

GENDER PAY GAP

2023 UK REPORT



FARFETCH

Diversity, Equity & Inclusion at Farfetch

Farfetch is a leading global marketplace for the luxury fashion industry.

Our DEI vision is anchored in our culture and our commitment to championing DEI change for our people and the fashion and technology communities around us.

Fashion is by nature an environment where creativity and the celebration of individuality thrive and our business brings together an incredible creative community of creators, curators and consumers of fashion. We're at the intersection of fashion and technology and at the centre of incredibly innovative and talented universes.

Championing change is an ongoing effort and we know there is still much to do. Reporting is fundamental to keep the focus and ensure that we continue to make progress towards rewarding our people fairly, regardless of race, gender, sexual orientation, disability or any other part of their identity or background.

Farfetch's UK Gender Pay Gap has been consistently decreasing over the past reporting years. We'll continue our journey with inclusion and diversity front of mind to drive positive change.

This report outlines the Gender Pay Gap in the UK only and does not represent the global demographic and pay data our employees around the world.

Sian Keane
Chief People Officer, Farfetch



Gender Distribution in Farfetch

As of April 5, 2023, Farfetch UK employed over 903 individuals in the UK. The gender distribution among Farfetch UK employees was 71% female and 28% male. Gender pay gap calculations are based on the number of full-pay relevant employees, not on full-time equivalents. This means that each part-time employee is counted as one employee, while employees not receiving their usual full basic pay or piecework rate due to leave are excluded from the calculation.

Key Metrics Explained

The Mean Pay Gap

The mean gender pay gap is the difference between women's mean hourly pay and men's mean hourly pay.

The mean hourly pay is the average hourly pay, including bonus, across the entire organisation.

The Median Pay Gap

The median gender pay gap is the difference between women's median hourly pay (the middle-paid woman) and men's median hourly pay (the middle-paid man). The median hourly pay is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly pay, including bonus, of the person in the middle.

The Quartiles

Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of men and women in each quartile gives an indication of the gender representation at different levels of the organisation.

Executive Summary

We are focused on rewarding everyone fairly, regardless of their race, gender identity, sexual orientation, disability or any other part of their identity or background. The UK Gender Pay Gap Report is an important tool to improve equality and we are proud that numbers demonstrate that for Farfetch UK, the gap has been consistently decreasing over the past four reporting years, both in terms of mean (30.3% in 2018 vs. 14.9% in 2023) and median (39.5% in 2018 vs. 19.6% in 2023).

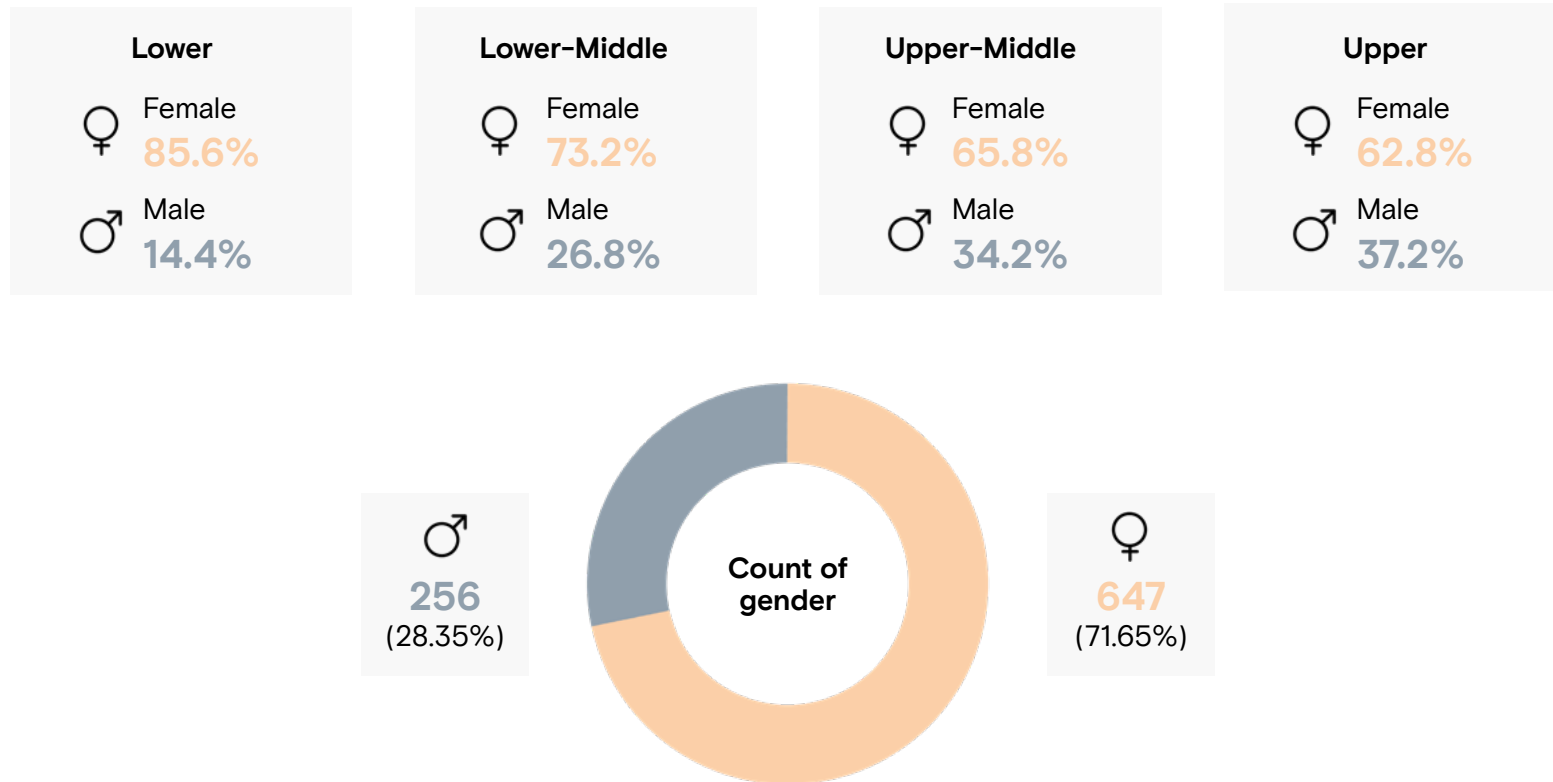
The snapshot data from 5 April 2023, shows that proportionally we have more females than males at every quartile and have a very high proportion of females in the lower-middle quartiles. The female population spreads right across the spectrum of salaries, from the more junior roles, all the way up to more senior positions. At the lower quartile, 86% of our population is female, where at the upper quartile, the female population is 63%. Because of this, the mean and median of ordinary pay sits at a lower level for females to that of males and it is this that creates the gender pay gap.

We appreciate there is still progress to make and we are committed to reduce this gap over time, but note that when it comes to equal pay, the gap between genders is minimal (see section on equal pay).



Pay Quartiles

The hourly pay quartiles are calculated by listing all employees in order of hourly pay and splitting them into four equal parts. The charts show the proportion of men and women that are in each pay quartile. The work we have been doing to close the gap, is demonstrated by the fact that in the UK, we have achieved an YOY increase in the percentage of females in the middle upper and upper quartiles. The main driver of the still existing pay gap is the the percentage of women in the lower and lower-middle quartiles, proportionally to their total population.



Additional note: data considering roles in Technology areas, shows a reverse trend. Both males and females are mainly positioned in Upper quartiles.

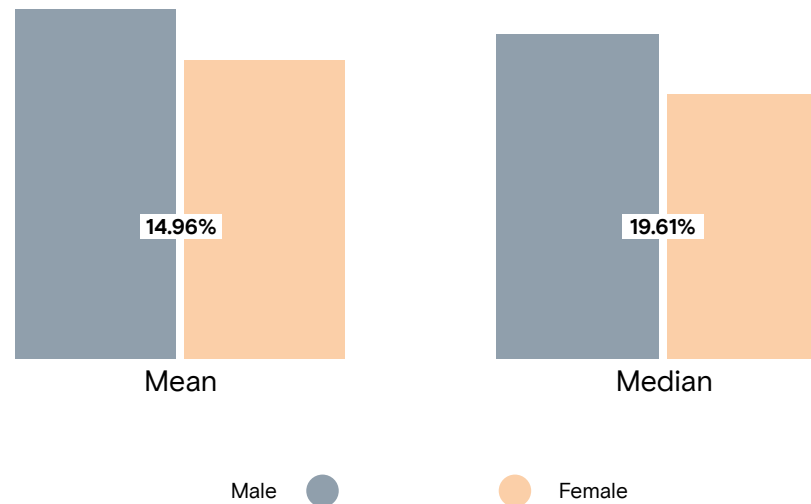
Hourly Pay

Hourly Pay is used to calculate the mean and median gender pay gaps. This includes basic pay, pay for work, pay for leave and allowances. The calculation for the mean and median hourly pay only includes full pay relevant employees.

Our mean gender pay gap is **14.96%**
Our median gender pay gap is **19.61%**

We are above the national median gender pay gap of 14.3%*.

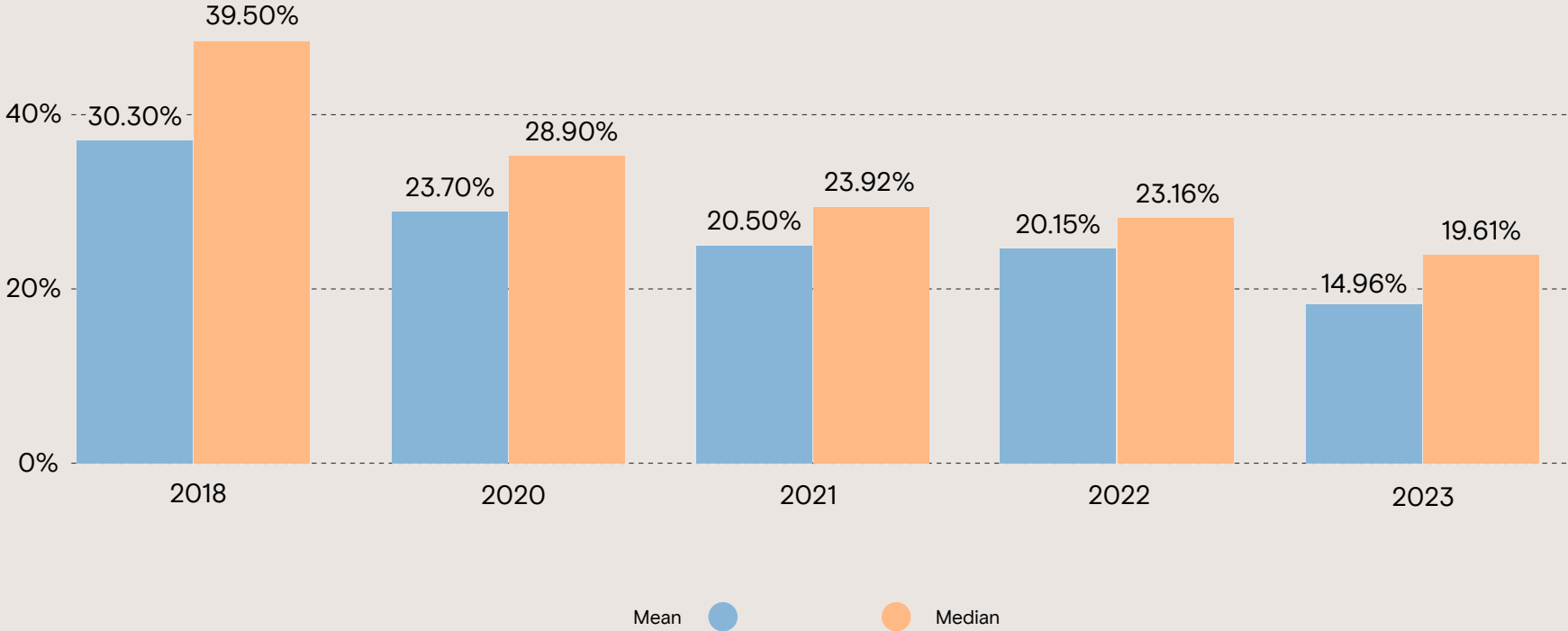
The main driver of the hourly pay gap is the overrepresentation of females in functions or levels in the lower quartiles.



*Source: [here](#)

Progress Over Time

The mean hourly pay gap has been consistently decreasing over the past four reporting years, from 30.3% in 2018 to 14.7% in 2023, which represents a decrease of 15.6 p.p, more than half of the gap since the first reporting year.



Bonus Pay

For the purposes of the UK Gender Pay Gap reporting, the section Bonus Pay includes everything that relates to profit sharing, productivity, performance, incentive and commission. All UK employees who started employment prior to the 30th of September are eligible to receive a bonus for that year and we have different times in the year when our equity awards vest.

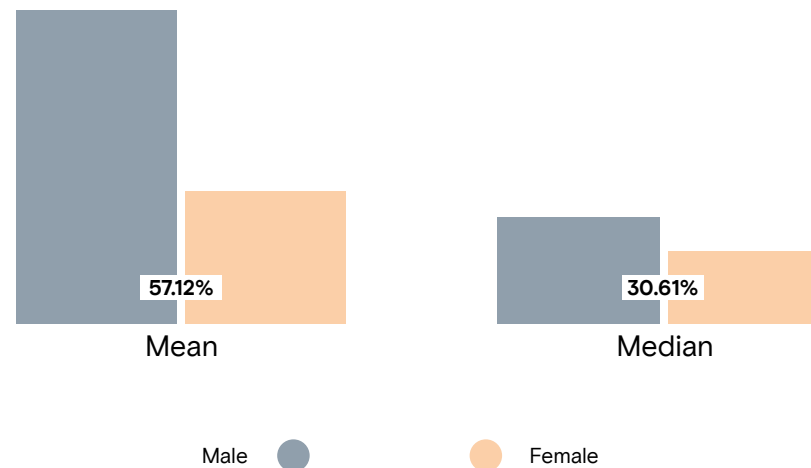
% of employees receiving a bonus:

94.6% males received a bonus

91.8% of females received a bonus

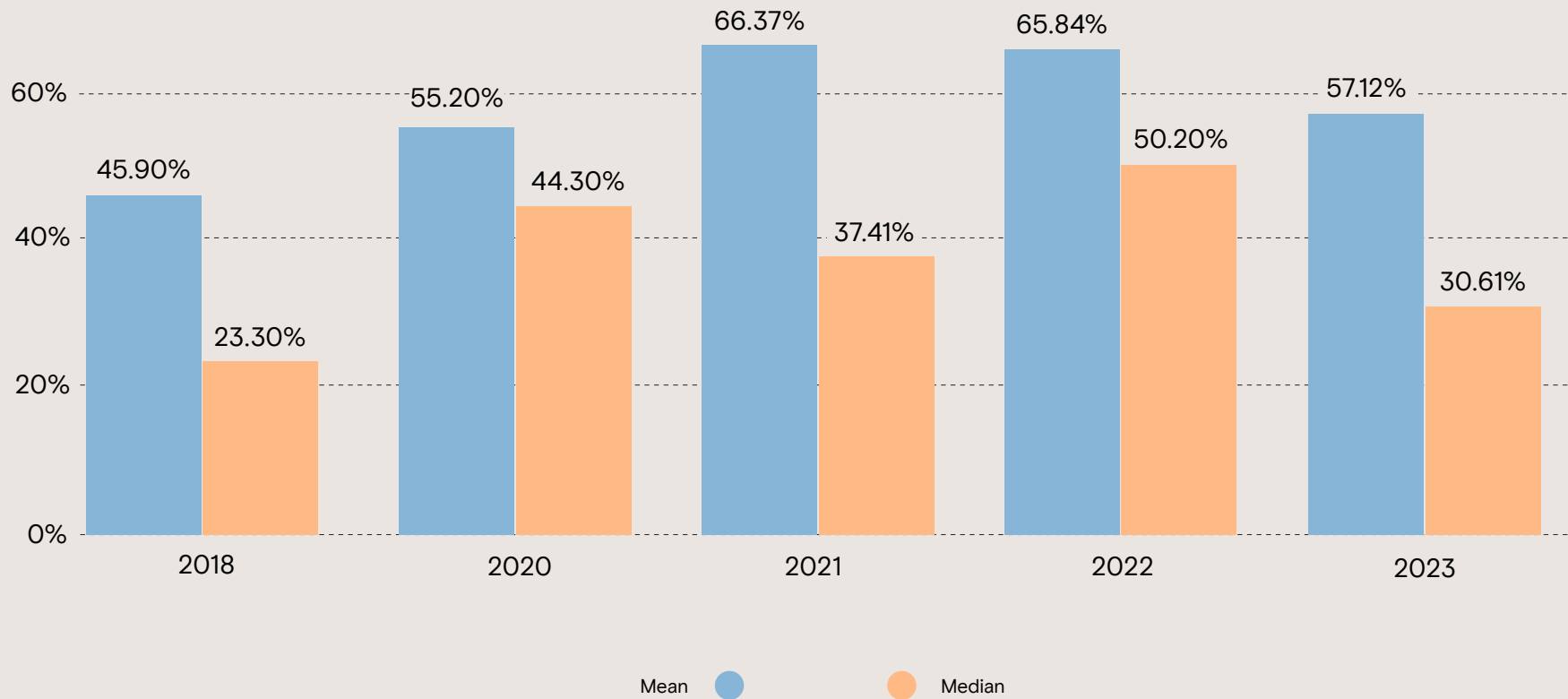
All of those who did not receive a bonus were hired after the eligibility date for a bonus payout or did not have their equity vest.

If we exclude the CEO's equity compensation which is 100% equity based, the mean bonus pay gap would be **25%** and the median would be **30.6%**. Also, our Equity Award is based on the employee's job profile, their base salary and performance, which is aligned globally and reviewed for fairness across gender as part of the annual compensation review. Since we have more men than women in the upper and upper-middle quartiles, more income is proportionally generated by men.



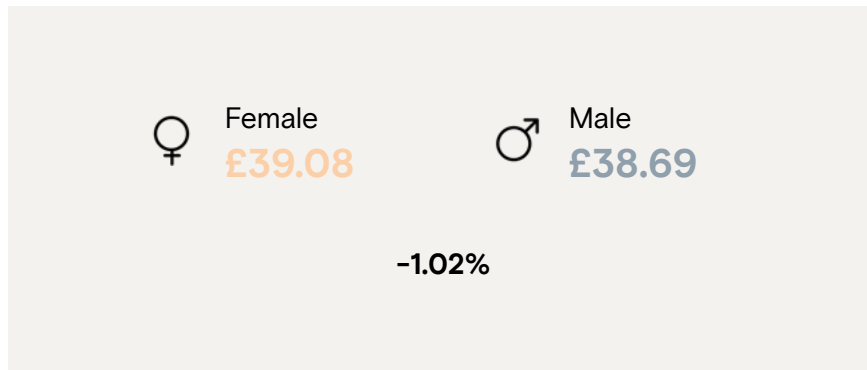
YoY Comparison

The median gap decreased significantly between 2022 and 2023, by 19.6 p.p. The significant difference between the median and the mean is due to high bonus payments at senior positions, including the CEO, whose compensation is 100% equity based.

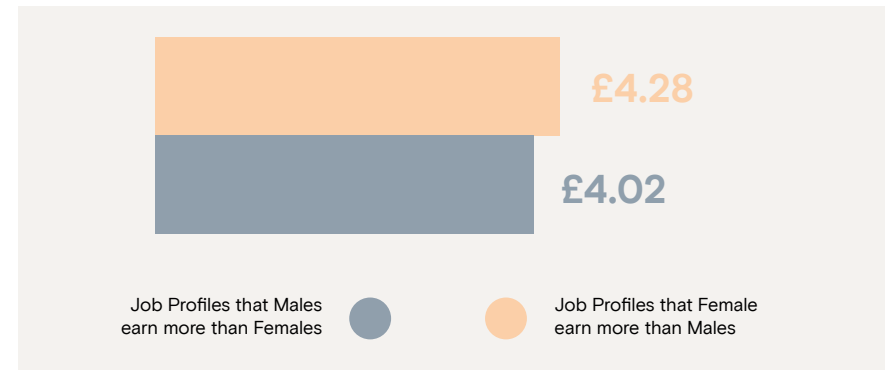


Additional Information: Equal Hourly Pay Gap

Equal pay focuses on whether male or female are compensated equally for performing the same or similar work. For this population, the gap is minimal and described as follows:



Females earn, on average, £0.4 more than males for doing the same job.



There is a total of 109 comparable functions, in which 58 females earn on average £4.28 more and 51 in which males earn £4.02 more.

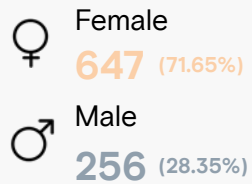
Male ● Female

Please note: When applying a statistical tests that evaluates metrics such as standard deviation, mean and population size to find if the difference between averages is statistically significant, we conclude that there is a probability of 95% of this gap isn't statistical significant or relevant, and therefore, suggests that the gap is not structural.

Career Progression

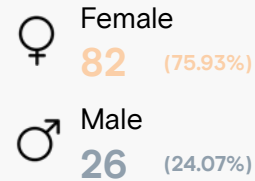
We are pleased to see that our female employees are progressing in their careers at Farfetch, aligned with one of our commitments of ensuring everyone can thrive and succeed with us.

Count of Gender



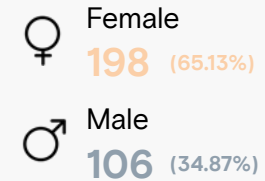
Our UK Population is 70.4% female and 29.6% male

Promotions by Gender



76% of promotions in 2022 were female employees

Management Population by Gender



65% of our management population is Female (198 out of 304)





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