## Google

# Google UK's gender pay gap and our commitment to closing it

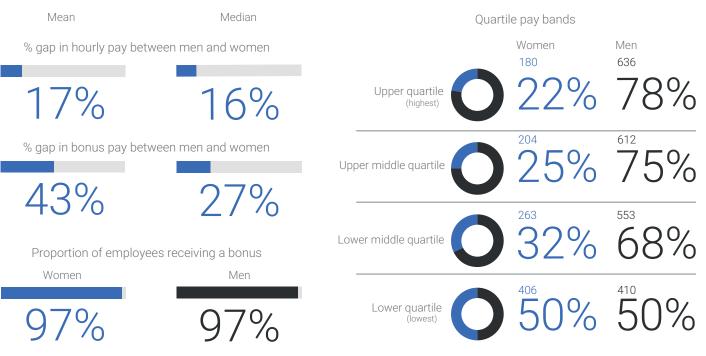
Fairness is critical to everything we do at Google, and that extends to our people. Googlers' experiences – of things like compensation, performance ratings, and promotion – should be based on what they do, not who they are.

We regularly check compensation through our global pay equity analyses. We conducted our first pay equity analyses in 2012 and we have run analyses every year since then. We completed our most recent analyses in Q4 2017 and we <u>published the findings</u> earlier this month. We looked for unexplained pay differences by gender and race / ethnicity and made upward pay adjustments, where necessary, before Googlers' 2018 compensation went into effect. Based on these analyses and adjustments, we have zero statistically significant pay differences globally.

## UK gender pay gap reporting

The UK Government has introduced new regulation to raise awareness of the 'gender pay gap' - the difference in average pay between men and women in society or in an organisation. All companies with 250 or more employees in the UK must publicly disclose their own gender pay gap figures annually, by comparing the average pay for all men to the average pay for all women, without accounting for job type, tenure, location or performance ratings. We welcome every new effort to increase transparency and accountability, and today we're publishing our UK figures.

## Google UK's 2017 gender pay report



The above tables show our hourly gender pay gap and bonus gap as at 5 April 2017. The bonus figures cover the 12 months prior to this.

The above chart shows the number and proportion of Google UK employees in four evenly sized quartiles from highest to lowest by hourly rate of pay. Our median UK gender pay gap is 16 percent in favour of men, which compares to a national average of <u>18.4 percent in the UK</u>, and our mean gap is 17 percent.

We're not proud of these numbers. Since <u>our analyses show</u> that we have zero statistically significant pay differences based on gender, we know the 16 percent gap is driven by a **representation gap**. We <u>have more men than women</u> in senior leadership roles and in engineering jobs at Google, which are more highly paid - based on market rates. This can be seen in the chart that shows the proportion of female Googlers in each pay quartile.

This representation gap is also driving the 27 percent median and 43 percent mean difference in 'bonus pay'. According to the government's methodology, 'bonus pay' includes not just an employee's sales and company plan bonuses, but also their equity. While men and women at Google have an equal opportunity to earn a bonus and equity, compensation is highly incentivised and it increases across all forms of pay – base, bonus, and equity – as you become more senior and move into a leadership position. Engineers also get more equity than non-engineers because the market for their technology expertise is so competitive – and that difference is the main contributor to our bonus pay gap.

The under-representation of women in senior leadership and engineering roles is a challenge for us and <u>for the entire technology industry</u> - and it's one we're working hard to address. We value diverse teams and we know having a diverse workforce is critical to our future success.

### How we're working to close the gap

#### Setting up people processes to be fair and equitable

People processes at Google are interconnected. A Googler's level, performance ratings, and promotion status all impact pay. So we set up these processes with controls for fairness along the way: we use data to make structured decisions, we train people to avoid bias, and we take into account multiple perspectives. When a Noogler is hired, we assess them against a consistent set of criteria for their level using rubrics and then trained, objective reviewers make hiring decisions (not any single hiring manager). When Googlers receive performance ratings, there are multiple steps to support fair evaluations. And when a manager plans a Googler's compensation, they must document any change they make – even if it's  $\pm 1$ .

#### Developing and progressing the talented women we have at Google

We have career development and executive sponsorship programmes in the UK and globally to support women to succeed at Google. Our employee groups like <u>Women@Google</u> and Google Women in Engineering are both actively supported by senior executives and have thousands of UK members. They regularly host leadership summits, provide career development opportunities, and offer mentorship and community. Our benefits are also designed to support Googlers in every phase of their lives – from recent college graduates to new parents taking care of their families while continuing their careers.

#### Hiring more female engineers and leaders - and fostering a culture where they can thrive

Finding the right candidates can be tough when the significant majority of Computer Science graduates in the UK are men. That's why we partner with women in Tech organisations to reach more diverse candidate pools, and offer travel grants to provide access to development and networking opportunities. It's also why we campaigned to make computer science education a part of the English curriculum, and through programmes like <u>Women Techmakers Scholars</u>, <u>Code</u> <u>Club UK</u> or <u>BOLD</u>, and <u>direct investments in computer science education in the UK</u>, we aim to inspire and develop the next generation of female coders and engineers.

We're making progress. Since 2014, when we first published our diversity data to spark a broader conversation across the industry, the proportion of women in Tech roles at Google has grown from 17 percent to 20 percent, and for women in leadership roles it has grown from 21 percent to 25 percent. But we have much more to do. We will continue to focus on diversity, inclusion and fairness in all of our people processes, and want Google to be a great place for everyone to work.

Ronan Harris, Managing Director, UK and Ireland, Google

I confirm that the data reported here is accurate. Find out more about our Diversity and Inclusion efforts by visiting <u>https://diversity.google</u>.