

Gender Pay Gap Report

March 2022



Declaration



In this report, we present our fifth year of gender pay gap information from the pay period that includes April 5th 2021 (the snapshot date) in line with requirements.

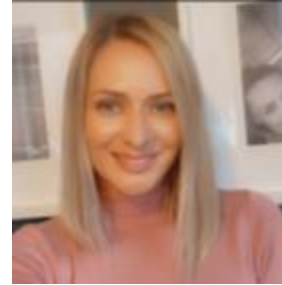
It is based on average hourly pay rate comparisons, and includes data that covers all eligible Card Factory colleagues within the UK (including Northern Ireland) who are employed by Sportsworld Ltd. It should be noted that – due to colleagues being on furlough, with Card Factory classed as a ‘non essential retailer’ – only 3.9% of colleagues are eligible for inclusion in this report, which significantly affects the information reported and is in no way representative of our business when all colleagues are taken into account.

Most importantly, we pay all hourly colleagues equally, regardless of gender, and our overall approach to pay is gender neutral by design. Finally, we confirm that the information and data is accurate and in line with mandatory requirements.

A handwritten signature in black ink, appearing to read 'Darcy Willson-Rymer'.

Darcy Willson-Rymer, CEO

Foreword



Our mission is to help customers celebrate their life moments. We do this by providing products that are affordable and available to everyone. As a result of our vertically integrated business, we design, make, distribute and sell the majority of products our customers see in store and online.

Our colleagues are at the heart of this unique proposition and we believe that creating a diverse and inclusive workforce is not only the right thing to do, but allows us to best understand and meet the needs of our diverse range of customers.

While this year’s Gender Pay Gap Report is significantly skewed through the omission of 96% of our workforce, we recognise that we can do more to encourage and support diversity in all its forms. Our recent pledge as a founding signatory to the British Retail Consortium’s newly-formed Diversity and Inclusion Charter demonstrates our commitment to doing so and helping create a truly diverse Retail industry.

A handwritten signature in black ink, appearing to read 'Jen Lawrence'.

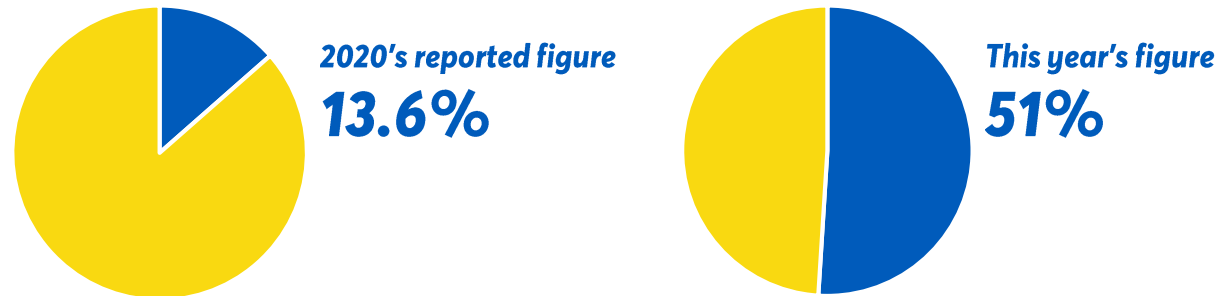
Jen Lawrence, Executive Director - People

Difference between men & women

| | Mean Average | Median Middle |
|-------------------------|--------------|---------------|
| Gender pay gap | 51% | 37% |
| Gender bonus gap | 37% | -30% |

The mean (average) gender pay gap figure uses hourly pay of all full-pay employees to calculate the difference between the mean (average) hourly pay of men, and the mean (average) hourly pay of women. This shows the mean (average) gender pay gap in hourly pay as a percentage of men's pay.

Year on year note:



The pie charts show the difference between 2020's pay gap of 13.6% and the pay gap in 2022.

| | Original | | | Considering Exclusions | | | % Included |
|----------------|-------------|-------------|-------------|------------------------|-----------|------------|-------------|
| | Female | Male | Sub Total | Female | Male | Sub Total | |
| Retail | 4715 | 748 | 5463 | 56 | 15 | 71 | 1.3% |
| Warehouse | 133 | 83 | 216 | 20 | 18 | 38 | 17.6% |
| Support Centre | 221 | 161 | 382 | 58 | 50 | 108 | 28.3% |
| Senior | 5 | 23 | 28 | 3 | 15 | 18 | 64.3% |
| Total | 5074 | 1015 | 6089 | 137 | 98 | 235 | 3.9% |

Understanding the pay gap

Only 3.9% of our colleagues are eligible for inclusion in this year's report which as with last years report, significantly affects this year's figures and is in no way representative of our business when all colleagues are taken into account. For context, the 2020 reported figure of 13.6% is more reflective of what we'd expect our actual gender pay gap to be.

The majority of colleagues in our business are female, with many working in our stores and distribution centres. Store colleagues, the majority of whom are excluded from this year's report as a result of being on furlough, represent 89% of our employee base.

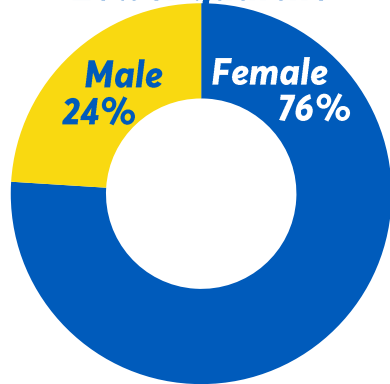
As the percentages of colleagues on furlough in each area of our business changed between 2020 and 2021, the pay gap looks to be bigger this year than last year. This is not representative of the whole business, and is due to the fact that during the April pay period there were some colleagues working in stores carrying out stock counts, and the number of warehouse colleagues who were in work to help fulfil online orders increased slightly.

The 3.9% of colleagues included in the data are mainly from our Support Centre, where standard pay rates are typically higher and where males hold the most senior roles, which is why our gender pay gap is higher than in previous reports. We are working hard to further improve diversity within our senior team, as part of our overall diversity and inclusion agenda.

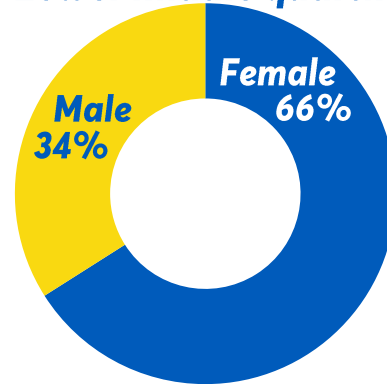
The table to the right shows the actual number of colleagues employed as at the snapshot date, compared with those eligible to be included in this report.

Gender demographics per quartile

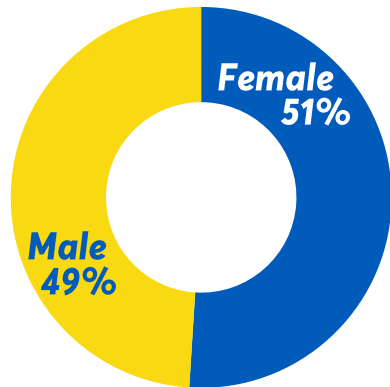
Lower quartile



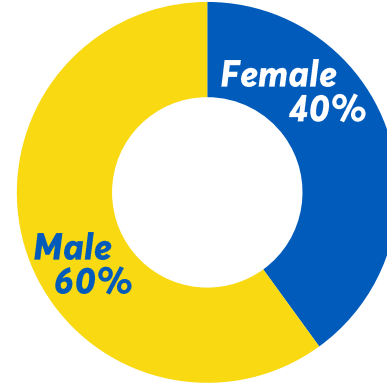
Lower middle quartile



Upper middle quartile



Upper quartile



The charts above show the gender distribution split into four equally sized quartiles. There are over 59 colleagues in each quartile, and our 71 retail colleagues appear in the lower, lower middle, and upper middle quartiles. The upper quartile is made up of the Executive team and senior leaders only.

Looking forward

We continue to be committed to creating a workforce that is diverse and inclusive, provides equal opportunities for everyone to progress, and which is reflective of the environment we trade in and the customers we serve. This will continue to be a priority for Card Factory, demonstrated in 2021 by the launch of a 5 year D&I strategy (attached as an appendices), which we consulted with colleagues to build. As part of this strategy we have outlined clear actions that will help us in to deliver our D&I agenda.

Last year we became a founding signatory, alongside 50 other leading retailers, to the British Retail Consortium's Diversity and Inclusion Charter. As a result of this pledge we have:

- Appointed a Diversity and Inclusion Executive;
- Improved recruitment practices, and continue to review these in order to remove bias from processes and practices;
- Collected data on inclusivity at Card Factory, including the addition of 2 DE&I questions to our engagement survey;
- Committed to scheduling sub-conscious bias training for all line managers through the course of FY23;
- Launched our new flexible working approach post-pandemic, that supports all colleagues balancing personal commitments alongside work.

In addition, we will:

- Continue to support female talent through our Women in Leadership initiative, so that we further create an inclusive workplace that attracts female talent in leadership positions and supports equal opportunities for internal progression and development, particularly in senior roles where females remain under represented;
- Champion balanced shortlists when recruiting;
- Continue to support flexible working, job shares and 'smart working' to support work life balance and ensure flexibility is not an alternative to progression.

Card Factory: Diversity and Inclusion 5 Year Strategy and Plan

The **DEFINITIONS** and **PRINCIPLES** underpinning this Strategy and Plan

DIVERSITY is anything that makes people different to one another.

INCLUSION is a sense of belonging that makes people feel respected and valued for who they are. When their differences are accepted.

DIVERSITY is a fact
INCLUSION is our choice, every day

Inclusion starts with me; we are all responsible

Everyone's contribution is of equal value, and everyone deserves equal opportunity

We boldly challenge because we care; I will challenge myself first

Getting inclusion right is a journey, and we are all learning together

Our MISSION: Helping people celebrate life moments by making our products affordable and available for everyone

Our VISION: We aspire to be recognised as the world's best greeting card retailer: everywhere, and for all occasions, the first choice for greeting cards.

LEADERSHIP

Self-Leadership, Behavior Framework, Learn and Grow

- Every colleague has performance conversations; we listen and appreciate everyone's value
- Self-leadership development offer for all – starting with Subconscious Bias
- Development is self-directed; all colleagues can access and use performance and career mapping tools
- Leadership Development Offer for All – including coaching skills
- Reflective practice is used widely: individually, in groups, on projects
- Hold each other to account to promote inclusive language, and reduce stigma where it emerges

WELLBEING

Self-care and Staying Well

- We create an environment where it's ok, not to be ok
- Recognition of the breadth of wellbeing including mental, physical, financial
- A inclusive and diverse resource and support offering that covering all areas of wellbeing
- Mental Health First Aiders in all areas of our business, equipped and skilled in supporting colleague in need
- Awareness raising and conversations about the things that matter to us
- Opportunities to connect, get involved, and matter; we appreciate the value that each colleague brings

COMMUNITY AND CONNECTION

Celebrate, Raise Awareness, Create Communities

- We talk about the things that matter
- Colleagues have a voice and an opportunity to contribute
- A collective space(s) where colleagues go to convene, share and talk; we listen to each other
- Regular programme of activity to raise awareness of topics, issues, needs
- Community groups to bring colleagues together e.g. LGBTQ+
- Celebration of life's moments that matter to different communities and people
- We involve colleagues in diverse ways to include everyone

BRAND

Communications, Marketing, Attraction and Selection

- All colleagues are kept informed and messaging is consistent
- We reach more people, in more places, and communicate widely
- Consistency of brand across external and internal – perceptions align
- Consistent voice, with inclusion present across all platforms, and mediums,
- Recruit for skill and capability – seek and value difference
- Ensure our selection process is free from bias
- Interview experiences and panels that reflect our inclusive culture

CUSTOMER

Product, Store, Experience

- We include a 'customer' perspective in our thinking: internal and external
- Customers can find and access products – we have a wide reach
- We balance our commercial decisions with diversity and inclusive reach
- Our products are easy to find in store
- Stores are accessible
- Customer service – consistent across all products and channels
- Stores celebrate community and connection – activity is not just for colleagues

The OUTCOMES we seek to accomplish

A colleague group as diverse as the customers we aim to serve: gender, ethnicity, race, age, disability – at all levels and all areas

Everybody is aware of their strengths, recognises their value, and is eager to develop

Increase colleague engagement - improved scoring on our colleague engagement survey

As a thinking and coaching organisation, we take personal responsibility to learn and grow

External recognition as a great place to work – because our colleagues say so

Increase colleague retention

Equal gender representation at senior leadership level