

2022

UK GENDER PAY GAP REPORT



Our company purpose is to power an inclusive future for all. That has to start within our own organisation. That is why the conscious culture that we look to create empowers us to each take accountability for driving fairness, equity, and inclusion. Since 2017, we have reported on progress made and industry challenges in closing the Gender Pay Gap. As we navigate changing dynamics in our industry, and indeed the world of work, we continue to adjust our approach to ensure we are living our purpose.

Our Women of Cisco Inclusive Community serves as a catalyst for critical dialogue, introducing topics ranging from infertility to menopause, finance, and the challenges of being a carer or parenting within a hybrid working environment.

The proximity we've gained to key issues has fuelled the launch of initiatives designed to create additional flexibility within our workplace. We've removed barriers and expanded opportunities for hiring more women, and across a full-spectrum of diverse talent. We're reaching beyond traditional University recruiting to find sources of emerging talent that we believe will help to accelerate diversity within Cisco.

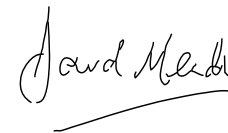
This report provides details of our progress and the work to be done. We've included key insights on how we interpret the results of the required gender pay gap calculations— which we attribute to a brief fluctuation in attrition of women at the higher paid senior leadership levels. We see these fluctuations as consistent with shifts seen globally in the workforce – from the 'great resignation' to positive moves in more women entering tech at lower paid entry levels.

We also provide an overview of how Cisco calculates pay parity and our expansion beyond base salary to include additional forms of compensation fairness such as promotion, bonus, and stock.

Ultimately, it's stories from our people that best highlight our impact and the opportunities we create. Like the inspiring story of Saran Kaur—our Cisco Apprentice who personifies the next generation of women in technology. Carlene Coward—our Inclusive Communities Programme Manager who's making our need for belonging essential to the way we grow and thrive together. And new mother and marketing lead Rachel Cormack and

her leadership—who are exploring what's possible in accelerating careers through the convergence of allyship, an agile culture, and new perspectives on our work/life balance.

Beyond the numbers and the statistics, our commitment to our people and our purpose— to Power an Inclusive Future for All— guides us on our journey. I am confident we will continue to close gaps and create an environment where everyone can thrive.



David Meads

Chief Executive, Cisco
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 the UK Gender Pay Gap Report

The Gender Pay Gap Reporting (GPGR) legislation requires employers in the UK with 250 or more employees to publish calculations annually showing the pay gap between their employees who identify as men and women.

What does the UK Gender Pay Gap Report measure?

The UK Gender Pay Gap is a basic calculation of the percentage difference between average hourly earnings for men and women, regardless of the work they do.

Earnings include base pay, allowances and any other bonus and incentive pay, paid 6 April 2021 – 5 April 2022.

What isn't measured?

The pay gap is not a measurement of equal pay. It is one basic measure across all jobs, not a measure of the differences in pay between men and women doing similar work. Consequently, a company may have a gender pay gap in this report even if it pays those who identify as men and women fairly in similar roles that are paid more in the marketplace, including technical and engineering roles.

Cisco's innovative framework for compensation fairness

Understanding the many factors influencing differences in pay, and the fairness and inclusivity of an organisation's compensation system is a complex issue.

At Cisco, we've built an innovative framework to test our complex compensation system and its overall health. Our regular reviews look at key factors that influence an equitable talent environment, with the goal of designing and delivering fair and equitable pay throughout the entire employment life cycle.



Delivering on Cisco's longstanding commitment to compensation fairness

Whilst the Gender Pay Gap shines a light on macro differences in pay and representation, Cisco's detailed fairness reviews show that our people are paid fairly for the specific jobs they do. Since we have a higher representation of men in the higher paying roles, gaps are negatively amplified using the Gender Pay Gap Report (GPGR) methodology.

Cisco has made an ongoing commitment to fair and equitable pay for similar work, regardless of gender. Our approach to pay parity is based on a more holistic and comprehensive methodology, which takes into consideration variables that impact pay. Beginning in 2017, Cisco has completed an annual analysis to assess gender pay differences in each country. Our model compares employees doing similar work (same location, same grade, and similar job) and uses both quantitative and qualitative analysis to ensure pay parity.

We have now completed our sixth cycle of pay review in the UK, all of which revealed a healthy and fair pay practice. Our 2022 fairness review resulted in Cisco making minor salary adjustments to 0.5% of our UK employee population to address identified gaps.

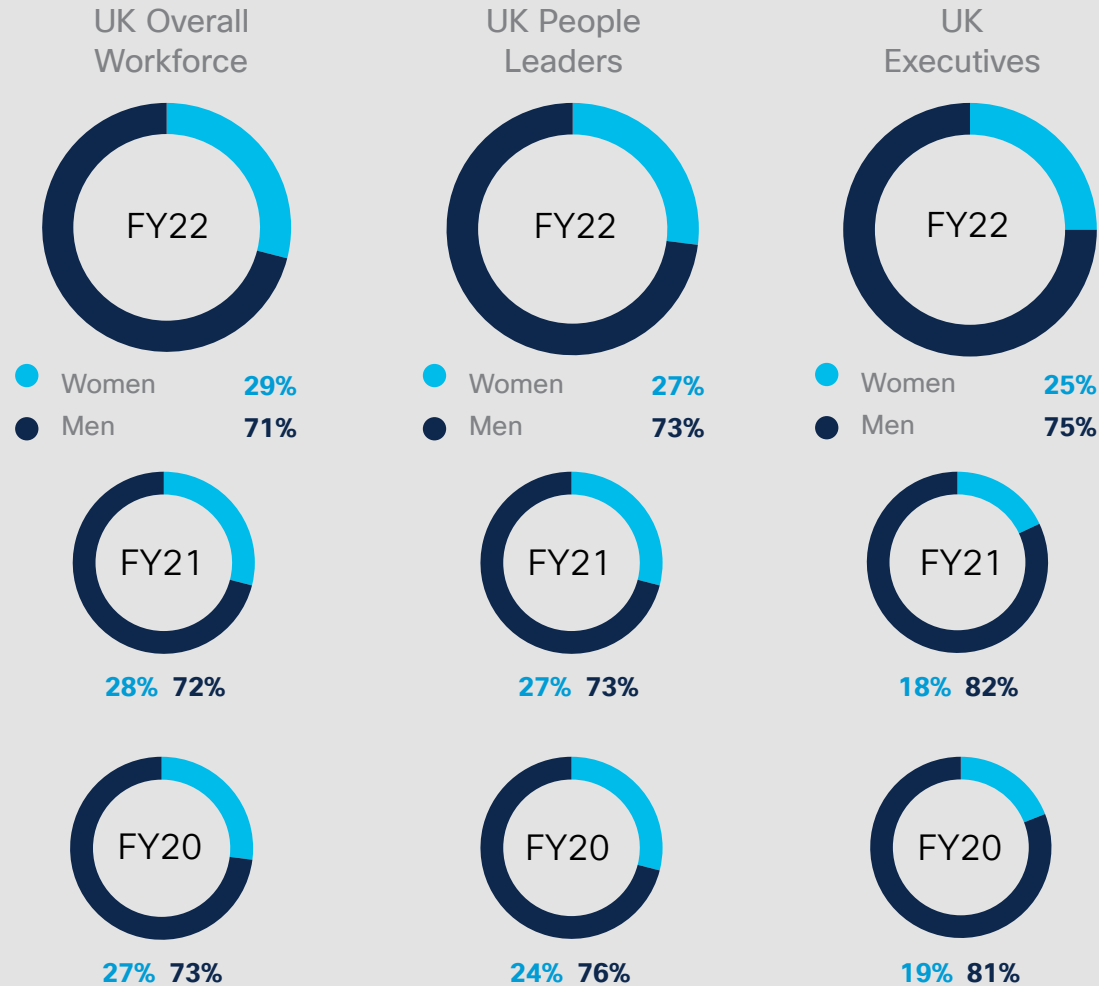
In our fiscal 2021, we expanded our approach to Fair Pay beyond base salary to include additional forms of compensation fairness such as promotion, bonus, and stock decisions made in our reward programmes.

During our most recent compensation rewards programme, we have completed pay fairness reviews for bonus pay-outs, stock and promotions and made adjustments where necessary.

Because our workforce is constantly changing, pay parity is an ongoing commitment. We regularly analyse data across Cisco and, where necessary, make upward adjustments to ensure fairness.



Workforce Snapshot FY22



Understanding the market for diverse talent

As a tech company, Cisco faces some well-known challenges in growing gender diversity, especially in higher paid technical roles. According to LinkedIn, Sales (Systems) Engineers and Network Engineers in the London metro area are respectively, only 12%* and 14%* women.

Compared to our aspirations for accelerating gender diversity within these positions, the talent market is quite small. Gaining a better understanding of this market is a critical step in finding uncommon solutions to an issue that is common within our industry.

Cisco has developed a suite of real-time leadership tools and business intelligence that are transforming our understanding of the talent market across job family and geography. This will allow us to shift our talent strategy to create new pipelines of diverse talent.

*LinkedIn data pulled from LinkedIn Insights in July 2022

2022 UK GPGR Data

A pay gap identified through the GPGR process shows a very broad overview of a gender pay comparison across the organisation without consideration of the actual work performed by the employees of their level or work history in and out of Cisco. Whilst gender pay gaps identified via GPGR can be effective at placing a spotlight on an important industry and cultural issue, additional factors must be considered to better understand whether men and women within an organisation are paid fairly for doing similar work.

This year's report revealed a widening of our statutory gender pay gaps. Through our own internal analysis, we attribute this to a brief fluctuation in attrition of women at the higher paid senior leadership levels. We see these fluctuations as consistent with shifts seen globally in the workforce such as the 'great resignation'.

Since this year's reporting window closed in April 2022, we have seen the fluctuation in our attrition numbers return to levels more consistent with our historical trends. Our continued focus on promotion parity is also proving to be impactful with a record number of women promoted in our most recent promotion rewards cycle in October 2022. In light of continuing challenges hiring diverse talent in the tech market, we sponsored the UK Karren Brady's Women in Business & Tech Expo to continue to build the diverse pipeline of women in tech.

Cisco interprets the gaps identified through this reporting process as indicators of a well-known challenge – a gap between the numbers of men and women in higher paying jobs. Closing this gap is a key area of focus.

Cisco's detailed fairness reviews continue to show that our people are paid fairly for the specific jobs they do.

Cisco Hourly & Bonus Pay Gap Data

	2022	2021	2020
Mean gender pay gap	18.4%	15.3%	15.2%
Median gender pay gap	19.0%	18.7%	16.9%
Mean gender bonus gap	33.1%	29.0%	31.2%
Median gender bonus gap	53.1%	52.0%	47.6%

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

Proportion of Men and Women in each Pay Quartile

	Women	Men	Women 2022 vs 2021	Women 2022 vs 2020
Upper	19.8%	80.2%	+1.2%	+3.3%
Upper Middle	25.2%	74.8%	+3%	+2.8%
Lower Middle	29.3%	70.7%	+1.2%	-0.1%
Lower	40.5%	59.5%	+0.2%	+1.1%

* The percentages of men and women employees within quartile pay bands, calculated by dividing our total full-pay workforce into four equal parts.

Bonus Pay Distribution



*Percentage of women & men who were paid a bonus in the relevant 12 months period. Eligibility for bonus is determined by factors such as start date

Accelerating the Pace

At Cisco, our commitment to inclusion compels us to act boldly and deliberately to accelerate fairness, inclusion, and equitable access to opportunity. In 2022, we have seen both progress and new possibilities arise. In the UK, accelerating solutions for full spectrum diversity and closing gender gaps across the board are top priorities, particularly within key sales and technical positions.

Our industry and workplaces are evolving rapidly with elements influencing hiring practices such as hybrid work and employee selectivity. These factors accelerate the need to understand all factors in the attraction and retention of talent.

In this post-pandemic world, the company has placed a strong focus on building inclusion into the new hybrid workplace. At Cisco, we believe “Work is not a place you go. It’s what you do.” – Francine Katsoudas, Cisco Executive Vice President and Chief People, Policy & Purpose Officer. We are working in a way that is more flexible, more innovative and more inclusive.

A world that offers employees and teams more autonomy in choosing how and where they do their work. Our culture, policies, and practices focus on outcomes versus location or hours worked, aligning with our goal

for hybrid work to play to each individual’s strengths and create an experience of work that allows every employee to thrive. Not only do we believe this will benefit our existing employees, it will also widen our applicant talent pools, and help in curbing attrition by providing much needed support and flexibility.

Hiring:

Women representation, as a percentage of the total employee base, has grown consistently over the past 3 years. At the start of FY23, Cisco’s UK workforce was 29.4% women. The main driver has been a consistent focus on hiring a more diverse workforce, one we intend to build upon. To deliver on our commitment to close the gender gap, we are shifting both skillsets and mindsets when it comes to searching for and interviewing candidates.

Our mindset around hiring quickly has shifted to a focus on spending more time to have a more extensive search, a wider candidate pool, and to be even more conscious about a diverse interview and candidate slates.

We have also set a goal and expectation for 100% of all UK Sales interviews to have a Diverse Interview Panel (DIP). Globally, DIPs include members who are gender diverse. With this increased focus, we’re starting to see tangible results in producing some of the highest levels of gender balance in hiring in

Sales to date. Our Diverse Interview Training is another critical success factor in empowering all interviewers to conduct and assess consistent quality interviews and to avoid bias.

In Cisco UK, no one can conduct interviews without it. So far, 604 UK leaders and 1196 interviewers have taken the training this year, which we believe has led to more informed decisions, a better candidate experience and more successful hires.

Attrition:

External research on attrition highlights the stress and domestic workload both women and men face as carers. This stress has been heightened during the lock-down periods and is beginning to be reflected in their career perspectives and physical and mental well-being, and even influencing the “great resignation”. To support our employees who are carers, we provide a range of benefits that reflect the demand on modern families:

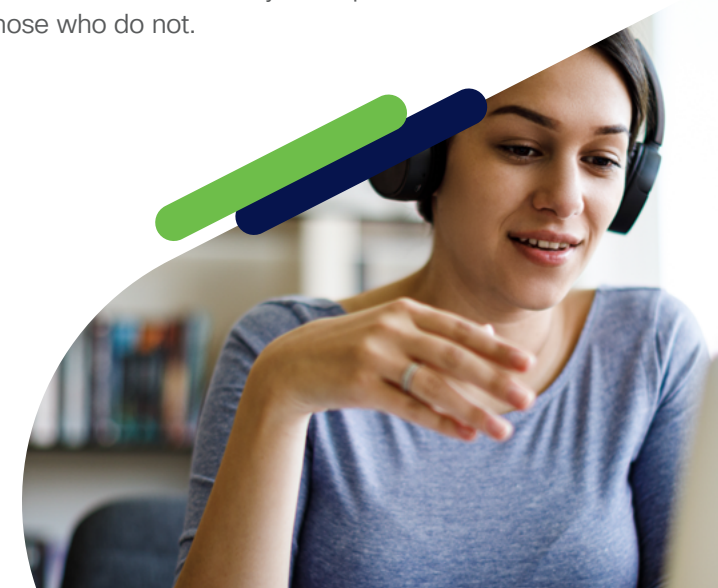
- Critical Time Off – with up to 4 weeks paid leave for unforeseen absence, and separate to annual leave
- Flexible work packages
- A free care concierge service to support employees caring for the elderly or those with complex needs
- Back-up care for child or adult dependants

- Employee and Family Assistance Programme which is universally available and provides 24/7 access to counselling

Promotions:

In our most recent rewards programme, women were as likely as men to receive a promotion in the UK. Cisco’s promotion parity initiatives, as well as many other successful leadership development programmes to help women develop in their careers, have proven to be highly effective over time.

Top programmes include DARE for women early in their careers, Jump for mid-career women, and our industry-leading sponsorship global initiative called The Multiplier Effect. As an example, the careers of women who have participated in the Jump programme worldwide have continued to advance by 1.4x. In addition, employees with sponsors through The Multiplier Effect initiative are between 1.5x and 3.2x more likely to be promoted than those who do not.





Talent Rising

Our ability to build and deliver technology that powers the world’s connectivity relies on our ability to attract and hire the best people. We’re always looking for uncommon solutions to a common challenge in our industry: a gap between the talent we need and the qualified candidates available within the talent market.

Cisco believes that real progress happens when we change the whole system. We’re removing unnecessary barriers and creating equal access to talent that exists beyond where we have historically recruited. And we’re partnering with organisations that can help us cast a wider net and create a full spectrum diversity pipeline.

Our rebranded Emerging Talent Recruiting organisation (formerly University Recruiting) includes a skills-based focus on Rising Talent candidates – individuals who have developed their skills and capabilities through non-traditional education paths. These paths include apprenticeships and technical education – like Cisco’s UK Apprenticeship Programme and NetAcademy – or other real-world experiences beyond the classroom.

“

Rising Talent represents new possibilities for Cisco. Not only in how we drive the development of next generation technology, but in how we accelerate the representation of women and full spectrum diversity and power an inclusive future for all.

”

Annette O’Connor
Talent Acquisition
Leader & Engineering
Business Partner

The Power of Connection

Cisco's Carlene Coward on belonging, connection, and making an impact through Cisco's Employee Resource Groups (ERGs) known as 'Inclusive Communities.'

How does it feel to be comfortable to be yourself? To look around and discover that you're no longer the "only one" – or even "one of a few" like you? To be able to drop the guard and connect at a deeper level? And to discover that you are among colleagues and friends, allies and advocates who share your values and see your value?

For Carlene Coward, Cisco's Inclusive Communities Programme Manager for the EMEA region, it feels like a path to an inclusive future.

During the pandemic, Carlene realized she had lost a sense of connection and

was feeling a deep need for community. She took a leap of faith that others like her did too and reignited Cisco's dormant UK chapter of the Connected Black Professionals (CBP) Inclusive Community back into action. She co-led the chapter for 18 months, which continues today to blaze new trails in how we positively impact our people.

Now in a role that supports CBP and other Inclusive Communities across EMEA, ask Carlene what she and her team are creating and she'll tell you – "Belonging. When we create community, we create new possibilities for belonging. And when we know we belong, we can tap into our deeper sense of self and desire to make an impact."

Over the past two years, Carlene notes that the Inclusive Communities have given

rise to a new generation of leadership. Over 1,000 volunteer leaders are actively engaged – building belonging and community across the near 30 global Cisco Inclusive Communities to create equity of voice within a powerful platform for open dialogue.



“When we create community, we create new possibilities for belonging. And when we know we belong, we can tap into our deeper sense of self and desire to make an impact.”

Carlene Coward
Cisco EMEA, Inclusive Communities Programme Manager

Intersectionality and Allyship with Women of Cisco UK & Ireland

This year marks the 10-year anniversary for our Women of Cisco UK & Ireland Inclusive Community. They serve as a shining example of the key traits that Cisco's Inclusive Communities seek to develop.

Intersectionality and allyship have become critical elements of the Women of Cisco strategy in recent years. Intersectionality – a term created by legal scholar Kimberlé Crenshaw – acknowledges that we must consider everything that can marginalise people – gender, race, class, sexual orientation, physical ability, etc and that these forms of bias can overlap. Allyship encompasses the behaviours and actions people take to support and advocate with others who identify differently than they do.

Collaboration between Inclusive Communities fosters openness, as well as the ability to share lived experiences and identify allies, advocates and upstanders who want to help make a difference. Women of Cisco have now created two leadership roles on our 30-person internal

board. One role is dedicated to driving intersectionality and another to allyship.

Our intersectionality lead now serves as a connector across our many stakeholders, including other UK and Ireland inclusive communities, with the intention of increasing the impact that each community can have through both shared and separate experiences. This led to the organisation of an intersectionality panel event, bringing together inclusive community members to discuss opportunities and challenges that are faced when you identify as being part of two or more marginalised groups. We're turning what we learn into actionable insights to drive change.

The allyship lead now serves to connect allies with our members and to demonstrate how to reciprocate allyship across other communities. Women of Cisco believes that allyship is not just about men supporting women, but also women supporting other women and community members.

Ultimately, our goals are to keep raising the bar, to keep identifying new opportunities, to keep taking bold action, and to keep making a tangible difference for women at Cisco and other inclusive communities.

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A culture where everyone can thrive

Cisco's Rachel Cormack shares how she's growing her career, her way.

At Cisco, we focus on creating an environment that prioritizes flexibility, wellbeing, inclusion, and engagement. A workplace where people stay and grow.

Rachel Cormack, Enterprise and Commercial Marketing Lead UKI, joined Cisco five years ago. Today, she exemplifies how women across our company are growing their career, their way, within our inclusive culture.

Soon after joining Cisco, Rachel attended an event that inspired her to join the Women of Cisco UK & Ireland chapter (WOC UKI). A vacancy in the co-lead position was the catalyst for Rachel to jump in at a whole new level. She never looked back – working to accelerate growth in WOC UKI and expanding the reach and range of the group's innovative programmes designed to attract, grow, and retain talent.

Rachel also connected with Mark Alani, Marketing Director for Cisco UK & Ireland and executive sponsor for Women of Cisco UK&I and the two regularly engaged in mentoring and career conversations. Seeing her value and potential, Mark offered Rachel a position in his organisation. She was 6 months pregnant when she accepted the offer.

For Mark, Rachel's pregnancy was never an obstacle – or an interruption. Mark and his team created a flexible plan for transitioning Rachel into her new position and for a gradual return from her maternity leave – 10 months after her son Freddie was born. As she puts it "I felt completely supported by my leader and by my team during my first months as a new mother and my transition to this next level in my career."

Pushing beyond old paradigms is nothing new for Mark as a key ally and advocate for creating environments where everyone can thrive.

He believes in taking on taboo topics– like menopause – to eliminate bias and drive change. "We men must be part of the solution. It's a joint responsibility."

Rachel Cormack
Cisco UK and Ireland, Enterprise and Commercial Marketing Lead, Co-lead Women of Cisco



Mark Alani
Cisco EMEA, UK and Ireland, Marketing Director

Innovative Solutions to understanding and overcoming gender challenges

At Cisco we believe the intersection of diversity, inclusion, collaboration and technology creates exponential value. As a company that builds collaboration tools, we are intent on removing barriers to connection and leveraging technology to enable people to participate from anywhere, anytime.

To move beyond transactional and toward transformational change, we must accelerate, integrate, and scale fairness and equity across Cisco. We will achieve this by both evolving our existing inclusion solutions and developing new ones. Data informed insights and digitisation will drive innovation and impact at scale.

As Cisco evolves our approach, our metrics must evolve as well. In October 2022, Cisco launched Self ID in the UK. Self ID is a voluntary programme that gives employees an expanded opportunity to tell Cisco how they identify themselves. Knowing how our employees identify themselves enables us to understand how inclusive our workplace is and where we

have opportunities to innovate. With a critical mass of employees voluntarily participating in Self ID, Cisco can use this data to:

- Help us ensure our benefit offerings are as inclusive as possible for our full spectrum of diversity
- Analyse our recruiting, hiring, promotion, and retention
- Expand our pay fairness analysis
- Advance the objectives of other programmes designed to support employees across the full spectrum of diversity

Self ID is now available in over 40 countries. Cisco plans to roll out the programme in other countries as we continue to deliver innovative solutions to some of our most business-critical challenges and opportunities.

Listening and responding to the needs of our people

Employees everywhere have faced new challenges over the last few years, and we know that women have been disproportionately affected by added stressors in the workplace. External research shows

that 1 in 4 working women in the UK feel unable to manage pressure and stress at work (source <https://360learning.com/guide/great-resignation-uk/burnout-burden-uk/>), which often leads to burnout and eventually attrition.

Employees around the world are making it clear that the ways we've been working are just not working. Cisco hasn't been immune to the impact of the Great Resignation, and we are feeling the pain of these losses across the organisation. We are also listening, learning, and experimenting, to ensure that our people feel heard and valued.

Cisco's internal people research discovered that our employees who identify as women were struggling more with their wellbeing in comparison to men, and people leaders were rating their wellbeing lower than individual contributors. The survey also discovered that people with caregiving responsibilities were struggling, and this was compounded for those who also identified as women and/or people leaders.

We knew we had to prioritise the wellbeing of our people through flexibility and new approaches fit for the hybrid world. We had 4 'Days for Me' in 2022 – giving employees free paid time off to unplug, take a mental health break, and do something that brings them joy. We also had over 600 employees in our People & Communities (HR) organisation,

participate from four countries (UK, US, Mexico and Australia) in a 4-day work week pilot. Our learnings will prove valuable as we evaluate more broadly how we best enable flexible work for our employees.

To provide additional support for our employees with caregiving responsibilities, Cisco launched Wellthy in the UK. Wellthy is a free carer support programme that provides personal support to help people tackle the logistical and administrative tasks of caring for others. Wellthy matches users with a dedicated care coordinator to understand and design solutions for unique caring situations. Sue Abbott Macdonald, Program Manager in Customer Experience, said of her experience using Wellthy: "Nothing was too much for me to ask. My care coordinator set expectations, delivered on them, and did so in a timely manner. It was like having a professional and a friend who helped to navigate my situation and offer support."

We will continue to listen to the needs of our employees, build trust, and lead with empathy and flexibility to provide support for our people in the hybrid world.

Changing the equation for diverse talent through The Multiplier Effect

Changing the equation for diverse talent through The Multiplier Effect: Cisco has long advocated sponsorship as one of the most powerful ways leaders can connect, advocate, and accelerate the careers of talented employees. In 2017, we introduced The Multiplier Effect, a pledge that leaders can take to sponsor a person different from themselves and support their career advancement—and challenge their peers to do the same.

As shared in our 2022 Cisco Purpose Report, globally 100 percent of Cisco Vice Presidents have taken the pledge. 54% of Directors and 33% of People Managers – exceeding our global goals of 40% and 20% respectively. More importantly, The Multiplier Effect delivered outcomes for sponsees. Our data shows that employees who gain sponsors through the initiative are between 1.5x and 3.2x more likely to be promoted than those who do not.

Engaging and connecting through Inclusive Communities

Engaging and connecting through Inclusive Communities: Over 23,000 employees globally and 1000+ in the UK participate in Cisco's Inclusive Communities – a group of 25+ employee-led groups that help our people connect within the community and among allies. Our Women of Cisco, Back to Business, and Special Children's Network amongst others, provide focused support for our UK employees and drive their own unique strategies to support full-spectrum diversity, and work together across our global enterprise to drive engagement and create a more Conscious Culture.

In fiscal year 2022, we added more than 7,000 new members globally—a growth rate of 51% at a time when all participation was virtual. Our UK and Ireland Women of Cisco Inclusive Community grew by 84% from 236 members to 434. We've also continued to accelerate and expand the way we drive impact across our business, our employees, and our communities.



Ready, Set, Grow

UK Apprenticeship student Saran Kaur is ready to join the next generation of women in technology.

Cisco's UK Apprenticeship Programme is the largest 4-year rotational degree apprenticeship programme in the UK. The programme offers both a Digital Technology Solutions degree and a Chartered Management non-technical degree as alternatives to the traditional academic route. Apprentices choose rotating roles within over 100 teams at Cisco tailored to individual interests, involvement, and goals.

The programme is also one of the ways Cisco is addressing longstanding challenges within our industry by accelerating diversity from the start. Gender balance is typically close to 50/50 in the UK Apprenticeship Programme cohorts.

Third-year apprentice Saran Kaur, was drawn to the programme for the variety of experiences offered whilst pursuing a degree and the opportunities it would open for her as a next generation of women in technology.

She found the rigor of the learning environment and the challenge of working with a broad range of leaders and teams within various roles to be rewarding in ways that surpassed her expectations.

As Saran puts it "This is a challenging programme – at every level. But I'm surrounded by people who want me to succeed. I can reach out to my cohort – to my instructors – to my mentors – and to people I've met across Cisco in my rotations. They're there for me. They see what I'm capable of and encourage me to dream big."

An additional, unforeseen challenge over Saran's time as an apprentice – the pandemic. She sees the demands of working, studying, and connecting virtually as additional training in the flexibility and agility required in the "new normal" workplace. "It was great to finally meet everyone face-to-face, though" Saran notes.

In FY22, 47 women represented 33% of the participants. Cisco attributes this to our partnerships with local schools, colleges and social enterprise networks and our growing apprentice pipeline from our Pathway to Your Future work experience programme.

Saran Kaur
Cisco UK Degree
Apprentice



“

This is a challenging programme – at every level. But I'm surrounded by people who want me to succeed. I can reach out to my cohort – to my instructors – to my mentors – and to people I've met across Cisco in my rotations. They're there for me. They see what I'm capable of and encourage me to dream big.

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For more information on our commitment to diversity, equity,
and inclusion, [see our 2022 Cisco Purpose Report](#)