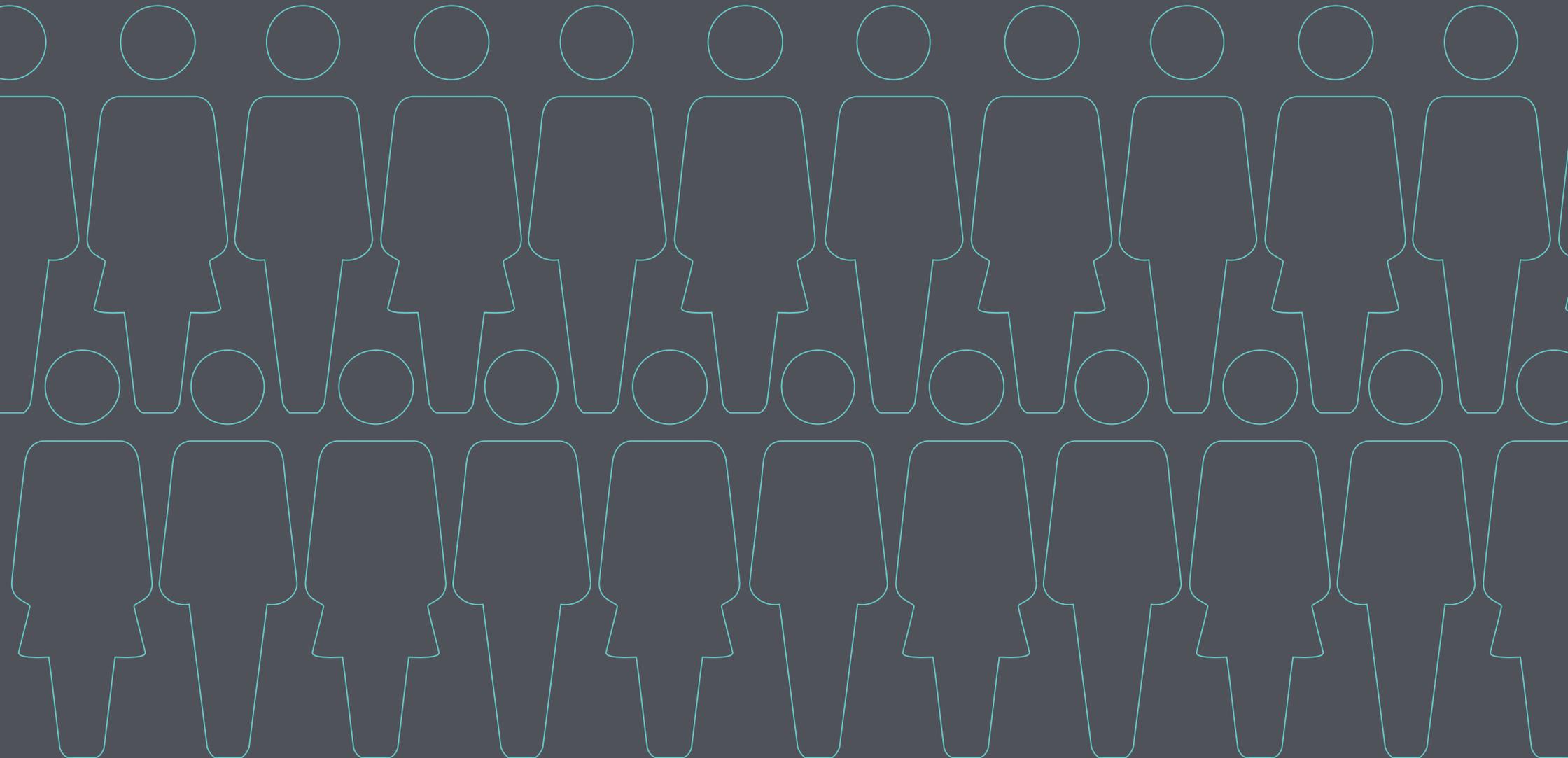




Gender pay gap report

2021





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01 | Introduction

Having moved into the Managing Director position during this past year, I wanted to take this opportunity to be clear that I am fully aligned with the view of our previous CEO - gender equality is of particular importance to us; we want our company to benefit from embracing diversity as well as being reflective of our customer base. 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.

Despite the challenges of the COVID-19 pandemic, we have continued to focus on opportunities for women by continuing to offer many of our retail roles on a part-time basis and encouraging opportunities to work more flexibly. Attraction of women into our business continues to move forwards; we have made steady year-on-year progress since Gender Pay Gap reporting started in 2017; resulting in a positive shift of 6 percentage points in the proportion of female to male employees.

Despite these efforts, disappointingly, we have seen our headline numbers increase this year, which is most likely due to the impact of the COVID-19 pandemic on reporting parameters. At the point of reporting, not all of our

workforce had returned from furlough and almost two thirds did not meet the criteria to be included in the hourly pay calculations. We are confident that next year's report will be more reflective of what is truly happening with regards to our gender pay gap and that we will at least return to levels close to that of pre-pandemic. Nevertheless, we have seen some areas of improvement that suggest our actions are continuing to have a positive effect and will over time, help close the gap further. For example, the improvement in our overall male/female split.

On a positive note, I'm pleased to report that our median gender pay gap has reached its lowest level since reporting began and is well below the UK and Retail averages.

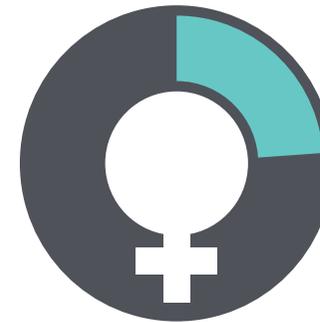
Finally, it is clear there remains further opportunity to drive improvement in the gender pay gap. We have pay frameworks in place to drive the equality of pay around gender and it seems our work around recruitment of women is paying dividends, but we acknowledge there is further work to be done around retaining and progressing women at Carpetright

Nick Worthington
Managing Director



29%

of our leadership roles are filled by women



17%

of our executive committee are women

2,190

relevant UK & NI employees



69% male



31% female



02 | Our gender pay gap

Our mean gender pay gap is **+20.4%** and our median gap is **+2.2%**, which broadly means men across our organisation are earning more than women.

For us, this increase in our gender pay gap is disappointing and does not reflect the positive work undertaken to continue to address the gap. For example, the increase in females in our leadership roles.

The COVID-19 pandemic has challenged us in many ways over the past year, not least on our ability to trade. Our stores have been closed at various times and sometimes there have been differences in the trading status of our stores driven by geography. Our employees have been furloughed and flexi-furloughed and some have worked throughout. To ensure fairness, we have followed Government guidance and are confident that there has not been any gender differential in respect of selection for furlough or payment thereof.

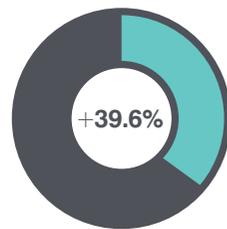
It goes without saying that we remain committed to gender equality and activities to reduce the long-term pay gap.

D. Wheeler

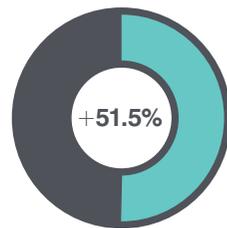
Rachel Wheeler
HR Director

Carpetright UK & Northern Ireland	
% male/female employees	69%/31%
Mean gender pay gap	+20.4%
Median gender pay gap	+2.2%
Mean bonus pay gap	+39.6%
Median bonus pay gap	+51.5%
% male/female receiving bonus	91%/81%
Upper quartile (male/female %)	66%/34%
Upper middle quartile (male/female %)	55%/45%
Lower middle quartile (male/female %)	62%/38%
Lower quartile (male/female %)	54%/46%

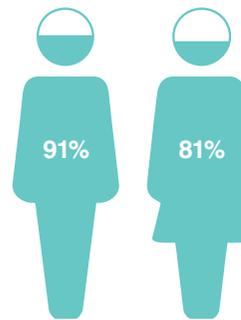
mean bonus pay gap



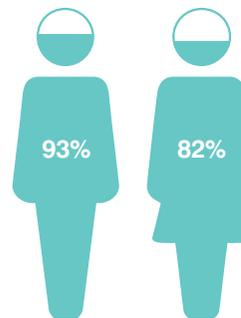
median bonus pay gap



% receiving a bonus payment



% eligible for receiving a bonus payment

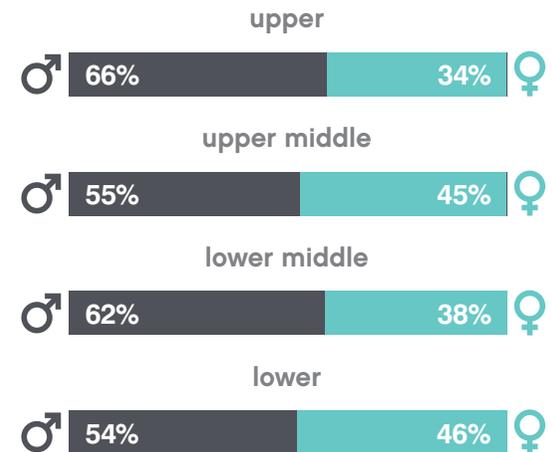


	Carpetright	UK	Retail
Mean	+20.4%	+14.9%*	+11.8%*
Median	+2.2%	+15.4%*	+7.5%*

*Based on provisional Gender Pay Gap 2021 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 men and women in each quartile



03 | Gender Pay Gap Explained

What is the gender pay gap?

The gender pay gap is a measure of the difference between the average earnings of men and women across an organisation, regardless of the nature of their work.

The gender pay gap is not the same as equal pay, which relates to men and women being paid equally for equal work.

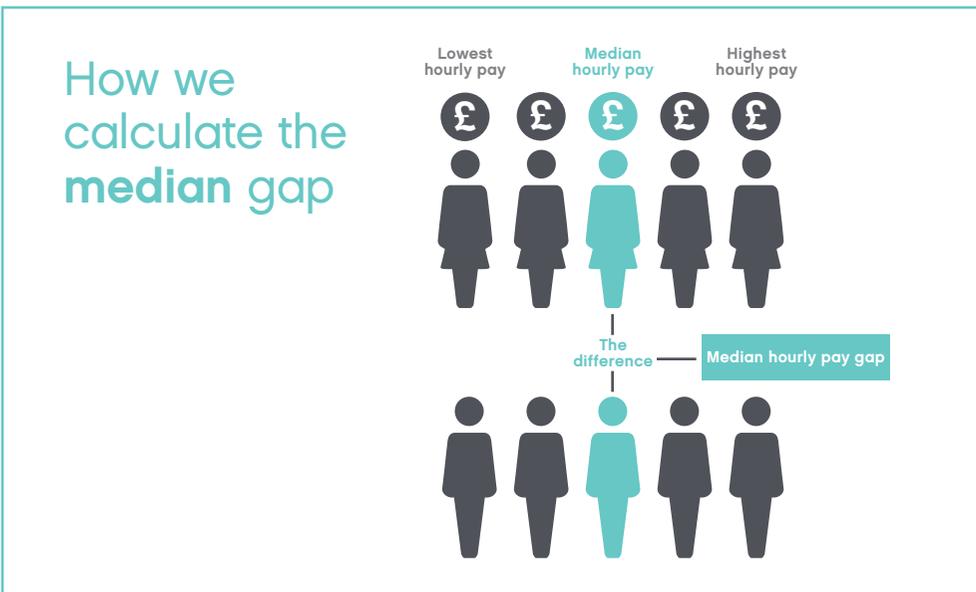
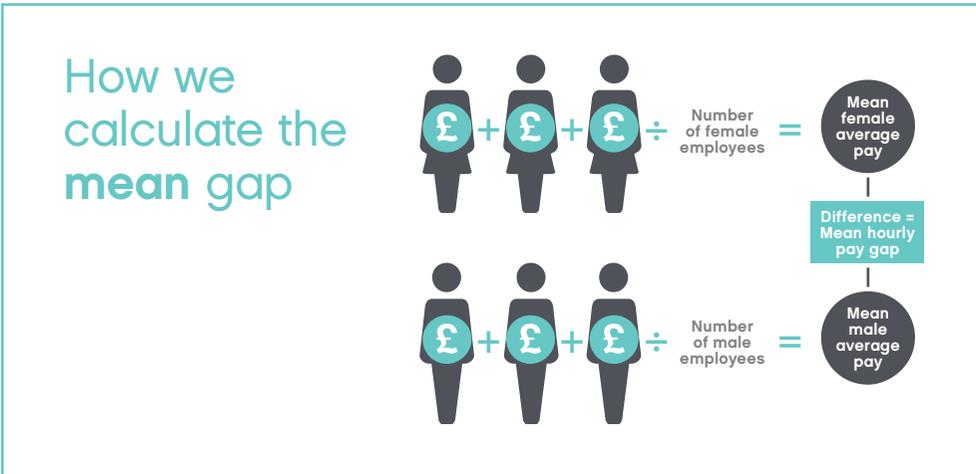
Gender pay gap calculations are based on our payroll data drawn on 5th April each year.

How do we calculate the mean and median gap?

The mean gender pay gap is the difference in average hourly rates of pay that male and female employees receive. To calculate the mean figure, we take the average hourly rates of pay and divide by the total number of relevant employees.

The median gender pay gap represents the middle point of a population. If you put the ranges of hourly pay for individual men and women in order from lowest to highest, the median pay gap is the difference in hourly pay for the middle woman compared to the middle man.

The same mean and median calculations are applied to bonus pay for men and women.





04 | Understanding our results

Similarly to last year, analysing the results has been particularly challenging given the impact of the COVID-19 pandemic. Firstly, the number of employees included in the gender pay gap calculation was just over a third of those that would normally be included. This was because on the snapshot date (05/04/2021), only about one third of our retail employees had returned to work. In Northern Ireland employees were furloughed on a firebreak and not all of our head office employees had returned from furlough.

Why do we have a gender pay gap?

Our mean gender pay gap is +20.4% and for the first time since reporting began, we find ourselves above the UK mean national average of +14.9%. Our median gender pay gap is +2.2%, well below the UK median of +15.4%. We believe this can be attributed to a few key factors, some which are pandemic related and others which are not:

General factors

- We have a higher number of men than women across all levels of our business.
- 39% of the women working at Carpetright work part-time, compared with 18% of men.

Pandemic factors

- Our Store Manager population were the group least affected by furlough and they are mostly men.
- Our Home Flooring Surveyor population were the second least affected group and they are mostly men.
- Irrespective of gender, employees who were furloughed or flexi-furloughed at the snapshot date were not eligible to be included in this data. A large proportion of our lower paid men were therefore excluded.

Our bonus pay gap

Our mean bonus pay gap is +39.6% and our median bonus gap is +51.5%. These calculations are based on typical 'bonus' payments including any additional pay such as commission payments, monthly store bonuses and annual bonuses.

Following a trial in the previous year, during this period we fully introduced a new role that does not have any bonus scheme attached. This is applicable to both men and women in that role and explains the decline in eligibility for bonus payments from last year. That said, the proportions of those receiving bonus payments have increased, and more so for women.

This year 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 double the amount of our women working part-time than their male counterparts, it follows that as a collective group, women are earning less in bonus payments.
- 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.

- There were ad hoc bonus payments made to support strategic initiatives and there were more male than female recipients.
- On a positive note, the range of bonus payments for women increased for a second year running.

Our quartiles

This year the data shows an increase of women across all quartiles. However, the data this year is slightly misleading due to the eligibility of whom could be included for the hourly pay calculation and therefore does not consider our usual population sizes.





05 | Closing our gap

01 Recruitment & progression

We have continued to see 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. It is our intention to continue with this strategy.

We would like to continue 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

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. During the COVID-19 pandemic we introduced policies to support our colleagues, for example, in setting up and enabling the vast majority 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.

As part of our involvement with Retail Week's 'Be Inspired' programme 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.

04 Supporting national campaigns

This year we were one of the 50 initial

signatories to the British Retail Consortium's Diversity and Inclusion Charter. The charter focuses on oversight, recruitment, progression, reporting, inclusivity and responsibility. We believe this will help us shape our agenda around inclusion and diversity moving forwards.

Wilf Walsh, our Group Chairman, continues to be an active ambassador for the Retail Week 'Be Inspired' programme, having supported this for five years. Be Inspired exists to promote gender balance at all levels across retail and encourages females to fulfil their career aspirations.

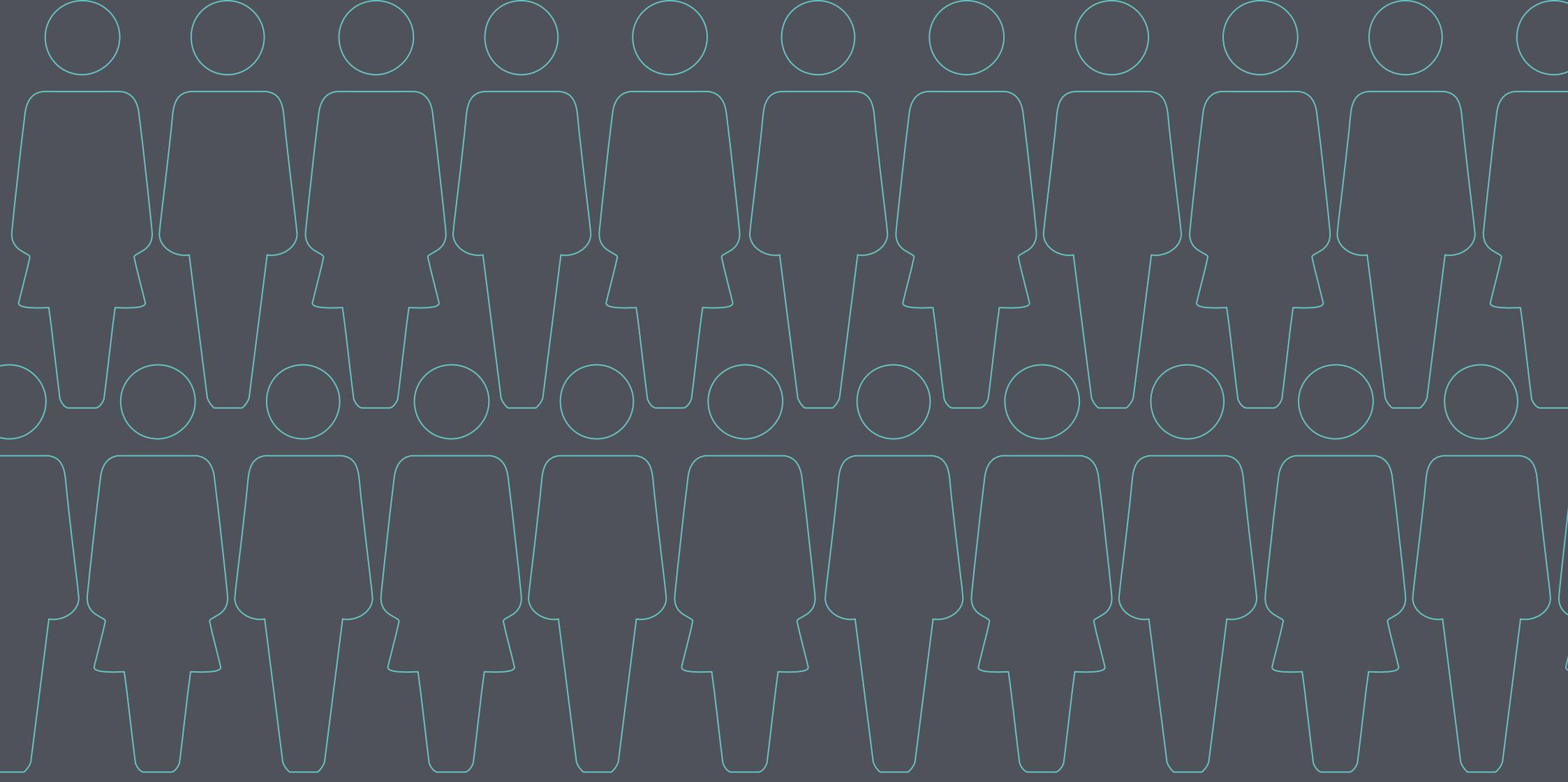
05 Beyond gender

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 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

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