



GENDER & ETHNICITY PAY GAP REPORT

2022

depop



Introducing our 2022 Gender & Ethnicity Pay Gap Report

At Depop, our mission to build the world's most diverse and progressive home of fashion underpins everything we do, internally and externally.

In that spirit, we're committed to building a team that reflects the society in which we operate. We currently employ around 400 people with a diverse range of backgrounds and talents, and we're investing in creating an equitable and inclusive workplace for all of them.

As part of this commitment, we're pleased to share the results of our annual Gender & Ethnicity Pay Gap report. This year, we are also introducing a comprehensive pay equity study which will be conducted by an independent third party every other year from now on. We invest in these rigorous analyses to clearly understand how much progress we've made toward closing the gap, and how we can further our advancements.

Our commitment to pay equity and inclusive hiring practices has never been stronger, and it shows in our results. Here are some of the key takeaways that we're particularly proud of:

- **We improved gender and ethnic diversity in higher paid positions in 2022.** Representation of women* increased from 39% in the upper quartile in 2021 to 43% in 2022. URE (Underrepresented Ethnicities) representation also improved in the upper and upper middle quartiles respectively, moving from 27% to 30% and 37% to 39%.
- **We closed the gap on Bonus Pay.** In July 2021, we introduced our company bonus scheme and RSUs and extended them to all eligible employees. We're pleased to say that 100% of eligible employees received them during the reporting period ending 5 April 2022.
- More generally, we've **strengthened our approach to pay to champion fairness and transparency.** We updated our pay bands, reflecting results from the global salary market review we conducted for the second year running, to make sure we pay our people consistently and competitively.

We're proud of the improvements we've made this year and the progress we've seen; yet we know our work is far from done. In 2023, we're committed to deepening our investment in Diversity, Equity and Inclusion to ensure that each and every one of us continues to be seen, heard, valued and celebrated. You can read more about our areas of focus for this year, later in this report.

As ever, we remain committed to our mission, to serving our communities, and to building the future we want to see.

Chief Executive Officer,
Kruti Patel Goyal



About this report

We're always using data to drive progress forward – especially in the name of fairness, equality and diversity – so we're pleased to share our second annual Gender & Ethnicity Pay Gap Report.

All UK companies with more than 250 employees are legally required to report annually on any gender pay gap. The gender pay gap is reporting on any difference between the mean and median earnings of men and women. This is expressed as a percentage of men's earnings, and excludes any employees on reduced pay (e.g. statutory parental pay, statutory sick pay or unpaid leave).

The government requires us to publish a binary gender pay gap report but we believe everyone should have the freedom to express their gender and we respect the gender identity of everyone.

At Depop, there are employees who identify as non-binary. Those employees, and those who did not declare their gender identity, are not included in these numbers.

Unlike the gender pay gap reporting, there's no legal obligation to publish our ethnicity pay gap data but we believe in transparency, so we voluntarily publish them together so that we can be held accountable.

The calculations are exactly the same as the gender pay gap, the only difference is that it relates to employees of ethnicities underrepresented at Depop (UREs) versus White employees.

***The figures given for this year represent a snapshot of Depop as of 5th April 2022.**

Definitions and Context

Pay Quartiles

The percentage of women and men, and URE and White employees, in four quartiles, calculated by ranking employees from the highest paid to the lowest paid and dividing our workforce into four equal parts.

Mean

The difference between the average hourly rate of pay or bonus pay between women and men, and URE and White employees. A positive % indicates a pay gap favourable to men or White employees, a negative % indicates a pay gap favourable to women or URE employees.

Median

The difference in the midpoints of hourly rates of pay or bonus pay between women and men, and URE and White employees. It's calculated by ranking all the figures from highest to lowest and takes the figures in the middle - this avoids skewing by figures at either end of the scale.

Bonus Pay Gap

Calculations are based upon variable pay received by relevant men and women between 6 April 2021 and 5 April 2022. This takes into consideration annual employee bonus, RSUs and any qualifying one-off payments that are awarded through payroll. It excludes non-cash items like benefits and salary.

Equal Pay vs Gender Pay Gap

Measured by comparing the pay for employees carrying out the same or similar work, taking into account level and job type. Gender pay gap is based on pay differences between men and women, and Ethnicity pay gap between URE and White employees. It doesn't consider employee level or job type.

Underrepresented Ethnicities (URE)

Defined as Asian, Black, Mixed, Other (inc. LatinX) employees. To identify which ethnicities are underrepresented, we consider census, workforce and benchmarking data as well as our aim to be a progressive workplace. As our population and the world around us will continue to change, we will review this on an annual basis.

GENDER

Our 2022 Gender Pay Gap

Our Gender Pay Gap in 2022

Mean Gender Pay Gap: **5.9%**

Median Gender Pay Gap: **11.4%**

Variation in our Pay Gap (vs 2021)

Mean Gender Pay Gap **reduced by 59%** (vs 14.3% gap in 2021)

Median Gender Pay Gap **reduced by 32%** (vs 16.9% gap in 2021)



Upper Quartile
Women 43%
Men 57%



Upper Middle Quartile
Women 42%
Men 58%



Lower Middle Quartile
Women 48%
Men 52%



Lower Quartile
Women 57%
Men 43%

Gender split at Depop*
45% Women
55% Men

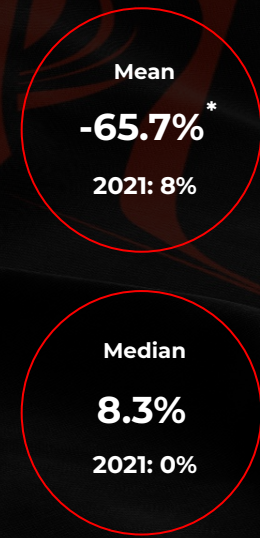
*A small number of employees identify as non-binary or have not disclosed their gender, those people are not included in these figures.

Our 2022 Gender Bonus Gap

Who received Bonus Pay?



Bonus Pay Gap



*Due to the nature of how RSUs and share options are paid, we may see anomalies in data depending on when RSUs vest and the scale of vesting.

ETHNICITY

Our 2022 Gender Pay Gap

Our 2022 Ethnicity Pay Gap

Mean Ethnicity Pay Gap: **-1.6%**
Median Ethnicity Pay Gap: **-3.1%**

Variation in our Pay Gap (vs 2021)

Mean Ethnicity Pay Gap **reduced by 141%**
(vs 3.9% gap in 2021)

Median Ethnicity Pay Gap **reduced by 67%**
(vs -9.1% gap in 2021)



Upper Quartile
URE 30%
White 70%



Upper Middle Quartile
URE 39%
White 61%



Lower Middle Quartile
URE 28%
White 72%



Lower Quartile
URE 30%
White 70%

Ethnicity split at Depop

32% URE*
68% White

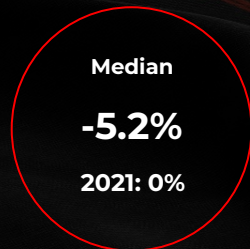
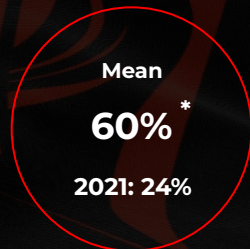
* Underrepresented Ethnicities (URE) - defined as Asian, Black, Mixed, Other (inc. LatinX). Note that a small number of employees have not disclosed their ethnicity, those people are not included in these figures.

Our 2022 Ethnicity Bonus Gap

Who received Bonus Pay?



Bonus Pay Gap



SUMMARY

What our data shows

GENDER

At Depop, women earn 89p for every £1 that men earn, and our pay gap is decreasing.

Representation of women has increased from 39% in the upper quartile in 2021 to 43% in April 2022, which contributed to reducing our gender pay gap. For the second year running, we've also conducted a global salary market review to ensure that we're paying our staff consistently and competitively versus the market.

But we still have work to do. Overall, we have a near even gender split across Depop (45% women, 55% men). However, we still have more men in our higher quartiles and higher paying functions (e.g. engineering) which contributes to our pay gap.

ETHNICITY

At Depop, UREs earn 1.04p for every £1 that White people earn.

URE representation has increased from 28% in 2021 to 32% in April 2022, which contributed to reduce our ethnicity pay gap. Representation notably improved in the upper and upper middle quartiles respectively, moving from 27% to 30% and 37% to 39%.

In addition, our annual global salary market review also contributes to ensure that we're paying our staff consistently and competitively versus the market.

But we still have work to do. Our data shows that we have more employees who identify as White in our higher quartiles and higher paying functions like engineering.

We've made noticeable progress with expanding bonus opportunities for our employees and will continue to make bonuses more consistent going forward.

This year, we introduced our company bonus scheme and RSUs, which is reflected in the considerable rise in the amount of people who received Bonus Pay vs 2021. While there was a disparity of 2 percentage points across gender, the only people who didn't receive a bonus or RSU vesting were those that joined us after 1 October 2021 or who were on a fixed term contract, so we're confident this gap is not due to differences in gender identity. We also stopped offering sign-on bonuses through 2022 in favour of our new RSU and performance-based bonus schemes to ensure consistency in compensation.

This report now includes all RSU vesting and share option payout that occurred throughout the year. RSU vesting schedules are different for each employee and each vesting is subject to fluctuation in value depending on the Etsy share price. This can contribute to steep variations in the data, such as the fall of our mean bonus pay gap this year.

We're committed to continuing to improve systems that continue to ensure fairness and consistency at every stage...

Set ambitious representation targets

At the end of 2022, we have refreshed our representation targets and are now committed to reach 27% URGs in Engineering and Data, and 35% UREs at Depop globally* by 2028. To set those targets, we've used people analytics modelling to determine what's ambitious yet realistic for us to achieve using hiring, forecast, attrition and latest representation across the company.

Diversify our hiring pipelines

We are working with DEI talent partners to improve brand visibility within their networks and diversify our talent pipelines. We are also trialling DEI-focused sourcing sprints to proactively target candidates from underrepresented communities for new roles.

Invest in training to challenge bias

Beyond manager training on our reward philosophy and fair compensation, we'll be bringing a DEI learning programme to our staff in 2023, with interactive workshops to challenge bias and understand how it can show up in the workplace.

Creating fair structures for pay by design

We delivered training on fairness in compensation, and specifically how we build pay bands, which we shared with employees in March. Our Talent Team make sure all offers are within market and internal benchmarks and there is People Team sign off on all offers and pay decisions.

All performance and promotion decisions are calibrated by Department leadership teams before they're approved, the People Team check all individual compensation decisions for internal and external equity.

Maintaining external checks and balances

We use an external provider, Mercer, to conduct a thorough pay equity study. We will renew this exercise every two years to make sure that total compensation at Depop is not influenced by race/ethnicity or gender.



* The scope of our targets is more comprehensive than the UK pay gap reporting, including US, PNS and non-binary employees, hence the difference in numbers shown in the representation section above

Declaration

March 2023

We confirm that the information and data reported are accurate. They follow the government's Equality Act 2010 (Gender Pay Gap information) Regulations 2017.



Chief Executive Officer,
Kruti Patel Goyal