

2018 Gender Pay Reporting - Commentary

Forterra plc continues to welcome the UK Government's commitment to address the national gender pay gap. We firmly believe that all employees should have the opportunity to succeed and be rewarded regardless of their gender, and we are committed to ensuring our policies and practices adopt fair and equal principles when it comes to all aspects of diversity and inclusion.

Our Gender Pay Reporting statistics (adhering to reporting guidelines) for April 2018 are as follows:

A woman's hourly rate is:

17.9%
lower (mean)

23.0%
lower (median)

A woman's bonus pay is:

44.1%
lower (mean)

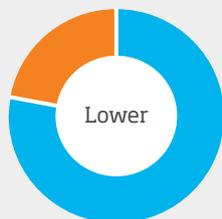
35.3%
lower (median)

Within each gender, those who receive bonus:

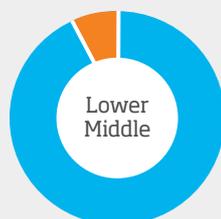
61% of men

80% of women

The gender split within each quartile is:



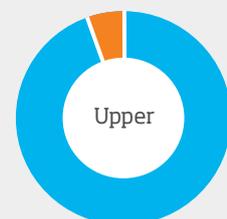
23% 77%



8% 92%



4% 96%



7% 93%

Female Male

We recognise that the industries in which we operate have historically attracted a higher proportion of males to females. As many other companies are finding, a heavy skew towards one gender has an impact on the calculations we are required to report. We therefore believe it is important to look at this topic through a variety of lenses to ensure that we are monitoring for equality.

It is our current practice to conduct equal pay audits at least annually for those in 'group grade' roles, where salaries are decided on an individual basis. Our most recent equal pay audits continue to show the gap to be much closer, with female salaries at 95% of male salaries across grades where there is both appropriate numbers of male and female representation. Whilst we would prefer to have no pay gap, we believe the current 5% gap is reflective of geography, skills and experience in role. The year on year reduction of the percentage of women that receive a bonus is mainly due to the Bison acquisition. Bison employed a higher percentage of women than Forterra does, and Bison did not operate a bonus scheme. All Bison staff and management now participate in the Forterra annual bonus scheme, so we would expect this percentage to increase next year.

Many of our Operational Employees are represented by Trade's Unions, with whom we negotiate rates of pay. This ensures absolute equal pay for employees performing the same role. A high percentage of these employees do shift work that attracts a premium on top of their base pay.

We have chosen to include Stephen Harrison, Chief Executive, and Shatish Dasani, Chief Financial Officer in the above calculations to be fully transparent on our entire employed population, despite being employed by Forterra Plc not Forterra Building Products Ltd.

Statement from Stephen Harrison, Chief Executive and Ed Haslam, HR Director:

The Board continue to recognise the importance of the current dialogue across all industries about gender equality. We are committed to encouraging a culture within Forterra where employees succeed because of their contribution to the business, where gender is irrelevant in the discussion.

We are proud to have very low employee turnover, indicating that we attract and retain great employees. However, we do recognise that this could mean that the gender split is not going to change quickly, particularly in the manufacturing areas of our business which, as is typical across the industry, has a high proportion of males.

In 2018 we introduced an improved Maternity Policy, extending the period of time that employees on maternity leave receive full Company pay.

Our equal pay audits show that in roles where there is discretion on pay our gap is much smaller (5%). We shall continue to monitor pay equality to ensure we are making the right decisions on pay with no bias towards gender and, where appropriate, seek to close this gap further over time.

We confirm that the data contained in this report is accurate.



Stephen Harrison
Chief Executive



Ed Haslam
HR Director