Sophos is committed to building an inclusive culture, where everyone feels they can do the best work of their careers, irrespective of age, race, sexual orientation, religion, national origin, or gender. We are passionate about creating a workplace of equal opportunity, and we pride ourselves on recognising and rewarding our team members based on the merits of their performance while embodying the Sophos values of simplicity, empowerment, passion, innovation, and authenticity.

In the UK, the government has introduced new legislation that requires all companies with 250 or more employees to publish their gender pay gap. This examines the difference between the average hourly pay for men and women for our UK employees only. It should not be confused with “equal pay”, which is the legal right for men and women to be paid the same rate for performing the same work. We welcome this opportunity to reflect and test how we deliver on our internal commitment to inclusion and equality.

Although our results are ahead of our industry peers, they are not yet as good as we would like. We recognise that a diverse business brings a greater depth of ideas, innovation, and success. We are committed to continue our work to put equality at our core, introduce improvements to our people programmes, and strengthen our efforts in improving diversity at Sophos.

Clarissa Peterson
SVP & Chief Human Resources Officer
What is Being Measured?

The gender pay gap is the measure of the difference between men’s and women’s hourly earnings in a company. This includes base pay, allowances, and any other bonus and incentive pay paid in April 2017. The formula for this is simple: take all such compensation for male employees at the company, add it up, calculate the median and the mean, and then do the same for all female employees, and then compare them.

The gender bonus gap is the difference in all incentive pay received by men and women in the 12 months up to April 2017. This includes all bonuses, long-term incentives, and sales commission payments. This is a similar formula, but applied to incentive pay and calculated for the last 12 months rather than just for one month, as the gender pay gap is.

Please note that neither of these is designed to directly measure or assess the concept of “equal pay”. Equal pay involves a different question – does the company pay male and female employees the same amount for the same role, factoring in grade level, performance, geography, etc. The UK does not require public disclosure of equal pay statistics. Our pay programmes are focused on ensuring that we reward talent and performance equally regardless of gender or any other personal characteristics.

At Sophos, we believe that both gender pay gap/bonus gap and equal pay are important metrics to track.
Our Gender Pay Gap

As the chart below shows, our median gender pay gap of 23.4% is higher than the UK average overall which is 18.4%\(^1\). However, we are ahead of our industry peers: the gender pay gap for companies operating in the UK high-tech sector has a median pay gap of 25%\(^2\).

**Gender Pay Gap Results**

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<thead>
<tr>
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<th>MEAN</th>
<th>MEDIAN</th>
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</thead>
<tbody>
<tr>
<td>Pay gap</td>
<td>21.1%</td>
<td>23.4%</td>
</tr>
<tr>
<td>Bonus gap</td>
<td>53.6%</td>
<td>25.4%</td>
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</tbody>
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**Bonus participation rate\(^3\)**

84%

The Quartiles analysis ranks men and women from the lowest to highest earners. This is then divided into four even groups to show the proportions of men and women in each of these four earnings groups.

The table shows that at all levels we have more men than women. Compared to the UK High Tech sector\(^4\) we have a better representation of women at all levels, but this is clearly an area for improvement.

1. Median, ONS 2017
2. UK Gender Pay Gap in High Tech, 2016, Mercer: Comptrx
3. All employees participate in a bonus plan. The 84% participation rate reflects new hires that were not employed for the bonus accrual period, but were employed on the bonus payment date, which fell within the relevant period.
4. Based on statistics published by comparable companies compiled and provided independently by Mercer as at 15 March 2018
What Do the Results Mean?

We believe our gender pay gap is due to lower female representation at the higher levels of our organisation and the high percentage of men in specialist positions carrying a higher market premium. We believe the workforce profile explains a large proportion of the gender pay gap at Sophos.

What Are We Doing to Encourage Diversity at Sophos and in the Technology Sector?

Our goal is to continue to enhance the gender diversity of the Sophos workforce and also to ensure equitable pay for all genders from the time of hire through the employee life cycle. The following is a representative sample of the programmes we have introduced at Sophos to increase the number of women in our workforce:

**Sophos Women in Technology**

The Sophos Women in Technology (SWiT) forum was launched in autumn 2017. There are groups running in the UK and Canada, with the U.S. due to commence shortly, then India in June 2018. The purpose of this initiative is to make Sophos a great place to work for women in the technology industry – spanning across technical and non-technical roles. The focus of the group is to help women develop the skills they need, and develop a supportive environment to progress in the business and to enhance their careers at Sophos.
Tech She Can
Sophos was one of the founding organisations of the PWC Tech She Can initiative. The Tech She Can Charter is a commitment by organisations to work together to increase the number of women working in technology roles in the UK. It aims to tackle the root cause of the problem at a societal level by inspiring and educating young girls and women to explore and pursue tech careers and sharing best practices across the organisations involved. Women from Sophos will visit schools under the Tech She Can banner to help inform children about careers in technology and to be “ambassadors” for women in tech, for Sophos, and for cybersecurity in particular. This will enable us to build connections with local schools and inspire girls to consider tech careers.

Women of Silicon Roundabout
We have been an active supporter in the UK of the Women of Silicon Roundabout initiative, which enables people and organisations to connect, learn, and take action on gender diversity and inclusion. As part of this effort, Sophos plans to promote technology careers within Sophos and raise the profile of women in our business.

Avenues Into Tech
We are introducing a new apprenticeship scheme this year which will provide another route for women to pursue technical careers at Sophos. Historically, we have tended to focus on graduate level hires, with universities as our main contact; diversifying this entry pool will help ensure a stronger women talent pipeline for future years. We have enhanced and expanded our ability to host work experience placements for school-aged children. This enables us to provide practical insights into technical careers that are available to women, and we hope this will result in a greater percentage of women pursuing roles of this nature or further education in STEM subjects.

Flexible Working
We encourage flexible working. We know that requirements for every job are constantly changing and evolving, and we want to support our employees’ personal lives as well as their working lives. We encourage all our employees to consider how they can work most productively, and collaborate with their teams and managers to find the optimal way to work, given their particular circumstances and geography.

Unconscious Bias
We are all prone to unconscious bias, and it is imperative that we are aware of these internal biases in order for us to address them. We commit to building upon the unconscious bias training we currently deliver to managers and expanding this for all employees.

As CFO and Director of Sophos Limited, I, Nick Bray, can confirm that the information contained herein is accurate.