



Gender pay gap report

2018



Introduction

At Tarmac, we recognise that a more inclusive and diverse workforce will deliver significant benefits and help future-proof our business. Our aim is to be an employer of choice, recruiting and retaining the best people for the job.

Traditionally our sector has been male-dominated. We are making breakthroughs in changing perceptions and highlighting the range and quality of career opportunities available in our business and industry.

We are working hard to recruit and retain more women and we are also reaching out to people in education – from primary school upwards – to address stereotypes and present the breadth of exciting career opportunities we offer. However, the size of the challenge should not be underestimated – changing perceptions and eradicating stereotypes requires a long-term focus.

This is our second Gender Pay Gap Report, produced in line with Government requirements for businesses of 250 or more employees. It outlines

the following statistics for Tarmac as a whole, and for our subsidiaries:

- Gender pay gap (mean and median)
- Gender bonus gap (mean and median)
- Bonus data
- Pay quartile data.

The terms 'gender pay gap' and 'equal pay' are different. Equal pay refers to men and women receiving the same pay for doing the same or similar job. We are confident that our employees receive equal pay for work of equal value. Gender pay gap is the difference between a woman's average hourly pay and that of a man, when looking at pay rates across a whole business.

For Tarmac, 2018 was a year of considered thinking and establishing robust campaigns and strategies to enable long-term improvements to our gender balance. This report outlines the ways in which we are working to establish a business that is inclusive and diverse at all levels, and where the pay gap is being closed.

Our Gender Pay statistics

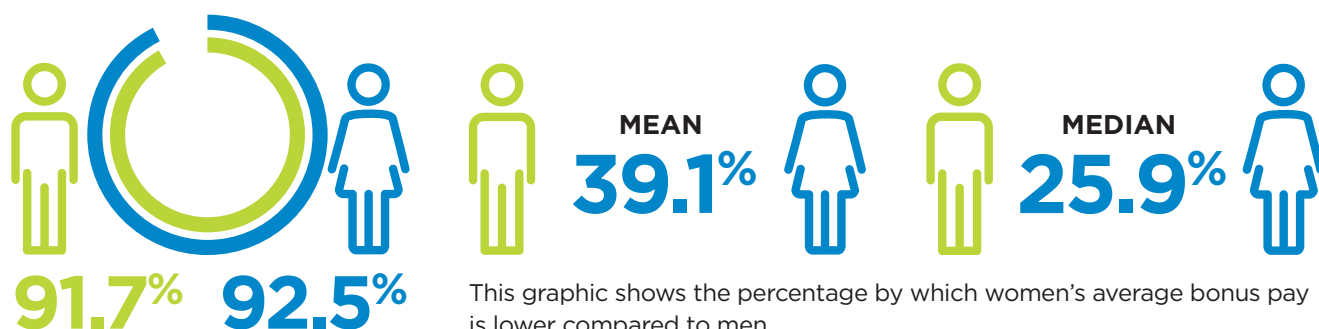
Information for all Tarmac entities*

HOURLY PAY



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

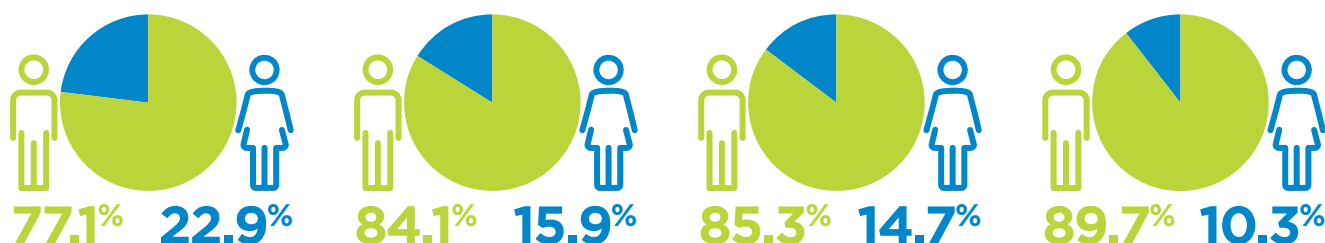
BONUS PAYMENTS



The proportion of men and women receiving a bonus

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

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.

Hourly pay 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 2018. The pay gap is the difference between the hourly pay received by women and men.

Bonus figures published here for Tarmac are based on bonus payments received in the twelve-month period preceding the snapshot date of 5 April 2018. The figures are the mean (average), the median (middle number) and the percentage of men and women receiving bonuses. The gap is the difference between the bonuses 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 10 for a breakdown of data for our legal entities.



Why is there a gender pay gap?

In 2018 our workforce remained very similar in terms of male/female split; the mean (average) gap in pay between men and women also stayed stable in comparison with the 2017 figure.

Tarmac's overall mean gender pay gap (as at the snapshot date of 5 April 2018) was 11.7%, a slight improvement on the 2017 figure of 12.4%. (The national average pay gap for 2018 was 17.9%*). The difference in the median (or middle) figure for hourly pay was 12.4%, a slight increase on the 2017 number of 11.9%.

There are three main reasons for the difference in pay. We have significantly fewer women than men in the business; we have a much larger number of part-time female employees; and we have too few women in senior roles.

A similar number of men and women received bonuses in 2018 – 92.5% of women and 91.7% of men. However, the gap in average bonus amounts is significant, with women's average bonus being 39.1% lower than the average figure for men.

Bonuses are calculated on individual salaries and are pro-rata for part-time employees. Therefore, one of the most significant factors is that we have a significantly higher number of part-time female employees (15%) than male employees (0.4%) has a clear impact on the bonus figure.

In addition, while every employee is invited to take part in the bonus scheme, a small percentage would have missed the qualifying period for the year relating to this report – year ending 5 April 2018.

We recognise that there is no quick fix for addressing the gender balance and increasing the number of women in our business, but we are laying the foundations for long-term, sustainable growth and change for a more inclusive and diverse Tarmac.

We continue to nurture our female talent and support the promotion of women to more senior roles, encourage more women to join us, and educate students of all ages about the opportunities that Tarmac provides.

*Office of National Statistics – Gender Pay Gap in the UK: 2018 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2018>

Our actions

We believe that a more diverse workforce will make us a better business. Addressing our gender balance is part of our activity towards establishing a more inclusive and diverse workforce. We are focused on promoting the exciting range of aspirational careers on offer within Tarmac and the wider construction industry, recruiting and retaining the best people for the job and fostering a fair and supportive culture that promotes opportunities for all.

Here we present some of the actions we are taking to move towards an increasingly inclusive and diverse Tarmac where gender balance and the gender pay gap is addressed.

RECRUITMENT & RETENTION

- **Inclusive approach to recruitment:** We take a gender-neutral approach to recruitment and we are now demanding more diverse shortlists from recruitment agencies. For example, the information required for online applications for graduate and apprenticeship posts does not include age, ethnicity or gender. In 2017, 16.7% of our graduate intake was female; in 2018 this number grew to 36.7%. For apprenticeships, we also saw an improvement in the male/female balance – from 6.7% in 2017 to 22.2% in 2018.

- **More women in senior roles:** We are actively recruiting more women at all levels in our business. The 2018 appointment of Johanna O'Driscoll as Finance Director has given us another strong senior female role model and we are aiming to build on this in 2019. Read more about Johanna on page 9. In addition, we are taking part in the 30% Club Mentoring Scheme, run by award-winning social enterprise, Women Ahead. This nine-month scheme involves a number of female Tarmac employees participating as mentees, as well as senior leaders from our business mentoring women with high potential to progress up the career ladder. The 2,500 people in the 107 organisations which have already taken part report many benefits, including mentors having a better understanding of the issues being faced by high-potential women, and mentees appreciating the access to impartial advice.





- **Learning and development advisor:**

We strengthened our Learning and Development team by appointing an advisor whose role is to specifically focus on attracting and developing employees in their early careers and helping ensure a more inclusive approach.

- **Working with outside organisations:** We are working with organisations including Diversity Hut and Corporate Research Forum to deliver training to support our efforts in attracting more diverse talent, sharing best practice and discussing 'unconscious bias'.

- **Reviewing policies and practices:** All our learnings are being channelled in to a review of our policies and practices. With these improvements in place, we hope to build a 'pipeline' of women who are developing and progressing through our business, ready to take on senior roles.

- **Employee survey:** In 2019, we will be undertaking an employee survey to support the development of inclusion and diversity activity.

- **Flexible working:** This year we have established a policy group to look at enhancing our offering in this area and will be reviewing and rolling out recommendations in the coming months.

FUTURE LEADERS

We want to inspire the future generation of leaders in our business, regardless of gender. Our Future Leaders community is made up of more than 100 18-25-year olds who have been identified as having the potential to play leading roles in the business in the future. Traditionally, this group has been less than 10% female but over the last couple of years we have progressed that figure to around 30%.

SHARING BEST PRACTICE

- **Employee Development Programmes:** We have established Employee Development Programmes (EDPs) for employees at all levels. These programmes encourage people from all parts of the business to come together, build new relationships outside of their normal working environment, and gain new business skills. EDPs are working on several business challenges and in 2018 two of these groups focused on inclusion and diversity. To find out more about one of our EDP members, turn to page 8 to read about Kate Barrett.

- **Inclusion and Diversity Panel:** Made up of senior representatives from large cross industry companies, this panel is providing us with an 'outside in' view of our current work in this area. It is a two-way forum which both challenges the work we are currently doing and provides us with ideas and tried and tested best practice examples.

EMPLOYEES OF THE FUTURE

- **Science Technology Engineering and Maths (STEM) ambassadors:** Addressing misconceptions about careers in this industry and promoting opportunities to all young people in education is a key area of focus.

Across the country Tarmac sites have active partnerships with nearby schools and colleges and we are building on this activity by training more STEM ambassadors.

These ambassadors spend time with students of all ages, giving careers talks, running practical exercises and stimulating enthusiasm and interest in STEM careers.

Turn to page 9 to read about Josie Shereston, one of our STEM ambassadors.

- **Duke of Edinburgh's Award:** We have launched a new partnership with leading youth charity The Duke of Edinburgh's Award (DofE). Under-23-year-olds from across Tarmac are being offered the opportunity to complete their Gold DofE Award, as part of an 18-month programme, with a focus on developing valuable skills for business such as team-working, resilience, determination, communication and a positive approach to work. By offering DofE, we are helping young people build better futures by creating opportunities to gain skills and experience, particularly for those not on formal development programmes (such as graduates and apprentices).

- **International Women in Engineering Day:**

We have supported this annual event, run by the Women's Engineering Society (WES) which aims to increase the profile of women in engineering worldwide and focus attention on the wealth of career opportunities available to girls in engineering and related industries.

In 2018, for example, we linked with a primary and secondary school near our cement plant in Barnstone, Nottinghamshire to encourage girls to take a fresh look at engineering. The primary school pupils designed a poster to promote Women in Engineering Day.

The secondary school students were involved in practical exercises using Meccano to build specific structures. With only 12.8% of the UK's Science Technology Engineering and Maths (STEM) workforce being women*, we are keen to help redress the balance and show girls how engineering can be an exciting career choice.

SUMMARY

Addressing the gender balance of our workforce is a long-term commitment for both Tarmac and the wider construction industry. With the development and implementation of the activities outlined in this report, we are laying the right foundations for sustainable growth and impact. More still needs to be done but we're continuing to challenge ourselves to drive real change and are firmly focused on attracting and nurturing more female talent.

*<https://www.theguardian.com/news/datablog/2015/jun/13/how-well-are-women-represented-in-uk-science>





CASE STUDIES

Kate Barrett

Multi-skilled operative, Bestwood Quarry, Notts

When Tarmac advertised for someone who was 'passionate about safety' to join their team at Bestwood Quarry in Nottinghamshire, I knew this was my chance to step out of the comfort zone of my family business.

I joined in May 2017 as a multi-skilled operative, working in all areas of the quarry and on all types of equipment from loading shovels to managing the weighbridge. I love the variety of my work – no day is the same. I am also the site's health and safety representative, encouraging the team to share ideas and problems, and keep a look out for each other.

The team I work with are mostly men with the closest in age being 53 (I am 28)! They have been welcoming from the start, helping me get to grips with the way the quarry operates and making my job really enjoyable. Being an equal part of the team is not about age or gender – it's about hard work and demonstrating that you have a 'can do' attitude.

Having been 100% welcomed into the Tarmac family, I am grabbing every opportunity thrown my way. One day I can be working on site, and the next presenting to directors as part of the Equality, Diversity and Inclusion committee! I am also involved in the Employee Development Programme (EDP) and last year I was asked to join the Institute of Quarrying council.

From my experience I would advise women thinking about joining Tarmac to put aside the perceived stigma of it being a male-dominated industry and just give it a go!

Johanna O'Driscoll

Finance director

In the 13 years I have worked in the construction materials sector, I have always had positive experiences, benefitting from the guidance and insight of primarily male managers who proactively supported my career progression. I have been lucky enough to do extensive international travel in previous roles but moving from Ireland to join Tarmac in late 2017 gave me the personal opportunity to experience living in a different country.

Tarmac's successful track record, ambitious plans for growth and strong people development culture helped me make the decision to take up the UK role.

I love the variety of my job – one day I can be working with the strategy team on an acquisition opportunity and the next working with recruitment agencies to promote the Tarmac brand and values to attract the best people. Having been encouraged throughout my career, I am now actively involved in various initiatives to promote career development



for others. I have had both male and female mentors since my early 20s; this has undoubtedly made a huge difference to the way I viewed my own professional development. Diversity of thought from all ages and genders is invaluable and I encourage colleagues to make the most of opportunities and to be guided by team members around them.

There may be an external perception of this being a male-oriented business, but I have always found it to be very inclusive with many career opportunities and a great team dynamic. For women considering applying for a job in Tarmac, I would say there's no need to hesitate – sign up!



Josie Shereston

Environment coordinator, Barnstone Cement Plant and Cement & Lime Logistics / STEM ambassador

A school trip to a cement works near where I grew up may have resulted in me starting an apprenticeship at Aberthaw Works in 2003. I was the first female employee there since the war and from the start I felt like one of the team. There have

been no barriers to my career progression, including a period as the first female Control Room Operator in the UK.

My role now involves ensuring that Barnstone Plant and the other sites in the Cement & Lime business supply chain are compliant with all environmental standards - eg ISO14001. I love working with a variety of people at all levels and in locations from Inverness to Liskeard. I can be at my desk one day preparing for site audits, and out on site the next helping farmers round up escaped sheep!

Being part of the Tarmac team has opened doors to other rewarding work. As a Science Technology Engineering and Maths (STEM) ambassador I enjoy going into schools and talking about the opportunities our industry offers. Girls in particular need to be reassured that STEM subjects can lead to all sorts of exciting career opportunities.

I also help ensure Barnstone Plant has a good relationship with the local community. One annual highlight is the Macmillan Coffee Morning which Tarmac hosts with the Parish Council; it allows me to put my baking skills to the test!

There should be no obstacles to women working in our industry. If you are good at what you do and you work hard, the opportunities are there and equal.

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)	4.6%	-5.1%	1. Lower	10.6%	89.4%	Women's bonus pay (Lower)	59.7%	65.5%	Female	100%
			2. Lower Middle	3.0%	97.0%					
			3. Upper Middle	12.1%	87.9%					
			4. Upper	9.0%	91.0%				Male	96.7%

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)	9.0%	22.5%	1. Lower	31.7%	68.3%	Women's bonus pay (Lower)	46.8%	11.5%	Female	92.8%
			2. Lower Middle	24.3%	75.7%					
			3. Upper Middle	14.2%	85.8%					
			4. Upper	9.2%	90.8%				Male	76.4%

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)	19.6%	20.7%	1. Lower	23.0%	77.0%	Women's bonus pay (Lower)	35.9%	77.0%	Female	91.3%
			2. Lower Middle	7.5%	92.5%					
			3. Upper Middle	5.4%	94.6%					
			4. Upper	5.0%	95.0%				Male	96.2%

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)	16.8%	11.0%	1. Lower	28.5%	71.5%	Women's bonus pay (Lower)	51.6%	23.0%	Female	95.1%
			2. Lower Middle	26.3%	73.7%					
			3. Upper Middle	23.7%	76.3%					
			4. Upper	14.7%	85.3%				Male	96.1%

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)	13.9%	16.2%	1. Lower	12.7%	87.3%	Women's bonus pay (Lower)	47.0%	30.3%	Female	72.4%
			2. Lower Middle	4.8%	95.2%					
			3. Upper Middle	2.1%	97.9%					
			4. Upper	3.3%	96.7%				Male	89.3%

We are committed to making Tarmac a place where everyone has the same opportunity to develop and progress, and where our working environment supports people performing at their best, irrespective of their gender, ethnicity, orientation, religion, disability or age. We look forward to reporting our progress on actions to address our gender pay gap in 2020. 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