

## Gender-Based Compensation/Benefits Gaps and Associated Risks

**WHEREAS:** Compensation and benefits inequities persist across employee gender categories, and pose substantial risk to companies and society at large.

Women who choose not to abort their pre-born children, and instead decide to raise them, suffer a pay/benefits inequity compared to their company colleagues who *do* choose to abort their children and who receive reimbursements for expenses such as travel and lodging, when the procedures are done in a different state from where they reside for legal or other reasons.

There is significant expense both in aborting and in raising children, yet Microsoft Corporation (the “Company”) incentivizes the former with a subsidy and discourages the latter with no subsidy.<sup>1</sup> In fact, the latter incurs far greater expense and necessity of time out of the workplace than the former, exacerbating the compensation/benefits gap. Such policies have significant societal, operational, reputational, and competitive risks, and risks related to recruiting and retaining diverse talent.

Similarly, the Company provides health benefits to employees who suffer gender dysphoria/confusion, and who seek medical, chemical, and/or surgical treatments to aid their “transition” to their non-biological sex. The Company reports, “Not only was Microsoft an early leader in including sexual orientation in its corporate non-discrimination policy, but it continues to evolve to support employees—for instance, by broadening its health benefits to encompass medical needs for US-based transgender employees and their transgender dependents.”<sup>2</sup>

The Company has staked out a position on gender dysphoria/confusion which affirms that sufferers can transition to a different sex, both psychologically and physically. Yet an increasing body of scientific evidence shows distinct harms actually result from medical and surgical “transition” treatments. Examples include various long-lasting side effects like chronic pain, sexual dysfunction, unwanted hair loss and hair gain, menstrual irregularities, urinary problems, and other complications.<sup>3</sup> Rather than resolve mental health problems, such “gender affirming” care instead often exacerbates them. In such instances, patients who desire to “de-transition” cannot find medical or insurance coverage that they need. Many of these sufferers litigate against those who misled or mistreated them regarding the necessity and alleged “success” of “transition” therapies.<sup>4</sup>

**Resolved:** Shareholders request Microsoft report on median compensation and benefits gaps across gender as they address reproductive and gender dysphoria care, including associated

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<sup>1</sup> Hill, Bailee. “Company offers ‘baby bonus’ for employees in effort to combat ‘anti-family’ push towards abortion,” FoxNews.com, June 18, 2023. See <https://www.foxnews.com/media/company-offers-baby-bonus-employees-effort-combat-anti-family-push-towards-abortion>.

<sup>2</sup> Whitney-Morris, Candace. “The rainbow ripple effect: how Microsoft and its LGBTQ+ employees push for change across borders,” Microsoft.com, June 1, 2018. See <https://news.microsoft.com/life/pride/>.

<sup>3</sup> Bolar, Kelsey. “‘Detransitioners’ Are Being Abandoned By Medical Professionals Who Devastated Their Bodies And Minds,” The Federalist, Feb. 10, 2023. See <https://thefederalist.com/2023/02/10/detransitioners-are-being-abandoned-by-medical-professionals-who-devastated-their-bodies-and-minds/>.

<sup>4</sup> Shellenberger, Michael. “Why This Detransitioner Is Suing Her Health Care Providers,” Public.substack.com, March 22, 2023. See <https://public.substack.com/p/why-this-detransitioner-is-suing>.

policy, reputational, competitive, operational and litigative risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.