

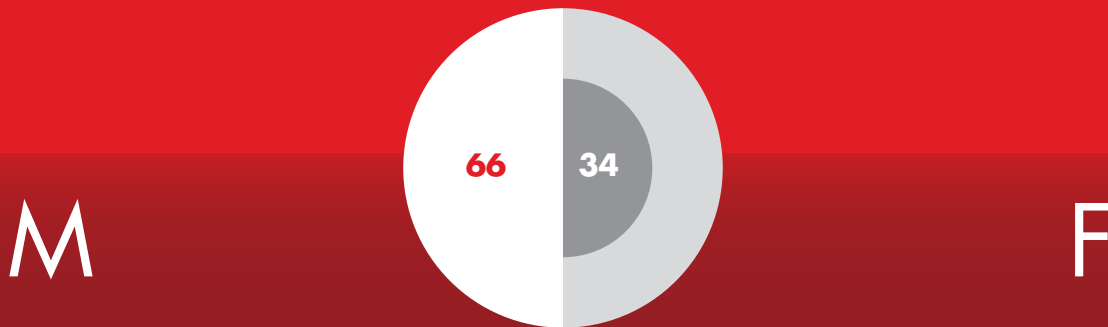
'At ScS we are proud of our diverse workforce, we take equality seriously and we believe that we must support this through fair remuneration and opportunity'.

David Knight David Knight, CEO

We are confident that men and women are paid equally for doing equivalent jobs across our business. The furniture sector has traditionally been male dominated. Retail sales teams make up the majority of our workforce, a division within which our average gap is 5% mean. As a business we provide a full service for our customers, roles in distribution and upholstery do attract a predominantly male workforce.

We have been very successful in recruiting female workers into roles within our Head Office and administrative roles within our stores, where we are able to offer a higher degree of flexibility. We are committed to continuing to promote our flexible working policies across our business with a view to attracting and retaining female candidates and supporting their progression through the business.

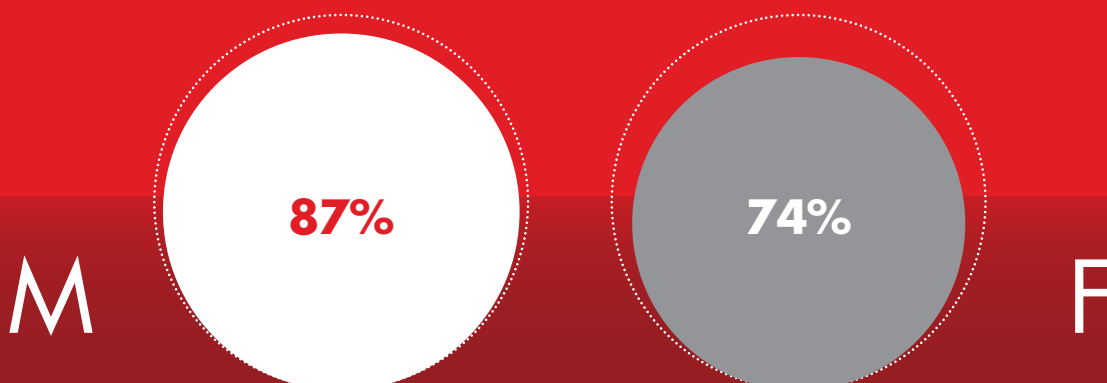
% MALE/FEMALE EMPLOYEES



PAY GAP AND BONUS DIFFERENCE BETWEEN MALE AND FEMALE EMPLOYEES

	MEAN	MEDIAN
Hourly rate of pay	23%	28%
Bonus pay	43%	79%

PROPORTION OF MALE AND FEMALE EMPLOYEES RECEIVING BONUS PAY



PROPORTION OF MALE AND FEMALE EMPLOYEES ACCORDING TO QUARTILE PAY BANDS

UPPER

83%

17%

UPPER MIDDLE

78%

22%

LOWER MIDDLE

62%

38%

LOWER

42%

58%

M

F

UNDERSTANDING OUR RESULTS

- Retail sales teams make up the majority of our workforce. If we made the same gender comparison across sales and retail managers our mean gender pay gap would decrease to 5% mean, and 8% median.
- 42% of our Senior Branch Managers are female and we are actively encouraging more of our female workforce to progress into management roles. At store manager level our gender gap is (9%) mean and (8%) median, indicating that an average female retail manager earns more than a male manager.
- Our mean bonus pay gap is 43% an improvement on the prior year; and our median pay gap is 79%. These calculations are based not only on bonus payments but include an additional pay such as commission payments, monthly store bonuses and annual bonuses. The reason that our bonus gap is higher than our hourly pay gap can be explained as follows:
 - We have significantly more men than women working in retail sales and management roles who are eligible for commission and store bonus payments.
 - We have significantly more women than men working in administrative roles that attract no commission and smaller bonus opportunities.
 - We have more women than men working part-time and bonus payments are pro-rated to reflect part-time working.

CLOSING THE GAP

Policies – HR policies are kept under review to ensure they enable us to work towards an inclusive business, we have developed policies on flexible working and work with our teams to promote these policies to our workforce.

Training – Equality and diversity training is a compulsory training module for every member of our team. We have recently invested in further recruitment skills training for our senior team to help ensure our recruitment practices are fair and equitable. We have held the Investors in People standard for 17 years.

Recruitment – We have recently invested in a new recruitment website and applicant tracking system which means we can monitor more effectively the number of female applicants we are attracting to the business. Adverts have been redrafted to ensure that they appeal equally to male and female applicants. For senior roles we will look to guarantee interviews to female candidates who can meet the basic selection criteria.

Diversity – We pride ourselves on being an equal opportunity employer, and we have a diverse workforce across the business. We work to ensure that people are treated fairly regardless of their gender, race, religion, disability, sexual orientation, age, nationality or ethnic origin.