

## **Gender Pay Report**Adobe UK 2021



### Introduction

John Warnock and Chuck Geschke founded Adobe on three fundamental principles: Our people are our most important asset. Good ideas come from everywhere. And build a company where you would want to work yourself. 40 years later, Adobe continues to be passionate about building a diverse and inclusive environment for all our employees, customers, partners, and the technology industry as a whole. We frame our aspiration for advancing diversity and inclusion as Adobe For All. Fundamental to this vision is our belief that when people feel appreciated and included, they can be more creative, innovative and successful.

At Adobe we have made steady progress improving our gender diversity mix over the last few years, but we still have work to do. We publicly share our diversity demographics annually to provide awareness, spur conversation and inspire action into diversity and inclusion within Adobe and across the industry.

We want every Adobe employee to feel they have fair compensation and opportunity, and we invest in analysis and transparency to demonstrate that commitment. At Adobe we define global gender pay parity as ensuring that employees in the same job and location are paid fairly, relative to one another, regardless of gender. We first achieved global gender pay parity in October 2018 and affirmed in September 2021 that we have maintained that pay parity – for the fourth consecutive year. Adobe's strategy on pay parity is detailed further on page 4 of this report.

We support annual gender pay reporting of companies across the UK as an important vehicle to spur conversation and provide valuable transparency for our UK workforce, future candidates and stakeholders.



"We all have a responsibility to ensure that our workplace and society are places where every individual feels a sense of belonging and inclusion. We're committed to harnessing the best of Adobe—our people, platform, creativity, and innovation—to make lasting change inside and outside of our company."

Shantanu Narayen, Chairman & CEO

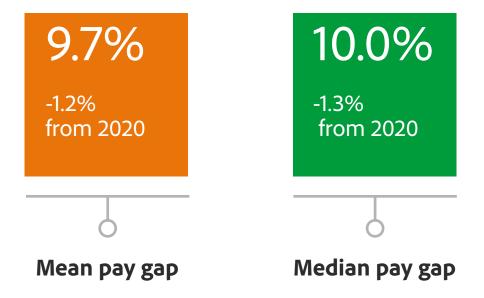
## Adobe UK Pay Gap

Adobe's mean pay gap in the UK improved, decreasing from 10.9% in 2020 to 9.7% in 2021, while our median pay gap improved further from 11.3% to 10.0%, reflecting a year-on-year median base pay increase of 1.3% for women. The median pay gap has decreased every year since we published our first report in 2018.

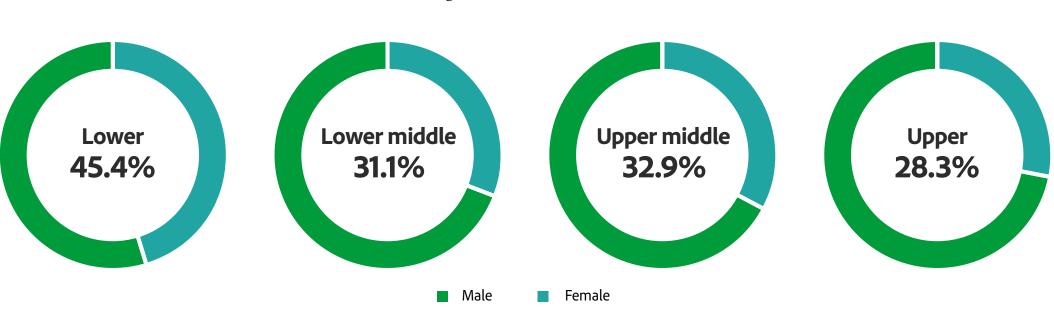
Further, Adobe continues to have a high proportion of women in senior roles within our UK business. As of April 2021, the percentage of women in the upper middle quartile was 32.9% and remained flat compared to the previous year. The proportion of women in the upper quartile comprised 28.3%, a slight decrease of 2.7% points compared to 2020. The upper quartile value exceeds the average benchmark when comparing our results against the Software & IT Services Sector as a whole (upper quartile 18%)¹. The increase in both the earnings and proportion of women in the upper quartiles contributed to narrowing the pay gap.

#### Adobe UK Pay Gap

Shows the difference between the average pay of all male and female employees. Does not take into account employees' specific roles or seniority, or how these impact pay.



#### **Pay Quartiles:**



It is important to distinguish gender pay from pay parity, which is about ensuring that men and women are paid fairly relative to one another, based on role and location. Adobe began regular pay parity analysis in 2016, and in October 2018 we announced for the first time that we achieved **global gender pay parity** – a significant milestone in our effort to create a culture that fairly rewards and recognises the contributions of all of our employees.

Pay parity is never really done, especially in a company growing as rapidly as Adobe. We are committed to sustaining it over time and are closely monitoring our ongoing hiring, acquisition and rewards practices to ensure that we do. In September 2021, we affirmed that we have maintained global gender pay parity – it is the fourth consecutive year we have done so.

<sup>&</sup>lt;sup>1</sup>Mercer Gender Pay Report 2021. Figures quoted are based off 2020 Gender Pay Data collected by Mercer.

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The bonus pay gap calculation is based on a number of Adobe rewards programmes offered to employees, with most of our bonus pay covered under three plans:

- Our Annual Incentive Plan (AIP), which is based on a combination of company achievement and individual performance;
- A commission-based plan for sales employees, which offers compensation based on individual performance;
- And an equity (RSU) grant programme.

Employees who are eligible to receive a bonus are permanent employees who have joined prior to October 1st in the period reported and have met the performance criteria associated with their bonus programme.

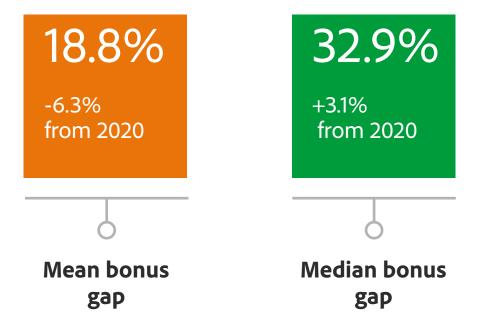
Adobe's mean bonus gap displayed an improvement, decreasing by 6.3% compared to last year and 25.2% since reporting began in 2017. The median bonus gap increased 3.1% from 2020 to 2021. This measure can vary year-on-year but, viewed over a longer period, it shows Adobe's median bonus gap has improved by 8.9% from 2017 to 2021.

Overall, there has been little change in the percentage of employees receiving a bonus. The proportion of men receiving a bonus was 88.9%, a decrease of 1.1% compared to 2020, and the proportion of women receiving a bonus was 83.6%, a 0.6% increase in comparison to the previous year.

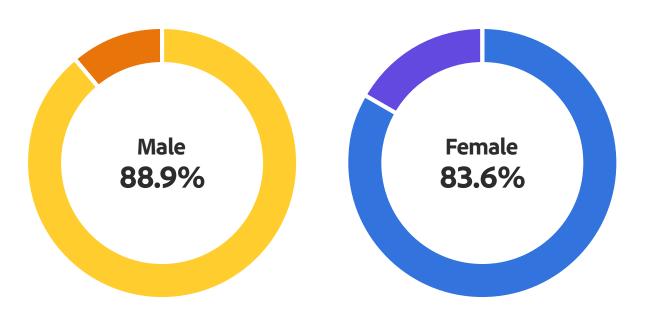
Gender diversity continues to be a challenge for the Tech industry, and one we are focused on addressing. In fiscal year 2021, our gender mix in the UK slightly exceeded the global gender mix across Adobe. While we are making progress, we need to continue to do more to improve our diversity mix.

#### Adobe UK Bonus Gap:

Shows the difference between the average bonus pay of all male and female employees.



#### Proportion of employees who received a bonus<sup>2</sup>:



<sup>&</sup>lt;sup>2</sup> Employees who are eligible to receive a bonus are permanent employees who have joined prior to October 1<sup>st</sup> in the period reported, and have met the performance criteria associated with their bonus program.

# Committing to Progress

Continuing to review our UK gender pay gap is one step Adobe takes in our commitment to ensure our workforce is diverse, inclusive, and full of opportunity for everyone.

We realise it takes a long-term commitment to significantly change the make-up of our workforce. We are continuing investment in four main strategic areas:

#### 1. Committing to the next generation

In the UK, and in many countries, not enough women are pursuing technology careers. That's why we are committed to growing a more diverse talent pipeline by bringing more women and underrepresented youth to careers in technology. Our education initiatives are focused on supporting greater workforce diversity by investing in programmes that cultivate the next generation of creatives and coders. In the UK, we continued to sponsor Your Future Your Ambition (YFYA) and partnered with Pursuing Independent Path (PiP) to support young women with disabilities. Our goal with these programmes is to connect with those who never thought of themselves as working in technology and open their minds to the possibilities of technology as a career choice. And we're seeing results in the growing number of women taking up early career roles at Adobe— in 2021, 46% of our interns and graduates in the UK were female.





#### 2. Hiring diverse candidates

We continue to focus on evolving our hiring practices and introduced 'Hiring at Adobe' as our new standardised global recruitment process. 'Hiring at Adobe' has been designed to ensure we are operating fair and inclusive hiring practises, including making sure that our interviewers come from diverse backgrounds and dedicated training programmes which help our hiring managers and interviewers mitigate potential bias in the interview process or decision-making. We also launched our university hiring programme for interns and graduates to support entry level talent across Europe and bring more women to pursue careers in technology. In the UK and globally we also collaborate closely with our Women at Adobe network as well as with a number of industry partners, including LinkedIn, to help us identify and recruit diverse talent. As part of the collaboration, the hiring team introduced a variety of focused efforts ranging from hackathons to talent mapping and targeted recruitment events.

#### 3. Creating an inclusive environment for our employees

At Adobe we strive to create a workplace where our employees can do their best work and drive their career growth in an environment where every employee feels they belong. We're committed to fair-pay practises around the globe as well as family-friendly leave and benefits programmes that help people integrate work and life, including six months maternity leave and 16 weeks partner leave in the UK. We've continued to build our employee networks and clubs to foster community, and we offer learning and development opportunities to help all employees reach their full potential. These include initiatives that help identify, develop and promote women talent, and help more women into senior management levels. In the last three years we have seen significant participation in the UK and Europe in a number of these programmes including our Women's Leadership Circles and Women's Executive Shadow Programme. In 2021, we supported our first global employee allyship programme called Adobe For All In Action Circles, with the goal of helping employees become active and effective allies in supporting marginalized and underrepresented groups. Nearly 800 employees around the world participated in the programme, and we're continuing it in 2022. These programmes have contributed to Adobe being ranked by Great Place to Work in its Best Workplaces for Women in the UK for 2021. Ultimately, these initiatives contribute to making our workforce more diverse, engaged and better positioned to make a meaningful impact on the world.

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#### 4. Helping to move the industry forward

Diversity and inclusion aren't just important to Adobe – they are essential to the health of the technology and creative industries as well as the economy at large. We actively support our customers, suppliers, partners, and peers as they work to improve their own workplaces, policies and practices. We meet regularly with the leaders of our customers' and partners' companies to share best practice on improving diversity and inclusion at our workplace and provide open-source materials through our Adobe For All In Action programme.

Finally, we are continuing to participate in organisations dedicated to driving change. Adobe is a platinum sponsor of Women in Tech Forum (WIT), a global membership and coaching platform to help women build a successful career in the technology industry. Our engagement includes individual WIT memberships for Women at Adobe members, job postings with WIT to reach a wider female audience, contributing to monthly webinars with talks and involvement from our Adobe female leaders, running ally programs and sessions to drive awareness amongst our Adobe leadership for being an ally for women in tech.

"At Adobe, we're committed to creating a more diverse and inclusive workforce. We are proud of our progress so far and the 2021 Gender Pay Report proves that our strategy is working, showing that we're narrowing the gap across our UK organisation. We will continue to focus on designing our people processes and programmes with our Adobe For All vision at its core. We will continue to inspire our employees and leaders to make positive change and drive greater diversity and inclusion at Adobe and beyond."





We confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The calculation methodology has been checked and approved by our lawyers. We confirm that these figures have been verified and are accurate.

#### **CHRISTIAN KEIM**

Vice President, Deputy General Counsel & Head of International Legal Adobe Systems Europe Limited

#### TANIA GARRETT

Vice President, International Employee Experience Adobe Systems Europe Limited



#### **Update from April 2023:**

In April 2023, Adobe submitted a correction for its 2021 Gender Pay Gap (GPG) figures to the UK government gender pay gap services due to amendments made to payroll overpayments, which affected calculations of the gender pay gap figures for that year. The report above remained unchanged and for the latest information, data and commitment to progress please refer to the <u>Adobe UK Gender Pay Report for 2022</u>.

As a result of the correction, the median GPG for 2021 was amended to 9.5% (from 10%) and the mean GPG was amended to 19.6% (from 9.7%). The pay quartile figures for women was amended as follows: Lower Quartile: 45.9% (from 45.4%); Lower Mid Quartile: 30.1% (from 31.1%); Upper Mid Quartile: 34.7% (from 32.9%); Upper Quartile: 26.9% (from 28.3%).

The 2021 Bonus Pay Gap (GBP) results were not impacted by the amendments made to payroll overpayments.

We confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The calculation methodology has been checked and approved by our lawyers, and we can confirm that the figures are verified and accurate.

#### FIONA GRACE

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