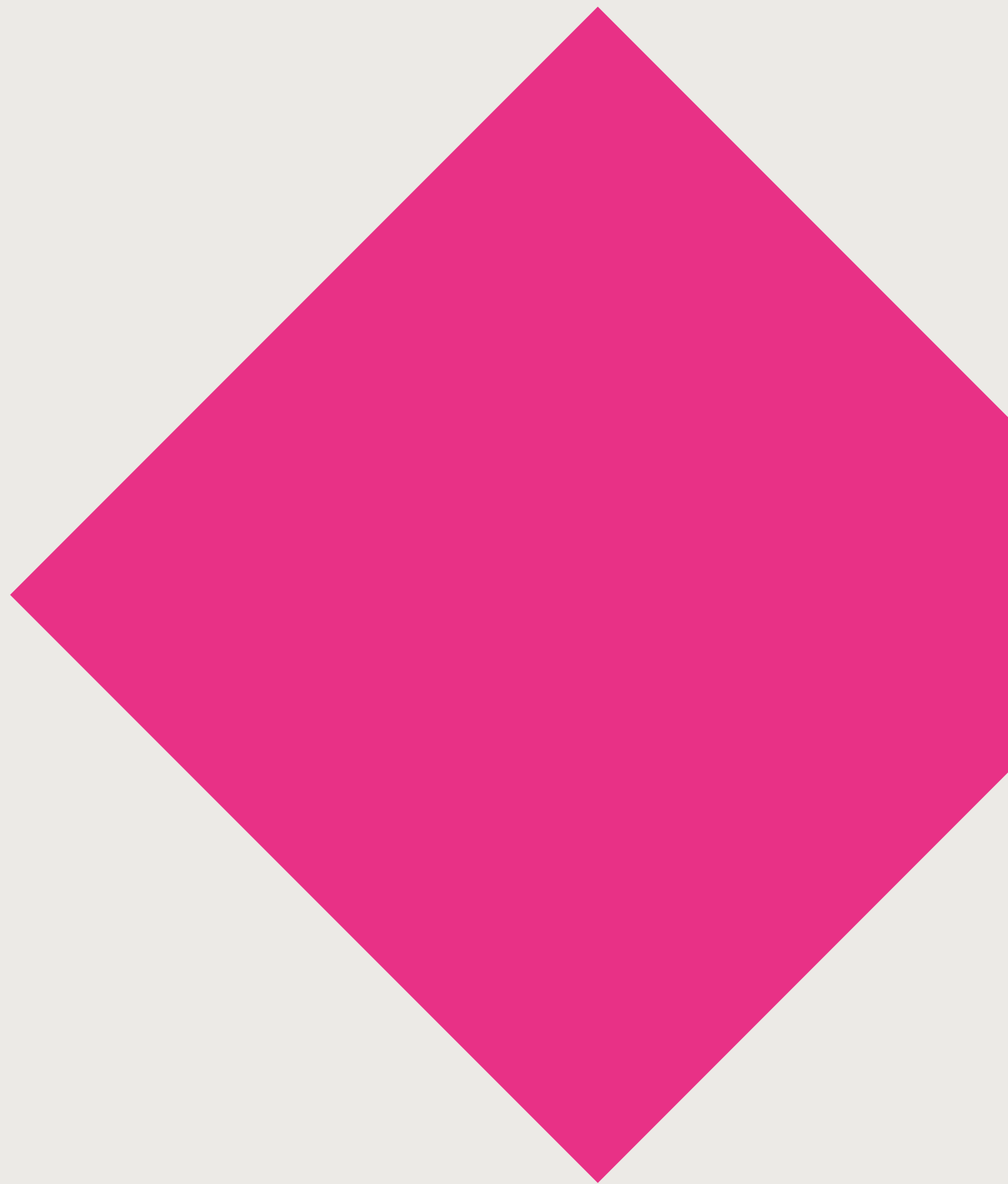


UK ethnicity pay gap report 2019



Foreword

At Mott MacDonald, we wholeheartedly believe that what makes our people different, makes us better. We are working to create an inclusive workplace by welcoming the rich diversity of our people's individuality, experiences, cultures, approaches and views.

Gender pay gap reporting has driven positive change within our business and we want to bring the same benefits to ethnicity. The improved focus, transparency and open dialogue it has brought to our gender equality efforts is what we envisage for how we promote ethnic diversity. That's why we are choosing to report on our ethnicity pay gap, despite it not being a statutory requirement. Broadening our reporting scope is the right thing to do – for our people, for our business and for our industry. As one of the first engineering consultancies to do so, we hope that other organisations will join us.

While this is the first year we report our ethnicity pay gap, our actions to promote ethnic diversity and inclusion have been developing for several years. Our well-established Advancing Race and Culture (ARC) staff champion network has implemented an action plan which addresses the underrepresentation of ethnic minority amongst our people by promoting senior role models, developing strong relationships with external organisations such as the Association for Black and minority ethnic Engineers (AFBE), and raising awareness through key events.

We have partnered with Business in the Community (BITC) on cross-organisational mentoring circles for black, Asian and minority ethnic (BAME) managers and completed their Race Equality Benchmark to measure and inform our actions. We have also signed up to the BITC Race at Work Charter to cement our commitments and encourage better practice.

Reporting on our ethnicity pay gap is an important step in our journey towards improving ethnic diversity amongst our people. We recognise that we still have some progress to make and I hope that this report will help us to grow and strengthen our efforts, building on the good practice we have implemented so far, so that within our workplace we begin to better represent the diversity of the communities we work in.

Cathy Travers

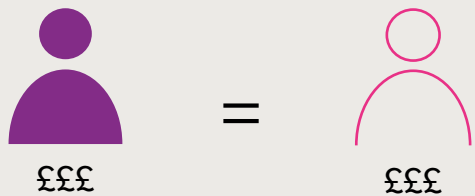
UK and Europe general manager
Pronouns: She, her



Our ethnicity pay gap reporting explained

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

Equal pay



Equal pay is the legal requirement to pay two individuals the same for equal work. In the context of ethnicity this means that **Black, Asian and minority ethnic (BAME)** employees and **White** employees should not be paid differently for performing equal work.

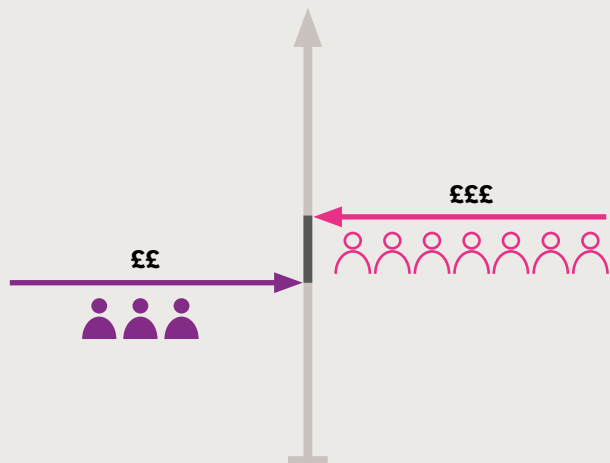
Ethnicity pay gap



The ethnicity pay gap measures the difference in average pay between all **BAME employees** and all **White employees**. The difference is expressed as a percentage of White employees' earnings.

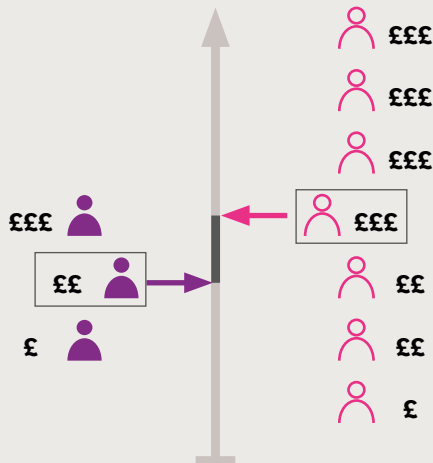
Mean ethnicity pay gap

The mean ethnicity pay gap is the difference between **BAME employees'** and **White employees'** average earnings.



Median ethnicity pay gap

The median ethnicity pay gap is the difference in hourly pay between the mid-point of **BAME employees'** and **White employees'** earnings, when listed by size.



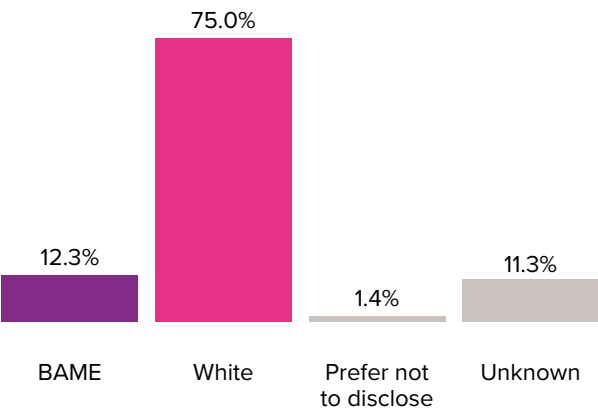
How we calculate and report our ethnicity pay gap

Mott MacDonald's ethnicity pay gap has been calculated using the gender pay gap statutory methodology and looks at the overall gap between BAME and White groups. Our data is based on BAME colleagues collectively rather than divided by specific ethnic groups. In the same way we report our gender pay gap, we have reported our ethnicity pay gap based on pay after salary sacrifice as required by statute. Hourly pay is based on the pay period including 5 April 2019 and bonus pay is based on bonuses paid in the period 6 April 2018 to 5 April 2019.

Our reporting is based on an employee population of **5,660**.

Our workforce monitoring data

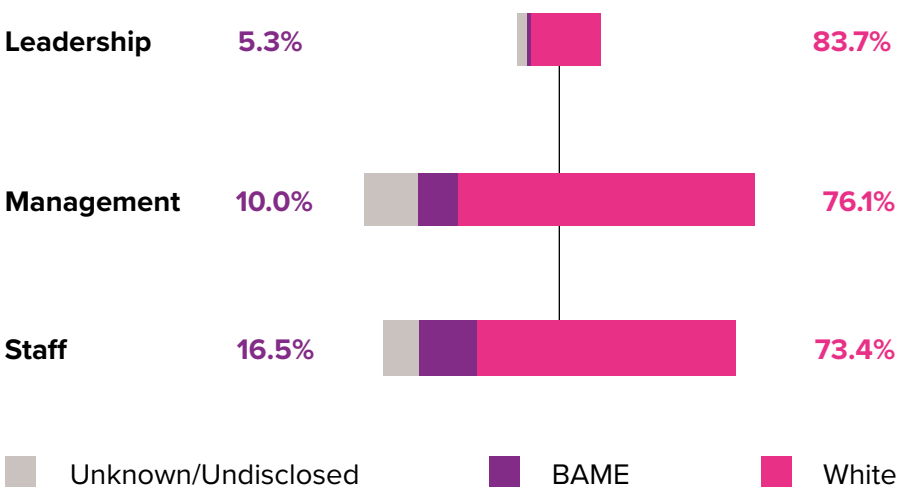
Following recent efforts to increase the declaration rate we now have ethnicity data for 87.3% of UK employees. 75.0% of our workforce are White and 12.3% are BAME. 1.4% of employees preferred not to disclose their ethnic origin and the ethnic origin of 11.3% of employees is unknown (due to lack of historical diversity monitoring). The pay gap calculations are based on those individuals who have chosen to declare their ethnicity and exclude those which we do not hold data for, or who have selected 'prefer not to say'.



Ethnicity pay gap and representation

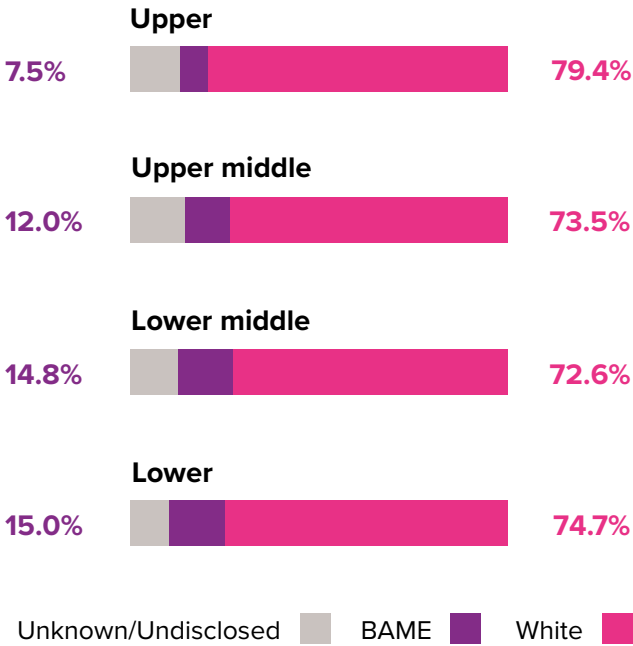
The shape of our workforce

The shape of our workforce significantly impacts our pay gaps. Based on our internal grading structure we have grouped employees into ‘staff’, ‘management’ and ‘leadership’, as shown in the graph to the left. Please note that this graph excludes the 3.6% of our staff who are hourly paid or non-payroll and as such are not included in our grading system



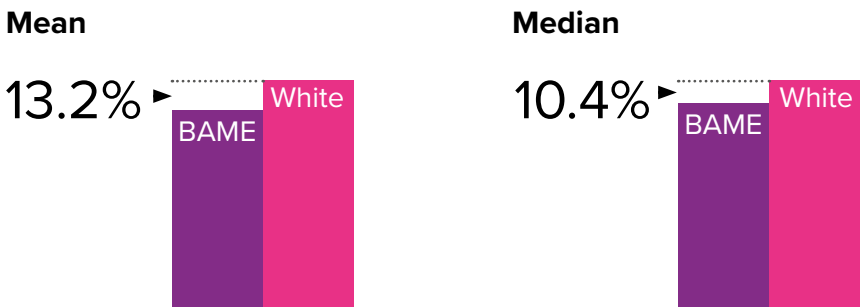
Representation per quartile

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



Ethnicity pay gap 2019

Our ethnicity pay gaps are mainly caused by the lower representation of BAME staff in senior, higher-paid positions and a higher representation of BAME staff in lower-paid, junior roles.



Mean ethnicity pay gap per quartile

When we look at our pay gaps per quartile we can see that all are under a 2% mean gap (each way) except for that of our upper quartile where the gap is 8.6%. This larger pay gap is caused by lower representation of BAME staff at senior management and leadership levels. We are working hard to improve this and recognise that high retention rates at this level means change will be gradual.

Upper	8.6%
Upper middle	0.0%
Lower middle	1.7%
Lower	-1.8%

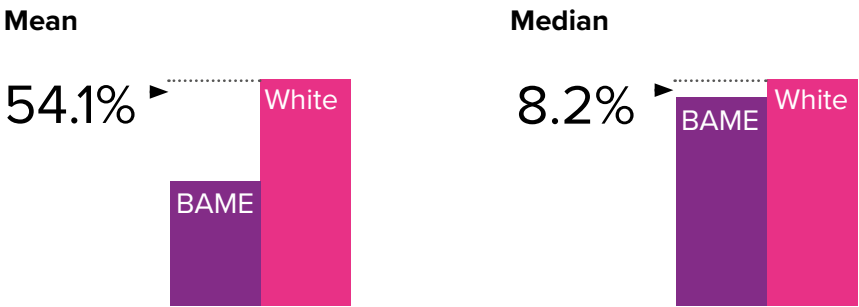
Ethnicity bonus gap

Percentage of BAME and White staff receiving bonuses in 2019



Most of our employees receive a bonus, although the percentage of BAME staff receiving a bonus is slightly lower. This is due to a proportionately higher number of BAME hires relative to headcount who are ineligible for bonuses due to length of service.

Ethnicity bonus gap 2019



The lower representation of BAME staff in the upper quartile also impacts our ethnicity 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.

“We are working hard to increase the transparency of our compensation and benefits processes to ensure that all of our colleagues can be confident that they are being rewarded fairly and equally”

Jen Ross
UK and Europe human resources manager
Pronouns: She, her



Addressing our ethnicity pay gap

Analysing our diversity monitoring and pay data, seeking feedback from our colleagues, and engaging with Business in the Community's race campaign has helped shape our actions. As our pay gaps are largely due to the underrepresentation of staff from BAME backgrounds, particularly in senior positions, our actions focus on how we will attract and recruit, retain and engage, and develop and progress BAME talent.

Attraction and recruitment

We have put in place a number of actions and initiatives to attract BAME candidates and recruit a more ethnically diverse workforce.

Implementing an 'achieve or explain' approach to shortlisting

This year we will implement an 'achieve or explain' approach to our interview shortlists. Hiring managers will be expected to achieve a minimum of 25% diverse candidates on a shortlist in terms of gender or ethnicity (e.g. in a shortlist of four suitable applicants, at least one must be female and/or BAME) to ensure no candidates are being overlooked or talent pools unexplored. If this is not achieved, hiring managers have to explain the steps they have taken to attract diverse candidates and are held accountable by our talent acquisition team. If they have not taken active steps to achieve this, they are required to take further action and will not be allowed to interview a homogenous candidate list.

Using EDI data to support our early careers talent strategy

Our early careers recruitment strategy – focused on apprentices, industrial placements and graduate opportunities – is directly shaped by diversity data. We commissioned market research to identify how we can attract more diverse talent to our early careers opportunities and now use higher education ethnicity data to focus our engagement on universities with better BAME representation.

De-biasing our early careers application process.

Over the past two years we have taken steps to de-bias our selection processes. For our early careers opportunities, we moved from competency-based assessment to strength-based assessment. This focuses on the strengths and potential that a candidate has rather than their prior work experience, creating a more equal platform for them to join our workforce. For our upcoming 2020 intake we also removed CVs from the application process and moved to a standardised application form which limits unconscious bias.

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

We have been working with AFBE-UK since 2018 to support BAME talent in the move from education to employment. Each year we collaborate on the Transition programme – a half-day workshop which provides STEM university students with mock interviews, CV workshops, networking and a mock assessment centre facilitated by our senior managers and recruiters. The programme supports students with the transition from education to employment and enables organisations like ours to really connect with BAME talent.

“The Transition workshop was inspirational. How often can you network with professionals, gain careers advice and tour the office of a leading consultancy all in one day? The experience encouraged me to apply for a placement. Thanks to the workshop, the process was less daunting: I could anticipate the questions in the online test; I had already done practice interviews; and having met the employees, I knew exactly why I wanted to work for the company. I have been at Mott MacDonald since July 2019 and am very grateful they facilitated this amazing event.”

Ayokansola Ayo-Adeyemo

Industrial trainee and 2018 Transition attendee
Pronouns: She, her



“I have learned so much from working with our ARC committee as the network board sponsor. I am proud to have the opportunity to support the fantastic work they are doing and to champion race and culture inclusion from the leadership level of our business.”

Alec Pavitt

Advisory general manager
Advancing Race and Culture board sponsor
Pronouns: He, him



Retention and engagement

We have several actions to retain staff from ethnic minority backgrounds and engage all employees in our race equality efforts.

Supporting our Advancing Race and Culture network

The Advancing Race and Culture (ARC) employee network aims to engage all staff in our race equality and cultural inclusion efforts. The network is led by staff co-champions who are provided with time, budget, training and a regional board-level sponsor who champions the network at executive level. The network provides peer-to-peer support, networking opportunities, profiles BAME role models and organises sessions on topics such as ‘Let’s talk about race’ which are embedded in our regional EDI calendar of key dates and events.

Understanding our people

In alternate years we run global employee engagement surveys and region-specific EDI surveys to understand the views of our people and measure the impact of our inclusion efforts. Responses are anonymised with trends analysed using diversity monitoring – including ethnicity – and this allows us to understand key challenges and priorities for ethnic minority colleagues. The findings from both surveys have been used to inform and measure the actions referenced within our action plan.

Improving exit interviews

In all areas of our work we aim to be data-driven and to measure outcomes. In 2020 we are developing a new and improved exit interview process to better understand why people leave the business and monitor differences in overall trends by gender and ethnicity.

Development and progression

We have implemented several initiatives to support more equal development and progression of BAME staff.

EDI dashboards

Our EDI dashboards cross-analyse diversity monitoring data – including ethnicity – by headcount, turnover, retention and promotions for each business unit which is required to report trends on a bi-annual basis to the regional board. The board holds business units to account for driving improvements and ensuring promotion rates are proportional to current representation levels.

Increasing transparency around promotion and progression

We are improving 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. This will support improved performance discussions and better define what is expected of people in order to progress in the business. In addition, to reinforce objectivity we will introduce a balanced scorecard for senior promotions.

Reverse mentoring

Our reverse mentoring scheme partners BAME (as well as disabled and LGBT+) colleagues at junior levels with senior leaders. The scheme is designed to support the development of staff from underrepresented groups while providing our leaders with the opportunity to learn from colleagues with different perspectives and insights. Participants are paired for 12 months and are supported through training, regular check-ins and a reverse mentoring toolkit. More than 100 staff have taken part in the scheme and our fourth cohort is due to start in April this year. Over 95% of participants have said they would recommend the scheme.

Mentoring platform

We are launching a mentoring platform across the UK business to help colleagues partner up with mentors. We know from the landmark 2018 McGregor-Smith review into race at work that progression is a high priority for BAME employees. To support this we are embedding mentoring as this is one of the progression actions recommended by Business in the Community’s Race at Work charter.

“The sessions helped me change the way I see myself. Being thrust into the working world all those years ago as an ambitious, young, black woman and single parent – straight out of university – led to a complicated form of ‘imposter syndrome’ that I’ve always struggled with. Thanks to my mentoring circle, I now see these elements of my story – elements that I spent years thinking people would judge me negatively for – in a positive light, and no longer allow them to hold me back.”

Ife Akintoye
Senior Recruitment social media and marketing executive
Participant in Cross-organisational mentoring circles
Pronouns: She, her

Cross-organisational mentoring circles

In 2018 and 2020 we participated in cross-organisational mentoring circles run by Business in the Community’s Race at Work campaign. The scheme supports the progression of BAME staff at management levels. Each mentoring circle is led by one senior lead mentor and includes eight mentees at similar levels from a mix of organisations with a focus on career development and professional networking.



**What makes you
different makes us better.**