

YOOX NET-A-PORTER GROUP



GENDER PAY GAP

REPORT 2019

FOREWORD

At YOOX NET-A-PORTER GROUP, we are committed to creating a diverse and inclusive workplace where everyone can thrive and reach their potential without barriers.

We are focused on addressing the gender pay gap and driving initiatives that ensure YOOX NET-A-PORTER GROUP is a place where everyone is supported and encouraged to be their best.

Gender Balance

Women currently represent two-thirds of our workforce globally and we have gender parity on our Senior Leadership

Team, with women representing 52% of its members.

This report provides our gender pay gap analysis for the UK, where women represent 66% of our employees. The report explains the reasons for our pay gap and our plans to reach gender pay parity across YOOX NET-A-PORTER GROUP.

“At YOOX NET-A-PORTER GROUP we believe in gender equality and we work to build a collaborative, supportive and respectful environment where everyone feels included and where diversity under all aspects can thrive to create innovation.”

Giorgia Roversi

SUSTAINABILITY & INCLUSION DIRECTOR



MEASURING THE PAY GAP

Under the UK Government's Gender Pay Gap reporting regulations, all employers in the UK with 250 or more employees must report their gender pay gap by sharing the median and mean (average) pay gaps between men and women's hourly pay and bonuses.

It is important to recognise that this is distinct from Equal Pay, which relates to men and women being paid the same for carrying out work of equal value. Our analysis shows no discrimination against women or men at YOOX NET-A-PORTER GROUP, and we meet all our equal pay obligations.

The data in the next section shows the median and mean pay gaps between men and women's hourly pay and bonuses. We also share the proportion of men and women in each quartile of the pay distribution. The data reflects our UK reporting requirements – employees of non-UK based companies are not included.

The median pay gap



The median is the figure that falls in the middle of a range when everyone's wages are lined up from smallest to largest. The median gender pay gap is the difference between the employee in the middle of the range of male wages and the employee in the middle of the range of female wages.

The mean pay gap



The mean is calculated by adding up the wages of employees and dividing this figure by the number of employees. The mean gender pay gap is the difference between the mean male pay figure and the mean female pay figure.

UNDERSTANDING OUR PAY GAP 2019

The mean pay gap for employees across our UK business is 14.9% and the median is 25.9%. This represents an increase of 0.2% in the mean pay gap and 1.2% in the median pay gap since 2018.

Explaining our gender pay gap

- 1 An important factor behind our gender pay gap is the difference in number of men and women in different areas of our business. At YOOX NET-A-PORTER GROUP, we have a higher representation of women in the first three quartiles (Lower, Lower Middle and Upper Middle), characterised by more non-tech and entry level roles.
- 2 YOOX NET-A-PORTER GROUP is a technology-focused company. Like many other companies in the technology industry, increasing female representation in a previously male dominated sector continues to be a challenge.

We are pleased that women represent 32.4% of our tech workforce in the UK – ahead of the tech industry average. Nonetheless, we continue to have more men than women in technology roles, particularly in senior positions. This is a key factor in driving our gender pay gap since these jobs typically command higher pay due to high demand for these skills.

Our ambition is for YOOX NET-A-PORTER GROUP to be the number one employer for female talent in the technology industry and we are pleased to see a 2.4% increase in women in tech roles since last year. We are supporting initiatives to encourage more school children, particularly girls, to pursue a career in technology to help build a strong female talent pipeline for the future.

Our efforts to promote greater gender balance within technology roles has shown encouraging early signs. Between 2018 and 2019, the mean pay gap within technology decreased from 13% to 12% and the median reduced from 21% to 13%.

In 2019, as part of our ongoing commitment to empower and promote women in our industry, we took positive action to increase the number of females and support the development of a female talent pipeline across our entire business. Throughout 2019, women represented 71% of promotions in the UK, demonstrating our commitment to women's career growth within the group.

- 3 Since 2018, we have created new jobs across our business, and this has increased the number of women in the Lower quartile. In the medium and long term, this should provide a greater pool of female talent to develop into future leaders, which would improve the gender pay gap in our business. However, in the short-term the higher numbers of women in the lower quartiles increases both the mean and median pay gap figures.

Explanation of bonus gap

- 4 For 2019, we delivered a negative mean bonus gap (-0.6%) for the first time. This means that on a mean basis, women across our business received a slightly larger bonus than men. On a median basis, the gap (22.7%) again reflects the fact that we have more women in entry level roles. Whilst entry level roles still qualify for our annual bonus, colleagues tend to receive a larger bonus the longer they have been with the company, reflecting their experience and responsibility.

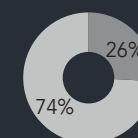
Mean Pay Gap	14.9%
Median Pay Gap	25.9%

Mean Bonus Pay Gap	-0.6%
Median Bonus Pay Gap	22.7%

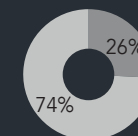
% of men receiving a bonus payment	81%
% of women receiving a bonus payment	84%

Proportion of men and women in each pay quartile

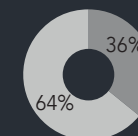
LOWER QUARTILE
lowest earners



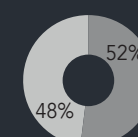
LOWER MIDDLE QUARTILE



UPPER MIDDLE QUARTILE



UPPER QUARTILE
highest earners



● Male
● Female

ADDRESSING THE PAY GAP

As part of our commitment to create a diverse and inclusive workplace for everyone, we have launched a number of key projects:

We have appointed a **Diversity and Inclusion Manager** to drive and enable initiatives that support our ambitions of achieving gender parity, particularly in areas where women are under-represented such as technology. Our Recruitment Team are receiving training to identify and overcome gender-bias that may exist within colleague recruitment and we are using data, through our Diversity Dashboard, to understand and inform promotion decisions. Furthermore, we are bolstering our broader diversity and inclusion agenda.

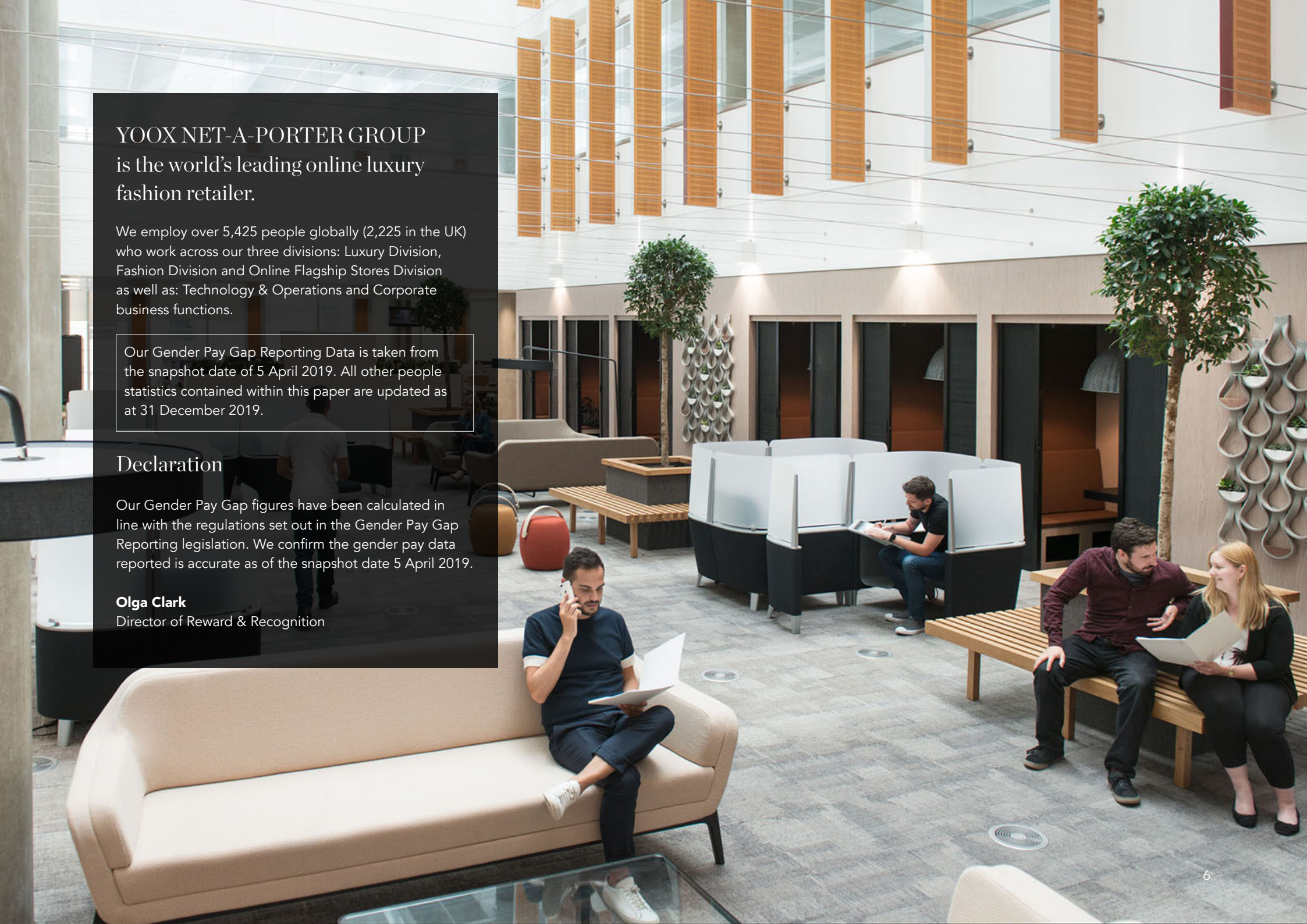
We have rolled out our **flexible working policy** to support the work/life balance of our employees along with their professional and personal wellbeing. At the same time, we hope to attract and retain top talent, especially younger employees, women and those with young children.

We have created a **Sponsorship Program** focused on women in tech. This matches female talent with a senior Sponsor from within the company, allowing them to learn from the Sponsor's experience, develop new skills and expand their network connections. The programme aims to increase the representation of women in senior leadership positions.

We have relaunched our **Women in Tech Community** that will be spearheading engagement and role-modelling activities with the aim of attracting female talent to the organisation, creating a space for women to thrive, supporting women in accelerating their careers and shaping the future female talent pipeline.

We're committed to making further improvements by:

- Boosting digital skills for our future talent pipeline by continuing and further enhancing our digital education programmes.
- Continuing to ensure our talent attraction strategy offers equal opportunities for future candidates at all levels within the business.
- Leveraging our Academy to enhance our learning and development opportunities for women at all stages of their career.
- Continuing to review and monitor our pay and reward practices across the business.
- Federico Marchetti, YOOX NET-A-PORTER GROUP Chairman and CEO, became a founding member of the MCC Global Tech Group, a coalition of leaders which includes representatives from the BBC and Microsoft Ventures. The group's members have joined together to accelerate the advancement of gender equality in the technology industry.



YOOX NET-A-PORTER GROUP is the world's leading online luxury fashion retailer.

We employ over 5,425 people globally (2,225 in the UK) who work across our three divisions: Luxury Division, Fashion Division and Online Flagship Stores Division as well as: Technology & Operations and Corporate business functions.

Our Gender Pay Gap Reporting Data is taken from the snapshot date of 5 April 2019. All other people statistics contained within this paper are updated as at 31 December 2019.

Declaration

Our Gender Pay Gap figures have been calculated in line with the regulations set out in the Gender Pay Gap Reporting legislation. We confirm the gender pay data reported is accurate as of the snapshot date 5 April 2019.

Olga Clark
Director of Reward & Recognition