



2024

UK Gender Pay Gap Report



Introduction

Diversity, inclusion, and equity are not things that are just nice to have; they are essential to the success of Cloudflare's business. The reason is simple. 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.

Cloudflare's mission is to help build a better Internet and, in order to do this, we need a range of perspectives and approaches. Since founding Cloudflare, we 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 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, tenure, or highly specialist roles. As such, areas where there is low female representation in the wider industry—such as engineering—have a disproportionate impact on the results. We note that, because of the requirements to report data in a binary way, we're unable to reflect non-binary or other genders in this report.

Results

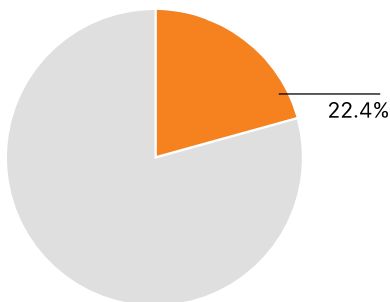
Our results are as follows:

Hourly Summary - The figures show our hourly gender pay gap (excluding bonus pay) as of the 5th April 2023.

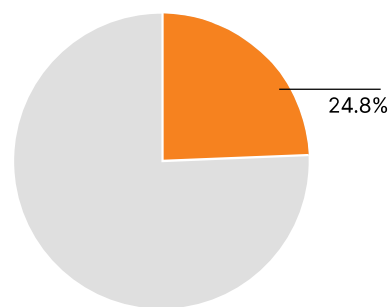
The **mean** is the average figure, obtained by adding all the salaries of relevant employees and dividing them by the number of employees. The **mean pay gap** is calculated based on the difference between the mean figure for men's pay and the mean figure for women's pay which is divided by the mean pay and then expressed as a percentage of men's pay.

The **median** is the middle number of all the salaries for women/men when grouped in order from smallest to largest. The **median pay gap** is calculated based on the difference between the middle number for men and the middle number for women expressed as a percentage of men's pay.

Mean gender pay gap in hourly pay

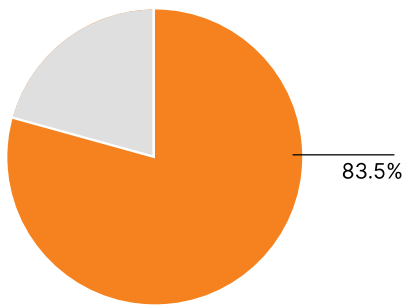


Median gender pay gap in hourly pay

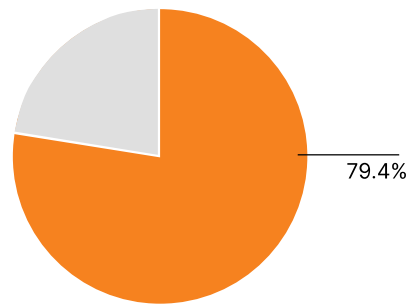


Bonus Pay Summary - The figures reflect the percentage of male and female sales employees who receive commission payments and to whom equity has been granted, calculated based on the point that the equity vests.

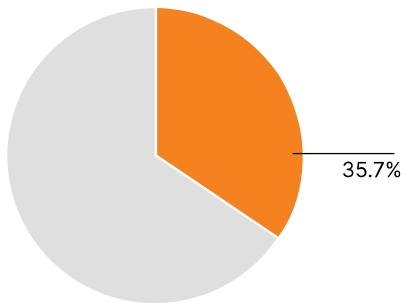
Proportion of relevant male employees with bonus pay



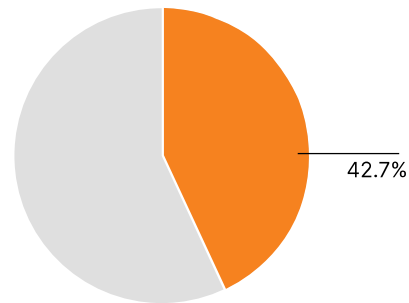
Proportion of relevant female employees with bonus pay



Mean gender pay gap in bonus pay



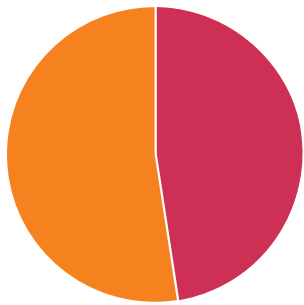
Median gender pay gap in bonus pay



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

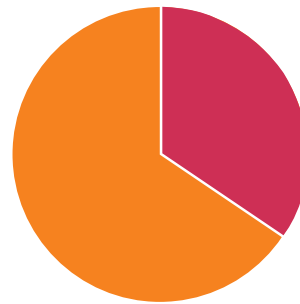
Lower Quartile:

Men: **2023: 53.9%** (2022: 58.82%)
Women: **2023: 46.1%** (2022: 41.18%)



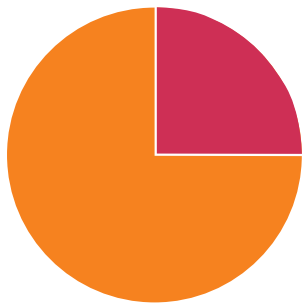
Lower Middle Quartile:

Men: **2023: 65.8%** (2022: 60.78%)
Women: **2023: 34.2%** (2022: 39.22%)



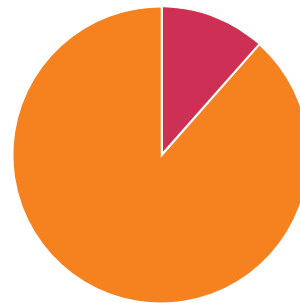
Upper Middle Quartile:

Men: **2023: 75.2%** (2022: 77.45%)
Women: **2023: 24.8%** (2022: 22.55%)



Upper Quartile:

Men: **2023: 88.0%** (2022: 89.22%)
Women: **2023: 12%** (2022: 10.78%)



The Results Explained

There is much work to be done to eliminate the gender pay gap at Cloudflare and across our industry.

Methodology

Whilst the figures in this report are significant, they do not show us the whole picture. By applying the methodology, we are unable to achieve 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.

Impact of disproportionate representation in upper quartile

Much of the imbalance in the figures shown above, particularly the gap in bonus pay and hourly pay, is due to the lower percentage of women in the upper quartile where higher bonuses are paid. Additionally, the median fixed pay figures in this report reflect the greater number of men in senior roles—where greater tenure can mean more time for Restricted Stock Units (“RSUs”) to gain value and vest—and highly technical roles where the market is very competitive and salary levels are typically higher. Overall, the disproportionate number of men in senior roles in technology companies continues to be a challenge that we and our peers face in closing the pay gap.

Bonus pay structure

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.

Initiatives

Today, with more than 3,600 employees around the world, we continue to invest across a range of initiatives to continue closing the gender equity gap.

Inclusive Hiring Processes: Our hiring process requires structured interview plans that create an equitable interviewing process for all candidates. We provide bias awareness training for managers to avoid bias in the recruitment process.

Pay parity analysis: We conduct regular pay parity analyses that evaluate pay by country, role and job level in order to identify any pay discrepancies based on under-represented groups and make adjustments where necessary to ensure pay parity.

Support for women in the workforce: We host employee resource groups where women at Cloudflare can openly discuss concerns, share ideas, successes, and participate in learning opportunities to ensure that they have the tools they need to progress and have their voices heard in the workplace. We also have specific mentorship programs for women in Engineering and Sales.

Diversity and Inclusion Programmes for Everyone at Cloudflare: We hold workshops for all employees on unconscious bias, building an awareness of how behaviour and language can support or harm inclusivity. All employees have access to an independent and confidential platform where they can raise issues of bias, discrimination, and harassment in the workplace.

We're always on the lookout for great talent—from any background—to join the Cloudflare team. Check out our current open roles at: <https://www.cloudflare.com/careers/jobs/>

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.

Michele Yetman - Chief People Officer


Michele Yetman (Mar 28, 2024 14:51 PDT)



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