

FATFACE

**GENDER PAY GAP
REPORTING 2019**

THE BACKGROUND

The UK government has introduced a legal requirement under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, from 2018 onwards for companies with over 250 employees to annually disclose their gender pay gap. This report is based on a snapshot of employees and earnings data as at April 2019.

The gender pay gap differs from equal pay; 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. The gender pay gap is therefore a result of many factors.

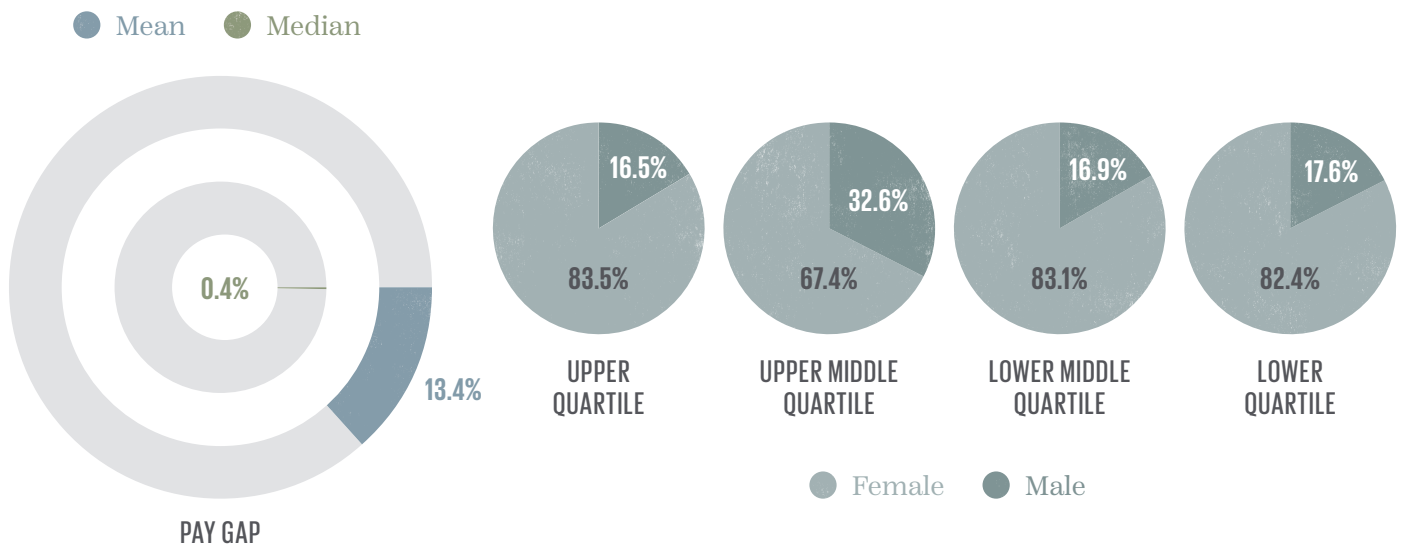
FatFace is actively focussing on what needs to be done to improve gender diversity across the whole company and make further strides to close the gender pay gap.

WHAT IS OUR PAY GAP?

Our mean and median pay differences between men and women are 13.4% and 0.4% respectively. We're pleased to report that both metrics have reduced compared to April 2018 snapshot.

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

Our pay gap is attributable to our setup across a retail working environment and Head Office roles; part time roles are more prevalent in retail, and these are filled by more female than male staff. Our Board, at the time of reporting, comprised mostly male members; this is reflected in the mean pay gap.



We have undertaken a voluntarily analysis of our Demographic and Non-demographic gaps; the Demographic mean hourly pay gap is 12.4%, and the Non-demographic gap is 1%. We are proud to confirm, current pay practices at FatFace do not pose an Equal Pay risk and we have taken significant steps to recognise equal pay for equal work..

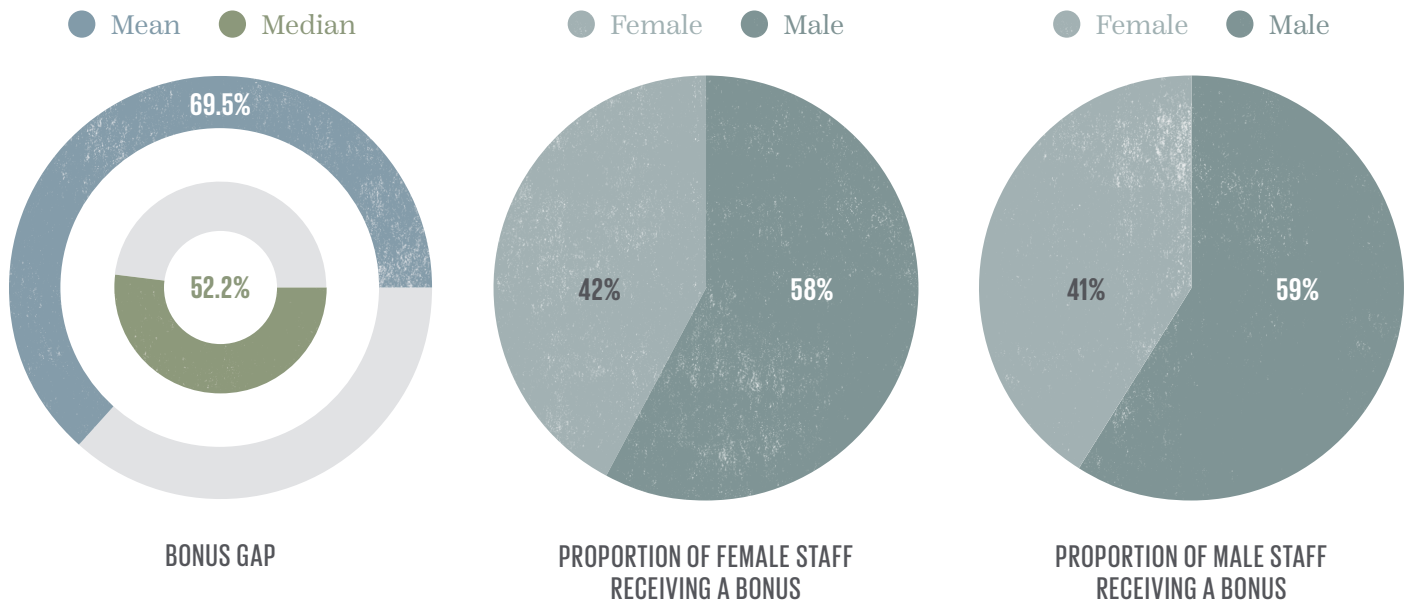
WHAT IS OUR BONUS GAP?

In addition to making disclosure of our pay gap, disclosure of the bonus gap is also required. Our mean and median bonus gap differences are 69.5% and 52.2% respectively.

When considering the results of our Demographic and Non-demographic analysis, the bonus gaps reduces to 68.9% and 0.6% respectively.

Accompanying bonus gap disclosures is the proportion of men and women who are paid a bonus in the reporting period.

Out of the total employee population, 59% of men receive a bonus, while 58% of women receive a bonus. We are pleased that this gap has narrowed since 2017.



OUR PROMISE AND PROGRESS

Retail acceleration programme

We said we would support our staff regardless of working location or gender. Our continued investment in development, through use of the Apprenticeship Levy funds, and new flexible working arrangements have supported delivering on this.

New recruitment channels and no all-male shortlists

We promised to explore new recruitment channels to avoid all-male shortlists. This year's board appointments being gender-representative of Fat Face clearly show our commitment in this area.

OUR ACTIONS TO SUPPORT OUR WORKFORCE

Changes in senior leadership

FatFace have seen a recent number of exciting appointments, both internal and external, to senior leadership positions. These appointments demonstrate a strong culture of internal progression and continuity planning. We're looking forward to fresh perspectives and continue to scrutinise our hiring processes to make sure our senior leadership roles are representative. We're pleased to say that two out of three board appointments in 2019 have been women.

Investment in development

We remain committed to the ongoing development of our employees. We currently have a number of staff that are undertaking professional training through the utilisation of the Apprenticeship Levy. Efficient use of our Levy funds enables us to offer flexible frameworks that give our crew an opportunity to develop their skills whilst in full or part time employment. With a number of these frameworks providing access to chartered institutes and professional body recognition, our employees can expand their skills, which has a positive effect on both their careers and business performance. We aim to ensure that staff across our business have the necessary tools to reach their full potential.

Flexible working arrangements

To support employees from all backgrounds, we have been adopting flexible working practices across our stores and head offices. Our head office hours have reduced to a working week to 35 hours to promote a healthy work-life balance. We recognised that face-to-face contact is key for innovation and employee wellbeing, so this has been introduced with additional support to ensure staff adopting flexible working practices still get the most from their careers.

Investment in the local community

At FatFace we are proud of our heritage and history, we're a local business and a large local employer. We're proud to have our head office based in Havant and warehouse based in Dunsbury, supporting the local economy. We aim to bridge the gap between the National Minimum Wage and the National Living Wage and we have a clear policy to pay our employees equally, regardless of location. We recognise there is always more we can do, but we are taking proactive steps to be the diverse employer of choice that we want to be.