

NetApp UK Gender Pay Gap

Report 2017

Our Company

NetApp is the data authority for hybrid cloud. We provide a full range of hybrid cloud data services that simplify management of applications and data across cloud and on-premises environments to accelerate digital transformation. Together with our partners, we empower global organisations to unleash the full potential of their data to expand customer touch points, foster greater innovation and optimize their operations.

Global Diversity, Inclusion, and Belonging

Vision

As part of our core values at NetApp, we fully embrace and advance a diverse, inclusive global workforce with a culture of belonging that leverages the backgrounds and perspectives of all employees, customers, partners, and communities to foster a higher performing organization.

Overview

From expanding talent pools and fueling innovation to entering new markets with differing product portfolios, we believe that Diversity, Inclusion and Belonging is a strategic advantage that increases engagement, performance, market growth and productivity. NetApp demonstrates its commitment to diversity, inclusion and belonging through a variety of initiatives including:

- **Inclusive Leadership Development Initiative**

As the global workplace and marketplace becomes increasingly diverse, it is imperative for leaders to communicate and work effectively in a cross-cultural, multi-generational environment. Inclusive leadership drives engagement, innovation, and collaboration for business success, while enabling employees to be who they are at work, to be authentic in their work and contribute to the success at NetApp.

- **Strategic Innovation Partnerships**

We seek diverse partnerships and alliances from industry experts that contribute to bridging the gap of women and diverse talent in Science, Technology, Engineering and Mathematics (STEM) related disciplines and senior-leadership positions.

- **Global Business Impact Groups (GBIGs)**

Global Business Impact Groups (GBIGs) are independent voluntary groups of employees that share common interests that foster a diverse, inclusive workplace that is aligned with NetApp's objectives, values and business practices. The GBIGs initiatives will assist in impacting key NetApp business drivers and improve individual and organizational performance. It is an opportunity to increase employee engagement, global cultural competency, develop future NetApp leaders and expand external market outreach.

NetApp UK Limited

NetApp UK has approximately 340 employees, (as of snapshot date 5th April 2017) based in England and Scotland. Our UK Head Office is located in Uxbridge, Middlesex. Our roles within the UK organisation are predominantly in Sales and Sales Systems Engineering (69%), but also include Customer Supporting Roles (19%) and Company Supporting Roles (11%).

NetApp Compensation Philosophy

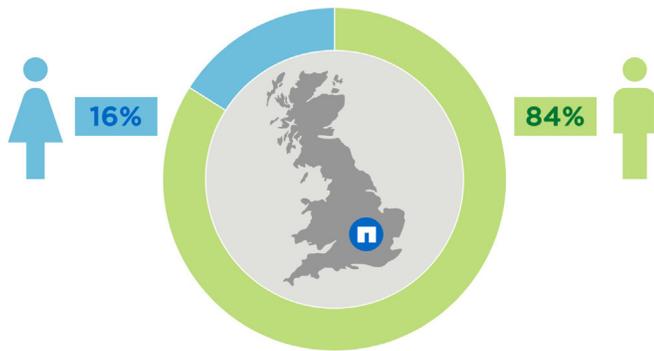
NetApp evaluates remuneration with no regard to gender, age, ethnicity or beliefs. Our compensation philosophy is to pay employees competitively within the market we compete in. This is done by valuing the level of education, experience, skill and responsibilities required to fulfill a specific job or job type and remunerating employees accordingly. Our pay is also based on performance that provides compensation rewards that are directly linked to performance and valued behaviour, which is objectively evaluated through NetApp's annual performance program.

Gender Pay Gap Report

NetApp's Gender Pay Gap Report shows the overall median and mean gender pay and bonus gap, based on hourly rates of pay per the snapshot date 5th April 2017, and total bonus pay between April 2017 and the 12 months prior.

NetApp UK Workforce

This chart illustrates the male and female population that make up the local NetApp UK workforce of 340 employees



Our Results

Mean & Median Hourly Gender Pay Gap & Bonus Gap

Our analysis of our gender pay gap report shows that the overall difference between our male and female employees' earnings is 24.14% (mean) or 29.27% (median).

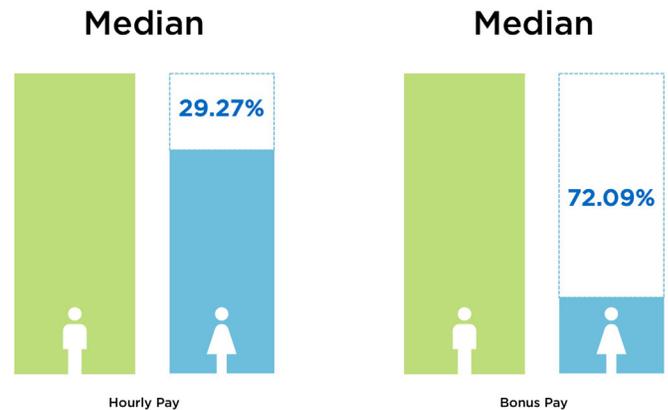
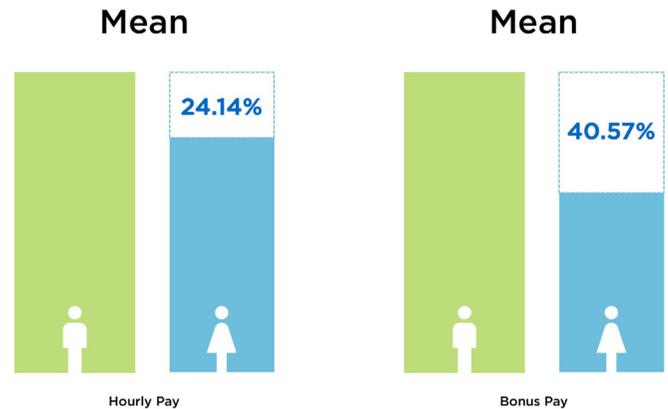
The IT industry is an industry that attracts more male than female employees. This is something that is also experienced within NetApp as only 16% of NetApp UK's total workforce is female. Furthermore, the NetApp UK site is primarily a sales office employing far more sales employees than non-sales employees.

Our analysis shows that the average mean and median earnings difference, between our male and female population, is because we have more males than females in our UK office. We have more males in senior positions.

The significant difference in the number of male and female employees, in addition to the fact that few females are in senior roles, highly contributes to the outcome that the average mean and median earnings of our male employees is higher.

NetApp is taking active steps in reviewing our compensation and ensuring we pay male and female employees equally who are in similar jobs with similar skills, experience, education and performance.

These charts illustrate the mean (average) and median pay and bonus gap between male and female employees irrespective of their role, expressed as a percentage of male employee pay

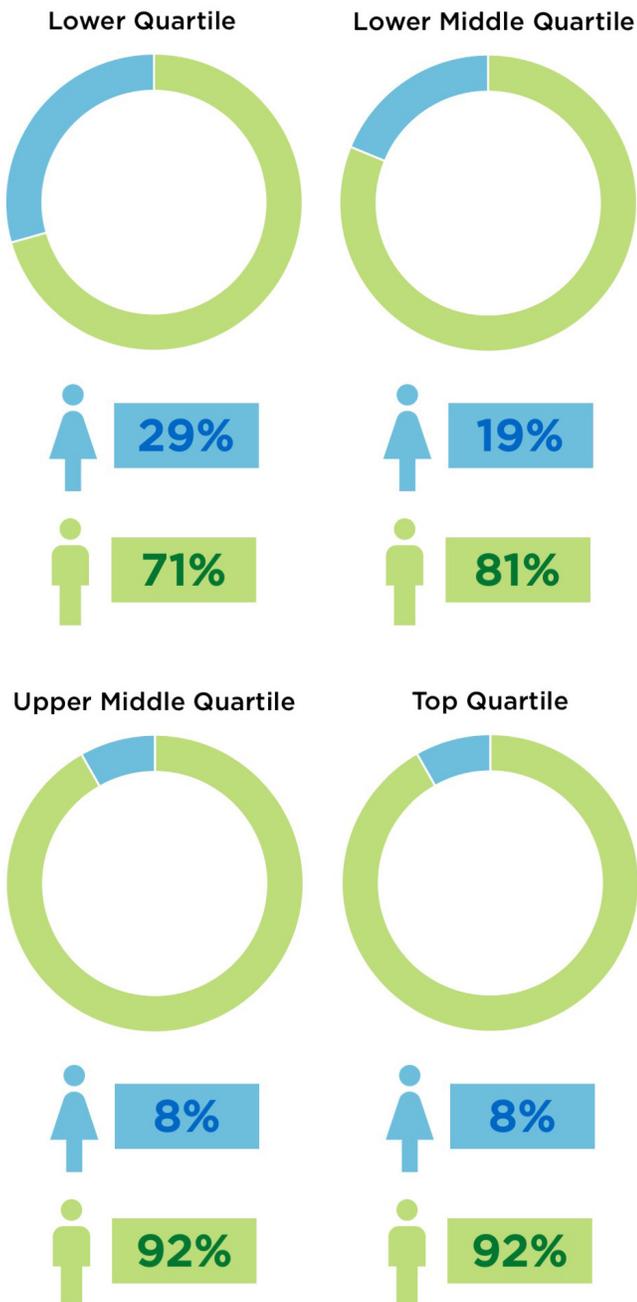


Within NetApp the variable component of an employee's pay is comprised of either an annual incentive pay or commission pay. Both the variable components are included in the calculation of the bonus gap, while there are significant differences between these two components.

Employees in sales related roles are paid on commission. The commission is based on achieving specified goals and sales targets, which comprises a significant part of their salary. All employees who are not in commissionable functions are eligible to receive a discretionary annual incentive payment which is based on company performance, job level and individual performance.

NetApp Pay Quartiles

This chart illustrates the gender distribution of all NetApp UK employees across four equally sized quartiles

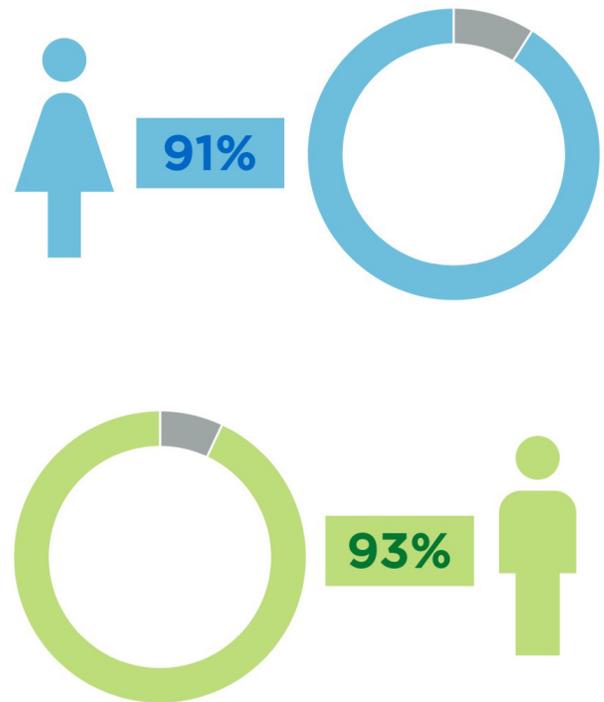


NetApp Bonus Participation

The NetApp bonus gap of 40.57% (mean) and 72.09% (median) is again due to a higher proportion of male employees versus female employees occupying commissionable positions within Sales and Sales Systems Engineering roles. As can be seen from the overall proportion of employees receiving a bonus, both male and female employees have an equal opportunity to participate in and earn a bonus at NetApp.

It is important to further clarify that the bonus snapshot for commissionable employees is reflective of actual commission paid during the timeline established. Our annual bonus plan for non-commissionable employees is paid in July each year for the previous fiscal year. Therefore, the data for non-commissionable roles, where most all our females are employed, is for the fiscal year prior.

Proportion of employees receiving bonus pay between April 2017 and 12 months prior



This report is good at illustrating the challenge NetApp faces in recruiting females from Science, Technology, Engineering and Mathematics (STEM) related fields. Like many other companies within the high-tech industry, NetApp's gap in gender pay is mostly driven by the fact that there are far more male employees (84%) within our total UK workforce and that the commissionable roles and managerial roles are mostly occupied by men. NetApp continues to actively consult, educate, and inform our managers with regards to hiring more diverse candidates and addressing identified pay gap concerns.

NetApp Initiatives to Close the Gap

Hiring & Pipeline

NetApp understands the importance of inclusive hiring practices. We partner with websites and community-based organisations focused on providing a diverse applicant pool for our sourcing and recruiting needs. In connection with its commitment to gender diversity, NetApp is committed to ensuring qualified female candidates are reviewed for all job openings, with female employees participating on the interview team. NetApp continues to build the talent pipeline with talent mapping for key positions and information from competitors. We aim to hire the most qualified candidate for the position and will always ensure a positive candidate experience.

Sales, Support and Services (S3) Academy

As a company committed to developing our future workforce, we created a program that will help us hire, develop and promote diverse university talent. The program, launching this summer in the UK and across EMEA, enables our University Graduate Hires to fast track their careers through classroom, on-the-job training and clear benchmarks. This Sales, Support and Services Academy includes a robust 90-day training program and regular hands-on assessments, classroom discussion, interactive activities and other checkpoints throughout their first two years.

Advocating for Women in Technology at NetApp

It is imperative that we embrace diversity in the workplace and make positive strides toward change so that our business and employees succeed.

NetApp Women in Technology (WIT) is an organisation that assists women in their careers at NetApp. The organisation exposes young women to career opportunities in technical fields and influences our corporate culture to further embrace diversity in the workplace. Our mission is to support and foster the development of NetApp's women employees by providing a forum for mentoring, networking, communication, and professional development. Founded in 2009, WIT at NetApp has over 900 members across 12 geographical sites worldwide, including the UK.

NetApp Closing Statement

NetApp confirms that the data and information presented in this report are accurate as of the snapshot date 5 April 2017 and meet the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Stephen Faulkner

Vice President, Finance



Heidi Hamilton-Reed

Manager, UK HR NetApp UK Limited