

Gender pay gap

MARCH 2018



Foreword

At Card Factory, our mission is to be trusted for quality and value to help celebrate everyone’s life moments. We believe that our company success is driven by our colleagues who have and continue to work hard to make the business a success. We value diversity and inclusion, and are committed to ensuring that each colleague and prospective employee has equality of opportunity.

In this report, we provide our gender pay gap information from the pay period that includes April 5th 2017 (the snapshot date) in line with requirements. Data is based on average hourly pay rate comparisons, and includes data that covers all Card Factory colleagues within the UK (including Northern Ireland) who are employed by Sportswift Ltd.

Our data has been calculated according to the requirements of the Equality Act 2010.

We are confident our approach to pay is gender neutral by design. Our data indicates that median pay for women is marginally higher than for men, whilst average pay is 11.5% higher for men than women. This difference is driven by the structure of our workforce, and the fact that we have more men than women in senior manager roles. Bearing that in mind we will continue to identify ways in which we can support and develop women who want to progress within the company.

At the time of publishing, we are pleased to confirm that our Executive Board is 37.5% female representation, and our Operational Board has 28.6% female representation. This differs from the situation as at the “snapshot date”, particularly for bonus data, as the data included reflects bonuses paid for FY16, which was based on a 0% female representation on the Executive Board and a 12.5% female representation on the Operational Board.

We are proud of our progress in striving to achieve greater diversity, and of the many inspirational women and men we have working for us.



Karen Hubbard, CEO



Lucy Crowther, Group HR Director

Fast facts

41st in the Hampton-Alexander Review FTSE 250 for Women on Boards and in Leadership.

2017 Worldpay Everywoman in Retail Ambassador

Proud to be a member of the **30% Club**

30% Club
GROWTH THROUGH DIVERSITY

Our Executive Board consists of **37.5%** women.

63%

Distribution Centre workers are female.

60% colleagues on our High Potential Leadership programme are female.

Measuring the pay gap

Mean - national average	18.1%	
Mean - Card Factory	11.5%	
Median - Card Factory	-0.1%	

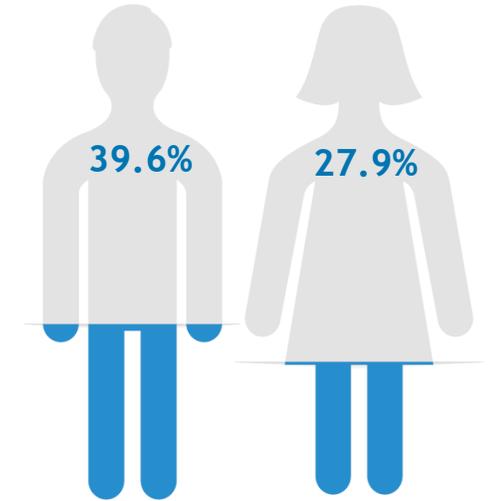
At first glance our gender pay gap figures suggest that on average men are paid more per hour at Card Factory than women, which does not truly reflect the position within our Company. Our hourly paid colleagues are paid the same hourly rate regardless of gender, and we believe our approach to pay generally is gender neutral by design.

The pay gap and bonus gap is driven by a greater proportion of males in senior roles. Our statistics reflect the number of female workers that make up our retail job family. In retail 85% of our colleagues are female, whilst in other areas of the business (where colleagues are typically paid a higher salary) we have a more even gender balance.

Bonus

The proportion of men and women who received a bonus in the 12 months leading up to the snapshot date is shown to the right.

Although overall we have a predominantly female colleague base, the higher value bonus payments were made to middle and senior managers which, as at the snapshot date, were predominantly male.

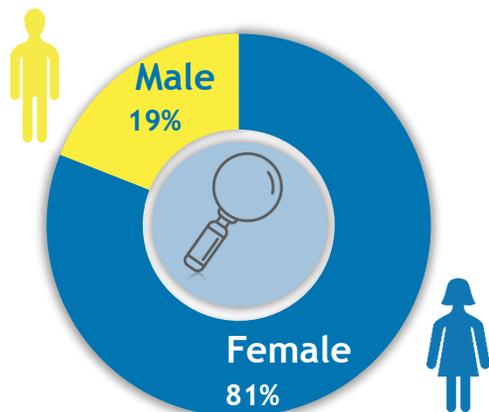


The median gender pay gap for Card Factory, eliminates the distortion created by high earners at the top of the organisation, and actually shows that there is a £0.01 difference between the median pay for men and women, showing on average women are paid 1p more per hour than male colleagues.

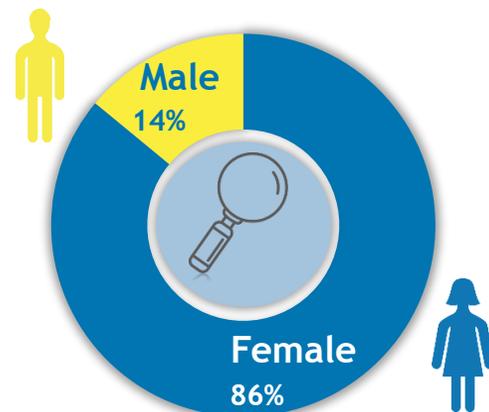
The charts below show the gender distribution of Card Factory's colleagues split into four equally sized quartiles. There are over 1600 colleagues in each quartile, and our retail colleagues appear in all 4 of the quartiles, as we have over 5500 colleagues working in hourly paid roles in retail.

Gender demographics per quartile

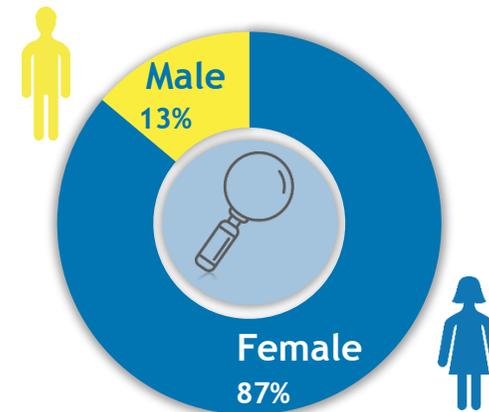
Lower quartile



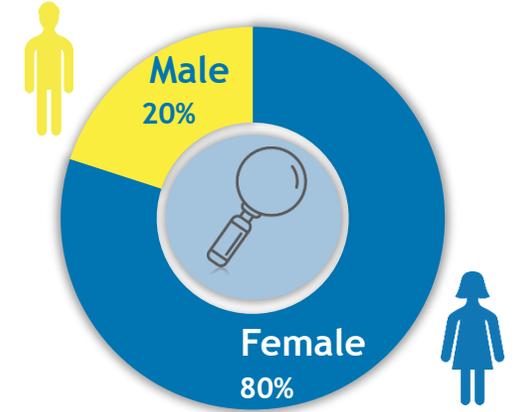
Lower middle quartile



Upper middle quartile



Upper quartile



Understanding the pay gap

The findings from our report show that overall 83.4% of our colleagues are female. Figures published by Women in Retail (based on Elixirr analysis of the FTSE 350 Companies) show that only 10% of those on executive boards are women, so we are proud to be increasing our female representation on the operating board, to over 3 times that number.

Although our mean gender pay gap is lower than the national figure reported by the Office for National Statistics for 2016, we are by no means complacent and are committed to taking action to achieve greater diversity. We are confident that through the appointment of new executives, some of which happen to be female, and improving the support we give our existing talent within our organisation we can further reduce this pay gap over the coming years.

The bonus structure that is reflected in this report incorporates a number of different schemes, some of which were reviewed and harmonised since the snapshot date. During 2017 we also launched a new bonus structure in the Support Centre, which is based on job families, and can be impacted by both personal and company performance, and will go a long way to improving our bonus pay gap. This is something we will continue to review.

Difference between men & women	Mean Average	Median Middle
Gender pay gap	11.5%	-0.1%
Gender bonus gap	92.6%	33.3%

National Mean 2016
(as reported by the ONS)

18.1%

Our Workforce and Bonus Distribution at the snapshot date

- Card Factory’s gender bonus gap at the snapshot date reflects the lean organisational structure of its workforce and the nature of bonus entitlements at that time.
- A significant proportion of Card Factory’s overall 2017 bonus spend was made to a small number of senior managers but were exceptional bonus payments.
- Any awards to retail colleagues, who form the significant majority of our workforce (92%), were by contrast very small in monetary terms reflecting the fact that these are lower paid roles.



A look at our current Gender Split (February 2018)

Whilst this data is not an essential criteria to report on, during 2017 we undertook a job levelling exercise with our salaried colleagues and are proud to include details of our gender split by job family.

It is pleasing to report that women make up 64% of the workforce in our distribution centres. Working alongside local agencies and sourcing directly through referrals we are able to support more women working in our distribution centres. We offer flexibility in shift times, and have approved 45 flexible working requests in this area alone during 2017. Although we have a high proportion of women working in our distribution centres, the roles which attract a higher pay, such as those that operate heavier machinery tend to be done by our male colleagues. We are working to upskill more of our female colleagues to enable them to take on these roles if they so choose.

We are consciously aware that the top 3 bands within our job families are the 3 areas where women are under represented, and as detailed elsewhere we are focussed on steps to try to address this imbalance. The top 3 bands only equate to 32 colleagues within the business, and this is why the quartile analysis does not reflect the gender split shown here for the upper quartile (which includes over 1600 colleagues).

Executive board



Senior Leaders



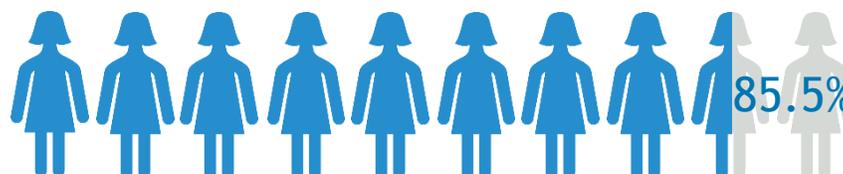
Support Centre Managers



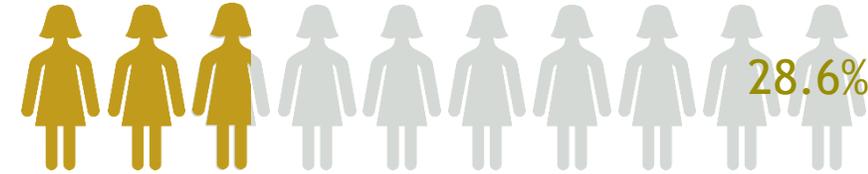
Support Centre Colleagues



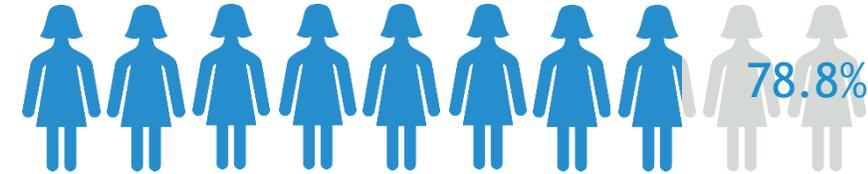
Retail



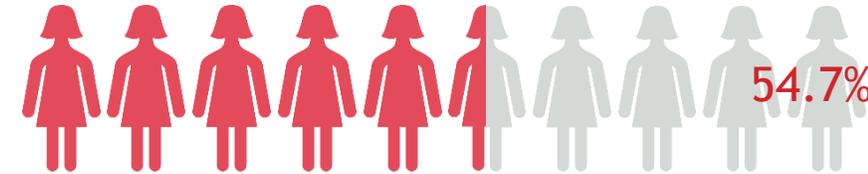
Operating board



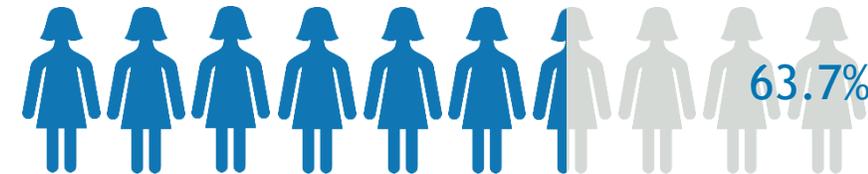
Support Centre Senior Managers



Support Centre Team Leaders



Distribution Centres



During 2017 our recruitment processes for retail have been completely reviewed and redesigned to encourage applicants from all backgrounds, and of all genders, to apply for opportunities within our company.

Looking forward

We are proud of our progress and future roadmap in striving to achieve greater diversity and are extremely proud of the inspirational women and men we have working for us. As a Company we have secured 6 places at the Oxford Summer School to invest in our future leadership talent, and we are delivering a High Potential Leadership programme to managers within the business. In both cases the attendees are majority female.

Other initiatives to achieve greater equality and diversity include:

- Delivering unconscious bias training to all managers within the business responsible for making decisions relating to recruitment, development, performance and managing teams;
- Developing our family friendly policies and actively promoting these within the business;
- Continuing to support female talent within the business to ensure they have the relevant skills and opportunities to progress into senior roles; and
- On an ongoing basis we will be evaluating the effectiveness of our new bonus structure, and the impact on our bonus pay gap.

