



UK Gender Pay Gap Report

2019

Micro Focus Limited







INTRODUCTION

UK legislation introduced in 2017 requires all employers with 250 or more employees in the UK to publish annually their gender pay gap data as of 5 April.

Micro Focus Limited is one of two Micro Focus employing entities with more than 250 employees, employing around 350 people in the UK, representing approximately 3% of the Micro Focus global employee population. This report is published in accordance with the UK legislation.

UK GENDER PAY GAP INFORMATION

The UK gender pay gap is different from equal pay. Micro Focus is committed to equal pay and has policies and practices in place to pay men and women equally for the same or similar work.

The gender pay gap is a different measure and looks at the overall difference between the average pay received by men and the average pay received by women in a workplace. It therefore reflects the different number of men and women at varying levels of seniority and doing different roles. The gender pay gap does not measure or compare pay in like-for-like roles and a gender pay gap can exist despite men and women being paid equally for the same or similar roles.

One of the reasons for the gender pay gap at Micro Focus Limited is that there is a higher proportion of men to women in the top half of the pay scale, as illustrated by the pay quartile statistics shown. Many factors contribute to this. For example, roles in the Go-To-Market (GTM) organisation, most notably field sales, currently attract more men than women, and higher bonuses and commissions are typically payable to sales roles than non-sales roles. Given the large portion of the population that is represented by GTM we believe this is a strong influencing factor.

Whilst we have made improvements in gender balance across all levels of Micro Focus, we intend to be even more focused in our development and promotion of women. Our leadership is driving this change to ensure that there is a focused and cohesive approach to make significant improvements in diversity within our business. These include initiatives around hiring, training and ongoing development.

Our overall commitment as a company is to help address the lack of diversity in the technology industry starting with a focus on the classroom right through to the boardroom.

Micro Focus Limited	2019
Mean pay gap	30.2%
Median pay gap	24.2%
Mean bonus gap	57.8%
Median bonus gap	38.3%

Pay Quartiles	Men	Women
Overall	61.9%	38.1%
Top quartile %	74.1%	25.9%
Upper middle %	60.0%	40.0%
Lower middle %	61.2%	38.8%
Lower quartile %	52.3%	47.7%
% who received bonus pay	94.8%	90.6%

Micro Focus is committed to equal pay and has policies and practices in place to pay men and women equally for the same or similar work.

JANE SMITHARD

Group General Counsel and Company Secretary

I confirm that the information and data provided in this report are accurate and as required by UK legislation.

Notes

- The pay quartiles show the distribution of men and women across Micro Focus Limited. Each pay quartile contains a quarter of the total Micro Focus Limited employees, who were ranked from highest pay (upper quartile) to lowest pay (lower quartile).
- The pay gap is based on the hourly rate of pay for each employee, calculated using their ordinary pay and any bonus pay received in April 2019. Ordinary pay includes regular pay (e.g. base salary and allowances). Bonus pay includes all types of incentive pay (e.g. annual bonus, commission, share based award payouts and option exercises).
- The proportions of men/women receiving bonus pay and the bonus pay gap statistics are based on bonus pay received in the 12 months to 5 April 2019.
- The mean is found by adding up the values and dividing by the number of values.
- The median is found by listing the values in order and finding the middle number in the list (or, if there are equal numbers, the mean of the two middle numbers).

INCLUSION & DIVERSITY IS AT THE HEART OF OUR CULTURE AND BUSINESS

Micro Focus is one of the world's largest enterprise software providers with solutions across a diverse set of industries. We believe deeply in the power of an inclusive and diverse workforce that truly reflects the makeup of our society, the communities we live and operate in, and the customers and partners with whom we do business. We are taking action to improve inclusion and diversity globally at Micro Focus, with a strong focus on increasing the representation of women in senior roles.

Our business is underpinned by our commitment to treating employees with respect and being a great place to work. Our goal is to continue to make Micro Focus an inclusive and diverse workplace. Gender equality is critical and we are equally focused on all aspects of diversity across our business globally.



EMBEDDING INCLUSION & DIVERSITY IN OUR CULTURE AND BUSINESS

The lack of diversity in technology is not just a technology industry issue, it is a societal issue. At Micro Focus, we value the diversity of our people in every regard – in the different ways we think, solve problems and how we each approach a new challenge. A strong Micro Focus depends on valuing the unique perspective and voice of every single employee.

In addition to our focus on all aspects of inclusion and diversity, we launched Micro Focus INSPIRE in December 2019. Our new corporate social responsibility programme reinforces our commitment to making a real difference in the world across a number of sectors. We are actively engaging our employees in volunteering projects to ensure communities have the right skills to survive and thrive in our continually evolving digital future.

No single action or organisation alone can address the lack of diversity in our industry. The key is to engage in multi-faceted, multi-stakeholder partnerships that help address the challenges that may impede progression from the classroom to the boardroom. **It is only when we work together to overcome bias, provide more role models and create inclusive workplaces that we will see improvements in gender parity at all levels.**

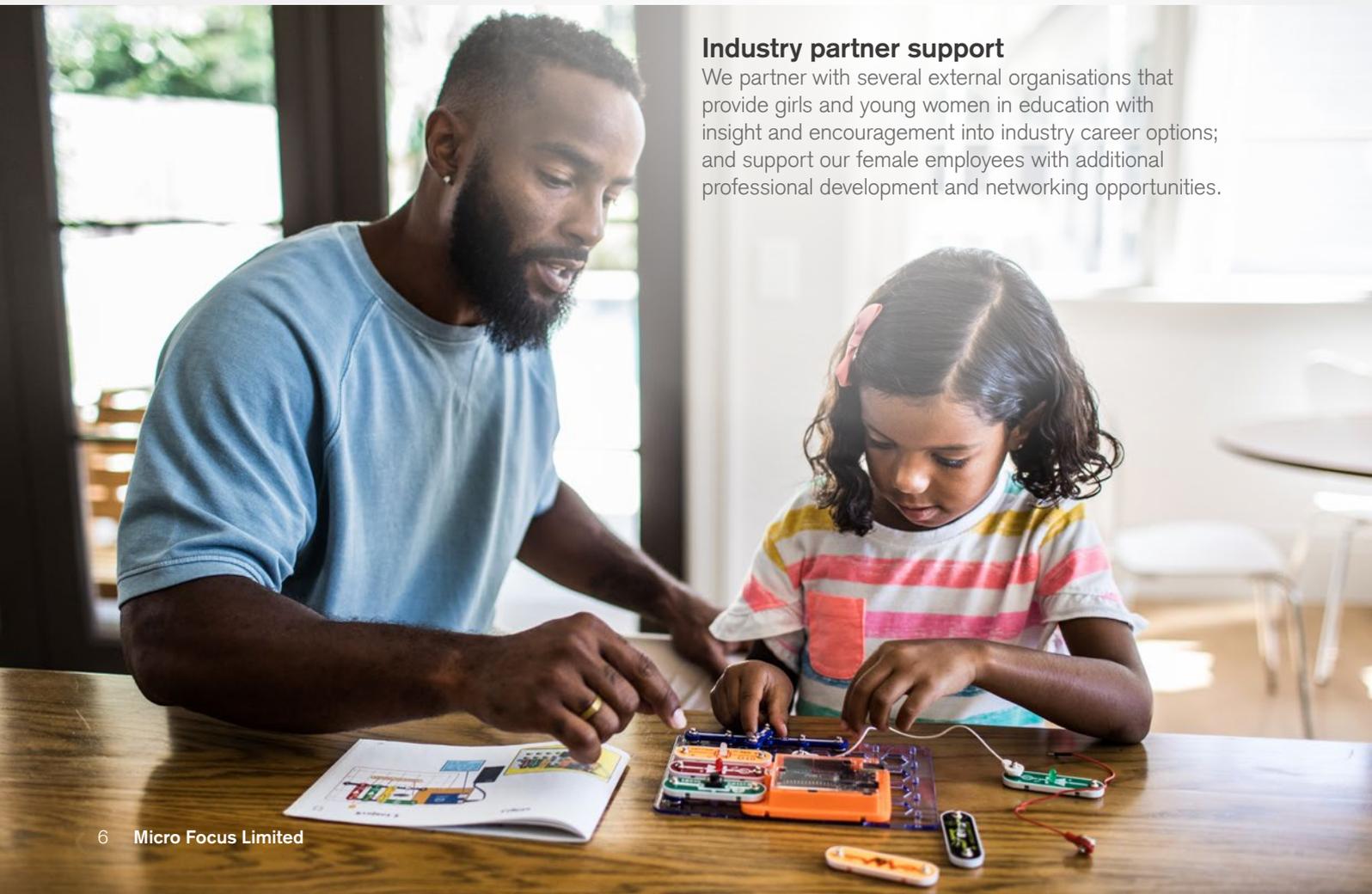
HELPING TO INSPIRE THE EARLY YEARS' PIPELINE

The number of girls studying GCSE Computer Science reached 21% in 2019, showing that efforts to encourage young girls to engage with sciences at school are making some impact. However, there is still more progress to be made. Even with the percentage of female university graduates with core Science, Technology, Engineering & Maths (STEM) degrees growing, the split of graduates is still just 26% female to 74% male. In addition, research indicates that as many as 70% of women with STEM qualifications are not working in STEM related industries.

Looking ahead to the future growth of women in core-STEM roles, projections from the last ten years of workforce data show that by 2030, on current trend, we will almost be at 30% of core-STEM roles being filled by women – 1.5 million women in total. Evidence suggests that 30% is the 'critical mass' level at which a minority group of women becomes able to influence real change.

Inspiring young girls to pursue STEM studies and careers along with our pledge to support PWC's Tech She Can Charter and the Hi-Tech Horizons programme, are just a couple of examples of how we can help address the talent pipeline.

Our overall commitment as a company is to help address the lack of diversity in the technology industry, from the classroom right through to the boardroom by being engaged in the local communities and supporting a role model effect.



Industry partner support

We partner with several external organisations that provide girls and young women in education with insight and encouragement into industry career options; and support our female employees with additional professional development and networking opportunities.



MICRO FOCUS INSPIRE COMPRISES FIVE PILLARS THAT TOUCH ON EVERY ASPECT OF OUR BUSINESS

Micro Focus INSPIRE is supported at Board level, with executive management sponsorship from both our Chief Marketing Officer, Genefa Murphy, and our Acting Chief Human Resources Officer, Susan Ferguson. Through this programme we are dedicated to improving inclusion and diversity not just within Micro Focus, but working to promote that more broadly across the IT sector.

As the benefits of artificial intelligence and automation become widely recognised, and these technologies becoming more deeply embedded into our lives, collectively we must ensure that those designing and building solutions are representative of society.

THE 5 PILLARS OF MICRO FOCUS INSPIRE

Behaving responsibly & contributing to community economic development



Employees



Our commitment
to treating employees with respect and being a great place to do work



Marketplace

customers, partners & suppliers



Our commitment
to being a great company to do business with



Ethics & Values



Our commitment
to doing business the right way with trust and integrity



Environment & Sustainability



Our commitment
to reducing our environmental impact



Community & Social Impact



Our commitment
to helping equip communities with the skills to thrive in our continually evolving digital future



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.



TECH SHE CAN

Micro Focus has become one of the signatories to the Tech She Can Charter, a group of organisations who have pledged to work together to tackle gender imbalance in the technology industry. The group, which launched in February 2018 following PwC’s “Women In Tech: Time to close the gender gap” research, now consists of over 150 businesses of all sizes from industries. 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 get into tech careers and sharing best practice across the organisations involved. Micro Focus has pledged to work on streams of activity together.

These streams include:

Supporting policy

Leading the diversity debate alongside educators and policymakers;

Enrich education

Career inspiring educational content for teachers, careers advisers, parents and pupils; and

An image overhaul

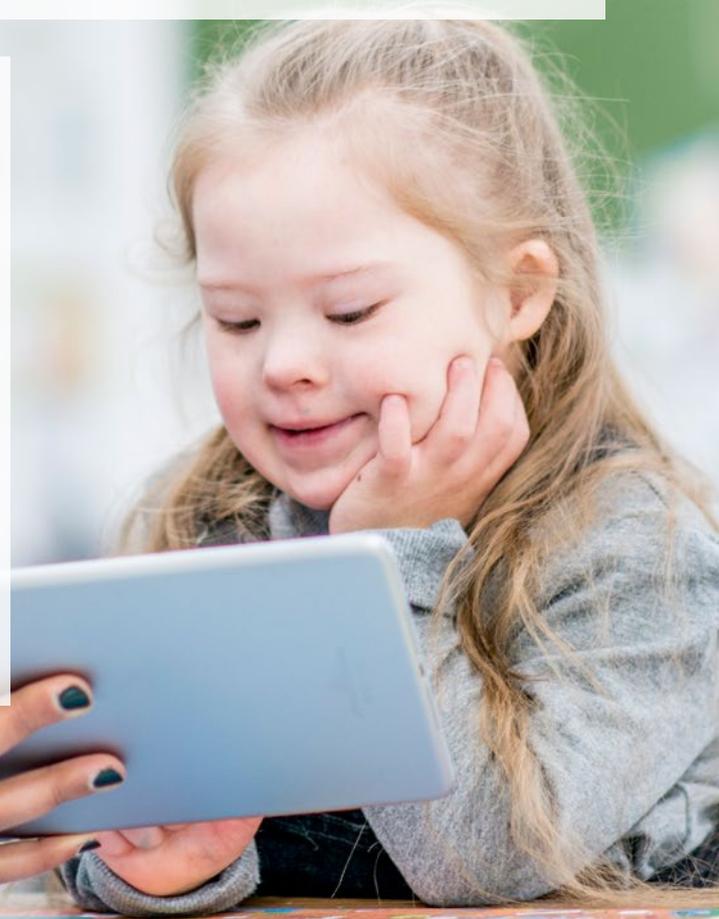
Profile inspiring and relatable role models to encourage children and young adults, especially girls, by showing the breadth of career opportunities in technology.



HI-TECH HORIZONS

Another new collaboration is with Education Business Partnership (EBP), a not-for-profit company that has been bringing businesses and young people together for over 25 years to inspire our future workforce.

Micro Focus has pledged its commitment to help reach 50,000 students over the next five years by joining EBP’s Hi-Tech Horizons programme bringing hi-tech businesses into schools, at critical times, to showcase careers that students might not have considered or even know exist. Micro Focus staff will lead interactive workshops engaging students and inspiring them about future careers in technology, as well as the importance of digital skills in whatever career they pursue.





SHINE seeks to unite, inspire, and empower women to reach their full potential, both personally and professionally, by creating a strong network that fully supports career development, engagement and advancement.



EMPLOYEE RESOURCE GROUPS

At Micro Focus, our global employee community is one of our greatest resources. We have a number of company-wide and local community Employee Resource Groups (ERGs) that come together to reinforce our commitment to inclusion and diversity, live our culture and values and positively impact employee engagement and business outcomes. ERGs enhance career development and provide opportunities for professional and leadership development, networking, mentoring, community and educational outreach.

Our women-focused ERGs are:

1. Micro Focus DataGals is dedicated to supporting women in tech, and focuses on providing networking, mentoring, volunteering, and learning opportunities to women in technical roles.

2. Micro Focus SHINE seeks to unite, inspire and empower women to reach their full potential, both personally and professionally, by creating a strong network that fully supports career development, engagement and advancement.

- **A UK chapter of SHINE** was formed in 2019 comprising over 100 women and men from a cross-section of the Micro Focus UK workforce. The group is collaborating with leadership to examine how Micro Focus can improve the attraction, recruitment, development and retention strategies for females. The findings and recommendations will be reported in 2020.

To strengthen our ERGs, Micro Focus has become a member of Gender Networks. This organisation brings together gender employee network leaders, chairs, co-chairs and I&D leads from a broad range of industries and sectors to share, educate, support and provide a forum and opportunities for women.

In the UK, a new series of lunch and learn sessions has launched to further support and develop female employees. The first, which was hosted by Sarah Atkinson, Director of CSR, featured Paul Rodgers, Chief Operating Officer at Micro Focus, and Brenda Trenowden CBE, Partner at PWC & Chair of the 30% Club, on how we can improve gender parity, not just at Micro Focus but across the industry overall. Discussions covered the power of personal brand and how to showcase female talent more, both internally and externally.





Learning paths include topics such as 'Women in Leadership.'

LEARNING & DEVELOPMENT

At Micro Focus, we strive to cultivate a skilled diverse workforce through development initiatives that support building meaningful careers. We continue to invest in industry partners to provide 24x7 resources, development and networking opportunities, as well as access to live instructor-led virtual training offered across all time zones for all employees.

We continue to establish and deliver career development initiatives for all women, and especially women in leadership, sales and technical roles. For example, we deliver female executive and top talent development events focused on leadership skill building and dedicated learning paths, including topics such as 'Women in Leadership.'

EMPLOYEE SURVEY

We conduct employee surveys throughout the year to gather input on a variety of questions, including inclusion and diversity topics. This valued feedback is used by leadership to identify and prioritise key action areas to make us a great place to work for all employees.





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UNCONSCIOUS BIAS TRAINING AND AWARENESS

Micro Focus seeks to foster a culture where we can all be the best we can be and bring our real selves to work. Conscious or unconscious bias among hiring managers can severely impact a woman's ability to progress within an organisation, and can adversely affect attempts to increase other forms of institutional diversity.

As part of our International Women's Day celebrations in March 2020, all employees globally were asked to undertake unconscious bias and diversity training designed to raise awareness of how actions, or cultural and behavioural norms, can hamper progress towards an inclusive workplace.

In addition, on boarding programmes for new employees across Micro Focus emphasise the importance of diversity and inclusion, and actively encourage staff to join an Employee Resource Group (ERG).

Employees have access to an Inclusion & Diversity portal, with resources and learning on various topics. Other great programmes and resources include:

Development programme within our sales organisation inviting 50 top talent women globally to improve their leadership skills, and to provide opportunities for cross-company networking.

Ongoing sponsorship of female employees to attend various diversity conferences around the world.

Free online courses (Aspire Learning Resources, LinkedIn Learning, O'Reilly and Global English) and live virtual classes in self-development (including leadership, change and performance); as well as online company support with leadership and management, and performance.

New career portal as part of our Talent & Succession planning; and Leadership & Management curriculum.

Workday enabled career profiles allowing all employees to showcase education, work experience, certifications and job preferences.

Training on a new internal job search process to help identify and communicate open roles.



BOARDROOM

43% of directors on the board of Micro Focus International plc (the Company's ultimate parent company) are female – three out of seven directors are women, plus our Company Secretary is also female.

Micro Focus Limited

The Lawn
22-30 Old Bath Road
Newbury
RG14 1QN

www.microfocus.com

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