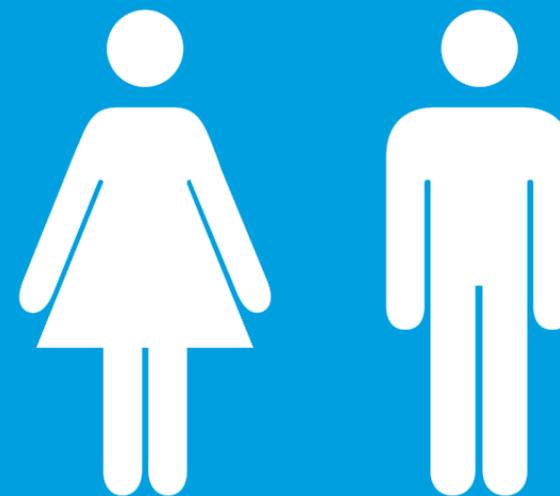


GENDER PAY GAP

2020/21 Report for Knauf UK

Data as at 5th April 2021





Message from Emma Delaney HR & Sustainability Director

The Gender Pay Gap reporting requires us to identify differences in pay between the male and female employee population across our business. This is a measure to demonstrate the difference between each gender's average earnings (regardless of job role) which is expressed as a percentage of men's pay. In line with the Gender Pay Information Regulations 2017, I am pleased to share our latest Gender Pay Gap Report, which has been generated from data gathered on the 5th April 2021.

In short, I am delighted that we can report continued improvement in certain areas of the report, with clear improvements since our last published report in 2021.

Achieving pay parity across gender remains a key challenge in the manufacturing and construction industry, and our business is no different considering we have a high proportion of our employee population is male. However, the end of 2021 saw a marked increase in the number of females joining Knauf.

With family-centric values at our core, Knauf continues to endeavour to close the pay gap; we recognise the value of each and everyone of our employees by providing an objective, competitive, and fair framework to ensure parity, equality and fairness.

We will continue to work hard to close our gender pay gap and ensure that we build an open and inclusive work environment for all employees.

A handwritten signature in black ink, appearing to read 'E Delaney', written in a cursive style.

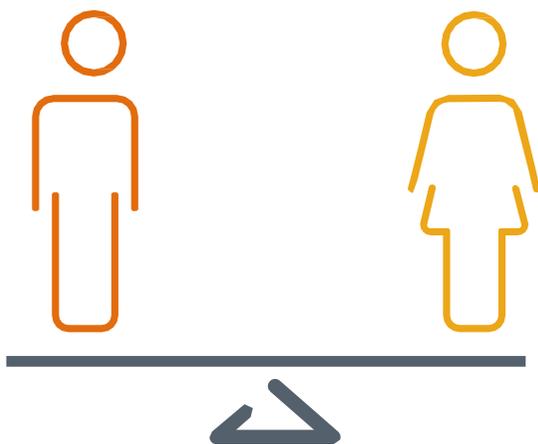
Gender Pay Gap Explained

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.



03

01 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.

03 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.

05 Mean Gender Bonus 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 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.

04 Proportion who receive a bonus

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.

06 Median Gender Bonus Gap

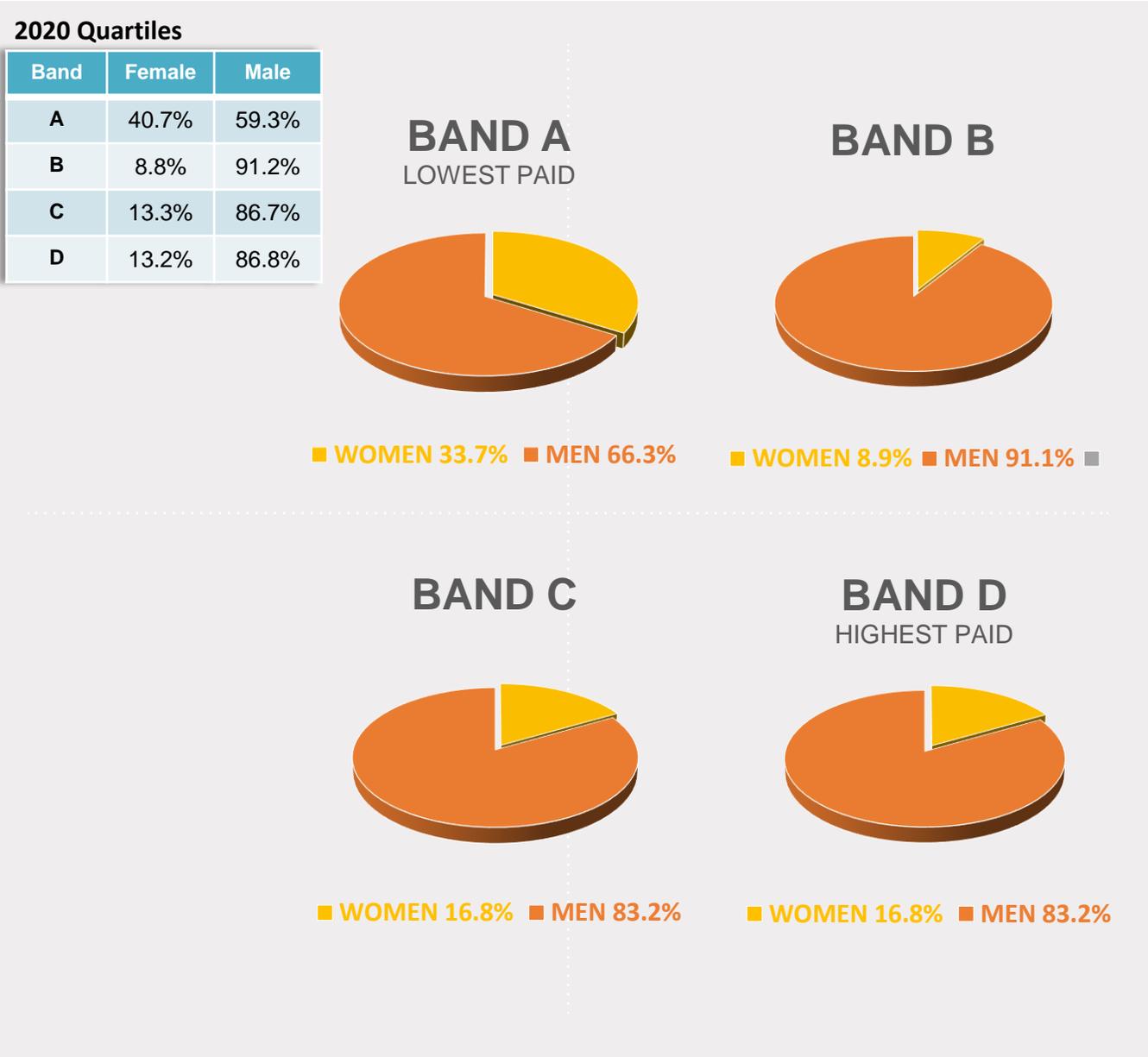
The difference between the median (mid-point) value of bonus for all men and women as a percentage of the median bonus for men.

01 Gender Pay Quartiles

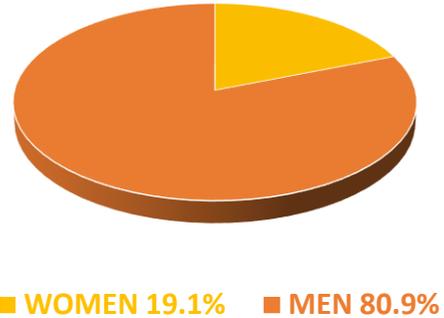
This demonstrates the positive improvements made in appointing and promoting more females into upper and upper middle quartile roles.

We still face low numbers of females in our organisation in all pay quartiles. With the smallest 8.9% proportion in Band B, which is predominantly our plant based roles. Band A is where our largest proportion of females sit, predominantly administration roles.

Charts illustrate percentage of men and women in each pay quartile in a snapshot date of April 2021.



ALL EMPLOYEES

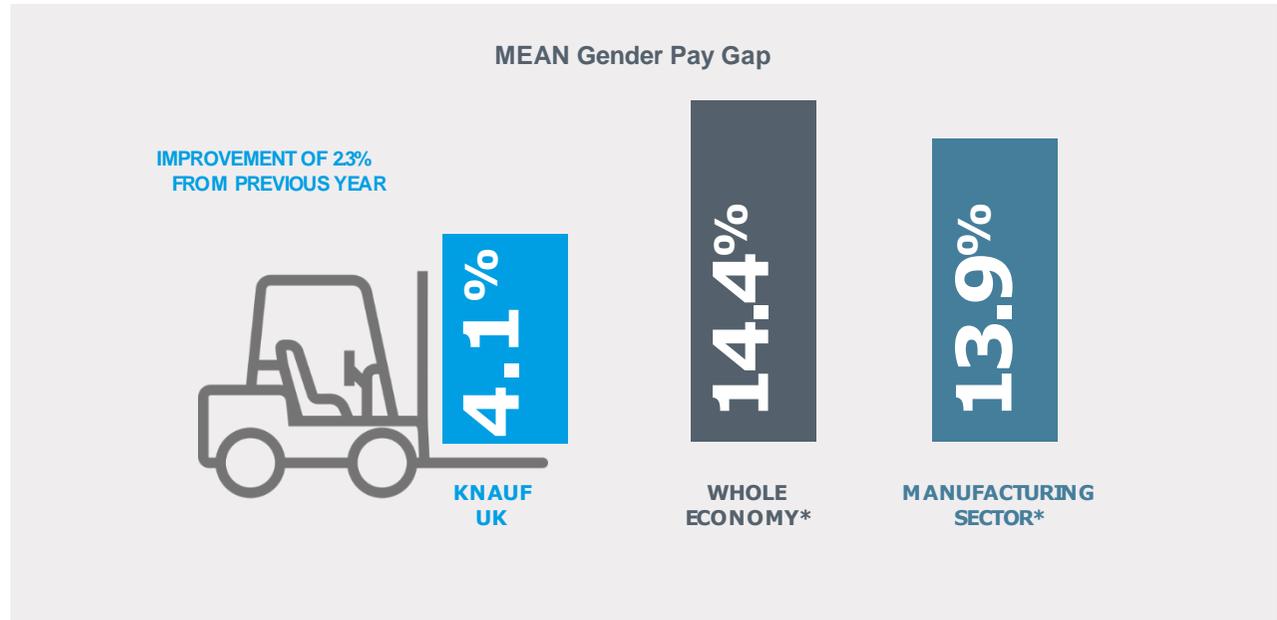


Gender Pay Gap

02

We are delighted to report that our **Mean Gender Pay Gap** has reduced again this year and is now at 4.1%. This is significantly below organisations within the manufacturing industry and in general according to national statistics. The data reflects a number of females in our business in senior positions, in the higher pay quartile, three of these being Directors. It is also a reflection of further positive adjustments made to address the gap in our female population.

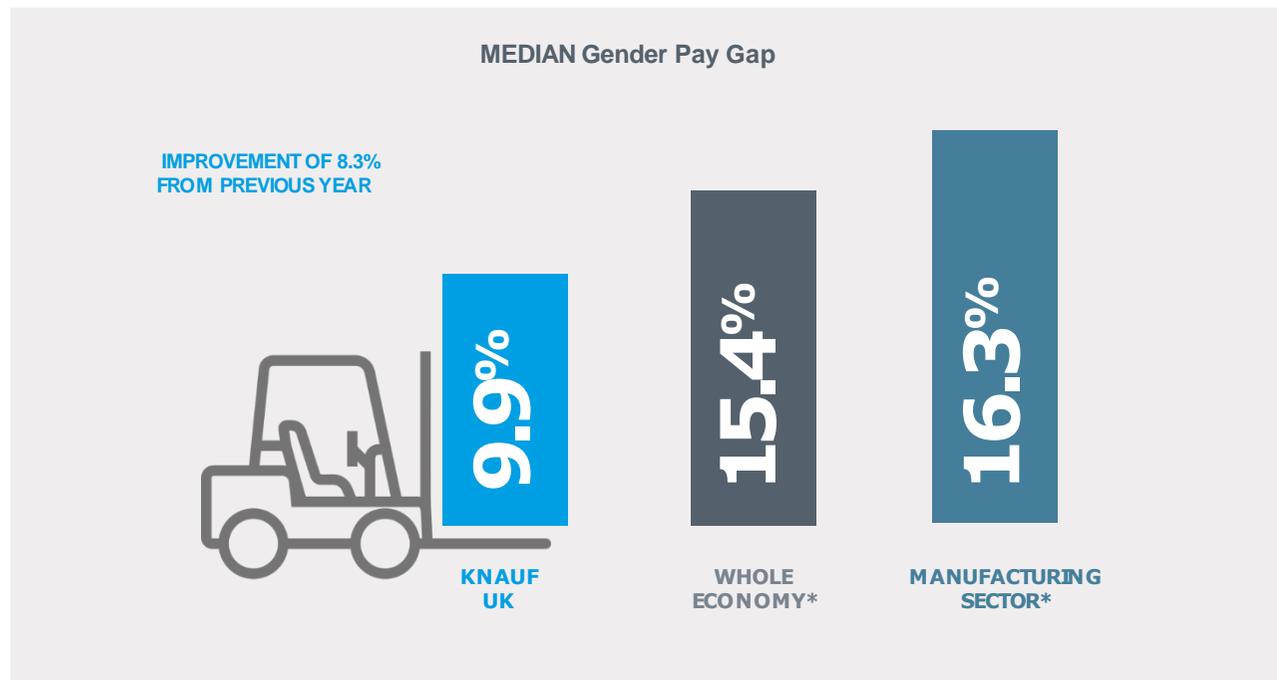
| Trend | |
|-------|-------|
| Year | % gap |
| 2021 | 4.1 |
| 2020 | 6.4 |
| 2019 | 2.6 |
| 2018 | 12.2 |
| 2017 | 14.7 |



03

Knauf UK's **Median Gender Pay Gap** has significantly reduced again this year from 18.2% to 9.9%, falling below organisations within the manufacturing industry and in general according to national statistics. This a positive reflection of us benchmarking and addressing lower pay quartile roles in 2021 and internal promotions.

| Trend | |
|-------|-------|
| Year | % gap |
| 2021 | 9.9% |
| 2020 | 18.2 |
| 2019 | 17.7 |
| 2018 | 21.7 |
| 2017 | 24.3 |



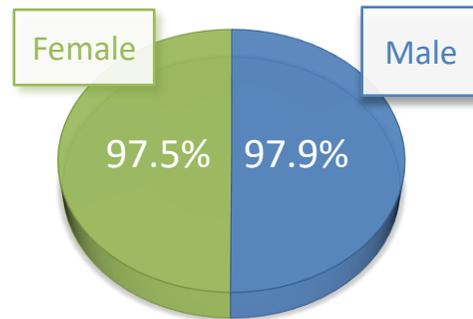
Bonus Pay Gap

GENDER PAY GAP

04

The number of males/females that received a bonus in 2021.

2021 saw a bonus paid to all employee's as recognition of the unprecedented times. This is reflected in the change of our scores this year.



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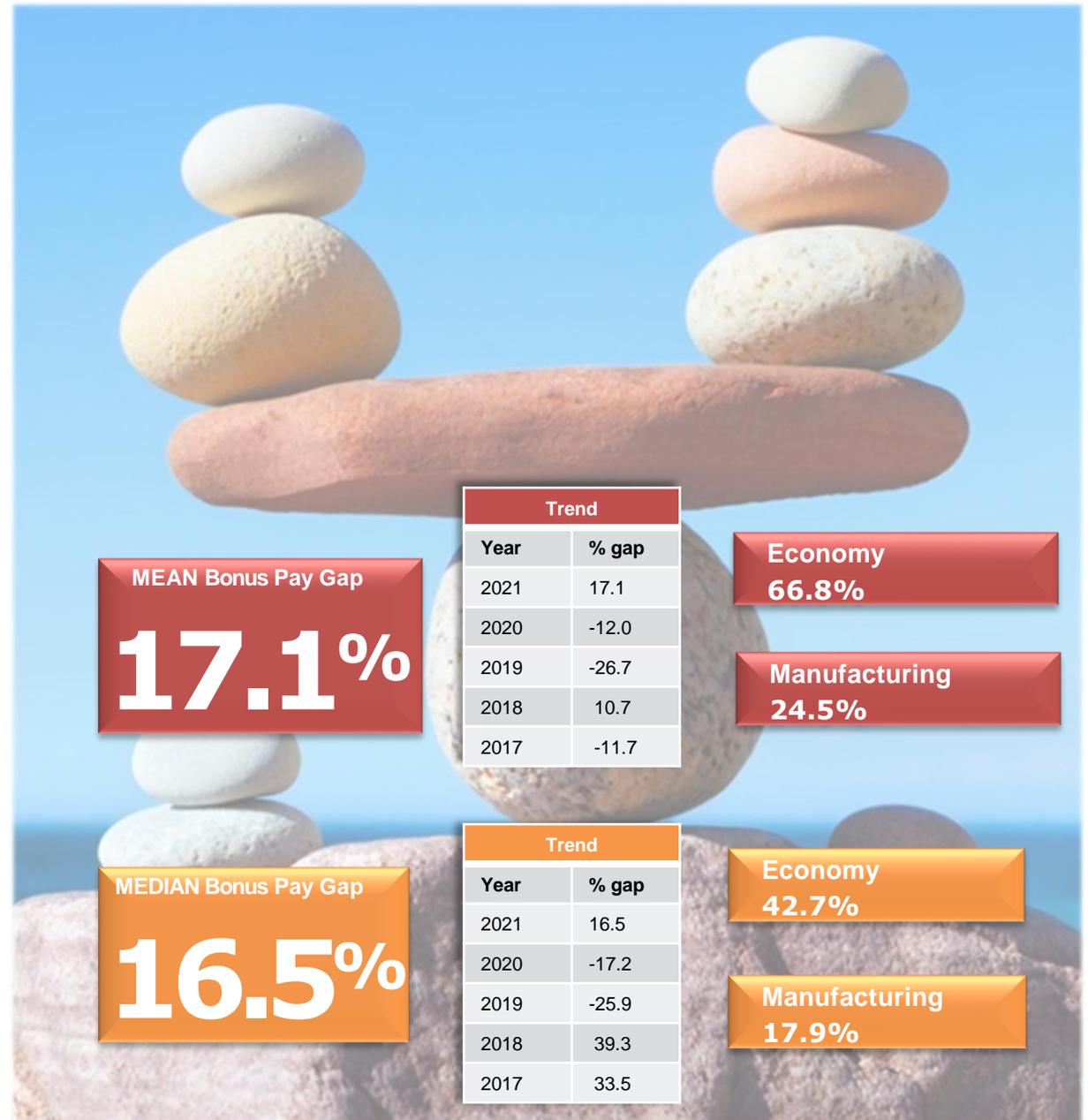
The **Mean Gender Bonus Gap**

At 17.1%, the mean bonus reflects the average of the 97.5% of females receiving a bonus in 2021, at the snapshot date. This is significantly below the economy and the industry.

06

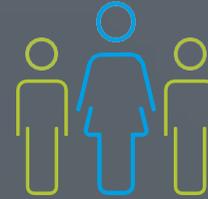
The **Median Gender Bonus Gap** is below the Economy and slightly below other organisations in the same industry. 2020 results indicated a -

17.2% score which was because it was only females in the higher pay quartiles entitled to a bonus, compared to the majority of men across all pay quartiles. 2021 results demonstrate that if all females were entitled to a bonus, this would fairly level out the score in distribution.



Knauf Values and Culture

Our mission is to Build for the World We Live In is central to everything we do – we create, we make, we innovate, and provide the materials used to build homes, schools, offices, hospitals and airports.



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

We work together as a team and support each other wherever possible. We are respectful, reliable and loyal. We encourage each other and build trusting relationships with colleagues and customers.



COMMITMENT

We know our decisions and our work will have an impact. We take ownership and responsibility, acting to providing the best quality solutions and products we can.



ENTREPRENEURSHIP

We are practical and seize opportunities to create continuous growth. We employ innovation, explore the new and embrace change.

Initiatives

We recognise the value of being a diverse and inclusive employer that values each and every one of its employees by providing an objective, competitive and fair framework. We are pleased to share with you some of our ongoing initiatives to ensure that we build an open and inclusive working environment.

Family Friendly Policies

Due to the universal impact of Covid-19, we have redefined our plans to ensure that a range of measures and initiatives are in place to support our teams across the company. We remain committed to embracing flexible working where possible, and continually promote and develop our 'Family Friendly' policies., including the launch of our Agile Working Policy.



Apprentices at our Head Office

Growing our Apprenticeship Scheme

Developing, coaching, and readying the next generation of employees for their careers ahead of them is a key focus area for us. Businesses have a duty of care to help school leavers during the pandemic to develop employability skills – Knauf have recognised this by recruiting our largest ever Apprentice intake in 2021.

We continue to be committed to developing our own home-grown talent, as well as continuing to develop existing staff with Apprentice mentoring opportunities

In short, Apprenticeships are the cornerstone of our People Agenda; our continued goal is to become an Apprentice Employer of choice in our industry.

Job Pay and Grading

This is an ongoing project to establish a simple, transparent, and fair pay system for determining salary levels, linked to job role and responsibilities. In turn this can explicitly demonstrate reward equality through a documented, rationalised role evaluation system. The gender bonus distribution will be assessed as part of this.

Summary

We are delighted with the progress we have continued to make to date and our continued reduction in the gender pay gap; particularly in comparison to organisations across the UK and within the manufacturing and construction sectors. Notwithstanding this, we will not stop our work on ensuring that all employees have the same opportunities to develop, progress, and flourish regardless of background, race, ethnicity, and of course - gender.

