

Pegasystems Limited

Gender Pay Gap Statement



What is the UK Gender Pay Gap Reporting?

The UK government requires companies in the UK with more than 250 employees to publish the required reporting on their gender pay gap. The gender pay gap provides a view of the gender balance and pay within an organisation measured by the difference between the average hourly earnings for men and women regardless of role or title. The earnings used in the calculations take into account the full earnings distributions, which for Pegasystems includes: base salary, bonuses received, commission earned, equity that vested, car allowances, and any salary sacrifice benefits that occurred in the payroll in April 2018.

As part of the gender pay gap reporting regulation, UK organisations are required to show their employees' earnings from highest to lowest (from April 2018) ordered into equal quartiles. They must then identify the distribution of men and women in each quartile.

This year's data shows we have a larger percentage of men than women in our organisation, and that we have more men in senior positions than women. However, over the past year, we have continuously worked to reduce the gender pay gap at Pegasystems and are pleased that the majority of our results saw significant improvements compared to the April 2017 results. Pega will continue to work towards eliminating this gap.

Although the gender pay gap is defined in the UK's Equality Act (2010), the statistics published should not be mistaken for inequalities in pay. Equal pay is defined as the right for men and women to be paid the same when doing the same, or equivalent work. Pega reviews the salaries of men and women on a frequent basis to address and prevent disparities in equal pay, and we're confident the gender pay gap is not indicative of an equal pay issue within the organisation.

Commitment to Diversity

While there are factors in the technology industry and our UK workforce that contribute to this gap (e.g. fewer women in the technology industry overall, an under-representation of women in more highly paid technical roles, and a UK workforce heavily focused on sales and consulting), we recognise the need for, and continue to work on, creating more gender balance in our global workforce.

Pegasystems is committed to fairness, equality, and inclusion throughout our teams. We encourage applications from candidates that reflect diversity in backgrounds to apply to work at our company. We value our people and the contribution they make, and we believe a diverse workforce encourages creativity, drives innovation, and equips us to solve our customers' most complex challenges. Leading from the front is critical to promoting diversity.

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and team work, which we believe needs to be fostered as a priority, not only within our organisation, but also throughout our eco-system.

Closing the Gap and our Continued Commitment

Increasing the number of women at Pega, and the number of women in senior roles in particular, will help us reduce, and ultimately close, the gender pay gap. We believe this is key in making us a more competitive business and employer of choice by providing better opportunities for our staff and driving better outcomes for our clients. We have implemented a number of initiatives over the past 12 months to support this goal and will continue to drive efforts that support and encourage equality across our organisation.

- We're hiring a Global Diversity & Inclusion Leader who will have a full-time focus on driving initiatives that grow a more diverse workforce across the organisation
- We reviewed our parental leave policies and increased paid leave for primary caregivers to 20 weeks and for the secondary caregiver to four weeks
- We introduced a return to work programme for primary caregivers, whereby employees can return to work for four days a week after parental leave and be paid full-time to help with the adjustment back into the workplace
- Our updated parental leave benefits are offered to adoptive parents as well as birth parents
- We have partnered with LinkedIn Learning to provide our employees with continuous career development and learning inside and outside of the workplace
- We are continuing to ensure there is no gender disparity during our annual compensation programmes
- We are using our Career Maps application to help identify opportunities and career paths for our employees to move both within their functions and across the organisation to allow employees to grow within the company
- We've developed new training programmes for our managers to help them continue to progress as leaders and educate them on equal pay amongst their staff, and give them new, long-term opportunities

We value a diverse workforce and are firmly committed to continuing to make Pega a great place to work for all.

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Our 2018 Gender Pay Gap Results:

	MEAN	MEDIAN
HOURLY PAY	26.5%	22.8%
BONUS PAY	40.2%	80.1%

	MEN	WOMEN
% RECEIVING BONUS	91%	83%

	MEN	WOMEN
QUADRANT 1	90%	10%
QUADRANT 2	88%	12%
QUADRANT 3	81%	18%
QUADRANT 4	60%	40%

I confirm that the data used to calculate the figures is accurate and that Pegasystems is in compliance with the Gender Pay Gap reporting regulations.

David Wells
Vice President and Managing Director, EMEA