



Gender pay gap report

2022



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01 | Introduction

Let me begin by stating our approach to equality at Carpetright; we take it really seriously, 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.

As we anticipated, post pandemic, our headline numbers have returned to pre-pandemic levels, which better reflects the ongoing work to close the Gender Pay Gap in our business. For the fourth year in succession our overall male/female split has improved, and we are proud of this. So too, with the second year of increase in the proportion of females in leadership roles.

On a further positive note, I'm pleased to report that we remain ahead of the UK national average and the sector national average for both mean and median gender pay gaps.

Our pay frameworks remain in place to drive equality of pay and in the coming year, it is our intention to conduct a review of the way our retail colleagues are rewarded. We are keen to be able to offer a higher proportion of fixed pay than their current pay scheme offers.

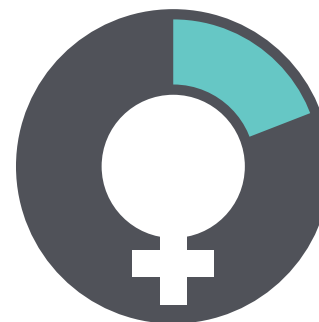
During this year we have supported the BRC's Diversity & Inclusion Charter by submitting data to feed into their annual report for the retail sector. We remain committed to both the Charter and in taking practical actions in our business that will further drive balance and equality around gender.

Nick Worthington
Managing Director



31%

of our leadership roles are filled by women



17%

of our executive committee are women

2,140

relevant UK & NI employees



68%
male



32%
female

02 | Our gender pay gap

Our mean gender pay gap is **+7.0%** and our median gap is **+5.5%**, which broadly means men across our organisation are earning more than women. Later in the report, we will explain the reasons this is the case.

I am pleased to see that these figures are much more in line with our pre-pandemic trajectory than those we saw in the 2020 and 2021 reporting years. It gives me confidence that we are continuing to take the right sort of actions that, in time, will bring a close to the gap.

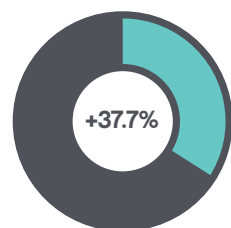
We are, of course, committed to gender equality and activities to reduce the gender pay gap. We have introduced a number of initiatives over the past year to support colleagues in the post pandemic world and to enable females to return to the workplace. The most impactful of these was the introduction of a hybrid working trial at our head office, which has offered greater flexibility for males and females but has proven to be a highly positive tool in attracting and recruiting females.



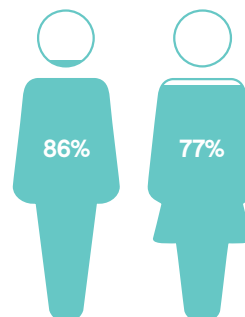
Rachel Wheeler
HR Director

Carpetright UK & Northern Ireland	
% male/female employees	68%/32%
Mean gender pay gap	+7.0%
Median gender pay gap	+5.5%
Mean bonus pay gap	+37.7%
Median bonus pay gap	+42.9%
% male/female receiving bonus	86%/77%
Upper quartile (male/female %)	73%/27%
Upper middle quartile (male/female %)	71%/29%
Lower middle quartile (male/female %)	64%/36%
Lower quartile (male/female %)	67%/33%

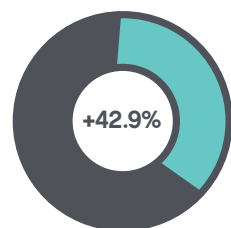
mean bonus pay gap



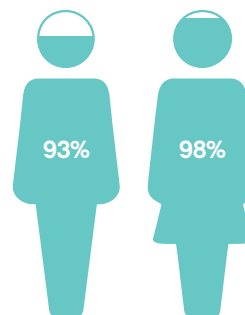
% receiving a bonus payment



median bonus pay gap



% eligible for receiving a bonus payment

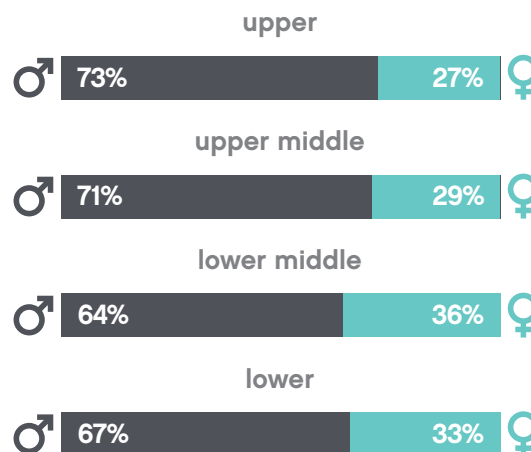


	Carpetright	UK	Retail
Mean	+7.0%	+13.9%*	+13.5%*
Median	+5.5%	+14.9%*	+8.5%*

*Based on provisional Gender Pay Gap 2022 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.

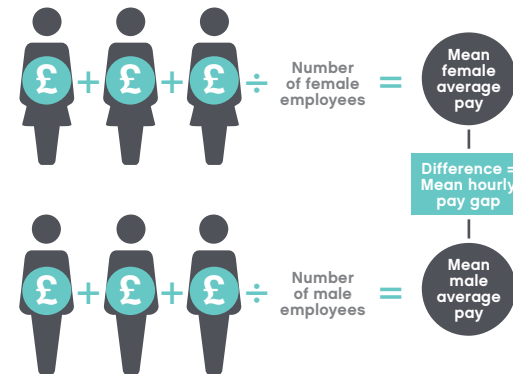
How do we calculate the mean and median gap?

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.

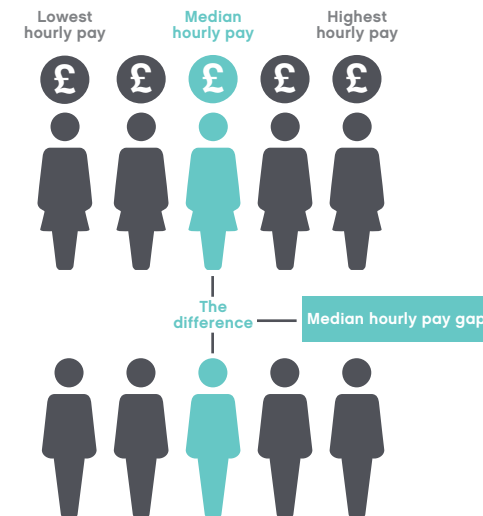
The median gender pay gap represents the middle point of a population. If you put the ranges of hourly pay for individual men and women in order from lowest to highest, the median pay gap is the difference in hourly pay for the middle woman compared to the middle man.

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

How we calculate the mean gap



How we calculate the median gap



04 | Understanding our results

Why do we have a gender pay gap?

Our mean gender pay gap is **+7.0%**, sitting at almost half that of the UK national average mean figure of **+13.9%**. Our median gender pay gap is **+5.5%**, very well below the UK median of **+14.9%**. Our Gender Pay Gap can be attributed to a few key factors, as covered below:

- Despite our improvements in the overall male/female split, we still have a much higher number of men than women across all levels of our business
- **39%** of the women working at Carpetright work part-time, compared with **17%** of men
- Shortages in some areas of specialist skills have driven up salaries during recruitment and some of these areas e.g. IT & Digital have been more male dominated in terms of applicants (and thus appointments)

Our bonus pay gap

Our mean bonus pay gap is **+37.7%** and our median bonus gap is **+42.9%**. We are pleased to see that some of our work has positively impacted the

bonus gap, with the mean bonus gap being the lowest since reporting began (2017). For reference, these calculations are based on typical 'bonus' payments including any additional pay such as commission payments, monthly store bonuses and annual bonuses.

This year our bonus pay gap can be explained by the following points:

- We have significantly more men than women working in our stores, and therefore more males were in receipt of commission and monthly store bonus payments
- Whilst every store colleague is entitled to the same level of base pay for their role, the commission and bonus elements they earn will vary depending on individual performance and hours worked. With more than 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
- There were some seasonal bonus payments made in our warehouse operation to encourage staff retention during our peak distribution period. There were more males working in these roles and therefore more males than females received this bonus

- There were ad hoc bonus payments made to ensure we retained the skills required to deliver some key strategic initiatives. There were more males working in these roles and therefore more males than females received this bonus

In respect of eligibility for bonus, during the year we have reviewed newly introduced roles to determine whether bonus is a relevant part of the makeup of the pay scheme and consequently, have introduced roles without eligibility for bonus. This has caused a 6.7 percentage points decrease in the number of males eligible to receive bonus on our pre-pandemic figure. In contrast, female eligibility was affected by only 1.9 percentage points.

Our quartiles

As anticipated, the quartile data this year looks like it has declined on the previous year, however, the data for 2021 was slightly misleading due to the eligibility of whom could be included for the hourly pay calculation at that time (largely due to COVID-19 and the impact of the Coronavirus Job Retention Scheme) and therefore at that time, did not consider our usual population sizes. This year we return to a much more representative picture and find that all quartiles are improved against our 2019 reporting year.



05 | Closing our gap

01 Recruitment & progression

We have continued to actively work on attracting a diverse and more gender balanced workforce to greater reflect our customer base. During this year we have launched a new look and feel to our presence as an employer with a new careers website and stories across social media (e.g. LinkedIn) that highlight our commitment to offering opportunities to females. We have re-designed our job adverts to showcase opportunities for flexibility, training and progression.

Whilst we have seen an increased proportion of women in management and leadership roles, we wish to continue with this work. To help attract female leaders into our business, we advertise our vacancies on the popular recruitment website www.workingmums.co.uk and 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.

Over the coming year we will be launching a Leadership Academy which will offer opportunities for both our male and female colleagues to develop their management and leadership skills. We are hopeful that this will allow us to drive internal progression and to be able to showcase stories internally that will encourage more females to consider taking the next step in their career.

02 Our policies

We are continually evaluating our HR policies to ensure we are an increasingly inclusive business. This year we have introduced a new communications platform for our colleagues which means that all colleagues have easy access to our policies.

As mentioned earlier in this report, we have introduced a hybrid working trial at our head office that has offered colleagues increased opportunities for working flexibly. Clearly, this is not something that can be replicated in our stores, where physical presence is needed but we are working with our

store management teams to encourage them to think more broadly around staff rota planning, job-sharing management roles and recruiting colleagues on a part-time rather than full time basis, to ensure that we are attractive to female (as well as male) applicants.

In relation to our policies on pay and to ensure equality of pay, we have pay rates set for each job role so that gender is not a factor used to determine the rate of pay a colleague receives. As part of the intended retail pay review over the next year, mentioned earlier, we will use a framework set out by job role to continue our work on ensuring equality of pay.

03 Our training

This year we have launched a new Retail Academy hosted via a new learning platform. This means all our colleagues have access to a vast library of training videos, virtual classrooms and other materials for whatever stage they are at in their career journey with us. Starting with a structured induction programme for new joiners and helping them move through to getting even better in their

job role or moving to their next role – there are specifically designed programmes for all.

We have continued to be part of Retail Week's 'Be Inspired' programme and as such we were able to offer some supplementary development opportunities to our colleagues, such as opportunities to attend relevant workshops, seminars, and conferences.

As mentioned at point 1 above, it is our intention to further extend our Academy offering to incorporate a Leadership Academy over the next year.

04 Supporting national campaigns

As one of the founding signatories to the British Retail Consortium's Diversity and Inclusion Charter and as part of our commitment to that we have contributed our diversity data towards their report on Diversity and Inclusion, which is due for publication again this summer.

Over the next year we will be focussing on the progression and inclusivity elements of the Charter, taking actions to propel awareness

05 | Closing our gap (continued)

around diversity and opportunities to progress, as well as taking actions to drive inclusivity.

We continue to support the Retail Week 'Be Inspired' programme and Wilf Walsh, our Group Chairman, continues to be an active ambassador for sixth year running. Be Inspired exists to promote gender balance at all levels across retail and supports both males and females to fulfil their career aspirations in retail.

We have actively taken part in supporting International Women's Day with special features promoted on both our internal communications platform and externally across social media. We intend to do the same with International Men's Day later this year.

05 Beyond gender

We are proud to be 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. As well as our work to encourage more females to apply to roles within our business, we work with other partners to drive awareness of our openness to other attributes e.g. attracting older workers via the targeted website Rest Less www.restless.co.uk

Like many other businesses, over the past year we have recognised the need to support all employees after what has been some challenging times with the various impacts of the pandemic and more recently, the outbreak of the war in Ukraine. To this end, we have extended our wellbeing offering and have introduced Wellbeing Champions across the business. We intend to continue to build on our work in this area over the coming year.





carpetright

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