

Frontier Developments plc Gender Pay Report 2017

Summary

This report provides gender pay data for Frontier's males and female employees. It also provides narrative to put the gender pay gap into context.

The gender pay gap is a simple average figure for all employees within the UK workforce, irrespective of the job that they do. Frontier's gender pay gap is largely a result of the high percentage of males in senior leadership and technical programming roles, which command a high salary.

The gender pay gap is not the same as equal pay. Frontier regularly reviews remuneration arrangements to ensure that male and female staff receive equal pay for carrying out the same work, or equivalent work.

Background

From April 2017, under The Equality Act (Gender Pay Gap Information) Regulations 2016 employers with 250 or more employees are required to publish statutory gender pay gap calculations every year. We are required to calculate the following gender pay data:

- Gender pay gap (mean and median averages)
- Gender bonus gap (mean and median averages)
- Proportion of men and women receiving bonuses
- Proportion of men and women in each quartile of the organisation's pay structure.

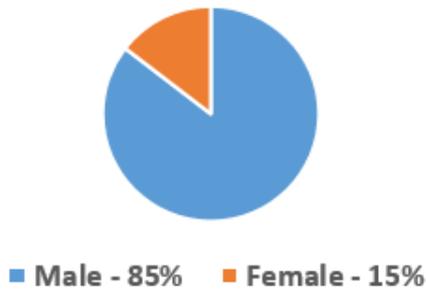
This data is required to be published on our website and a government website by 4th April each year. Salary data will be based on the snapshot date of 5th April 2017. The regulations also require employers to calculate and publish a separate gender bonus pay gap report. The bonus pay gap will include all bonus payments made in the 12 months up to and including the snapshot date of 5th April 2017. Sign off at senior level is also required.

Frontier Developments plc – Pay Gap Results

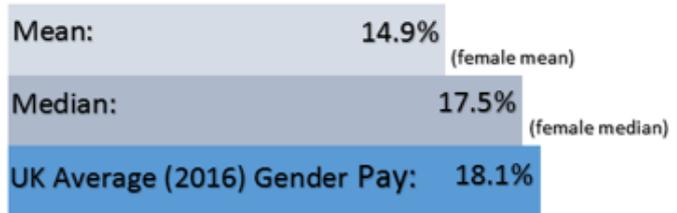
Frontier is a software technology company focused on videogame development. Frontier has historically had a high proportion of male employees, particularly within programming roles. Due to the shortage of people within this sector, generally these roles demand a higher pay. Currently 23% of Frontier's workforce is within programming, of which 6% are female. This is a common trend not only across the videogames industry but within the UK economy as a whole.

Encouraging more females to pursue careers in programming is a significant challenge across the UK. In many cases females still see gender stereotyping within schools as a barrier to the technology sector.

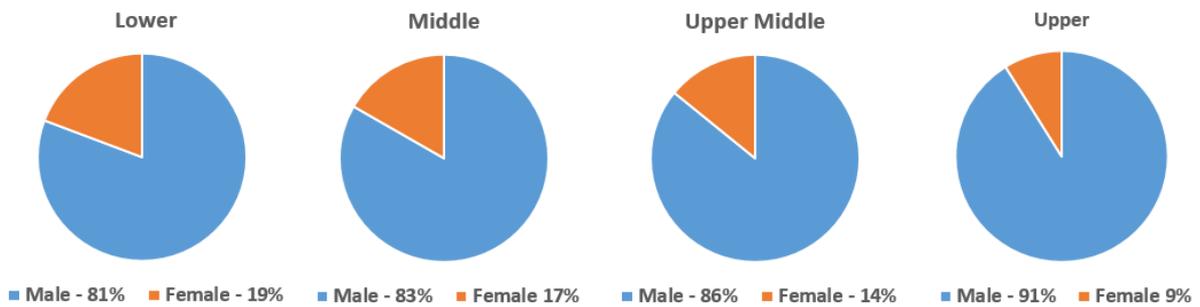
Total Frontier Workforce



Gender Pay Gap Results:



Pay quartiles across the Workforce:



Frontier is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex or any other protected characteristic and therefore is confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather its gender pay gap is impacted by the programming and senior leadership roles within the business being predominantly held by men.

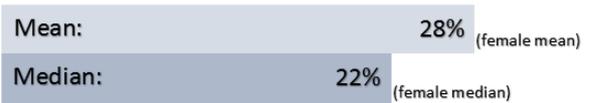
Across the UK economy as a whole, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in front-line roles.

Although Frontier is in line with the typical UK workforce composition, i.e. a higher proportion of women in the lower pay quartiles, our overall mean pay gap (14.9%) is lower than the 2016 UK national average (18.1%). This is despite the programmer issue already mentioned.

Percentage of workforce that received a bonus payment:



Gender Bonus Gap Results:



During the snapshot period a bonus payment was made to all qualifying employees (people employed during financial year 16/17) based on company and individual performance. As such some employees would have received a pro-rata bonus payment depending on their start date during the financial year or would not have been eligible for any bonus payment.

Addressing the gender pay gap

The main challenge faced by UK companies when recruiting for technical programming roles is that the national talent pool is substantially male so it is very hard to address this issue in the short term. Nevertheless, with this issue, amongst others in mind our CEO David Braben was a co-founder of the Raspberry Pi Foundation, and Frontier donates his time to serve on the Raspberry Pi Foundation board, and there has been significant success – Raspberry Pi Code Clubs are attended by 200,000 children each week, and 40% of them are female. This is predominantly aged 9-13, so it will be around a decade for this cohort to come on to the graduate programming jobs market, assuming the educational system supports this throughout, but it should mean a very significant improvement for the technical programming roles.

While Frontier's gender pay gap is in line with the typical UK workforce composition, this is not a subject about which Frontier is complacent and we will continue to support ongoing and new initiatives to reduce the Gender Pay Gap over the coming years. However due to the structural changes required to address many of the causes of the gender pay gap, the effects of these initiatives may take many years to be fully realised. We will however evaluate their impact on a regular basis, to ensure we are continuing to make steps in the right direction.

We will continue to be aware of all aspects of potential inappropriate discrimination, including gender, sexual alignment, disability, and racial discrimination, and will continue to focus on ways to attract, retain and develop our diverse talent and actively encouraging more disadvantaged groups to pursue careers in the videogames industry.



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