

Frontier Developments plc ('Frontier') Gender Pay Report 2018

Summary

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

The gender pay data for 2018 shows a variance of 18.77% (2017: 17.5%) between the median pay for male employees and female employees within Frontier's UK workforce, irrespective of the job that they do. This variance is largely a result of the high percentage of males in senior leadership and technical programming roles, which command higher salaries. All employees who qualified for a bonus in financial year 17/18 received one regardless of gender.

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 2010, (Gender Pay Gap Information) Regulations 2016 employers with 250 or more employees are required to publish statutory gender pay data every year. We are required to calculate the following gender pay data:

- Variances in average pay by gender (mean and median averages)
- Variances in average bonus by gender (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.

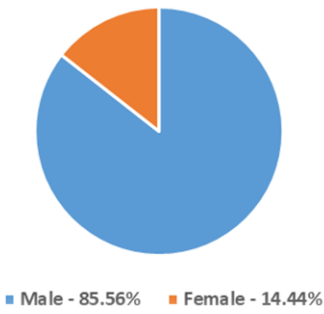
This data is required to be published on our website and a government website by 4th April each year. Salary data will be based on the snapshot date of 5th April 2018. The regulations also require employers to calculate and publish a separate gender bonus pay report. The bonus pay calculations will include all bonus payments made in the 12 months up to and including the snapshot date of 5th April 2018. Sign off at senior level is also required.

Frontier Developments plc – Pay Data Results

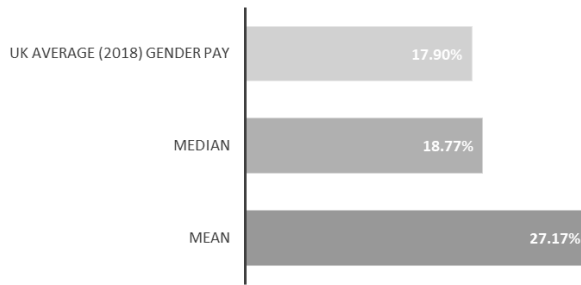
Frontier is a software technology company focused on videogame development. Frontier has historically had a high proportion of male employees, particularly within programming roles. Due to the shortage of people within this sector, generally these roles demand a higher pay. Currently 24% of Frontier's workforce is within programming, of which 7% 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.

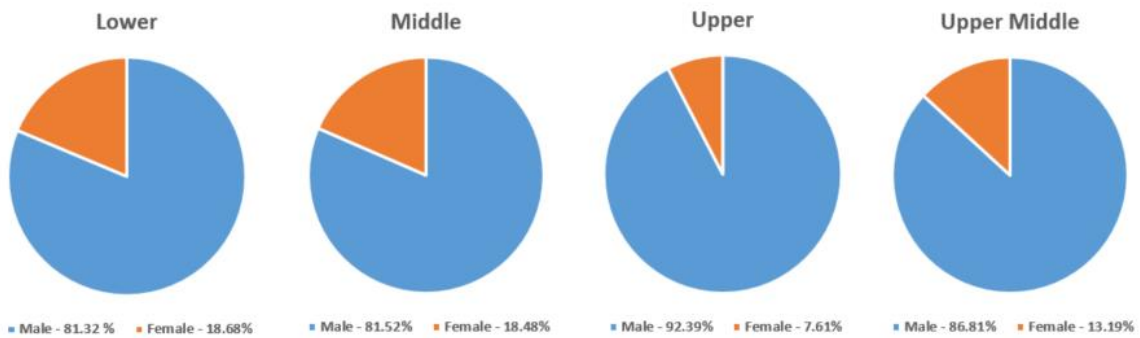
Total Frontier Workforce



Gender Pay Results



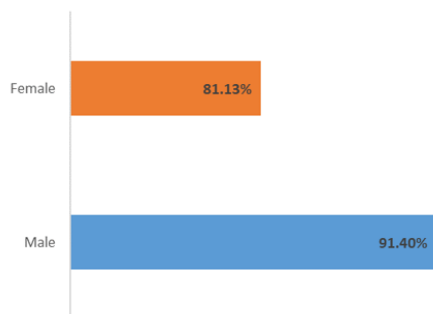
Pay quartiles across the Workforce:



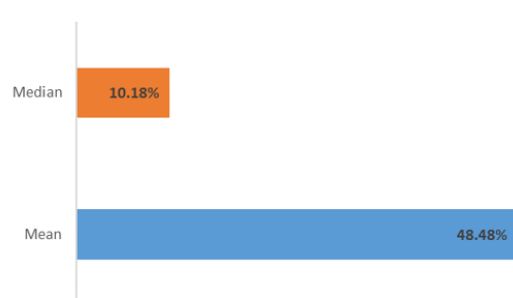
Frontier is more in line with the typical UK workforce composition, with more woman in the lower quartiles. This creates a gender variances in median pay which are closer to the UK national average.

Frontier is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex or any other protected characteristic. It is therefore confident that variance in pay by gender do not stem from paying men and women differently for the same or equivalent work.

Percentage of workforce that received a bonus payment



Gender Pay Bonus Results



During the snapshot period a bonus payment was made to all qualifying employees (people employed during financial year 17/18) based on Frontier’s financial performance and individual employee 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.

Looking forward

The main challenge still 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. As an illustration of these challenges, whilst Frontier has increased the overall female workforce in the last year, there has been little increase within technical programming roles. Frontier will continue to support existing and new initiatives to increase the female talent pool for technical programming.

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.

Frontier will continue to regularly review remuneration arrangements to ensure that male and female staff receive equal pay for carrying out the same work, or equivalent work.



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