



Gender pay gap report

2020



Introoduction

Tarmac is dedicated to being an employer of choice, offering a variety of career opportunities carried out by talented people who make a difference within local communities.

Creating a fair and supportive culture that promotes opportunities for all where everyone is proud to be themselves, influences both the decisions we make and the direction of our business. We continued to take positive action to further increase the diversity of our people during 2020 and we are pleased to see this positively represented in our figures.

We are pleased to report that our median and mean gender pay gap reduced by over 20% compared to 2019, when calculated using the last full pay period. This reflects the huge strides we are taking as an organisation to close the pay gap.

In line with Government regulations, every business with 250 or more employees is required to produce a gender pay gap report. This is our fourth report, outlining what our gender pay gap figures are and what the figures mean. It also highlights the practical steps being taken to close the gender pay gap.

In this report, we discuss the following statistics:

- 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 know 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.

Detailed in this report are statistics for Tarmac as a whole and its subsidiaries. We are proud to report that we reduced our gender pay gap and saw a reduction in the mean and median compared to 2019. This development is testament to the continued efforts of our people, who we want to thank for their hard work and support in helping us to further reduce our gender pay gap.

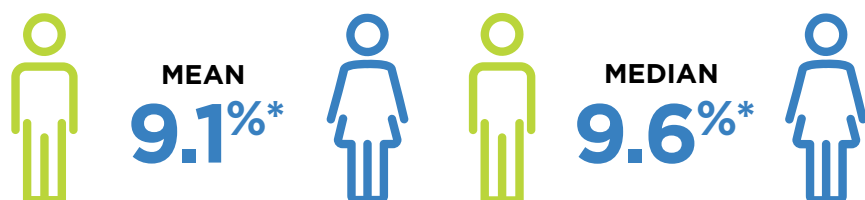
As well as highlighting what we are doing to further close the gender pay gap, this report is a celebration of the talented women who work with us and are shaping our future and that of the industry. Three such employees are Katherine, Katy and Joanne. Read about their first-hand accounts of what it's like to work at Tarmac on pages 8 and 9.



Our gender pay statistics

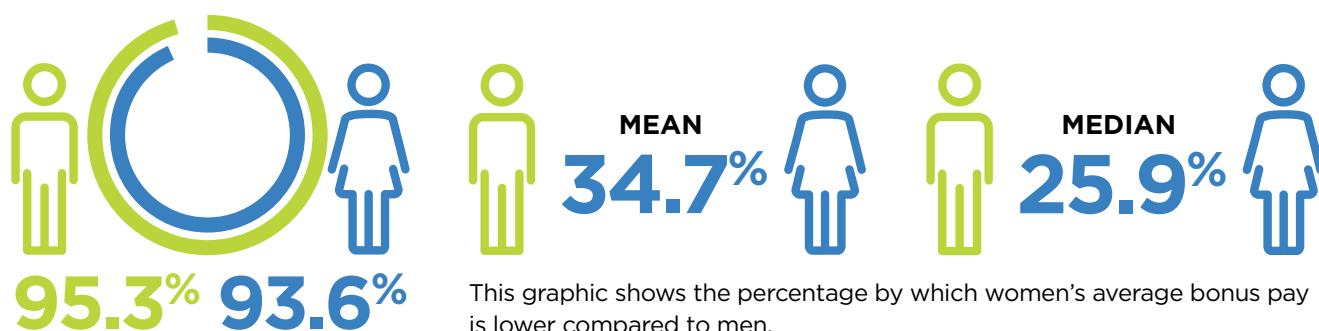
Information for all our Tarmac entities**

HOURLY PAY



This graphic shows the percentage by which women's average hourly pay is lower compared to men. *The median and mean pay gap using the last full pay period prior to employees being affected by furlough. The Tarmac group mean gender pay gap on the snapshot date of 5 April 2020 was 19.2% and the median gap was 20.1%.

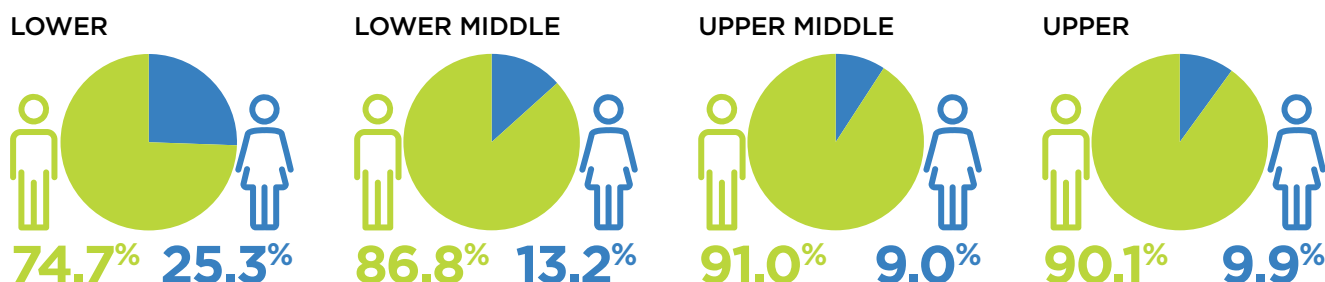
BONUS PAYMENTS



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.

Hourly pay figures published here are based on the mean (average) and the median (middle number) based on a payroll snapshot taken on 5 April 2020. 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 2020. 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?

Our workforce in 2020 continued to be predominately male, with 83% men and 17% women.

As we entered the Covid-19 pandemic, our employee population was impacted and a proportion furloughed. In line with Government guidelines, employees placed on furlough are excluded from gender pay gap calculations. For reporting purposes this altered Tarmac's workforce at the time of the snapshot date and therefore distorted our 2020 reportable figures.

If we look at the median and mean pay gap in the last full pay period prior to furlough, we are proud to see a positive improvement. The mean pay gap at this time was 9.1% (11.7% in 2019), with the median pay gap at 9.6% (12.2% in 2019). These figures are favourable compared to the UK national average of 15.5%* and reflect the strides we are taking to close the pay gap.

This positive development is testament to our people, both women and men, and their continued

efforts in helping us shape the perception of women in the industry and for their part in driving cultural change in our business.

The gap in the median bonus gap was 25.9%, this represents a 6.9% reduction from the 32.8% reported in 2019. This gap can be explained in part due to a higher proportion of female employees having part time roles, as our bonus is offered as a percentage of salary. The mean bonus gap also reduced, with women's average bonus being 34.7% lower than the average figure for men, a fall of 0.8%.

The proportion of men and women receiving bonuses was similar, with 95.3% of men and 93.6% of women. All employees are invited into a bonus scheme and only those not meeting the qualifying criteria (which is based on an employee's start date) did not receive a payment.

While we are pleased at the progress being made, we recognise that more needs to be done as a business and as an industry to close the gap.

Our actions

We are actively finding and delivering innovative ways to make long-term change within our business and wider industry.

With the right building blocks now in place, we remain committed to attracting and retaining women and ensuring that our workforce is reflective of the diverse communities in which we operate.

Tarmac is committed to achieving this and strives to do the right thing. Over the past few years, we have had campaigns, policies and activities embedded throughout the business. As a result, we are developing and encouraging a culture where employees are stopping and considering inclusivity and diversity at every opportunity. This, we believe, will help to deliver real change when it comes to closing the gender pay gap and changing the perception of how it is for women working in the construction industry.

We have been listening to our people and focusing on ensuring we create a fair and supportive culture that promotes opportunities for all. Our recent employee engagement surveys have told us that we had some work to do to enhance policies in key areas.

We are passionate about attracting and retaining more women into our business and we have upgraded both the financial and personal support we offer our employees whilst on maternity leave. We are working hard on strengthening all our people policies to ensure inclusion for all.

Below are a number of actions we have taken over the past year to continue to tackle the gender pay gap and achieve a more inclusive and diverse workforce.

UPDATED PEOPLE POLICIES

In 2020, we launched an updated maternity policy, to upgrade both financial and personal support. We are excited to be able to offer attractive policies for women which we anticipate will help with retention within the business. Changes include:

- Enhanced maternity pay duration from three months to six months
- Company-funded pension contributions will continue during Statutory Maternity Pay
- Ramp down to leave, and ramp up to return to work – no impact on pay
- Maternity buddy – to provide an enhanced way to keep in touch and support for employees on return to work





RECRUITMENT AND RETENTION

How we recruit:

Building on the launch of a new resourcing hub in 2019, we continued to focus on attracting top talent and a more diverse pool of candidates to Tarmac. We constantly look to improve the way we recruit, using the most appropriate language in our adverts to make sure that everyone has the opportunity to apply for our jobs. Our recruitment approach is underpinned by our inclusion and diversity agenda.

Over the past year, we have partnered with a number of organisations, that are supporting us with sharing our jobs with different communities, that would help improve our diversity. In addition to this, we are also monitoring applications so we know who is applying and who is succeeding in getting the roles.

Job adverts:

On all of our job adverts we now advertise that we are 'open to flexi working' and also include our I&D statement.

I&D Manager role:

Further to the successful appointment of a Head of Inclusion and Diversity in 2018, we created a new role of Inclusion and Belonging Manager. Together, the new team is delivering our inclusion and diversity agenda business wide, driving forward further improvements in our policies, procedures and culture.

Supporting more diverse applications:

We have partnered with a number of organisations who are supporting us to engage and promote our roles to those we are actively trying to attract, such as members of Black, Asian and Minority Ethnic

(BAME) communities and women. We are also monitoring applications, so we know who is applying for and who is successful in getting roles.

TRAINING AND DEVELOPMENT

Unconscious bias training:

In 2020, we continued to deliver this important training programme to over 300 leaders across the business, which we are now delivering virtually. The aim of the training is to challenge perceptions and create awareness of implicit bias and eliminate any unconscious discriminatory behaviours in the business.

Inclusive workplace training:

We have carried out 'train the trainer' sessions with HR managers, which will now be rolled out to managers across the business to further embed inclusivity at Tarmac.

PROMOTING INCLUSION AND DIVERSITY

Welfare facilities:

We've completed an audit of all our onsite welfare facilities, from washrooms to accessibility and quiet spaces. We want to ensure all welfare facilities are inclusive, accessible and reflect our diverse workforce. Recommendations from this audit will start to be rolled out in 2021.

Inclusion and diversity (I&D) champions:

We've now selected and trained 40 volunteer inclusion and diversity champions. They actively promote I&D across the business, suggest areas for improvement and gather and share feedback on the materials we produce and changes we make.

Community forums:

Plans to develop virtual 'employee communities' got underway in 2020 – these saw the creation of safe spaces hosted on our intranet where people can chat and share ideas. These launched in January 2021 and cover:

- Women aka Female Voice
- Parents and carers
- BAME
- LGBTQ+
- Mental health and wellbeing
- I&D champions

These all underpin the needs of our employees and each one is supported by one of our directors, ensuring that employees' voices are heard at the highest level and barriers are removed.

Best practice sharing:

Tarmac sits on Highways England's (HE) inclusion and diversity (I&D) suppliers' group, known as the Supplier Diversity Forum (SDF). The aim of the forum is to share best practice and share experiences with our peer group and HE. The forum is part of the HE collaboration board and influences the wider supply chain I&D practices.

We also host and facilitate an external panel with representatives from companies in and outside of our sector. This panel aims to:

- be a small, productive and proactive working group
- provide collective support on I&D / social mobility journey(s)
- provide a forum to share ideas / best practice
- be a critical group of friends who can positively challenge and influence

ACCREDITATION

Clear Assured:

To evidence the strides we're making in inclusion and diversity, we felt it was time for us to seek external verification of our approach. In 2021 we achieved a globally recognised accreditation for our commitment to inclusion and diversity in the workplace. The Clear Assured Bronze Standard, from assessment body The Clear Company, is awarded to businesses which can demonstrate inclusivity and diversity are reflected across all policies and processes and we are now confident the building blocks are in place to build upon.

INVOLVEMENT ACTIVITIES

Personal branding workshop:

We hosted a personal branding workshop for employees with #YesSheCan. #YesSheCan works to help women break their career glass ceiling by providing coaching, training and development to upskill, inspire and empower.

International Women's Day:

In March 2020, we celebrated International Women's Day internally and externally via our social media channels, with senior leadership involvement and commitment to the cause. We sent internal communications to 7,000 employees UK wide and celebrated the day with our 8,500 Twitter followers and 34,000 LinkedIn followers, with high engagement rates.

Black History Month:

In November 2020, we marked Black History Month by welcoming inclusion and diversity leader and Network Rail director Loraine Martins OBE to meet employees and host a Q&A on I&D best practice.





Case studies

Katherine Evans

Katherine is a Geotechnical Manager and dedicated co-chair of our new employee community, Female Voice.

I started my career in Tarmac as a Senior Geologist for South Wales in 2016. I was promoted to Geotechnical Manager in January 2019, covering South Wales, the South West, London, the South East and Anglia.

It's well documented our industry is heavily male dominated and, as a result, I have always had an eye out for opportunities to engage with other women in Tarmac.

A few years ago, I noticed there was an online group called Women in Cement and contacted them for support in trying to get something up and running for the South Wales Materials side of the business. I established a small online community initially for South Wales women but invited anyone to join from other areas.

It wasn't long after that the inclusion and diversity team was set up. A survey was sent around to everyone to ask what employees thought about the company's inclusion and diversity policies and, at the bottom, you could opt in to become an inclusion and diversity champion.

I quickly replied and rolled my sleeves up. That was the point at which things really started to change.

We raised a number of issues about some of the facilities on sites, which resulted in welfare audits across all Tarmac sites and the issues being quickly addressed with additional funding made available to do so.

These activities provided a catalyst for more activity and discussion between women in the business and there was a real interest in the improvements that were made.

This year the inclusion and diversity team has set up 'employee communities' on the company intranet. These hubs are like the previous online communities giving people an opportunity to join in a discussion whether you identify as being part of the network, you're an ally, or you want to learn more. Each is sponsored by a director who takes an active role in the group. Communities are chaired by employees who took an active role in instigating change in our industry before the communities were established. I am very proud to be the co-chair of Female Voice.

I have been overwhelmed by the changes that have happened over the past few years, and I would encourage people to get involved if they want to see change. My experience has shown that women's voices can be heard and that there are opportunities for discussion and change within Tarmac.

Katy Yarnold

Katy is Area HR Manager (Marine and Land and Natural Resources) and has benefitted from recent enhancements to Tarmac's maternity policy.

I joined Tarmac in February 2018 in my role as an Area HR Manager for the Marine and Land and Natural Resources teams. I really love the variety the role provides, with different people, teams and problems every day.

From my very first day at Tarmac, I have always felt incredibly well supported, but this support was amplified in May 2019. My daughter was born three months premature.

While I had planned a smooth transition and handover for my team, unfortunately, my maternity leave had to start abruptly. Regardless of what must have been quite a shock to my colleagues, the support I had from immediate managers, teams and the wider organisation was incredible. I was overwhelmed by the kindness.

Maternity can be quite isolating, mine arrived really quickly, but the team checked in regularly all the way through and sent cards.

I was due back to work in July 2020 but fell pregnant again. While incredibly nervous to break the news to my team, they couldn't have been kinder and more delighted for me. As a result, I will return

back to work in March 2021, having done plenty of keep in touch days in between. I have also benefited from the maternity buddy scheme, which has provided me with regular support, keeping in touch with me and as I looked to return to work.

The new maternity package was introduced by the time I was on maternity leave for a second time and offers enhanced pay for longer and it has made such a difference to my family.

I've also still received company-funded pension contributions that have continued during my Statutory Maternity Pay. It has removed any concerns I may have had financially, and I'll also be utilising a phased return when I go back.

I hope my situation gives others confidence in the policy, regardless of the situations you find yourself in, so that you can comfortably have the conversations with your line manager.

I've been amazed how everyone, across the business, has supported me with my return and it's clear that that support is institutional, not just in my part of the business.

Personally, I take huge enjoyment out of supporting women in the business. I continue to mentor female graduates, particularly those who come through operational roles, as it's great to see them develop and thrive within their roles.

Joanne Stephens

Jo is Head of Commercial (Cement and Lime), MBA graduate and advocate of flexible working at Tarmac.

I work in the lime and powders business, which is part of Tarmac Cement and Lime. I joined the commercial team in 2007 as a Business Analyst; located at Tunstead Quarry in Buxton, with the office based at one of our production sites.

During my time in Tarmac, I have had some really supportive managers, who have actively encouraged my development and helped me progress to my current role as Head of Commercial, which I started in December 2020.

I have really benefitted from some of the policies in place and have even been helped with further education.

In 2016, after a number of development planning conversations with my manager, I felt incredibly lucky to be sponsored by the business to do an MBA at Warwick Business School. With two small children, it was definitely a challenge, but the business bent over backwards to help me. Not only were the costs of the course covered, but I was able

to work it around my day job and given time to attend face to face modules.

I have also made use of flexible working options, with the support of my male managers, and have worked 4 days a week since having children. This has never been an issue. Even when stepping up into my new role, the business has always tried to accommodate my needs at every step.

In turn, I have tried to pass this on to my team and promote flexible working, both for men and women. This is vital so that they too can juggle personal or family commitments alongside their work commitments. In the past, there was more of a presenteeism culture but our current leadership and policies are helping to shift this mindset and to change the shape of roles in the business to meet people's needs.

For myself, I have found that when I've asked to make a change, either in the way I work or in progressing my development, I have been met with a positive response by Tarmac. The lime and powders business as a whole is a supportive and positive place to work.

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)	25.8% -1.5%*	34.6% -0.7%*	Lower	12.5%	87.5%	Women's bonus pay (lower)	-9.8%	14.4%	Female	100.0%
			Lower middle	12.5%	87.5%					
			Upper middle	5.7%	94.3%				Male	92.5%
			Upper	0.0%	100.0%					

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)	28.1% 2.8%*	24.0% 3.4%*	Lower	33.3%	66.7%	Women's bonus pay (lower)	55.7%	12.0%	Female	100.0%
			Lower middle	17.4%	82.6%					
			Upper middle	24.4%	75.6%				Male	100.0%
			Upper	6.5%	93.5%					

Tarmac Cement & 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)	19.5% 10.0%*	23.6% 13.3%*	Lower	22.0%	78.0%	Women's bonus pay (lower)	15.6%	72.6%	Female	95.3%
			Lower middle	8.8%	91.2%					
			Upper middle	4.8%	95.2%				Male	95.4%
			Upper	3.3%	96.7%					

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)	25.1% 16.4%*	19.2% 13.4%*	Lower	40.2%	59.8%	Women's bonus pay (lower)	52.7%	31.2%	Female	96.3%
			Lower middle	22.4%	77.6%					
			Upper middle	20.4%	79.6%				Male	98.6%
			Upper	11.1%	88.9%					

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)	23.3% 13.2%*	23.2% 16.9%*	Lower	18.0%	82.0%	Women's bonus pay (lower)	43.9%	32.4%	Female	82.0%
			Lower middle	8.2%	91.8%					
			Upper middle	5.1%	94.9%				Male	91.2%
			Upper	3.3%	96.7%					

*The median and mean pay gap using the last full pay period prior to employees being affected by furlough.

We are dedicated to continuing to support an inclusive and diverse workforce, where everyone can succeed and develop. We look forward to reporting our continued progress on actions to address our gender pay gap. The content of this report is accurate and in line with government reporting requirements.



A handwritten signature in blue ink, appearing to read 'P. Buckley', written over a light blue horizontal line.

PETER BUCKLEY

Senior Vice President, UK