

UK Gender Pay Gap Report

At Cloudflare we believe that people should be paid fairly for the work that they do, regardless of their personal characteristics, including their gender.

Our mission to help build a better Internet depends on a thriving, collaborative culture where we respect each other's work, listen to new ideas, and encourage each other's professional development and growth.

Diversity is ideal when solving hard problems because people who are different look at problems in different ways, whether it's their gender, where they are from, or their backgrounds. Cloudflare was built with that in mind—tracing back to its founders: Matthew Prince, Michelle Zatlyn, and Lee Holloway. They all grew up in different parts of the world, had different backgrounds, and saw that as an asset when working towards a mission as big as helping to build a better Internet. Since founding Cloudflare they set out to cultivate and maintain an inclusive workplace which empowers all employees to show up, as their full selves, and do their best work. We are not afraid to help solve big problems, and working towards reducing, and ultimately eliminating the gender pay gap is something we are committed to in our journey.

Diversity and inclusion is a process that begins with hiring diverse candidates but continues by supporting all of Cloudflare's people throughout their careers by ensuring a culture of inclusion and belonging, supported by management and upheld by all colleagues. Diversity, inclusion and equity are not things that are just nice to have; they are essential to the success of Cloudflare's business. Diverse teams are more effective, innovative, and better positioned to drive growth. And, without an equitable and inclusive working environment, our diverse teams won't succeed.

Gender Pay Report

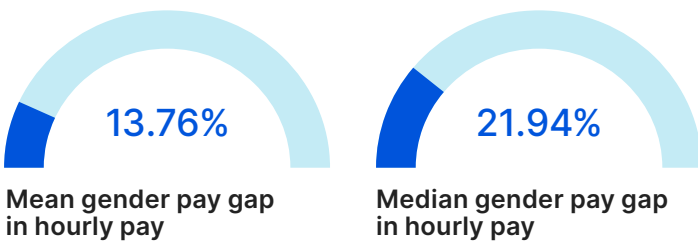
Compensation at Cloudflare is made up of base salary, commission (depending on the role) and equity (categorised below as “bonus”).

We support the UK Government requirement that companies with 250 people or more must publish and report specific figures about their gender pay gap publicly. As such, we are using the Government’s defined methodology—the difference between the average earnings of men and women, expressed relative to men’s earnings—to report results. It’s worth noting that while this represents progress across the industry, these figures do not take into account seniority or leveling, so they don’t compare a man and a woman in the same “Marketing Manager” role, rather men and women averaged out across all levels and titles.

Our results are as follows:

Hourly Summary

The figures show our hourly gender pay gap (excluding bonus/commission) as at 5th April 2020. The **mean** is the average figure, obtained by adding all the salaries for each gender together and dividing them by the number of employees. The **median** is the middle number of all the salaries for women/men when grouped in order from smallest to largest.



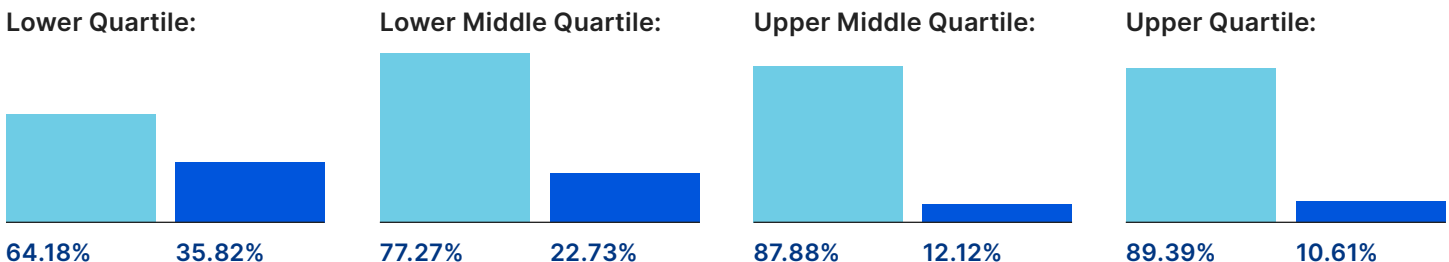
Bonus Summary

The figures reflect commission payments for our sales employees and equity that has been granted to the employees, at the point that they vest.

Proportion of male relevant employees with bonus pay 48.58%
Proportion of female relevant employees with bonus pay 44.64%
Mean gender pay gap in bonus pay 49.14%
Median gender pay gap in bonus pay 28.01%

Quartile Summary - Men Women

The figures show the gender distribution across four equally sized quartiles.



The results explained

We are aware that there is much work to be done to eliminate the gender pay gap at Cloudflare, as well as across our industry. However, whilst the figures in this report are significant, they just do not show us the whole picture. They are not a comparison of like-for-like roles (e.g. Marketing Managers, regardless of gender or personal characteristics, are in the same salary range, but a Marketing Manager vs. a Engineering Manager may differ in salary), and it is important to be aware that they reflect the percentage of men/women in the workforce as well as the allocation of more senior roles.

While the pay gap at Cloudflare is generally in line with other companies in our sector, we've never wanted to be like everyone else, especially at a company with terrific female leadership on our board and management team. We place the utmost importance upon equality for women in terms of like-for-like pay, promotion and career development. We do all we can to make Cloudflare a great place for women to work.

Today there's an increased awareness of the gender imbalance. It's a fact that there are more men than women in senior roles in technology companies, and that's a key hurdle we face in relation to gender pay equality (along with others in the tech sector). Now we need to see continued progress on making change. We hope that this will change as the industry tackles this issue and encourages more women to move into technical roles.



We are committed to playing our part in seeking to change this with numerous initiatives as we outline below, but it does take time for these changes to have an impact and there are still many more men working at our company, particularly in senior roles, than there are women despite our considerable efforts to change this.

We strive to recruit women at all levels throughout the organisation and to ensure a level playing field but the pool of talent for technical roles (which tend to pay particularly well, given the competition in the market for this talent), especially for more senior positions, continues to be predominantly male. Furthermore, a greater proportion of job opportunities tend to arise in more junior roles. As a result a greater proportion of women joining the business tend to be in more junior roles which has a negative effect on our median fixed pay figure.

This greater proportion of men at Cloudflare (particularly in its early days) and the number of men in more senior roles also explains the larger gender pay gap in relation to the “bonus pay” figures.

Bonus pay at Cloudflare includes equity in the form of Restricted Stock Units (“RSUs”). Since the bonus pay figures above reflect the date on which an employee’s RSUs vest (rather than when they are granted), they do not show what is actually being granted to employees at any given time. This means those who have been at the company longer may have been able to benefit from the rapid increase in Cloudflare’s stock price over the past couple of years, whereas those who started more recently may not see similar increases.

Furthermore, new hire RSUs start vesting after one year of service, and therefore bonus pay in the first year of employment would be recorded as nil, and bonus pay in the second year of service may be higher than future years. We expect to continue to see the difference in bonus pay due to stock price fluctuation, although we hope that there will be significant improvements in any differences over time.

How we are seeking to improve



It is clear that we are succeeding in attracting and retaining more female talent, and the percentage of women in our London office has more than doubled since 2018 (rising from around 11% to around 25%). It is clear that we have more to do, but we are confident that things are moving in the right direction.

We continue to strive to attract the best female talent and to pay all of our employees in a fair and transparent manner with no bias according to gender or any other personal characteristics or beliefs.

We also undertake pay parity analyses as part of the bi-annual salary reviews and correct any identified inequities.

Some of Cloudflare’s initiatives to ensure that gender equality is a top priority both from a recruitment and in relation to the working environment are as follows:

Recruiting initiatives

- **Orange Cloud interview program:** A cross-functional interview, during the onsite stage, providing a diverse perspective;
- **Recruitment System Nudges** - timely reminders that help employees remember to engage in efforts to disrupt unconscious bias and promote inclusion;
- **Training for team members** who have recently been promoted into, or hired to, a hiring manager role;
- **Structured interviews:** asking candidates the same set of defined questions and designing a rubric to assess the answers to help create an equitable interviewing process for all candidates and prevent bias.
- **Internship programme:** To help encourage young engineers to enter the workplace, and to receive support and training. This assists women to enter a traditionally male-dominated environment.

Mentorship programmes

- **Womenflare** an employee resource group which brings together the women at Cloudflare in an open forum to discuss issues of concern, share ideas and success and participate in learning opportunities to ensure that they have the tools they need to progress and have their voice heard in the workplace;
- **Women in Engineering** - Mentorship program for women in engineering;
- **Women in Sales** - Mentorship and support for women in sales roles.
- **Yes We Can** - <https://www.cloudflare.com/en-gb/yeswecan/>



Diversity and Inclusion Programmes

- **Unconscious Bias Programme** - Awareness of and learning around unconscious bias and how it impacts on decision making is a priority at Cloudflare. There are multiple workshops and resources to help mitigate unconscious bias, making the company a more welcoming and inclusive place for everyone;

-
- **How we work together workshops** - These workshops aim to help build an awareness of the types of behavior and language which can be harmful to inclusivity at Cloudflare, and teach simple, everyday ways to support people who are targets of systemic oppression. Using the Cloudflare Capabilities as a framework, our goal is to share strategies on how to act as allies and how to create a long-lasting, inclusive culture at Cloudflare
 - **tEquitable** is an independent, confidential platform to address issues of bias, discrimination and harassment in the workplace, working with the employee on specific incidents and with the company on systemic change;



- **Family Leave** - Cloudflare provides generous parental leave and other benefits for parents which employees are expected to use and are not penalised for taking

We hope that these initiatives, along with our continued demonstrable commitment to diversity and inclusion will improve our figures next year and in the future.

Statutory declaration

We confirm that the information and data in this report are accurate and in line with the requirements of the Gender Pay Gap Reporting Regulations.

Janet Van Huysse - Head of People

John Graham-Cumming - Chief Technology Officer

2021



© 2021 Cloudflare Inc. All rights reserved. The Cloudflare logo is a trademark of Cloudflare. All other company and product names may be trademarks of the respective companies with which they are associated.