

Karndean
Designflooring

Gender Pay Gap Reporting

April 2023



Introduction

In 2022 we published our first gender pay gap reporting for April 2020 to April 2021. This is our second year of reporting our gender pay gap for April 2021 to April 2022. In April 2022 57.7% of our total workforce was male and 42.3% was female.

Gender pay equity is something that we're incredibly passionate about at Karndean Designflooring. We've always promoted internal talent mobility and development opportunities to our teams. As a result we have a high level of internal talent mobility and 18% of our current employees have more than 10 years service – not bad when we're only just celebrating our 50th anniversary!

The flooring industry has been typically male dominated and we're aware of the challenges this can cause for women wanting to progress their careers and increase gender pay equity. Nearly a fifth of our employees are in our field sales teams which again are traditionally male dominated roles and can attract large commissions. As well as this we recognise that roles in the upper half of our workforce are dominated by males and these roles will generally attract higher pay and bonuses.

Karndean is a family business and our people are at the heart of everything we do, developing our diverse and inclusive workplace for all our employees is one of the company's top priorities and in this report we'll lay out some of the actions we're currently taking to help drive this.

"At Karndean we believe that great people make a great company and we are committed to ensuring we recruit and retain talented people. It is important that the business has diversity to generate better ideas, make better decisions and achieve greater success. Ensuring diversity is represented at all levels starts with having balanced candidate pools to give everyone an equal chance so that our business reflects the customers we serve, in the markets we operate and the people that live with our floors."

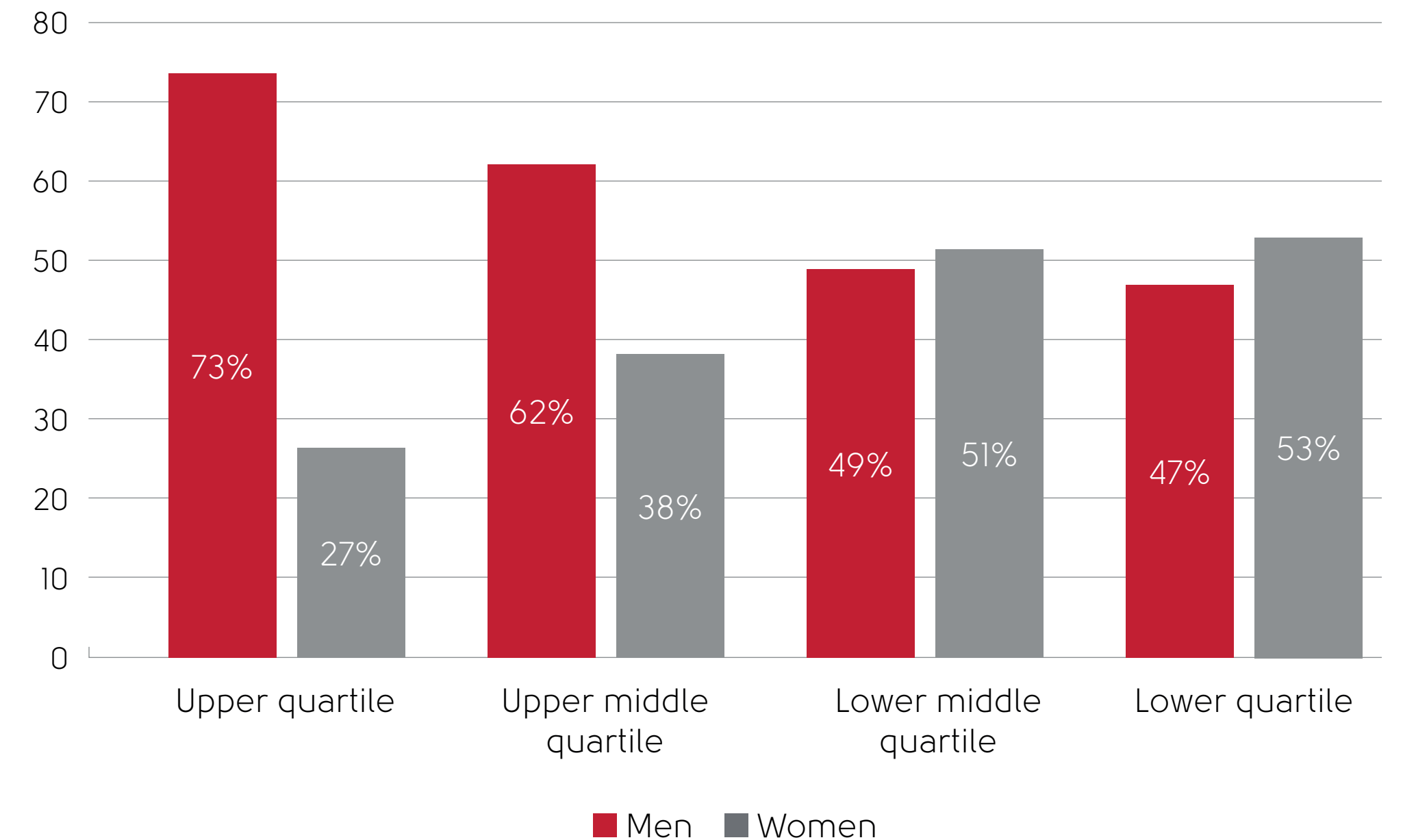
Paul Barratt

Managing Director UK & Europe

Proportion of men and women in each quartile band (April 22)

In the upper half of our workforce we have the largest difference between men and women, this is where we will be focusing our efforts with our gender pay gap in the next few years.

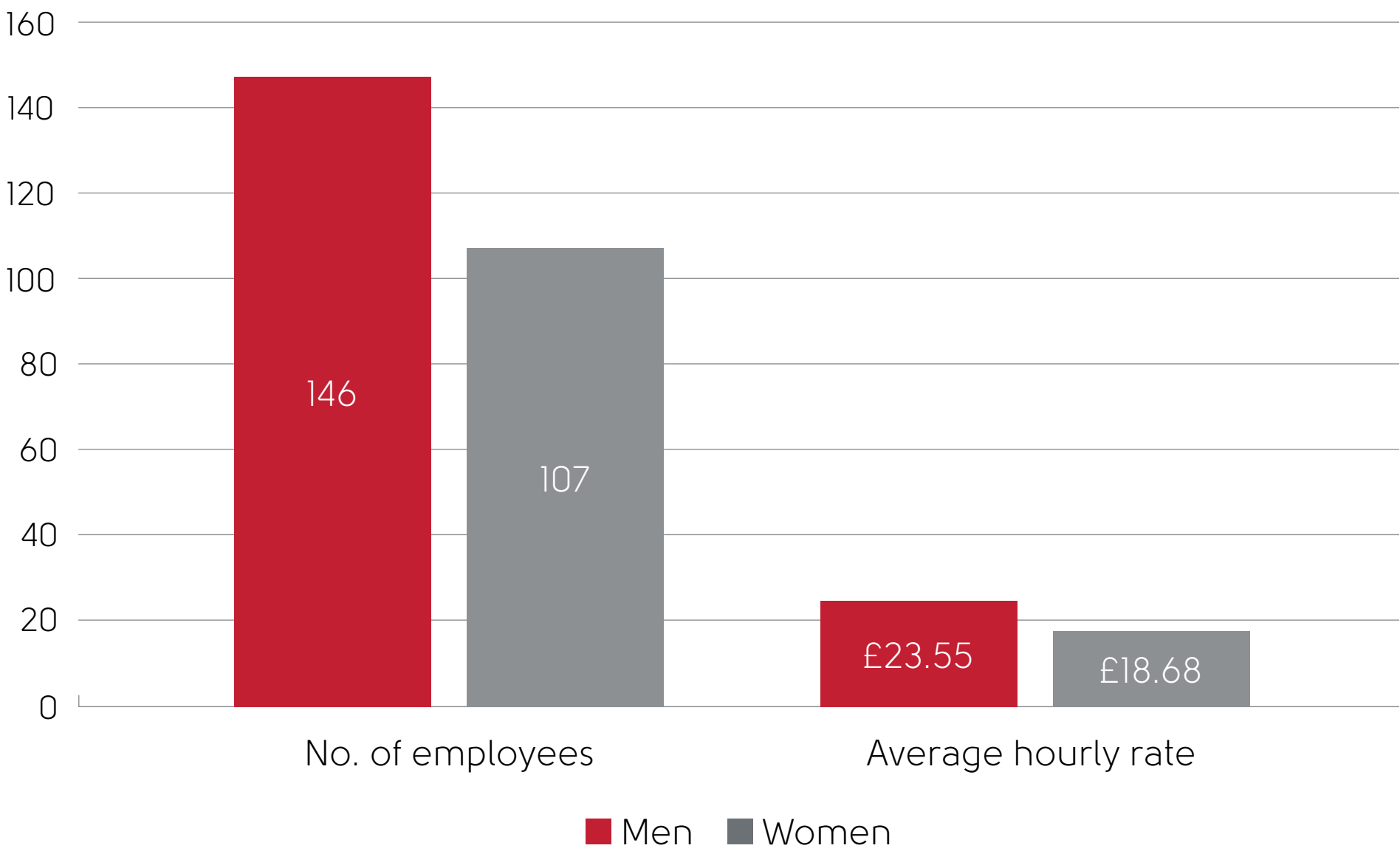
Compared to April 2021 we have had a 4.2% increase in women moving into the upper middle quartile but a 0.9% decrease in the upper quartile.



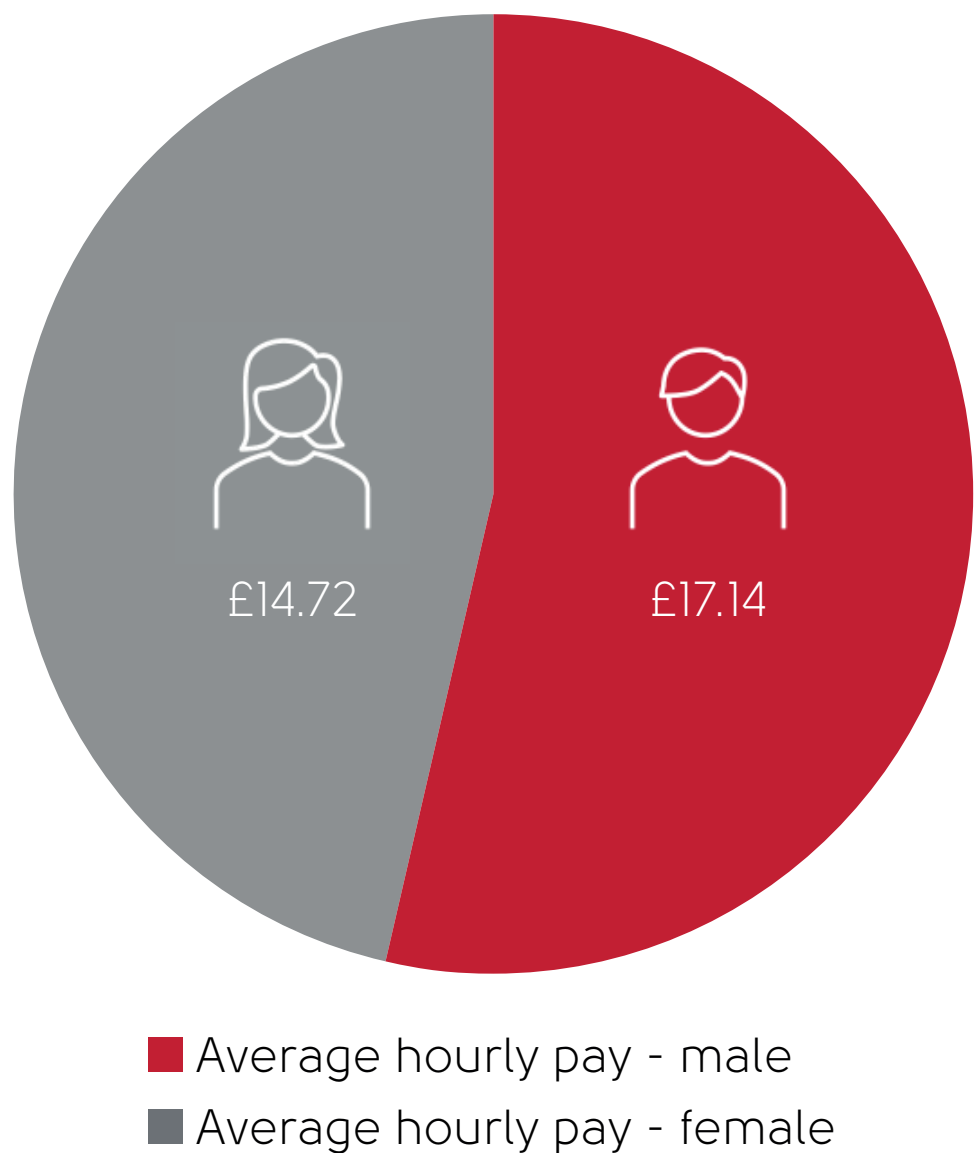
Gender pay gap basic hourly rate (April 22)

Since April 2021 our mean gender pay gap has improved, reducing by 7%. However, our median pay gap has increased by just under 4%. This was driven by an increase in the number of males in our field sales teams.

Mean gender pay gap – 20.68%



Median gender pay gap – 16.12%



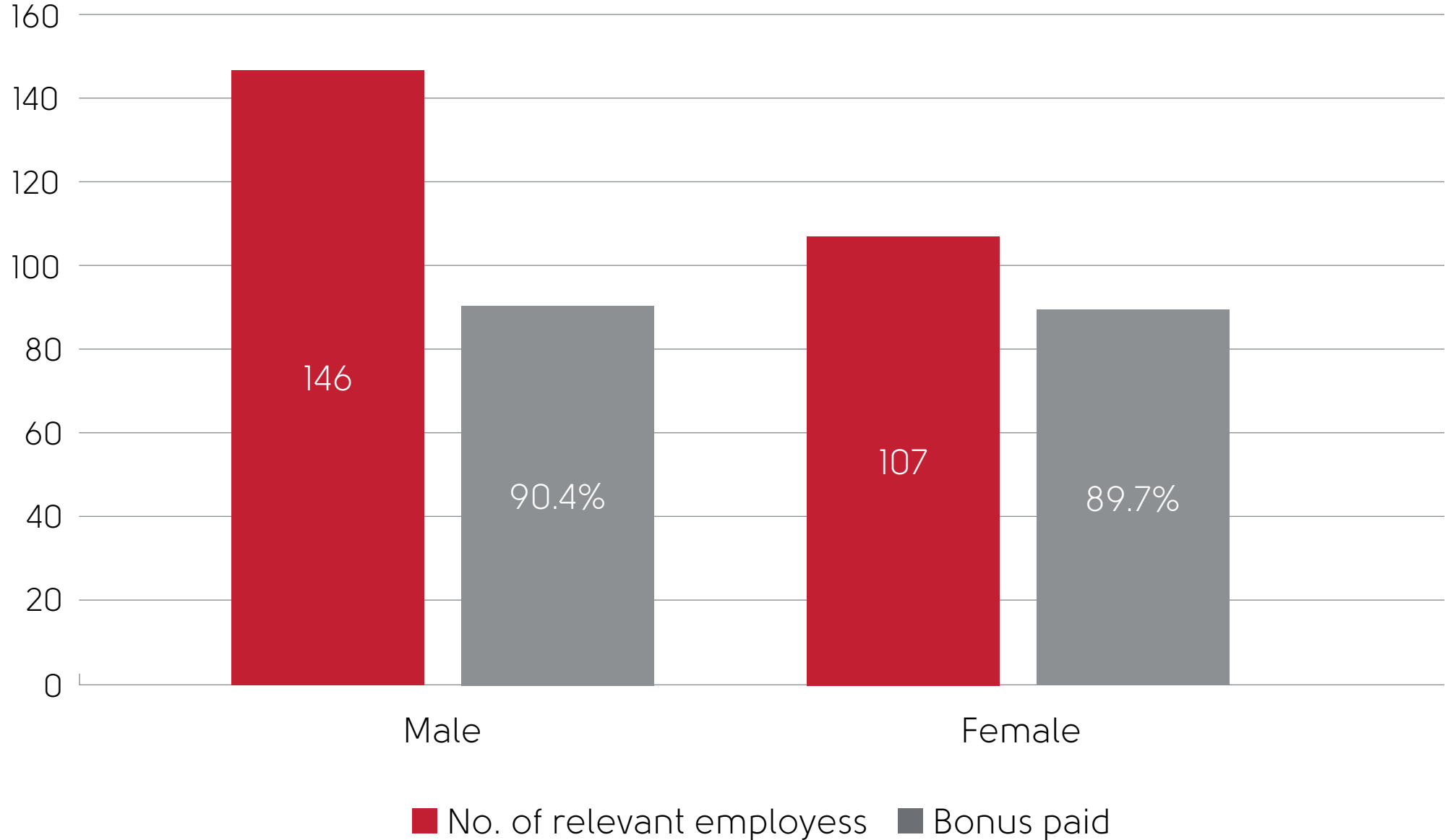
Bonus pay

As a percentage of genders who received bonus payments, we are extremely happy that these were nearly equal.

Our median bonus split was also close with only a 12.4% differentiator in favour of male employees receiving more.

However, our mean bonus split has a large differentiator in favour of male colleagues of 71.4%.

This is driven by a predominantly male board of directors with higher bonus incentives in 2022 and our predominantly male field sales force commission being included in these figures.



Action plan

Equity, diversity and inclusion strategy

- With the recent appointments of our Head of Global Sustainability and HR Director our equity, diversity and inclusion strategy is one of our top priorities.
- The commitment to having gender diverse teams at all levels of Karndean is demonstrated in the recent appointment of two more female executive board members, taking our executive team to a 70% male and 30% female split in 2023. While there's still room to improve it's a huge step in the right direction!
- We've recently increased our maternity pay to 6 months full pay to help retain women at Karndean in our workforce and then ensuring they have the career progression they want when they return.

Job architecture and reward framework

- One of our aims over the next few years is to review both our job architecture and our reward framework. This is to ensure we have even clearer career pathways for all our employees and transparent pay and benefits within these frameworks.
- Any new starters coming into the business will have clearly defined benefits that are equitable at every level.

Recruitment strategy

- We're reviewing our recruitment strategy in 2023 and rolling out equity, diversity and inclusion training to our managers to help them make recruitment decisions which drive internal equality and gender parity.
- We complete regular reporting on our gender split across the different levels of seniority in Karndean to raise awareness and understanding around gender equity. We have plans to expand this reporting further in the next year.

Declaration

We confirm that the information and data provided in this report is accurate and in line with mandatory requirements.



Paul Barratt
Managing Director UK & Europe



Gemma Hathway
HR Director UK & Europe