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**GENDER PAY GAP REPORT 2023**

# WHAT IS THE GENDER PAY GAP?

Enacted in 2017 the UK Government's Gender Pay Gap (GPG) reporting legislation is an amendment to the [Equality Act 2010](#) and requires employers with over 250 staff to publicly [report](#):

- The proportion of males and females in each pay quartile
- The Mean and Median gender pay gap in hourly pay
- The Mean and Median bonus gender pay gap, and the proportion and males and females receiving a bonus payment

The gender pay gap is different to [equal pay](#) and the wider terms of the Equality act which ensures fair pay for men and women working in the same position.

## THE GAMES INDUSTRY LANDSCAPE

The Gender Pay Gap in the UK overall has reduced in the last decade, but it is still favourable to men. April 2021 data shows that the games industry has a median gender pay gap of [17.1%](#), compared to a national median of 7.9%. Change in the industry appears to be slow considering the data in 2018 for the games industry was [17.9%](#).



# nDREAMS GENDER PAY GAP DISCLOSURE

nDreams is a leading VR developer and publisher, based in Farnborough, Hampshire, UK. We have 4 development studios: nDreams Studio (Farnborough – Hybrid), nDreams Studio Orbital (remote), nDreams Studio Elevation (remote), and Near Light (Brighton – Hybrid, acquired in December 2022). nDreams Group HQ, housing our Publishing, Operations, Shared Services and Talent teams, also operates a hybrid-working model from Farnborough. Headcount across the company increased from 121 to 196 during the reporting period, an increase of 61%.

We believe nDreams has achieved pay equity by role for men and women and we make considerable effort to ensure our remuneration practices are fair and regularly reviewed.

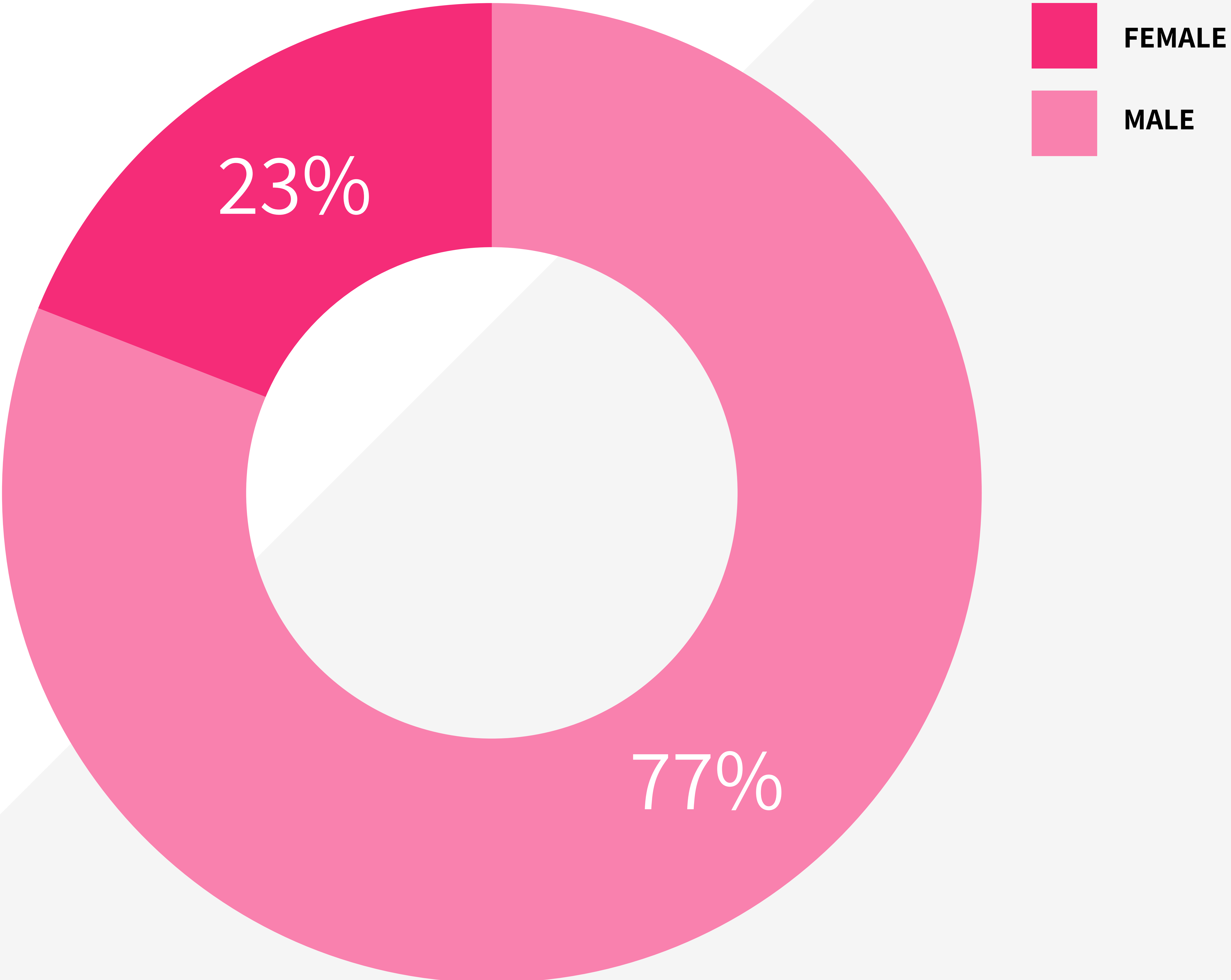
This report has been prepared in compliance with the Gender Pay Gaps Regulations 2017 and the figures represented below reflect accurate employee data gathered on 5th April 2023.



# 1. GENDER REPRESENTATION

For this Pay Gap report 196 employees of nDreams Limited and its recent acquisition of Near Light Limited were surveyed (23% women, 77% men) showing an increase in women in the business of 4% from the 19% in 2022 and a greater number than the 22% women represented in the organisation in 2021. Due to growing headcount this represents a significant increase in female headcount in the business overall.

We recognise that the lack of women leadership in games is an industry-wide issue, and we are committed to changing this imbalance through our EDI (Equity, Diversity, and Inclusion) and Talent Attraction, Selection, Development, Engagement, and Retention strategies.



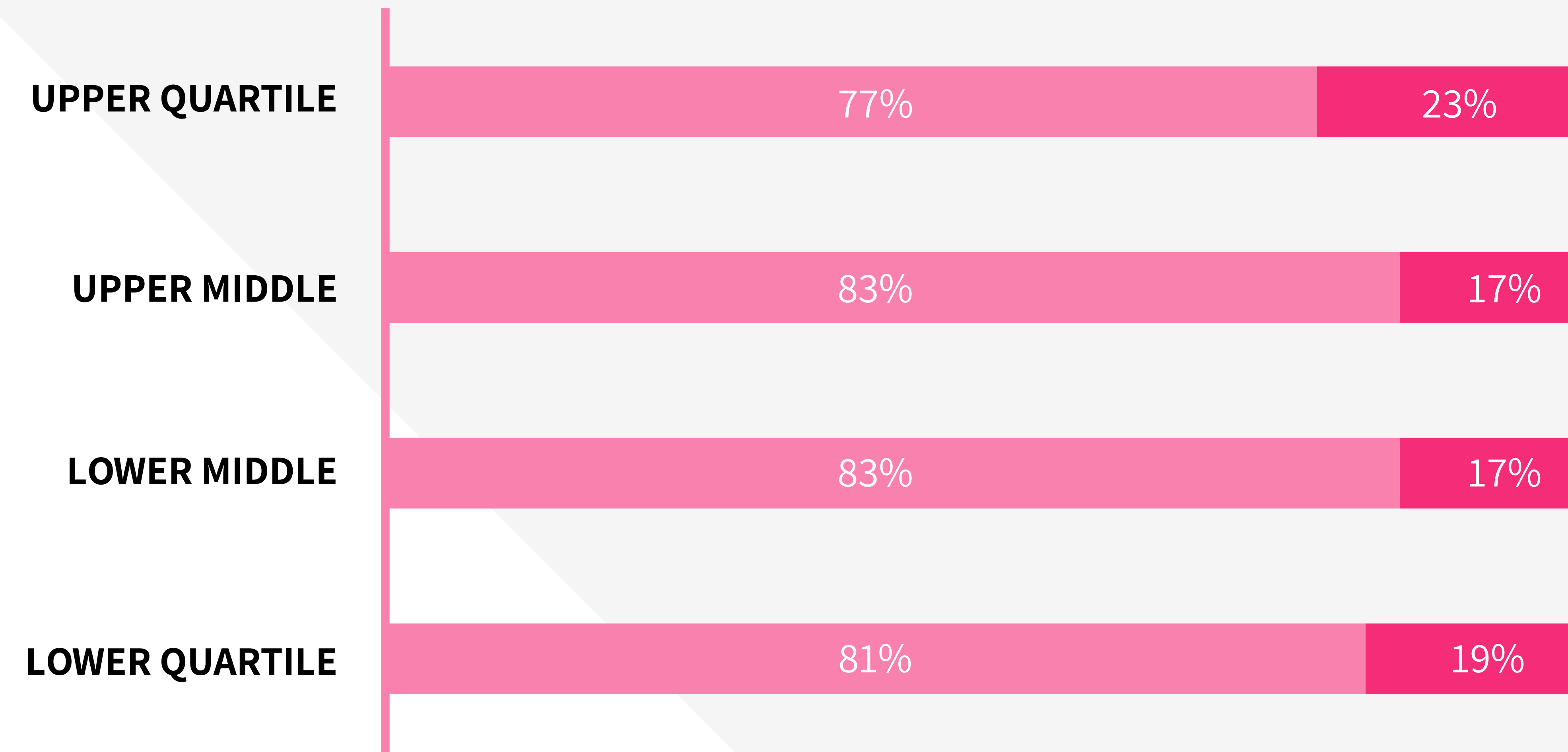
## 2. EXPANDED PAY QUANTILES

Quartiles are calculated by listing all employees from lowest to highest and then splitting the list into four equal sized groups and then calculating the percentage of men and women in these groups.

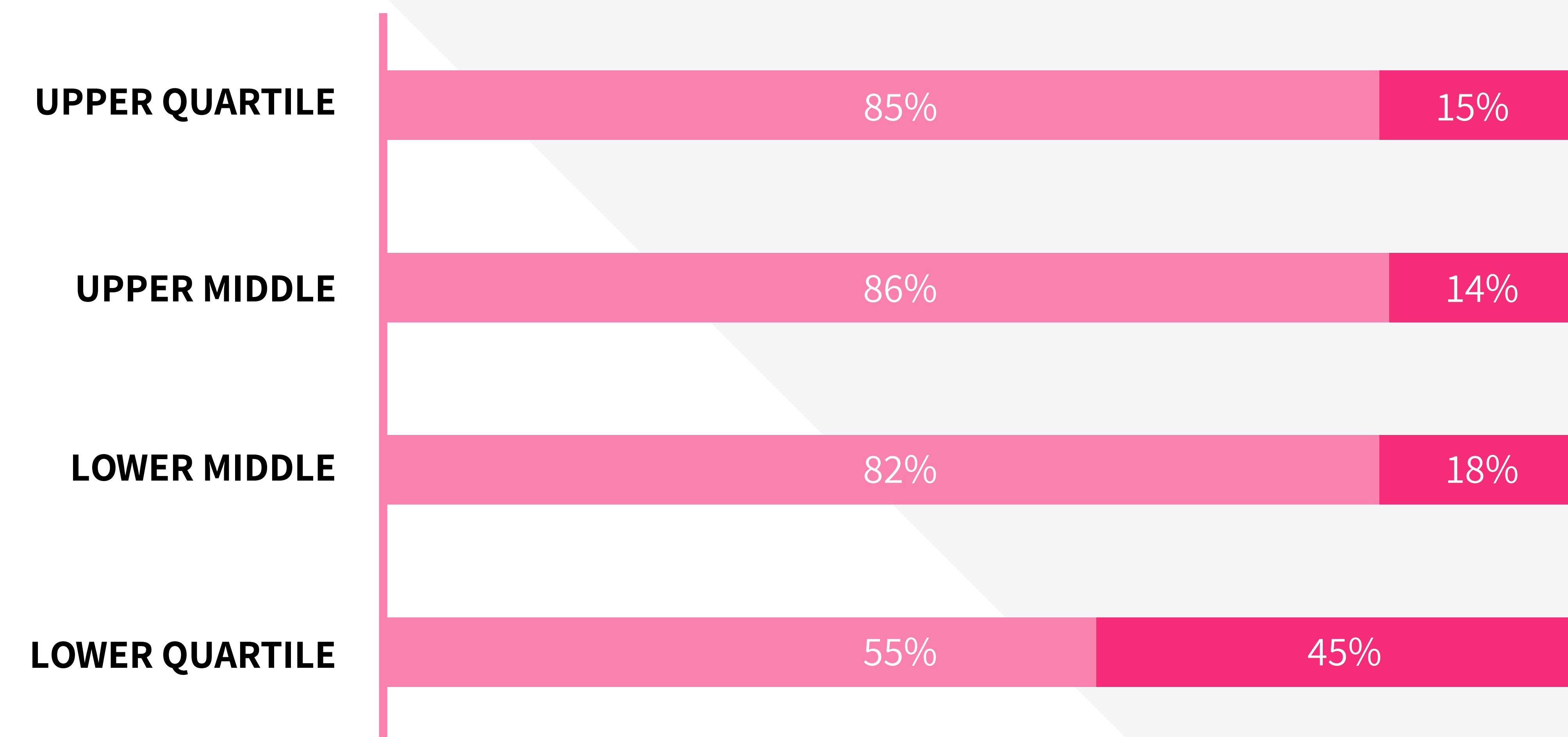
The representation of women in the upper quartiles has reduced from 41% to 29%. In real terms, the number has increased from 12 to 14, however the growth of the company, the addition of a few new departments such as Shared Technology, and the acquisition of Near Light, have meant a greater number of senior male leaders within the business, thus impacting the ratios in the upper quartiles.

However, nDreams has seen an increase in women across the lowest quartile in the business in the last 12 months from 19% to 45% – a reflection of our investment in more diversity through our Academy and entry-level hiring. The representation of women in the lower middle quartile has remained relatively static year on year from 17% in 2022 to 18% in 2023. We expect that 2024 will see an increase as some of our entry-level hires move up through the quartiles as they develop in their roles, and hopefully from the lower middle quartile to the upper middle quartile as investment in learning and development leads to internal promotions.

### 2022



### 2023



# 3. MEAN & MEDIAN PAY GAPS

The mean pay gap compares the average pay for men and women in a business. The median pay gap compares the mid-point hourly rate of pay for all female employees with the mid-point hourly rate of pay for all male employees.

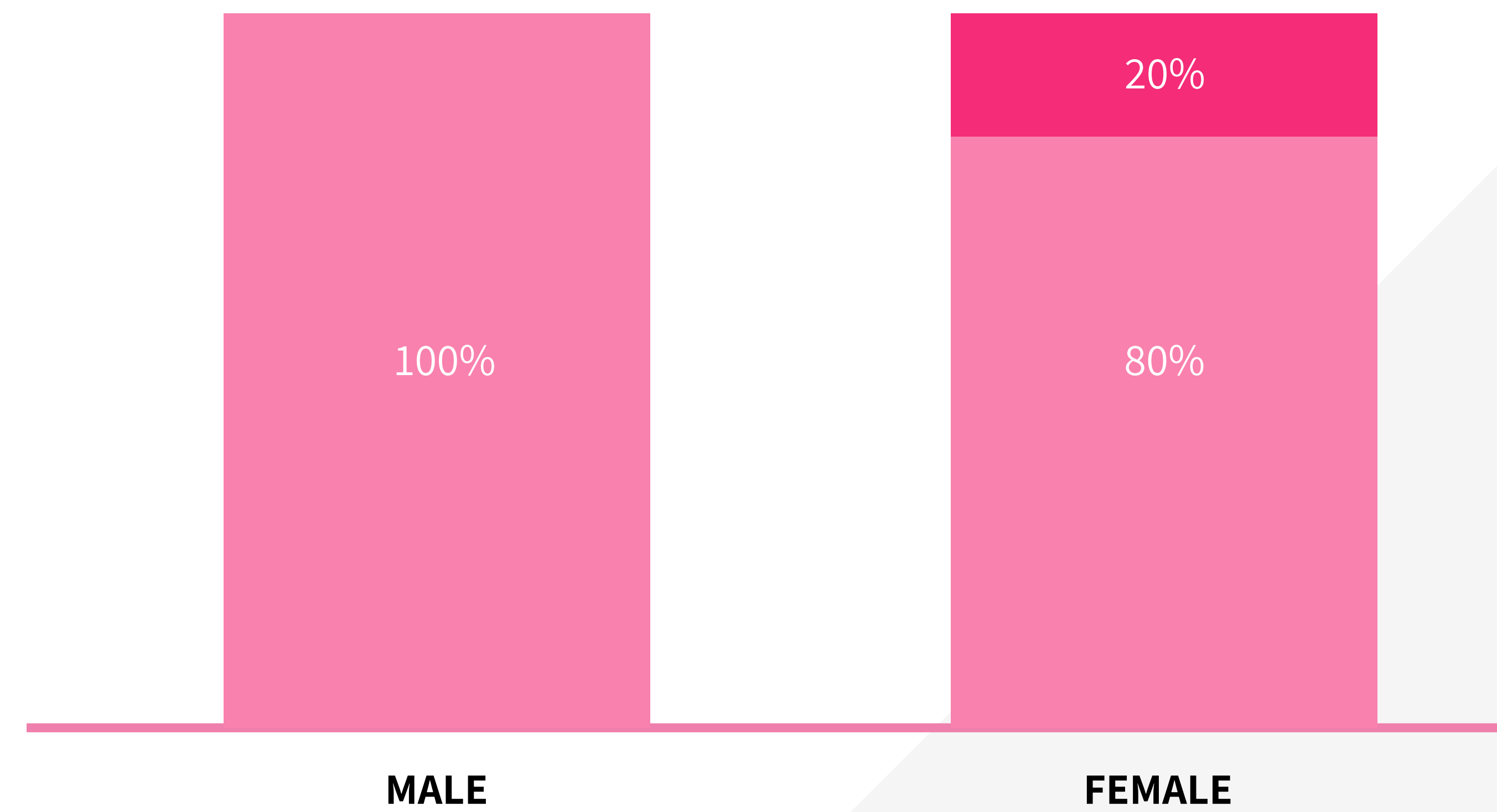
## A. MEAN HOURLY RATE

When comparing **mean** hourly rates, men earn £29.46 for every £23.44 that women earn, or 20% (£6.02) more. This means there is a **significant** mean gender pay gap for FY23. This will be due to the increase in women in the lower quartiles of the business, lowering the average for women across the business.

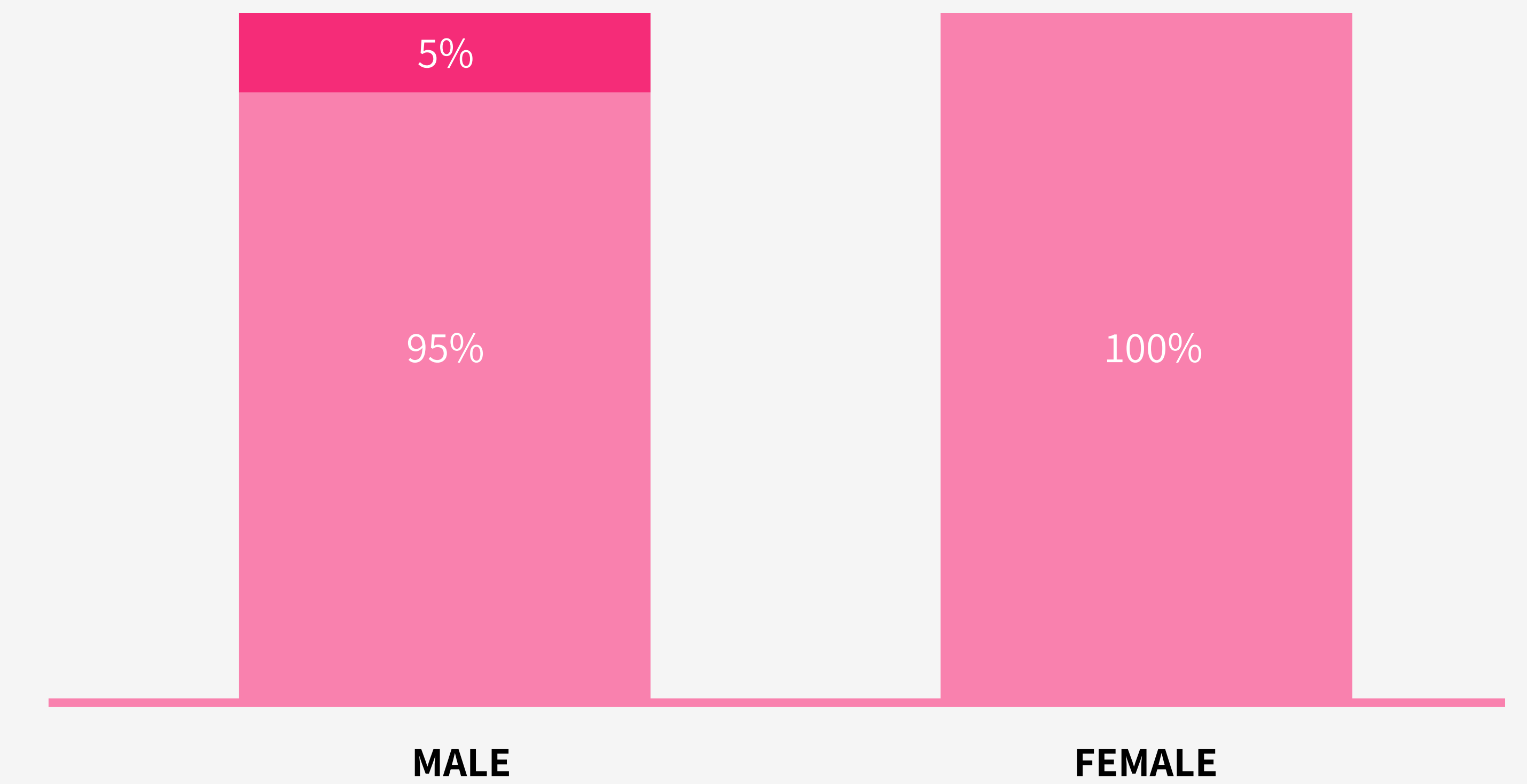
In FY22, when comparing **mean** hourly rates, women earned £28.60 for every £27.13 that men earned, or 5% (£1.47) more, meaning a **negative** mean gender pay gap. This was due to the seniority of some of the women in the business and the number of men in the lower quartile of the business. There was a pay gap of 6% in 2021 where for every £26.03 a man earned; a woman earned £1.50 less at an average hourly rate of £24.53.

The 2023 data represents a 27% swing in average hourly rates at nDreams and whilst we are disappointed, it is positive for the future as we are addressing the gender balance of new entrants into the business.

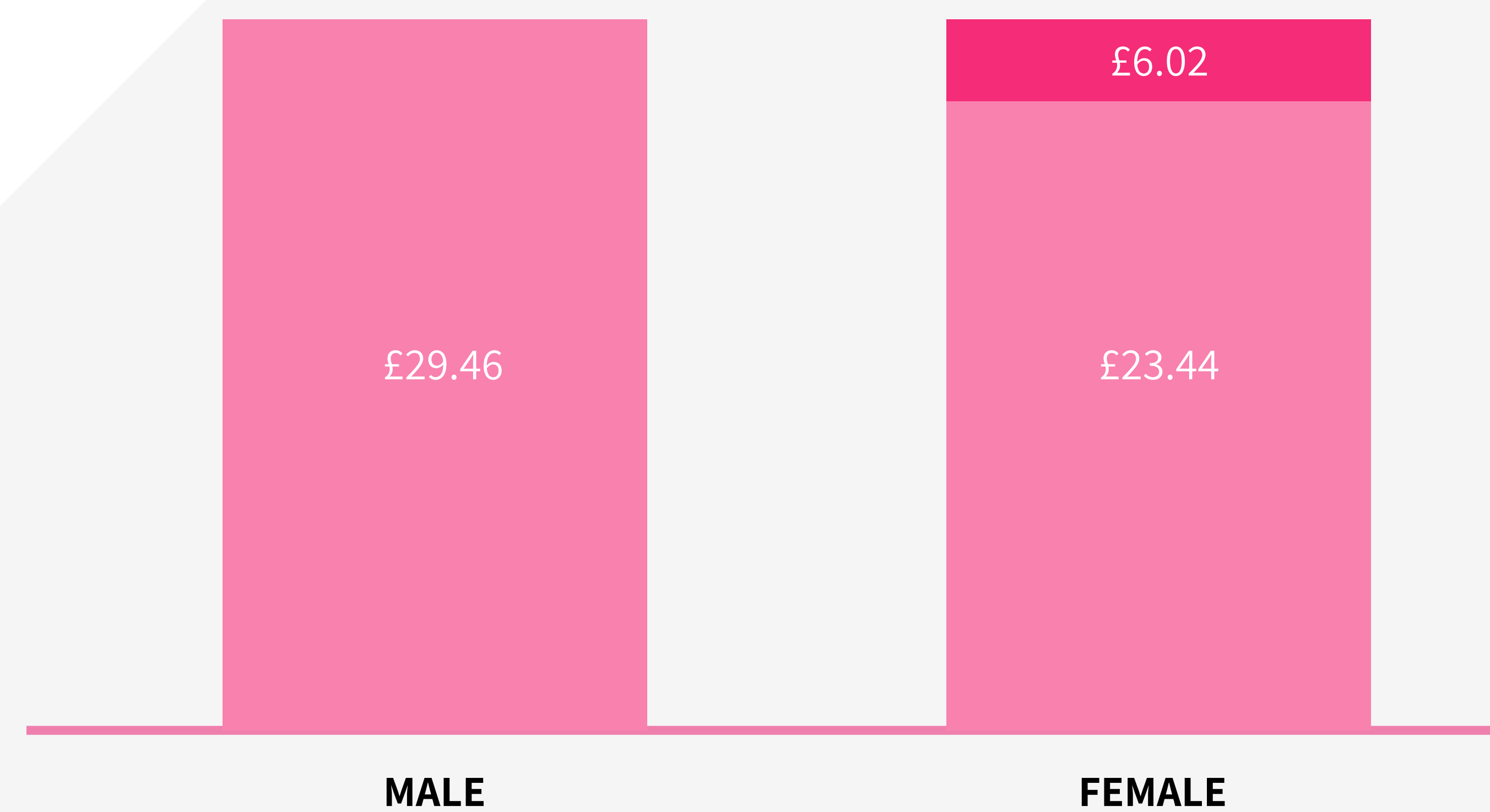
### 2023 MEAN PAY GAP %



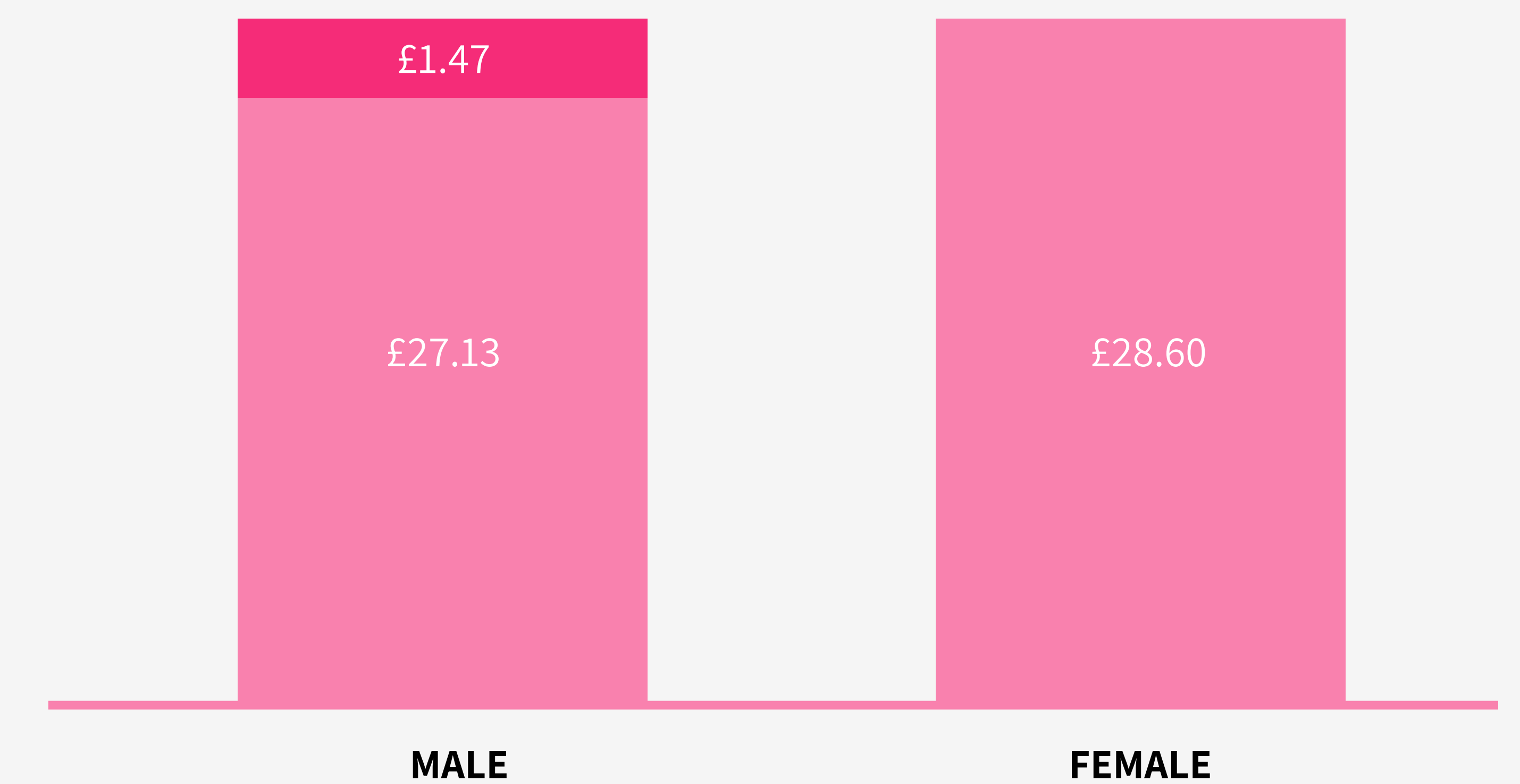
### 2022 MEAN PAY GAP %



### 2023 MEAN PAY GAP £



### 2022 MEAN PAY GAP £



# 3. MEAN & MEDIAN PAY GAPS

## B. MEDIAN HOURLY RATE

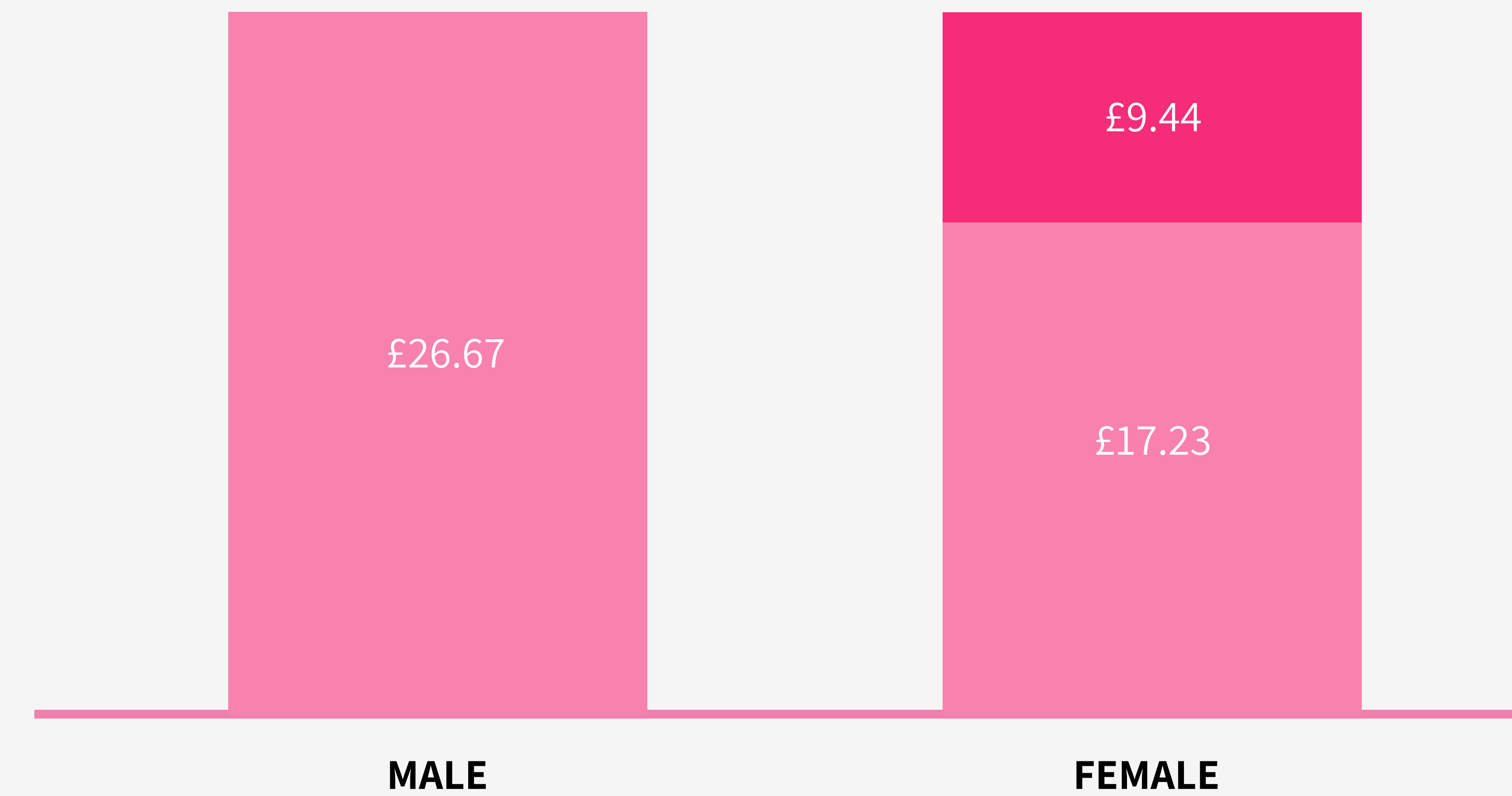
When comparing median hourly rates women earn 35% (£9.44) less than men. This means there is a gender pay gap. In 2022, this was -7% with women earning more than men and, in 2021, women earned 21% less than men at nDreams which gives a clear indication of how the variance in grade/seniority of hiring can influence the data.

A clear EDI strategy and the growth of The Academy in 2022-2023, bringing more diverse graduates and entry-level hires into the business, will continue to have an impact on gender pay data moving forward. This is also part of a long-term commitment to improving representation at higher levels, with a promotion rate of more than 90% for Academy hires at nDreams' studios.

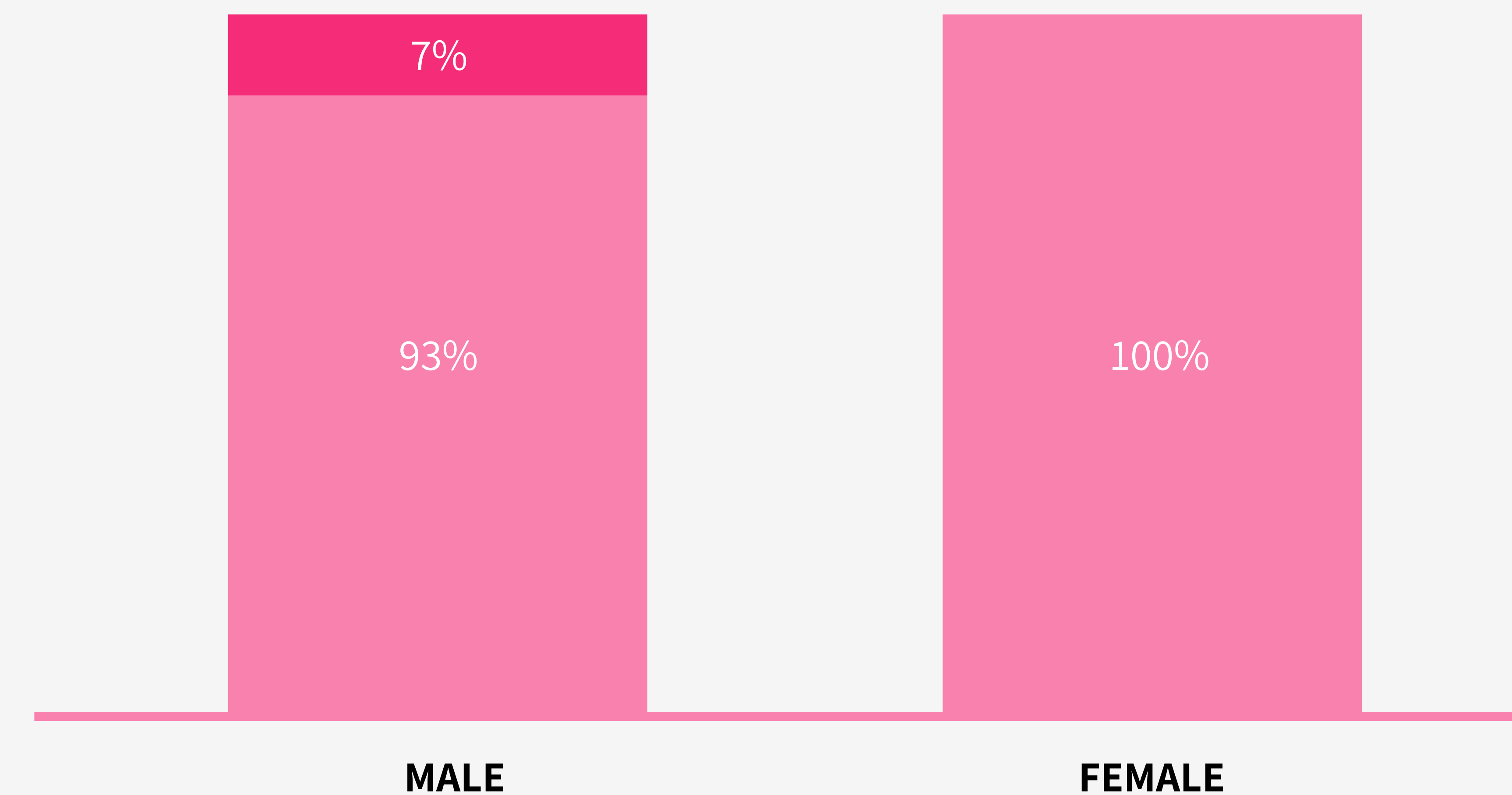
# 4. BONUSES

At nDreams we offer generous recruitment referral bonuses to all employees, but we do not have a company-wide bonus scheme, so we have not provided data currently.

## 2023 MEDIAN PAY GAP £



## 2022 MEDIAN PAY GAP %



# 5. DEVELOPMENT VS NON-DEVELOPMENT

To provide full transparency and accountability, we have outlined some data behind our overall figures.

Representation of women in Development at nDreams has increased from 10% (2022) to 18% (2023).

- **Mean Pay Gap is 29% in Development / £8.61**
- **Median Pay Gap is 42% in Development / £11.15**

These pay gaps are significant and we are confident we understand the reasons behind them.

In large part, this is down to greater representation in the lower quartile as we use the Academy programme to boost underrepresented groups into our business and offer career paths, as shown in the near-doubled percentage of women in development roles.

Representation of women in non-development at nDreams, meanwhile, has decreased from 47% (2022) to 40% (2023).

- **Mean Pay Gap is 9% in non-development / £2.66**
- **Median Pay Gap is 25% in non-development / £6.46**

We are at the start of this journey and, for both groups, we expect gender pay gaps to narrow in coming years.





# OUR COMMITMENTS

nDreams' aim is to develop a reputation for an inclusive culture and to be an employer of choice.

Our EDI Strategy outlines the following aims:

## ***Diverse leaders and teams***

- Inclusive culture and leadership
- Increasing our diversity
- Diverse supply chain

## ***Game development – In-game representation and accessibility***

- Products with character diversity in mind
- Mandatory diverse representation
- Cultural consultation
- Accessibility as standard feature design
- Inclusive practices within the business

## ***Engagement Collaborations and Partnerships***

- Quarterly EDI Meetings
- Creating an EDI steering group
- Developing flexible and inclusive workplace policies
- Review decision-making processes to assess impact and effect on diversity and inclusivity
- Learning and development opportunities for everyone, encouraging employees to participate in community and cultural events

## ***Success, Progression and Development***

- Comprehensive management training
- Recruitment training for all hiring managers
- Fair promotion process
- Reward all staff fairly
- Provide a safe space for all staff to have a voice



# OUR COMMITMENTS

## *Delivery*

To deliver on these objectives, nDreams makes commitments.

Through its nDreams Academy to:

- Provide more Outreach encounters to marginalised groups, by marginalised staff
- Ensure diverse pools for our Academy pipeline
- Develop our entry level staff with personal and technical training to help unlock potential

nDreams' HR team will ensure:

- Staff will receive regular 121s and quarterly performance feedback and objective review & reset
- Comprehensive onboarding into nDreams when joining the company
- Fair and equal pay to every staff member for the roles they do
- Fair and equal promotion opportunities
- Provide training opportunities for all Managers in Leadership, Mental Health, Unconscious Bias, among others
- Fair pay across job roles

nDreams' recruitment team will:

- Advertise widely to ensure diverse talent pools for all vacancies
- Ensure objective selection process to remove bias
- Provide all hiring teams with recruitment training to facilitate fair selection
- Ensure regular market rate reviews, and fair pay cross new and existing staff

The development studios will have a focus on:

- Diverse input
- In-game representation using consultants as appropriate
- Accessibility and player-base development

Our staff will contribute to all our objectives by:

- Joining our regular EDI meetings,
- Contributing to our specific Slack groups e.g., LGBTeas, Athena, Parents at nDreams, Disability at nDreams, ESG (Environmental, Social and Governance), etc
- Collaborating with industry partners and organisations, e.g., Safe in Our World, UKIE, Special Effect, Autistica, G into Gaming, Into Games, Limit Break Mentorship, Code Coven, Out Making Games etc.



# OUR BELIEFS

At nDreams, we believe that everyone has a responsibility to help foster an inclusive culture and contribute to making our company an environment in which diverse staff members have a voice and feel motivated to stay.

We are fortunate to have many men in the business who take their role of allyship seriously and help foster safe spaces.

We have made considerable progress with the quartile distribution of men and women across the business in entry-level, junior, and mid-level roles and we hope to see investment in career development see more equal spread in all quartiles, along with another overall increase in representation next year.



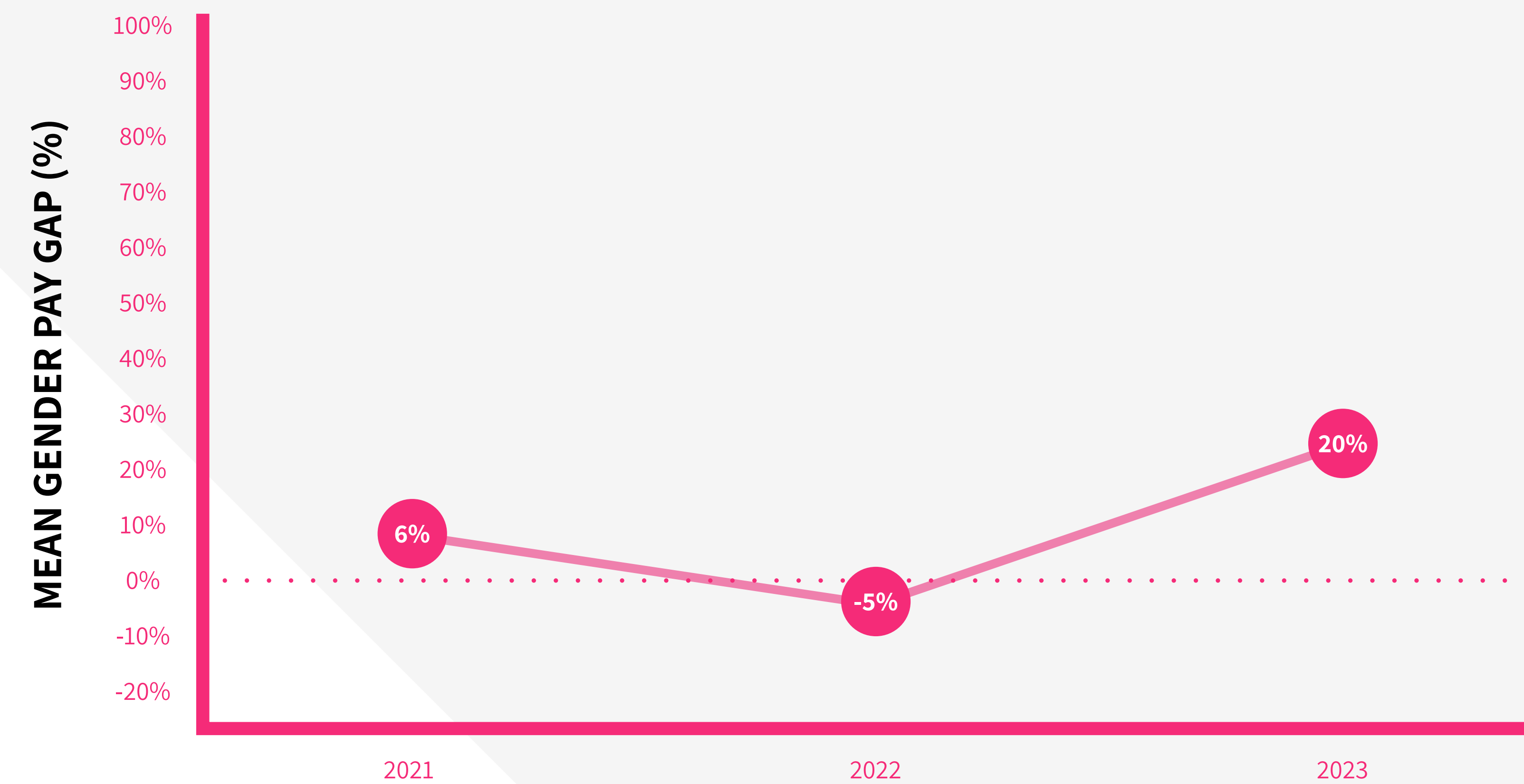
# BUILDING FOR LONG-TERM CHANGE

While we are naturally disappointed with the significant increase in our gender pay gap in 2023, particularly considering that female employees actually earned more than their male counterparts in 2022, we understand the reasons behind the swing and are optimistic about seeing positive movement in future reports based on the longer-term investments we are making.

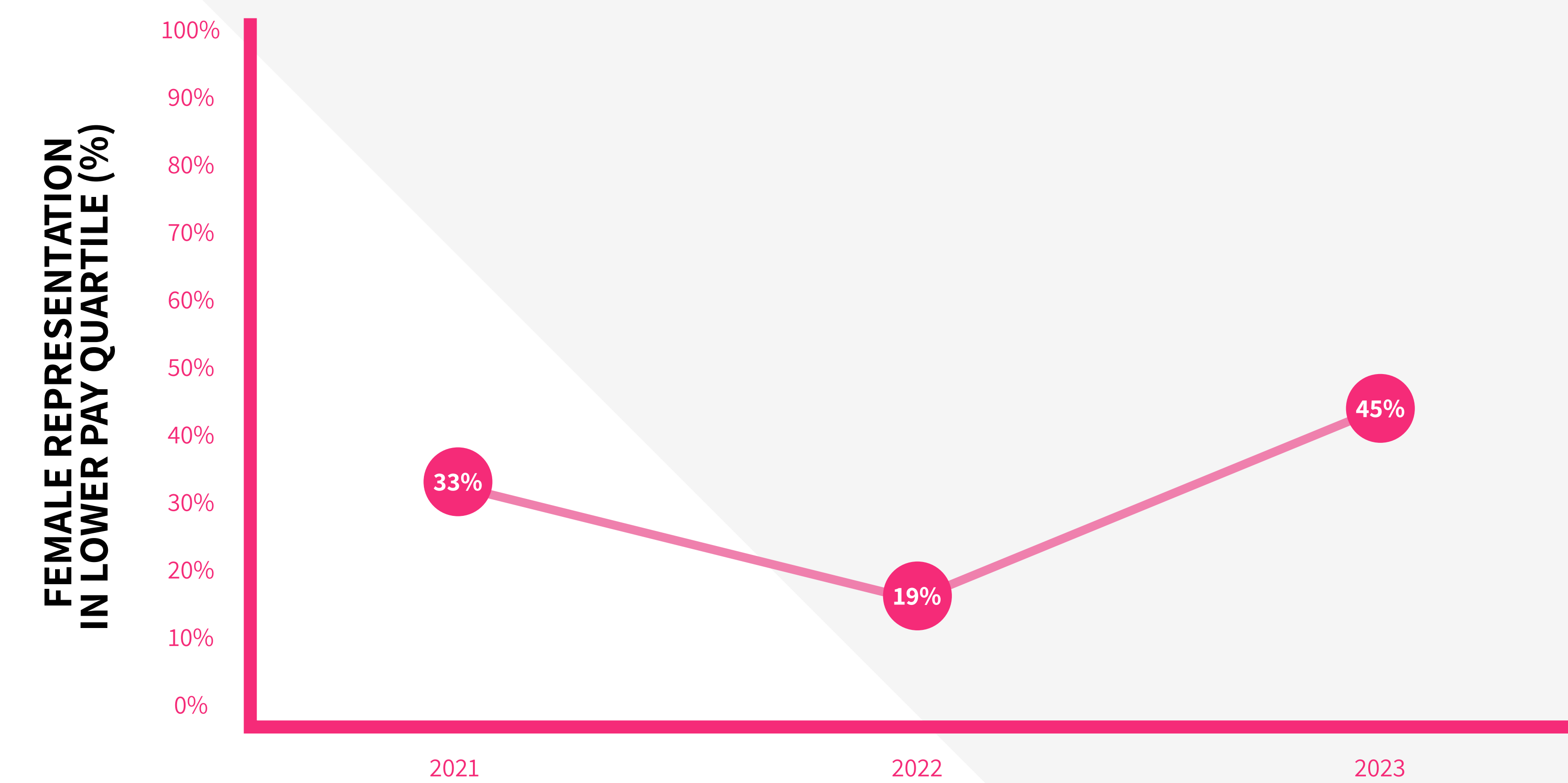
The addition of several senior men into the business, not least with the acquisition of Near Light in December 2022, has undoubtedly impacted the data for 2023. More significant, however, has been the increased female representation in junior positions via the nDreams Academy.

The percentage of women in the lower pay quartile went from 19% in 2022 to 45% in 2023. The percentage of women in development roles rose from just 10% in 2022 to 18% in 2023. All of this contributes to a larger pay disparity in this snapshot, but overall these are important steps to take in achieving our long-term goals of broadening access to the games industry and encouraging the next generation of female industry leaders.

## MEAN GENDER PAY GAP OVER TIME



## PERCENTAGE OF WOMEN IN THE LOWER QUARTILE



nDreams gender pay gap data gathered in April 2023.



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