

Gender pay gap report





Hanson is committed to being a fair, respectful and inclusive organisation that will build a culture that values meritocracy, openness and transparency.

Whilst confident that we have equal pay, we accept we have a gender pay gap. For the combined Hanson UK Business our gender gap pay is 16.3 per cent, lower than the reported UK average of 17.4 per cent*. The main reasons for this are that we have fewer women in senior positions and in operational production roles which attract weekly bonuses and shift premiums.

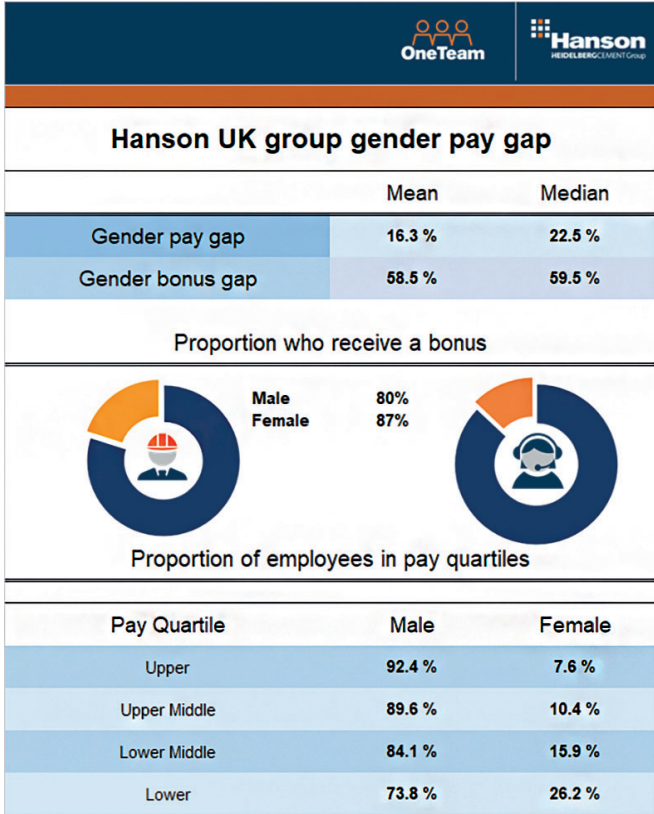
We have made steps to improve our gender balance and diversity, but this will take time. We have a team of senior leaders who will continue to review our position and identify areas that require attention. This work will cover how to attract more women into the industry, how to remove bias from process and policies, and ensuring that everyone who works for or with us feels respected and included regardless of gender or any other characteristic.

I confirm the gender pay gap data contained in this report for Hanson Quarry Products Europe Limited and Castle Cement Limited is accurate and has been produced in accordance with the guidance on managing gender pay development by the Arbitration and Conciliation Service (ACAS).

Daniel Cooper
CEO

* Source Office for National Statistics 2017 published.

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Hanson UK gender pay gap report

The regulations require all companies with 250 or more employees on 5 April 2017 to publish details of their gender pay and bonus gap. Within Hanson UK there are two employing entities required to publish this data and they are detailed on page 6; along with the definitions of mean and median.

We have chosen to voluntarily publish our consolidated data as we believe the consolidated UK data, in table 1, is more meaningful.

The gender pay gap is the difference in the average pay and bonuses of all men and women across an organisation. Whilst we are confident we have equal pay for work of equal value, we do have a gender pay gap when we compare the overall average pay and bonuses for men and women. This gap is due to the unequal distribution of men and women across the company, not as a result of our pay practices.

Equal pay

Hanson UK is committed to equal pay for equal work and is evidenced and controlled in the assessment of annual performance ratings and reward practises to check for unconscious gender bias in their allocation. We use Hay job evaluation methodology to grade our staff roles and this underpins our pay policy and practises. We complete a gender skew audit as part of our annual salary review.

Hanson UK is committed to equal pay for equal work

Why the gap?

Traditionally, the mineral products industry has been dominated by men. This is reflected within Hanson where 85 per cent of our employees are male.

There are two main reasons for our gender pay and bonus gaps. Firstly we have more men in both middle and senior management positions, and secondly there are significantly fewer women in operational roles.

Our bonus gap is large predominately because we pay staff and management (where we have less females) at different times. The payment falls either side of the gender pay reporting period. Bonuses are calculated on base salary and are therefore lower for part time workers, who are mainly female.

Closing the gap!



Hanson is working to address the gender balance and remove its gender pay and bonus gap. The UK executive team is responsible for a company-wide commitment to “Fairness, Inclusion and Respect” (FIR). This commitment focuses on a number of key areas that seek to continue to improve our inclusive culture and ensure our business is representative of the communities we work in. The commitment looks at a number of areas but the key issues we have identified are:

1. Leadership
2. Attraction, recruitment and development
3. Targets and measurement

1. Leadership

- Our executive team openly supports the Fairness, Inclusion, Respect commitment, there is a nominated executive sponsor and it is a regular agenda item at meetings
- We have an internal committee of senior managers from all areas of the business who drive the ‘FIR’ agenda and are responsible for sharing best practice and updates within their business area and tracking progress
- We have become corporate members of Women in Science and Engineering (WISE) to support us with our objectives and to publicly demonstrate our commitment
- We have a plan to roll out unconscious bias training to educate our leaders in order to improve the selection, retention and progression of women

“Our vision is to be the clear and sustainable market leader, focused on exceeding customer expectations through an engaged team that is responsible, reliable and safe. Attracting, recruiting, retaining and developing talent regardless of gender is the key to our success. I have worked for Hanson for 23 years and was formally appointed to the executive committee in 2016.”



“Hanson provides countless learning opportunities and it really comes down to how much you take on from each opening, gender is not a factor. The more proactive you are, such as asking if you can get involved with projects or daily tasks, the more you will maximise the chance to learn.”



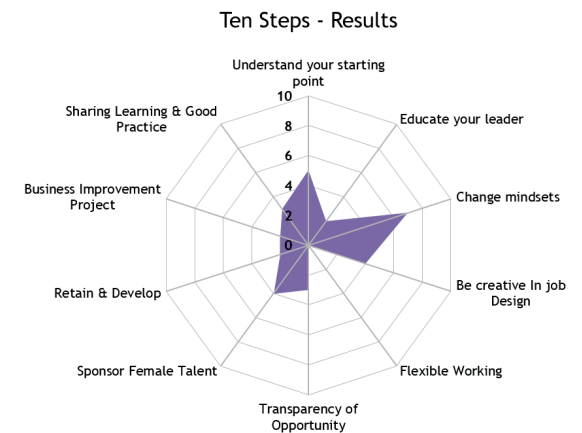
2. Attraction, recruitment and development

- We have internalised recruitment and the new recruitment manager is responsible for the diversification of our recruitment channels and for reviewing job adverts and job specifications to ensure gender neutrality
- We use structured, competency based interviews to ensure the most suitable candidate for the job is appointed. For middle management roles upwards, we use a diverse panel of interviewers, to ensure consistency and fairness.
- We put all team leaders and managers through extensive training to ensure they are given the tools and training for current and future roles, and we pair all women on talent programmes with a senior mentor to support their development and raise their profile within the organisation.
- We assess annual performance ratings and reward cycles to check for unconscious gender bias.
- Succession plans and talent pipelines are reviewed to ensure they are gender balanced and that no characteristic is under represented
- The industry specific STEM (science, technology, engineering and maths) ambassador programme inspiring futures was launched in December 2017 which is aimed at engaging with school children and teachers to encourage them to understand more about the importance of STEM subjects and how they link to our industry mineral products. Throughout this process we are training our ambassadors to particularly encourage women to apply for our apprenticeship and graduate programmes.

3. Targets and measurement

- Both Hanson, and its parent company HeidelbergCement, are open in their commitment to having at least 20 per cent female appointments in senior and executive roles by 2025 (a 50 per cent increase on 2018). In 2013 the figure was 9 per cent, now it is 11 per cent. The UK executive board is currently 20 per cent female.
- We will continually monitor our status regarding attraction, recruitment and retention under review from the executive team and FIR committee. We have set ourselves a target to include at least one female applicant in our shortlists for recruitment selection.

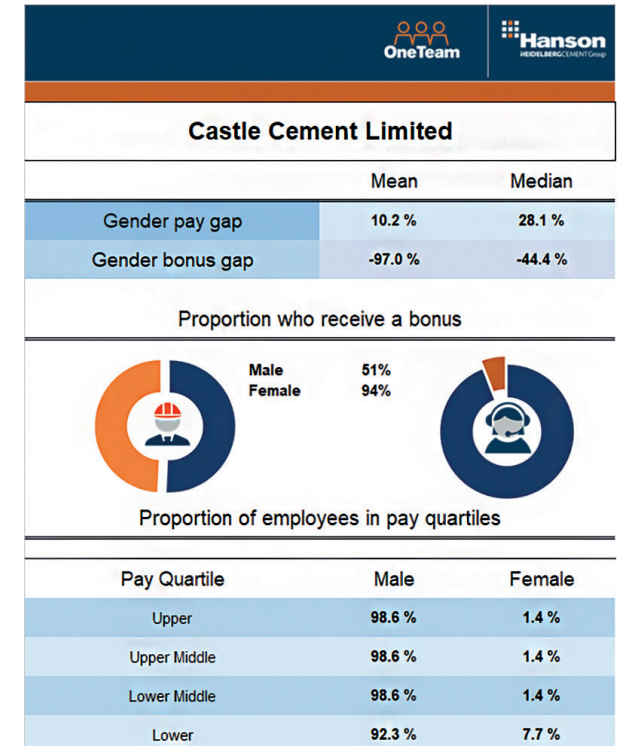
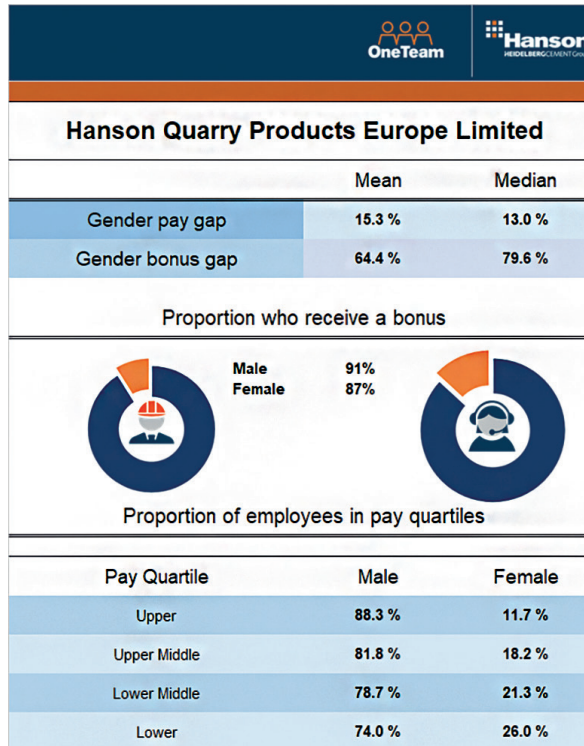
We are working in partnership with WISE to determine our benchmark position on diversity and inclusion and will use this to track progress against our action plan.



Statutory disclosure

Hanson has several employing companies in the UK employing more than a total of 3,500 employees. Of these, only two employ 250 or more relevant employees as of 5th April 2017. The consolidated Hanson outcomes are published on page 3 of this report. The methodology used in arriving at the outcome is consistent with the 'ACAS managing gender pay gap reporting guidance' of March 2017. Calculations include regular UK employees as well as expatriates where the employment relationship suggests a strong connection to the UK. The data is set out below.

Pay and bonus figures are based on mean (average) and the median (middle number) based on payroll data taken on 5th April 2107. The gender pay gap is the difference between the hourly pay received by men and woman.



Lauren Kinch
Production manager

“I have received opportunities within Hanson that I haven’t experienced elsewhere. In just over two years I have had 4 job roles and now work on the largest construction site in the UK - Hinkley Point power station. I believe this is due to ability and enthusiasm, not gender, and I believe this career path should appeal to anyone that wants to work hard and succeed, male or female”

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