



UK ethnicity and gender pay gap report

2022



Foreword

At Mott MacDonald, we believe that our ongoing commitment to equality, diversity, and inclusion (EDI) are fundamental to the realisation of **our wider purpose**. Embedding inclusive cultures and behaviours will empower our people to make more EDI informed decisions, collaborate, and ultimately deliver positive social outcomes. Having a diverse workforce supports the diversity of our thinking, creativity, and innovation, allowing us to better understand client needs and solve complex challenges. EDI is a part of our organisational DNA which helps us to attract the best talent and drives retention and commitment.

Our Global EDI Strategy sets out our approach to progressing EDI aspirations and our pay gap report helps us measure progress. Whilst we know that there are no quick wins when it comes to improving representation and narrowing our gender and ethnicity pay gaps, reporting on our current position helps us to identify key areas of focus and holds us accountable.

A range of actions are necessary to maintain positive change in this area, and these actions must be focused on in all stages of the employee life cycle: attraction and recruitment; retention and engagement; and development and progression. Attraction and recruitment measures

will only lead to continuous improvement if we have an inclusive workplace that retains new joiners by supporting their development and progression within the business.

Over the past year we have made positive progress in terms of representation of both women and ethnic minority staff. With recruitment of new staff, we have a real opportunity to make a long-term difference to our diversity. Like most organisations a significant proportion of our recruitment is at lower grades so, as we improve the diversity of our intake, we negatively impact our pay gap statistics in the short-term. In subsequent years, as these recruits progress through our business, our actions today will result in better diversity and balance through all grades and closure of pay and bonus gaps in a long-term sustainable way.

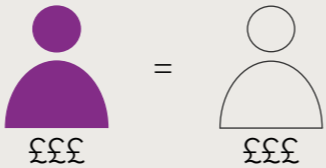
Our commitment to meaningful goals and actions to support better representation of women and ethnic minority colleagues is unwavering. We are working hard to remove barriers and debias our processes to ensure a fair and inclusive workplace culture for all our colleagues.

Richard Risdon
EUNA Regional General Manager
Pronouns: he, him

Pay gap reporting terms explained


When looking at pay gap figures, it is important to remember there is a difference between equal pay and a pay gap.

Equal pay



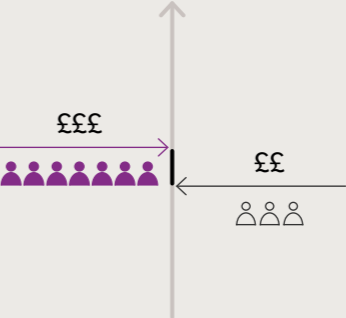
Equal pay means that a person in one group in our organisation and a person in a comparator group should not be paid differently for performing equal work.

Pay gap



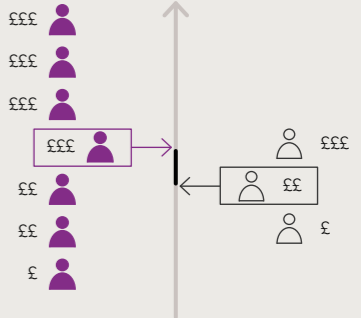
A pay gap measures the difference between the average earnings of one group compared against the average earnings of another group. The difference is expressed as a percentage of the first group's earnings.

Mean pay gap



The mean pay gap is the difference between the average earnings of two groups.

Median pay gap

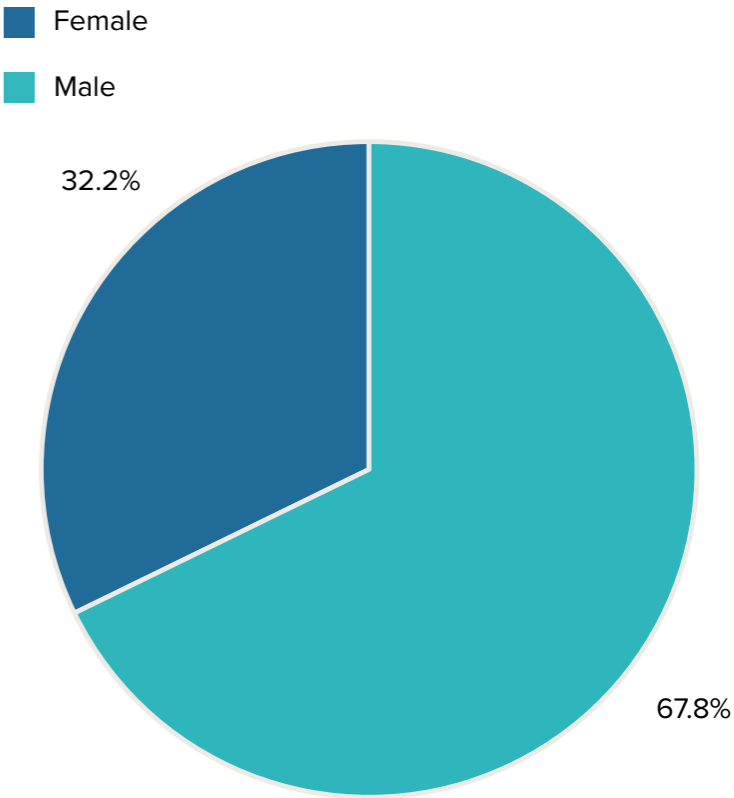
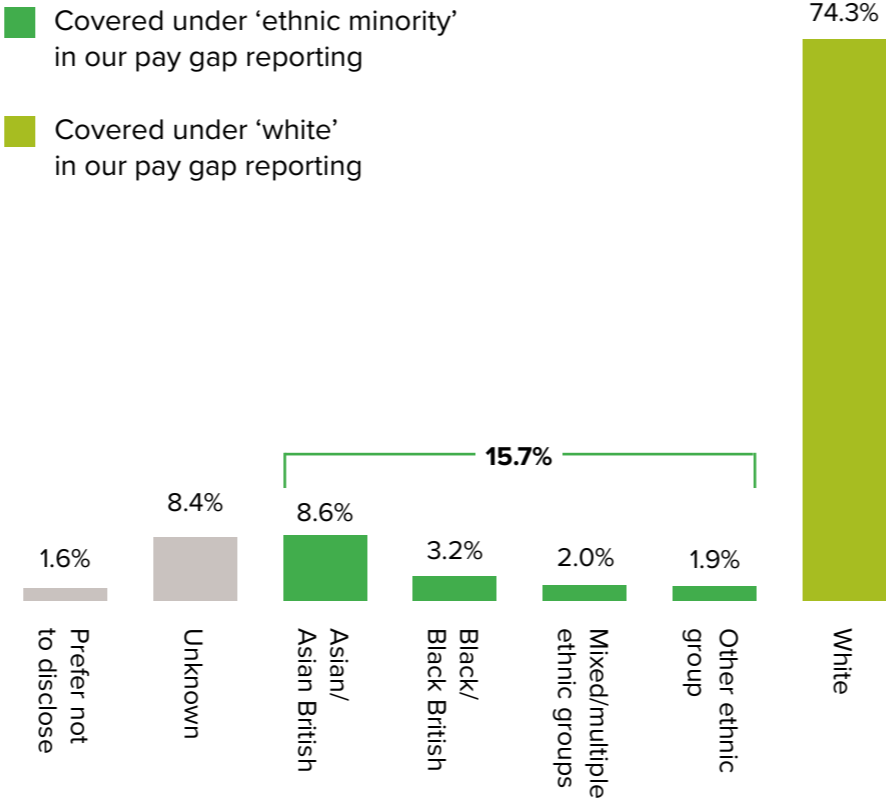


The median pay gap is the difference in hourly pay between the mid-points of two groups' earnings, when their salaries are listed by size.

Reporting populations

Our reporting is based on a population size of **6,545**.

Please note: throughout this report, numbers have been rounded to one decimal place. Sometimes, this leads to what appear to be discrepancies in data. This is solely due to the limitations of rounding numbers and is not a result of inaccuracy.



How we calculate and report on our pay gaps

Our gender and ethnicity pay gaps have both been calculated using the UK government's statutory methodology for gender pay gap reporting. Our reporting is based on pay after salary sacrifice as required by statute. Hourly pay is based on the pay period including 5 April 2022 and bonus pay is based on bonuses paid in the period 6 April 2021 to 5 April 2022.

Note on ethnicity reporting

Our ethnicity pay gap calculations are based on those individuals who have chosen to declare their ethnicity and exclude those we do not hold data for (due to lack of historical diversity monitoring), or who have selected 'prefer not to say'. As of the reporting date we have ethnicity data for 89.9% of UK employees. The breakdown of our reporting population by ethnicity is shown on the page above.

Our ethnicity pay gap calculations are based on ethnic minority colleagues collectively rather than divided by specific ethnic groups. We have taken the decision to combine data because we have smaller numbers of different ethnic minority groups within our organisation. As pay gap calculations report on averages, the data is more meaningful when reporting on a larger dataset.

Note on gender reporting

Gender pay gap reporting is based on legal sex data. Although we have used the terms 'gender', 'male' and 'female' for the purpose of this report we know that some people's legal sex will not match

their gender identity. We acknowledge that there are many people who do not fit into binary categories of gender and/or sex, including non-binary people and intersex people, and that not all trans colleagues will hold a gender recognition certificate.

Although the requirement for reporting against legal sex may remain the same, we now have a gender identity field on our HR system which allows us to collect data on gender identities beyond male and female. Pending higher completion rates, this field will enable us to better understand our staff demographics and report internally on gender identity as well as legal sex.

We continue to take actions to create a more inclusive workplace for our trans, non-binary and intersex colleagues. Our **email signature template** features a pronouns field, encouraging colleagues to share how they would like to be referred to and our Advancing LGBT+ network have produced a detailed guidance piece on pronouns and gender-inclusive language. We also regularly share learning on trans and non-binary inclusion and remind colleagues of existing guidance.

Ethnicity pay gap and representation

Our mean and median ethnicity pay gaps have both increased in the past 12 months.

Increased representation

Our ethnicity pay gaps are mainly caused by the lower representation of ethnic minority staff in senior positions and a higher representation of ethnic minority staff in junior roles. Representation of ethnic minority staff increased over the past 12 months from 14.1% to 15.7%. This is a positive outcome supporting one of our organisational equality, diversity, and inclusion goals to better reflect the communities we work in. However, the increase in ethnic minority representation was greater at junior levels (+2.28%) than at leadership levels (+1.05%). As a result, both the mean and median average pay rate for ethnic minority staff were lowered overall.

Small changes – big impact

When comparing a smaller group with a much larger group, we can see that changes outside recruitment, retention, salary review and promotion can still have a significant impact on both our mean and median pay gaps. Some of these changes are out of our control. For example, because pay gaps are derived from hourly pay figures, a change in annual benefits (e.g. increased pension payments or salary exchange for annual leave) will be reflected in our pay gap as a reduction in pay.

16.9%

2022 median pay gap

^ An increase of **2.6%**
on 2021 (14.3%)

16.5%

2022 mean pay gap

^ An increase of **1.3%**
on 2021 (15.2%)

The shape of our workforce

The shape of our workforce significantly impacts our pay gaps. Based on our internal grading structure we have grouped employees into 'staff', 'management', 'leadership' and 'ungraded', as shown in the graph to the right. Ungraded staff are those who are paid hourly or non-payroll, and as such are not included in our grading system.

Since 2021, ethnic minority representation has increased by 3.6% within our ungraded population. Within the same time period, ethnic minority representation increased by 2.5% at staff level, 0.9% at management and 1.1% at leadership.





Representation per quartile

Pay quartiles are used to show how the representation of white and ethnic minority staff varies throughout an organisation. They are created by ordering the employee population based on hourly pay from lowest to highest and then dividing it into four equal groups.



Mean ethnicity pay gap per quartile

When we look at our pay gaps per quartile, we can see that the pay gaps are much smaller at these individual levels. The larger pay gap in the upper quartile is caused by lower representation of ethnic minority staff at senior management and leadership levels. We are working hard to improve this and recognise that high retention rates at this level means that change will be gradual.

	2020	2021	2022
Upper	5.6%	6.6%	5.2%
Upper middle	1.1%	1.2%	0.7%
Lower middle	0.7%	0.8%	1.0%
Lower	-2.6%	-1.1%	-0.2%

Ethnicity bonus gaps

Percentage of ethnic minority and white staff receiving bonuses in 2022

71.8% of ethnic minority staff received a bonus in 2022.
83.0% of white staff received a bonus in 2022.

The difference between the proportion of white employees and ethnic minority employees receiving a bonus is 11.2%, an increase since 2021 when it was 6.0%. While we saw an increase in the number of ethnic minority staff receiving bonuses in 2022 the percentage receiving them decreased leading to this continuing gap. This is primarily because we had a proportionately higher number of ethnic minority new hires who are ineligible for bonuses due to length of service.

2022 median bonus gap

46.6%

^ An increase of **32.9%** on 2020 (13.7%)

Our median bonus gap has **increased by 32.9%** in the past 12 months. This is due primarily to a greater increase in representation of ethnic minority employees at staff level compared to leadership level during this time.

Our global performance bonus scheme sets performance bonus payments as a percentage of base salary rather than as a discretionary allocation. While this ensures consistency of approach and a more meaningful bonus payment, it means that the average performance bonus payment for staff in the upper quartile is higher. As there is a lower representation of ethnic minority staff in this quartile, it has led to an increase in our bonus gap.

2022 mean bonus gap

49.8%

v A decrease of **2.8%** on 2021 (52.6%)

Our mean bonus gap has **decreased by 2.8%**, this reduction is primarily due to a return to our normal cycle of bonus payments which was interrupted due to measures taken by the Company in 2020 and 2021 during the global pandemic.

Gender pay gap and representation

Our gender pay gaps have increased slightly in the past 12 months.

Increased representation

Overall representation of women increased from 30.7% in 2021 to 32.22% in 2022. However, we saw the greatest % increase in representation of women in our junior grades meaning they were generally within the lower pay quartile. While the percentage representation of women increased at both management and leadership levels, we saw a greater number of men than women in the upper middle and upper quartile, whether via recruitment or promotion. Both factors contributed to the increase in our gender pay gap.

Ungraded staff group

Alongside increases in the representation of women at leadership, management, and staff levels, we also saw a 7.4% increase in the representation of men among our ungraded staff population. Ungraded staff are primarily hourly paid contractors who tend to have higher than average hourly rates as they do not participate in any of our employee benefit schemes that require an exchange of salary. This was one of the factors leading to an increase in the average pay rate for male staff across the company.

20.5%

2022 median pay gap

^ **Increased by 0.3%**
from 2021 (20.2%)

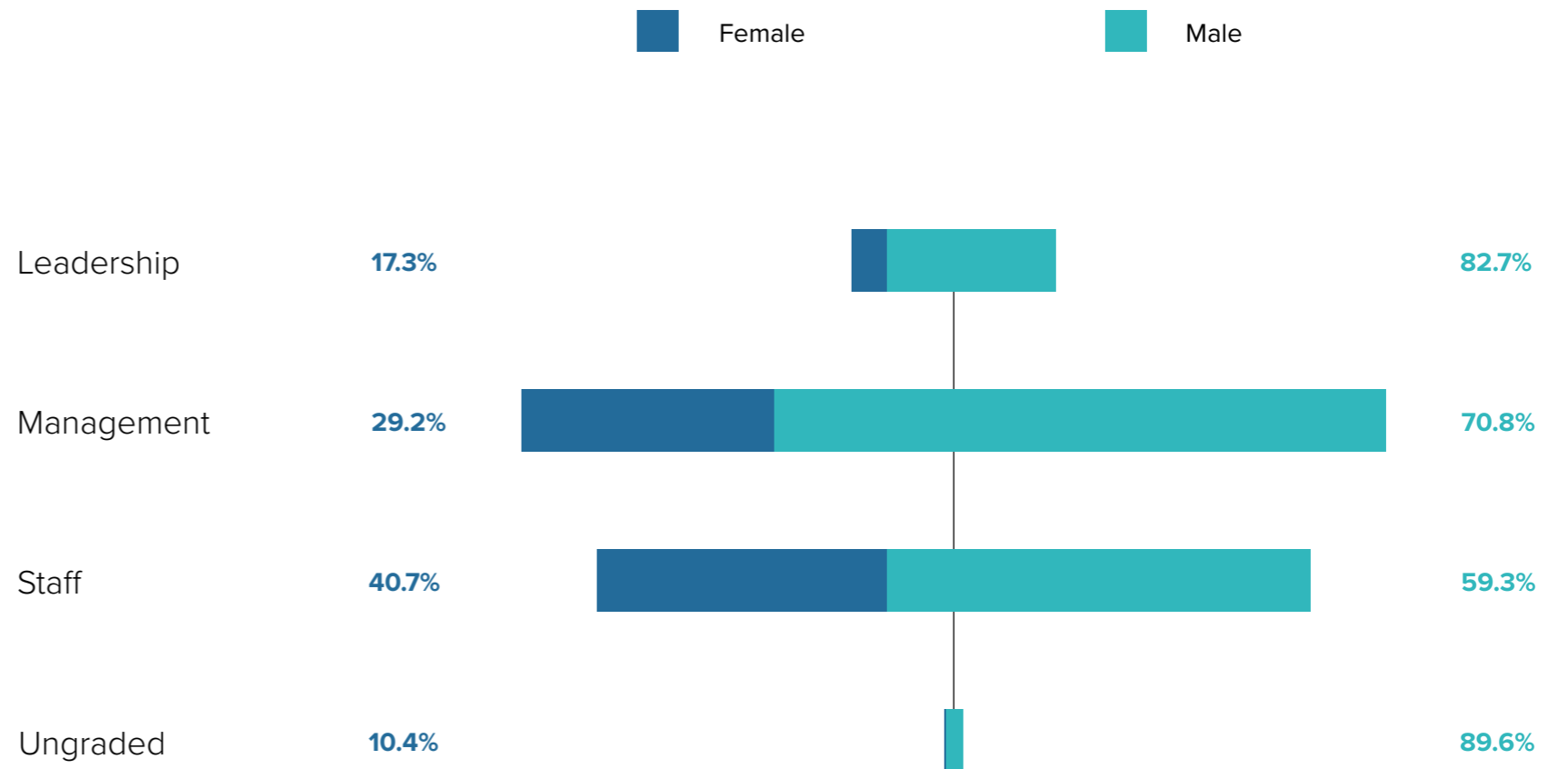
18.7%

2022 mean pay gap

^ **Increased by 0.4%**
from 2021 (18.3%)

The shape of our workforce

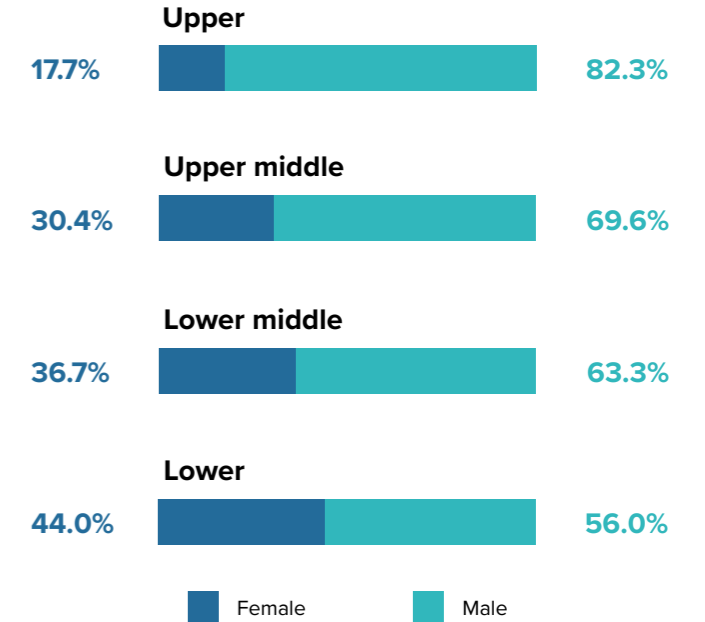
Our gender pay gaps are significantly impacted by the shape of our workforce. We continue to have lower female representation at management and leadership levels. Since 2021, female representation has increased by 2.5% at staff level, 1.1% at management and 0.9% at leadership. However, female representation decreased by 7.4% within our ungraded population.





Representation per quartile

Pay quartiles are used to show how the representation of female and male staff varies throughout an organisation. They are created by ordering the employee population based on hourly pay from lowest to highest and then dividing it into four equal groups.



Mean gender pay gap per quartile

Our pay gaps remain smaller when reviewed within each pay quartile. Our pay gap remains largest within the upper pay quartile. This larger pay gap is caused by lower representation of female staff at senior management and leadership levels.

	2020	2021	2022
Upper	3.6%	3.6%	3.7%
Upper middle	1.5%	2.7%	2.1%
Lower middle	-0.4%	0.1%	0.8%
Lower	0.1%	-0.5%	-0.5%

Gender bonus gaps

Percentage of female and male staff receiving bonuses in 2022

81.7% of male staff received a bonus in 2022
78.6% of female staff received a bonus in 2022

The difference between the proportion of men and women receiving a bonus is 3.0%, an increase since 2021 when it was 0.6%. The predominant reason for the continuing gap is that there is a proportionately higher number of female hires who are ineligible for bonuses due to length of service.

Bonus gaps

The lower representation of female staff in the upper quartile impacts our gender bonus gaps. Our median bonus gap is lower than our mean bonus gap because it is not affected by the upper quartile which consists of senior staff who receive the highest bonuses.

2022 median bonus gap

11.9%

✓ **A decrease of 2.7%**
on 2021 (14.6%)

Our median bonus gap has **decreased by 2.7%** in the past 12 months. This reduction is primarily due to a return to our normal cycle of bonus payments which was interrupted due to measures taken by the Company in 2020 and 2021 during the global pandemic.

2022 mean bonus gap

52.8%

✓ **A decrease of 7.9%**
on 2021 (60.7%)

Our mean bonus gap has **decreased by 7.9%**. This reduction is primarily due to a return to our normal cycle of bonus payments which was interrupted due to measures taken by the Company in 2020 and 2021 during the global pandemic.

Addressing our pay gaps

As our pay gaps are largely due to the underrepresentation of female and ethnic minority talent in our business, particularly in senior positions, our actions focus on how we will attract and recruit, retain and engage, and develop and progress female and ethnic minority talent. Embedding an inclusive culture and building EDI employee competencies will also help us narrow existing pay gaps.

Attraction and recruitment

In 2022 our talent acquisition team created new job description templates and guidance for hiring managers. These templates embed key EDI considerations to ensure the hiring process is inclusive and helps us attract diverse talent. The accompanying guidance also included reminders of previously established recruitment inclusion nudges, including guidelines on fair assessment and considerations on shortlisting and interview panel diversity.

The team also explored multiple partnerships and collaboration opportunities. Initiatives with specific relevance to gender and ethnicity included:

10,000 Black Interns' Scheme

This programme offers paid internship opportunities alongside training and development opportunities to Black students and graduates. We plan to continue our participation into 2023/24.

AFBE-UK (Association for Black and Minority Ethnic Engineers)

We have collaborated with AFBE-UK on transition events for early careers students moving from university into the workplace, as well as events focussed on 9–17-year-olds to encourage them into the engineering profession.

Work180

We gained endorsement from Work180, a platform dedicated to raising the profile of companies committed to supporting women in the workplace making it easy for women to identify workplaces that will work for them.

East London Business Alliance

Offering mentorship to young Black men in London who aspire to get into the construction industry.



Going forward

Attraction and recruitment

Equitable and inclusive intake processes are key to ensuring we have diversity within our talent pool. We have identified **three key areas of focus for 2023**.

Deliver initiatives that create sustainable talent pools of under-represented groups

- Undertake recruitment activities and implement programmes specifically designed to attract and hire under-represented talent (e.g., women returners' Programme and 10,000 Black Interns Programme).
- Advertise our opportunities on job boards and platforms designed to attract under-represented groups.
- Partner and collaborate with organisations specifically focused on ensuring greater employability outcomes for under-represented groups.
- Focus on attraction in Early Careers, linking in STEM and work experience, also through direct school engagement to create pipelines of early diverse talent.

Debias our recruitment and selection processes

- Establish high quality data and use it to build up intelligence and target action.
- Undertake an external recruitment audit to identify opportunities for improvement.
- Provide line managers with resources, guidance, and relevant training on inclusive hiring practices.

Target our employer brand to attract diverse talent

- Work with social media and internal communications to support our diversity aspirations, ensuring EDI is at the forefront of internal and external engagement, with content catering for diverse audiences.
- Review and enhance our external recruitment website to develop EDI pages showcasing activities, partnerships, and commitment.
- Maximise and promote existing partnerships, such as Henpicked, Women's Engineering Society (WES), Renaisi, and Working Families, as part of employer branding and attraction.

Retention and engagement

To retain diverse talent, we need to ensure that we create a positive engagement culture and build EDI competencies across the workforce. We want to make sure that employees have a platform to engage and that they feel that their contributions are valued. We also want people to have the knowledge, skills, and experience to deliver positive EDI outcomes and challenge unfair practices.

Our bi-annual staff engagement survey helps us to understand levels of engagement across the organisation and use colleague feedback to help make Mott MacDonald an even better place to work. However, it's also important that our colleagues have their voices heard all year round.

Staff networks

Our five employee EDI networks (Advancing Accessibility, Gender, LGBT+, Parents & Carers, and Race & Culture) play a key role in enabling us to create an inclusive culture through meaningful engagement. We continue to consult with network committees on relevant business decisions to ensure the lived experiences of the communities they represent are taken into account. We also support the networks in their efforts to educate, mobilise action and offer peer support.

In 2022 our UK Advance networks organised several informative webinars, on topics such as “Long Distance Caring” and “Making the Invisible Visible”. Other sessions were organised with colleagues sharing personal stories about their experiences relating to race, disability, and LGBT+ identities.

Our networks also worked with the EDI team to develop and communicate guidance on a range of topics including LGBT+ inclusive language and disability inclusion.





Going forward

Retention and engagement

Listening to employee voice and developing our approach to retention and engagement is vital to addressing our pay gaps. We have identified **two key areas of focus for 2023**.

Further enhance employee voice on EDI issues

- Enhance the visibility of our Advance networks, supporting cross-collaboration ensuring their role is aligned with the wider EDI strategy.
- Create additional opportunities to understand the personal impact of inequalities on colleagues to inspire allyship.
- Build shared leadership and accountability of EDI issues at all levels, including through building EDI within Connected Conversations.

Develop employee EDI skills

- Enhance the EDI induction offer and further embed EDI principles within existing management development programmes.
- Run targeted campaigns and develop a suite of resources to build knowledge.
- Encourage use of EDI dilemma discussions to embed inclusive culture at all levels.

Development and progression

Development programmes

We are committed to providing professional development opportunities for our Early Career Practitioners and using data insights to deliver positive action development programmes for employees currently under-represented in the workforce. Examples of internal programmes include:

Our reciprocal mentoring scheme which partners ethnic minority, disabled and LGBT+ colleagues at junior levels with a senior mentor. Each participant acts as both a mentor and a mentee with the senior participant providing career mentoring while also being mentored on an EDI topic, or topics, based on their EDI mentor's lived experience.

The Women's Future Leader Programme run within our Advisory unit. Featuring a series of virtual workshops this programme is designed to address development and progression of women within Mott MacDonald by helping participants build their personal brand, realise their potential, and bring the best version of themselves to work.

Connected conversations

It is important that colleagues are given opportunities to communicate their development needs to the business and have those needs met. All colleagues now have, as a minimum, four career conversations with their line manager each year. Referred to as Connected Conversations, these more frequent discussions on performance, career development and progression are designed to build stronger relationships and enable our employees to perform at their best.

In 2022 we rolled out EDI performance goals as part of the Connected Conversation process. These recognise that everyone is accountable for the delivery of the EDI agenda. By assuming individual responsibility we can more successfully embed EDI principles into our everyday business practices and achieve transformational change.

Promotions process reviews

We improved our career development pathways so that we can more consistently define our job roles and what is expected at each level by clearly outlining the requirements and competencies of each role. We have also introduced a consistent balanced scorecard for all senior promotions and will now look to cascade this approach throughout the rest of the population to create greater transparency for all colleagues.





Going forward

Development and progression

It is crucial that all our employees are given equal opportunities to develop their skills and progress. We have identified **two key areas of focus for 2023**.

Support equity in the provision of development opportunities

- Explore options to deliver positive action development programmes for employees currently under-represented at senior levels.
- Enhance reciprocal mentoring provision and ensure our wider mentoring scheme supports our EDI aspirations.
- Further develop our talent management strategy to ensure increased opportunities for under-represented groups.

Support fairness in our promotion and recognition processes

- Review our junior promotions process.
- Identify ways to embed EDI within our rewards and recognitions programme.
- Further embed EDI considerations within our Connected Conversations process.

Opening opportunities with connected thinking.

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