



Gender pay gap report

**2020**





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# 01 | Introduction

Moving into private ownership has not changed our outlook on the issues of gender equality; it remains of particular importance to us; we want our company to benefit from embracing diversity as well as being reflective of our customer base. To that end, 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.

Over the past year, we have continued to focus on opening up opportunities for women by increasing the proportion of part-time roles available and opportunities to work more flexibly. We have seen some positive strides forward in this regard with an increase in female colleagues overall and specifically into the retail arm of our business. Moreover, I'm delighted to report that since the start of Gender Pay Gap reporting in 2017, we have made steady

progress resulting in a positive shift of 5 percentage points in the proportion of female to male employees.

We have seen our headline numbers increase a little this year, and as is the case for many other organisations, it is not clear how much this has been impacted by the COVID-19 pandemic. We have seen some areas 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. At the point of reporting, nearly all our male and female employees in our retail stores were furloughed, as were the vast majority of our support centre employees.

On a more positive note, I'm pleased to report that our mean gender pay gap remains well below the national and UK retail averages for the fourth consecutive year.

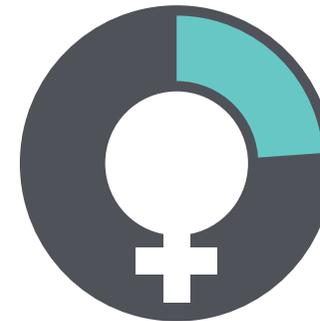
Finally, whilst we have pay frameworks in place to drive equality of pay around gender, there remains further opportunity to drive improvement in the gender pay gap itself. We will continue with the work we've started to attract, progress and retain our workforce and look at additional ways to address the gender pay gap in the longer term.

**Wilf Walsh**  
Chief Executive Officer



23%

of our leadership roles are filled by women



14%

of our executive committee are women

2,216

relevant UK & NI employees



71% male



29% female



## 02 | Our gender pay gap

Our mean gender pay gap is **+10.8%** and our median gap is **+9.9%**, which broadly means men across our organisation are earning more than women. It is pleasing to see forward momentum on our initiatives to encourage more women to join and stay with us. We have also seen an improvement in our mean bonus pay gap for the second year in a row. Moreover, we're pleased to report that both mean and median figures continue to remain markedly lower than the national average which itself has been improving year on year. It goes without saying that we remain committed to gender equality and activities to reduce the long-term pay gap.

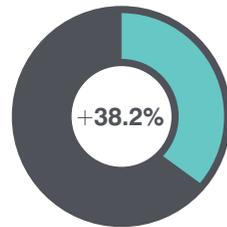
It would be remiss not to acknowledge the challenges of the COVID-19 pandemic. As with a large proportion of retailers, our stores were closed to the public at the time of this report. We are confident that our colleagues have been treated equally with no gender differential on who was selected for furlough. In terms of payment regarding furlough, our premise is to use a pay framework to ensure furloughed colleagues are treated equally.

*D Wheeler*

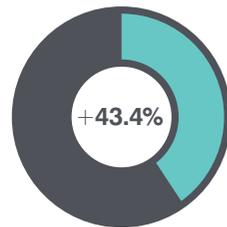
Rachel Wheeler  
HR Director

Carpetright UK & Northern Ireland	
% male/female employees	71%/29%
Mean gender pay gap	+10.8%
Median gender pay gap	+9.9%
Mean bonus pay gap	+38.2%
Median bonus pay gap	+43.4%
% male/female receiving bonus	89.3%/78.4%
Upper quartile (male/female %)	79%/21%
Upper middle quartile (male/female %)	80%/20%
Lower middle quartile (male/female %)	71%/29%
Lower quartile (male/female %)	67%/33%

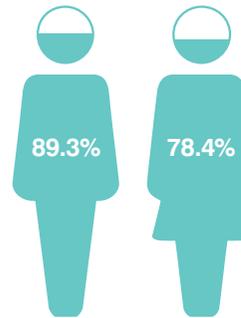
mean bonus pay gap



median bonus pay gap



% receiving a bonus payment



% eligible for receiving a bonus payment

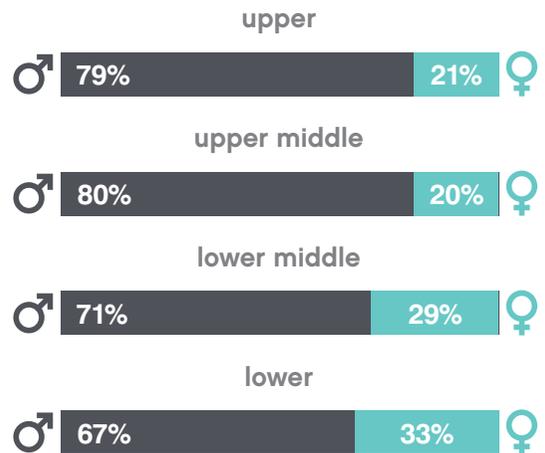


	Carpetright	UK	Retail
Mean	+10.8%	+14.6%*	+16.2%*
Median	+9.9%	+15.5%*	+7.1%*

\*Based on provisional Gender Pay Gap 2020 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

Analysing the results has been particularly challenging given the volume of furloughed employees and the resultant impact on pay. 90% of all employees were furloughed as at 5th April 2020.

Carpetright topped up pay to 100% of average pay, according to the rules of the CJRS, for variable pay employees.

However, because of the way that the scheme worked, this would have resulted in some employees receiving more or less than they usually would have been paid in that month.

### Why do we have a gender pay gap?

Our mean gender pay gap is **+10.8%** and our median gap is **+9.9%**. Whilst this is markedly below the national average of **+14.6%** and **+15.5%** respectively, this can be attributed to a few key factors:

- We have a higher number of men than women across all levels of our business.
- **57.8%** of the women working at Carpetright work part-time, compared with **21%** of men.
- Our female proportions in the lower and lower middle quartiles have increased. With these quartiles attracting lower pay points, this has compounded the effect.

### Our bonus pay gap

Our mean bonus pay gap is **+38.2%** and our median bonus gap is **+43.4%**. These calculations are based on typical 'bonus' payments including any additional pay such as commission payments, monthly store bonuses and annual bonuses.

During this period we have trialled a new role that does not have any bonus scheme attached. This is applicable to both males and females in that role and explains the slight decline in eligibility for bonus payment from our previous 100% eligibility.

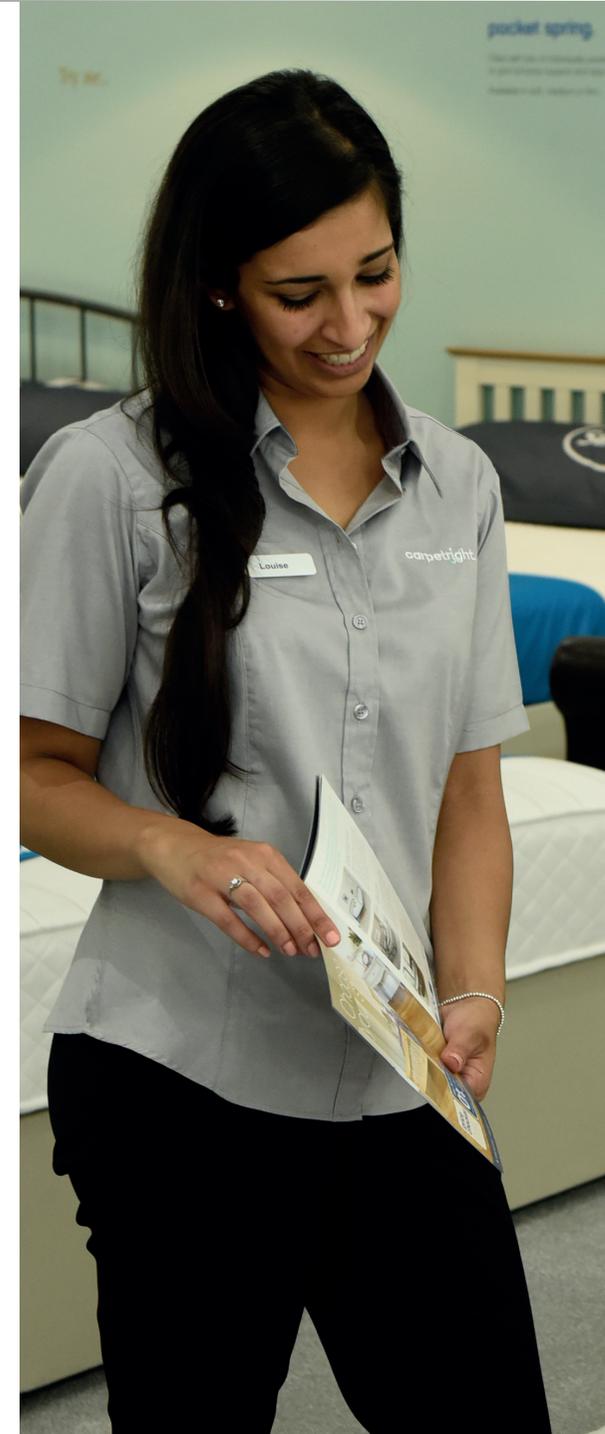
More generally, our bonus pay gap can be explained by a few points:

- We have significantly more men than women 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 57.8% of our women working part-time, it follows that as a collective group, women 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.

### Our quartiles

Our strategy to attract more females into our retail stores has been successful and this is reflected in the increase of females in both our lower and lower middle quartiles.



## 04 | Closing our gap

### 01 Recruitment & progression

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 and we will continue with this strategy.

We would like to see an increased proportion of women in management and leadership roles and to help attract more women into our business, we advertise vacancies on the popular recruitment website [www.workingmums.co.uk](http://www.workingmums.co.uk)

For our senior roles, we actively encourage our executive search partners to present females as part of their interview shortlists.

For progression opportunities, 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.

### 02 Our policies

We are continually evaluating our HR policies to ensure we are an increasingly inclusive business. We have recently introduced policies around the COVID-19

pandemic to support our colleagues, for example, in setting up the vast majority to be able to work from home.

We have successfully attracted applications from candidates who are interested in job share or flexible working opportunities.

### 03 Our training

All our colleagues have access to a vast library of training videos and other materials for continued professional development. This training remained accessible throughout the COVID-19 pandemic, even for those colleagues who were furloughed.

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 four 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, and conferences. Three female colleagues also took part in the year-long Retail Week Be Inspired Senior Leadership Academy.

### 05 Beyond gender

We welcome and encourage the range of attributes that individuals bring to our business. We believe there is value added to our business precisely because of their different perspectives and experiences.

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.





**carpetright**

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