

Cisco UK Gender Pay Gap Report



Cisco's Future of Fairness in Action

Overview

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.



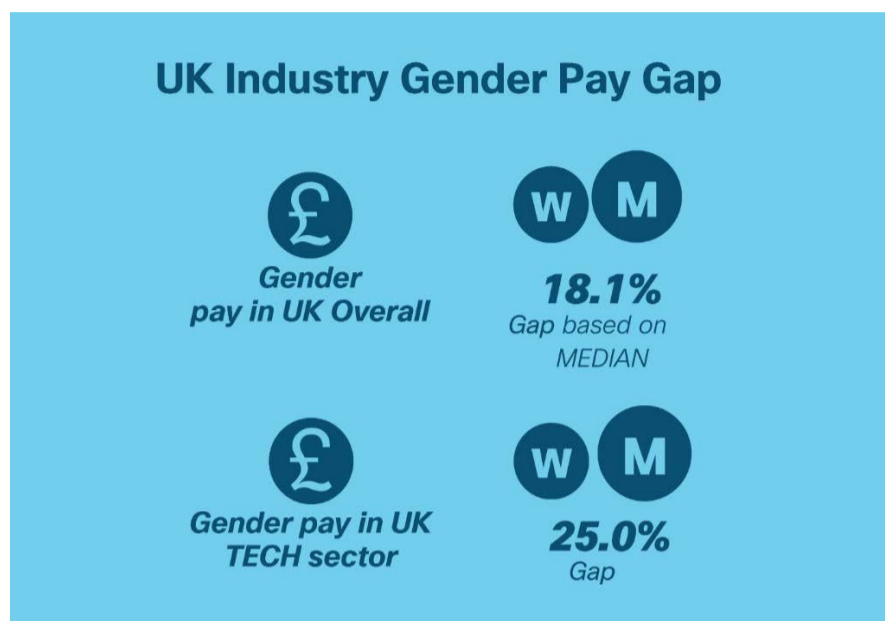
What Does Pay Parity Mean to Cisco?

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. Cisco's philosophy seeks to understand pay differences among employees doing similar work and address where necessary. We have now completed two cycles of global pay review including in the UK, both of which revealed a healthy and fair pay practice. The first 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, whilst the second and just recently completed analysis resulted in no further parity based pay adjustments.

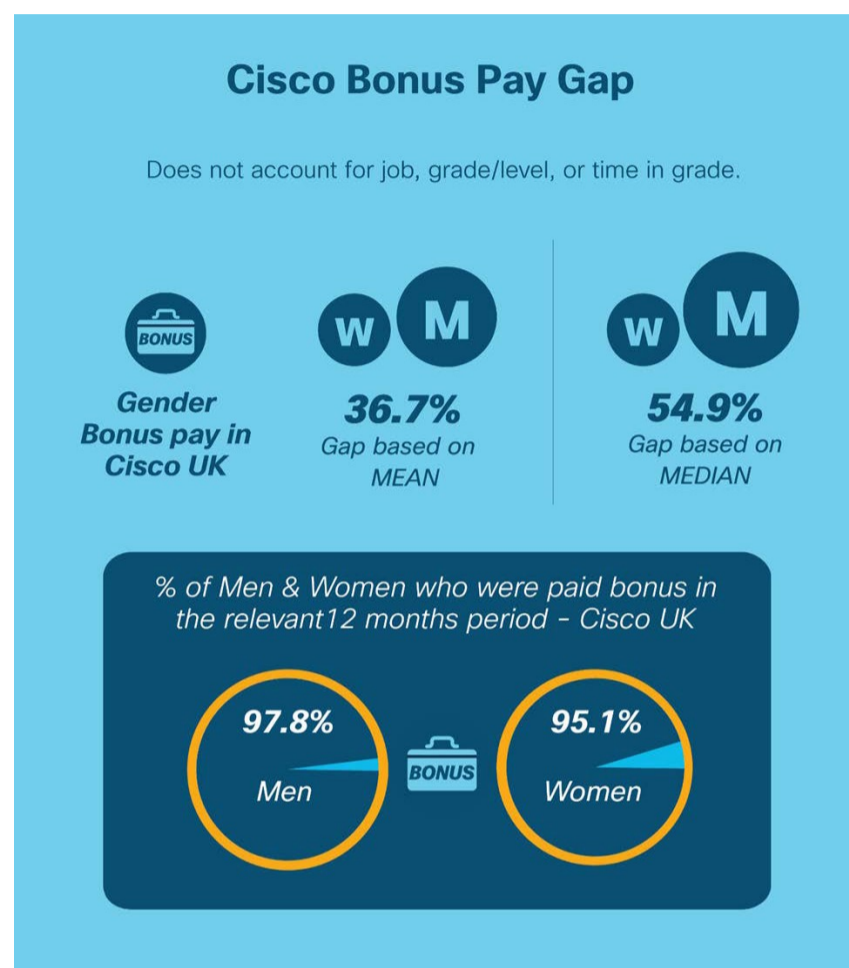


As discussed below, Cisco has proactively made efforts to address this issue as well as ensure that more women are entering Cisco's workforce at all levels.

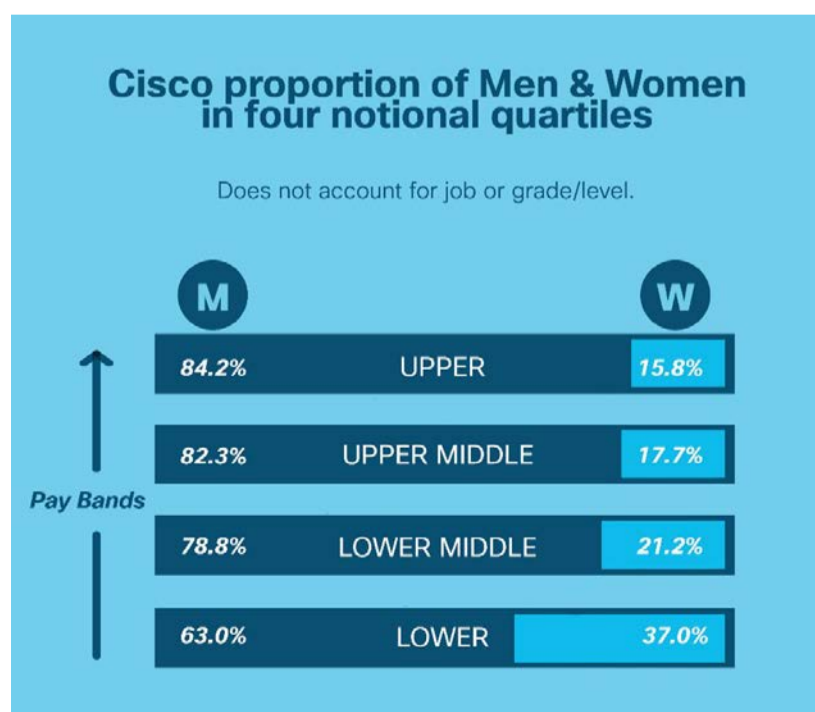
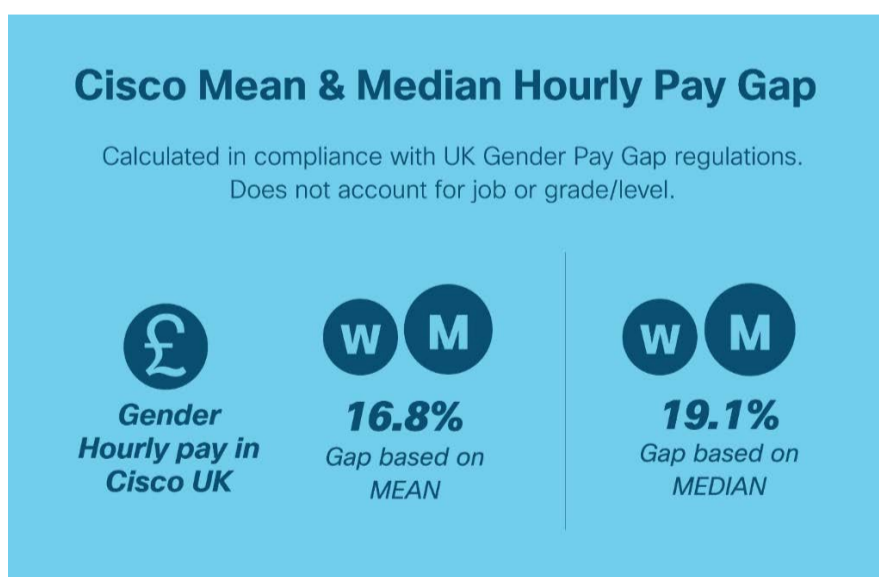
The Gender Pay Gap Reporting Numbers



To put our Gender Pay Gap in to context, it is useful to look at these data points. The Office for National Statistics in 2016 stated the Gender Pay Gap in the UK was a median of 18.1% and Mercer in 2017 stated the technology sector Gender Pay Gap was 25%. These numbers do not take into account grade/level.



Cisco Mean & Median Bonus Pay gap and the percent of Cisco employees receiving a bonus in past 12 months. For the purposes of this analysis, a bonus is defined as any cash payment over and above the base salary.



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 above) which accounts for our gender pay gap using the GPGR methodology. Although Cisco's pay gap is not as high as the Tech or UK average, our results show we have more work to do in the representation of women in all grades and particularly in more senior grades.

How Has Cisco Made Progress Addressing Diverse Representation in its Workforce?

Like many of our peers in technology, Cisco does not have an even distribution of males and females across all jobs and levels. We are investing in programmes to attract diverse candidates as well as build the next generation of potential employees. In the UK, we have seen progress over the past three years with regards to our female representation in the organisation including:

- A 3% growth in our female population
- An increase of 3% on female promotions
- An 8% increase in female external hires with more being hired into higher paying jobs.
- Improvement in our female retention
- In addition, in the latest UK Great Place to Work survey, our female employees state they are more satisfied on all major dimensions. Of particular note, our female employees are significantly more likely than male colleagues to tell us that they have a good work-life balance, they can fulfil their career aspirations with us and they are developing professionally with us.

What Actions Are We Taking to Close the Gap?

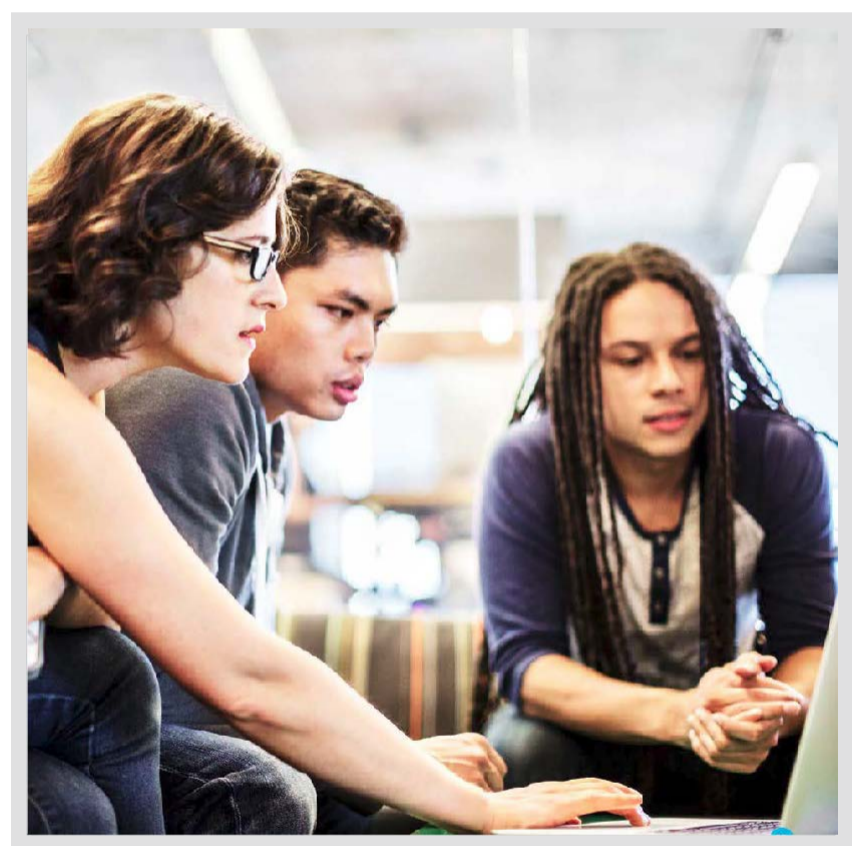
To be the most important and trusted technology partner in the world, we know we must have a diverse and inclusive global workforce committed to technology innovation that connects us all. We strive to build a workforce that reflects our society and has a broad range of backgrounds - whether it be women in technology, people with disabilities or multicultural men and women to name a few. As part of our commitment to having a diverse and inclusive workforce, we already have a number of programmes in place focused specifically on our female employees, including the following:

- Cisco is a proud partner of the prestigious 30% Club which is committed to better gender balance at all levels of organisations.
- 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.
- Cisco's JUMP training programme aims to develop world-class, next-generation women leaders, broaden our pipeline of diverse talent and accelerate closing the gender gap in leadership.
- 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.
- 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 in the technology industry.
- Cisco also supports Girls in ICT Day, encouraging girls aged 13-18 to consider education and career paths in STEM.

Ongoing Commitment

We're expanding how we think about fairness and leading a new dialogue on the possibilities we can create in this era of digital transformation – for Cisco, our people, our partners and our customers. We call this thought leadership dialogue the “Future of Fairness”.

Pay Parity and the programmes discussed here are examples of Cisco's ongoing commitment to Fairness. That's the Future of Fairness in action.



“Diverse teams bring diversity of thought and a more inclusive culture; this creates an environment where the best people can be at their best. We know that our edge comes from our people, so we focus on ensuring that everyone who works for Cisco is paid fairly for the job that they do regardless of gender; we regularly conduct pay parity reviews based on roles, location, prior work experience, performance and other business relevant factors.

Like many of our peers in technology, Cisco does not have an even distribution of men and women across all jobs and levels, which contributes to the difference in pay shown in the UK Gender Pay Gap Reporting. For a number of years, we have been investing in programmes to not only attract and retain diverse candidates throughout our organisation, but to help encourage more diversity in the industry. Everyone has the opportunity to make small choices today, to help make a long term difference.

Our Gender Pay Gap figures have been calculated in line with the regulations set out in the Gender Pay Gap reporting legislation. The calculation methodology has been checked and approved by our lawyers. I confirm that these figures have been verified and are accurate.”

Scot Gardner,
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at Cisco International Limited



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