



headlam

Headlam Group Plc

Company number: 00460129

Gender Pay Gap Report 2025

GENDER PAY GAP REPORT 2025

In 2016 the government announced a requirement for any employer with 250 or more employees, to publish their Gender Pay Gap on an annual basis.

Background and Methodology

The Gender Pay Gap represents the percentage difference between the average hourly pay of male and female employees. Hourly pay, as defined by the regulations, includes basic salary together with certain allowances and additional payments.

It is important to distinguish between the Gender Pay Gap and equal pay.

Gender Pay Gap reflects the overall distribution of men and women across roles and pay levels within an organisation.

Equal pay relates to men and women receiving the same pay for work of equal value within the same or similar roles.

Reporting Requirements

The Gap is reported as a **mean** and a **median**:

- The **mean gender pay gap** is the difference between average hourly pay between male and female employees
- The **median gender pay gap** is the difference between the hourly pay midpoint value (50th percentile) between male and female employees

The figure must be calculated in the pay period based on the “snapshot date”, typically the period that includes 5th April for private employers. All employers must publish their pay gap on the specified government website, on their own website and in their annual report.

In addition to the mean and median hourly pay, data regarding gender bonus gap, the proportion of men and women receiving a bonus, and the proportion of men and women in each pay quartile must also be published.

It is important to note that employees who did not receive their normal pay on the snapshot date, for instance because they were on statutory sick pay or statutory maternity pay, are excluded from the hourly pay gap calculations. This is different for bonus gap calculations, where everybody on payroll on the snapshot date is included.

Each legal entity with over 250 employees must have separate reports and therefore HFD Limited (HFD) and Headlam Group PLC (PLC) have separate figures. With fewer than 250 employees it is not a requirement to publish PLC figures, however in the interest of transparency we publish both voluntarily.

As employee numbers for the Domus, Melrose and Ceco legal entities are all below 250, no gender pay gap report is published for them and they are not included in the Headlam UK calculations below.

The government requires companies to keep data publicly available for 3 years and it produces league tables showing compliant and non-compliant employers. In addition to the reporting requirements, the government is keen to see businesses outline their intended plans to address and reduce the gap.

Gender Pay Results – 5th April 2025

| | Headlam UK* Mean Pay Gap | Headlam UK* Median Pay Gap | Overall UK Median Pay Gap |
|-------------|--------------------------------|----------------------------------|---------------------------------|
| 2025 | -7.5% | -9.2% | 12.8% |
| 2024 | -4.1% | 1.6% | 13.1% |
| 2023 | -0.8% | 2.1% | 14.3% |
| 2022 | 5.6% | 4.8% | 14.9% |
| 2021 | 7.4% | 1.8% | 15.4% |
| 2020 | 7.4% | 6.2% | 14.9% |
| 2019 | 9.1% | 10.8% | 17.4% |
| 2018 | 11.4% | 10.1% | 17.8% |
| 2017 | 15.6% | 10.5% | 18.4% |

The number of colleagues included in the hourly pay gap calculations on the 2025 snapshot date has reduced by 143 colleagues 132 of which are males from 2024.



Gender Pay Results for entities – 5th April 2025

| | Mean | Median |
|------------------------------|---------------------------|---------------------------|
| In HFD female pay is | 3.6% higher than male pay | 7.2% higher than male pay |
| In PLC female pay is | 38.2% lower than male pay | 35.5% lower than male pay |
| In Headlam UK* female pay is | 7.5% higher than male pay | 9.2% higher than male pay |

* Headlam UK includes HFD and PLC, but excludes Domus, Melrose and Ceco entities.

Gender Pay Analysis

The median Headlam UK Gender Pay Gap has increased to 9.2% which is significantly higher than the UK median pay gap of 6.9% (based on ONS data). Comparing 2025 to 2024, male median hourly pay increased by 0.11% to GBP 14.66, whereas female median hourly pay increased by 11.9% to GBP 16.01.

Mean hourly pay in 2025 increased by 3.4% for men to GBP 18.29 and 6.75% for women to GBP 19.66 resulting in the average female pay exceeding the average male pay for the third year running and the gap widening between female and male average pay. This is predominantly due to an increased proportion of women in the upper middle (Q3) and upper (Q4) pay quartiles at the snapshot date, showing an increase of 2% and 4% respectively.

Bonus Participation and Bonus Pay Gap

Proportion of males and females receiving a bonus payment (during the 12 months up to 5th April 2025)

| | Male | Female |
|---|-------|--------|
| Proportion receiving bonus in HFD | 45.2% | 47.7% |
| Proportion receiving bonus in PLC | 11.1% | 0% |
| Proportion receiving bonus in Headlam UK* | 45% | 46% |

* Headlam UK includes HFD and PLC, but excludes Domus, Melrose and Ceco entities.

Bonus Pay Gap

| | Mean | Median |
|--|-------------------------|---------------------------|
| In HFD the bonus payment for women is | 8.3% lower than for men | 33.7% higher than for men |
| In PLC* the bonus payment for women is | 100% lower than for men | 100% lower than for men |
| In Headlam UK** the bonus payment for women is | 8.2% lower than for men | 34.1% higher than for men |

* The 100% bonus gap is driven by a long service award received by one male colleague, which inflates the average bonus for men. Without this award, the gap for the PLC would effectively be zero.

** Headlam UK includes HFD and PLC, but excludes Domus, Melrose and Ceco entities.

Bonus pay analysis

Long Service Shares and cash awards have been included in the 2025 snapshot therefore bonus participation increased to 45% from 44% in 2024.

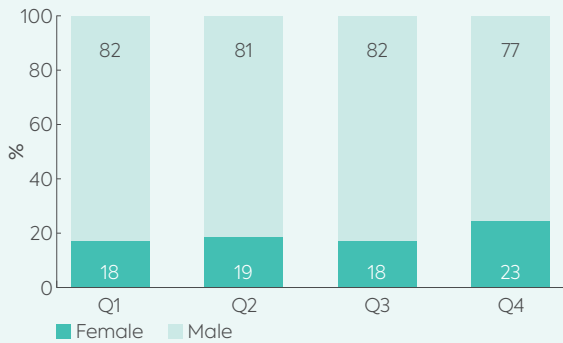
Long Service Shares and cash awards were processed for 176 colleagues during this period.

Proportion of men and women in each pay quartile

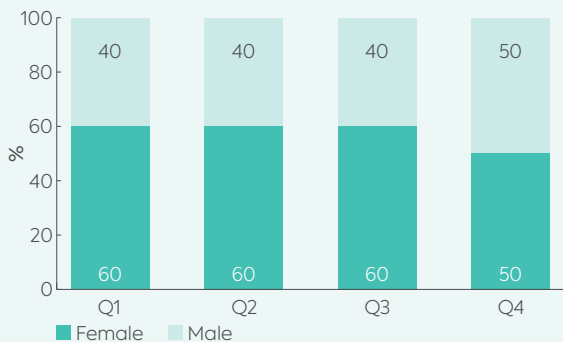
The chart below shows the female to male ratio in each pay quartile, lowest (Q1) to highest (Q4).

In 2025 we see the lowest quartile decrease with female colleagues by 2ppt and the upper quartiles increase by 6ppt in total which has in turn raised the mean hourly rate by £1.24 per hour for females. This compares to a £0.60 per hour increase in the mean hourly rate for male colleagues.

HFD female to male ratio



PLC female to male ratio



Summary

For the third year running we have seen a mean pay gap in favour of females and a reduction in the median pay gap. This results from the increase in the number of females at a senior leadership level and the overall proportion of females to males has increased by 1ppt to 20% of the workforce. Whilst this is encouraging, there is still work to be done to attract more females into our business in a flooring industry that is male dominated. Successfully increasing the number of females employed at all levels of the organisation may shift the mean gender pay gap back in favour of males but it will strengthen our pipeline of internal female talent and reduce the requirement to recruit female leaders externally.

Diversity in Gender

Women represent 26.4% of Headlam's overall workforce an increase of 2.4% from last year. During 2025, 33% of the Executive Committee were female, and women make up 26.2% of our management population, within an industry that is overwhelmingly male dominated. We continue to take proactive steps to improve gender diversity by working closely with our recruitment agencies to ensure balanced longlists, encouraging women to apply for internal opportunities, and supporting their development by providing access to learning and progression pathways. We also actively showcase the successful careers that women can and do have within Headlam.

Through these initiatives, we aim to continue growing the number of women across all levels of the business.



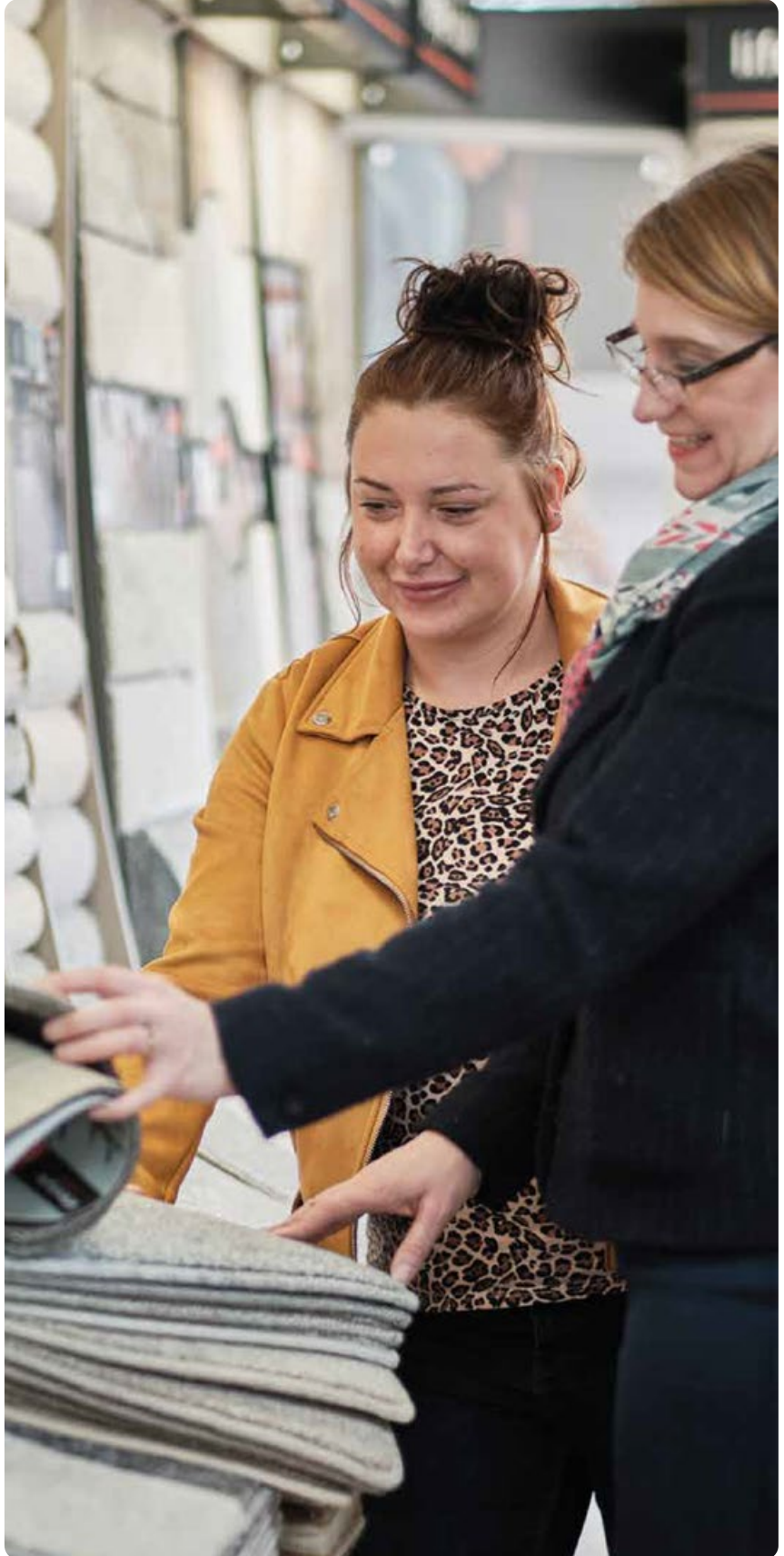
Reward

In 2025, we implemented the Real Living Wage increase to £12.60 for all colleagues, reinforcing our commitment to fair and competitive pay across the business. This ensured that all roles within the organisation meet or exceed the updated Real Living Wage benchmark, supporting our objective to remain an employer of choice within the industry.

Building on the benchmarking process introduced in 2024, we applied a robust pay review methodology during the January 2025 cycle to ensure equal pay across all roles. This process ensured that no colleague fell below 20% of the median pay for their specific job role, supporting pay consistency, reducing risk of pay inequity, and aligning with our principles of fairness and transparency.

Additionally, we introduced a holiday purchase scheme in 2025, providing colleagues with greater flexibility in managing their work-life balance. Engagement with the scheme was strong, with 272 colleagues participating in its first year.

Together, these initiatives demonstrate our ongoing focus on delivering a fair, transparent, and competitive reward offering that supports our retention and engagement objectives while aligning with our values and people strategy.



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