

H'A'FELE

Gender Pay Report 2019



Introduction

Our third year of reporting our gender pay data and this summary explores our current figures and what we understand about them.

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 430 employees in the UK, 38.14% 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.

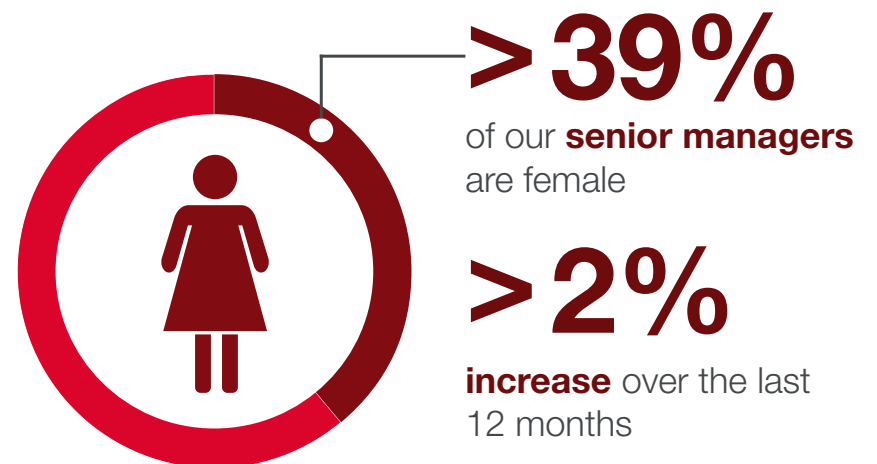
As at April 2019, over 39% of our senior managers* are female, a small but significant increase in comparison to the year 2018, alongside a 2% increase of women in our upper pay quartile. We have a number of initiatives in place that have contributed to this progress but we know there is more we can do in this area.

We are lucky to have very high number of long serving team members within our organization, 39% having been with us for over 10 years and a further 13.5% 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 at the date of April 2019.

Häfele Key Facts

> Over **430**
employees



Measuring a pay gap

Under the UK Government's Gender Pay Gap Regulation, employers 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 organization, the proportion of male and female employees in roles that attract bonuses or commission and those electing to use salary sacrifice, for example childcare vouchers.

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 17.1% 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

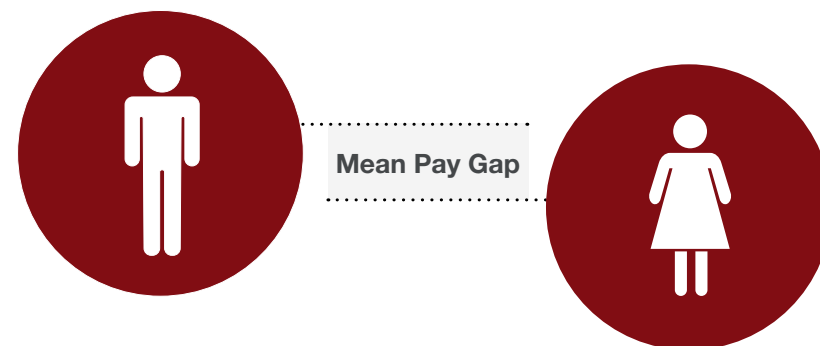
Median Pay Gap

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.



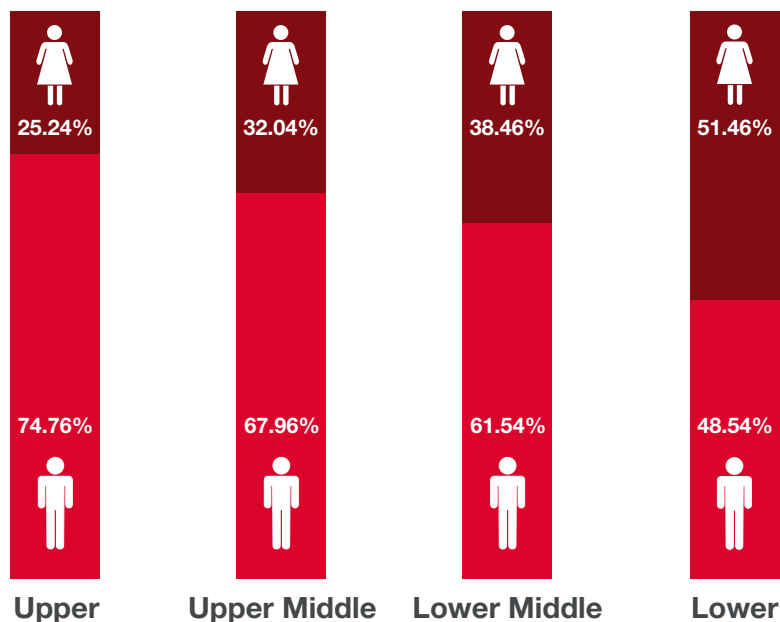
Understanding Häfele Pay Gap

In this report we are providing data for 5th April 2019 covering our whole organization 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 an increase in women in the upper pay quartile and a decrease in women in the lower pay quartile, again taking Häfele a step closer to an even distribution across all 4 quartiles.

Gender population by pay quartile

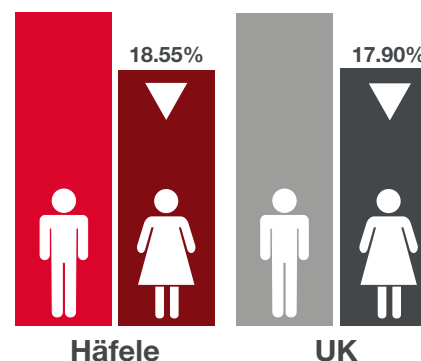


Gender Pay Gap

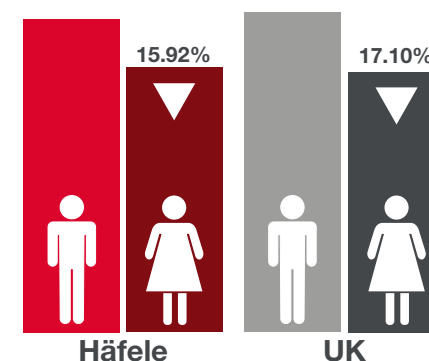
As shown below, for 2019, Häfele UK has a median gender pay gap of 18.55% and a mean gender pay gap of 15.92%. In other words, women earn 82p for every £1.00 that men earn when comparing median hourly wages, or 84p for every £1.00 that men earn when comparing mean hourly wages.

The gap across the organization as a whole is significantly affected by the greater number of men employed at Häfele and the higher proportion of male colleagues within the upper pay quartiles, and the higher number of women in the lower pay quartiles.

Median Pay Gap

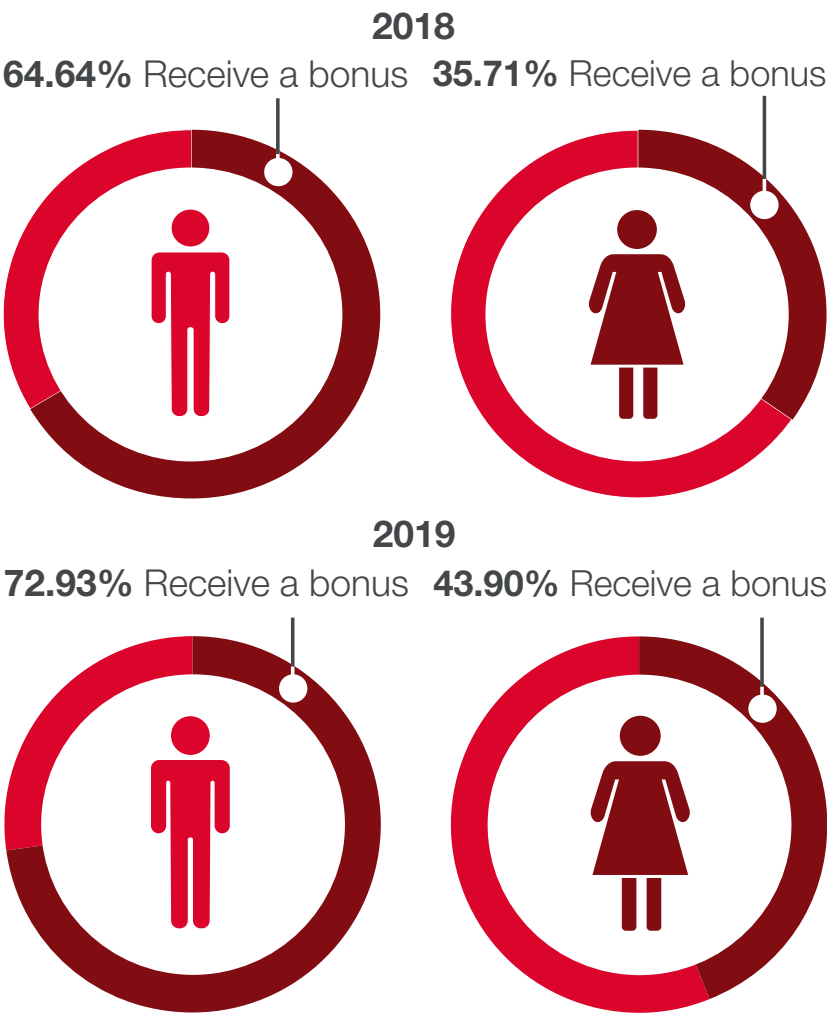


Mean Pay Gap



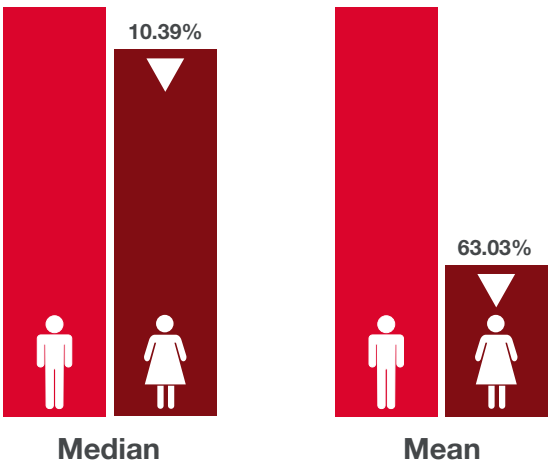
Gender Bonus Gap

The diagram below shows the proportion of staff receiving a bonus in 2019. You will see there is a considerable improvement to 2018, this is mainly a result of the introduction of the Operating Profit Bonus Scheme, which all colleagues have the opportunity to be part of:



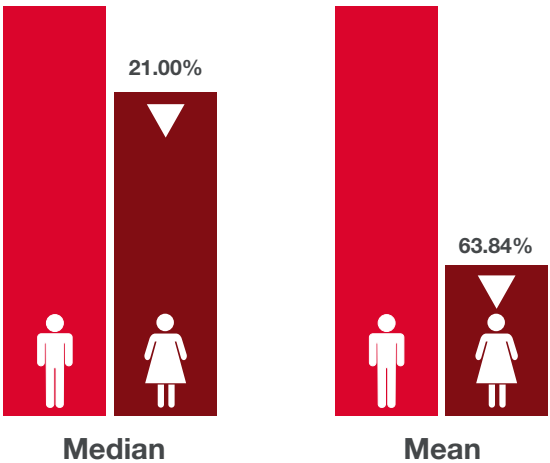
2018

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



2019

Häfele's median bonus gap was 21.00% and mean gap is 63.84% in 2019



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 organization.

Flexible job design – we already have close to 15% of employees working flexibly (as at April 2019*), and we're constantly looking at ways to improve. (*Less than full-time hours, with many more having alternative working schedules in place).

Bonuses for all – for 2018 we launched a company-wide bonus scheme giving employees at all levels of the organization the opportunity to share in the business's success, this was paid out for the second year in January 2020 and is set to 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.

Furniture Makers Guild – We have partnered with the Furniture Makers Guild in a bid to encourage young workers to consider a career in our industry.

Beyond gender – 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 17 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 12 females and 5 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 2019. 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
General Manager (Interim)

The background of the entire page is a repeating pattern of stylized human icons. The icons are arranged in a grid, alternating between male (represented by a simple rectangle with a circle head) and female (represented by a simple rectangle with a circle head and a skirt) figures. The icons are a dark red color, matching the background.

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