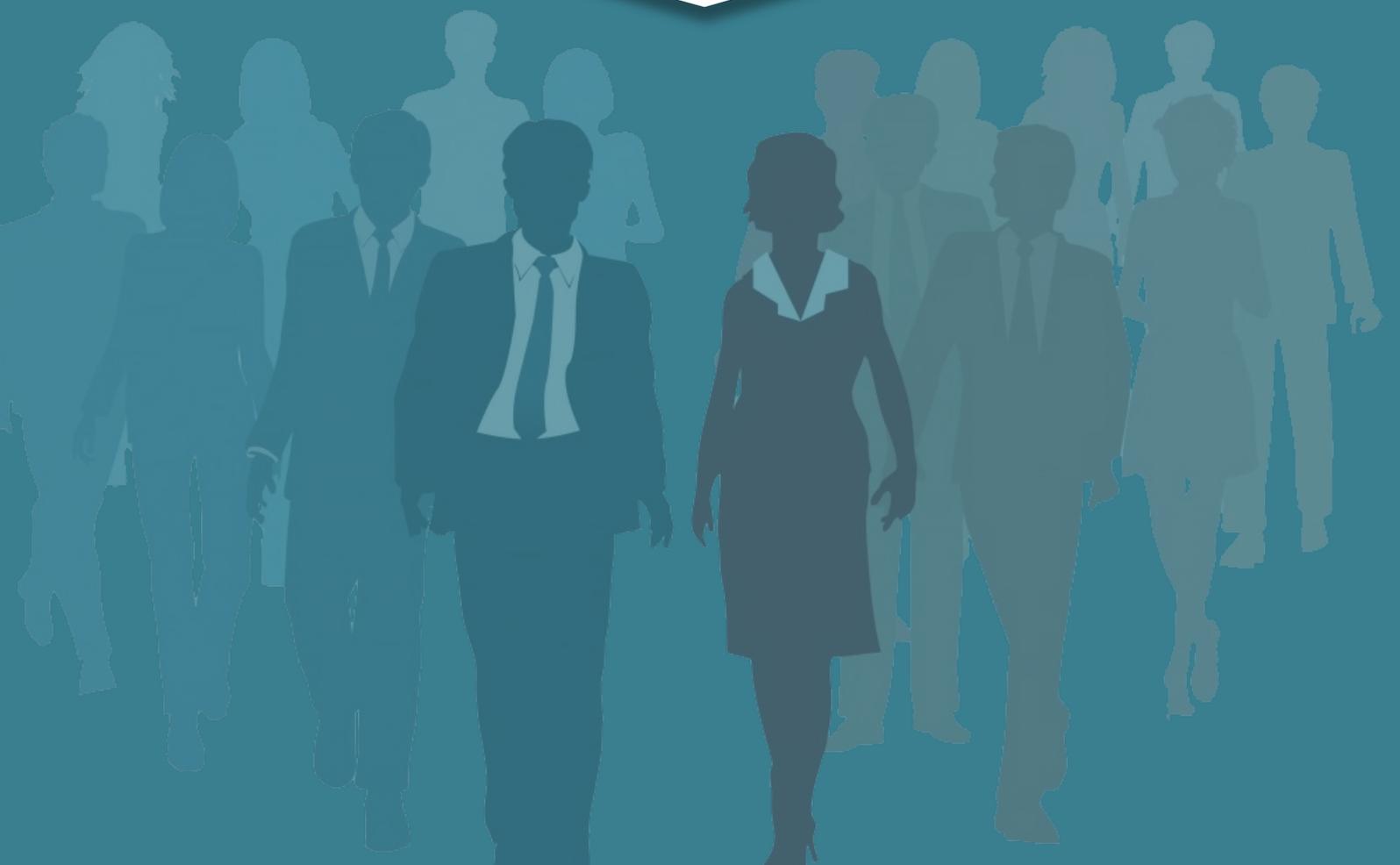


GENDER PAY GAP REPORT 2018

NORTHSTONE



INTRODUCTION

At Northstone, our people remain our most important and valued asset and we believe that a successful business is one that harnesses the benefits of a truly inclusive and diverse culture.

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.

Traditionally our sector has been male dominated but we are making progress in trying to change perceptions and highlighting the range and quality of career opportunities available in our business and industry.

We are working hard to attract and recruit more women and Northstone'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.

This is our second Gender Pay Gap Report, produced in line with Government requirements for businesses with 250 or more employees to publish annual calculations showing any pay gap between male and female employees.

Our Report outlines the following statistics for Northstone (NI) Limited, which includes data relating to its trading divisions, namely Cubis, Farrans, and its Materials Division:-

- » 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.

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.

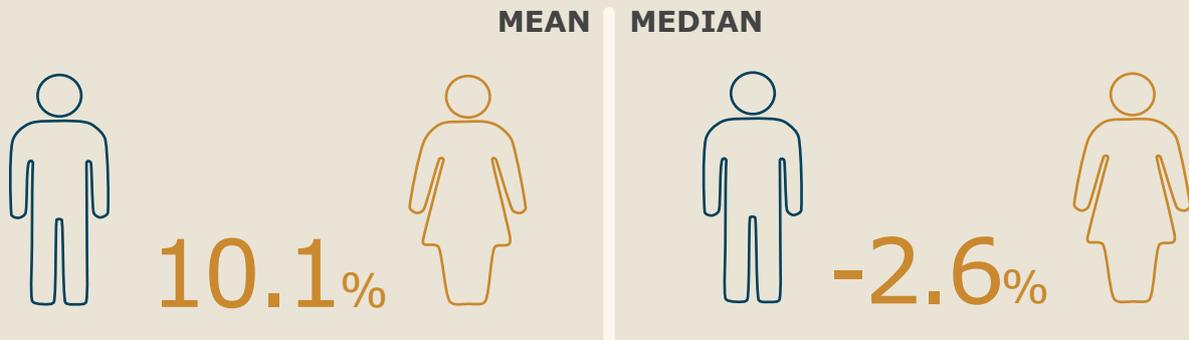
We remain committed to closing the gender pay gap, promoting diversity in our workforce, and to attracting and developing the best people, regardless of gender.

Eamonn Sweeney

Chief Executive, Northstone

OUR GENDER PAY STATISTICS

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 QUARTILES



The distribution of pay is shown in quartiles. These are calculated by splitting the entire Northstone 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 level figures published here for Northstone 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.

GENDER PAY STATISTICS

In 2018 our workforce remained the same in terms of male/female split (16%) and the mean (average) gap in pay between men and women also stayed stable in comparison with the 2017 figures.

Northstone's overall mean gender pay gap as at the 5th April 2018 snapshot date is 10.1%, compared to the reported UK average of 17.9%*.

The difference in the median (or middle) figure for hourly pay was -2.6%, a significant improvement on the 2017 figure of 1.5%. The higher median hourly rate for women (-2.6% compared to men) is driven by more site based roles in construction and manufacturing being filled predominantly by men, while office based roles, which are typically higher paid, being filled by women.

*Source: Office of National Statistics 2018

In 2018, the proportion of men and women receiving bonuses was 73.2% of women vs 77.8% of men and the mean bonus pay gap was 49.3% and median, 33.3%.

We recognise there is no quick fix to increasing the number of women in our business. However, we are laying the foundations for long-term, sustainable growth and change for a more inclusive and diverse company.

We continue to actively seek to increase the proportion of women at all levels in our organisation. We continue to engage with industry, the education sector, and public bodies to improve perceptions of the construction industry and encourage employees, both male and female, to view our sector as an aspirational career choice across a wide range of disciplines.

OUR ACTIONS

We are continuing our work to attract and increase the proportion of women within Northstone, as well as improve the perception of the construction sector as an aspirational career choice for females. We believe that a more diverse workforce will make us a better business.

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 continue to actively recruit more females at all levels within our organisation to improve the gender balance, the capability of our workforce, and to ensure that we have more women developing through the business.

We are continuing to build our engagement with educational bodies to promote 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.

We have developed a Training and Development Framework so that whatever your role you have the opportunity to build an outstanding career. We provide a structured approach to development so employees can reach their full potential.

30% MENTORING SCHEME

For the first time, this year Northstone is participating in the world's largest cross-company mentoring scheme, the 30% Club Mentoring Scheme. The programme, which Women Ahead manage for the 30% Club, aims to develop the diversity and inclusion of organisations, and the pipeline and parity of women at all levels of the career pyramid.

WOMEN.TOGETHER NETWORK

We have also launched a Women.Together network which is open to all employees. The aim is to establish a structured network that will offer events and support to inspire, empower, and connect the women in our business and attract new talent.

SUMMARY

Addressing the gender balance of our workforce is a long term commitment for both Northstone and the wider construction industry and we are firmly focused on attracting and nurturing more female talent.

The content of this report is accurate and in line with government reporting requirements.


Eamonn Sweeney