

**FATFACE**

**GENDER PAY GAP  
REPORTING 2020**

## THE BACKGROUND

The UK government introduced a legal requirement under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, from 2018 onwards companies with over 250 employees were required to disclose their gender pay gap on an annual basis. The requirement to report was temporarily removed in 2020 and delayed in 2021 as a result of the Covid 19 global pandemic.

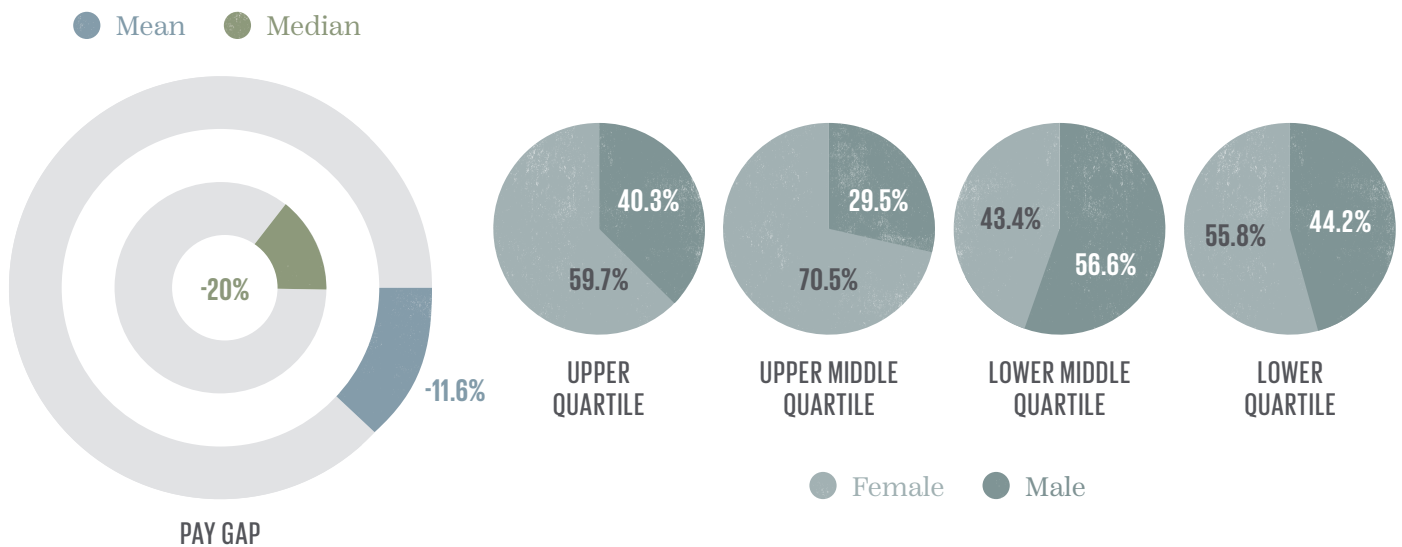
This report is based on a snapshot of employees and earnings data as at 5 April 2020.

It is worth noting that by 5 April 2020, 95% of our employees were furloughed as a result of the Covid-19 pandemic which meant they were on reduced pay (80%) and had to be excluded from our mandatory reporting figures below. During the Covid crisis (which has had a largely negative impact on the retail sector), the business' sole focus was on maintaining the jobs of current employees, supporting critical business functions and responding to a significant shift to website traffic requiring additional investment in our distribution centre.

## WHAT IS OUR PAY GAP?

Our mean and median pay gap differences between men and women are -11.6% and -20% respectively. This reflects a pay gap in favour of women.

In line with the regulations, we have also set out the gender distribution across four equally sized quartiles based on pay range.



These charts show the proportion of men and women in each pay quartile at FatFace.

## WHAT IS OUR BONUS GAP?

To capture a snapshot that reflects our full workforce and support with year-on-year comparisons, we prepared an additional voluntary analysis using an equivalent of the full pay of furloughed employees. This has enabled us to have a clearer picture of the pay gap that represents our position excluding the impact of furlough arrangements. The results are as follows:

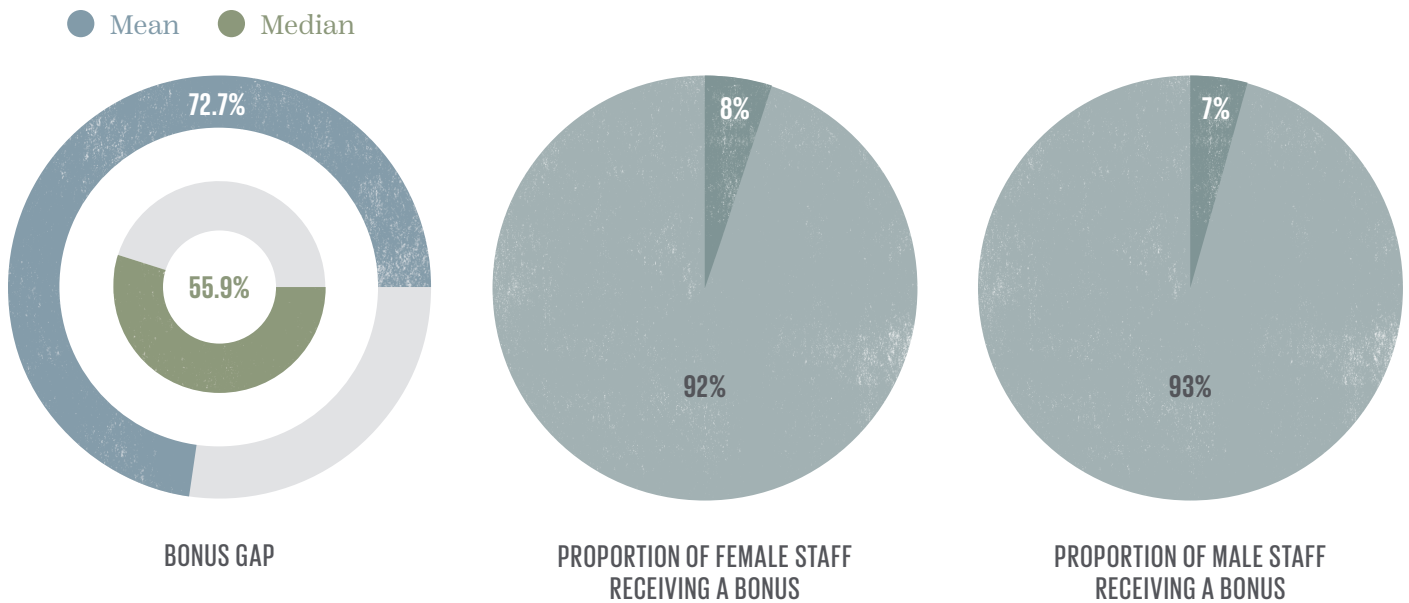
Mean Pay Gap 15% (13.4% in 2019)

Median Pay Gap 14.1% (0.4% in 2019)

The gender pay gap differs from equal pay as it is not exclusively about men and women doing the same job and being paid differently. The gender pay gap considers the difference in average earnings, considering all jobs, at all levels and all salaries. We are confident that we do not have an equal pay issue and undertake reviews of pay and components across our workforce to monitor this.

Our pay gap is as a result of a number of factors, one of which is whilst overall there are more female workers than males, there are a smaller proportion of males in lower paid roles which impacts the pay gap.

Accompanying bonus gap disclosures is the proportion of men and women who get paid a bonus.



In addition to making a disclosure of our pay gap, disclosure of the bonus gap is also required. Our mean and median bonus gap differences are 72.7% and 55.9% respectively.

Our Demographic and Non-demographic analysis of the bonus gap reduces the bonus gap to 66.7% and 6% respectively.

Over the reporting period we changed the way our bonuses are structured across the workforce. This included a review of our staff benefits for 75% of the workforce. Comparing this to previous years, the gap has further narrowed.

## LOOKING AHEAD POST PANDEMIC AND OUR COMMITMENTS TO SUPPORT OUR WORKFORCE

Although the pandemic affected almost all parts of our business. We are beginning to see early signs of recovery. As with other retailers across our industry, we identified and responded to changing customer habits when it comes to e-commerce, which gives us the opportunity to continue to invest in the future of our business and provide support to our staff regardless of working location or gender.

FatFace is actively focussing on what needs to be done to improve gender diversity across the whole company and make further strides to close the gender pay gap.

FatFace will continue to scrutinise our resourcing processes (both internal and external) to make sure diversity and inclusion are at the heart of our business and that our senior leadership roles are representative. Flexible and hybrid working arrangements continue to be in place to support employees from all backgrounds, and we have been adopting these working practices throughout our business locations. We are also in the process of implementing new diversity and inclusion initiatives to further our goal of creating a supportive and inclusive environment.



Will Crumie, CEO



Mark Wright, Global Operations Director