

FATFACE

FATFACE LIMITED:

GENDER PAY GAP REPORTING 2018

BACKGROUND

From April 2017 the UK government introduced a legal requirement under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, for companies with over 250 employees to annually disclose their gender pay gap, comprising of six metrics. This report is based on a snapshot of employees and earnings data as at April 2018, our second year of reporting.

GENDER PAY AND EQUAL PAY

It is important to highlight that the gender pay differs from equal pay. Gender pay is looking at the difference between the gross hourly earnings for all men and the gross hourly earnings for all women expressed as a percentage of men's earnings.

The gender pay gap considers the difference in average earnings - both the mean and median. Typically gender pay gaps arise when an employer has more men in senior-level / higher paid roles and more women in less senior-level / lower paid roles.

Equal Pay requires men and women to be paid the same for similar work, work rated as equivalent or of equal value as set out in the Equality Act 2010. As an employer we fully support and are confident in our robust procedures to ensure equal pay for work of equal value.



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GENDER PAY GAP REPORTING 2018 (CONTINUED)

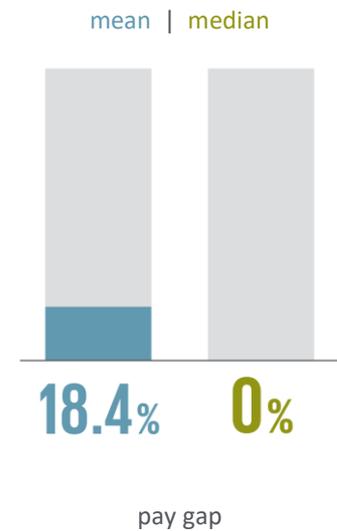
WHAT IS OUR PAY GAP?

We use the **mean** and **median** to show the differences.

The mean is the average difference where all pay is added together and divided by the number of employees.

The median is the middle value with all pay levels arranged in ascending order, the baseline for the middle employee. We believe that the median pay gap provides a more representative picture as it isn't influenced as much by the outliers in the data set.

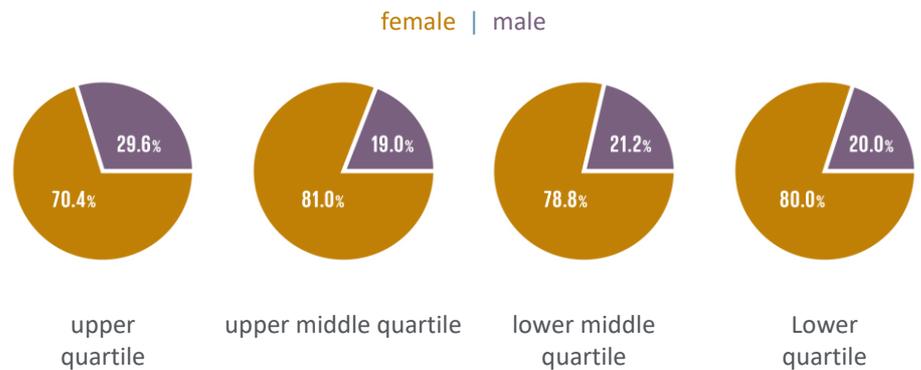
Our mean and median pay differences between men and women are 18.4% and 0.0% respectively. The national average UK mean is 17.1% and the median is 17.9% (ONS 2018 Provisional Results). Within the Retail trade the mean is 17.6% and the median is 9.1%. When we have compared Fat Face to our industry competitors we are proud to report that our pay gaps are generally at the lower end of comparable clothing retailers.



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 is mostly male; this position is reflected in the mean pay gap.

As in the prior year, we have taken gender pay reporting seriously, and extended our review to look at our Demographic (the gap which is explained purely with reference to the difference in spread of gender at each pay grade) and Non-demographic (the difference between total mean gender pay gap and the demographic pay gap) gaps. We are proud to confirm, the analysis undertaken does not indicate equal pay risk.

Proportion of staff within each quartile



QUARTILE ANALYSIS

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

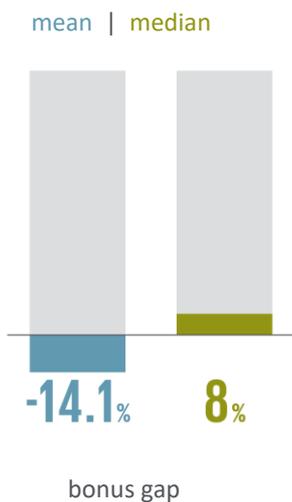


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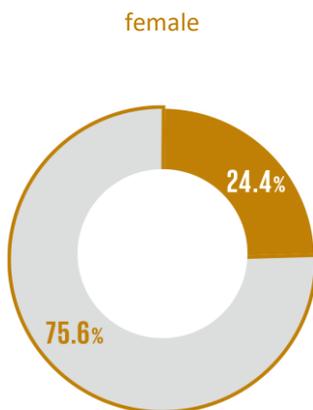
GENDER PAY GAP REPORTING 2018 (CONTINUED)

WHAT IS OUR BONUS GAP?

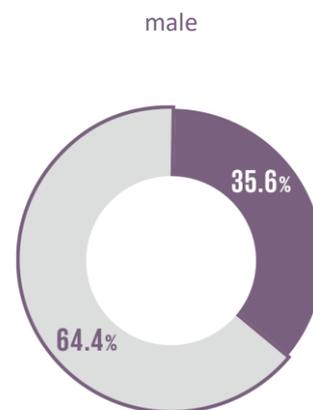
The disclosure of our bonus gap is required, our **mean** and **median** bonus gap differences are 8.0% and -14.1% respectively.



We are also required to report the proportion of men and women who get paid a bonus. Out of the total employee population, 35.6% of men receive a bonus, while 24.4% of women receive a bonus.



proportion of female staff receiving a bonus



proportion of male staff receiving a bonus



GAUGING PROGRESS FROM YEAR ONE

We are committed to taking a series of measures now and in the long-term which all build on our successes to date to promote a diverse and inclusive workforce.

- We have been and are continuing to take a series of measures which build on our successes to date to promote a diverse and inclusive workforce irrespective of gender, age or any other factors.
- We have been monitoring movements in our pay gap periodically to consider the impact of any changes that are introduced to help address the gap. As a result of this, we identified that our pay and bonus gaps change seasonally, in particular with the impact of peak Christmas seasonal trading. The gaps at store level vary significantly based on the size of the store, this granular level of detail does not provide sufficient representation for gaps to be analysed.
- FatFace is delighted to announce that we have fully utilised our Apprenticeship Levy fund to create new apprenticeship roles across the business and also use these funds to enhance and develop opportunities for our employees.
- To continue with our monitoring and management of pay, we have reviewed our pay structure to manage equal pay for equal value roles and took the steps to implement full alignment of pay for our retail and distribution roles.
- We are confident that we have been bridging the gap between National Living Wage and National Minimum Wage to be an employer of choice; and we're proud to have no distinction on age for pay level for our roles.

ACTIONS TO FURTHER ADDRESS THE GAPS

- We will introduce an acceleration programme for our retail staff, along with further training and development. We have been focusing on ensuring the same opportunities are available for all roles including senior roles, and these are available to all regardless of gender.
- For Head Office and more senior recruitment roles, we will explore new recruitment channels to aim for no all-male shortlists.



HRD



CEO

