



NaturalMotion UK: 2022/23 Binary Gender Pay Gap Report

At NaturalMotion, we remain committed to creating a workplace that supports our values around diversity, equality and inclusivity. Our compensation programmes and pay philosophies are part of that commitment, where everyone has access to the same pay and professional opportunities.

2022/23 UK Binary Gender Pay Gap (GPG)

The UK Government requires organisations with 250 or more employees to publish and report data about their binary gender pay gap. NaturalMotion first met the eligibility criteria in 2020/21 and this is our third such report.

What is the Gender Pay Gap?

The gender pay gap is the difference between the average earnings and bonus payments of those that identify as men and those that identify as women, expressed as a percentage difference relative to men's earnings/bonus payments. It requires that individuals in different departments, with different job titles, expertise, grade levels, experience etc., be grouped together and compared against each other as a collective.

How is it measured?

The gap can be measured in two ways: as a mean (average) or median (in the middle) figure. We also look at the percentage distribution of women within the business in terms of remuneration (highest to lowest) by dividing (as evenly as possible) the entire workforce into four quartiles: the upper, upper middle, lower middle and lower.

Gender Pay Gap Results for NaturalMotion in 2022/23

Mean & Median Hourly Pay

Our calculations show an improved mean pay gap of 19% and a median pay gap of 21% (23% and 33% respectively the year before), both in favour of men. The Year on Year (YoY) improvement in both mean and median primarily reflects the progression of female talent within the organisation. While it's good to see this improvement we still have work to do to reduce the gap further. There are several other key drivers for our results which are detailed below.

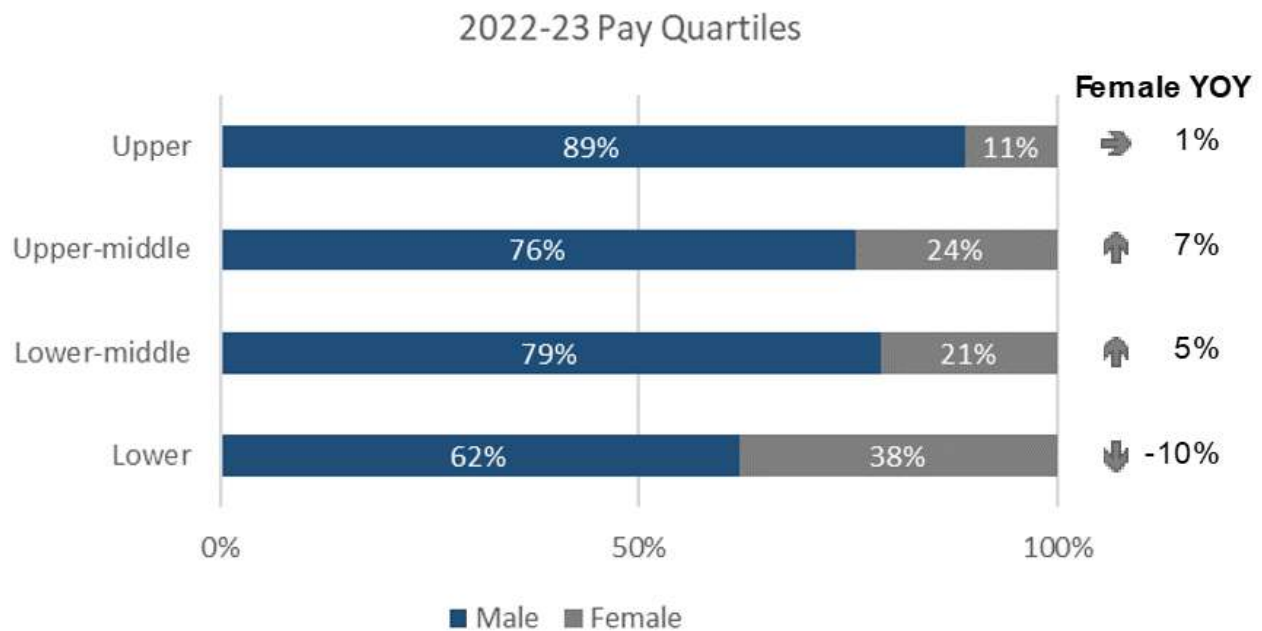
Bonus Pay

- We calculated a 34% (mean) and 45% (median) bonus pay gap (improvements on 47% and 56% respectively the year before), driven by the same factors in the report below.
- Under the reporting requirements, 87% of women and 92% of men received a bonus in 2022/23 (vs 75% and 89% respectively the year before). Importantly and as the year before, 100% of eligible employees under our discretionary bonus plan received a bonus.

The difference in our bonus pay gap is largely due to the combination of more males in senior/higher paying roles and the higher level of bonus and equity at the higher pay quartiles as illustrated below.

Pay Quartiles

The chart below shows the proportion of women represented at our NaturalMotion studios in each quartile and shows YoY improvements in the upper and, most notably, upper-middle and lower-middle quartiles. This is reflective of our continued efforts to help our existing female talent to move upwards through our organisation.



Looking Ahead to 2023/24 and Beyond

Hiring & Recruiting

Transparency, accountability and fairness remain a top priority for us. Since our last GPG review, we have continued to focus on building diverse hiring pipelines, and we are pleased to confirm the following:

- The overall number of women increased marginally at NaturalMotion over the 12-month period, with women representing 24% of our UK business (vs 23% the year before).
- 29% of new hires in 2022/23 were women, with a number of those also taking up technical roles.
- 37% of our 2022/23 intern cohorts were female.

Opportunities for Improvement

Despite an overall improvement in female representation, we know there are opportunities to do better:

- 89% of roles in our highest paid quartile are held by men – these are attributed to our most senior roles which hold the highest base salary and potential bonus opportunity/equity when compared to lower level roles.
- While our hiring efforts have helped increase the number of women in our business overall, there continues to be a higher proportion of men hired into the most senior roles within the business and the technical gaming jobs overall, which impacts on our GPG calculations.
- Hiring women at the Director and Senior Director level while retaining and investing more in the existing female employee populations continues to be an area for investment. Our belief is that this continued, sustained effort to retain and invest will ultimately lead to an increase in females at more senior roles.

Policies & Practices

We continue to ensure that our policies and practices remain free from bias and consistent with our commitment to diversity and equality. Our detailed compensation benchmarking for both new hires and existing employees is designed to ensure that our employees are fairly compensated based on skills, merit and experience, and without reference to gender. We also build unconscious bias into our line manager training and embedded it in key elements of our HR cycle, including providing guidance to Women at Zynga (WAZ), one of our Employee Resource Groups (ERGs), during the performance review and compensation cycle process.

Future reduction of our gender pay gap is dependent on continuing to bring more women into our team at all levels, investing in the professional development of women to enable them to progress into senior roles, and retaining and developing the female employees already in senior levels. The following are some examples of the many different programmes and initiatives focused on these business-wide goals.

Talent Acquisition Efforts

We continue to review our hiring practices, in an effort to make ongoing improvements. We are pleased to report that, for the third reporting year, we have increased the company-wide representation of women YoY.

- Our Talent Acquisition team completed an Inclusive Hiring Workshop conducted by the external Diversity Equity & Inclusion (DE&I) Specialists, Paradigm.
- Our Early Careers Graduate and Intern programs continue to build a pipeline of high potential future talent. Through this initiative we are encouraging more women to consider a career within the gaming industry.
- We continue to use the writing platform, Textio, to help us eliminate bias in job posts. Textio gives us insight into problematic language and helps us fix it, so we can communicate inclusively and effectively.
- We are proactive in making candidate pools and interview panels as gender balanced and as diverse as possible.

Family Friendly Benefits and Leave

- We have generous parental leave and pay policies to support our employees and encourage them to return to NaturalMotion after completion of their leave.
- We accommodate flexible working arrangements and/or phased returns wherever possible or desired after childbirth.
- We have enhanced our healthcare offering, extending the company-funded medical and dental insurance cover to eligible dependents. In addition to this, a new health cash plan has been implemented to ensure a holistic healthcare proposition with a more preventative focus.
- We offer generous risk benefits to ensure that our employees have adequate protections in place if they fall sick or pass away. Besides the peace of mind, this supports our employees with long-term financial and family commitments.
- We offer Family Planning support for fertility, maternity, parenting, and have had a menopause policy in place since 2022.
- We offer training resources and support for all employees who are parents and caregivers of children with neurodiverse and neurotypical needs.
- We work hard to foster a supportive culture and have clear policies in place for all types of leave that employees may need whilst dealing with life's challenges.

Our Culture

- We provide ongoing support to all employees to ensure inclusiveness is always upheld, and that harassment and discrimination is never tolerated. Our standards of business conduct and anti-harassment trainings are mandatory and bonus eligibility depends on this training being completed.
- We continue to refine mentorship programs, with a key goal being to build the skills and confidence of women to progress in their roles and profiles within the industry.
- Our studio continues to offer mentorship programs, professional development, leadership training, workshops, networking opportunities and social events to enhance our culture, promote inclusion, and support well-being across all areas of the organisation.

Diversity, Equity & Inclusion Initiatives

- We continue to support women with dedicated ERGs, including:
 - Women at Zynga (WAZ) fosters an environment that empowers all women to succeed and become leaders in their careers and communities.
 - zParents brings together a community of parents for shared experience and support.
- After successful pilots, we confirmed several programs to support underrepresented groups, including:
 - Torch, a coaching program for those from underrepresented groups to work with a dedicated coach on specific leadership skills and competencies to prepare them for future careers.
 - Mariposa's Women Who Lead coaching program, which aims to accelerate the development of women in leadership roles, providing an individualised development experience through 360 assessments and 1:1 coaching.
- We continue to acknowledge awareness of key moments with our colleagues globally with significant programming for International Women's Day, Black History Month, and Pride - among others.
- We continue to host a range of professional speakers and training on a variety of topical issues, which this year included an interactive talk Celebrating Women's History session and a Women in Leadership panel.

Charitable Donations & Partnerships

- We have partnered with organisations focused on supporting women in gaming and the wider tech industry. We continue to be an active member of the Women in Games (WiG) Corporate Ambassador program that consists of a worldwide network of studios, companies and organisations who are aligned and engaged with the WiG agenda to support, empower and celebrate female talent in the games industry. We partner with WiG on a number of initiatives, including event sponsorship and networking opportunities. Additionally, we continue to be a UKIE #RaiseTheGame pledge partner, to improve equality, diversity and inclusion in the games industry.
- In partnership with an external adviser, we launched a Youth Diversity Outreach project in 2023, known as 'Access all Areas'. This interactive website publishes content to inspire the next generation of young people and individuals from underrepresented backgrounds, about careers in the games industry.
- Our charitable giving platform provides 2:1 matching of charity donations, including to organisations that focus on outreach and development of women in gaming and technology.

We remain committed to building a representative gender balance across all our studios, and pledge to continue to find new ways to support and encourage women to both take up and advance in career opportunities within our company.

I confirm on behalf of NaturalMotion Games UK Ltd that the information provided above is accurate and true.

Julian Widdows