



2020 GENDER PAY REPORT



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WHY ARE WE REPORTING ON GENDER PAY?



Matias Jarnefelt
General Manager, GB
and Northern Europe

At Hilti, we have long known that a diverse and inclusive workforce is key to building a high-performing global team; which is one of the cornerstones of our Champion 2023 Strategy.

The gender pay gap reporting obligations sit well with our shared core values of integrity, teamwork, courage, and commitment.

Our first gender pay gap report was published in 2018 and gave us a new measure against which to benchmark our progress. We have reflected on this year's results, and whilst there is a small gap on the mandatory reported statistics, we are comfortable that the reasons behind the increase are not linked to pay inequality based on gender. Our colleagues in HR & Reward work hard to ensure that our salary policy is fit for purpose to deliver pay parity for both genders and to attract and retain the best talent and these measures were in place many years before the inception of gender pay gap reporting.

We will continue to work hard to ensure that all of our people are offered the opportunity to build a sustainable career here at Hilti.



Nicola Brazewell
Region Head of HR
Northern Europe

Diversity & Inclusion is a big topic for Hilti and making sure everyone is paid fairly across our organisation is a big part of that.

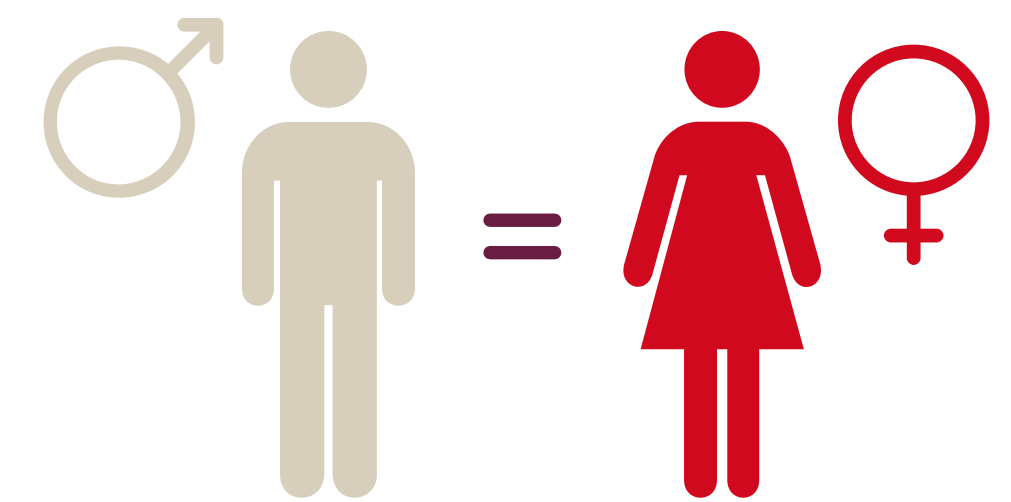
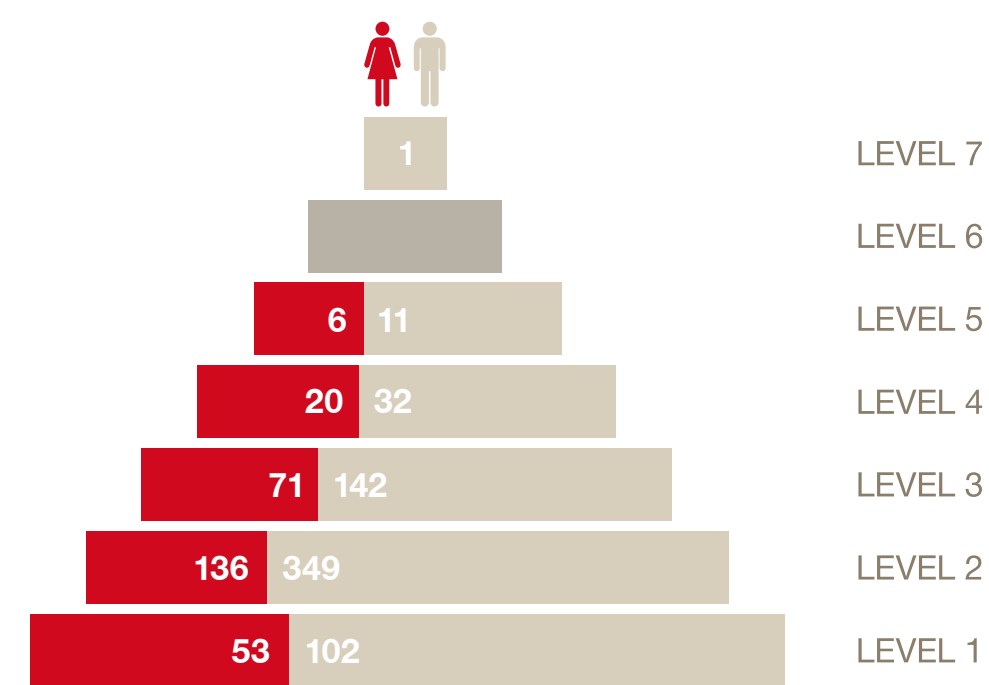
Legislation which has been in place since April 2017 requires employers with 250 or more employees to publish specific data on their gender pay gap. For the financial year 2019/20, employers are required to publish a snapshot of the data as it stood in April 2020, by no later than April 2021.

Our first results, published on 8 March 2018, were industry-leading, and we're very happy to report that we see a further reduction of the gap comparing to first report.

Due to the way the statistics are calculated, we expect to see a degree of fluctuation each year as the makeup of our organisation changes. We are confident that our salary policy means that employees receive equal pay for equal work or work of equal value within our organisation, regardless of their background.

Our commitment to sustainability means that we do not operate on a "quick fix" basis, and wish to ensure pay parity in the long term. Ensuring this pay parity is key to achieving our Champion 2023 Strategy aim of building a high-performing global team who consider Hilti a great place to work.

OUR GENDER PAY REPORT AT A GLANCE



UNDERSTANDING THE GAP

The mean gender pay gap in Hilti GB is 2.9%.

Analysis of our gender pay gap shows that it is largely driven by the fact that there are more men in senior higher-paid roles within the business.

GENDER PAY GAP IS DIFFERENT FROM EQUAL PAY

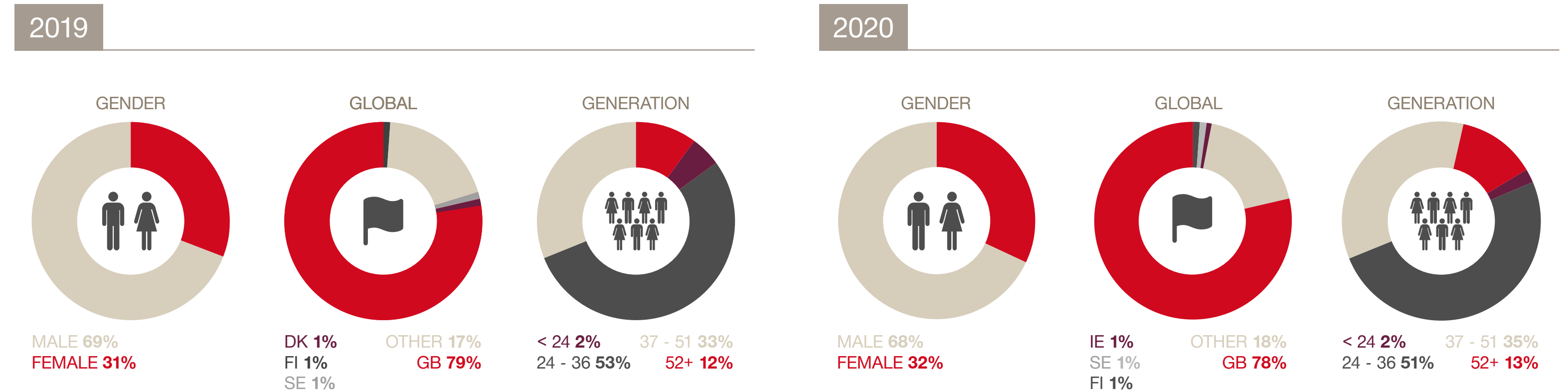
We are confident that men and women are paid equally for doing equivalent jobs across our business and we continue to take action to address any gaps and make sure our policies and practices are fair. This includes actively reviewing decisions around our annual performance, merit and bonus round.

OUR DIVERSITY AND INCLUSION STRATEGY

HIGH-PERFORMING GLOBAL TEAM

We are committed to creating a high performing global team. In order to attract and retain the most talented team possible, we must ensure that we are working to make Hilti a desirable place to work for people from all walks of life.

What our gender pay statistics show us is that women are under-represented in all parts of our business. We are working hard to remove barriers to progression for all of our people and gender pay reporting provides us with a useful measure to monitor our progress.



GLOBAL STRATEGY, LOCAL FOCUS

We have a global team dedicated to Diversity & Inclusion topics and operate a Diversity & Inclusion taskforce in the UK to address diversity as a wider topic, including gender.

Earlier this year we launched our employee led OWN IT! groups as part of our overall commitment to building an inclusive workplace for all of our teams. In line with our business ambitions, members of the 4 OWN IT! groups on Gender, Race, Mental Health and LGBTQ+ aim to drive positive change towards greater inclusivity in these four key areas.



FLEXIBLE WORKING POLICIES

In 2021, we refreshed our flexible working guidelines that we had launched back in 2018.

The new guidelines have been made as a direct result of the feedback we received through our annual engagement survey GEOS and the commitment we made to reviewing the policy, in line with our move to the new office in Circle Square. In addition to this, the Covid-19 situation has allowed us to test how effectively we can work from home and this has also informed the changes that we have made.

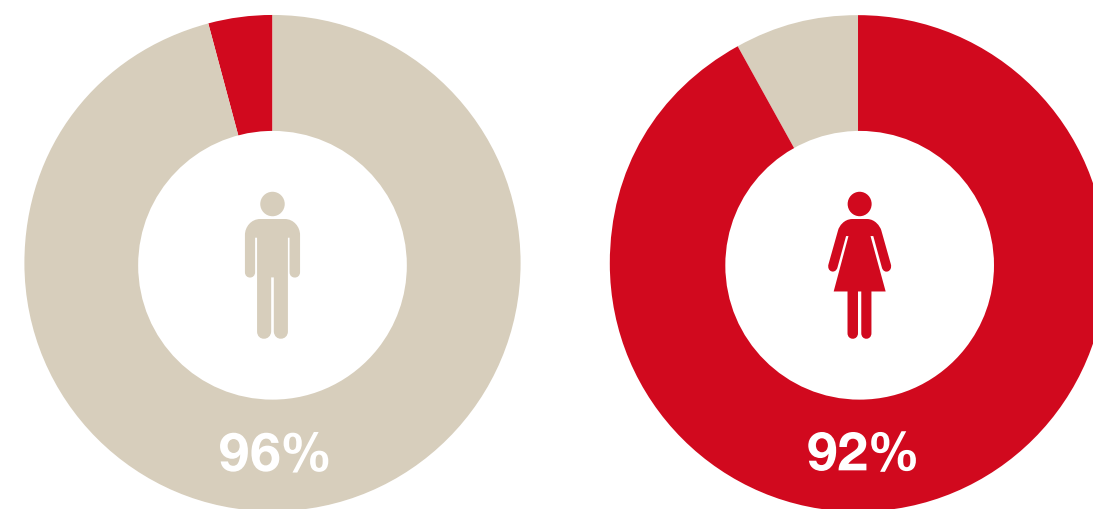
STATUTORY DISCLOSURES

A QUICK LOOK AT THE HEADLINES

	Mean*	Median**
Gender pay gap	2.9%	7.0%
Gender bonus pay gap	6.5%	33.0%

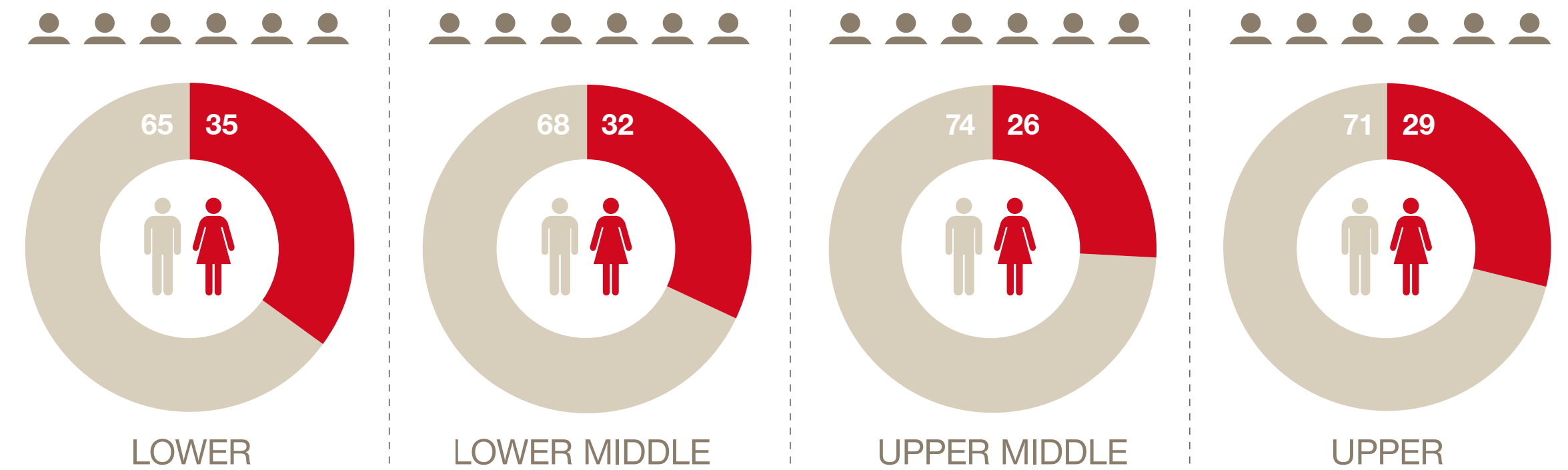
The table above shows our overall mean and median gender pay gap based on hourly rates of pay as at the snapshot date of 5 April 2019. It also captures the mean and median difference between bonuses paid to men and women at Hilti (Gt. Britain) Ltd in the year up to 5 April 2019.

The proportion of colleagues awarded a bonus



Our analysis shows us that the main factor influencing this metric is the fact that bonus is not paid in years where employees commence employment after October of the year before. For the snapshot date in this report, which is 5 April 2020, those who commenced employment between October 2019 and April 2020 will have received no bonus

Proportion of females and males in each quartile band



This is all employees lined up from the lowest to the highest paid and then split into four to understand the make-up of employees in each quartile by gender.

Statutory disclosures continued overleaf >

STATUTORY DISCLOSURES

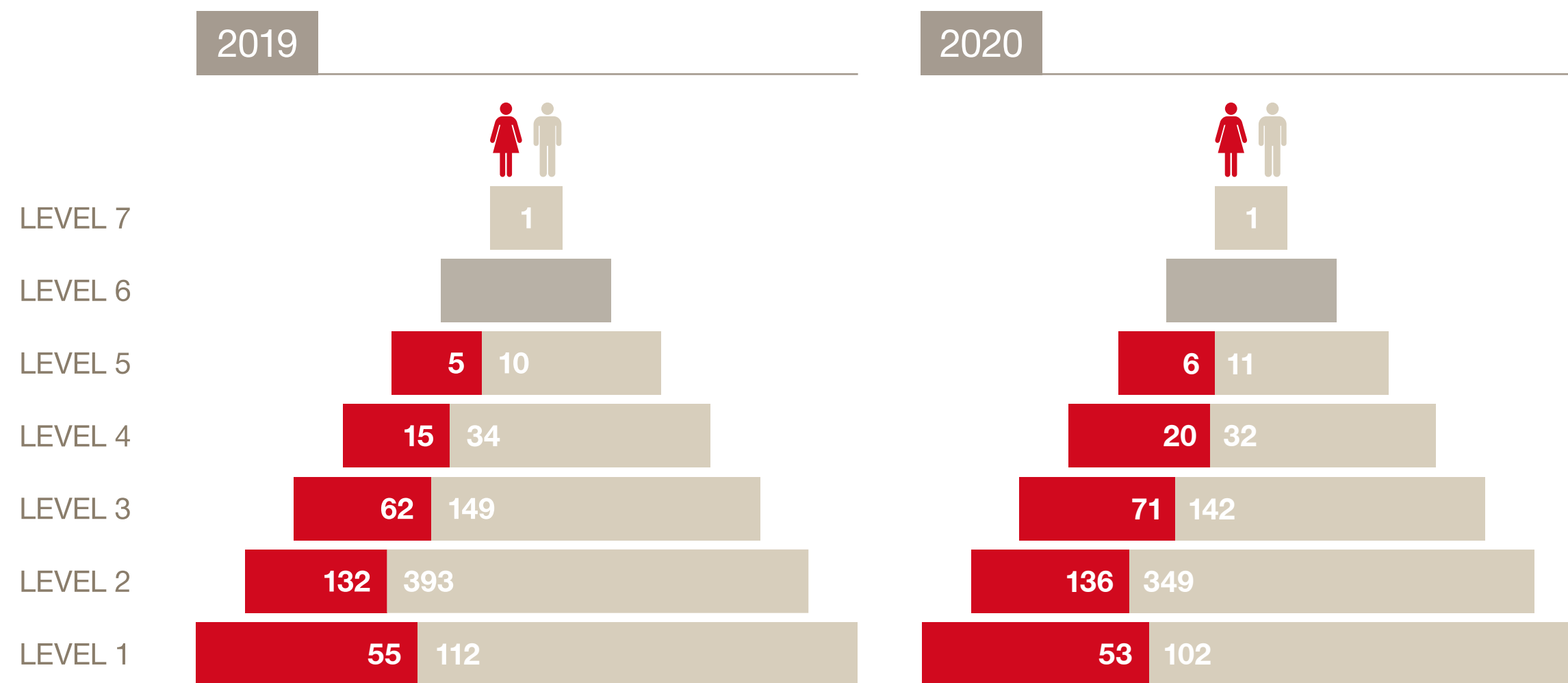
UNDERSTANDING THE GAP

Analysis of our gender pay and bonus gap shows that it is largely driven by two key factors:

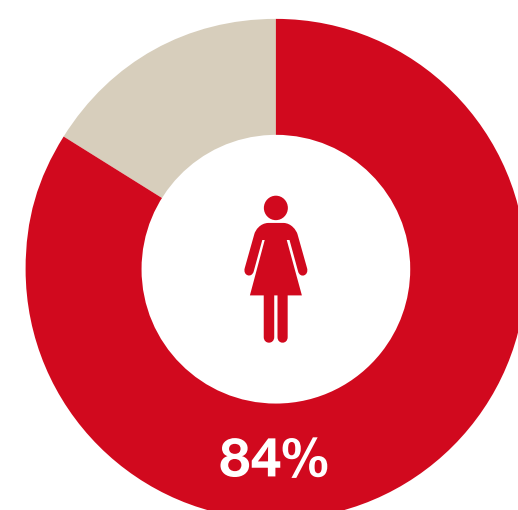
- There are more men in senior higher-paid roles within the business
- There's a much higher proportion of men working in sales, where we pay regular bonuses, which form part of the regular pay and therefore affect the bonus gap

We are confident that men and women are paid equally for doing equivalent jobs across our business and we continue to take action to address any gaps and make sure our policies and practices are fair. This includes actively reviewing decisions around our annual performance, merit and bonus round.

The proportion of males and females at each level



The proportion of part time jobs filled by women



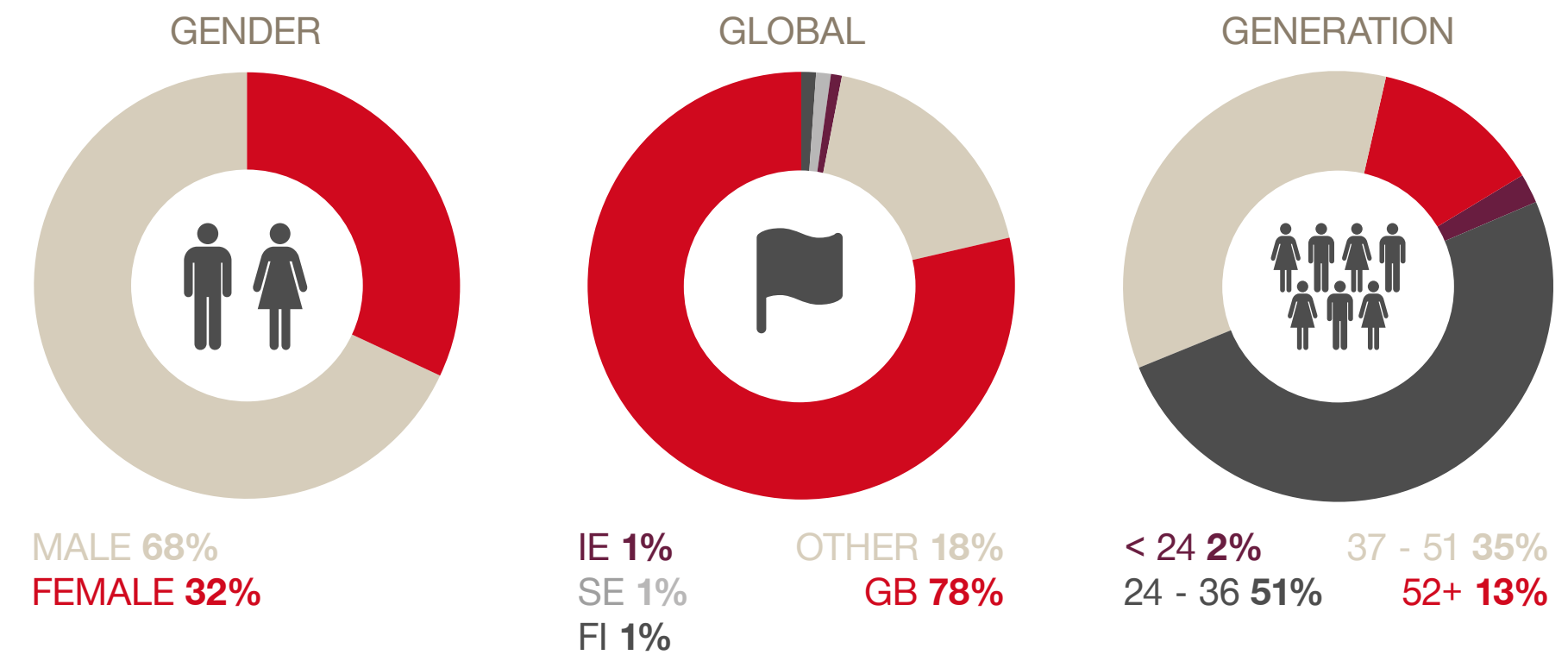
DIVERSITY & INCLUSION STRATEGY

Diversity & Inclusion (D&I) is embedded into our global corporate strategy, we recognise the best way to achieve our goals is to have a diverse work force. Diversity at Hilti focuses on what we call, the 3 G's:

- Gender
- Global
- Generation

A diverse work force is just one piece of the puzzle. Inclusion gives us the ability to see things from different perspectives which is essential if we are to continue to be creative, innovative and effective.

The breakdown of our workforce by diversity measure



We carry out an annual job evaluation and benchmarking exercise with our global colleagues, measuring our overall reward performance against the market. This allows us to develop a strong and equitable salary policy to ensure that our people receive equal pay for the same work or work of equal value whatever their gender, generation or global nationality.