

Gender Pay Report 2020



Introduction

This is the second year that we have reported on our gender pay gap at Square Enix Ltd. The findings in last year's report shone a light on the issue of gender inequality and gave us a great impetus to investigate, find new approaches and pave the way for greater balance in the future.

The scope of this report encompasses Square Enix Ltd, a London-based subsidiary of the Japanese parent company, Square Enix Holdings Co. Ltd. It's based on data for the year up to 5th April 2020 and of the surveyed employees, 66% identify as male and 33% identify as female — a slight increase year on year. Their job roles span a variety of functions including marketing, sales, analytics, web and game development, game masters, HR, legal, finance, IT, customer support and administration.

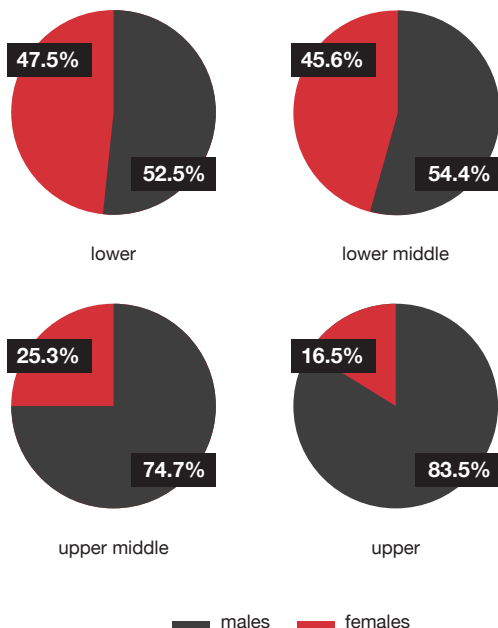
We're committed to hiring, retaining, supporting and rewarding our people fairly and we pay males and females performing the same job equally. However, we still employ many more men than women, especially in senior roles, and therefore the data shows a continued gap based on gender.

Gender in our industry

As a company operating in the games industry, we are keen to address its higher-than-average gender pay gap. There is a historical trend for games companies to employ more men, and so we need to be proactive in finding ways to inspire, recruit and retain women.

Our HR team belongs to — and is learning from — Women in Games, which aims to recruit more women to the industry. We are pleased to have more female colleagues taking part in external industry panels and have partnered with women in gaming, tech and STEM initiatives.

For example, one of our Marketing Directors was invited by UN Women to speak about harassment and the use of sexist language that demeans and discriminates against women in eSports — both within the gaming platforms and also in the workplace. The eSports industry has recognised the urgent need for greater inclusivity towards women and is working to revolutionise itself.

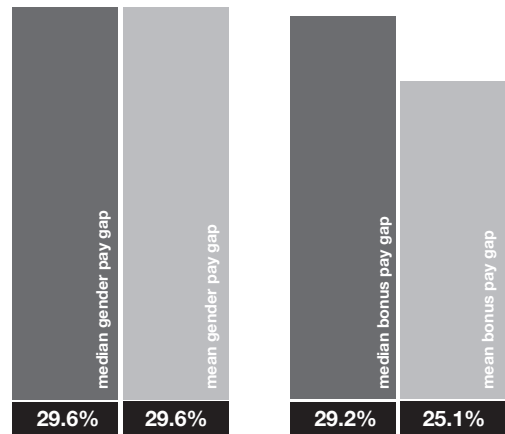


Our gender pay gap

Square Enix is committed to paying fairly and has policies in place to support equal pay for equal work. We observe the Equality Act and regularly review all salaries against industry benchmarks, such as the Croner salary survey for the games industry.

Whilst we do not have unequal pay practices, our continued gender pay gap highlights that there is more work to be done in identifying and addressing the barriers and issues.

The gap directly reflects differences in seniority and when looking at each pay quartile, we can see our ongoing challenge to advance female representation in our upper middle and upper roles.



Our bonus plan pays out as a percentage of salary and everyone who passes probation by the end of the financial year previous to the gender pay report year is included in that year's bonus cycle. The presence of a bonus pay gap is therefore a direct reflection of our gender pay gap.

All of our London-based employees are eligible for our bonus plan, so the percentage of males and females receiving a bonus is a translation of the number of female staff employed at the data point



The mean reflects the difference between average hourly pay between males and females
The median reflects the middle of the distribution (midpoint) of average pay

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Closing our gender pay gap

Having marginally more women in our team has not yet made an impact on the gender pay gap. We need to promote the fair representation of female talent more broadly at all levels of Square Enix. This involves our processes of recruitment and selection, but also crucially, training and promotion.

We have been in talks with our ATS (application tracking system) platform on anonymising CV screening, a move which will go hand-in-hand with our ongoing unconscious bias training.

We have focused on ensuring in-house training opportunities and offers of cross-departmental experience are taken up by females. Our current leadership training programme (LTP) has significantly more women in its cohort than previously. One of our female colleagues who won a Game Dev Hero award in 2019 has this year been selected for BAFTA Crew 2021.

As the women that we recruit and retain at Square Enix progress in their roles and, therefore, their salary bands, we expect to see the pay gap in the upper quartiles start to lessen in future years.

Flexible and family-friendly working

We have always believed in flexible working and have a strong culture of work-life balance. Since the last gender pay report, we have been investigating our family friendly policies, to ensure we remain at least competitive, if not ahead, in terms of our maternity, paternity and SPL benefits.

A safe space with wellbeing as priority

Since the last report, we have put in place a number of wellbeing employee resource groups: Gender Diversity, Environment, Mental Health, Racial and Ethnic Diversity, Pride, and Accessibility. The majority of these are spearheaded by female colleagues or co-run with male colleagues with the aim of increasing awareness, starting conversations and fostering deeper understanding throughout the company.

Diversity in the Workplace

While not the focus of this report, diversity in the workplace is an important related issue. In our London office, we have a multinational and culturally diverse workforce, with 25 nationalities at last count. This diversity ensures we are fresh, creative and in tune with global audiences.

Our Apprentice Recruitment Programme is designed to bring in even more diverse talent across all paths. We have worked with Leeds University to offer their students from under represented backgrounds an opportunity to learn about the gaming industry in a more corporate setting. We are looking to work with outreach programmes and charities to offer underprivileged young people the opportunity to gain work experience.

Square Enix takes part in the UKIE games industry diversity census #raisethegame. Our goal is to hire, retain and promote the best talent, regardless of gender, age, race, religion, belief, sexual orientation or physical ability.

I confirm the data contained in this report is accurate and meets the requirements of the Gender Pay Gap report regulations.



Phil Rogers
CEO Square Enix Limited