

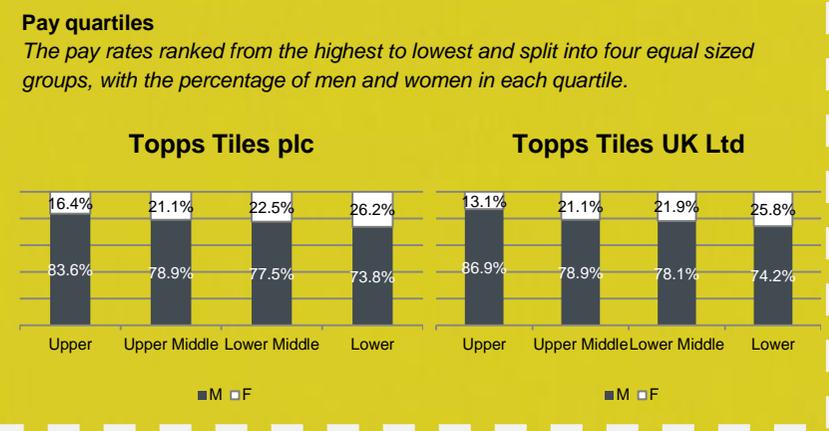
At Topps Tiles we believe that having great people helps to create a great company. To successfully provide our customers with great inspiration, advice and service on their projects we aim to recruit, develop and retain diverse teams of people. We are committed to ensuring that all our roles are filled by the best candidate, irrelevant of gender, background or any other factor.



What is gender pay?
 Gender pay gap legislation requires any employing entity with 250 employees or more to publish their gender pay for these employees. At Topps Tiles, we have one main employing entity - Topps Tiles UK Ltd – which covers all our store employees (c1,700) which we legally have to report on, however, all our employees (c2,000) are part of Topps Tiles plc which we are also choosing to report on here.

Gender pay is different from equal pay. Gender pay compares the average earnings of all male colleagues versus all female colleagues, irrespective of their individual role or seniority, whereas equal pay compares the pay a man and a woman both receive when doing the same or similar job. At Topps Tiles, we review all reward packages regularly to ensure we have fairness across all colleagues.

Our gender pay gap of **11.0%** is significantly lower than the UK average* (**18.1%**)



Our gender pay gap
 The difference in the hourly pay for women compared to men in the pay period that included the snapshot date (5th April 2017)

	Topps Tiles plc	Topps Tiles UK Ltd
Mean pay gap	11.0%	6.1%
Median pay gap	3.9%	4.1%

Our gender pay gap of 11.0% is significantly lower than the UK average* (18.1%). However, we still have a gap and this is influenced by the demographic of our colleague population:

- The proportion of men at more senior levels within our organisation**
 - 27% of our male colleagues are in a role of Store Manager or above vs 19% of our female colleagues
 - 88% of our Store Managers are male vs 76% of our Service Specialists (more commonly known as Sales Advisors who account for c1,000 of our c2,000 employee headcount)
- The proportion of part time colleagues who are female**
 - 28% of all female colleagues are P/T vs 16% of all male colleagues
- Strong colleague retention in more senior roles**
 - Male Store Managers have an average length of service of 8.6 years vs 6.5 for female
 - Our biggest revenue stores are 84% male and length of service in these stores average 5.6 years (male) vs 2.5 years (female)

Our gender bonus gap
 The difference in all bonuses received in the 12 months prior to the snapshot date (5 April 2017), by women and men employed at 5 April 2017.

	Topps Tiles plc	Topps Tiles UK Ltd
Mean bonus pay gap	34.9%	15.5%
Median bonus pay gap	20.1%	19.6%
% of men / women receiving a bonus	M = 93.2% F = 89.2%	M = 94.0% F = 90.8%

Bonus and incentives are an important part of our reward package we offer and all our colleagues have the opportunity to earn market leading bonus and incentives, irrelevant of their role. Our bonus gap figures are influenced by:

- The number of females vs males in senior roles. Similar to many companies, our bonus opportunity increases with seniority**
- Individual sales and store performance. Colleague bonuses and incentives are directly linked to how they and their store perform**
- Part time colleagues and new hires. The calculations are not pro-rated for hours worked, or length of service in the period year and it therefore takes time to build and realise their bonus and incentive opportunity**

*ONS (October 2016)

Addressing our gender pay gap

The nature of our business has historically attracted more male colleagues than the overall retail sector, however over the past few years we have taken several steps to further improve our employee diversity by:

- Defining and launching our employer brand** - which includes case studies from a diverse mix of colleagues to ensure we are attracting a variety of male and female candidates from all backgrounds
- Improving the L&D support** – we help all colleagues to develop the technical skills required for their role meaning previous DIY or product experience is not required
- Reviewing and aligning our reward structures** - for Service Specialists and introducing base pay structures for Assistant Manager and Store Manager roles, whilst also maintaining our market leading bonus and incentive opportunities for all colleagues
- Ongoing improvements in our working practices and policies supporting all colleagues:**
 - Focus on colleague wellbeing** - including defining our wellbeing expectations and implementing actions to further improve store working environments, working hours and flexibility, and manual handling
 - Continuing to offer retail leading maternity/adoption/shared parental leave support** - to help colleagues take time out of work to raise a family. We also offer colleagues the option to take a further week's unpaid holiday in addition to their existing holiday entitlement
 - Launch of a new core hours policy for Support Office colleagues** - enabling flexibility in start and finish times while maintaining excellent levels of support to our store teams

All these steps have helped to increase our female representation across our business, for example:

- 23% of our colleagues are female** (up from 21% prior year)
- 69% of our store teams have at least one female in store** (up from 66% prior year)
- Increasing the number of females in our senior leadership roles**

Mark Taylor – Director of Human Resources, Topps Tiles