



GENDER PAY GAP



Message from Emma Delaney

HR & Sustainability Director

At Knauf UK, we believe in promoting equality and diversity within our workforce. In this, our second Gender Pay Gap Report, we are delighted to show a reduction in the mean and median gender pay gaps, and to highlight some of the key developments and ongoing projects that are in place to ensure everyone, regardless of their background, race, ethnicity or gender, has an equal opportunity to thrive in our organisation.

The data contained in this year's report is based on a snapshot as at 5th April 2018. The figures still show that there are gaps, but we firmly believe that our gender pay gap is not about us paying men or women differently for the same or equivalent work. It is, however, due to the nature of our business and the predominantly male workforce in our industry, the roles in which men and women work, and the salaries that these roles attract.

In summary, our Gender Pay Gap Report is positive for us in many respects, but also highlights the challenges we face in our organisation and our industry, specifically in relation to improving female representation. I, Emma Delaney, HR & Sustainability Director, confirm that the information contained in this report is accurate, and remain committed to encouraging and developing talented women into and throughout Knauf.

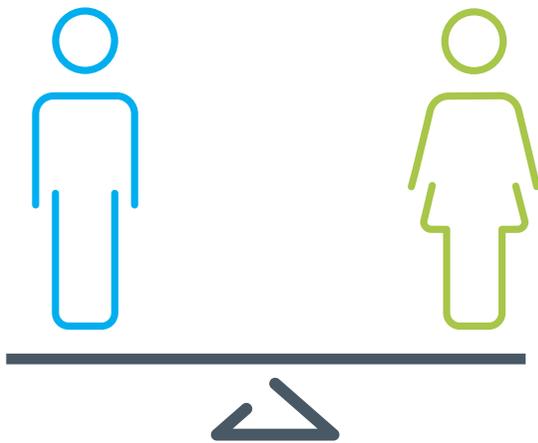
A handwritten signature in white ink, appearing to read 'Emma Delaney'.

Gender Pay Gap Explained

The **gender pay gap** isn't about equal pay for men and women doing the same work.

It's a comparison between median hourly pay, mean hourly pay and bonuses for all men and women within a business. In simple terms, the higher the percentage gap, the greater the difference between men and women in the figures reported.

The figures include both part-time and full-time employees.



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01 Mean Gender Pay Gap

The difference between the mean (average) hourly pay rate for all men and women in an organisation, and the pay rate for women as a percentage of the mean hourly rate for men.

03 Mean Bonus Pay Gap

The difference between the mean (average) value of bonus for all men and women as a percentage of the mean bonus for men.

02 Median Gender Pay Gap

The difference between the median (mid-point) hourly pay rate for all men and women in an organisation, and the pay rate for women as a percentage of the median hourly rate for men.

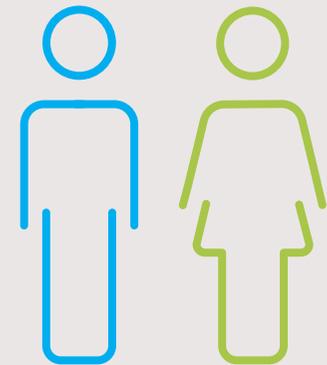
04 Median Bonus Pay Gap

The difference between the median (mid-point) value of bonus for all men and women as a percentage of the median bonus for men.

05 Quartile Pay Distribution

The proportion of men and women in each 25% quartile of an employer's pay structure. The hourly pay rates for men and women are ordered from lowest to highest and divided into four equal sections – lower, lower middle, upper middle and upper.

The number of women and men in each quartile are calculated as a percentage of the total employees within the quartile.



Gender Pay Gap

The vast majority of organisations have a gender pay gap, and we are pleased to be able to say that Knauf UK's mean gender pay gap compares favourably with that of other organisations, including those within our industry.

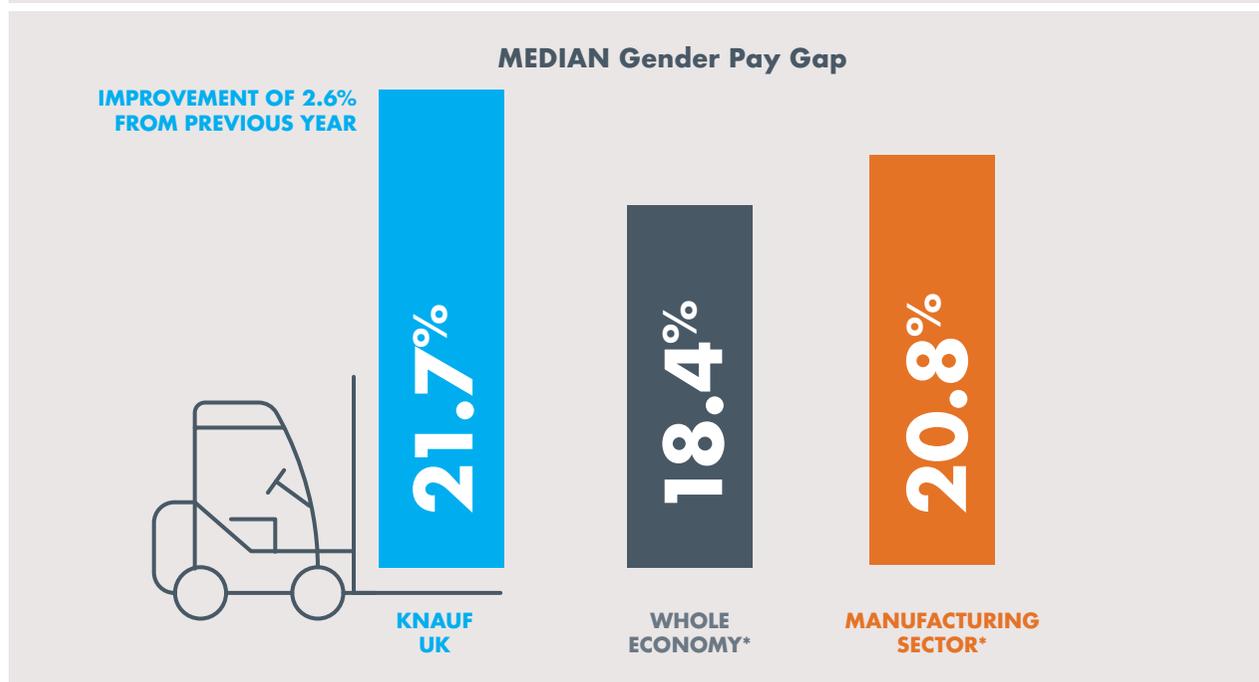
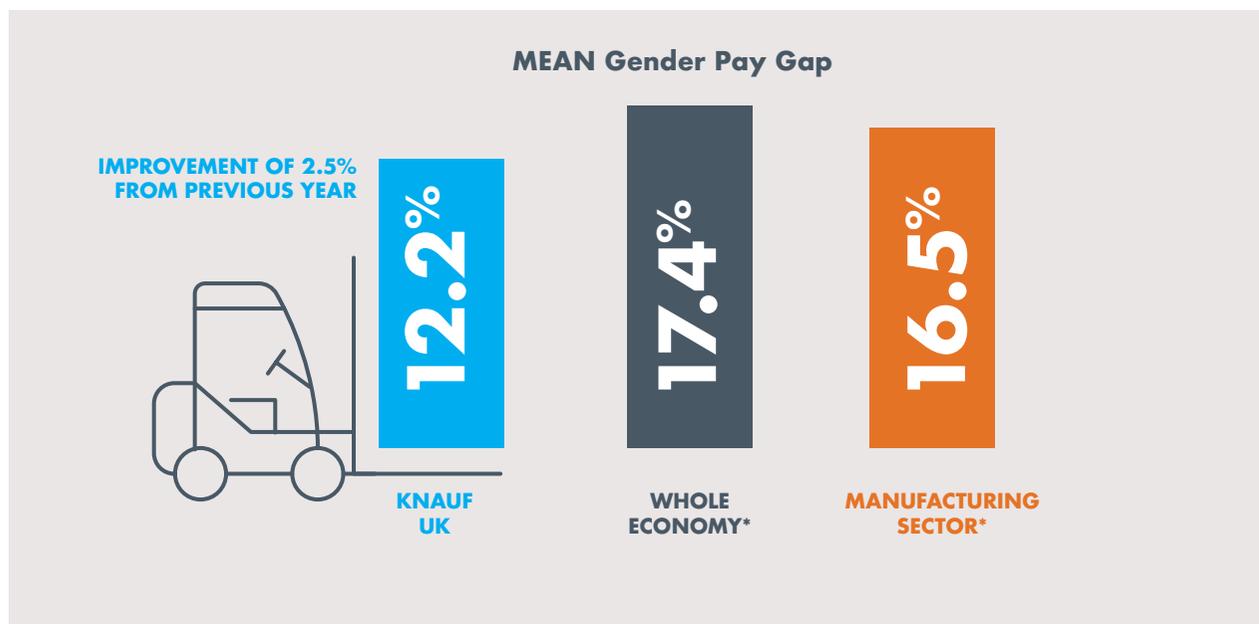
01 Knauf UK's **mean gender pay gap** continues to be lower than both that for the whole economy and that for our sector.

Across the UK economy as a whole, men are more likely than women to be in senior roles, while women are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in technical related roles, which attract higher rates of pay than other roles at similar levels of seniority. Women are also more likely than men to have had breaks from work and more likely to work part time. This pattern from the UK economy as a whole, is reflected in the make-up of Knauf UK's workforce, where, the highest percentage of women are in the lowest pay quartile and the majority of senior manager roles are held by men.

02 Knauf UK's **median gender pay gap** is higher than both that for the whole economy and that for our sector, a key driver being shift working. Factory production employees are predominately male and as they are paid a premium for shift allowances, this contributes towards the median pay difference.

Gender Pay Gap	Knauf UK 2017/2018	Knauf UK 2016/2017	Whole Economy*	Manufacturing Sector*
Mean	12.2%	14.7%	17.4%	16.5%
Median	21.7%	24.3%	18.4%	20.8%

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*According to the October 2017 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures

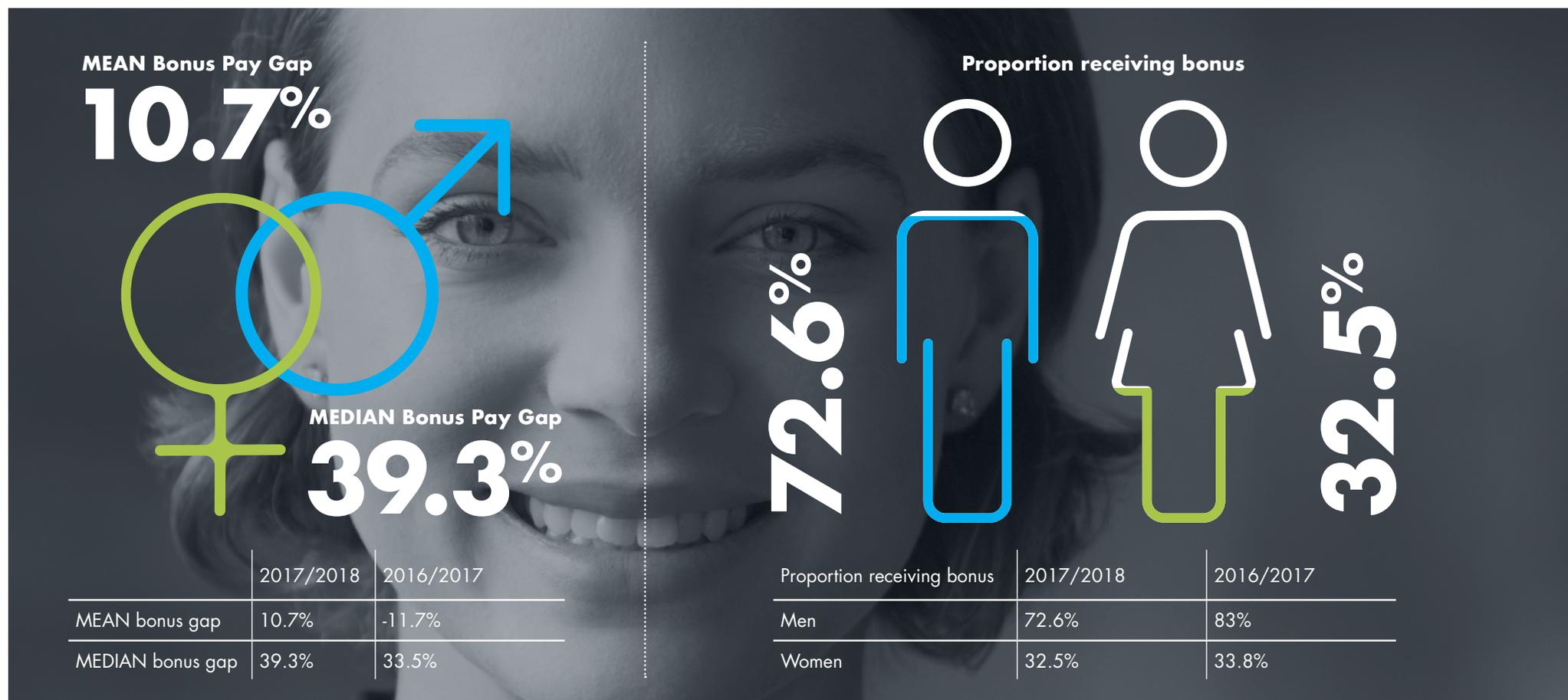
Bonus Pay Gap

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The **mean gender bonus gap** is **10.7%** with men receiving higher average bonuses than women and is significantly lower than the whole economy and our sector.

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The **median gender bonus gap** is **39.3%**, lower than the economy as a whole, but higher than our sector. The proportion of men at Knauf UK who received a bonus in the 12 months up to 5th April 2018 was **72.6%**, while for women this was **32.5%**. This reflects the higher proportion of men in the management, production, technical and sales roles that, under our current policy, attract a performance bonus, whilst administration roles with a higher proportion of women are not part of a bonus scheme.



05 Gender Pay Quartiles

Charts illustrate percentage of men and women in each pay quartile.

2017/18 saw an increase of women in both Band B (middle earners) and Band D (highest paid).



Knauf Values and Culture

Knauf UK is part of a global company that employs over 26,500 employees worldwide, and all of us share four simple Knauf Values that are the basis on which we operate – the fundamental principles which underpin how we go about our work: Menschlichkeit, Partnership, Commitment and Entrepreneurship.

Menschlichkeit, a German word, specifically works alongside our approach to equality in the workplace and employing the best man or woman for the job.



MENSCHLICHKEIT

Menschlichkeit relates to integrity and humanity. By treating each other fairly and by embracing diversity, together we act with social responsibility. We take care of each other, of society and of the environment.



PARTNERSHIP



COMMITMENT



ENTREPRENEURSHIP

Developments and Plans

We understand and embrace the benefits that a gender balanced workforce brings, and are delighted to share some of our developments to date and plans going forward.



We are running a Women in Construction Campaign for 2019 to encourage more women working in a traditionally male environment – both within Knauf as an organisation and in the Construction industry in general. Internal and external activities are planned.

Ian Dean, Managing Director of Knauf UK, heads up a Board of Directors (Senior Leadership Team), comprising of three men and three women, including the first female Production Director, employed at our Immingham Plant in 2018.



Ian Dean
Managing Director



Emma Delaney
HR & Sustainability Director



Andrew Granick
Supply Chain Director



Nick Pratt
Production Director
Sittingbourne



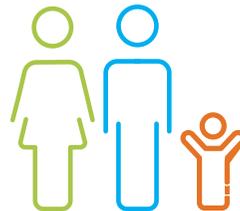
Vickie Mwanza
Production Director
Immingham



Spencer Maynard
Commercial Director



Kate Wigglesworth
Finance Director



We remain committed to embracing flexible working where possible, and continually promote and develop our 'Family Friendly' policies. Our Maternity Policy will be reviewed before the end of 2019.



We undertake regular reviews of leadership, career and development plans for all our employees in our People Performance Development (appraisal) process.

What our female employees say



"Such a diverse industry... I think you can do absolutely anything as a woman. I am one of the only female external salespeople, and I encourage you to join me."

Ashleigh Bartlett
Area Sales Manager

"It is an industry where you may think that there are not opportunities for women, but there are a lot including in the plants and we are all doing really well."

Gemma Taylor
Manufacturing Coordinator



"I am truly inspired by the product that we manufacture each day, products which will be placed in hospitals, schools and homes. Within our plants there are women employed in engineering, manufacturing, warehouse, material management and leadership roles. Gender should not hold you back from joining a role within the Knauf business."

Vickie Mwanza
Production Director

"As an industry, construction is a really exciting time for youngsters and women to be involved."

Ellie Sterba
Product Manager



A Final Word

We are pleased with the progress we have made to date to reduce the gender pay gap and how we compare to organisations across the UK and within the manufacturing sector, but we recognise that there is more work to be done.

We will continue to review the structure of our workforce and, in particular, what we can do to get more women into a traditionally male environment. At the same time, our work is about ensuring that all employees have the same opportunities to develop regardless of background, race, ethnicity as well as gender.

We are very proud that we are an organisation with a culture that is

**transparent
diverse &
inclusive**