



NaturalMotion UK: 2021/22 Binary Gender Pay Gap Report

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

2021/22 UK Binary Gender Pay Gap

The UK Government requires organisations with 250+ employees to publish and report data about their binary gender pay gap. NaturalMotion met the eligibility number last year, allowing us to report for the first time in 2022.

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 % difference relative to men's earnings/bonus payment. 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 2021/22

Mean & Median Hourly Pay

Our calculations show a mean pay gap of 23% and a median pay gap of 33%, both in favor of men. While we still have work to do to reduce the gap, there are several key drivers for our results, which are detailed below.

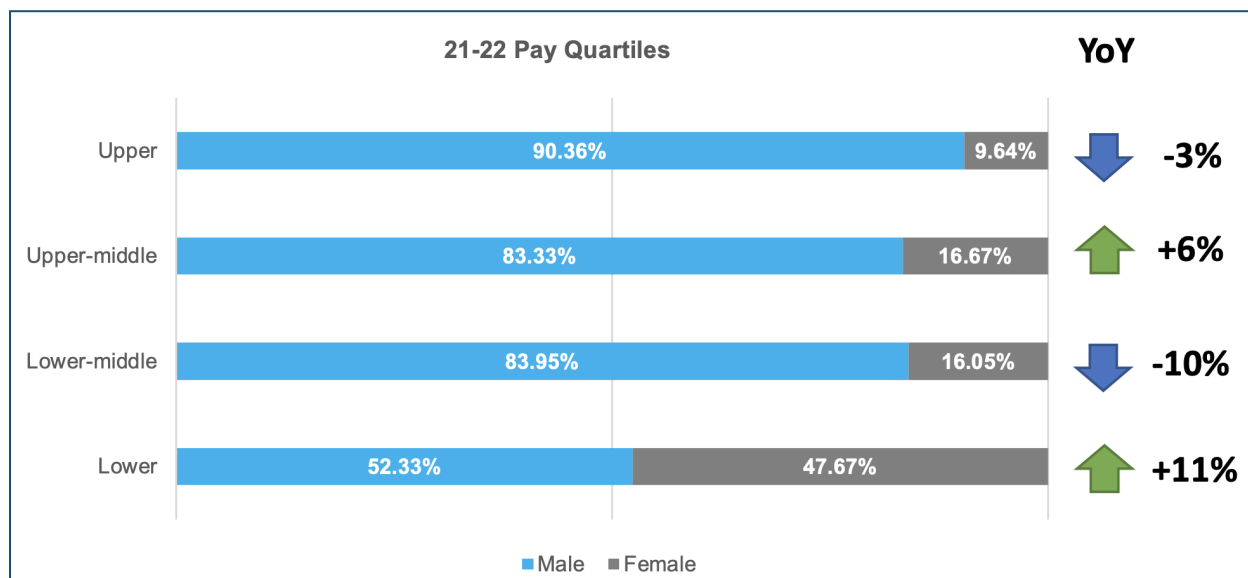
Bonus pay

- We calculated a 47% (mean) and 56% (median) bonus pay gap, driven by the same factors in the report below.
- Under the reporting requirements, 75% of women and 89% of men received a bonus in 2021/22, but **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 stock equity vesting (RSUs) 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 lower and upper-middle quartiles. This is reflective of our efforts with early careers and accelerator programs, and how our existing female talent continues to move upwards through our organisation.



Looking Ahead

Hiring & Recruiting

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

- The overall number of women increased at NaturalMotion over the past 12 months, with women representing 23% of our UK business (vs 18% the year before).
- 36% of new hires in 21/22 were women, with a number of those also taking up technical roles.

Opportunities for Improvement

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

- 90% of roles in our highest paid quartile are held by men – these are attributed to our most senior roles which hold the most base salary and potential bonus opportunity/RSU's, when compared to lower level roles.
- Our hiring efforts have increased overall female new hiring, with many hired into 'early career' to 'mid-level' roles. Adversely, 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 Gender Pay Gap 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. 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

- The team is proactive in making candidate pools and interview/selection panels as gender balanced and as diverse as possible.
- We use tools like Textio to ensure our job descriptions are both gender neutral and inclusive. We include diversity statements on all of our job advertisements to encourage applications from the widest range of candidates.
- Our talent acquisition team and hiring managers, take part in Unconscious Bias and Diversity training.
- We are proud of the work done with our internship programmes, which draw from a diverse talent pool. This has already proven to bring in more women to our business and the industry, which is demonstrated in the increased number of women at our entry level pay quartile.

Family Friendly Programs

- We have an enhanced maternity pay policy to support our new mothers 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.
- This year we will be enhancing our medical coverage to include partial coverage for dependents; we have also removed pre-existing conditions clauses for all employees to take advantage of the benefit.
- We are improving Family Planning support for fertility, maternity, parenting, and introduced a menopause policy in 2022.
- 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 annually.
- 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.
- We rolled out extensive mental health support and trained mental wellbeing champions in 2022, sending regular reminders detailing the various support resources available to the team.

Diversity, Equity & Inclusion Initiatives

- We continue to support women with dedicated Employee Resource Groups.
- We piloted several programs to support underrepresented groups, including:
 - *Torch, a coaching program for employees from underrepresented groups to work with a dedicated coach (based in the UK) over 6 months on specific leadership skills and competencies to prepare them for future careers. This was so successful, we rolled it out to wider groups through the year.*
 - *Integrating software with Slack to offer bite-sized DE&I content tailored to individual interests or learnings on DE&I.*
 - *Women Who Lead, a coaching program which aims to accelerate the development of women in leadership roles, providing an individualized development experience through 360 assessments and 1:1 coaching.*

- We 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 host a range of professional speakers and training on a variety of topical issues, which this year included talks on Imposter Syndrome and Fostering a Diverse and Inclusive Work Environment.

Charitable Donations & Partnerships

- We have partnered with several organisations focused on supporting women in gaming and the wider tech industry.
- Women in Games and Stemmettes are two of our key partners in this space amongst others.

We remain committed to continuing to build a representative gender balance across all our studio activities, and pledge to continue to find new ways to support and encourage women to both take up and advance in career opportunities with our company in order to achieve that.

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

Julian Widdows

A handwritten signature in black ink, appearing to read 'J Widdows', with a stylized flourish at the end.