

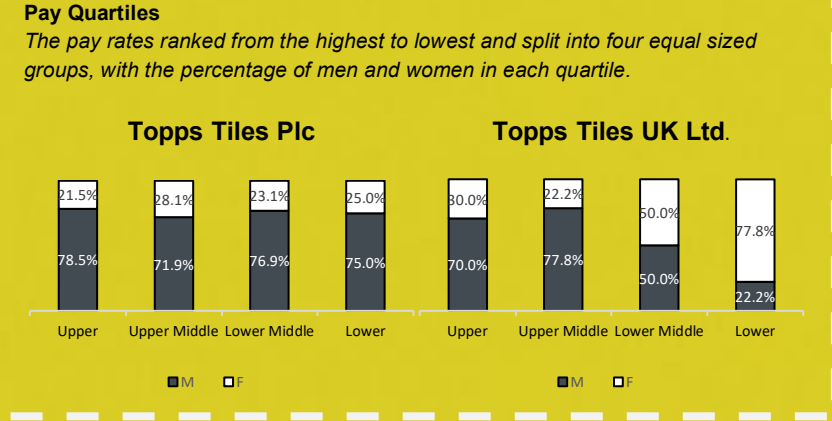
At Topps Tiles we believe that having great people helps to create a great company. To successfully provide our customers with great inspiration, advice and service on their projects we aim to recruit, develop and retain diverse teams of people. We are committed to ensuring that all our roles are filled 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 (c1,500) which we legally have to report on, however, all our employees (c1,900) 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 median gender pay gap is now -1.7% although this is skewed due to the Covid-19 situation (UK average* 15.5%)



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 2020)

	Topps Tiles Plc	Topps Tiles UK Ltd
Mean pay gap	24.3%	15.9%
Median pay gap	-1.7%	18.2%

Our Gender Bonus Gap

The difference in all bonuses received in the 12 months prior to the snapshot date (5 April 2020), by women and men employed at 5 April 2020.

	Topps Tiles Plc	Topps Tiles UK Ltd
Mean bonus pay gap	24.5%	17.0%
Median bonus pay gap	27.0%	18.4%
% of men / women receiving a bonus	M = 95.3% F = 93.1%	M = 97.9% F = 95.6%

Bonus and incentives are an important part of the reward package we offer and all our colleagues have the opportunity to earn market leading bonus and incentives, irrespective 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. In recent years, the number of female leaders has increased at Topps Tiles, and we maintain our commitment to fair and merit-based recruiting practices.
- 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 opportunity.

Our gender pay gap figures on ordinary pay are radically different to what we have reported in previous years. This is true for both Mean and Median pay, across the Topps Tiles Group, and for our retail business (Topps Tiles UK Ltd.).

The main reason for this is based on actions we were forced to take, to respond to the changing environment of the Covid-19 situation, resulting in **only 13.3%** of the headcount of the Topps Tiles Group being full pay relevant colleagues. This means that any calculation we make with regards to ordinary pay will be statistically insignificant compared with other years where we operated under regular conditions.

The effect of this has meant that over **1,700 colleagues**, were not receiving full pay in April 2020, eliminating them from the ordinary pay calculations.

For Topps Tiles UK (which is made up of our retail colleagues), over **1,500 people** could not be considered full pay relevant, leaving **only 2.5%** of the retail-based workforce relevant for the calculations.

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:

- Continuing to focus on our employer brand** using LinkedIn and Glassdoor to give potential colleagues more insight into what it's like to work at Topps Tiles Plc. We aim to continue that work.
- Maintaining our market leading bonus and incentive opportunities for all colleagues**
- Ongoing improvements in our working practices and policies supporting all colleagues:**
 - Launching our Diversity & Inclusion** plans across the Group with a focus on gender
 - Continuing to offer retail leading family friendly policies** - 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.

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

- 25.5% of our colleagues are female** (+0.74% increase YOY)
- 80.1% of our store teams have at least one female in store** (up from 72% prior year)
- Increasing the number of females in our senior leadership roles**

Linda Sleath – HR Director, Topps Tiles

*ONS (November 2020)