

## Introduction

This is the third year that we have reported on our gender pay gap at Square Enix Ltd. Building on the previous reports, we have a clearer understanding of gender inequality and continue to iterate and educate ourselves on the issue to narrow the pay gap and ensure equality across all areas as we move forward.

The scope of this report encompasses Square Enix Ltd, a London-based subsidiary of the Japanese parent company, Square Enix Holdings Co. Ltd. It is based on data for the year up to 5th April 2021 and of the surveyed employees 65.1% identify as male and 34.9% identify as female, which is a 3.9% increase in women since our first report. It is also important to note that we have colleagues identifying as non-binary, but for the purposes of the report and statutory requirements they are included in the above categories. We continue to be gender diverse across our functions to promote balanced teams.

The gender pay gap does not reflect the whole picture, as it only measures the difference between average pay across the work force. We benchmark (internally and externally) regularly in our commitment to ensure pay reflects the skills and experience of our employees.

Square Enix remains committed to paying fairly and has stringent processes in place to support equal pay for equal work.

## Gender in our industry

As a company operating in the games industry and the wider technology industry, we know that gender pay gaps are particularly prevalent in STEM sectors due to historical trends. Based on tenure, we still find that men hold more senior positions across the organisation and therefore the pay gap remains, albeit with improvements compared to last year. We continue to be proactive to find ways to recruit and retain marginalised genders in the industry.

The gaps we see continue to be driven by the long tenure of male counterparts in senior roles and a lack of gender diverse representation at senior level, which is a systemic and industry wide problem. Our pay gap continues to highlight that, whilst there are improvements, there is work to be done to identify and address barriers.

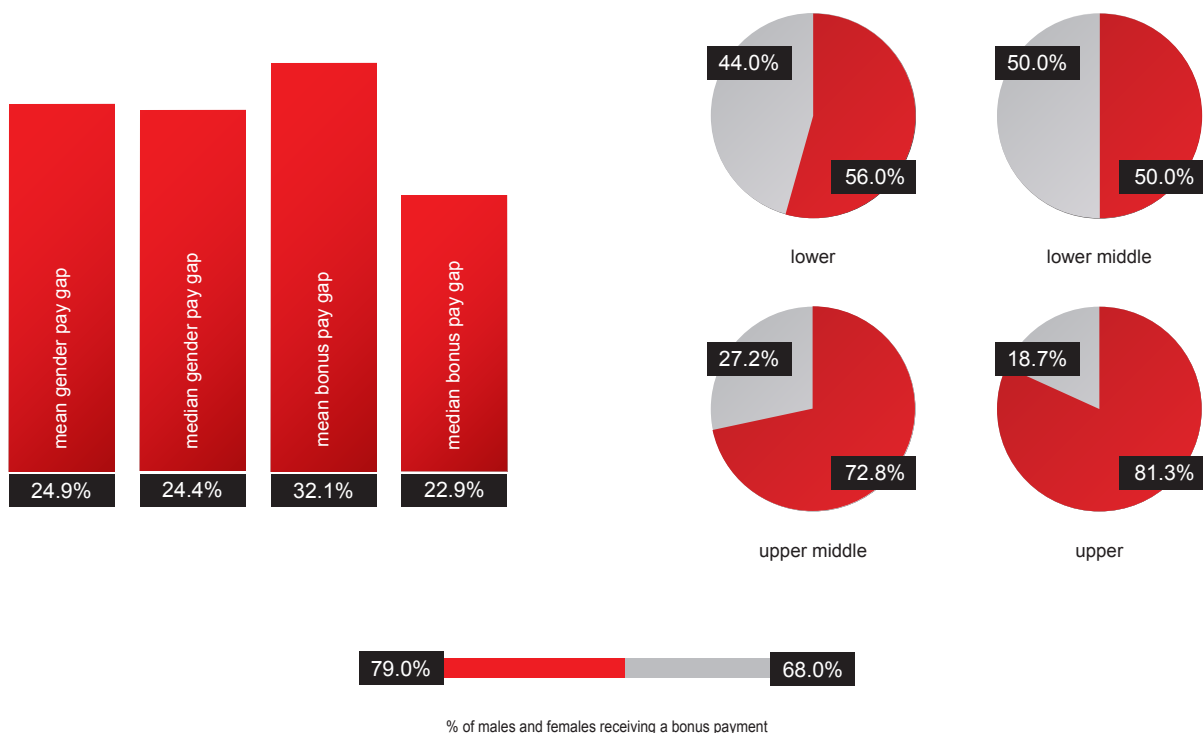
We continue to have women and non-binary colleagues take part in external panels and events as well as pro-actively partnering with organisations focused on the Gaming and STEM industries.

## Our gender pay gap

This report accounts for 2 types of averages:

1. The mean, which is the sum of every employee's hourly rate divided by the number of total employees.
2. The Median which is the exact mid-point between the highest and lowest rates of pay.

The gender pay gap is the difference between these averages for men and women.



males  
females

All of our London-based employees become eligible for our bonus plan after they pass probation. The presence of a bonus pay gap is therefore a direct reflection of our gender pay gap.

The difference in the percentage of males and females receiving a bonus reflects the balance of employees who were in probation at the time of the bonus.

Since our first report, we can see there have been small improvements in the Upper Quartile by almost 3% and the Lower Middle Quartiles by 12.9%. We found this improvement is a result of hiring and promoting women. In addition, we can also see that since our first report there has been a 4% improvement in the median bonus pay gap. Compared with last year, we have also seen a 5.2% improvement in the median pay gap and a 4.7% improvement in the mean gap. We recognise that whilst we are moving in the right direction, this isn't a quick fix and will therefore take time.

## Closing our gender pay gap

We will promote the fair representation of gender diverse talent more broadly at all levels within Square Enix. This involves our processes of recruitment and selection, but also crucially, training and promotion.

We have seen this year that the increase in women in the upper quartiles has made a small but positive impact on the gender pay gap. Although we recognise there is still a long way to go, we remain committed to providing training opportunities, such as our internal Leadership Training Programme which continues to be popular with a strong uptake of women. We have plans to run the programme more frequently to keep pace with demand and ensure it can be accessed by as many colleagues as possible. We also offer a variety of resources, from online courses to corporate trainers, to support employee development, as well as reimburse and sponsor ongoing education where appropriate.

We champion flexible working and have a strong focus on work-life balance. Since the last gender pay report, we have continued to review our family friendly policies to ensure we remain competitive. We offer a variety of flexible working options, giving those who need it the ability to adapt their schedules to meet the needs of their families. In addition, we introduced a hybrid working policy as a further means of supporting colleagues to achieve a work/life balance.

Square Enix supports and engages with organisations that champion marginalised genders (as well as wider marginalised groups) such as Women in Games, Women in Tech & UKIE, which contribute to improving on ED&I best practices, including but not limited to hiring and retaining gender diverse employees, and we will continue to build on these existing relationships.

Overall, our key aim is continuing to build a balanced organisation, via a sustainable and attainable approach, which includes but is not limited to the recruitment of gender diverse candidates and developing and promoting from within our internal talent pool. We believe this approach will eventually result in a smaller gender pay gap, but we recognise this will take some time.

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