



PubMatic

DIVERSITY & INCLUSION REPORT 2016

A MESSAGE FROM OUR CEO

At PubMatic, we believe that diversity of thought is the driving force that has allowed us to be at the forefront of digital advertising innovation for the past decade. We are committed to integrity, practice high ethical standards and have built a culture of fairness and respect. Last year, we embarked on an initiative to evaluate and accelerate diversity and inclusion across our organization, and we are proud of the results that we achieved. While we understand that there is still more work to be done, I am pleased to lead a company that is committed to driving improvements in diversity—not just within PubMatic, but within the entire ad tech industry.



RAJEEV GOEL
Co-Founder and CEO

WHY DIVERSITY AND INCLUSION MATTER TO PUBMATIC

We understand that we must embrace a diversity of ideas and expertise in order to provide our clients and partners with creative solutions to their most challenging monetization and advertising problems. At PubMatic, our mission is to enable publishers to realize the full potential of their digital assets, and we created a global infrastructure that allows us to activate meaningful connections between consumers, content and brands in order to do so.

Our commitment to diversity and inclusion has particular material impact on three important areas:



FINDING THE BEST TALENT

As a global company, we recognize and respect the differences that exist among our employees. Our goal is to attract the best talent in all of the markets in which we operate. We identify candidates who have the ability to make an impact, bringing varied opinions and expertise to bear on the work that we do.



EMPOWERMENT THROUGH INCLUSION

Diversity is a focus not only from a hiring standpoint, but also in terms of our commitment to ensuring that all employees feel empowered to share their unique perspectives within an open work environment. This level of inclusion allows us to create the most innovative solutions for our customers.



PAY PARITY

We are committed to providing equal pay to all employees for substantially equal work. In 2016, we reviewed our global compensation practices with an eye towards reducing discrepancies and to ensuring that all employees with comparable skills, training, and education are paid comparably for comparable work performed.

DIVERSITY @ PUBMATIC

Global Female Representation

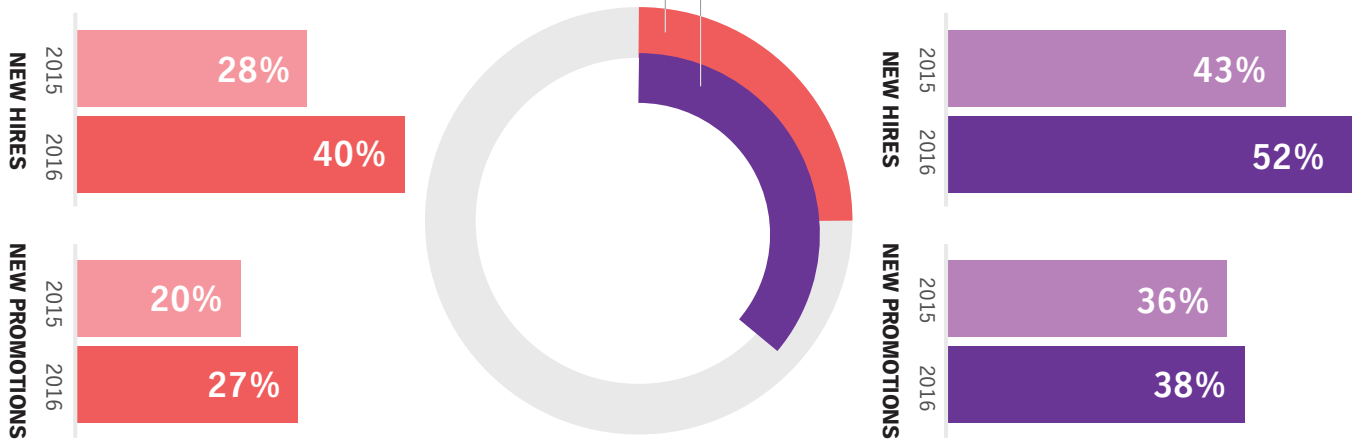
PubMatic employs over 350 men and women in 11 offices around the globe. Nearly half of our employees (47%) are based in our India offices in Pune and New Delhi. In 2016, we narrowed the gender gap in our workforce slightly, with 25% female representation globally (up from 24% in 2015), and 36% female representation in our non-India offices. There is still work to be done, particularly within our engineering and leadership teams. In 2016, 17% of our global tech organization was female, and women represented 20% of our leadership and 17% of middle management. Both of these areas have been challenged by diversity deficits industry-wide.

We are making progress in gender inclusion, which is apparent from our hiring metrics over the last three years. In 2016, 40% of all hires made at PubMatic across our global regions were women, up from 28% in 2015. Additionally, we have seen the promotion rate of female employees rise seven percentage points from 20% of all employees in 2015 to 27% in 2016.

GLOBAL GENDER

25% Global Female

36% Non-India Female

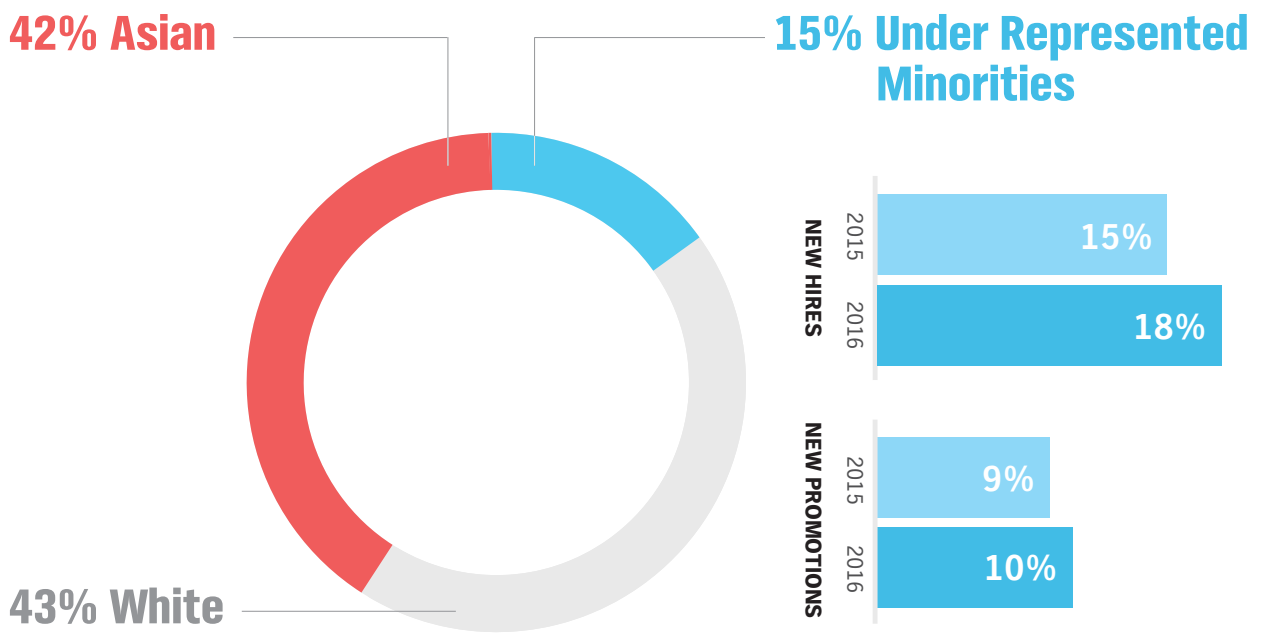


US Minority Representation

Representation of Asian employees in our United States offices grew to 42% in 2016, while that of under represented minorities (URMs) decreased slightly to 15%. The growth of Asian representation was partly driven by an initiative to relocate certain customer-facing technical staff from our offices in India to other regional offices worldwide so they could be closer to the colleagues and customers they support. Our new hire rate of URMs exceeds the group’s representation slightly within our entire US workforce. In 2016, 18% of our new hires were URMs, up from 15% the year prior.

While our gains in hiring have fostered a more inclusive environment, we strive to improve our representation of URM employees in both engineering and leadership roles. In 2016, URM employees represented 8% of our engineering organization in the US, and 6% of our leadership positions. However, URMs represent 27% of our middle management positions in the US. Further, our promotion rate of URM employees also rose, from 9% of total US promotions in 2015 to 10% in 2016. While we are proud of the direction we are moving in with regard to racial and ethnic inclusion, we acknowledge that there is still work to be done.

US RACE & ETHNICITY



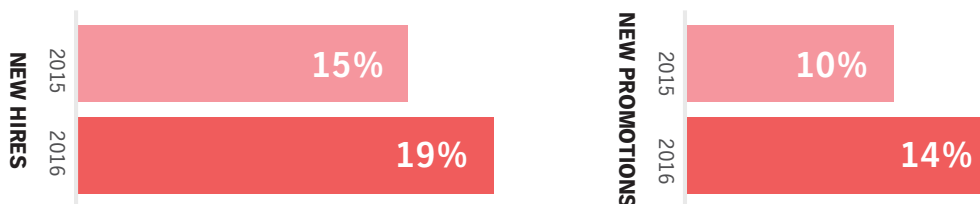
GENDER-BASED INCLUSION IN INDIA

Due to the unique dynamics at play for women in the Indian workforce, PubMatic had significantly lower percentages of female employees in our India offices as compared with other regions. India has traditionally had unique workforce dynamics that impact the number of women in the tech talent pool. Specifically, engineering education is traditionally a male dominated segment, limiting the number of women in this field. However, the number of women joining engineering/technical courses of study is increasing, and in the very recent past we've seen much faster growth in the number of women in the industry than in previous years.

A variety of studies from various Indian government departments and research organizations report that the number of women in engineering and technology disciplines in India has risen from a mere 3.8%-4.3% in the 1980s to a range of 16.2%-20.6% and above in the 2000s.^{1,2} As a result, more women are available in the talent market for software jobs in recent years. Over the last several years, PubMatic has focused on growing the number of women in our Indian workforce as more women join the talent pool. Interestingly, however, the number of women in India who remain in the workforce after a few years at work dwindles.

In 2016, 14% of the workforce in our Indian offices was female (compared with 35% in the US, 38% in EMEA, and 39% in APAC). The share of women in our Indian workforce is growing, as we have increased the share of female new hires over the past three years from 15% in 2015 to 19% in 2016. Similarly, promotion of female employees also increased steadily over this period, from 10% in 2015 to 14% in 2016. Similarly, promotion of female employees also increased steadily over this period, from 9% in 2014 to 14% in 2016. Furthermore, to date in 2017, 22% of promotions in India were awarded to female employees. We are in the process of reviewing our talent sourcing strategies in India to ensure more women are included in our qualified candidate pool and are evaluating the interview process in the region to encourage more female inclusion. While we understand that there is still more work to be done in this region, we are proud of our efforts to date to increase gender-based inclusion in our India offices.

FEMALE WORKFORCE IN INDIA



EQUAL PAY

PubMatic is committed to providing equal pay to all employees for substantially equal work. In 2016, we reviewed our global compensation practices with an eye towards reducing any discrepancies and ensuring that all employees with comparable skills, training, and education are paid comparably when they perform comparable work, regardless of gender, ethnicity or race.

At PubMatic, we have a number of initiatives and processes that drive fairness around compensation levels, including: discipline in our candidate sourcing practices and alignment with market pay rates; employing an offer generation process that includes the candidate's peer set to align new hire compensation and identify outliers; and a performance review philosophy that includes frequent touchpoints to assess our people and consider their contributions and growth opportunities throughout the year. We are proud that we have achieved pay equity within each of our locations worldwide among our employees of different gender and racial or ethnic groups. We will continue to monitor compensation across our organization so we maintain our equal pay commitment in the future.

THE PATH FORWARD

We are pleased with both our efforts and our results in the area of diversity and inclusion. While we've been successful, we also understand that there is much work to be done. We continue to review our current procedures and look for ways to improve upon them. We strive to discover and implement best practices in order to increase our workplace diversity, both locally and globally. This includes reviewing our hiring, compensation, and promotion practices to ensure fairness, diversity and inclusion, and casting a wide net to recruit and retain the best and most diverse talent available. Indeed, not only is diversity and inclusion the right thing to do, but we believe that the varied perspectives and range of ideas that result from a diverse and inclusive workforce will help us to best serve our customers worldwide.



LISA FEHER
SVP, Human Resources

Methodology

We analyzed diversity and inclusion metrics by region, including US, EMEA, APAC (minus India), and India³. Data included is for calendar year 2016 (January 1, 2016 through December 31, 2016) and demographic percentages are based on year end totals (as of December 31, 2016). Promotion and compensation data takes into account Q1 2017 as well. Gender, race⁴ and ethnicity are the key demographics used to analyze the fairness of our hiring, promotion, and compensation practices. Race and ethnicity metrics were analyzed for the US, including representation of under-represented minorities (URMs)⁵.

Please note that this document may include inaccuracies or typographical errors, and is based on operational data that has not been audited or reviewed by a third party. PubMatic does not intend to update the information contained in this document if any information or statement contained herein later turns out to be inaccurate.

¹ Thankamma. Y (2003), "Participation of Women Engineers in Professional Labour Market" M. Phil. Dissertation, Madurai Kamraj University, Madurai.

² Institute of Annual Manpower Research (IAMR), India 1995 and 2000.

³ India was separated out from the data analysis for certain items so as not to skew the data given the high concentration of employees in our Pune office.

⁴ Information on race is obtained through voluntary self-reporting in hiring, as well as employment records and observer identification, in accordance with the guidelines of the U.S. federal Equal Employment Opportunity Commission (EEOC).

⁵ According to a recent EEOC report, URMs in the technology industry include: Black, Hispanic, Native American, Native Hawaiian, and other Pacific Islander.

About PubMatic

PubMatic is the automation solutions company for an open digital media industry. Featuring the leading omni-channel revenue automation platform for publishers and enterprise-grade programmatic tools for media buyers, PubMatic's publisher-first approach enables advertisers to access premium inventory at scale. Processing nearly one trillion ad impressions per month, PubMatic has created a global infrastructure to activate meaningful connections between consumers, content and brands. Since 2006, PubMatic's focus on data and technology innovation has fueled the growth of the programmatic industry as a whole. Headquartered in Redwood City, California, PubMatic operates 11 offices and six data centers worldwide.

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