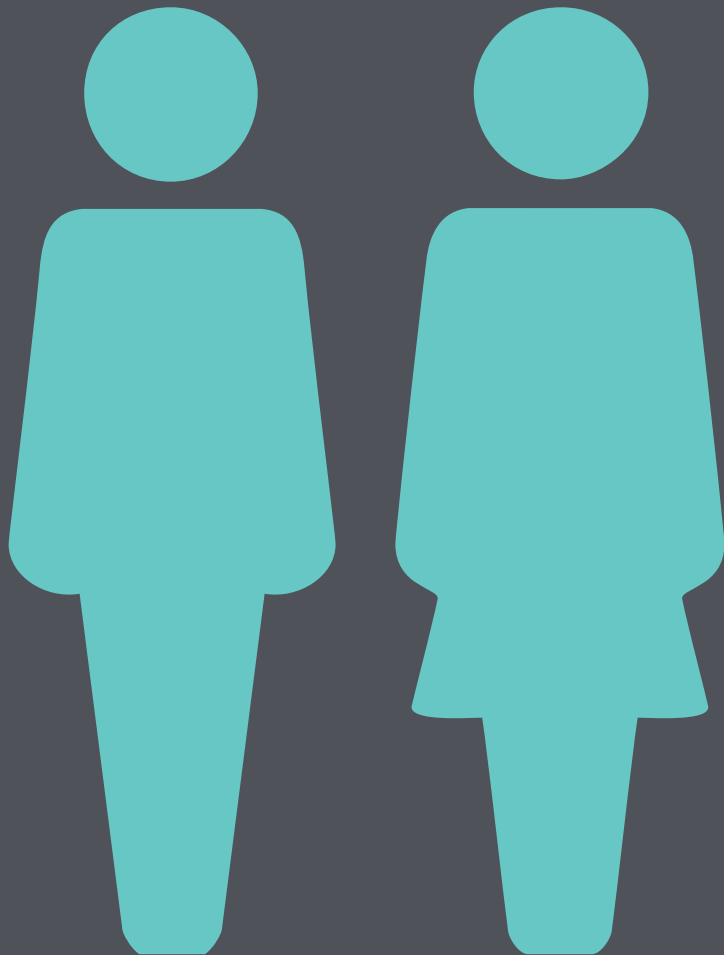


carpetright.

gender pay gap report

2019





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01 | introduction

The issue of gender equality, or imbalance, is of particular importance to us; we want our company to benefit from embracing diversity as well as being reflective of our customer base. Therefore, we continue to work hard on closing our Gender Pay Gap.

Over the past year, we have focussed on opening up opportunities for females by increasing the proportion of part-time roles available and opportunities to work more flexibly. That said, we recognise that these options work equally well for both males and females alike.

Despite the headline numbers increasing slightly, we have seen pockets of improvement that suggest our actions are having a positive effect and will over time help close the gap further, for example the improvement in our overall male/female split. I am also encouraged by the marked increase of female representation on our Board, as well as the progress made for females across all pay quartiles. Moreover, I am confident that we have no issues with equal pay. I'm also pleased to report that our gender pay gap remains significantly below the retail and national averages in both mean and median measures.

We take equality seriously at Carpetright, treating people fairly regardless of age, colour, creed, disability, full or part time status, gender, marital status, nationality or ethnic origin, religion, race, or sexual orientation. Nevertheless, it's clear that there remains an opportunity to drive further improvement, hence we will continue with the work we've started to attract, progress and retain a workforce that redresses the balance and better represents our customer base.

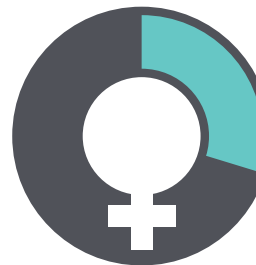
Wilf Walsh

Chief Executive Officer

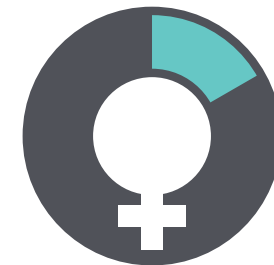


24%

of our leadership roles are filled by females



29%
of our board are female



17%
of our executive committee are female

2,291

relevant UK & NI employees



74%
male



26%
female



02 | our gender pay gap

Our mean gender pay gap is **+8.7%** and our median gap is **+4.3%**, which broadly means males across our organisation are earning more than females. This is down to several factors which are outlined in this report. Although this is a slight increase on last year at headline level, there are signs of good progress, for example improvements in our bonus pay gap. More widely, we're pleased to report that both mean and median figures continue to remain significantly lower than both the national average and the average for the retail industry. Indeed, we sit at around half of the average retail gap. Despite that our work is ongoing to close the gap and to ensure equality across all levels at Carpetright.

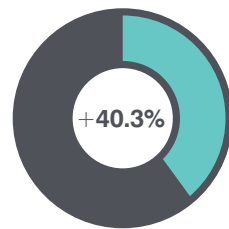
Rachel Wheeler

Rachel Wheeler

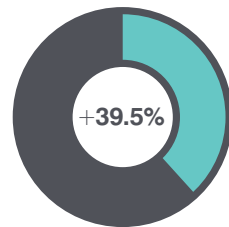
HR Director

Carpetright UK & Northern Ireland	
% male/female employees	74%/26%
Mean gender pay gap	+8.7%
Median gender pay gap	+4.3%
Mean bonus pay gap	+40.3%
Median bonus pay gap	+39.5%
% male/female receiving bonus	86.2%/72.2%
Upper quartile (male/female %)	76%/24%
Upper middle quartile (male/female %)	75%/25%
Lower middle quartile (male/female %)	72%/28%
Lower quartile (male/female %)	71%/29%

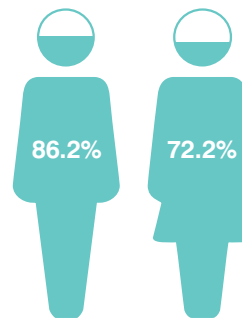
mean bonus pay gap



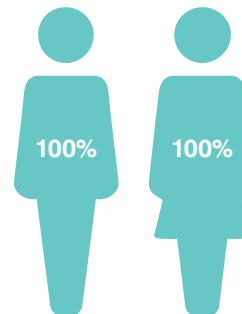
median bonus pay gap



% receiving a bonus payment



% eligible for receiving a bonus payment

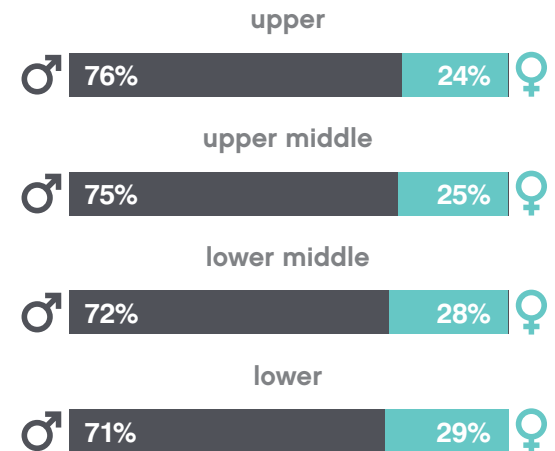


	Carpetright	UK	Retail
Mean	+8.7%	+16.2%*	+17.3%*
Median	+4.3%	+17.3%*	+9.5%*

*Based on provisional Gender Pay Gap 2019 data from the Office of National Statistics

population by pay quartiles

Quartiles represent the pay rates from the lowest to the highest for our relevant employees split into four equally sized groups, with the percentage of males and females in each quartile.



03 | understanding our results

why do we have a gender pay gap?

Our mean gender pay gap is **+8.7%** and our median gap is **+4.3%**. Whilst this is significantly below the national average of **+16.2%** and **+17.3%** respectively, this can be attributed to a few key factors:

- We have significantly more males than females across all levels of our business
- Whilst we've doubled the number of females on our Board, we have fewer females at our Executive Committee & Senior Leadership levels. This is, in part, due to a restructuring of our senior team hierarchies
- **42%** of the females working at Carpetright work part-time, compared with **16%** of males

Retail colleagues make up the majority of our workforce. If we made the same gender comparison across sales colleagues only, our mean gender pay gap would decrease considerably to **+0.9%**, which is an improvement of **0.8%** on the previous year.

our bonus pay gap

Our mean bonus pay gap is **+40.3%** and our median bonus gap is **+39.5%**. These calculations are based not only on typical 'bonus' payments but include any additional pay such as commission payments, monthly store bonuses and annual bonuses.

Whilst this is a slight improvement on last year, our bonus pay gap is still much higher than we'd like it to be. Our bonus pay gap can be explained by a few points:

- We have significantly more males than females working in our stores, and therefore eligible for commission and monthly store bonus payments
- Whilst every store colleague is entitled to the same level of commission, the amount they earn will vary depending on individual performance and hours worked; with **42%** of our females working part-time, it follows that as a collective group, females are earning less in bonus
- Retail colleagues are also eligible for a monthly store bonus which is dependent on the overall team performance and is paid on a pro-rata basis

- The range of bonus payments for females increased, meaning that there were some females earning bonus at higher levels than in the previous year. At the same time, the range of bonus payments for males decreased, thus causing the reduction in the median bonus gap overall

our quartiles

Previously, we recognised we had less females in our most senior roles and have been working hard to attract more females. We have started to make an impact moving from **79% male/21% female** to **76% male/24% female** split in our upper quartile. As a historically male-dominated business this is something we shall continue to address.

Our representation of females in our upper middle, lower middle and lower quartiles, has also improved on last year. Coupled with our activities to attract, progress and retain more females, we believe this is linked to some of our store closure activities during the past year whereby we lost proportionately more males than females across the board.



04 | closing our gap

01 recruitment & progression

We provide an internal vacancy listing which is circulated to all colleagues on a weekly basis, allowing any individual who is looking for their next step, to apply for suitable roles as they become available.

To help attract more females into our business, we advertise vacancies on the popular recruitment website www.workingmums.co.uk. Furthermore, by changing the wording on our job advertisements, we have successfully attracted applications from candidates who are interested in job share or flexible working opportunities.

We have seen a positive impact overall through our attraction strategy, by actively advertising non-management roles as part time, to attract a diverse, more gender balanced workforce which greater reflects our customer base.

02 our policies

We are continually evaluating our HR policies to ensure we are an increasingly inclusive business. Specifically, we've encouraged the use of our flexible

working practices to encourage more maternity leave returners.

03 our training

All our colleagues have access to a vast library of training videos and other materials for continued professional development.

Our Diversity training and non-bias training for colleagues has had a positive impact as evidenced by our increase in female hires overall. We continue to train those who are most likely to be recruiting and selecting candidates on our behalf.

04 supporting national campaigns

Wilf Walsh, our CEO, is an active ambassador for the Retail Week 'Be Inspired' campaign, having supported this for 3 years. Be Inspired exists to promote gender balance at all levels across retail and encourages females to fulfil their career aspirations.

As part of our involvement with Be Inspired we were able to offer some supplementary development opportunities to our female colleagues,

such as opportunities to attend relevant workshops, seminars, conferences and trade shows. Three female colleagues also took part in the year-long Retail Week Be Inspired Senior Leadership Academy.

05 beyond gender

Carpetright prides itself on being an inclusive business. We are an equal opportunities employer and both colleagues and applicants alike, are treated fairly and equally regardless of age, colour, creed, disability, full or part-time status, gender, marital status, nationality or ethnic origin, religion, race or sexual orientation.

We believe that the range of attributes of individuals within our business, along with their different perspectives and experiences, add value to our business.



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