

APRIL 2023

Gender Pay Gap Reporting



Here at Karndean, we embrace the power of diversity in all its forms to cultivate a culture where equal opportunity is available to all employees. Through fair and inclusive policies and procedures, by challenging ourselves with new ways of thinking and creating an environment of openness, we will continue to drive inclusivity at Karndean. With collaboration, trust and empathy underpinning our everyday interactions we will continue supporting women at Karndean in their careers, reduce our gender pay gap and achieve greater wage equality.”

Fleur Carson,
Managing Director UK



Introduction

2023 was an exciting year for Karndean Designflooring as we really stepped it up a level in terms of our commitment and strategy for Equity, Diversity and Inclusion. We can see this reflected in the figures from April 2023 already and are confident that we will continue to drive improvement in narrowing our gender pay gap with the actions we’re putting in place.

We launched Karndean EVOLVE; a 6 pillar strategy addressing sustainability as a whole, including inclusion and diversity. In line with this we’ve launched a number of initiatives and frameworks to drive equity across the whole business – including women.

In April 2023 59.0% of our total workforce was male and 41.0% was female, a 1.0% increase in the number of males from 2022.

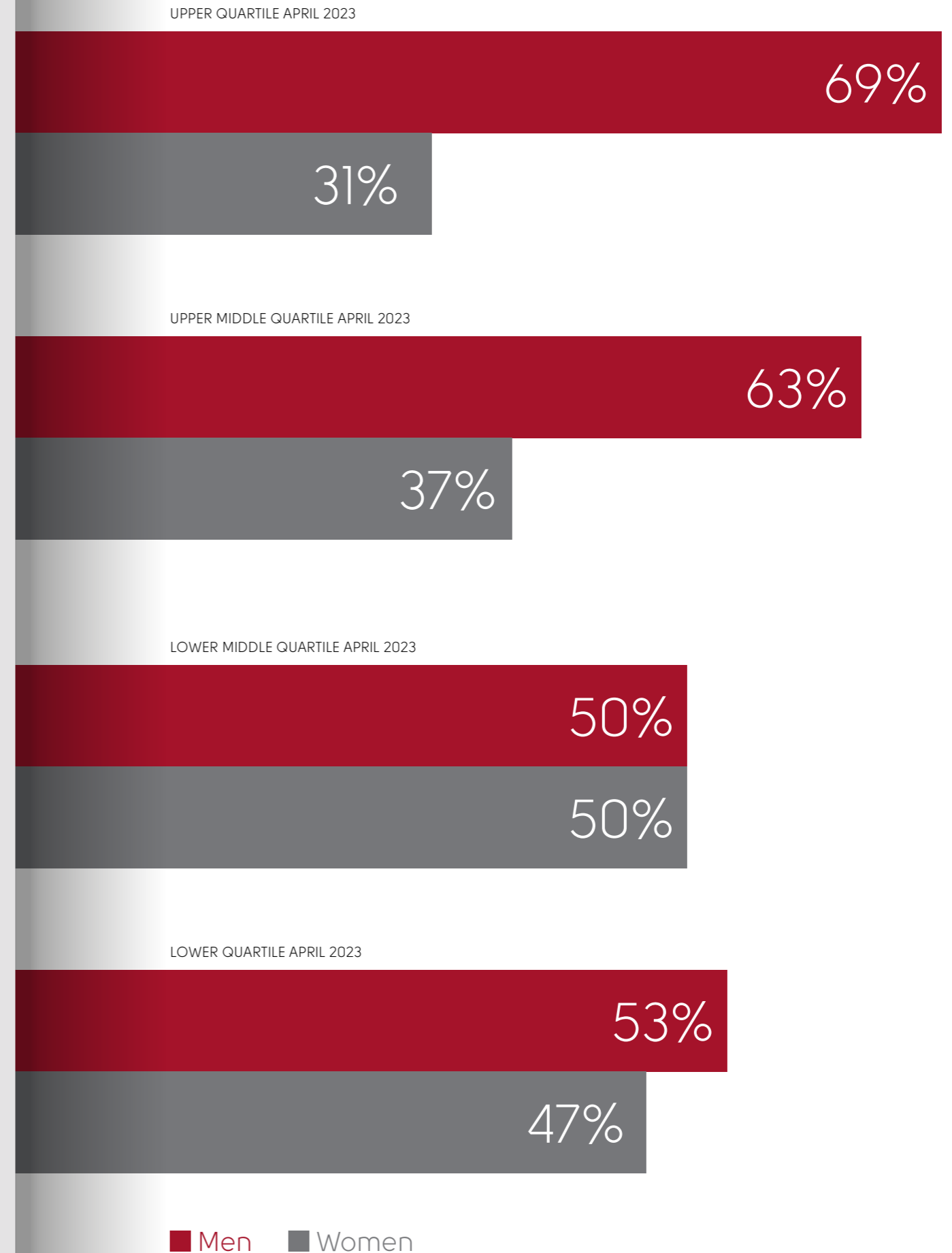
The flooring industry, and sales industry, is typically male dominated but we are committed to ensuring we’re removing barriers for women within Karndean. We’ve launched a new blended learning strategy in 2023 to ensure everyone has access to resources to develop themselves. We’ve also listened to our employee’s views to create a more equitable and attractive benefits offering aimed at attracting a diverse range of talent.

We are conscious that 78% of employees in our field sales teams are males with large commission opportunities. As well as this there are a higher number of males in senior roles which will attract higher pay and bonuses. Developing a clear career framework, pathways and resources for everyone to access as we have done in 2023 is key to removing barriers for women in the workplace and creating an equitable, inclusive workplace.

Proportion of men and women in each quartile band

In the upper half of our workforce, we have the largest difference between men and women. We're currently working hard to understand what barriers there might be for women to progress at Karndean by working with specialist consultants, sending out employee surveys and reviewing our policies and procedures.

Compared to our April 2022 reporting we have had a 1.0% decrease in women moving into the Upper Middle Quartile but a 3.6% increase in the upper quartile which we're really pleased about and shows the impact some of our initiatives are starting to have.

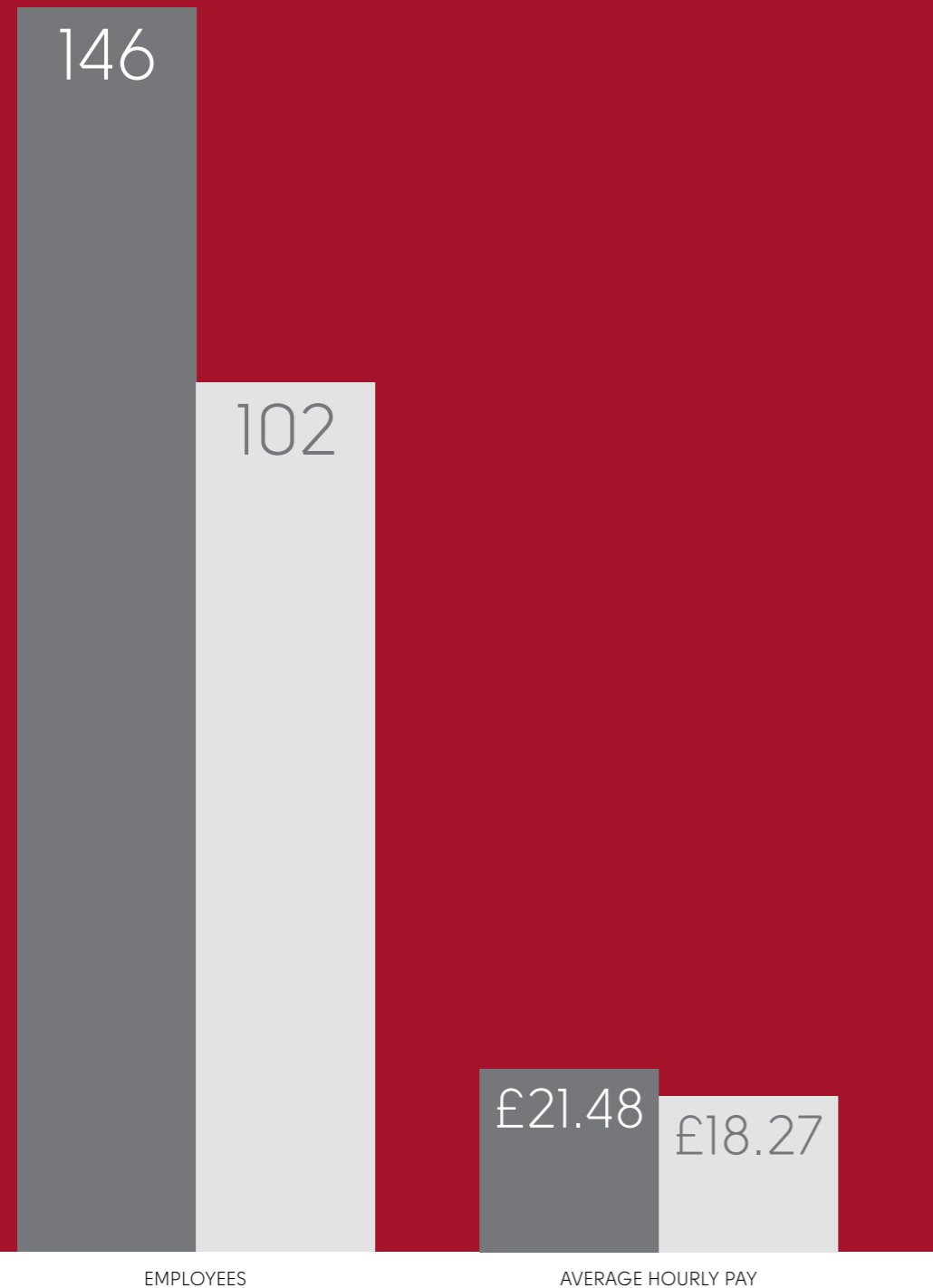


■ Men ■ Women

Mean Gender Pay Gap

14.98%

■ Men
■ Women



Gender Pay Gap Basic Hourly Rate

Compared to April 2022 our average mean gender pay gap has improved, reducing by 5.7%. Our average median pay gap has also decreased by just under 4%.

This has been due to the increase in those women in the upper quartile such as having more female executive board members and women in senior positions.

Median Gender Pay Gap

12.3%

● Men
Average hourly pay
● Female
Average hourly pay

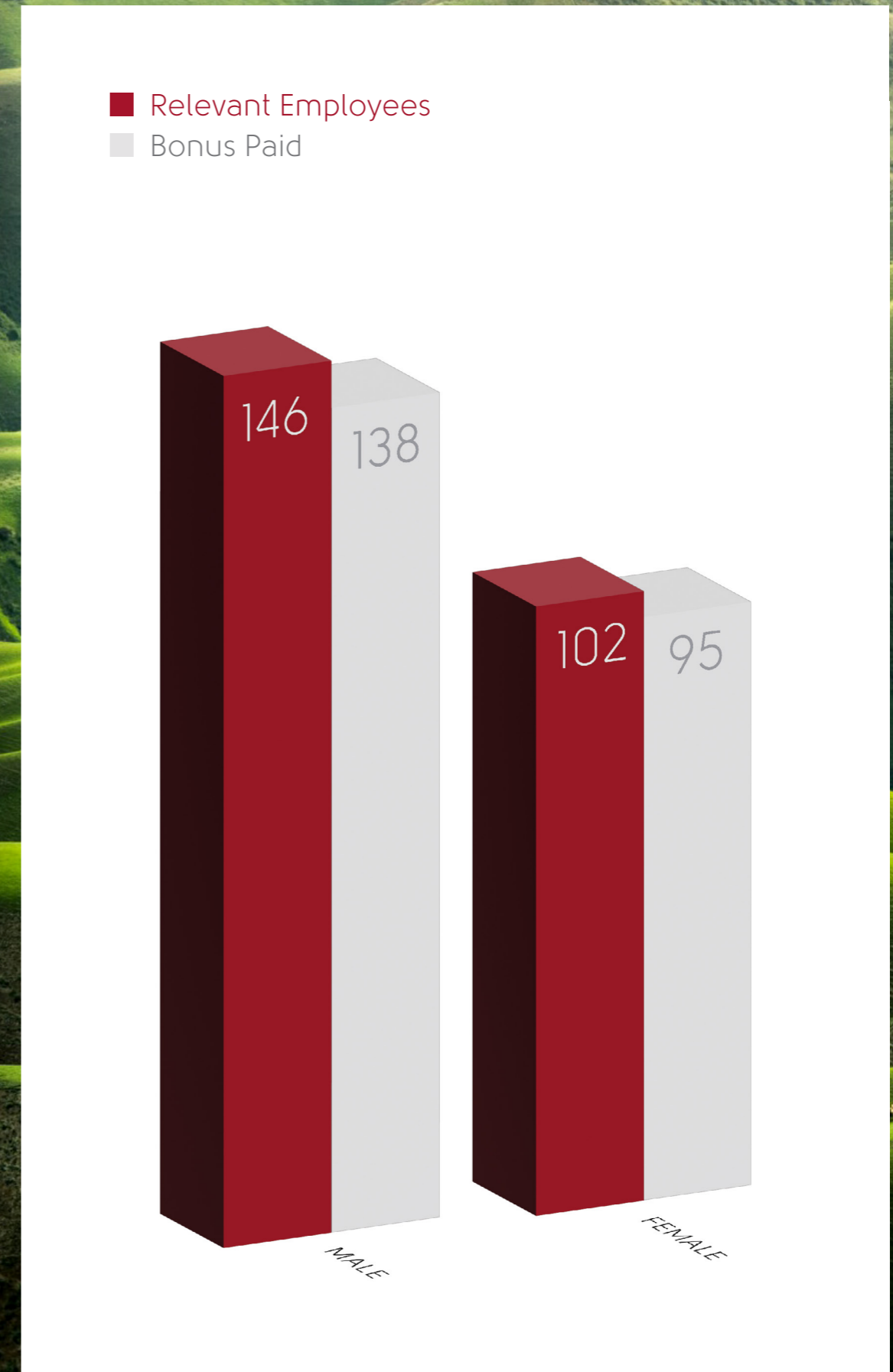


Bonus pay

We have a high proportion of our workforce who are eligible for various bonuses and this is fair across both genders. It's demonstrated here by the fact that of eligible employees there is a difference of only 1 employee between the number of eligible female and male employees receiving bonus.

Our median bonus split had an 18.4% differentiator in favour of male employees receiving more which is a 6% increase on 2022. This is due to the high commission that our predominantly male sales teams receive.

Finally, our mean bonus split continues to have a large differentiator in favour of male colleagues of 63.1%, although this was an 8.3% reduction on 2022 which we are pleased about. This is still driven by a predominantly male board of directors impacting bonus figures as well as the aforementioned mainly male salesforce.





Action Plan

Karndean Evolve

Karndean Evolve sets out a clear commitment and strategy of how we will drive and embed sustainability across the business. Equity, Diversity and Inclusion and Health and Wellbeing are two of the key pillars which we have made some huge progress on in the UK.

An employee resource group (ERG) for Equity, Diversity and Inclusion has been created with employees passionate about driving this agenda forwards and embedding this at Karndean. The barriers women face at work and how we can remove these is a frequent topic.

In 2023 we held a series of Equity, Diversity and Inclusion Coffee Mornings covering a range of topics to drive an inclusive environment and encourage everyone to speak up if they see inequity anywhere within the business.

Learning and Development Strategy

In 2023 we implemented a job grading framework to enable all of our employees to understand the grade of the role they were currently in and what roles might be a good 'next step' for them in their career. This transparency is key to creating an inclusive environment where each employee is empowered to plan and drive their own careers.

We didn't stop there. We implemented a competency framework and job grade descriptors to support our employees with understanding where their strengths were as well as any knowledge or skills gaps they may have or development areas.

Alongside this we then have been shouting about our apprenticeships as a fantastic route to support a rounded development of our employees. We've also invested in both e learning and face to face training. At Karndean we want to ensure everyone has the opportunity to develop and will continue to review and identify any barriers specific to women.

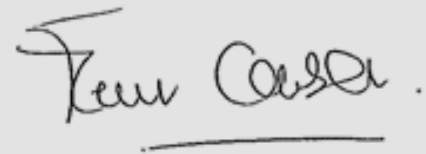
Recruitment Strategy

In 2023 we rolled out our recruitment training to all managers covering areas such as unconscious bias and relevant legislation around equality to ensure our interview processes are fair and equitable.

We have invested in tools and training to allow us to drive direct recruitment moving from 25% direct hires in 2022 to 59% in 2023. This has allowed us to really focus on controlling the recruitment process and ensuring we have a fair, diverse shortlist wherever possible.

Declaration

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



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