

FATFACE

**GENDER PAY GAP
REPORTING 2022**

THE BACKGROUND

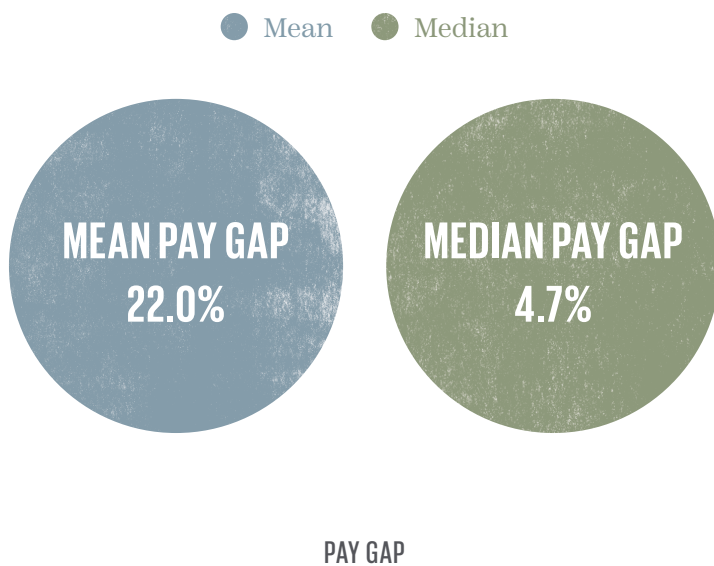
The UK government introduced a legal requirement under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, that from 2018 onwards companies with over 250 employees were required to disclose their gender pay gap on an annual basis. The requirement to report was delayed in 2021 as a result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

This report is based on a snapshot of employees and earnings data as at 5 April 2022.

OUR PAY GAP

Our mean and median pay gap differences between men and women are 22.0% and 4.7% respectively. This reflects a pay gap in favour of men.

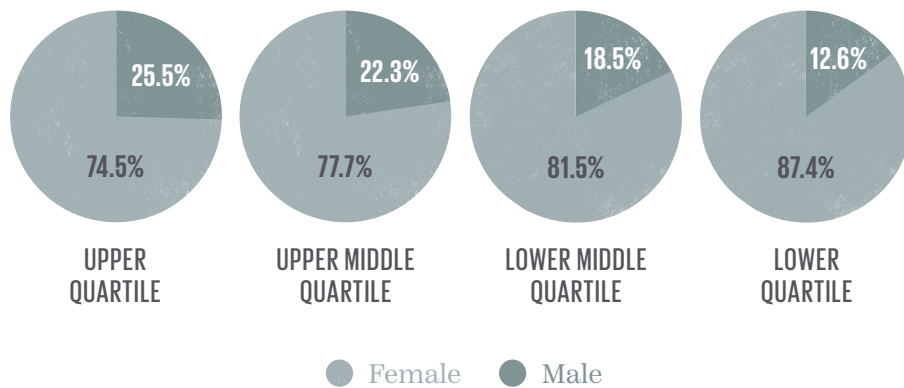
In line with the regulations, we have also set out the gender distribution across four equally sized quartiles based on pay range.



In the reporting period, the business was led by a male CEO. The 2022 mean pay gap (22%) saw a 5.1% increase of the gap in favour of men against the prior year. During the period, our CEO (Liz Evans) stepped down, being replaced by our former CFO (Will Crumbie). When reviewed alongside our hourly paid retail employees returning to full time work, who are mainly female, our CEO's departure and promotion of our CFO created an outlier which shifted the mean gap in favour of men. However, across the year there have been a number of senior roles released for which females have been appointed. The internal management team ("FFB") is 4 males and 3 females. In addition, we saw a sizeable reduction in our median pay gap towards neutrality, down 4.1% on the prior year.

As a retailer, the largest proportion of our staff are our retail employees who operate our stores. We believe that the median pay gap is reflective of the position of this main group of employees. Prior to the pandemic in 2018 and 2019, our median pay gaps were 0.0% and 0.4% respectively. The employees that fall into the median are our hourly paid retail staff, where our employees are paid at the same hourly rate. As we move forward from the impacts of the pandemic, we are seeing that this median pay gap is falling back towards pre-pandemic levels and expect it to continue to near 0% in the coming years.

PAY QUARTILES



These charts show the proportion of men and women in each pay quartile at FatFace. The proportion of men in all four quartiles have seen significant decreases. The proportions of men in our Upper and Upper Middle quartiles have decreased by 12.9% and 13.0% respectively since 2021 (from 38.4% and 35.3%). Likewise, the Lower Middle and Lower quartiles have seen a reduction in the proportion of men of 8.2% and 9.3% respectively since 2021 (from 26.7% and 21.9%).

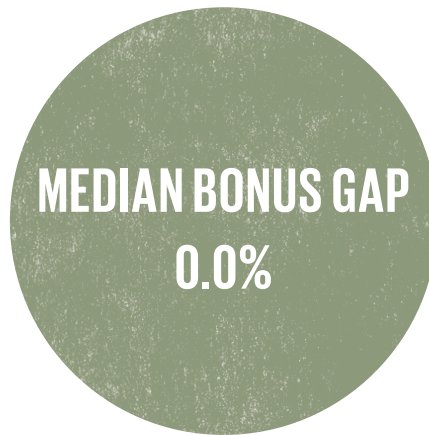
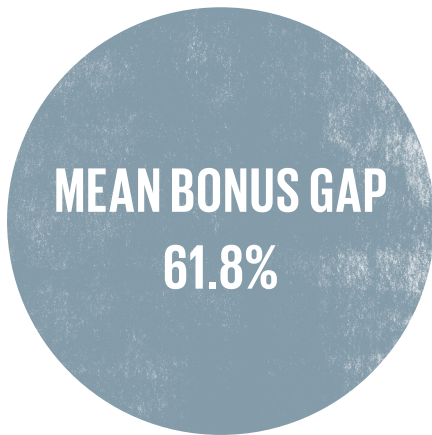
As a large majority of our staff still had some element of furlough pay and were not included as part of this analysis in 2021, the increased proportion of women across all quartiles is likely due to our returning workforce where there is a higher ratio of women to men overall. The quartiles for this period are more indicative of our results from pre-pandemic and are similar to those provided in the 2019 report.

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 the fact that there are a smaller proportion of men in lower paid roles, even though overall we have a higher proportion of women in our workforce.

OUR BONUS GAP

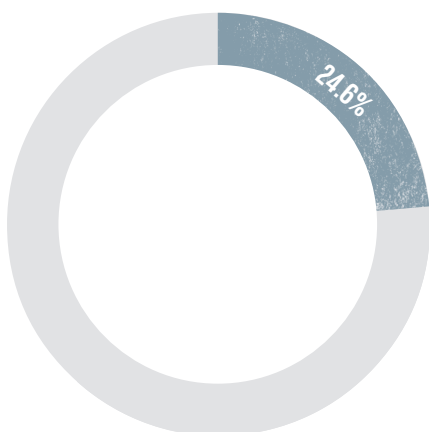
In addition to disclosing our pay gap, we are also required to disclose our bonus gap. Our mean and median bonus gap differences are 61.8% and 0.0% respectively.



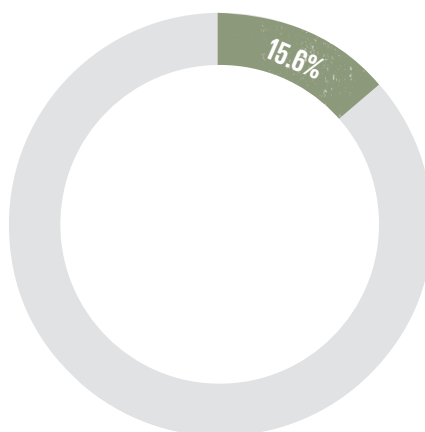
Both our mean and median bonus gaps have reduced significantly against the prior year (54.4% and 47.1% respectively). We have returned to usual pre-pandemic levels of trading and have therefore removed the pandemic-specific bonuses which were offered in 2021. The majority of our bonuses were paid to our Store Managers and workers in our distribution centres.

Whilst our mean bonus pay gap has increased on the prior year, this is attributable to the success of the business in 2022 which allowed for annual bonuses to be made. The mean bonus gap has also fallen in comparison to pre-pandemic levels (69.5% in 2019) which demonstrates the progress made by FatFace's female recruitment in the Senior Leadership Team.

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



● PROPORTION OF MALE STAFF RECEIVING A BONUS



● PROPORTION OF FEMALE STAFF RECEIVING A BONUS

This gap has remained relatively consistent with the prior period. It should also be noted that our hourly paid store crew population make up over 50% of the total employee population and are remunerated in alternative ways than a bonus to reward them for their work throughout the year, which will impact this metric.

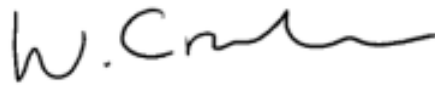
LOOKING AHEAD POST PANDEMIC AND OUR COMMITMENTS TO SUPPORT OUR WORKFORCE

We continue to strive to provide the best and most supportive working environment for all our colleagues and have recently grown our partnership with the Retail Trust, to ensure we are focusing on providing support for new or arising challenges they may be facing. A new communication mechanism in the guise of a weekly newsletter has also been introduced that has enabled us to share multiple resources with our colleagues, focusing on both mental and physical health.

Our people policies have recently been reviewed and updated with inclusive language and a focus on making them gender neutral, alongside this we introduced the use of pronouns to our business signatures across all business areas. We have also added our ED&I (Equality, Diversity & Inclusion) statement to all our role specifications, so that prospective candidates understand our stance and in turn their requirements prior to engagement.

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 hiring 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. We are continuing to implement new diversity and inclusion initiatives to further our goal of an all-round supportive and inclusive environment as an employer our staff can be proud to be part of.



Will Crumbie, CEO