



UK ethnicity and gender pay gap report

2020

Foreword

Over the last five years we have worked incredibly hard to promote and support an inclusive culture at Mott MacDonald. Driven by our commitment to equality, diversity and inclusion, we set clear actions and goals aligned with our ambition to increase the diversity of our workforce.

Publishing our ethnicity and gender pay gap reports enables us to better track our progress and set targeted actions that support reducing these pay gaps. Initially, we focused on improving gender representation by encouraging colleagues to acknowledge the importance and benefits of diverse teams, as well as setting goals and actions to increase female representation across all levels.

Our steady progress on these goals resulted in decreasing our gender pay gap from 19.8% in 2019 to 16.4% in 2020. While some of the actions taken in response to the global pandemic assisted this reduction, it's encouraging to see that without these actions our mean gender pay gap still decreased by 2.3% last year to 17.5%.

Although we still have some way to go to achieve gender parity, this progress reconfirms the positive impact our actions and goals are making. I have personally seen the difference that leading a diverse regional executive management team makes – the team's 40/60 female/male gender split means I am no longer the sole female voice and more generally, having different perspectives adds to the quality of our conversation and decision making.

We reported our ethnicity pay gap for the first time in May 2020; recognising the importance of improving both female and ethnic minority

representation across the business and updating our goals and action plans. Months later, our actions on ethnicity were the subject of interest and debate across our organisation following the high profile killing of George Floyd in the United States. This led us to introduce listening roundtables where our Black and ethnic minority colleagues shared their experiences of racism, discrimination, and the everyday challenges of living and working in the UK as an ethnic minority.

Listening to people's lived experiences made me feel very humble – 'white privilege' and 'micro-aggressions' were new terms to me, and understanding how difficult it can be for our Black and ethnic minority colleagues to go about their daily lives was eye-opening. Through sharing stories and listening we build our understanding and can make the necessary changes to create a more inclusive workplace.

By reporting on our pay gaps, listening to our colleagues about their experiences and having clear goals and actions, we are improving our focus on diversity and inclusion in the most impactful areas, supporting our ambition of making Mott MacDonald the best place to work.

Cathy Travers

UK and Europe general manager
Pronouns: she, her



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



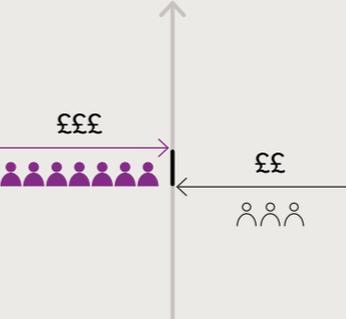
Equal pay means that a person in one group in our organisation and a person in a comparator group should not be paid differently for performing equal work.

Pay gap



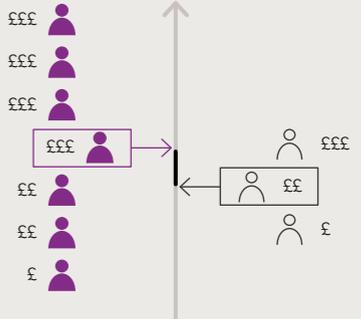
A pay gap measures the difference between the average earnings of one group compared against the average earnings of another group. The difference is expressed as a percentage of the first group's earnings.

Mean pay gap



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

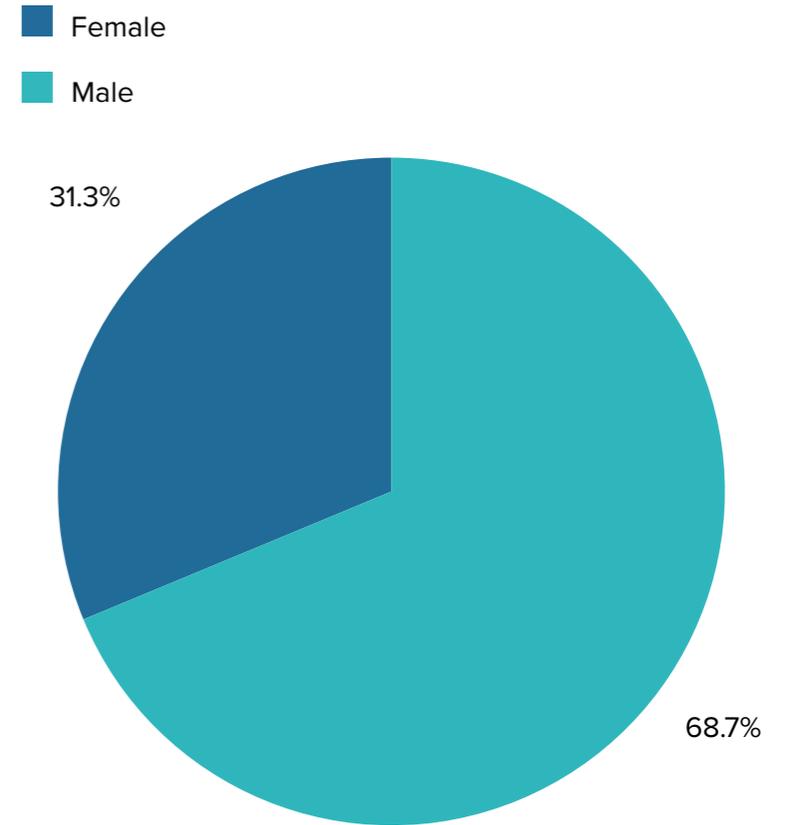
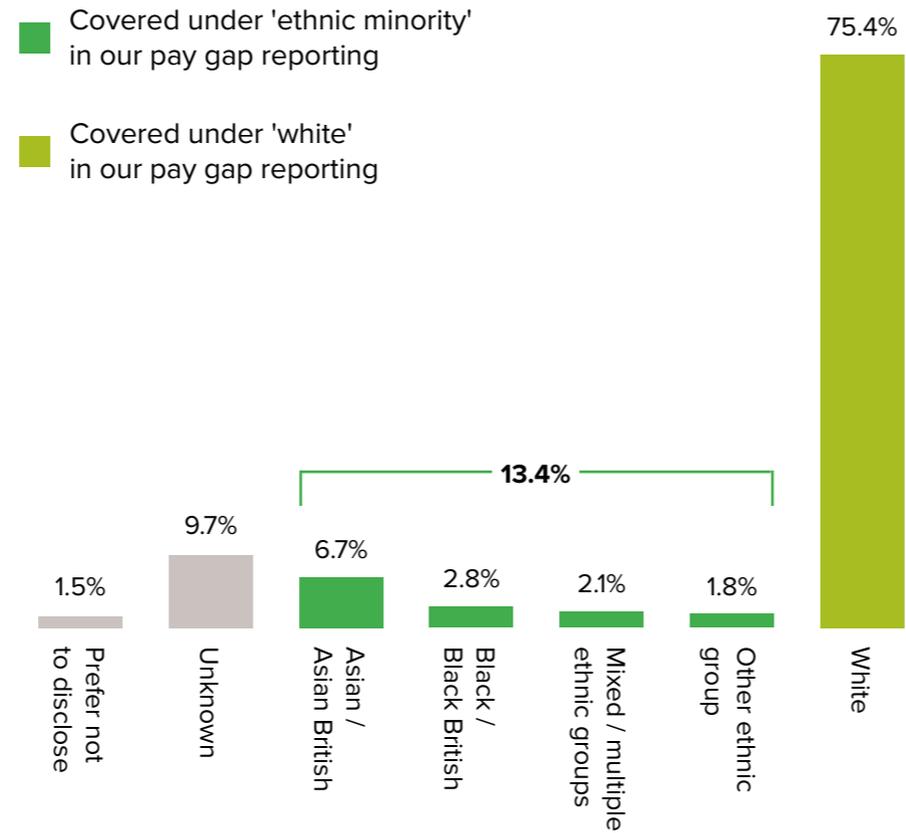
Median pay gap



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 **5,848**.



How we calculate and report on our pay gaps

Both our gender pay gap and our ethnicity pay gap have been calculated using the 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 2020 and bonus pay is based on bonuses paid in the period 6 April 2019 to 5 April 2020.

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 at the reporting date we have ethnicity data for 88.8% of UK employees. The breakdown of our reporting population by ethnicity is shown on the above page.

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 guidelines require us to report on the pay gap between men and women, meaning this report is unable to include data on other gender identities. Additionally, the data used for the gender pay gap calculation comes from our internal HR platform which can currently only record gender in a binary way. We are developing a new system which will enable us to collect

data on gender identities beyond male/female to ensure that in future all colleagues can have their gender accurately recorded.

Although we have used the terms 'gender', 'male' and 'female' for the purpose of this report, we understand that, for some people, this will be referring to the gender recorded at birth and not 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 individuals and intersex people, and we continue to take actions to create a more inclusive workplace for our trans, non-binary and intersex colleagues. For example, we have introduced a pronouns section in our email signatures, encouraging colleagues to share how they would like to be referred to. We also continue to provide regular trans and non-binary inclusion webinars and remind colleagues of our trans and non-binary inclusion guidance.

Impact of COVID-19

Our pay gap figures have been affected by actions taken in response to the global pandemic. Like many other UK businesses, we implemented a temporary percentage-based pay reduction scheme which was tiered to ensure that lower paid staff were not financially impacted to the

same extent as higher paid employees.

This meant that in the relevant reporting period, our more senior staff were earning proportionately less than they would have been had these measures not been applied. As this population has a higher representation of white and male staff, it has lowered the average pay of white and male staff more than that of female and ethnic minority colleagues, as such, reducing both our ethnicity and gender pay gaps. We thought it was important to understand where we would have been without these measures and are pleased to see that excluding these pay reductions, our mean ethnicity pay gap still reduced to 13.0% since last year, while our mean gender pay gap reduced to 17.5%.

In addition to temporary pay reductions, we also saw a proportion of bonuses deferred from the 2019/2020 bonus year into the 2020/2021 year. We recognise the impact this will have on reporting our bonus gaps for both years and as such, in addition to our statutory submissions, we will also monitor our figures excluding this adjustment. Had these bonuses not been deferred, our mean ethnicity bonus gap for 2019/2020 would have been 52.2%. Our mean gender bonus gap for 2019/2020 would have been 63.7%.

Ethnicity pay gap and representation

Ethnicity pay gap 2020

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. We are pleased to see a slight decrease in our mean pay gap, due to an overall increase in ethnic minority representation over the past 12 months. Our median pay gap has increased slightly since 2019, due to the proportionately higher increase in ethnic minority representation at junior levels over the past year.

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 right. Please note that this graph excludes the 2.5% of our staff who are paid hourly or non-payroll, and as such are not included in our grading system.

11.0%

2020 median pay gap

^ Increased by 0.6% from 2019 (10.4%)

12.1%

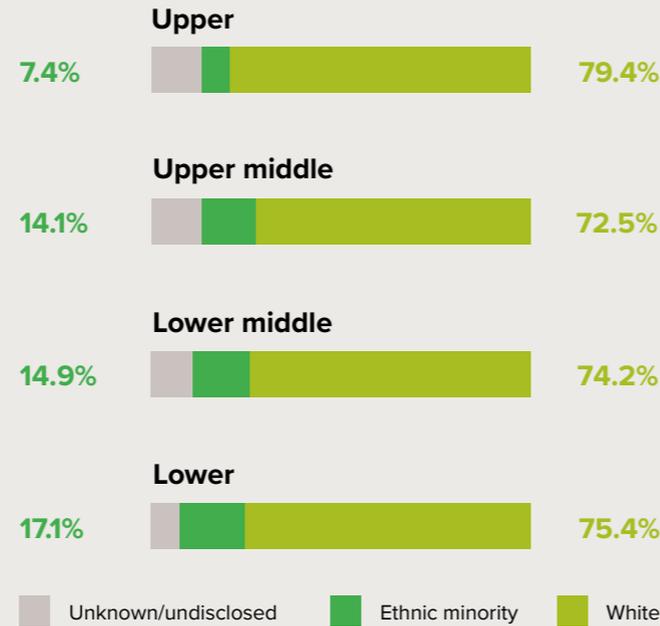
2020 mean pay gap

∨ Reduced by 1.1% from 2019 (13.2%)



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 change will be gradual.

	2019	2020
Upper	8.6%	5.6%
Upper middle	0.0%	1.1%
Lower middle	1.7%	0.7%
Lower	-1.8%	-2.6%

Ethnicity bonus gap

Percentage of ethnic minority and white staff receiving bonuses in 2020

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

73.0%

of ethnic minority staff received a bonus in 2020

82.7%

of white staff received a bonus in 2020

Ethnicity bonus gaps

The lower representation of ethnic minority staff in the upper quartile 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.

0.0%

2020 median bonus gap

✓ **Reduced by 8.2%**
from 2019 (8.2%)

50.0%

2020 mean bonus gap

✓ **Reduced by 4.1%**
from 2019 (54.1%)

Gender pay gap and representation

Gender pay gap 2020

Our gender pay gaps have decreased for the third year in a row since our first year of reporting in 2017. This reduction is due in part to the proportionally higher increase in female representation at senior levels of the business over the past year.

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. However, we are pleased to see that increases in female representation over the past year have been primarily at leadership level. Since 2019, female representation has increased by 0.5% at staff level, 1.9% at management and 2.4% at leadership.

16.2%

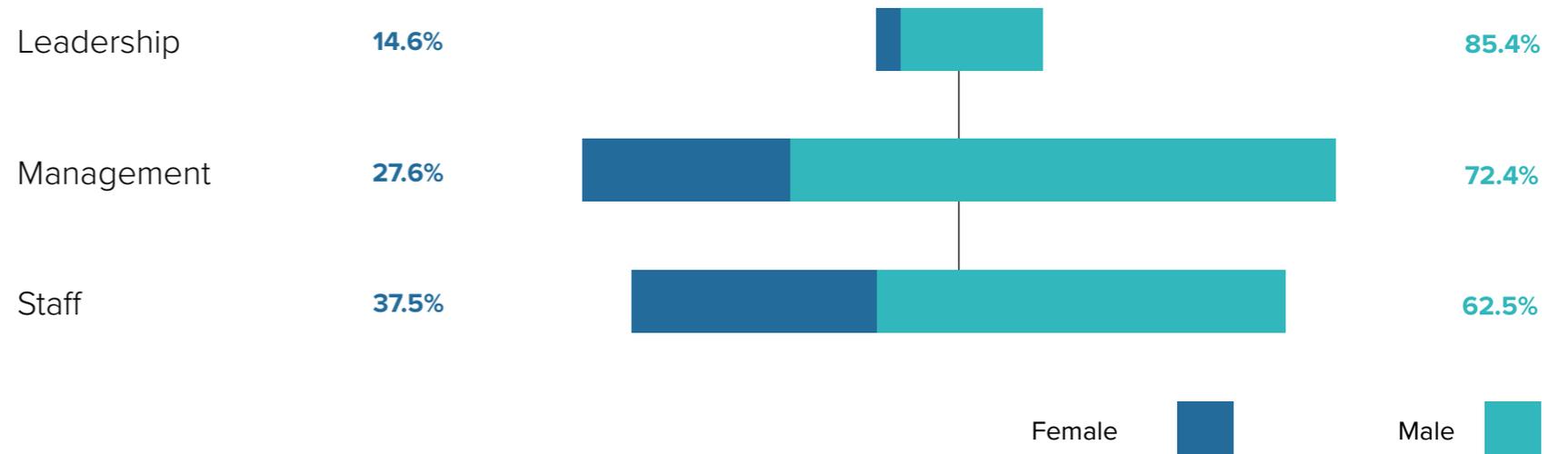
2020 median pay gap

✓ Reduced by 2.7% from 2019 (18.9%)

16.4%

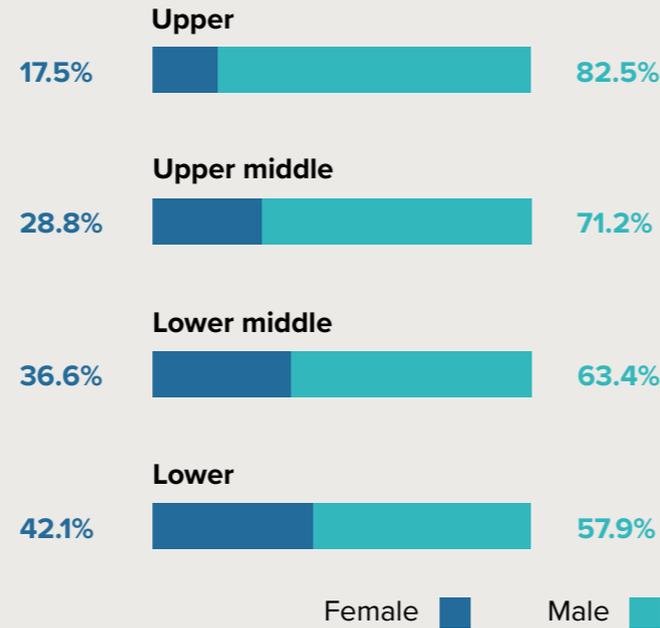
2020 mean pay gap

✓ Reduced by 3.4% from 2019 (19.8%)



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

When we look at our pay gaps per quartile, we can see that all are under a 2% mean gap (each way) except that of our upper quartile where the gap is slightly higher at 3.6%. This larger pay gap is caused by lower representation of female staff at senior management and leadership levels. We are working hard to improve this and have seen improvements over the past 12 months as the mean gender pay gap in the upper quartile has reduced from 9.2% in 2019 to 3.6% in 2020.

	2019	2020
Upper	9.2%	3.6%
Upper middle	1.5%	1.5%
Lower middle	0.4%	0.4%
Lower	-1.2%	0.1%

Gender bonus gap

Percentage of male and female staff receiving bonuses in 2020

The gap between the proportion of men and women receiving a bonus is 5.5%, a slight decrease since 2019 when it was 5.9%. 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.

77.8%

of female staff received a bonus in 2020

83.3%

of male staff received a bonus in 2020

Gender bonus gaps

We are pleased to see that our median bonus gap has continued to reduce and is now 0.0%. This shows that the steps we have taken to improve female representation has had a positive impact on gender balance at this level. The lower representation of women 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.

Our mean bonus gap has also reduced over the past year but remains higher than the median as it is affected by the proportionately lower number of women in leadership roles which attract higher bonuses.

0.0%

2020 median bonus gap

✓ Reduced by 8.3% from 2019 (8.3%)

60.0%

2020 mean bonus gap

✓ Reduced by 7.5% from 2019 (67.5%)

Addressing our pay gaps

Attraction and recruitment

In 2020 we introduced a series of inclusion nudges as part of our recruitment process. These nudges are mapped throughout the process from the point someone raises a vacancy until offer stage, to ensure hiring managers are actively working to minimise the risk of biased based decision making. We have made the new guidance available across our UK business and we're piloting a new tracking system within our Transportation business unit to assess uptake of the inclusion nudges.

Nudge 1: Creating the job description

Hiring managers are supported to create a job description with wide parameters for the role including essential and desirable criteria. Our talent acquisition team ensures that all job adverts have been passed through a gender decoder before going live to remove any gender biased language.

Nudge 2: Inclusive interview training module

Hiring managers are required to complete our new inclusive interview training module which outlines the importance of equality, diversity and inclusion throughout the hiring process and covers how to formulate interview questions, interviewing best practices, recognising and tackling unconscious bias, and understanding the candidate experience.

Nudge 3: Sourcing candidates

Our talent acquisition team finds potential candidates through a wider range of sources including diverse job boards such as Work 180, our employee EDI networks and LinkedIn.

Nudge 4: Scoring candidates fairly

For our high-volume roles our hiring managers and interview panellists are encouraged to utilise our new candidate scoring matrix to either assess at shortlist and/or interview stage. The matrix supports a structured and consistent approach to shortlisting where candidates are scored solely on the defined essential and desirable criteria for the role.

Nudge 5: Diverse interview panels

We encourage gender and ethnic diversity on the interview panel wherever possible and more than one candidate is interviewed before a hiring decision is made.

Award winning early careers talent strategy

Our early careers team (focused on apprentices, industrial placements and graduate opportunities) have been working hard to support our equality, diversity and inclusion goals. The team won the 2020 Best Early Careers Onboarding Strategy award at the In-House Recruitment Awards and the 2021 Best Emerging Talent Strategy award at the Firm Awards. These awards recognise the team's efforts in developing a strength-based assessment, interview and development programme which has been shown to support a more diverse talent pool. The new talent scores and benchmarks applied to each stream support a fairer and more inclusive recruitment process and have encouraged greater diversity at later stages of assessment.

Retention and engagement

Supporting our employee networks

Our employee networks help us to create an inclusive culture and engage our colleagues. Each network is led by co-champions who are provided with time, budget and training and a regional board-level sponsor who champions the network at executive level. These networks are at the forefront of our business decisions:

- **Advancing Gender** continues to help us engage colleagues in our gender equality efforts, running internal webinars on International Women's Day and career development insights on 'How to stand out in a virtual crowd'.
- **Advancing Race and Culture** worked closely with our EDI and executive leadership teams to plan and deliver our race equality webinars in the summer of 2020.
- **Sunshine parents and carers** provided important peer-to-peer support during national lockdowns and school closures as well as working closely with the executive team on the business' response.

Agile working

The government equalities office and behavioural insights team recommend improving flexibility as a key action to address the gender pay gap. In November 2020 we rolled out an agile working policy across the UK and Europe, supporting and encouraging an agile working culture for all colleagues. We empower our people by giving them more ownership over how, when and where they work to meet their personal and professional commitments.

Exit interview insights

We recently launched a new exit interview process across the region to help us better understand why people leave the business. The new form enables us to collect quantitative data on key reasons for leaving and monitor differences in overall trends by gender and ethnicity. We will be using this to inform future retention and engagement actions.

Cultural values assessment

In 2020 we completed the National Equality Standard (NES). As part of this process a cultural-values assessment (CVA) was used to understand how our employees experience and perceive their current and desired workplace culture. Over 2000 colleagues completed the assessment survey.

The results were analysed to assess the degree of overall cultural health and stress in the organisation, by gender, ethnicity and a number of other factors such as grade, disability, social mobility, sexual orientation, caring responsibilities and working arrangements.

The analysis highlighted the top positive and potentially limiting behaviours and identified the biggest opportunities for improvement towards our colleagues' desired organisational culture. We are using these findings to inform our equality, diversity and inclusion efforts.

Race equality webinars

Over the summer we hosted webinars on race (in)equality and tackling racism. Ranging from listening roundtables to Time to Talk About Racism workshops, these webinars:

- Provided a platform for Black and ethnic minority colleagues to share their personal experiences and insights.
- Were attended by over 2000 UK colleagues.
- Explained concepts such as microaggressions, white privilege and white supremacy.
- Were led with participation by our regional executive team, members of our EDI team and Advancing Race and Culture network and supported by Business in the Community's Race at Work campaign.

Development and progression

Mentoring

In 2020 we launched a new mentoring platform, Mentor Match, across the UK business to help colleagues partner up with mentors. We also had a number of colleagues participate in the cross-organisational mentoring circles scheme for ethnic minority talent, organised by Business in the Community's Race at Work campaign and had colleagues participate in external mentoring schemes run by the Women's Engineering Society (WES) and Women in Transport (WIT). Embedding mentoring is one of the progression actions recommended by both Business in the Community's Race at Work charter and also features in the government equalities office and behavioural insights team's recommended key actions to reduce the gender pay gap.

Connected conversations

In September 2020 we launched 'Connected Conversations' our new global approach to supporting the progress and performance of our people, enabling all colleagues to perform at their best. The new approach supports more regular check-ins between colleagues and their line managers to support ongoing feedback throughout the year. Our ambition is to build stronger relationships between colleagues and managers with more frequent conversations and feedback on topics related to career development and progression.

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, we have recently introduced a consistent balanced scorecard for all senior promotions and hope to cascade this approach throughout the rest of the population to create greater transparency for all colleagues.

Reverse mentoring

Our reverse mentoring scheme partners ethnic minority, 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 six months and are supported through training, regular check-ins and a reverse mentoring toolkit. Nearly 200 staff have participated in the scheme and our 2020 cohort was our largest yet with over 70 colleagues taking part. 80% of reverse mentors are from an ethnic minority background and 44% are female. Over 98% of participants (both senior and junior) in the 2020 cohort have said they would recommend the scheme.



Through my reverse mentoring meetings I've learned a new and much more in-depth perspective on race and racism. My reverse mentor and I discussed a wide variety of topics in relation to EDI and career development, ranging from how to recognise and address microaggressions to tips for building professional networks.

Lynne Hamilton

Principal management consultant and reverse mentoring participant
Pronouns: she, her

National Equality Standard

A step closer to becoming the employer and consultant of choice

In 2019 we were ranked eighth in the Inclusive Top 50 UK Employers List for 2019/20 which is a reflection on how we promote inclusion across all protected characteristics throughout the business. Taking us another step towards becoming the employer and consultant of choice within our industry, in 2020 we achieved the National Equality Standard (NES) which is the highest benchmark a business can achieve for equality, diversity and inclusion good practice in the UK.

The National Equality Standard

Developed and assessed by EY, the accreditation process covers all aspects of diversity and rigorously explores HR, recruitment, learning and development practices to identify where and how we can improve. It's supported by the Equality and Human Rights Commission, UK Home Office and the Confederation of British Industry (CBI).

Our achievement of the standard

The assessment in 2020 included an information audit, interviewing senior leaders, focus group sessions and inviting our people to respond to a cultural values survey. In October 2020 we gained accreditation following a comprehensive evaluation process. Our strengths were particularly recognised in our approach to mental health and wellbeing, talent attraction and leadership visibility and messaging.

Continuous progress through the NES Action Plan

Using NES competencies, we developed further actions to help deliver EDI best practice, which are reviewed monthly. This includes actions which improve our recruitment and onboarding practices such as interview training, how to write a job description (including gender decoding) and utilising a candidate scoring matrix.

We have also improved our leadership commitment and accountability by committing to a set of goals over a four-year plan. These goals are sponsored by the region and owned by each unit which has its own set of goals to increase diversity at each grade, which are then reviewed at regional board meetings.

Reviewing the action plan regularly means that we continually review policies and processes that will help us ensure that our practices continue to meet these standards and improve across all aspects of EDI, our talent, our business, our people, our leadership, our relationships and our review and measurement.



Mott MacDonald has demonstrated tremendous progress in embedding their D&I ambition right through their business and HR processes with mechanisms for continuous review and measurement of progress.

Simon Feeke
EY director and lead assessor
Pronouns: he, him



Opening opportunities with connected thinking

Talk to us

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