

2023 UK Gender Pay Gap Report



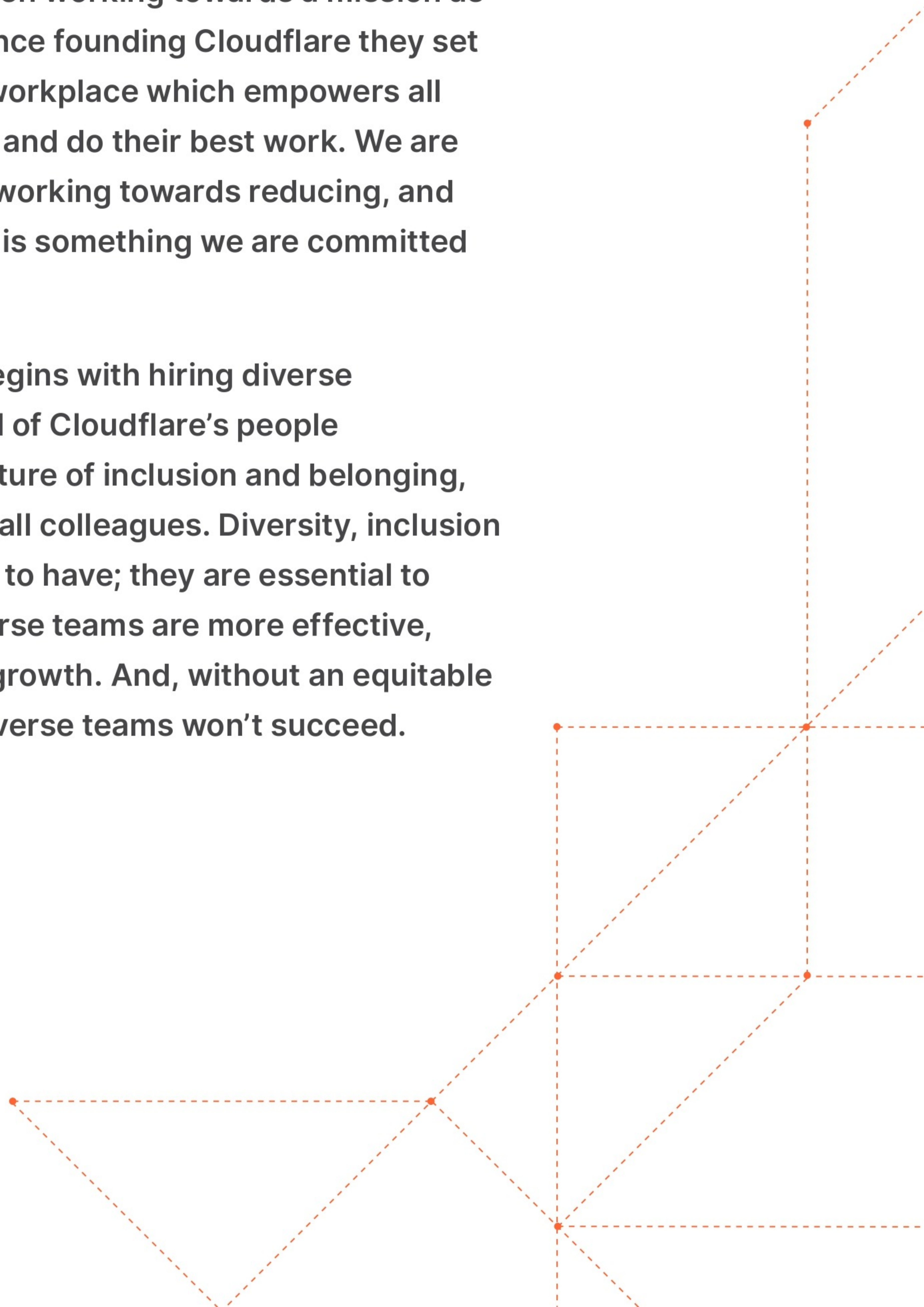
Introduction

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 (collectively categorised below as “bonus pay”).

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.

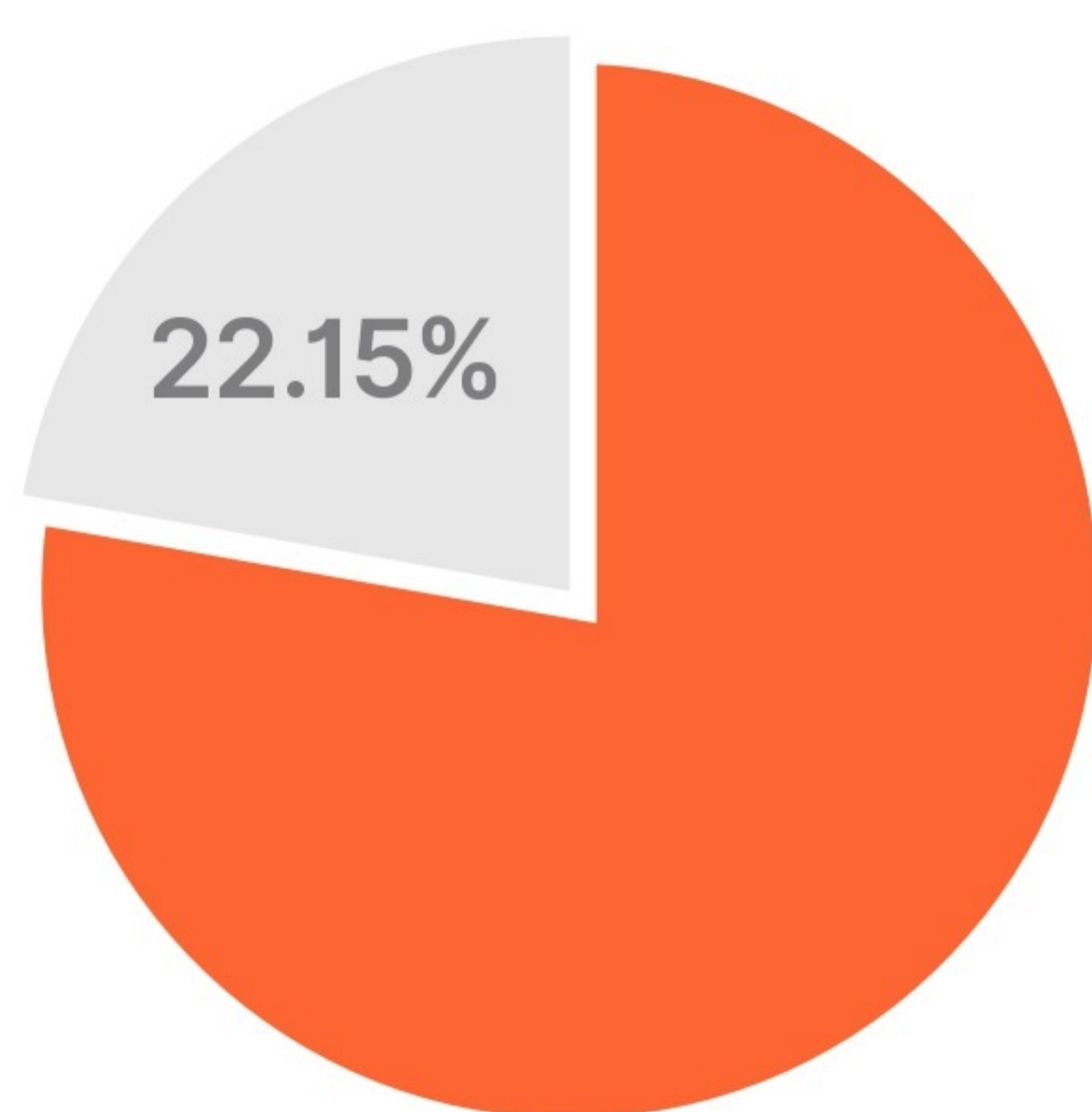
It’s worth noting that, while this represents comparison across Cloudflare as a whole, these figures do not take into account seniority or levelling, so they don’t compare a man and a woman in the same “Marketing Manager” role, rather men and women averaged out across all levels and titles.

Our results are as follows:

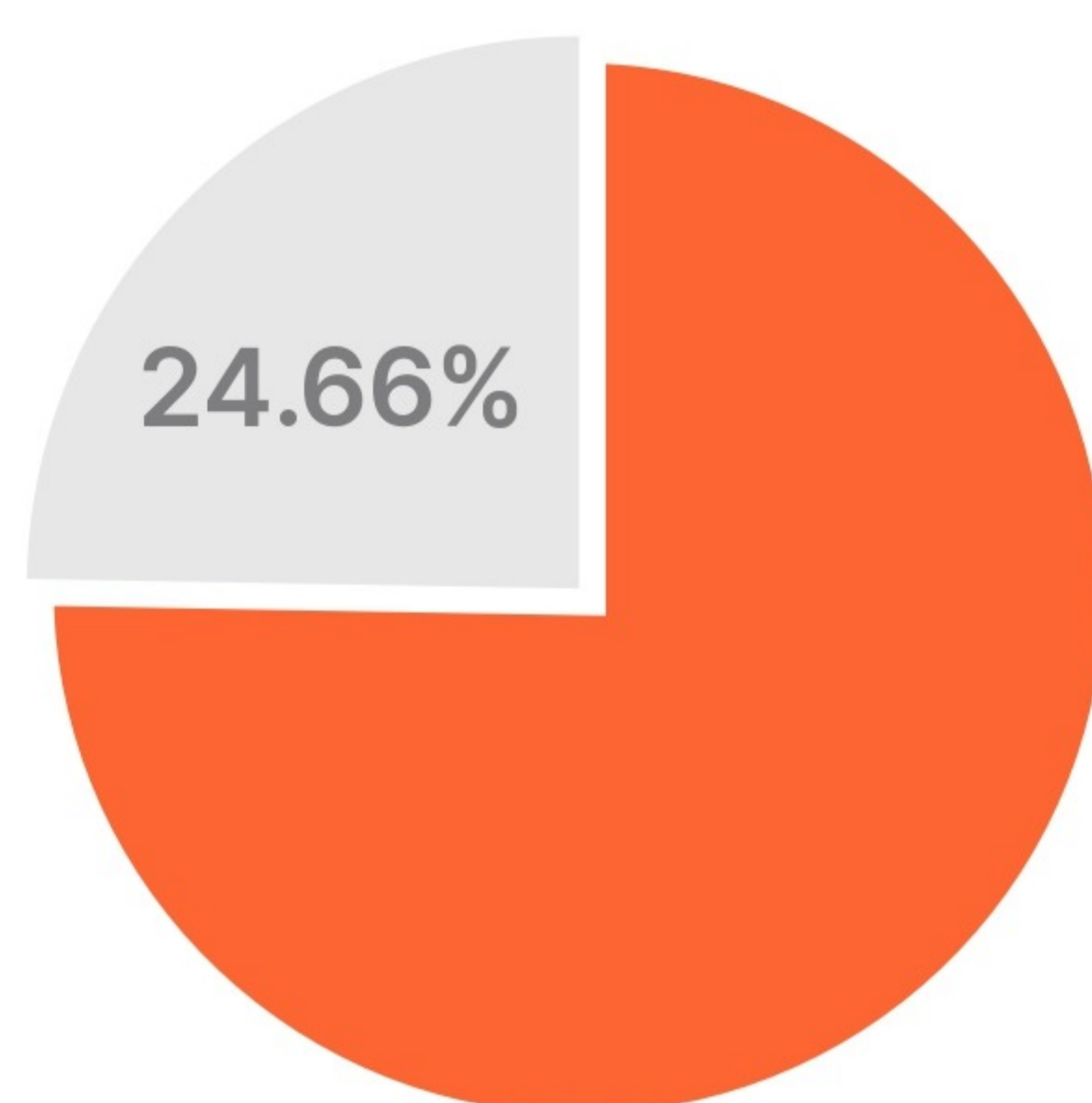
Hourly summary

The figures show our hourly gender pay gap (excluding bonus pay) as of the 5th April 2022.

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.



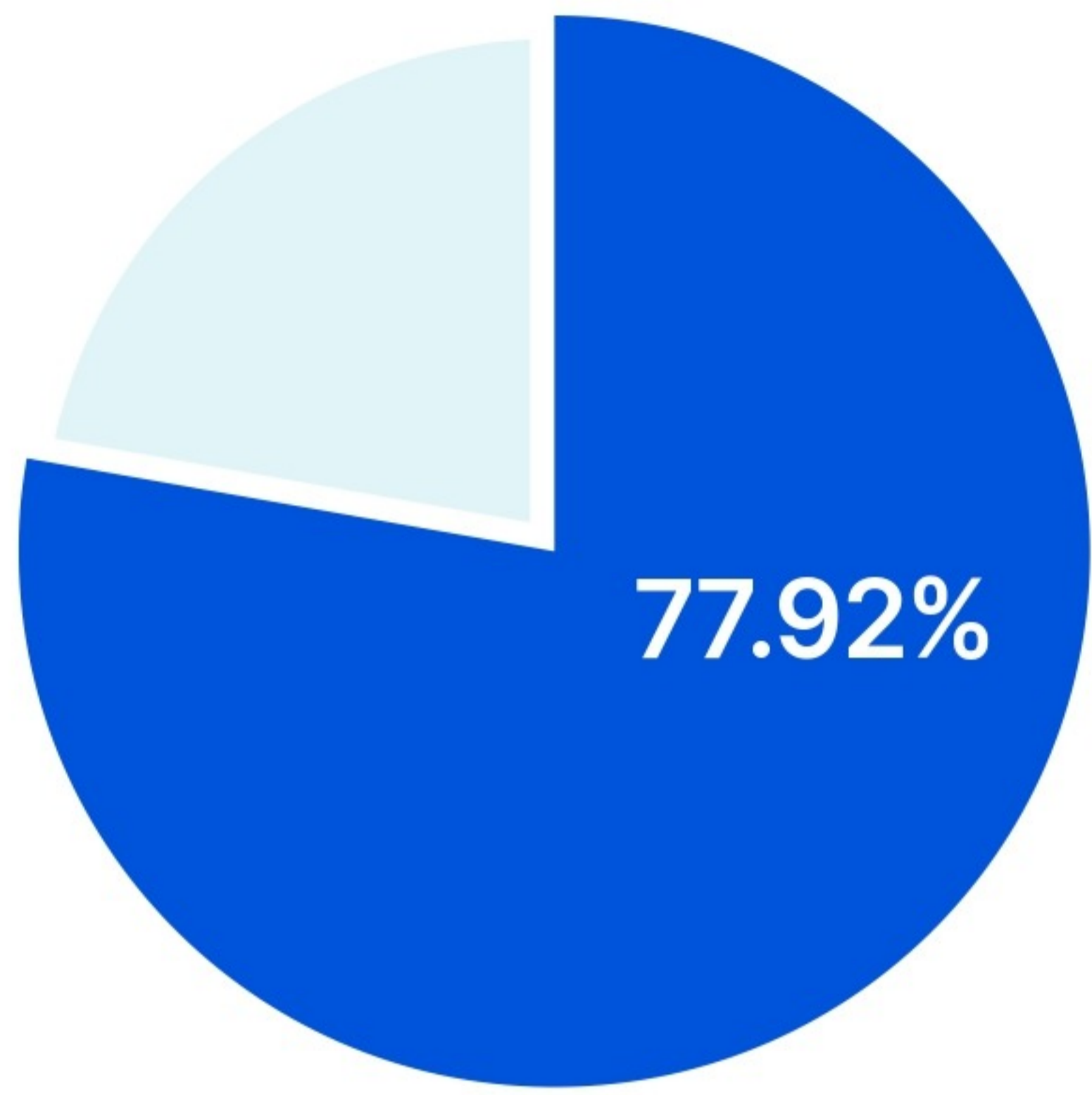
Mean gender pay gap in hourly pay



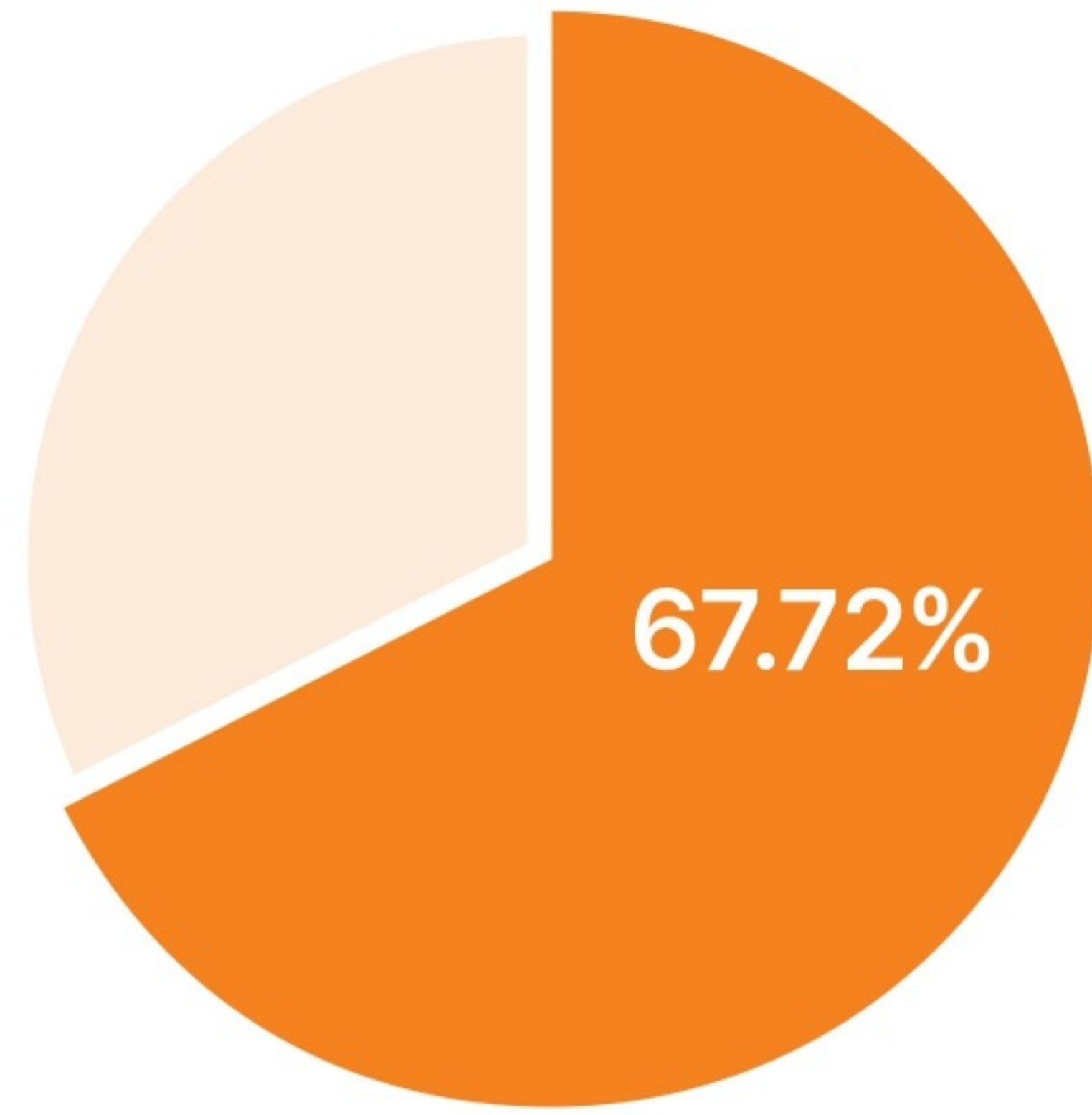
Median gender pay gap in hourly pay

Bonus pay summary

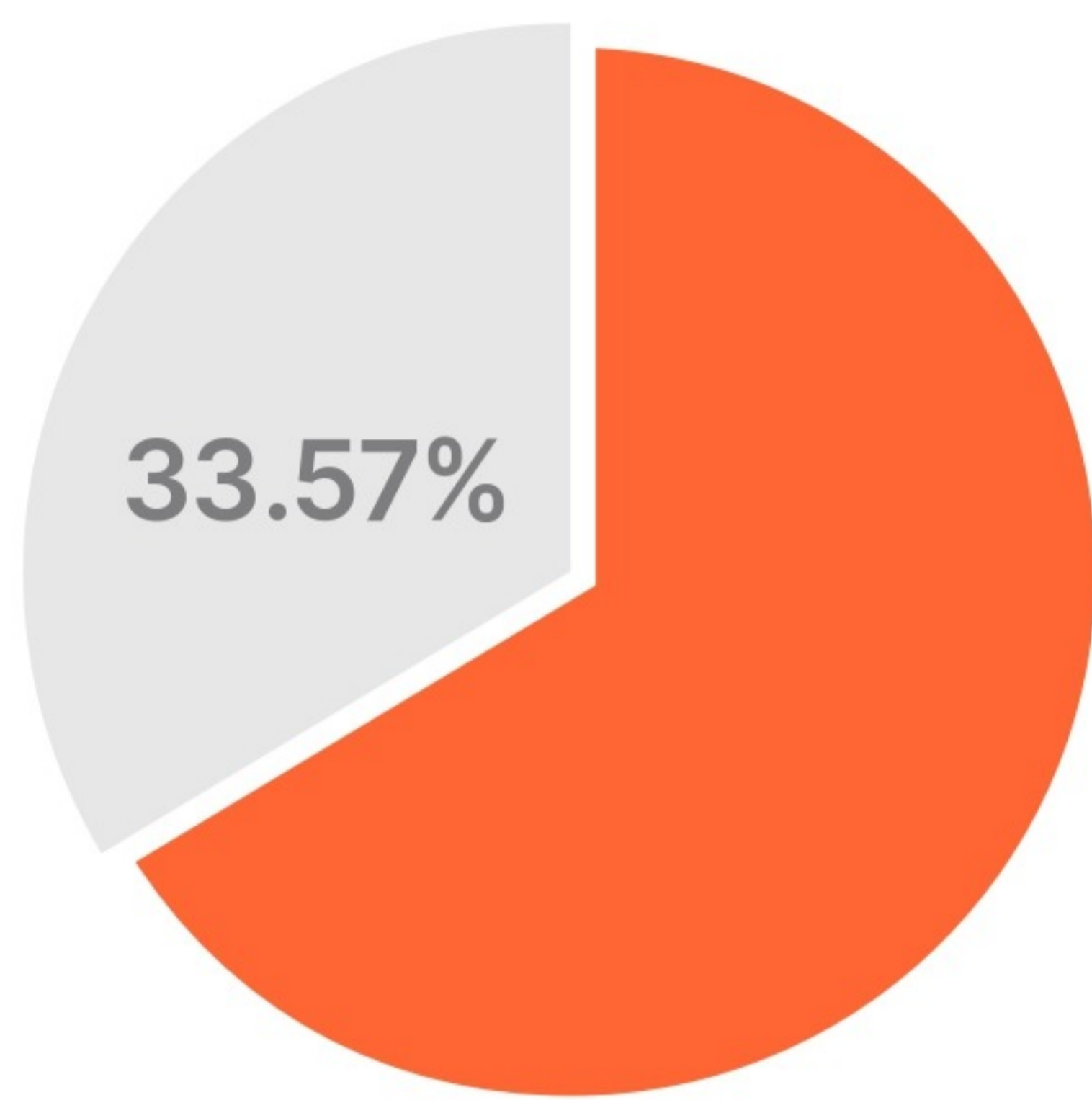
The figures reflect the percentage of male and female sales employees who receive commission payments and to whom equity has been granted, calculated based on the point that the equity vests.



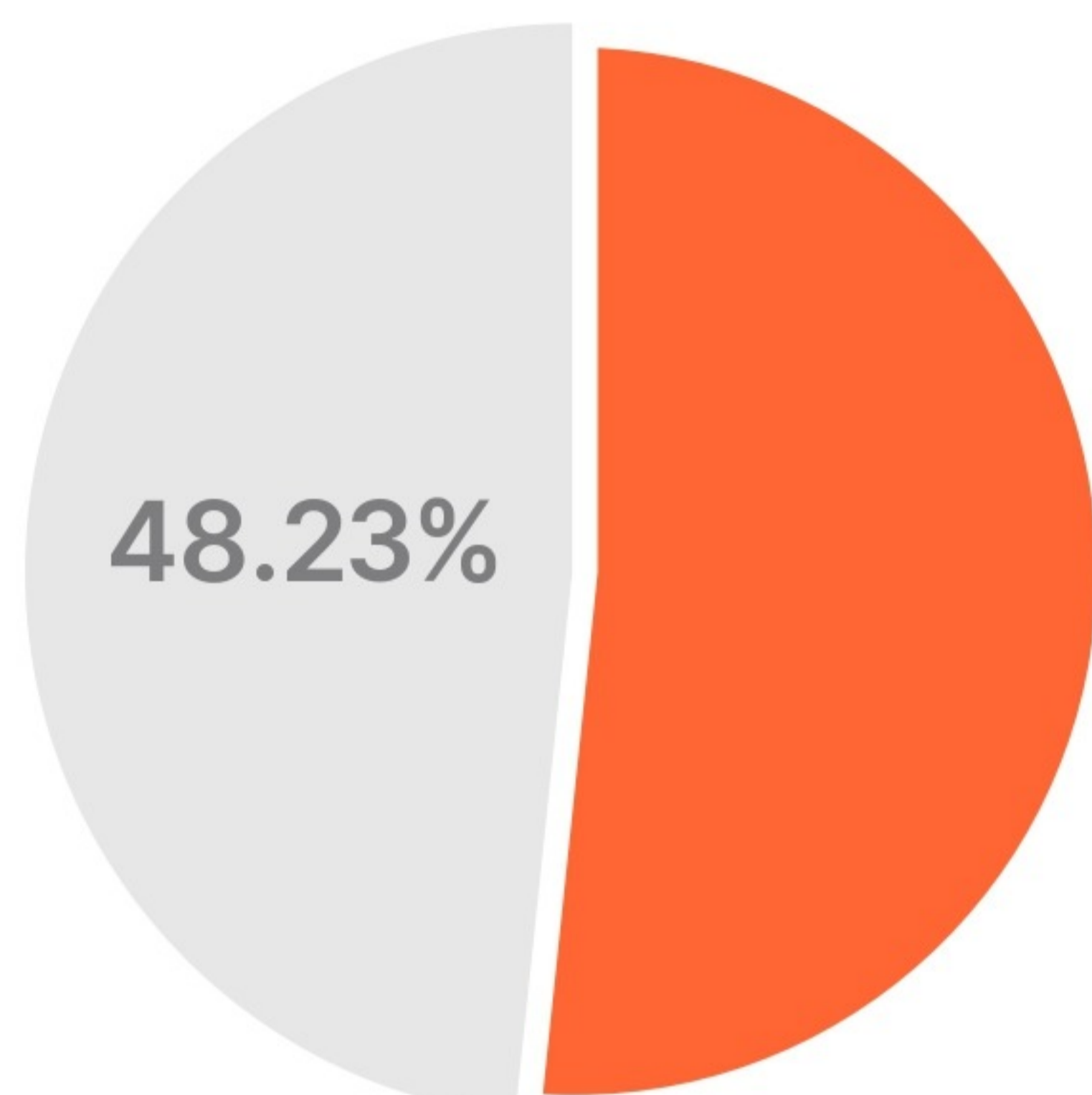
Proportion of **male relevant** employees with bonus pay



Proportion of **female relevant** employees with bonus pay



Mean gender pay gap in bonus pay



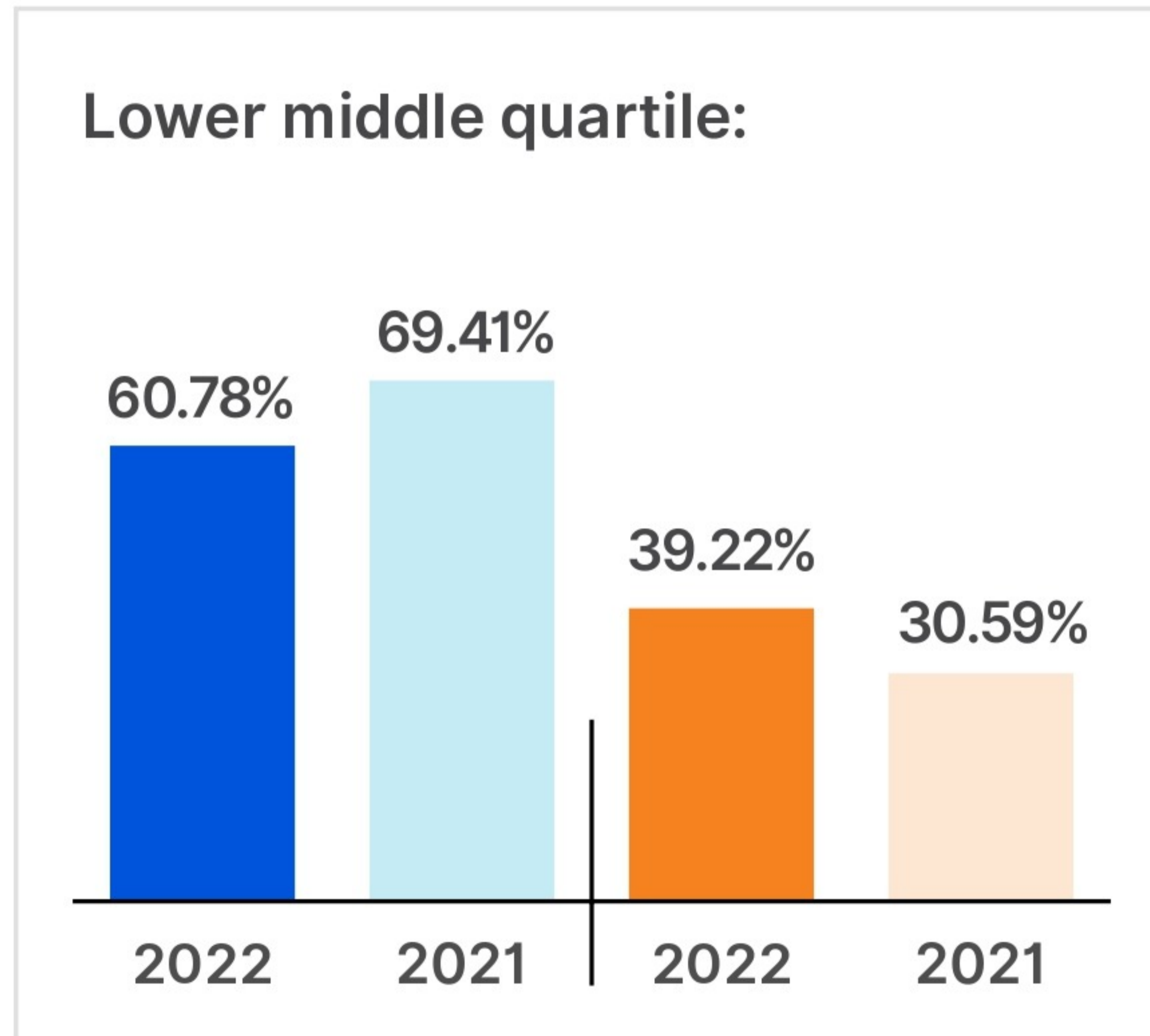
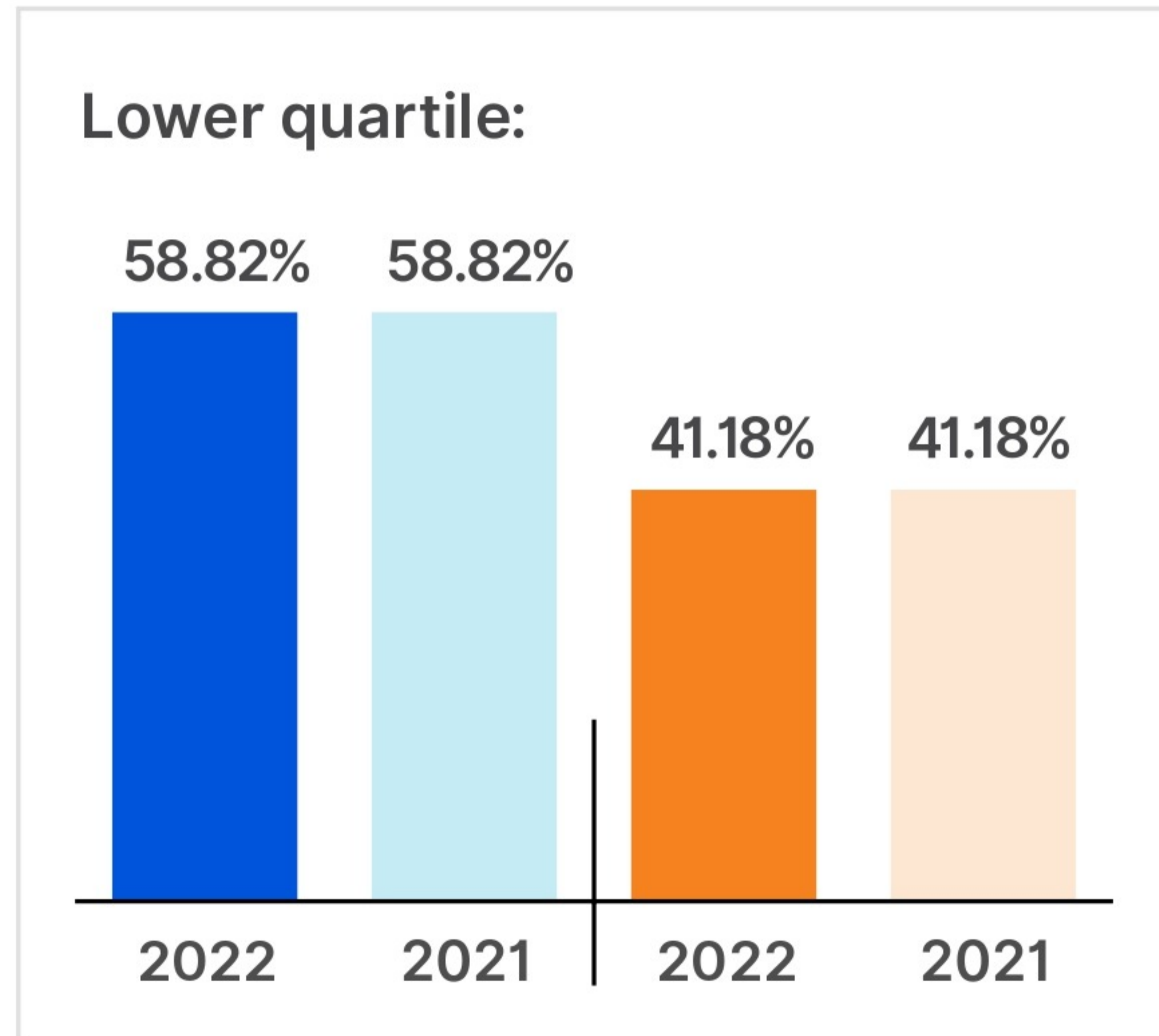
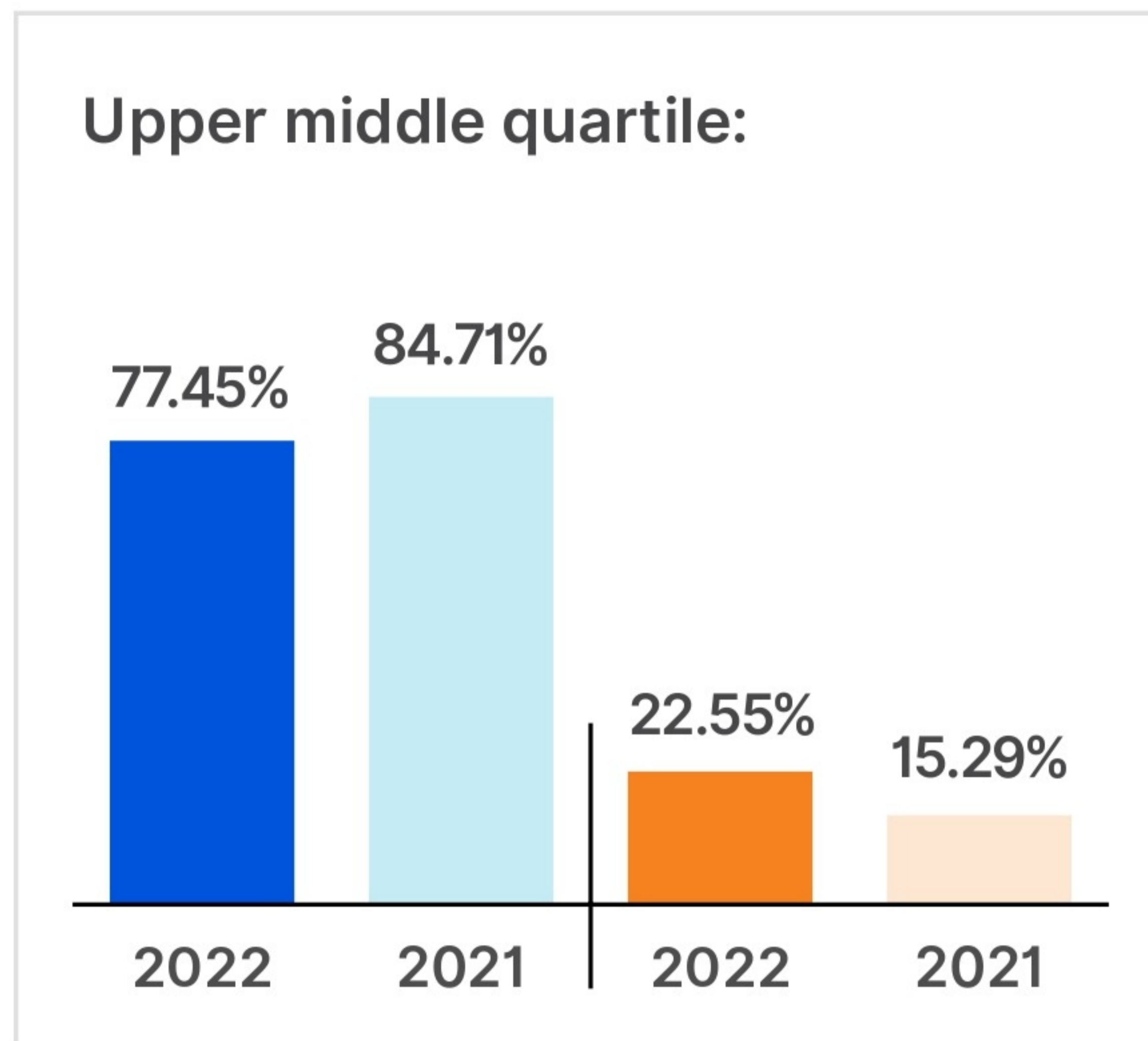
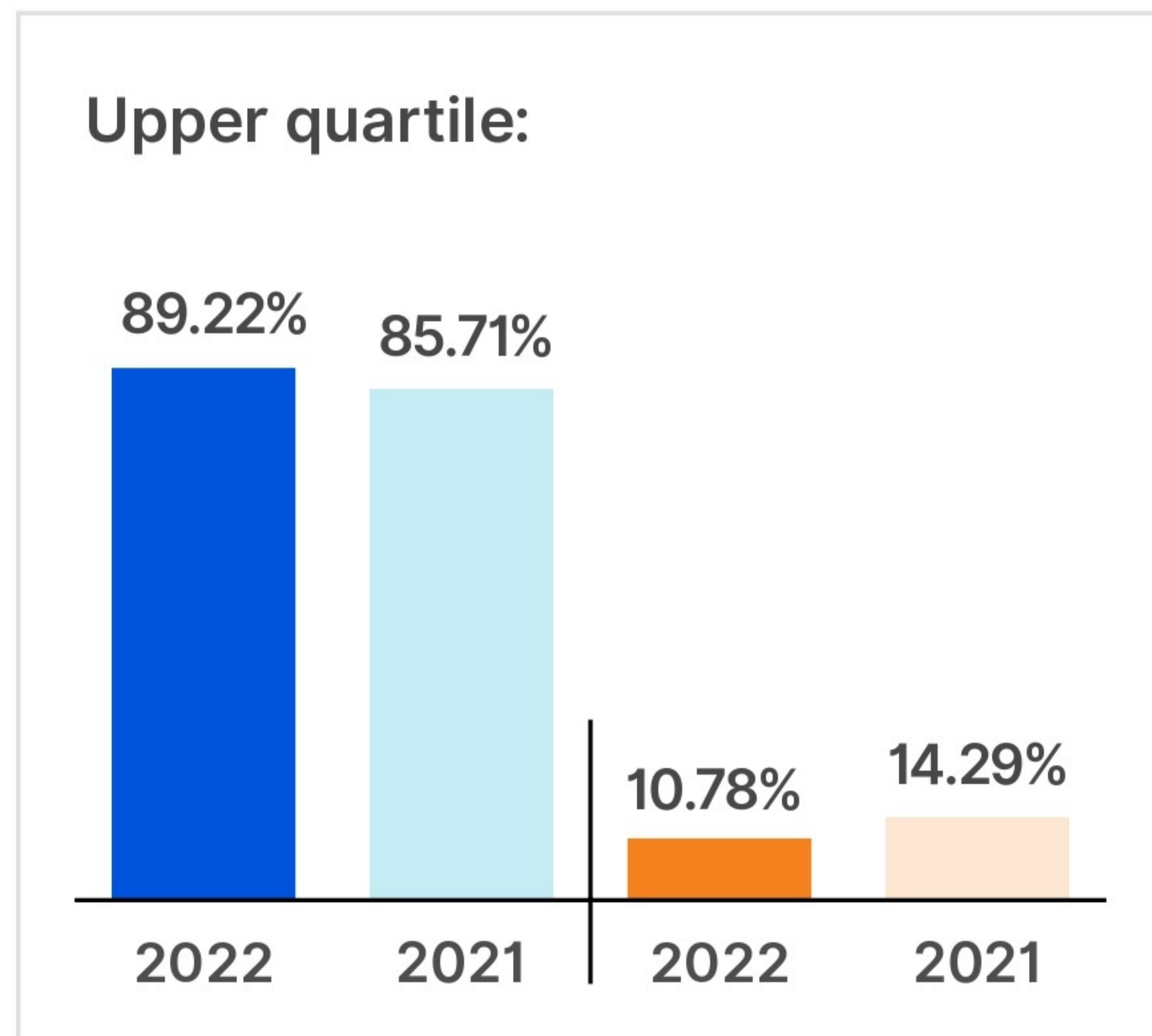
Median gender pay gap in bonus pay



Quartile summary

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

 Men  Women



How we have improved

Whilst our hourly gender pay continues to be an area we're focused on, we have made many improvements in other respects in the last year.

It's exciting to see women, in general, making up so much more of the workforce, with significant increases in the number of women in senior roles. It is our hope and expectation that this will help to narrow our hourly pay gap over time.

Furthermore, it is clear that our bonus pay structure is rewarding women. We've also seen a greater number of women in commission-based sales roles, earning comparable levels of commission to their male counterparts.

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 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. an 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 gender 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 and have implemented 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 a difference in bonus pay due to stock price fluctuation, although we hope that there will be significant improvements in any differences over time.

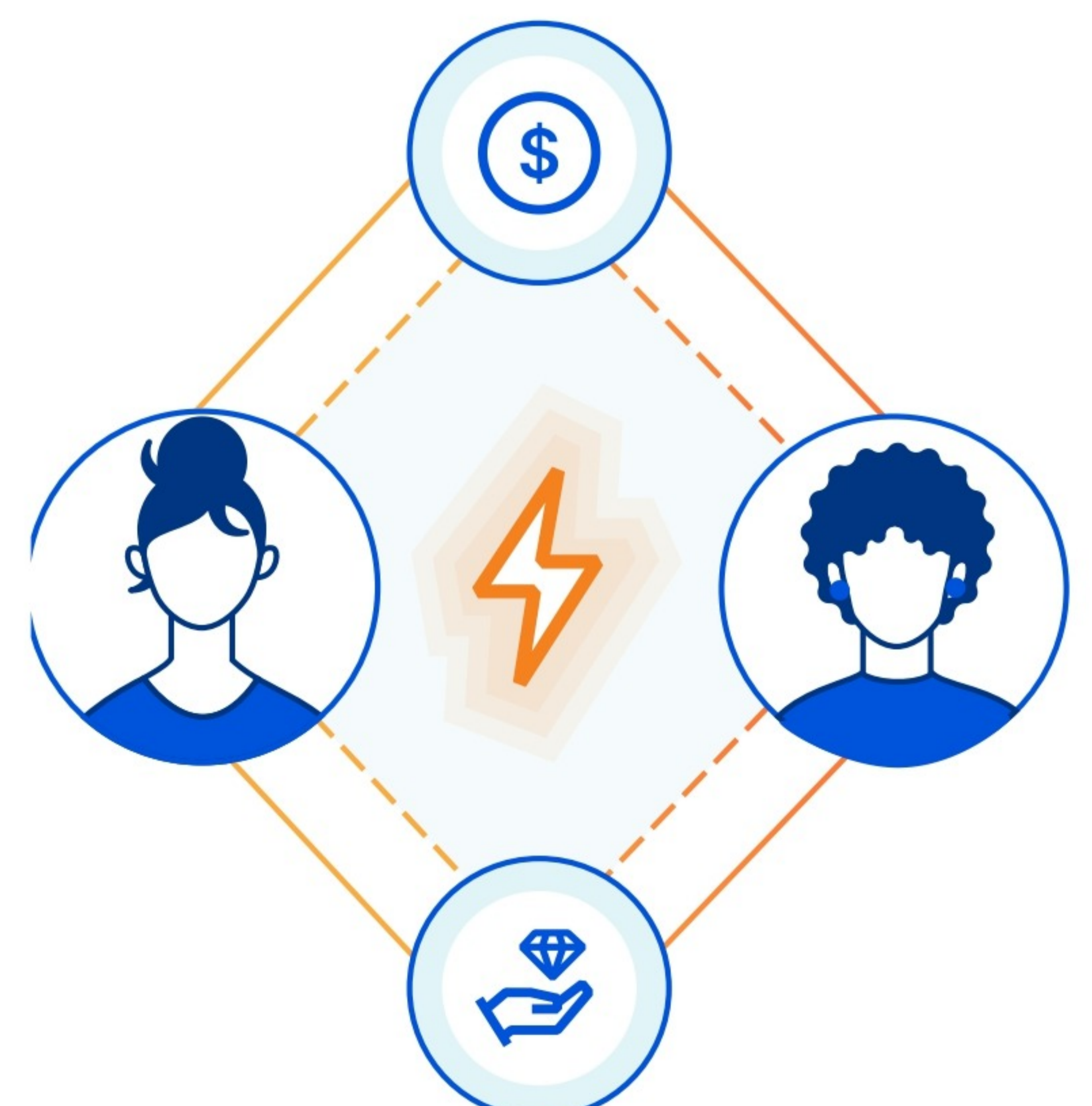
How we are seeking to improve

It is clear that we are succeeding in attracting and retaining more female talent, and the percentage of women in our London office has continued to increase reaching approximately 29% at the beginning of 2023. 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 manner with no bias according to gender or any other personal characteristics or beliefs.

We also undertake pay parity analyses based on career level and job profile 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 perspective and in relation to the working environment, are as follows:

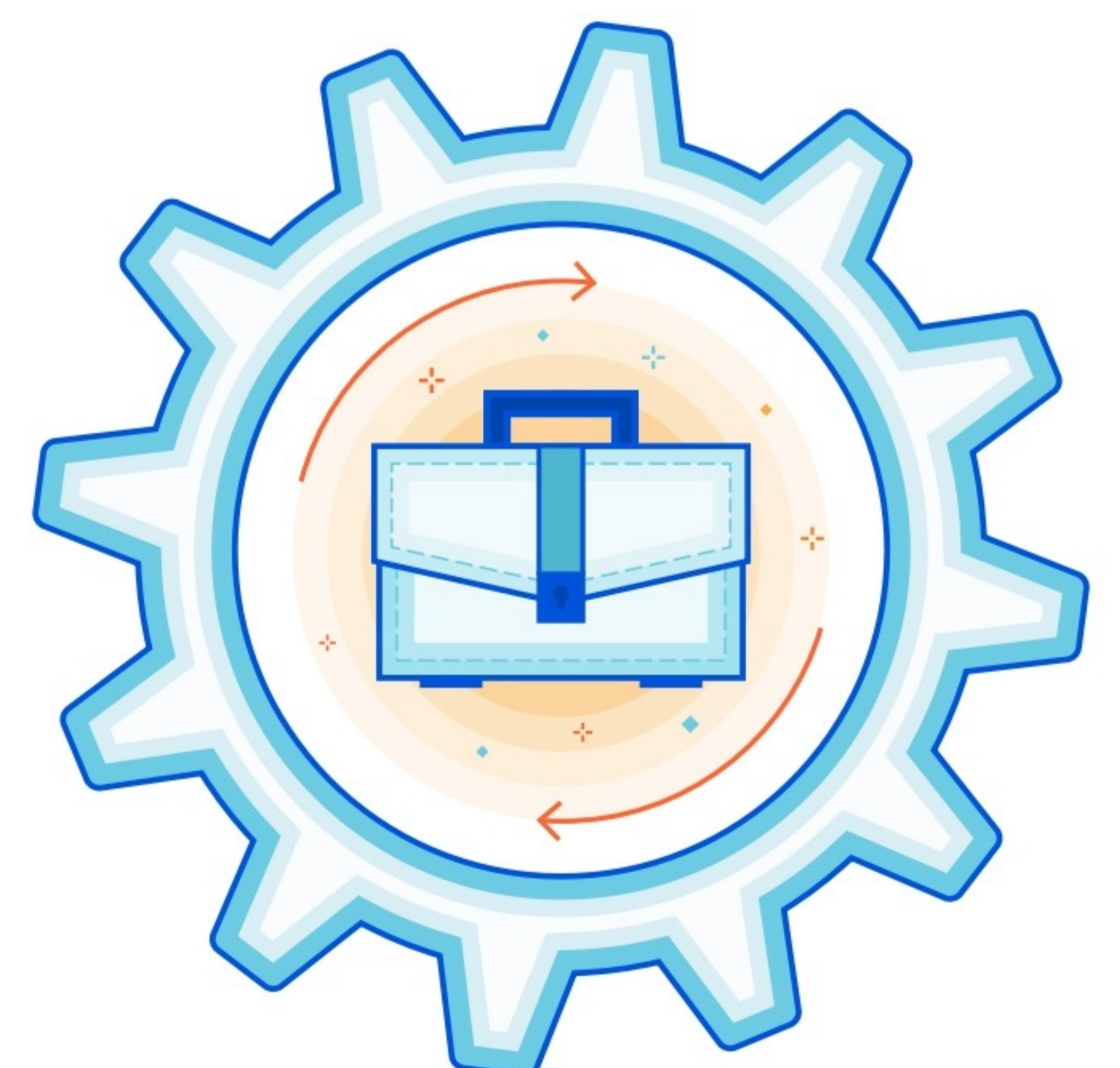


Recruiting initiatives

- **Orange Cloud interview program** - a cross-functional interview, during the onsite stage, providing a diverse perspective;
- **Recruitment System Nudges** - timely reminders that help employees to remember to engage in efforts to disrupt unconscious bias and promote inclusion;
- **Training for team members** - provided to all employees who have recently been promoted, or hired, into a hiring manager role and employees who join the Orange Cloud interview program. The training dives into best practices in interviewing including how to avoid bias;
- **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;
- **Intern and graduate programme** - to help encourage early talent to enter the workplace and to receive support and training. This assists women to enter a traditionally male-dominated environment;
- **Recruitment metrics and reporting:** Increased focus on data which gives us a better understanding of the diversity in our recruitment pipeline. This allows us to make informed decisions on where to focus our diversity efforts, and ensure an equitable process.

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 voices heard in the workplace;
- **Women in Engineering** - a mentorship program for women in engineering;
- **Women in Sales** - providing mentorship and support for women in sales roles;
- **Yes We Can** - Started and hosted by Cloudflare's co-founder, President, and COO, Michelle Zatlyn, "Yes We Can," is a series designed to help dispel the myth that there "are no women in tech." The series shares the stories of many accomplished women throughout the industry—at all levels and in all stages of their careers.



Diversity and Inclusion Programmes for Everyone at Cloudflare

- **How we work together workshops** - these workshops aim to help build an awareness of the types of behaviour and language which can be harmful to inclusivity at Cloudflare, and show simple, everyday ways to support people who are targets of systemic oppression. The sessions include unconscious bias training and teaches how to mitigate our own biases to make our company more welcoming for everyone. The goal is to learn 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

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Chief Technology Officer





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