



FARFETCH

GENDER PAY GAP REPORT 2018



Jose Neves

Founder, Co-Chairman & CEO

Since day one, Farfetch has been committed to building a company which is consciously inclusive and welcomes a variety of voices and viewpoints and we have built our community around this. This is true not only for our customers and partners, but is particularly important to us for our team of Farfetchers – both here in the UK, but also around the world. With over 70 nationalities represented across our global offices, we continue our journey with inclusion and diversity front of mind. As a company that brings together the worlds of fashion and technology, we are proud of our culture, and we continue to have ambitious plans for all employees involved in our growth.

Since we first reported our UK Gender Pay Gap figures last year, we have made some good progress through targeted initiatives to reduce the gap.

We welcome gender pay gap reporting, and although we are at the start of our journey, we have made strides to ensure our global total rewards philosophy is robust and continues to work to improve outcomes.

This report outlines our gender pay gap in the UK only. Our current workforce in this region at the time of reporting was over 400 people and does not represent the global demographic of Farfetchers.

We aim to demonstrate our understanding of the UK gender pay gaps, the influences and outliers and the initiatives we have in place to address this.



GENDER DISTRIBUTION AT FARFETCH

At 31 March 2018, Farfetch had over 400 employees in the UK, all of which are based in London. The gender make-up of Farfetch employees was 27% male and 73% female. The UK employee population has grown by 43% since 31 March 2017 but the proportion of males and females has remained similar. The gender pay gap calculations are based on the number of individual employees, and not on full-time equivalents. This means that each part-time employee counts as one employee.

OUR UK REPORTING REQUIREMENTS

We are required to report on the mean & median gender pay and bonus gap, the number of females and males who receive a bonus and the representation of males and females in each quartile.

FARFETCH

CALCULATING THE UK GENDER PAY GAP

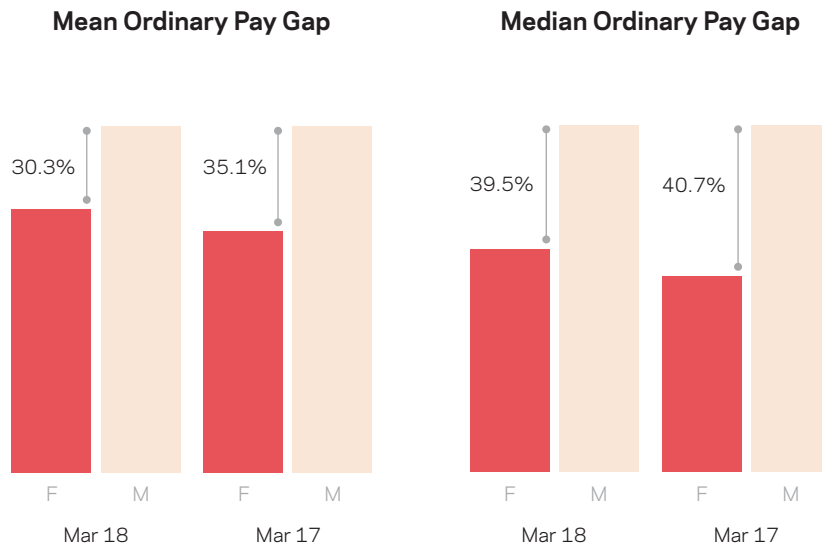
Ordinary pay

Ordinary pay, expressed as hourly pay, is used to calculate the mean and median gender pay gaps. Ordinary pay includes basic pay, pay for work, pay for leave and allowances.

The calculation for the mean and median ordinary pay only includes full pay relevant employees. The government directive is to exclude employees who are not being paid or who are on reduced, statutory or no pay during March 2018.

The Mean gender pay gap, which is the difference between the average hourly pay between men and women, is 30.3%. Since 2017, the mean has reduced by 4.8 percentage points.

The median gender pay gap, which is the difference between the midpoints of the average hourly pay of men and women, is 39.5%. Since 2017, the median has reduced by 1.2 percentage points.



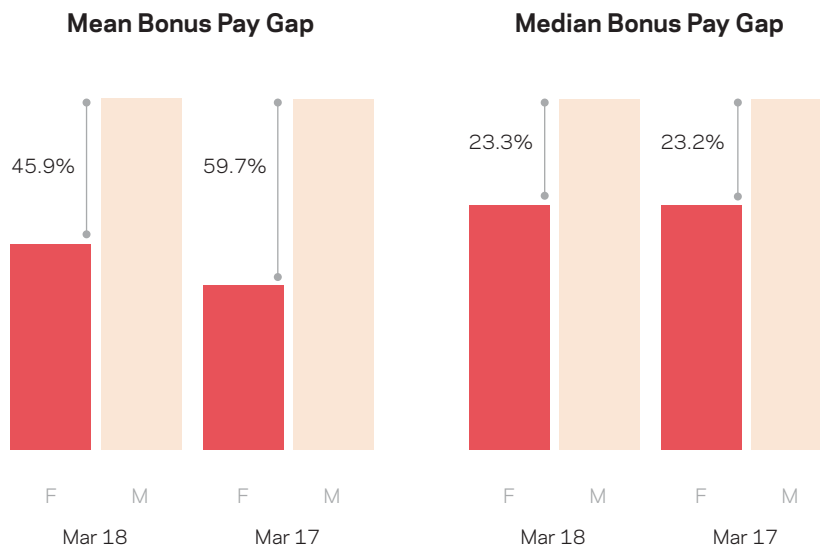
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Bonus pay

Bonus pay, which is also calculated as mean and median, is based on bonus payments in the form of performance related pay (PRP) commission and bonuses paid to employees from 1st April 2017 and up to 31 March 2018. The mean bonus gender pay gap is 45.9%, which has reduced by nearly 14 percentage points since 2017. The median bonus gender pay gap is 23.3%, which has not changed significantly since 2017.

In the period from 1st April 2017 to 31st March 2018 75% of men and 79% of women received a bonus payment. A higher proportion of both males and females received a bonus payment as compared with 2017.

The mean bonus pay has increased for both males and females since 2017 but at a higher rate for females. The median bonus pay has also increased but at the same rate for males and females. This is why we see a decrease in the mean bonus pay gap but the median has remained similar to 2017.



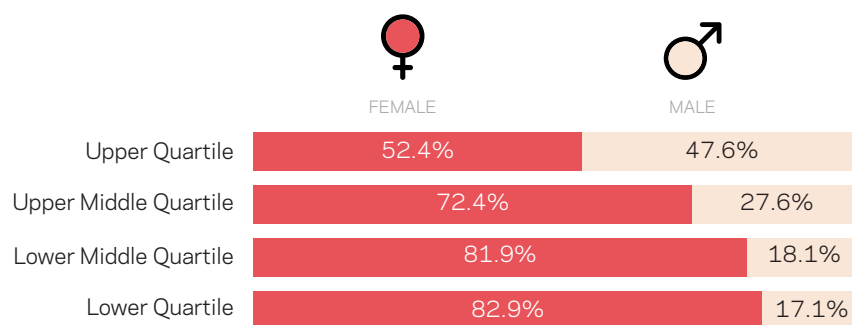
In 2018,
79.3% females
received a
bonus

In 2018,
75.4% males
received a
bonus



PAY BY QUARTILES

The hourly pay quartiles are calculated by listing all employees in order of hourly pay and splitting them into four equal parts. The chart below shows the proportion of men and women that are in each pay quartile.



There is a much higher concentration of females in all quartiles, other than in the upper quartile where there is a more equal gender representation. Since 2017, there has been an increase in the number of males in the lower quartile and the upper quartile.

EXPLAINING THE GENDER PAY GAP AT FARFETCH UK

Farfetch is a global company, which combines technology and fashion. In London, the majority of roles are in Marketing, Product and Commercial and a large number of Farfetch's most senior positions are based in London.

Farfetch UK has a higher proportion of females, making up nearly three quarters of the total UK population. 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 there are 83% of females. At the upper quartile the female population is 52%. 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.

This is also true for the bonus gender pay gap. Bonus is paid as a percentage of salary so the higher salaries would typically receive higher bonus payments. A higher proportion of males in more senior roles will contribute to a higher mean and median compared to females which creates a gender pay gap.

Whilst we have made progress to reduce the gender pay gap since March 2017, this will continue to exist if we have a larger proportion of females across the majority of the quartiles.

Whilst the calculation set out by UK legislation indicates a gender pay gap, we are confident in our internal analysis that there is equality of pay between males and females. When analysing the findings, part of our analysis centred on the gender pay gap for each quartile, and showed a much smaller pay gap for ordinary pay at each quartile indicating that Farfetch pays its employees equally based on role and experience.

Progress on UK initiatives

- Since 2017, the mean gender pay gap has reduced by 4.8 percentage points and the mean bonus gap has reduced by 13.8 percentage points;
- In the UK 75% of our promotions were female;
- Return to work from parental leave in the UK has seen a significant increase with 80% of employees returning.

EXECUTIVE SPONSORS FOR DIVERSITY & INCLUSION



Stephanie Phair
Chief Strategy Officer



Elliot Jordan
Chief Financial Officer

Farfetch has ambitious plans for all employees in terms of diversity & inclusion. In the last year alone, we have reviewed our equal pay policies globally which include a process of ensuring there is equal distribution of performance awards between men and women in our review process and a focus on equal pay.

We have launched a global project which focuses on how we de-bias the hiring decision making process. We believe a fairer, more informed hiring process will increase the likelihood of making the best hiring decision for Farfetch.

We have also commenced implementing company-wide learning on how we better understand and mitigate bias and strive towards creating a consciously inclusive culture.

Additionally, we are proud of the fact that 40% of our Executive Team are women.



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DECLARATION

Farfetch UK can confirm that all calculations have been undertaken in line with the guidance and regulations, with all efforts made to ensure a robust and methodical approach to the production of our findings.