

# TARMAC GENDER PAY GAP REPORT

2017





# INTRODUCTION

Our people are our most important and valued asset.

We want to be an employer of choice and believe that attracting, retaining and developing the best, most talented individuals, regardless of gender, is key to the future success of our business.

Tarmac's leadership team is committed to fostering a culture that promotes inclusivity and equality of opportunity for all, within a respectful, supportive workplace that values the contribution that both women and men make. We encourage career progression and endeavour to reward people fairly based on experience, behaviour and performance.

These principles form the basis of our approach to pay equality and this report outlines the ongoing actions we are taking to address any differences.

UK gender pay reporting legislation requires businesses with 250 or more employees to publish annual calculations showing any pay gap between male and female employees against the following parameters:

- Gender pay gap (mean and median)
- Gender bonus gap (mean and median)
- Proportion of men and women receiving bonuses
- Proportion of men and women in each quartile of the organisation's pay structure.

This report presents data for the whole of Tarmac, and for subsidiary companies that meet government reporting criteria.

Gender pay gap data is different to equal pay. Equal pay relates to pay differences between men and women who carry out the same jobs, similar jobs, or work of equal value. Gender pay gap is the difference in the average pay and bonuses between men and women across a business.

Overall, Tarmac's gender pay gap of 11.9% is lower than the reported UK average of 18.1%\*, but we recognise the need to continue to tackle this imbalance. Our gender pay gap reflects wider issues within industry - including the construction sector - regarding the representation and attraction of women, particularly into technical, operational, and STEM (Science, Technology, Engineering and Maths) roles. We will continue to work within our industry, with government and with other bodies to recruit and develop women within our sector and narrow our gender pay gap.

In this report, we outline the reasons behind the gender pay gap in Tarmac and the proactive steps we are taking to close this gap and create a more diverse workplace.

\* Source: Office of National Statistics 2016

# OUR GENDER PAY STATISTICS

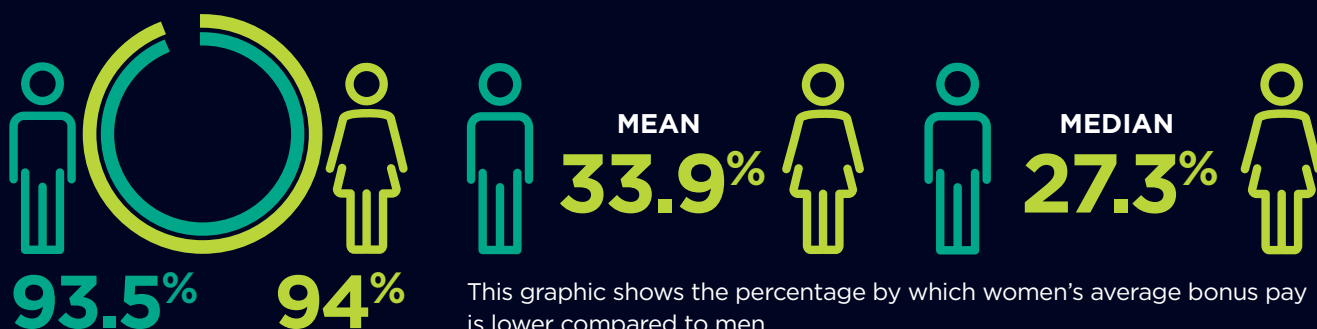
INFORMATION FOR ALL TARMAC ENTITIES\*

## HOURLY PAY



This graphic shows the percentage by which women's average hourly pay is lower compared to men

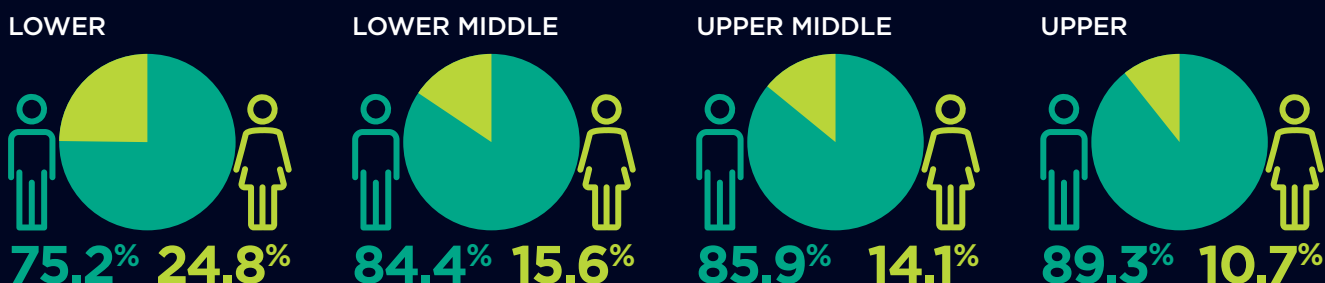
## BONUS PAYMENTS



This graphic shows the percentage by which women's average bonus pay is lower compared to men

The proportion of men and women receiving a bonus

## PAY QUANTILES



These quartiles are calculated by splitting the entire Tarmac workforce into four equal bands based on hourly pay from the highest (upper) to the lowest (lower). Here we show the percentage of men and women who sit in each band.

Pay and bonus levels figures published here for Tarmac are based on the mean (average) and the median (middle number) based on a payroll 'snapshot' taken on 5 April 2017. The pay gap is the difference between the hourly pay received by women and men.

\* The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require relevant organisations comprising multiple legal entities to report each relevant entity separately. See page 9 for a breakdown of data for our legal entities.





# WHY IS THERE A GENDER PAY GAP?

At the time of this report, women represented 17% of our total employee population.

We are actively working to increase the proportion of women at all levels in our organisation. In addition, we are engaging with industry and public bodies to improve perceptions of the construction industry and encourage potential employees - both male and female - to view our sector as an aspirational career choice across a wide range of disciplines.

Our gender pay statistics demonstrate that Tarmac's overall gender pay gap is 11.9%, compared to the reported UK average of 18.1%\*. The proportion of men and women receiving bonuses was very similar; 94% of women v 93.5% of men.

The main differential in gender pay can be explained by the fact that Tarmac currently has fewer female than male employees. This trend becomes more apparent in more senior positions within the business. In terms of bonuses, our figures are

influenced by the ratio of women to men employed in a part-time or flexible working capacity.

Bonuses are calculated on individual salaries and are pro-rata for employees working part-time. Currently, within Tarmac, women are 35 times more likely to work part-time, compared to male colleagues: this had a considerable impact on bonus figures. In addition, whilst every employee is invited to take part in the bonus scheme, a small percentage of employees would have missed the qualifying period for the year relating to this report, which is why there is slightly under 100% participation. (The invitation qualifying period closes for new employees joining Tarmac in the final quarter: for these employees their inaugural bonus payment will be the following year.)

\*Source: Office of National Statistics 2016 - the UK's gender pay gap is 18.1%





# OUR ACTIONS

We are continuing our work to attract and increase the proportion of women within Tarmac, as well as improve the perception of the construction sector as an aspirational career choice for females.

## **EQUALITY, DIVERSITY AND INCLUSION COMMITTEE**

- We have bolstered our Equality, Diversity and Inclusion (EDI) committee. Their role is to ensure that our business broadly represents the communities in which we are based and which we serve, and to help us create an environment of opportunity for all.

## **ATTRACTING MORE FEMALES**

- We take a gender-neutral approach to recruitment at all levels, and focus on the suitability of the candidate for the job.
- We are actively recruiting more females at all levels within our organisation to improve the

gender balance and ensure that we have more women developing through the business.

- We are continuing to build our engagement with educational bodies to reflect the opportunities and successes of females within our business, and help more young women to consider careers within construction and quarrying. We are also continuing to reflect women more widely in the imagery and case studies on our careers pages as more females join our business.
- In 2018, we plan to review the process for our graduate application scheme. Firstly, we will be exploring online assessments for graduates, where the results have no detail of age, ethnicity or gender until assessment centre. Research shows that the removal of unconscious bias can have a significant impact on the eventual applicant pool.

## FEMALE LEADERS AND MENTORS

- We commissioned an internal gender research report to help us understand the experience of women in our organisation. A random sample of 100 women were asked for their views, through confidential conversations with independent researchers. They were also asked for their thoughts on how we could increase the number of women in senior and operational roles. A key recommendation of the report was to introduce a mentoring scheme to provide an additional mechanism for career development. This was successfully piloted and the mentoring scheme is now in place across Tarmac. We are continuing to consider other initiatives off the back of this research.
- We are working to develop, promote and recruit more women into senior roles within Tarmac. In 2017, we recruited a female executive committee member to our leadership team.
- We have reinvigorated and expanded one of our Employee Development Programmes to support career development at all levels. Promisingly, females currently form around a third of all delegates on this programme.
- A group of Tarmac employees have established a Women in Cement initiative, which aims to enable women to network and discuss any challenges faced, share and promote success stories and champion women in the industry. Our Equality, Diversity and Inclusion committee is supporting this group to learn from its activities with a view to developing similar forums across the whole of Tarmac.

- We are active supporters of the 'Women in Construction' and 'Women in Engineering' initiatives. We also attend events aimed to promote STEM (Science, Technology, Engineering and Maths) subjects to younger females. Some of our employees act as STEM Ambassadors, giving educational talks at schools.
- We operate many site family open days across our business to promote our sector to future generations.

## FLEXIBLE WORKING

- We will be doing more to promote our existing flexible and agile working culture for all employees. We have made notable progress in ensuring we encourage a family-friendly work environment.

## USING DATA TO DRIVE CHANGE

- Better analysis of the data we capture is being used to improve our approach to understanding trends and putting measures in place to recruit more people from diverse backgrounds. In 2018, we will have more accurate real-time data for the new recruits and leavers to measure the impact of our actions.







# CASE STUDIES

## JILL SHIELD

### Regional HR Manager

I'm able to manage the dual challenges of being a mum of two young children with a senior HR management role, thanks to the flexible working that Tarmac offers.

I've been in HR for 20 years, but it was a job at the Port of Tyne that gave me a love for industry. I've been with Tarmac for five years. The diversity of my role, my position as a strategic business partner, and the daily interaction with people out in the business were key influencers on my decision to join.

The culture within Tarmac is open – people can challenge, make recommendations and be truly respected. I also have a great line manager who understands the demands of juggling family life and work, which makes a huge difference in terms of flexible working hours. For me personally, this 'juggling' is made easier as I'm also able to purchase

additional leave each year. This allows me to take time off in blocks during school holidays to help with childcare cover.

I'd love to see more women hold senior positions within Tarmac, and I know this is something the business is working on. I hope I'm a role model to both my children to show that it's about working in whatever industry that interests them, not about being male or female.



## KATIE SMART

### Head of Legal & Compliance

I joined the company in 2014 at an exciting time when the business was up for sale. I was drawn to the highly professional yet friendly culture, and the broad range of work involved in the role. In addition, I realised that Tarmac plays a big part in the UK construction industry which stands at the heart of the country's infrastructure.

My role covers a wide remit - I am responsible for the team delivering legal, compliance and corporate governance services to Tarmac. I love the fact that every day is different - I get to be a lawyer, a business leader, and a team player and genuinely feel I contribute to the success of Tarmac.

Perhaps contrary to perceptions of this industry, I have never been made to feel like a woman 'in a man's world'. The culture is very much about working together, with the right people - gender is not important. However, I do think the diversity of approach that females bring is of benefit to Tarmac and will make it even more successful.

Tarmac has been extremely encouraging in developing me as a business leader, including significant investment in placing me on a nine-month accelerated leadership programme with colleagues from across the globe.

My advice to women considering a role in Tarmac - just go for it! It's a wonderful place to work; there are so many different roles required to keep Tarmac operating, from our skilled operational colleagues on the front line, to those working in a more corporate head office environment.



## KAYLEIGH VAUGHAN-DAVIES

### Logistics and Supply Chain Graduate

I joined Tarmac's graduate programme in September 2016 after finishing University. I'd seen their products in DIY stores, but until I joined, I didn't realise the breadth of the company and its role in the UK's infrastructure and everyday life.

I was attracted to this job because I wanted to work with a company that offered lots of opportunities to young people, and held strong values around sustainability and the safety and wellbeing of their staff.

My favourite aspect of the job is definitely the people I work with. I meet new people every day - drivers, office staff, managers and maintenance teams. When my graduate scheme finishes, my long-term goal is to become a transport supervisor or manager.

I'd also like to work with local schools and colleges to encourage other females and young people to join the industry. I want to help them understand the range of careers on offer, not only in construction but also in logistics. It's an exciting and dynamic sector that I'm passionate about, and I want more youngsters and women to see the role they can play in driving innovation and technology.

From my experience, your gender has nothing to do with your development at Tarmac - it's your capabilities, your determination and your hard work that matter. It's a large company with a lot of roles available to suit anyone.



# OUR DIVISIONS

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require organisations comprising more than one legal UK entity with over 250 employees to report each relevant UK entity separately. Tarmac has five divisions that meet these criteria.

## TARMAC AGGREGATES LTD

PAY	Mean	Median	Quartile Data	Female	Male	BONUS	Mean	Median	Proportion of each gender paid a bonus	
Women's hourly rate difference (Lower)	19.5%	11.2%	1. Lower	14.9%	85.1%	Women's bonus pay (Lower)	58.6%	71.9%	Female	100%
			2. Lower Middle	6.8%	93.2%					
			3. Upper Middle	8.2%	91.8%					
			4. Upper	6.8%	93.2%				Male	100%

## TARMAC BUILDING PRODUCTS LTD

PAY	Mean	Median	Quartile Data	Female	Male	BONUS	Mean	Median	Proportion of each gender paid a bonus	
Women's hourly rate difference (Lower)	12.7%	13.6%	1. Lower	17.7%	82.3%	Women's bonus pay (Lower)	36.0%	10.2%	Female	93.6%
			2. Lower Middle	32.9%	67.1%					
			3. Upper Middle	20.1%	79.9%					
			4. Upper	11.4%	88.6%				Male	80.1%

## TARMAC CEMENT AND LIME LTD

PAY	Mean	Median	Quartile Data	Female	Male	BONUS	Mean	Median	Proportion of each gender paid a bonus	
Women's hourly rate difference (Lower)	16.9%	20.6%	1. Lower	21.1%	78.9%	Women's bonus pay (Lower)	42.5%	76.4%	Female	97.0%
			2. Lower Middle	7.3%	92.7%					
			3. Upper Middle	5.3%	94.7%					
			4. Upper	5.3%	94.7%				Male	97.0%

## TARMAC SERVICES LTD

PAY	Mean	Median	Quartile Data	Female	Male	BONUS	Mean	Median	Proportion of each gender paid a bonus	
Women's hourly rate difference (Lower)	14.9%	9.8%	1. Lower	27.6%	72.4%	Women's bonus pay (Lower)	44.8%	26.7%	Female	92.9%
			2. Lower Middle	29.3%	70.7%					
			3. Upper Middle	24.9%	75.1%					
			4. Upper	15.8%	84.2%				Male	91.9%

## TARMAC TRADING LTD

PAY	Mean	Median	Quartile Data	Female	Male	BONUS	Mean	Median	Proportion of each gender paid a bonus	
Women's hourly rate difference (Lower)	15.8%	14.3%	1. Lower	11.9%	88.1%	Women's bonus pay (Lower)	45.8%	29.5%	Female	100%
			2. Lower Middle	2.4%	97.6%					
			3. Upper Middle	2.6%	97.4%					
			4. Upper	2.6%	97.4%				Male	98.7%

We remain committed to gender pay equality, promoting diversity in our workforce, and to attracting and developing the best people, regardless of gender. We look forward to reporting our progress and longer term actions in 2019. The content of this report is accurate and in line with government reporting requirements.



A handwritten signature in black ink that reads "Martin Riley".

MARTIN RILEY  
Senior Vice President,  
Tarmac



A handwritten signature in black ink that reads "Oliver Mahon".

OLIVER MAHON  
Senior Vice President,  
Europe North