

UK ethnicity, gender and disability pay gap report 2023





Foreword

At Mott MacDonald, we believe that fostering diversity and inclusivity is not only the right thing to do, but is essential for driving innovation, creativity and sustainable growth. Creating an inclusive and diverse workplace requires future-proof, sustainable solutions, not quick fixes. Embedding inclusive cultures and behaviours will help us cultivate a work environment where every colleague feels valued, respected and empowered to contribute their unique perspectives and talents to achieve our shared goal of excellence, innovation and ultimately delivering positive social outcomes.

This report represents a transparent and candid review of our company's practices, policies and outcomes related to gender, ethnicity and disability pay gaps. Our **Equality, Diversity and Inclusion (EDI) Strategy** sets out our approach to progressing EDI aspirations and our pay gap report helps us measure progress. By analysing the data presented in this report, we aim to uncover the root causes of these gaps and implement targeted strategies to address them effectively. Reporting on our current position not only helps us to identify key areas of focus but also fosters improved accountability.

While we have made strides in terms of representation of both women and ethnic minority colleagues and are delighted to see this improvement. As the report highlights, we have

also seen an increase in our ethnicity pay gap. We will continue to take steps to address underrepresentation and bridge gender and ethnicity pay gaps.

As a Disability Confident Leader, we're also reporting on our disability pay gap for the first time this year. While our disability pay gap is lower than our gender and ethnicity pay gaps, we will continue to work towards improving disability representation and supporting disability inclusion in our workplace.

This report outlines our commitment to promoting fairness, equity and opportunity for all colleagues, irrespective of gender, ethnicity or disability. We believe that by proactively addressing pay gaps and fostering an inclusive culture, we can strengthen our organisation and contribute to positive societal change.

This report serves as a roadmap for our ongoing efforts to create a more equitable and diverse workforce, and I am confident that by working together, we can build an inclusive future for Mott Macdonald.

Richard Risdon
EUNA Regional General Manager
Pronouns: he, him

What's in our report?

Our colleagues deserve a workplace where they can be and bring their best selves to work. As part of our commitment to equality, diversity, and inclusion, we share our pay and bonus gap data annually.

Our report provides detailed explanations of the headline figures and outlines how we'll address and close these gaps in the future. To help your understanding, we've organised our findings into five sections: methodology, ethnicity, gender, disability, and plans for addressing our pay gaps.

Pay gap reporting terms explained

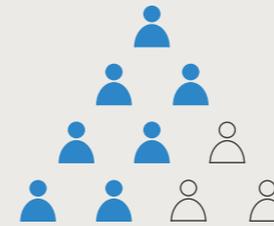
When looking at pay gap figures, it is important to remember there is a difference between equal pay and a pay gap.

Equal pay



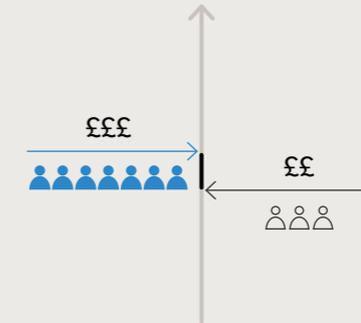
Equal pay means that a person in one group in our organisation and a person in a comparator group should not be paid differently for performing equal work.

Pay gap



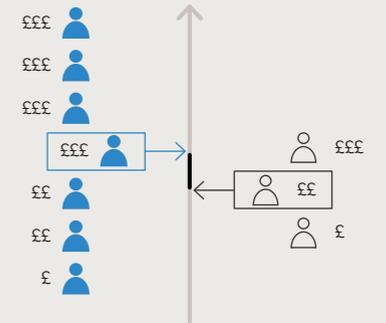
A pay gap measures the difference between the average earnings of one group compared against the average earnings of another group. The difference is expressed as a percentage of the first group's earnings.

Mean pay gap



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

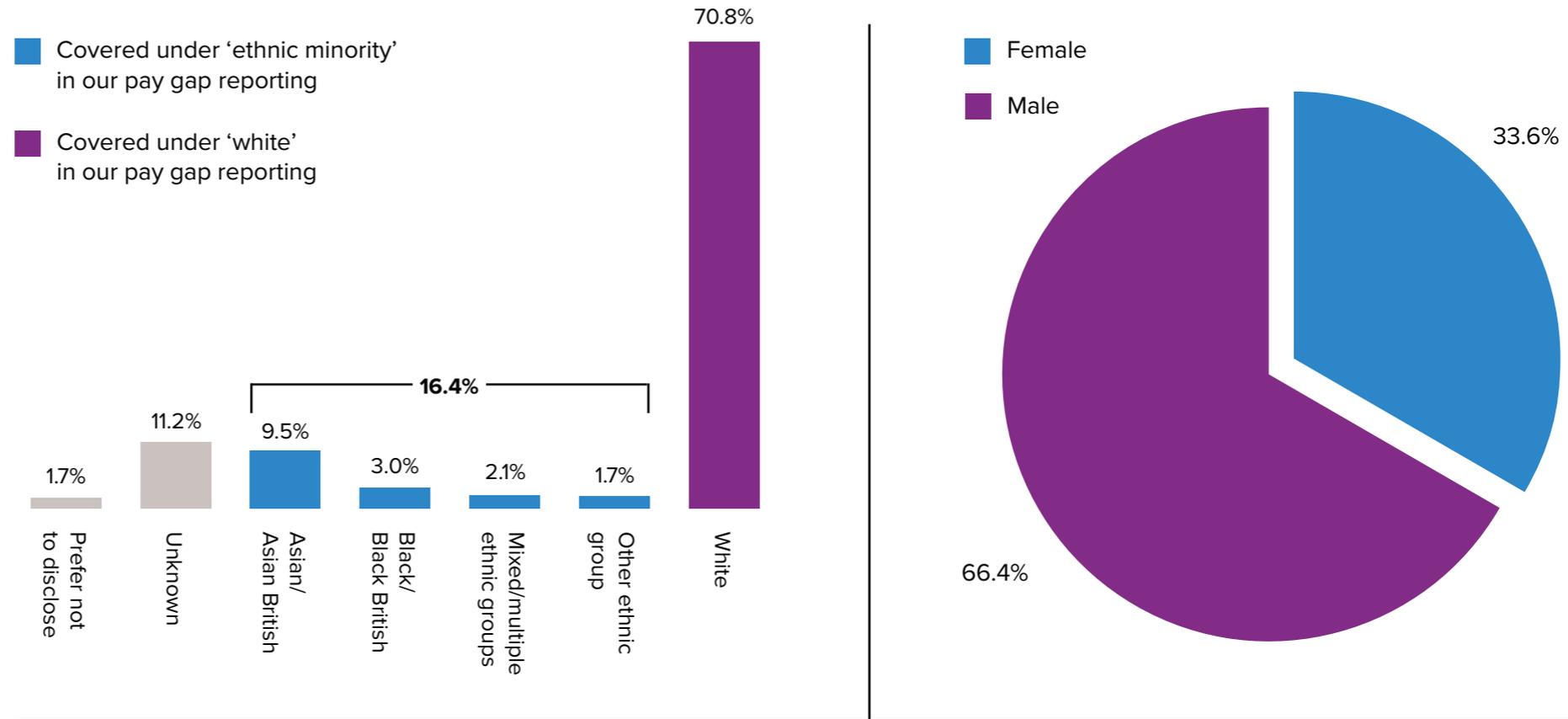
Median pay gap



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 **7,248**.



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.

All graphs in this document have been drawn for indicative purposes only.



How we calculate and report on our pay gaps

Gender, disability and ethnicity pay gaps have 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 2023 and bonus pay is based on bonuses paid between 6 April 2022 to 5 April 2023.

Note on ethnicity reporting

Our ethnicity pay gap calculations are based on 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 87.1% of UK employees.

We have taken the decision to combine the data of our ethnic minority colleagues because we have smaller numbers of different ethnic minority groups within Mott MacDonald. As pay gap calculations report on averages, the data is more meaningful when reporting on a larger dataset.

Note on disability reporting

Our disability pay gap calculations are based on those individuals who have chosen to declare that they have a disability and excludes those we do not hold data for or who have selected 'prefer not to say'. As of the reporting date, we have disability data for 93.1% of UK employees.

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 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 have added 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 colleagues' 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

Ethnicity pay gap 2023 – our mean and median ethnicity pay gaps have both increased in the past 12 months.

Changes in representation

Our ethnicity pay gaps are impacted by lower representation of ethnic minority colleagues in senior positions and a higher representation of ethnic minority colleagues in junior roles.

Representation of ethnic minority colleagues increased over the past 12 months from 15.7% to 16.3%. This is a positive outcome supporting one of our organisational equality, diversity and inclusion goals to better reflect the communities we work in. While we have seen positive growth in representation of ethnic minority colleagues, the gap has been larger at junior levels (+14.19%) vs senior levels (+6.39%). This resulted in the mean and median hourly pay rates of ethnic minorities becoming lowered, and therefore increasing the gap.

Whilst our ethnicity pay gaps have increased, we believe that the actions we're taking to increase ethnic minority representation across the business is supporting our ambition of improving the diversity of our workforce. We also have a detailed EDI strategy that aims to support the development and progression of under-represented colleagues within the business.

Small changes – big impact

When comparing a smaller group with a much larger group, we see changes outside recruitment, retention, salary review and promotion still have a significant impact on 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.

20.1%

2023 median pay gap

An increase of 3.2% on 2022 (16.9%)



18%

2023 mean pay gap

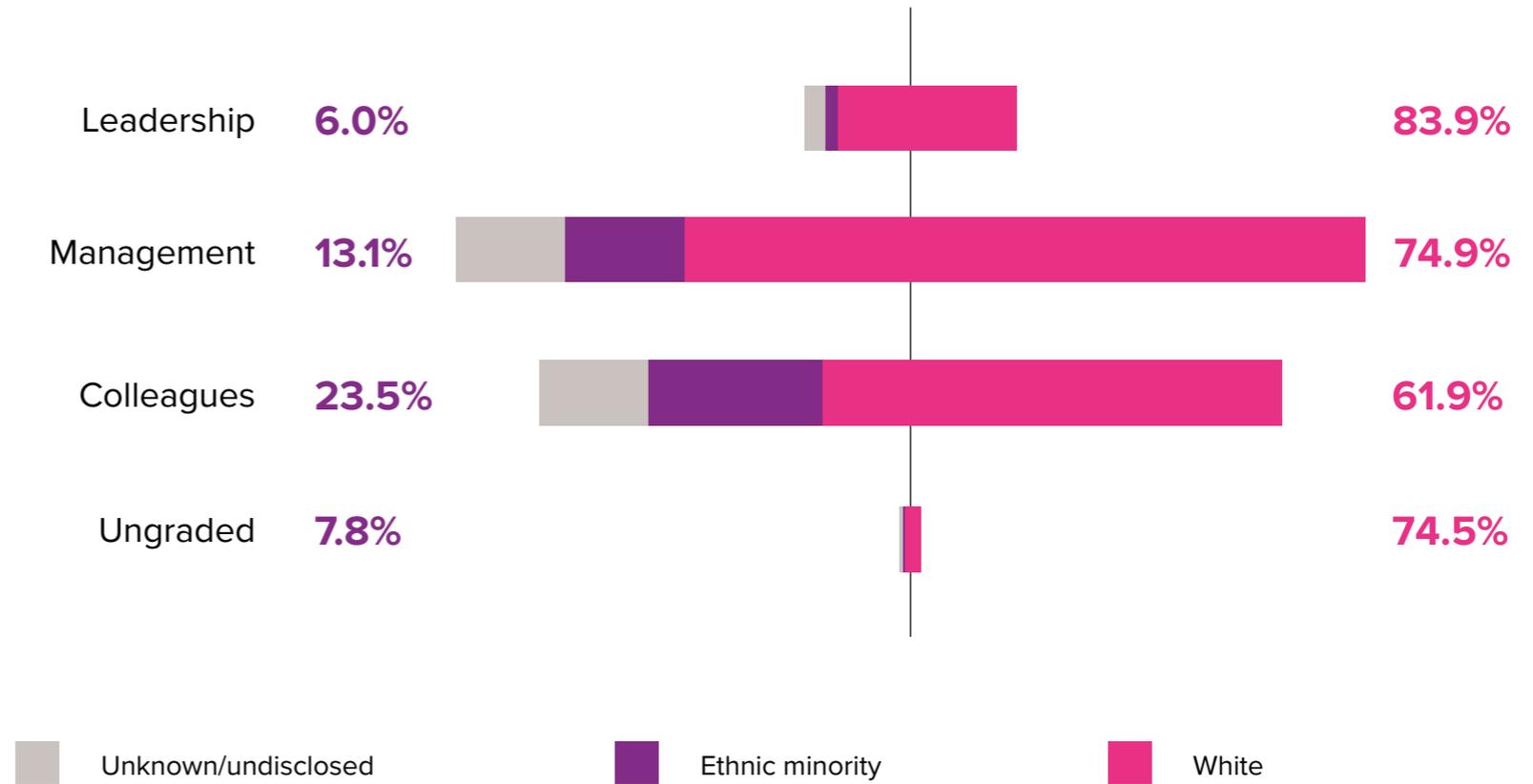
An increase of 1.5% on 2022 (16.5%)



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 ‘colleagues’, ‘management’, ‘leadership’ and ‘ungraded’. Ungraded colleagues are those who are paid hourly or non-payroll, and as such are not included in our grading system.

Since 2022, ethnic minority representation has decreased by 1.2% within our ungraded population and 0.3% in our leadership population. Within the same time period, ethnic minority representation increased by 1% at colleague level and 0.8% at management.

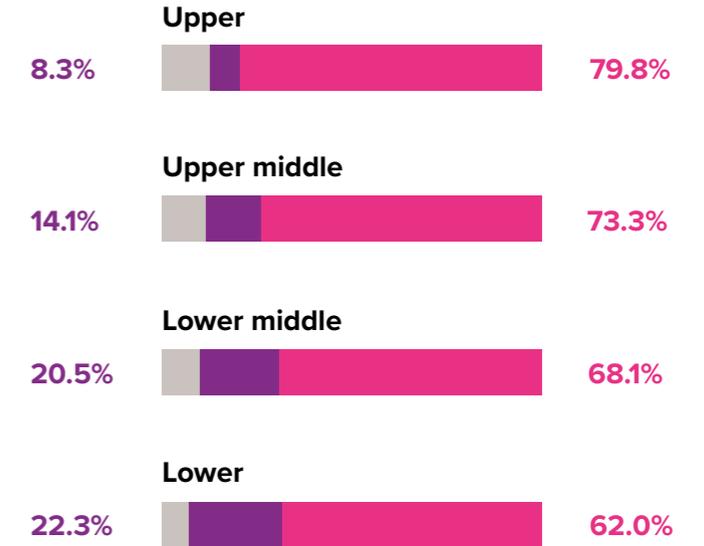




Representation per quartile

Pay quartiles are used to show how the representation of white and ethnic minority colleagues 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.

- Unknown/undisclosed
- Ethnic minority
- White



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 colleagues at senior management and leadership levels. We're working hard to improve this and recognise that the high retention rate at this level means that change will be gradual.

	2020	2021	2022	2023
Upper	5.6%	6.6%	5.2%	5.9%
Upper middle	1.1%	1.2%	0.7%	0.6%
Lower middle	0.7%	0.8%	1.0%	1.2%
Lower	-2.6%	-1.1%	-0.2%	1.6%

Ethnicity bonus gap

Percentage of ethnic minority and white colleagues receiving bonuses in 2023.

The difference between the proportion of white employees and ethnic minority employees receiving a bonus is 8.5%, a decrease since 2022 when it was 11.2%. It's likely that the increase in the number of ethnic minority colleagues receiving a bonus has contributed to the decrease in the bonus pay gap. Whilst the bonus gap has narrowed, it exists because we have a proportionately higher number of ethnic minority new hires who are ineligible for bonuses due to length of service.

77.8%
of ethnic minority colleagues received a bonus in 2023

86.3%
of white colleagues received a bonus in 2023

Bonus gaps

The lower representation of ethnic minority colleagues in the upper quartile impacts our ethnicity bonus gaps. Our median bonus gap is lower than our mean bonus gap because it's not affected by the upper quartile of senior colleagues who receive the highest bonuses.

20.9%

2023 median bonus gap

A decrease of 25.7% on 2022 (46.6%)



Our median bonus gap has **decreased** by **25.7%** in the past 12 months. The median bonus gap is based on the middle bonus in each population. As the ethnic minority population grows, we're likely to see significant shifts in the median bonus gap, as we have seen in 2023.

41.2%

2023 mean pay gap

A decrease of 8.6% on 2022 (49.8%)



While this is a positive shift, the gap is due to an increase in representation of ethnic minority employees at colleague 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 colleagues in the upper quartile is higher. As there is a lower representation of ethnic minority colleagues in this quartile, there continues to be a bonus gap.

Gender pay gap and representation

Gender pay gap 2023 – our gender pay gaps have decreased slightly in the past 12 months.

Changes in representation

Overall representation of women increased from 32.2% in 2022 to 33.6% in 2023. There was a decrease in the lower quartile and an increase in all other quartiles and in the total population compared to 2022, which would have resulted in a positive shift.

The median is the hourly rate of our employee who are in the middle of the population (or the average of two middle values) for both the male and the female populations. The gap is the difference between these two. As the female population grows, specifically in the higher quartiles (as we have seen this year) the gap will likely reduce.

Ungraded colleagues' group

Alongside increases in the representation of women at leadership, management, and colleague levels, we also saw a slight increase in the representation of women among our ungraded colleague population (11.8% in 2023 compared to 10.4% in 2022).

Ungraded colleagues are mostly 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. As women are still a significantly lower percentage of our ungraded population, this contributes to our gender pay gap

19.7%

2023 median pay gap

A decrease of 0.7%
on 2022 (20.5%)



17.4%

2023 mean pay gap

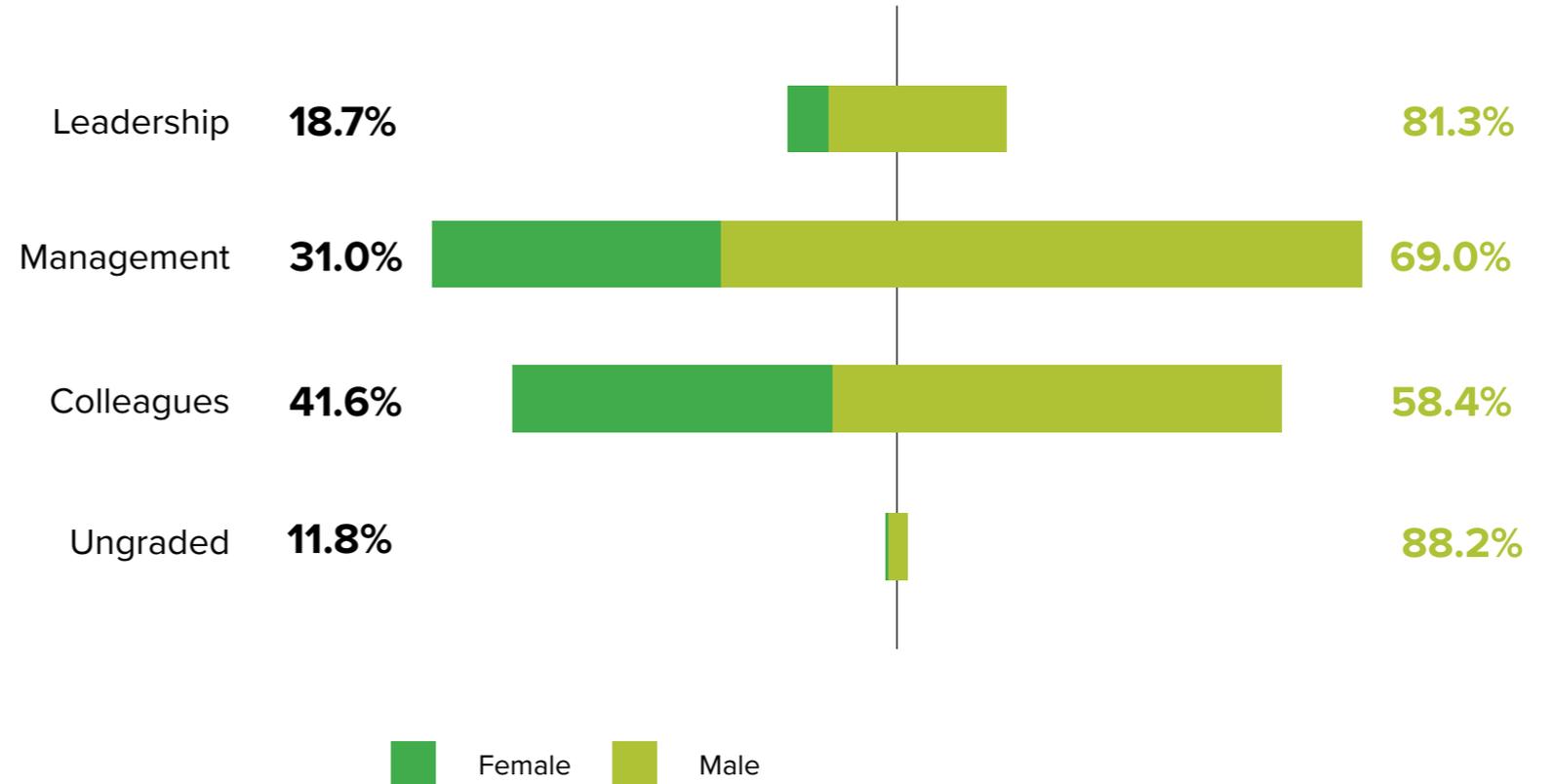
A decrease of 1.3%
on 2022 (18.7%)



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 2022, female representation has increased by 0.9% at colleagues' level, 1.8% at management and 1.4% at leadership. Female representation also increased by 1.4% within our ungraded population.

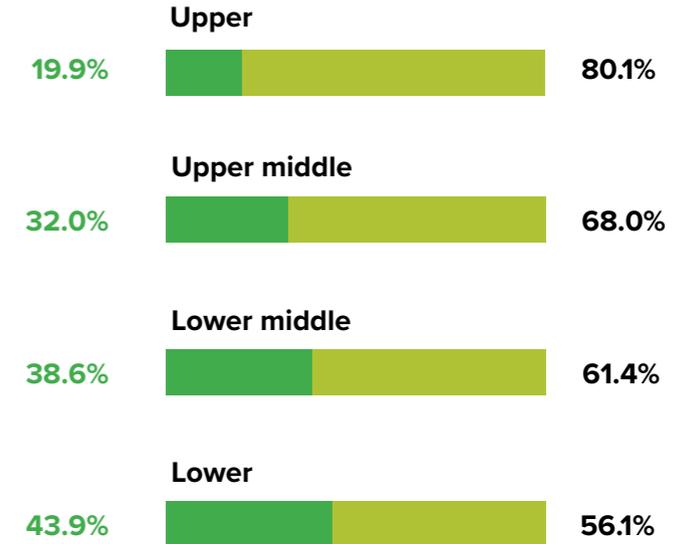




Representation per quartile

Pay quartiles are used to show how the representation of white and ethnic minority colleagues 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.

- Female
- Male



Mean gender pay gap per quartile

Our pay gaps remain smaller 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 colleagues at senior management and leadership levels.

	2020	2021	2022	2023
Upper	3.6%	3.6%	3.7%	4.4%
Upper middle	1.5%	2.7%	2.1%	2.9%
Lower middle	0.4%	0.1%	0.8%	1.4%
Lower	0.1%	-0.5%	-0.5%	-0.9%

Gender bonus gap

Percentage of ethnic minority and white colleagues receiving bonuses in 2023.

Overall, more people received a bonus in 2023 than in 2022. The difference between the proportion of men and women receiving a bonus is 0.5%, a decrease since 2022 (when the gap was 3%). This may have resulted in a positive shift towards closing the mean gap.

The main reason for the gap is that there is a proportionately higher number of female hires who are ineligible for bonuses due to length of service.

81.6%
of female colleagues received a bonus in 2023

82.0%
of male colleagues received a bonus in 2023

Bonus gaps

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

13.6%

2023 median bonus gap

An increase of 1.7% on 2022 (11.9%)



Our median bonus gap has **increased** by 1.7% in the past 12 months. The median bonus gap, like the gender pay gap is the bonus that sits at the middle of the population (for both male and female). The middle rate will fluctuate with population changes. Even though the median has increased by 1.7%, the figures are not significantly different – the female figure is lower and the male figure is higher. This could be due to shifts in population (i.e. more females received a bonus, but more females have a lower bonus meaning the median bonus decreases slightly).

49.5%

2023 mean pay gap

A decrease of 3.3% on 2022 (52.8%)



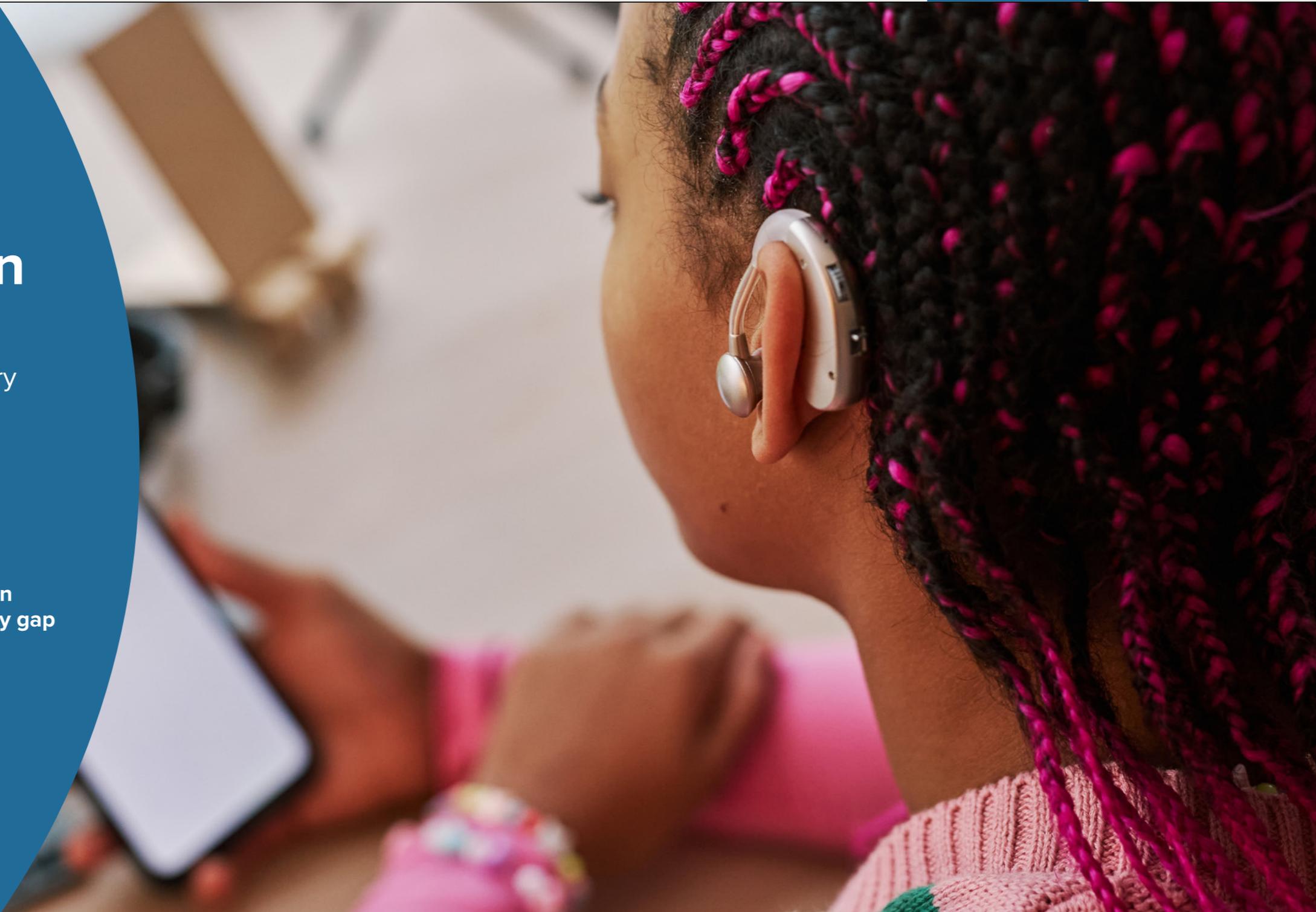
Our mean bonus gap has **decreased** by 3.3%. This is primarily due to the fact that more women received bonuses in 2023 compared to 2022.

Disability pay gap and representation

Disability pay gap 2023 – as this is a new reporting category for Mott MacDonald this year, no comparisons have been drawn to previous years.

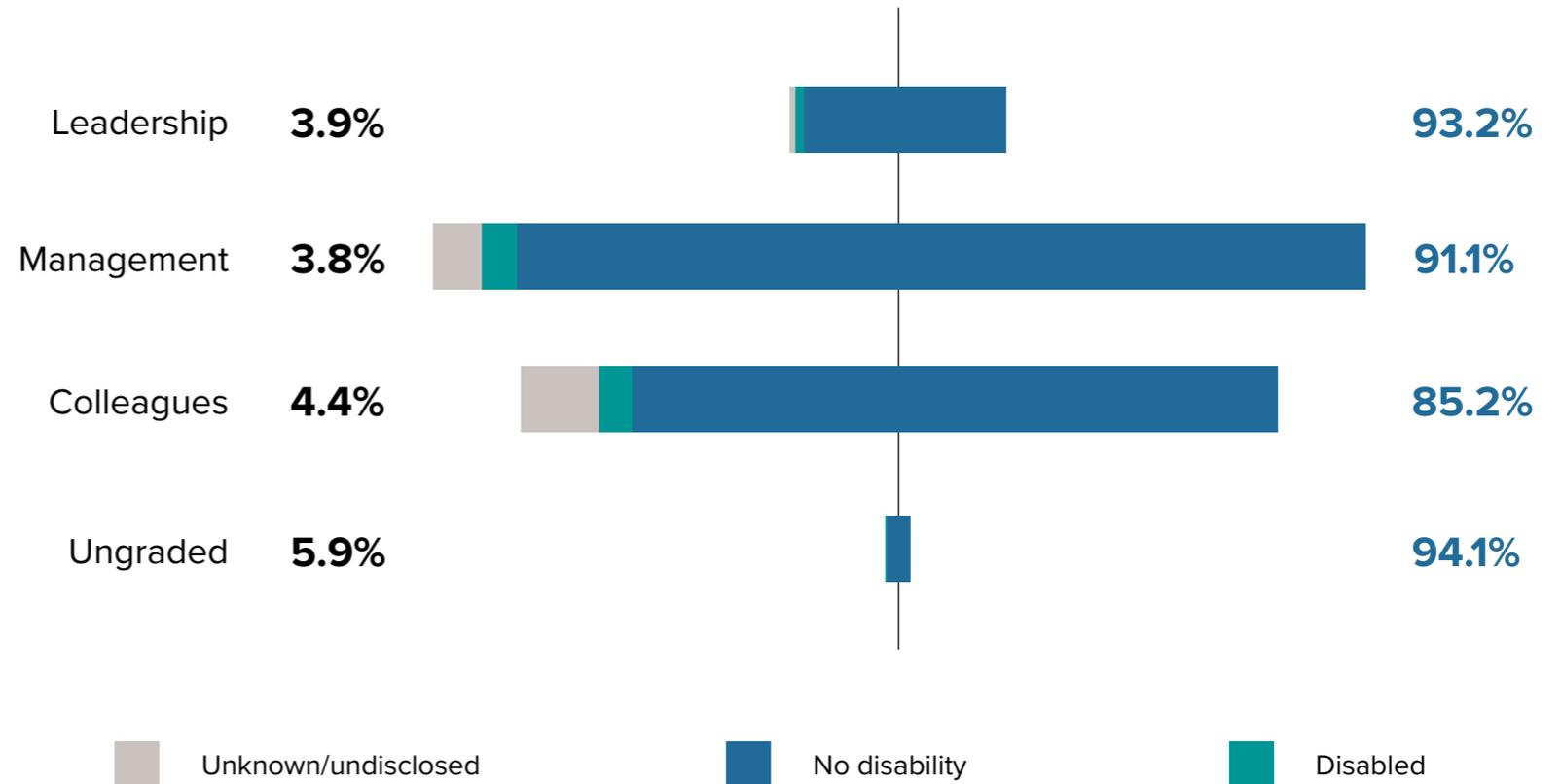
5.3%
2023 mean disability pay gap

7.7%
2023 median disability pay gap



The shape of our workforce

The shape of our workforce significantly impacts our pay gaps. Our disability pay gaps are caused by lower representation of disabled colleagues in senior positions and a higher representation of disabled colleagues in junior roles. Our current overall representation is 4.4%. Representation is lower at management (3.8%) and leadership level (3.9%) which may explain our disability pay gap figures.

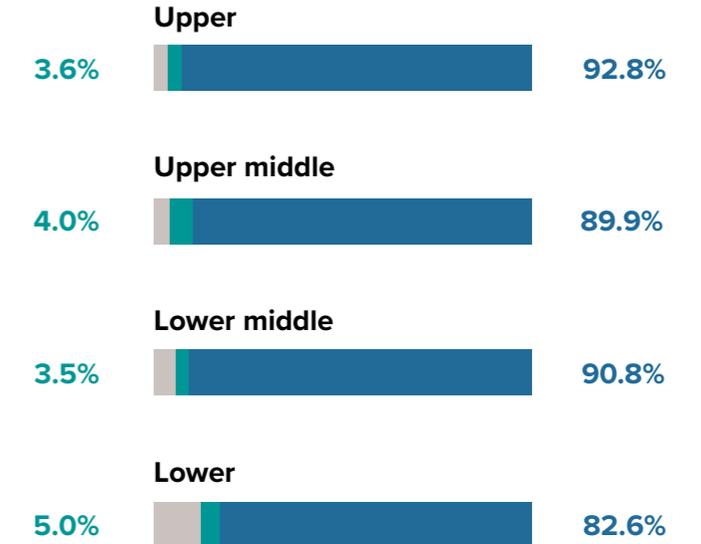




Representation per quartile

Pay quartiles are used to show how the representation of disabled and non-disabled colleagues 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. Analysis shows that there is a higher concentration of disabled colleagues in the lower pay quartile.

- Unknown/undisclosed
- Disabled
- Non-disabled



Mean gender 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.

	2023
Upper	-0.6%
Upper middle	1%
Lower middle	-0.5%
Lower	1.4%

Disability bonus gap

Percentage of disabled and non-disabled colleagues receiving bonuses in 2023.

The difference between disabled colleagues and non-disabled colleagues receiving a bonus is 3% with a larger percentage of colleagues declaring a disability receiving a bonus.

88.3%
of disabled colleagues received a bonus in 2023

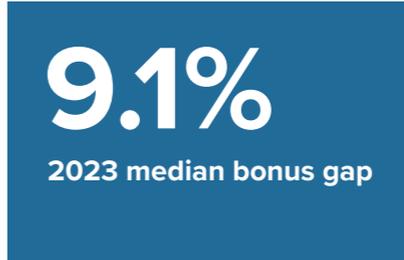
85.3%
of non-disabled colleagues received a bonus in 2023

Bonus gaps

The lower representation of disabled colleagues in the upper quartile impacts our disability bonus gaps. 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 colleagues in the upper quartile is higher.

As there is a lower representation of ethnic minority colleagues in this quartile, there continues to be a bonus gap. The median bonus gap is based on the middle bonus in each population. Our median bonus gap is lower than our mean bonus gap because it's not affected by the upper quartile of senior colleagues who receive the highest bonuses.

While proportionately, disabled colleagues were more likely to receive a bonus, the representation sizes in the two groups are largely different (1000s non-disabled vs 100s disabled colleagues). The mean gap is the difference in the average bonus received for both groups – non-disabled colleagues is a larger group of people with a wider range of bonus amounts. Moreover, if a larger number of non-disabled colleagues with higher salaries outweigh disabled colleagues, this could widen the disability bonus gap.



Addressing our pay gaps

As our pay gaps are largely due to the under-representation 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. This is reflected in our action plan.



Attraction and recruitment

We created job description templates and guidance for hiring managers. These have key EDI considerations embedded to make sure our recruitment and hiring process is fair, inclusive, and diverse and help attract diverse talent. This guidance includes advice on how to judge all candidates fairly, thoughts on choosing who to interview, and making sure the group of people conducting the interviews is diverse.

Gender decoders are used in our job ads to ensure that language is gender neutral and inclusive. Our job ads also clearly highlight our commitment to EDI and our agile working ethos.

At graduate level, we have removed the requirement for a 2.1 degree, as well as master's degree in most roles. This is helping us to attract greater diversity as we know those entry requirements we had in place created barriers for students, particularly those from lower social mobility and ethnic minority backgrounds.

Our Talent Acquisition team explores multiple partnerships and collaboration opportunities with the aim of making our intake processes more equitable and inclusive. Recent and current initiatives include:

- **Breakthrough** – supporting 20 individuals leaving the prison system or at risk of offending with mock interviews and feedback. We've offered four candidates' roles within Mott MacDonald following a successful assessment event.
- **10,000 Black interns scheme** – a programme that offers paid internship opportunities
- **AFBE-UK (Association for Black and Minority Ethnic Engineers)** – facilitating transition events for early careers students moving from university into the workplace, as well as events focussed on nine to 17-year-olds to encourage them into STEM.
- **East London Business Alliance** – offering mentorship to young black men in London who aspire to get into the construction industry
- **Leonard Cheshire** – providing meaningful paid internship placements for high performing disabled undergraduates and graduates
- **Renaissi** – offering mentorship to refugee talent.



Attraction and recruitment

Going forward

Equitable and inclusive intake processes are key to making sure we have diversity within our talent pool.

2024 attraction and recruitment activities

- **Skills-based interview framework:** Creating a skills-based framework for interviews. This will help us have a consistent way to assess candidates and make hiring more inclusive. This includes a new toolkit for hiring managers.
- **Review hiring process:** Improving the current process and training for hiring managers around shortlisting candidates, interviewing, and assessing them.
- **Recruitment and Selection Policy:** Developing a statement that outlines our policy for recruiting and selecting candidates.
- **Inclusion training:** Creating a learning and training programme for the Talent Acquisition team and hiring managers.
- **Support under-represented talent:** Delivering initiatives that create sustainable pools of talent from groups that are under-represented. This includes supporting the recruitment of armed forces personnel, running a STEM returners programme for people who took a career break, and hiring through the 10,000 Black Interns programme into early careers summer placements.
- **Executive search team:** Working with the Executive Search team to explore options for attracting diverse senior talent to Mott MacDonald.
- **Review job descriptions:** Adapting job descriptions for senior roles, making sure they highlight the importance of inclusive leadership and capabilities.
- **2024 social media plan:** Developing a 2024 social media plan to attract diverse talent and showcase our commitment to equality, diversity, and inclusion.

Retention and engagement

To retain diverse talent, we need to create a culture where colleagues feel valued, heard and engaged, and build up EDI competencies levels across the workforce. We want to make sure that employees have a platform to engage and 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 employee engagement survey helps us to understand levels of engagement and use colleague feedback to help make Mott MacDonald an even better place to work. In our most recent survey in 2023, we had an increased overall engagement score with inclusion scoring especially high.

It's also important to us that our colleagues' voices heard all year round.

Employee resource networks

Our five employee EDI networks (Advancing Accessibility, Gender, LGBT+, Parents & Carers, and Race & Culture) play a key role in creating an inclusive culture through meaningful engagement. We continue to consult with network committees on relevant business decisions to make sure 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 2023, our UK Advance Networks organised several informative webinars. They also collaborated with the EDI team to develop and communicate guidance on a range of topics, for example 'An Introduction to Neurodiversity'. Moreover, we worked to ensure that our network and business unit EDI action plans and initiatives are aligned with the region's EDI strategy and plan.



Retention and engagement

Going forward

Listening to our employees, building competencies and developing our approach to retention and engagement is essential to addressing our pay gaps.

2024 retention and engagement activities

- **Understand inequalities:** Creating additional opportunities to understand the personal impact of inequalities on colleagues and inspire allyship.
- **EDI E-Learning:** Introducing a new online learning course about equality, diversity, and inclusion.
- **Inclusive Behaviours Campaign:** Rolling out a long-term campaign to encourage inclusive behaviours.
- **EDI Libraries:** Developing a collection of EDI dilemmas and moments related to encourage conversations in team meetings and other settings.
- **Learning Resources:** Sharing resources for employees to learn about inclusive etiquette, speaking up against microaggressions and guides race and language guides.
- **Leadership Training:** Upskilling our senior leadership teams in inclusive leadership.

Development and progression

We're committed to providing professional development opportunities for our Early Career Practitioners and using data insights to deliver positive action development programmes for colleagues currently underrepresented at Mott MacDonald.

Examples of our internal programmes:

■ Reciprocal mentoring scheme:

This initiative 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 EDI topics based on their EDI mentor's lived experience.

■ Connected Conversations:

Quarterly conversations between an individual and their manager about career growth. They help build strong relationships and improve performance. In 2022, we added equality, diversity, and inclusion (EDI) goals to these conversations. This made everyone accountable for EDI, leading to more inclusive business practices and positive change. In 2023, we experienced an increase of employees setting an EDI performance goal as part of their Connected Conversations.

■ The Women's Future Leader Programme:

A series of virtual workshops 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.

■ Career development pathways:

We improved our career development pathways by clearly outlining the requirements and competencies of each role. We have also introduced a consistent balanced scorecard for all senior promotions and will cascade this approach across Mott MacDonald to create greater transparency for all colleagues.



Development and progression

Going forward

It's essential that all of our employees are given equal opportunities to develop their skills and progress.

2024 development and progression activities

- **Positive Action Development:** Exploring options to deliver development programmes for colleagues currently under-represented at senior levels.
- **Reciprocal Mentoring:** Improve our mentoring program by including more groups of people.
- **Talent Management Strategy:** Further develop our strategy for managing talent to make sure there are increased opportunities for under-represented groups.
- **Career Pathways and Succession Planning:** Making sure our plans for career pathways and succession planning frameworks support our EDI aspirations.
- **Gender Leadership Review:** Carry out a gender leadership review and develop an action plan to mitigate any negative impact.

Opening opportunities with connected thinking.

Talk to us. EDI@mottmac.com

mottmac.com