



Heat Merchants Group

Gender Pay Gap Report 2022

Heat
Merchants
Group

Introduction

The Gender Pay Gap Information Act 2021 requires organisations in Ireland with over 250 employees to report on their gender pay gap across a range of metrics, for the first time in 2022.

This is Heat Merchants Group first Gender Pay Gap report and it relates to the period 1st July 2021 to 30th June 2022 with a snapshot date of 30th June 2022.

Colleague reward in Heat Merchants Group is designed to be gender-neutral and any gaps between the pay and bonus of male and female colleagues are driven by the structure of our workforce. We have two businesses within the Heat Merchants Group; Heat Merchants which is predominately a trade business in the heating, plumbing and renewable energy sector and Tubs & Tiles which is predominately a retail business in the tile and sanitary ware sector. These businesses are supported by a Central Warehouse and Central Office Support Teams.

It is the case that in Heat Merchants Group and across the wider merchanting industry in Ireland, proportionally there are fewer females particularly in trade counter and warehouse positions. In our business, when structural factors are removed, we believe the differences in colleague reward are then related to individual performance, experience, and skill sets.

What is the Gender Pay Gap?

The gender pay gap is the difference in the mean and median pay and bonuses between men and women. A positive value for a 'mean' gender pay gap would show that, on average, males occupy higher paid roles than females whereas a negative value would mean that, on average, females occupy higher paid roles than males.

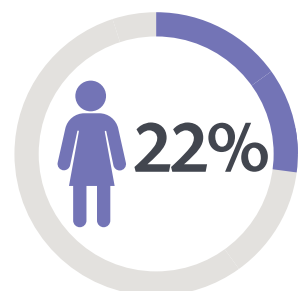
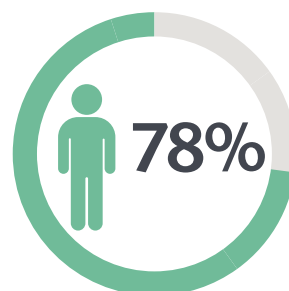
The gender pay gap report looks at a number of different metrics including:

- The mean and median hourly pay gap between all male and female employees.
- The mean and median hourly pay gap between part time male and female employees
- The mean and median hourly pay gap between male and female employees on temporary contracts
- The mean and median bonus pay gap between all male and female employees
- The percentage of male and female employees who received bonus pay
- The percentage of male and female employees who received benefit in kind
- The percentage of male and female employees in each of four pay band quartiles

Gender pay gap reporting should not be confused with Equal Pay, which is a legal requirement and looks at whether a group of people carrying out similar duties are paid fairly compared to one another. Heat Merchants Group is an Equal Pay employer.

Our Total Workforce

	Male	Female
Heat Merchants	100%	
Tubs & Tiles	60.3%	39.7%
Central Warehouse	100%	
Central Business Support	34%	66%
Overall	78%	22%



Our Gender Pay Gap

OUR 2022 DATA AT A GLANCE

Mean Gender Pay Gap	-3%
Median Gender Pay Gap	-5.8%
Mean Bonus Pay Gap	-6%
Median Bonus Pay Gap	-57%
Percentage of Employees to Receive a Bonus	94% Female 88% Male

The high proportion of male employees (78%) in the workforce is related to the fact that the largest part of the Group (Heat Merchants) is in the merchandising trade business within the heating, plumbing and renewable energy sector which has a predominately lower proportion of women particularly in trade counter and warehouse positions.

The majority of female employees hold positions in the Central Support teams and the retail sales part of the Group namely; Tubs & Tiles. These tend not to be roles in the lower hourly remuneration range (Quartile 1).

As a result of how the business is structured, Heat Merchants Group is in the situation where our overall gender pay gap is negative. This means that female employees are in roles that on average (mean gap) are paid 3% higher than the roles in which males are employed. This increases to 25% when looking at part time roles where there is a significantly higher proportion of females (75% of part time employees are female) than males.

There is no data for mean and median hourly pay for employees on temporary contracts as all these employees are male.

Our Gender Bonus Gap

For the purposes of this calculation bonus pay includes the annual performance bonus, sales incentive commission and retail sales commission. Bonus schemes in Heat Merchants and Tubs and Tiles are generally based on brand and /or branch performance whilst those schemes in central support and distribution are generally not and instead are based on personal performance and overall Company performance.

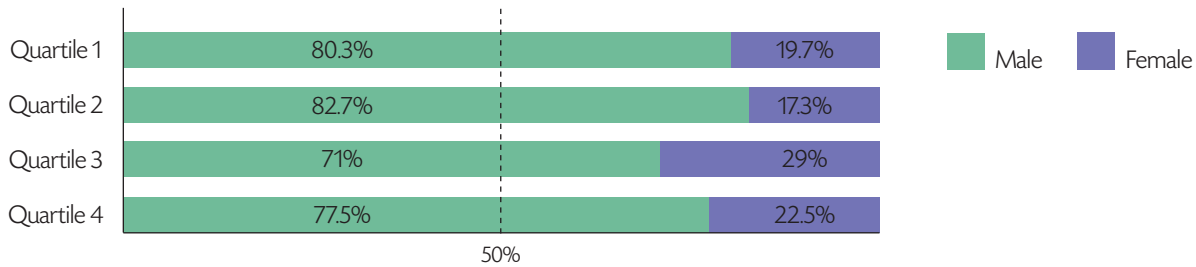
As a result of how the business is structured including the job roles that are eligible for commission; Heat Merchants Group is in the situation where our overall gender bonus gap is negative. This means that female employees are, on average, in roles that are paid 6% higher bonus pay than the roles in which males are employed.

Given the high proportion of male employees in the Group (78%) there is a greater span / range of bonus values than the range of bonus values for females. This influences the mean and median bonus gap with the positions dominated by male employees typically attracting lower bonus earnings. However, within the sector, bonus earnings typically equate to a small proportion (less than 10%) of total remuneration.

Our Salary Quartiles

The legislation requires us to identify our hourly remuneration pay range for all employees, divide into equally sized quartiles and populate with the proportion of men and women colleagues in each quartile. Hourly remuneration ranges from lowest (Quartile 1) to highest (Quartile 4). This is set out below

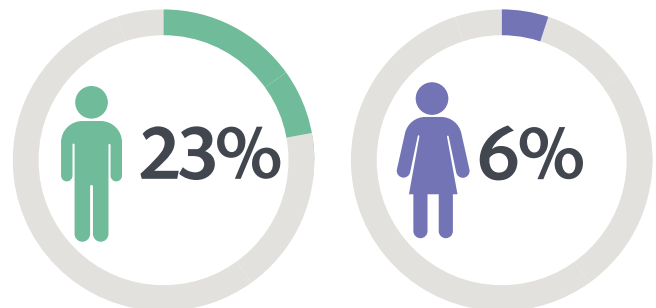
Proportion of men and women in each salary quartile



The above shows that there is a representation of females, broadly in line with the overall representation of females in the Group, across all four quartiles. The highest % of females are employed in positions in Quartile 3 with over 50% of all female employees being employed in Quartiles 3 and 4. Warehousing and delivery driving roles tend to fall in the lower quartile. There are no women employed in these roles

BK Gender Gap

23% of male employees receive a Benefit in Kind compared to 6% of females. This is explained by the fact that a significantly higher proportion of males are in positions that require a company vehicle.



Conclusion

We recognise the impact that the predominately high proportion of males in our workforce impacts our mean and median pay and bonus gender gap figures. We believe that we manage reward for all employees fairly and in a gender-neutral way and we will continue to ensure that:

- A structured pay management approach across our business ensures consistency in terms of reward and is based solely on job role and merit
- Pay and reward structures are benchmarked against comparable data.
- Diversity and inclusion training is included in our induction programme
- We objectively review any flexible working requests
- We promote flexible start and finish times in our recruitment process
- Our minimum pay rate remains at least 25 cent per hour more than the National Minimum Wage.

We are also in the process of reviewing our policies on protected leave, including maternity leave, which may attract more females into the business in the future.

Analysing and sharing this information on an annual basis will provide us with an opportunity to focus on monitoring trends in our results and learn from what other organisations are doing.