



Microsoft in Israel

Gender Pay Report

December 2023

Introduction

At Microsoft, diversity and inclusion (D&I) are central to our mission to empower every person and every organisation on the planet to achieve more. We believe our continued work to build diverse workforces and strengthen our culture of inclusion helps foster innovation and serve our business and customer needs.

To this end, we publicly release our annual Global Diversity & Inclusion report, which includes data in support of our commitment to pay equity, as well as our commitment to increase representation and strengthen a culture of inclusion at Microsoft. In addition to this global report, we continue to provide information in compliance with local requirements. In alignment with Israeli regulations, the Microsoft Israel R&D Center (ILDC) is releasing our 2023 Gender Pay Report, deeply rooted in our comprehensive Diversity and Inclusion strategy.

At Microsoft ILDC, we take a deliberate approach to diversity and inclusion. We continue to focus on attracting, developing, and retaining employees with a range of perspectives, skillsets, and experiences, and have increased representation of women. Our contribution to enhancing women's presence in the technology sector involves not only facilitating access and pathways but also fostering an inclusive atmosphere where individuals can express themselves authentically and feel valued upon joining Microsoft.

Cultivating a supportive community for women stands as another cornerstone of our commitment to employee development. We continue to value diversity as an integral part of our talent processes and practices. Through our active Women at Microsoft Employee Resource Group, employees build community, connections, and support. This community serves as a catalyst for career development and networking and builds spaces for intersectional understanding and allyship.

Our Results

Our Gender Pay Report for 2023 was created in alignment with Israel's Equal Pay Law. Under this legislation, a thorough comparison is mandated between the average incomes of men and women employees across segmented categories. These segments are defined based on workplace-relevant criteria, ensuring the protection of individuals' privacy. The following data underscores how our unwavering dedication to diversity and inclusion is generating tangible outcomes and fostering positive transformations. We acknowledge that there's further ground to cover and we remain committed to reaching deeper into understanding our workforce dynamics.

Here are the results for 2023 (calendar year):

A. Percentage of the average monthly wage gap between men and women employees according to the segment chosen:

Segmentation group	Percentage of the average monthly wage gaps between ALL the women/men employees (full time & part time)	Percentage of the average monthly wage gap for a part time job position between women/men employees	Percentage of the average monthly wage gap for a full-time job position between women/men employees	Partiality of the average in a group
1	6.20%	--	6.21%	99.76%
2	-0.05%	N/A*	-0.02%	99.61%
3	-1.15%	N/A*	-1.15%	99.68%
4	0.21%	4.82%	0.08%	98.61%
5	-7.47%	-7.47%	--	49.64%
6	8.81%	--	N/A*	99.06%

- A negative result indicates that the pay gap is in favor of men, and a positive result indicates that the gap is in favor of women.
- Due to the small number of employees in certain segments, we have inserted N/A and will not be publishing data in respect of the sections marked with an asterisk. This is in order to avoid disclosure of personal remuneration data and to protect the privacy of individuals who may be identifiable because of the numbers involved.

B. Percentage of employees whose wages are lower than the average monthly wage for a full-time job in the workplace, according to the segment chosen (without specifying the name of the groups of workers in the workplace), with regard to gender:

1. Women employees: 70.37%, Men employees: 65.25%
2. Women employees: 55.78%, Men employees: 56.01%
3. Women employees: 59.13%, Men employees: 52.83%
4. Women employees: 44.18%, Men employees: 40.92%
5. Women employees: N/A, Men employees: N/A
6. Women employees: 48.78%, Men employees: 40.00%

C. There are no employees that receive a supplement to their salary in order to reach minimum wage.

Looking Ahead

This report give confidence that our actions are delivering results but that there is still more to do and our whole leadership team in Israel continues to commit time, resources and personal effort to deliver change in this area. This annual reporting gives a foundation on which we can move forward and allows us to hold ourselves accountable to attract, develop, and retain a workforce that reflects society and to build a culture where everyone can thrive. We believe our sustained focus will enable us to continue to progress towards a more diverse and inclusive organisation, industry and country.