

H'A'FELE

Gender Pay Report 2018



Introduction

At Häfele, we believe that a successful business makes full use of the talents, skills, experience and cultural perspectives within our society. We employ over 400 people in the UK, 36.93% of which are women.

As a family owned and run business, operating with an open-minded family spirit is core to our values. Our people are our greatest strength and our aim is to offer all our employees the opportunity to develop their careers with us, in a supportive, flexible and progressive environment.

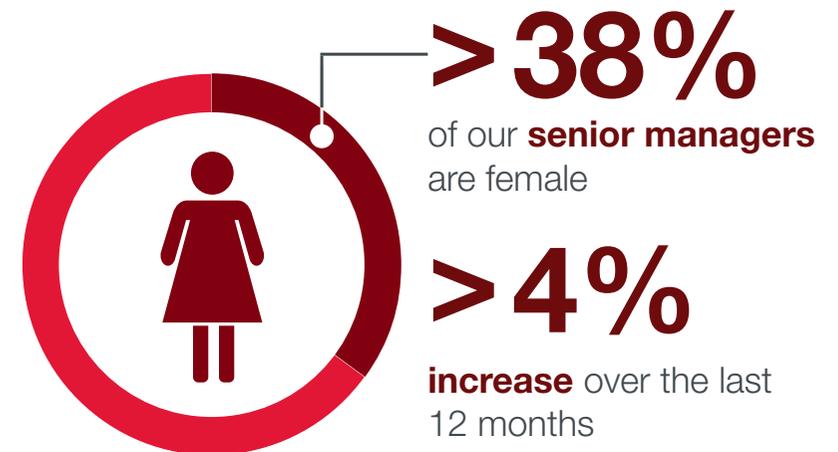
As at April 2018, 38% of our senior managers* are female, a 4% increase in comparison to the year 2017. We have a number of initiatives in place that have contributed to this progress but we know there is more we can do in this area.

We are lucky to have a very high number of long serving team members within our organisation, 29% having been with us for over 10 years and a further 12% for over 20 years. This is testament to the Häfele family spirit and is something we are very proud of.

*Reports directly to a Chief Officer and line manages a team as of April 2018

Häfele Key Facts

> Over 415 employees



Measuring a pay gap

Under the UK Government's new Gender Pay Gap Regulation, organisations in Great Britain with more than 250 employees need to report their gender pay gap on an annual basis.

What is a gender pay gap?

A gender pay gap in an organisation is the difference in the average hourly earnings of male and female employees, irrespective of their roles.

The statistics are affected by a number of different factors, including the number of men and women in different roles across the organisation, and the proportion of male and female employees in roles that attract bonuses or commission.

This is different from equal pay – where companies are required to ensure that men and women are paid the same for doing the same or similar roles.

What's the national average?

According to the Office of National Statistics, in the UK today women are paid 17.9% less (median) or 17.2% less (mean) than men. That is for all employees, working both full and part time.

Measuring the pay gap

Under Government regulations there are two ways to measure the pay gap

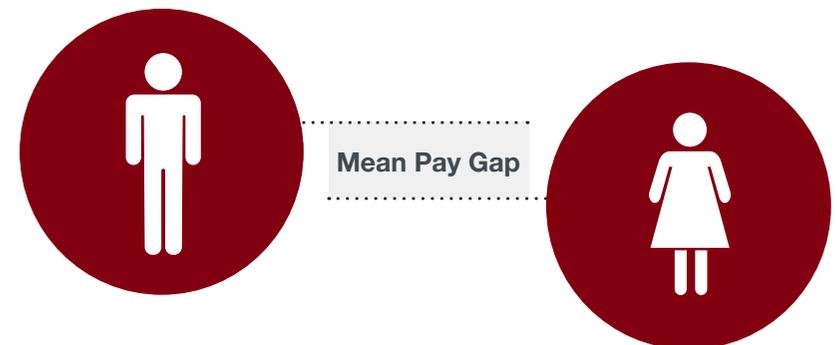
Median Pay Gap

This represents the middle point of a population. If you lined up all of the women at a company and all of the men, the median pay gap is the difference between the hourly rate of pay for the middle female compared to the hourly rate of pay for the middle male.



Mean Pay Gap

The mean gender pay gap is the difference between the average hourly rate of pay for women, compared to the average hourly rate of pay for men, within the company.



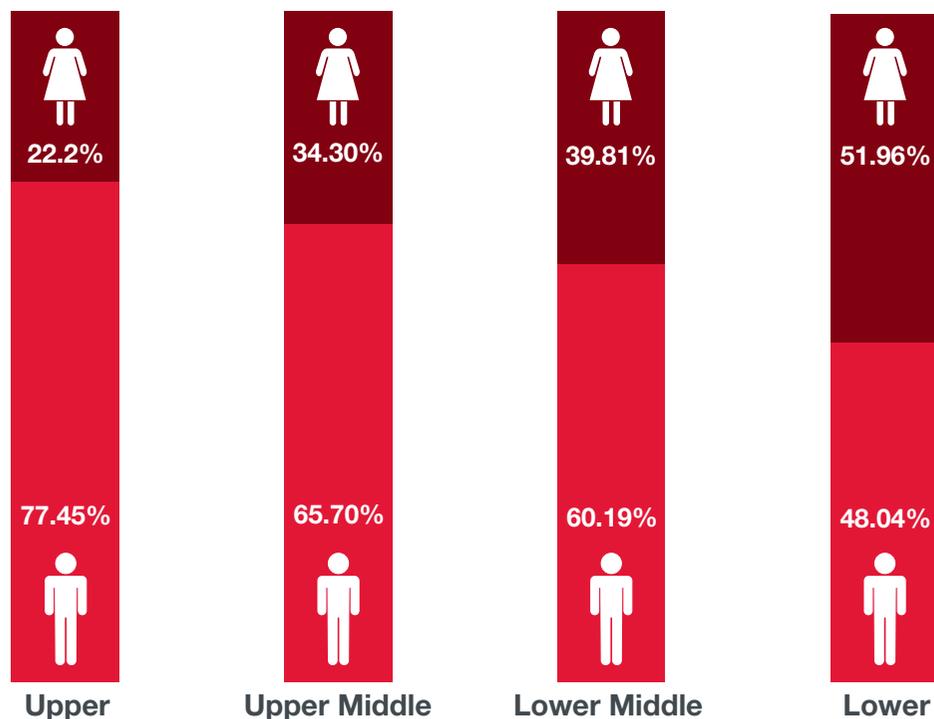
Understanding Häfele's Pay Gap

In this report we are providing data for 5th April 2018 covering our whole organisation including remote sales, warehouse and office-based teams.

Gender population by pay quartile

As required by the regulations, we have split our employees into four equal quartiles based on their pay. As the chart below shows, there is an almost even distribution of men to women in the lower quartile, but the ratio becomes more heavily weighted to men as you progress through the quartiles. Although this is reflective of our industry, it is a picture we are actively seeking to improve over time. It is positive to see that there has been improvement from 2017 to 2018, taking Häfele UK closer to an even distribution across the 4 quartiles.

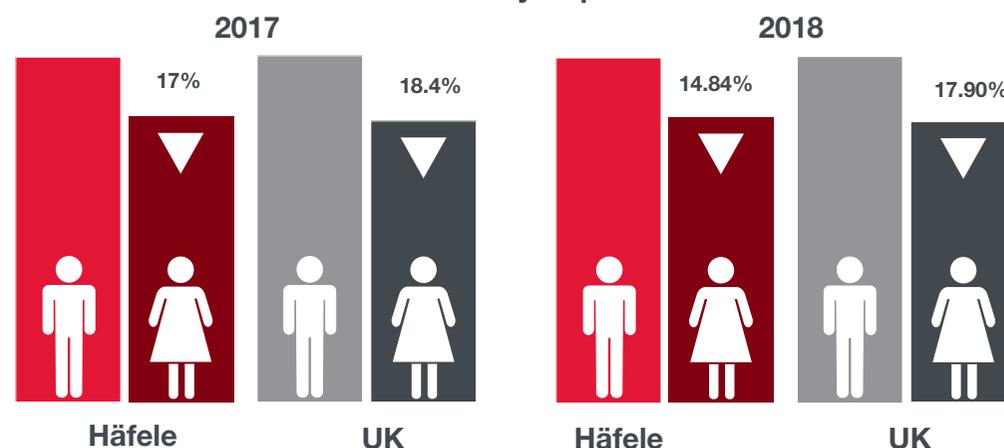
Gender population by pay quartile



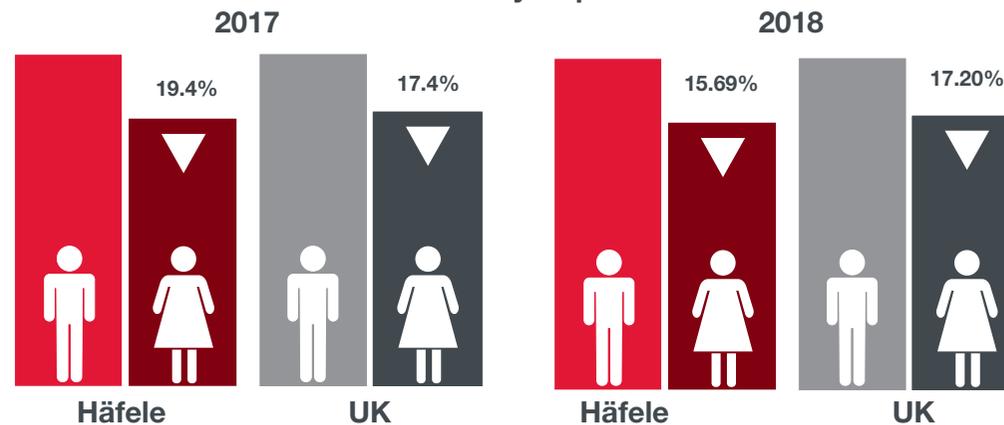
Gender Pay Gap

As shown below, Häfele UK has a median gender pay gap of 14.94% (a reduction of 2.13% from 2017) and a mean gender pay gap of 15.69%, (a reduction of 3.69% from 2017) both improving on results for 2017 and bettering the national average. The gap across the organisation as a whole is significantly affected by the higher proportion of men within the upper quartiles, and the higher number of women in the lower quartiles.

Median Pay Gap



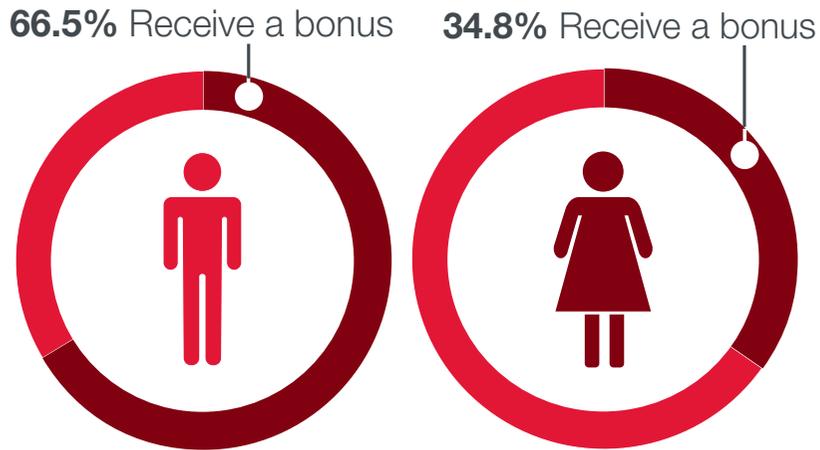
Mean Pay Gap



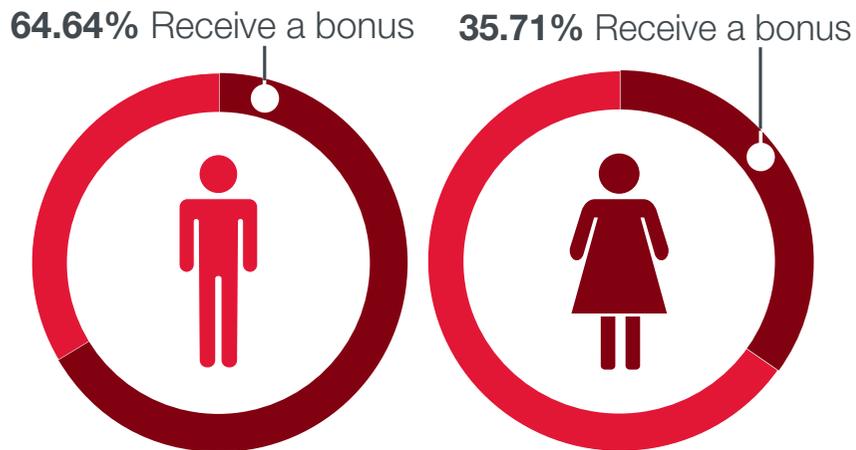
Gender Bonus Gap

The diagram below shows the proportion of staff receiving a bonus in 2018 and 2017:

2017

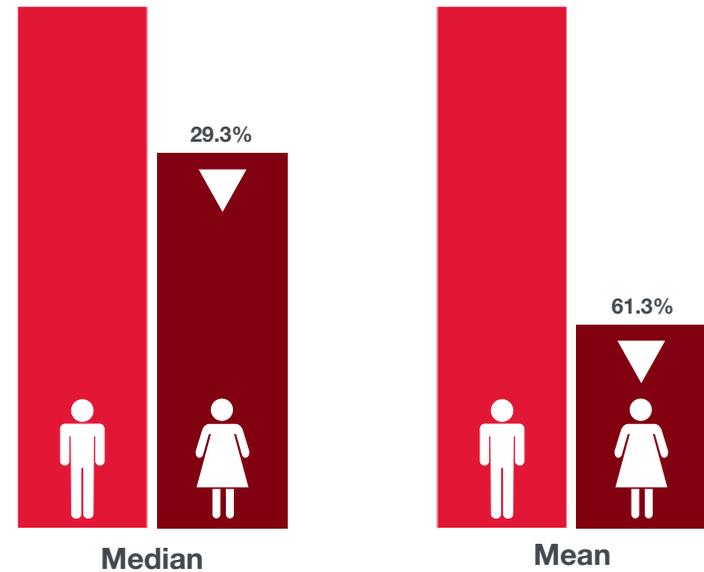


2018



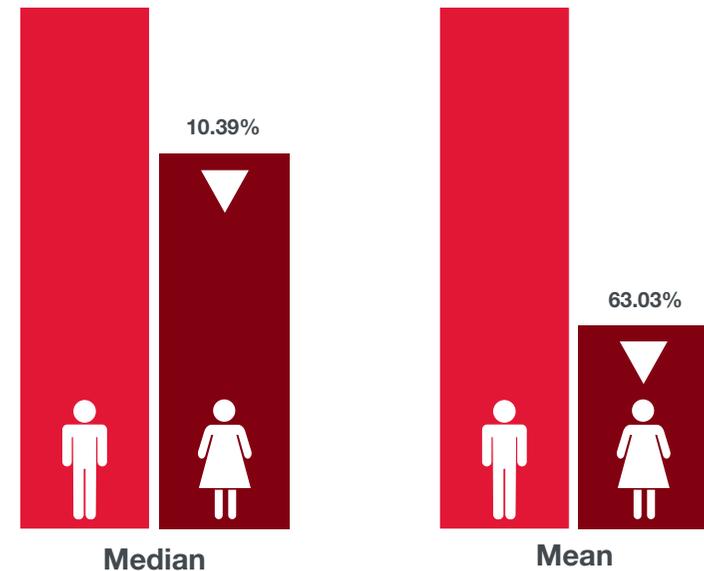
2017

Häfele's median bonus gap was 29.31% and mean gap was 61% in 2017.



2018

Häfele's median bonus gap was 10.39% and mean gap is 63.03% in 2018.



Next Steps

We are committed to being a diverse and inclusive employer and addressing our gender pay gap. Some of the steps we have embarked upon are outlined below:

Recruitment – we have reviewed the design, content and wording of our vacancy advertising to ensure, right from the outset, we are appealing equally to men and women to join all levels of our organisation.

Flexible job design – we already have over 14% of employees working flexibly (as at April 2018), and we're constantly looking at ways to improve.

Bonuses for all – for 2018 we have launched a company-wide bonus scheme giving employees at all levels of the organisation the opportunity to share in the business's success, which was paid out in January 2019, this will continue for subsequent years.

Leadership Training – We have a number of schemes across the business to nurture talent and develop our future leaders. There is a focus within these schemes to ensure we work towards achieving a higher level of representation of women within our senior management team.

Beyond gender – We are committed to ensuring we are a diverse and inclusive employer and that our colleague population is reflective of the UK population.



Reporting Notes

Pay types have been categorised in the following way:

- Gender Pay – this includes pay types such as, basic pay and allowances, for instance ‘locking up’ or ‘fork lift’
- Gender Bonus – accounts for pay types such as commission, gradings and bonuses.
- Pay types such as overtime and salary sacrifice have been excluded from the calculations, in line with Government reporting methods.

What is Reported?

This report is prepared in line with the UK Government methodology. Their intention being that by monitoring the pay gap between men and women, organisations can better understand why any pay gap exists and take action to try and reduce it.

The reporting involves carrying out six calculations that show the difference between the average earnings of men and women in our organisation; it will not involve publishing individual employee’s data.

Gender Pay Reporting requires our organisation to make calculations based on employee gender. We will establish this by using our existing HR and payroll records. In accordance with the reporting requirements 8 staff who were not receiving full pay on the reporting date (due to absences such as maternity or sickness) were excluded. This was made up of 2 females and 6 males.

We can use these results to assess:

- The levels of gender equality in our workplace
- The balance of male and female employees at different levels
- How effectively talent is being maximised and rewarded.

We are committed to publishing the results on our own website and a government website on an annual basis. The data in this report, relates to information for the 05 April 2018. In addition to setting out the gender pay figures this report provides context as to the significance of the figures and the actions we wish to take to improve them.

I confirm that the data published in this report is accurate.



Barry Tyce
Chief Human Resources Officer



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