

UK 2022
Pay Gap Report



Arup's mission is to shape a better world.

To achieve that, we must create and maintain an inclusive and diverse culture that attracts the best talent regardless of background or personal characteristic and allows them to reach their full potential. Only then can we continue to deliver innovative and extraordinary solutions that our clients demand.

Our **Total Inclusion Strategy** sets out our approach to meeting our inclusion goals and our Pay Gap Report helps us measure the progress we are making against them.

In our **UK 2022 Pay Gap Report**, we share the results of the latest gender and ethnicity pay gap analysis. We confirm that this information and data is accurate as of the snapshot date of 5 April 2022.

As this report shows, we've continued to address the female underrepresentation across our industry and our workforce over the last 12 months, but there is more to do.

We have clear targets, and while we know that it won't be easy to achieve them, we're committed to leading the change we want to see through embedding **Equality, Diversity & Inclusion** (EDI) into everything we do, removing barriers to career progression and nurturing talent by offering development opportunities at all career levels.



A handwritten signature in black ink, appearing to read 'J Frost'.

Jerome Frost
Chair - UK, India,
Middle East and Africa Region



A handwritten signature in black ink, appearing to read 'Andrew Harrison'.

Andrew Harrison
Corporate Services Leader

UK 2022 Pay Gap Report

Executive summary

The main cause of our pay gaps is related to representation at every level of the organisation. Arup employs more men than women, and more White members than Ethnic Minority members, in the UK.

Gender pay gap

Our median gender pay gap has increased slightly from 15.7% in 2021 to 15.8% in 2022. Since we began reporting in 2017, our median gender pay gap has reduced by 0.9 percentage points.

Representation of women across Arup has risen for the sixth consecutive year, from 33% in 2017 to 38.8% in 2022.

Female representation within our leadership grades has increased from 22% in 2017 to 28.2% in 2022. The representation of women in the upper quartile of all pay grades has also increased from 22.4% in 2017 to 28.6% in 2022.

These positive changes are the result of our continued focus on attracting, developing and retaining women at all levels of the organisation, and particularly at leadership grades*.

Ethnicity pay gap

Arup reported the ethnicity pay gap for the first time in 2021 and this year the pay gap is based on the voluntary ethnicity disclosure of 78% of our members.

Over the past year, the number of Ethnic Minority members has grown from 15.9% in 2021 to 16.8% in 2022 and our median ethnicity pay gap has reduced from 11.3% in 2021 to 10.5% in 2022. This reinforces the importance of increasing Ethnic Minority representation, particularly in leadership grades*, to help reduce the pay gap.

Since the UK 2021 Pay Gap Report was published, Ethnic Minority representation within the leadership grades* has increased from 7.9% in 2021 to 10.0% in 2022. The representation of Ethnic Minority members in the upper quartile of all pay grades has also increased from 10.4% in 2021 to 11.7% in 2022.

This year is the first time that Arup has explored the interplay of gender and ethnicity on the pay gap.

The outcome reflects the make-up of the organisation, with White males more commonly holding senior roles, which pay higher salaries. The positive diversity in our early and mid-career grades means that our pay gaps persist, as leadership grades* have the greatest influence on reducing our gender and ethnicity pay gaps.

Changes in representation take time to realise and our continued focus on diverse recruitment and development strategies, ensuring equitable hiring and progression within Arup, are designed to build the careers of women and those from Ethnic Minority groups.

Female pay gap

Female members have broadly the same pay gaps regardless of ethnicity.

White and Ethnic Minority pay gap

There is a pay gap between White and Ethnic Minority males resulting from representation.

Key



* Grades 7-9

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Reporting explained

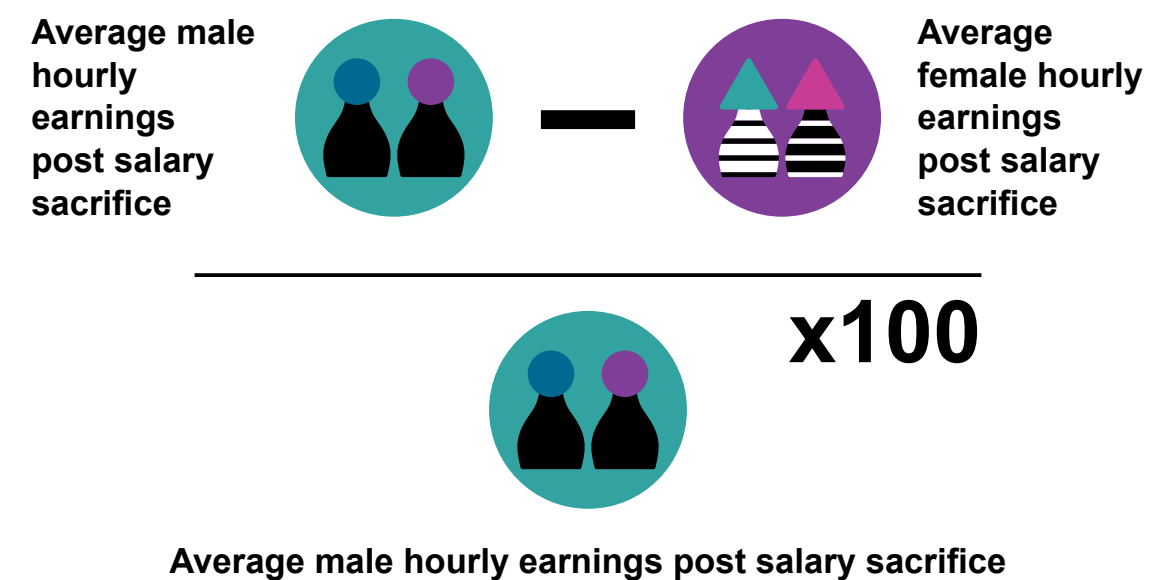
What is the pay gap?

The gender pay gap is calculated as the difference between the average hourly earnings of men and women (excluding overtime) as a proportion of average hourly earnings of men (excluding overtime). The ethnicity pay gap is calculated using the same methodology as the gender pay gap.

How is the pay gap different to equal pay?

The gender pay gap is a calculation across all jobs in the UK, not of the difference in pay between men and women doing similar roles.

To ensure we uphold equal pay, we undertake an annual equal pay audit during our annual salary review process.



Mean pay gap

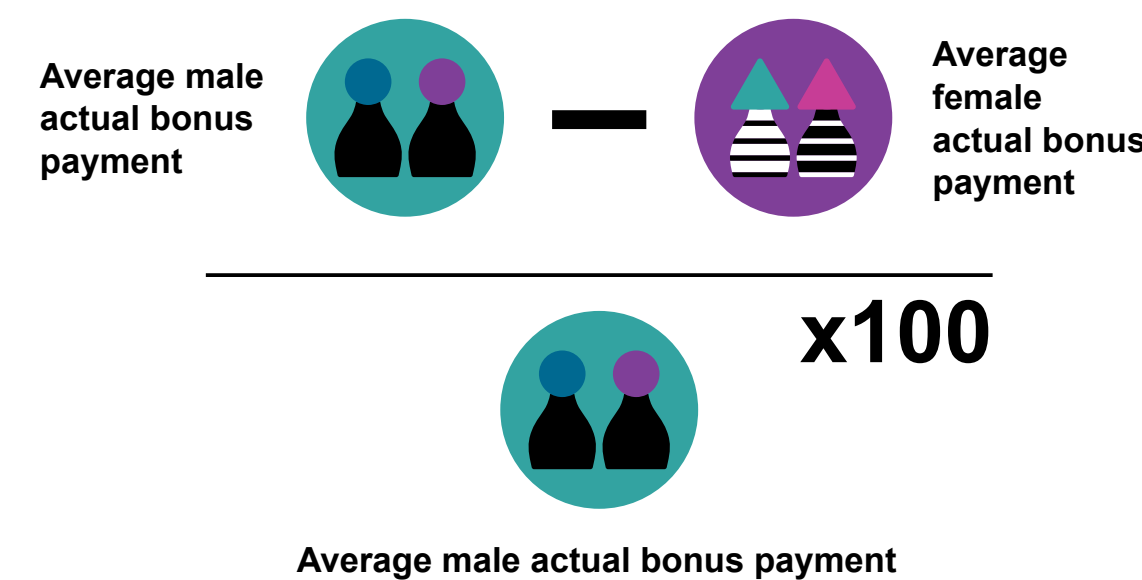
The mean is the average pay or bonus for a woman and man, or for Ethnic Minority and White members.

Median pay gap

The median is the ‘middle’ pay or bonus for a woman and a man, or for Ethnic Minority and White members, when all values are distributed from low to high. The median is considered more meaningful than the mean as it is less affected by outliers.

What is the bonus pay gap

The bonus payment percentages are intended to reflect the distribution of bonus payments made to each distinct category of members who were paid bonus pay in the 12 months preceding the data end 5 April 2022. Bonus pay gaps are expressed as a percentage.



What ethnicities are included in the ethnicity pay gap?

The ethnicity pay gap looks at the difference in hourly pay between White members and Ethnic Minority members. These groups have been defined as follows:

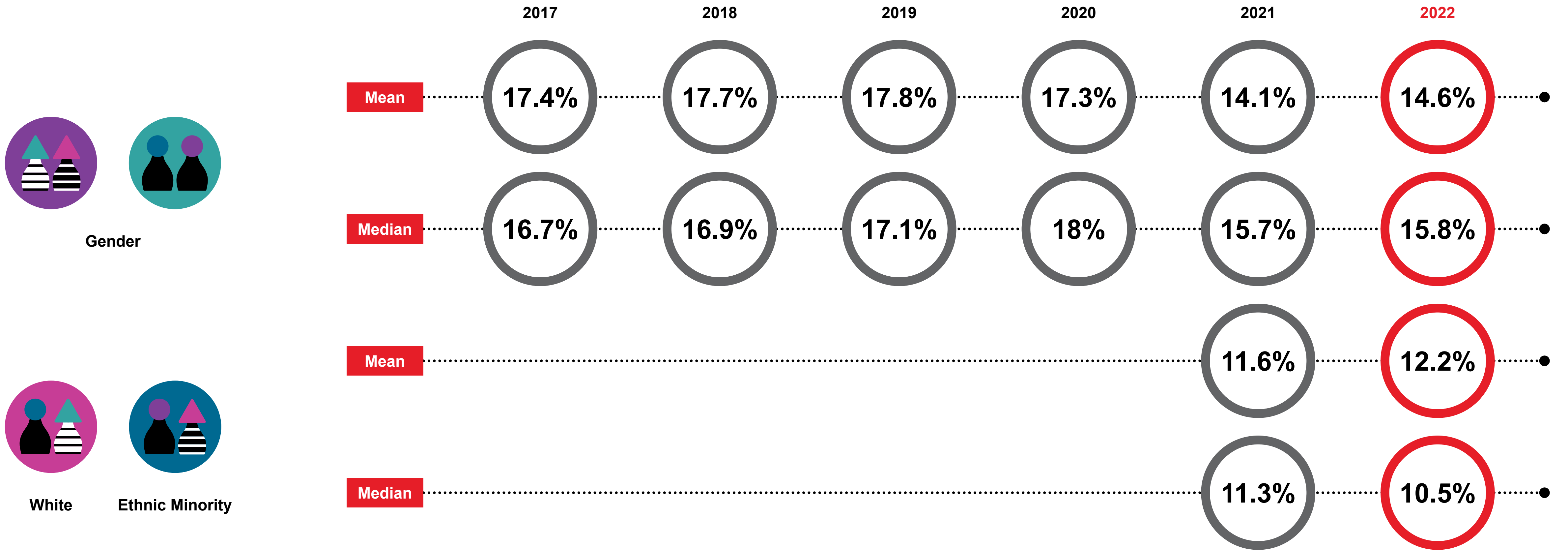
- White is all members who have identified their ethnicity as ‘White’ or ‘Western’, including this of British, English, Welsh, Scottish, Northern Irish, Irish, Roma, or any other White background.
- Ethnic Minority is all other ethnic groups.
- Members who have not stated an ethnicity or chosen not to disclose have been excluded from the pay gap.

Understanding the pay and bonus gap data

- A positive percentage figure reveals that overall, members from a traditionally under-represented group (i.e., women, Ethnic Minority members) have lower pay or bonuses than members from a majority represented group.
- A negative percentage figure reveals that overall, members from a majority represented group (i.e., men, White members) have lower pay or bonuses than members who are from a traditionally under-represented group.

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Pay gap trends



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Bonus pay gap

Arup is owned in trust for the benefit of our people and each year they partake in the collective success of the organisation through Profit Share. Profit Share is our bonus equivalent and applies to all permanent and fixed-term roles.

Our Profit Share is the variable component of our reward that is linked to our global annual performance. Members at all levels, across all countries, shares in the success of Arup.

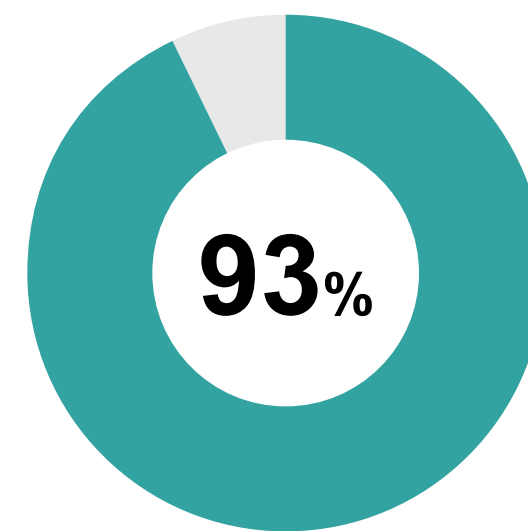
Profit Share operates consistently and transparently for all eligible members and is free from bias. Our bonus gap is a product of the pay gap and resulting from under representation of female and Ethnic Minority members at leadership grades, and greater representation at early and mid-career grades.

Payments for new joiners are pro-rated based on their eligible service in the Profit Share period, which creates an increased bonus pay gap at early and mid-career grades due to greater recruitment volume outside of the Profit Share period compared to that at leadership grades.

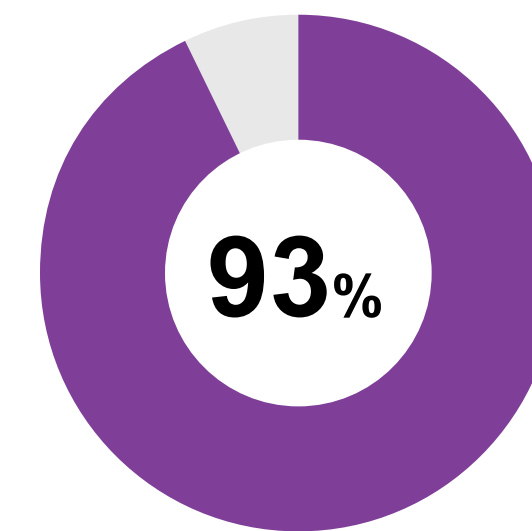
Gender Bonus gap key statistics

26.9%
Median bonus gap

34.7%
Mean bonus gap



Male
Proportion of males receiving a bonus



Female
Proportion of females receiving a bonus



Male

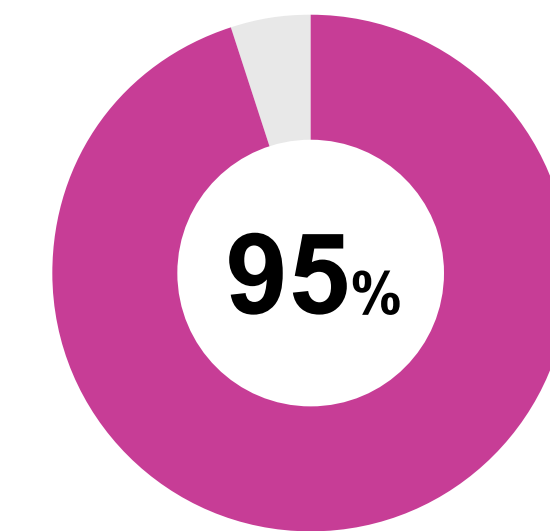


Female

Ethnic Minority Bonus gap key statistics

23.6%
Median bonus gap

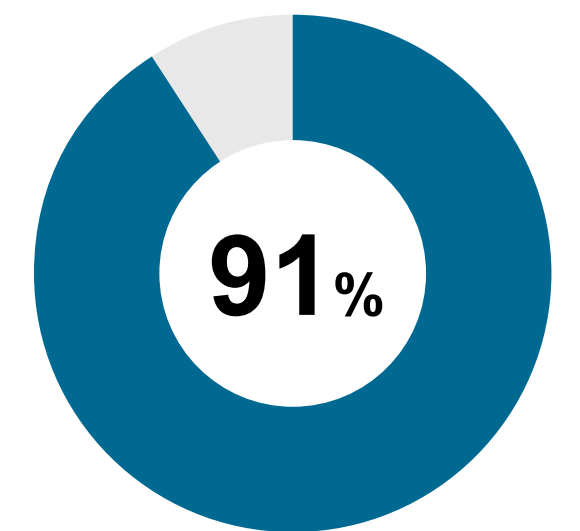
37.8%
Mean bonus gap



White
Proportion of White members receiving a bonus



White



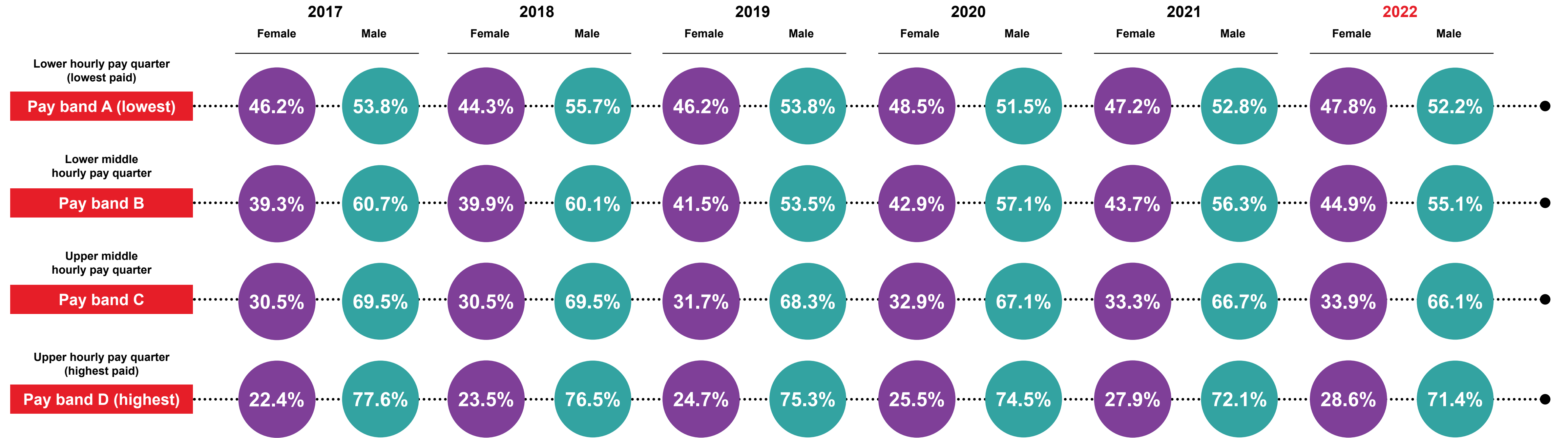
Ethnic Minority
Proportion of Ethnic Minority members receiving a bonus



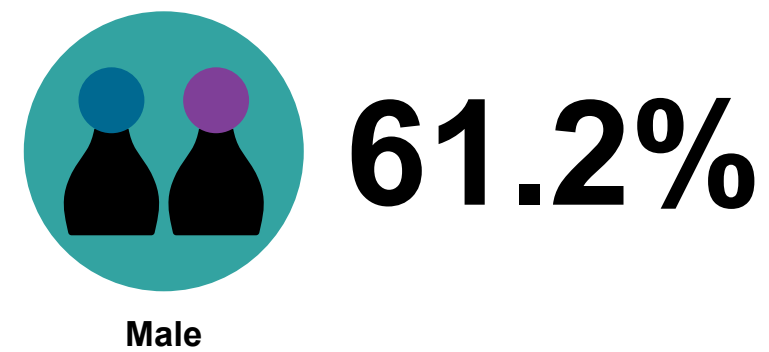
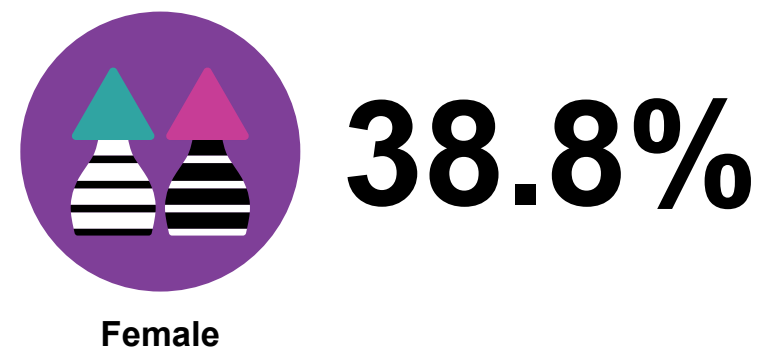
Ethnic Minority

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Representation at a glance: Gender

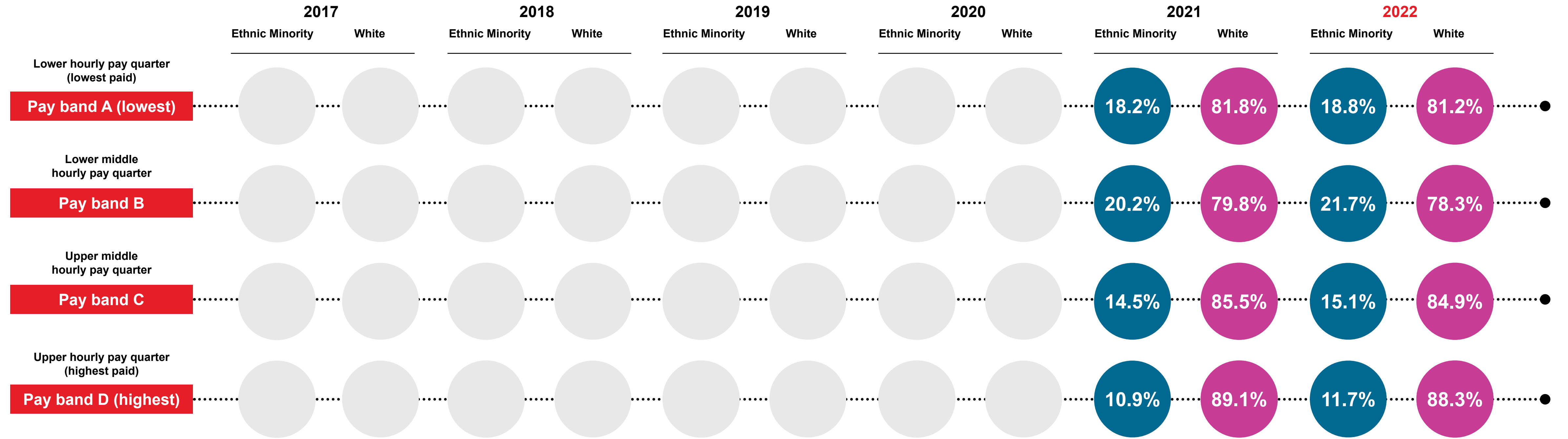


Pay band represents the distribution of men and women in four equal groups from lowest to highest paid.

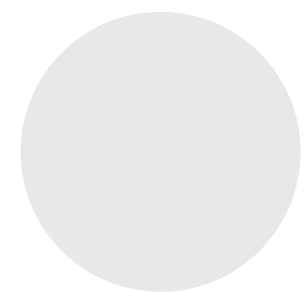


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Representation at a glance: Ethnic Minority



Pay band represents the distribution of white and ethnic minority members in four equal groups from lowest to highest paid.



No data available



Ethnic Minority

16.8%



White

83.2%

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Representation: Early careers

Every year, more than 700 graduates and apprentices join Arup globally, 300 within the UK.

As a large graduate and apprentice employer, Arup takes its responsibility to shape the future of engineering seriously. Driving sustainable positive change and more equitable outcomes forward for future generations from all backgrounds.

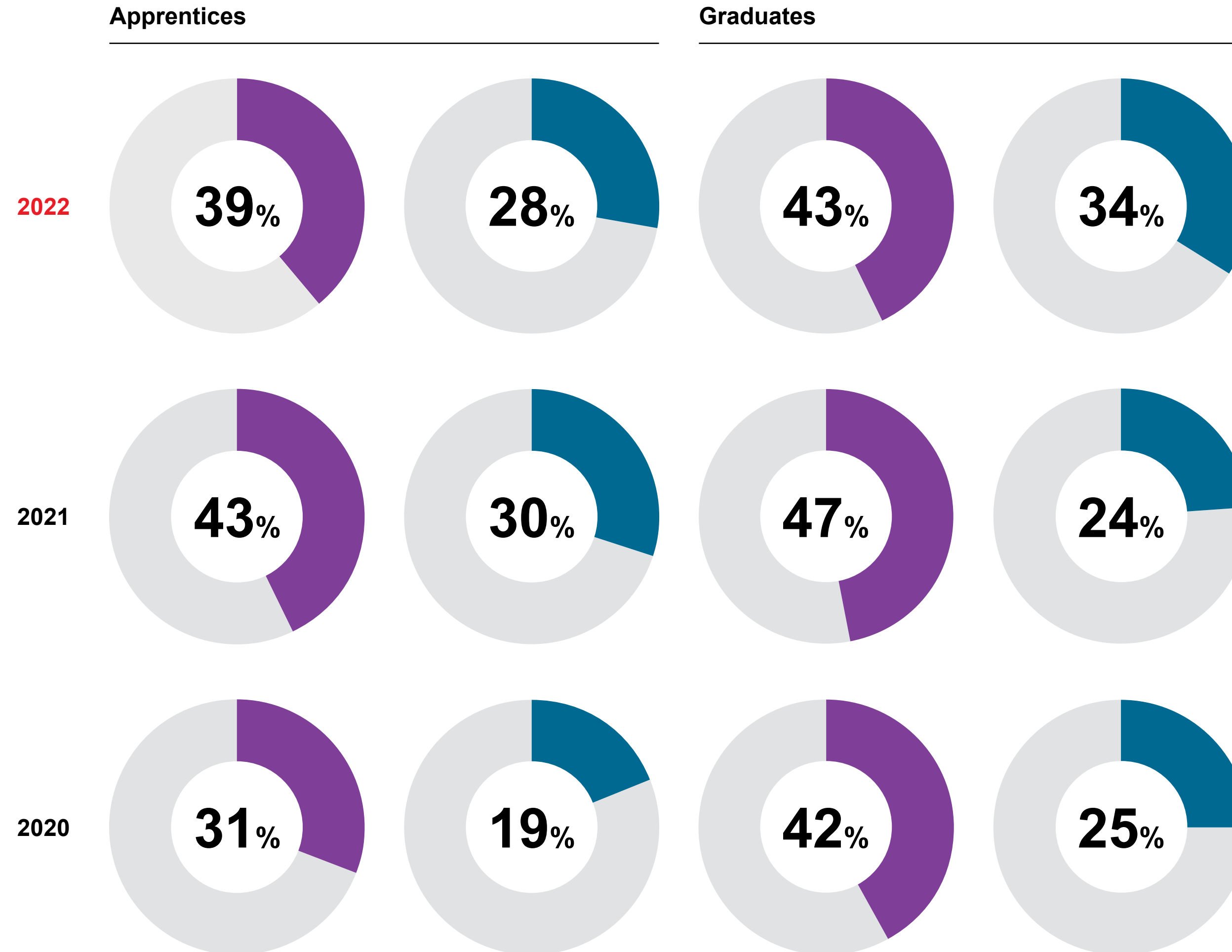
In 2019, Arup committed, as part of our equality, diversity and inclusion strategy, Total Inclusion to ensuring diverse people from all parts of society are working at Arup and shaping our work. Since then, Arup has been working to increase representation of women and those from Ethnic Minority backgrounds, not just within our own organisation, but across the wider industry.

Increasing female and Ethnic Minority representation at entry levels within Arup provides a more representative pipeline of talent that will benefit Arup and our industry in the long term, however, this can drive temporary increases to pay gaps in the short term. While we will continue the positive work in driving representation at early careers, our focus in 2022-23 will be on developing our talent from under-represented groups, at all levels of the organisation.

Apprentices

Graduates

Awards



[Click to view award](#)



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Addressing our pay gaps

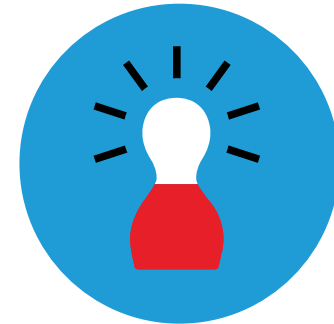


Our aim is to employ the right person for the right role. We do this on objective factors based on their aptitude, ability and performance, as well as through:

Ensuring anyone involved in the UK recruitment process undertakes our inclusive hiring training to recognise the importance of their role in ensuring every stage our recruitment process is inclusive and that we provide equal opportunity for all.

Targeted recruitment campaigns through a variety of diverse partners, including Refuaid, Aspire Oxford, Refugee Council, AFBE-UK, LinkedIn and Women Engineering Society.

Collaborating with external organisations to offer employability skills, mentoring and work placements to individuals from under-represented groups to develop our diverse talent pipeline, including Future Females Engineers and Future of London Emerging Talent Programme, both of which provide employability support and networking access.

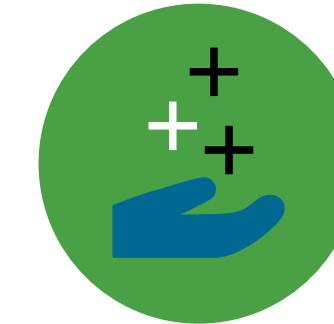


We seek to provide developmental opportunities for all our members in an environment where everyone can thrive and has equal opportunity to succeed, by:

Improving our culture and behaviours through our inclusive training offering. Since 2019, we have delivered our mandatory Respect at Work training and Inclusive Hiring training, supplemented by our Allyship programme, and, in 2022, expanded to include Accessible and Inclusive Communication.

Providing inclusion toolkits and guidance materials to help better support members and improve their workplace experiences, including our menopause, trans and non-binary inclusion and anti-racism guidance.

Partnering with My Family Care to deliver our parent transition course, which supports carers, new and expectant parents and is fully inclusive for any type of leave, including maternity, adoption, surrogacy and shared parental leave.



Retaining our talent is vital to the future success of Arup. We are focused on providing a supportive environment for all our people, at all levels by:

Continuing to work towards our aspirational gender goals 40:60, where we are committed to employing 40% men, 40% women, and 20% of any gender, at all levels of the organisation, with 39% women in the UK, India Middle East & Africa workforce.

Undertaking a bi-annual inclusion survey to track perceptions of our culture in order to retain our diverse talent. We have seen progress that our approach is making a difference with 89% of employees feeling respected as a professional and 87% feeling included in their team.

Implementing Work Unbound, our approach to hybrid working, which provides colleagues, at all levels, with the opportunity to work flexibly within a fair and balanced framework.

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Priorities going forward

Both our gender and ethnicity pay gaps are driven by lower female and Ethnic Minority representation throughout Arup and in particular at senior grades. We are committed to taking action to improve representation across Arup and to deliver gender and race equality.

We are refreshing our resourcing strategy, in consultation with our under-represented groups, to help improve representation across Arup by attracting and hiring diverse talent from all parts of society.

We are committed to ensuring our promotion pool is reflective of our talent pool and that under-represented groups are considered, at all levels of our organisation. We are currently updating our promotion process to create more transparency and ensuring it is fair and equitable for all.

We are investing in developing our Ethnic Minority talent, at all levels of our organisation, and are creating a development programme outlined within Arup's race and inclusion plan and shaped by consultation undertaken with our Ethnic Minority members.

We are expanding our approach to reverse mentoring and are developing our structured reciprocal mentoring programme, primarily focused on Ethnic Minority and female talent. This programme will increase the confidence and capability of both the established leader and the aspiring leader, as well as aiding systemic cultural and organisational transformation.

We are setting aspirational ethnicity goals, to increase ethnic diversity and representation, at all levels of our organisation, to ensure that we are representative of the communities in which we serve and ensure the equitable progression of minority groups within Arup.

We are working with, and across, our leadership to ensure that equality, diversity and inclusion is integrated into business as usual and considered as part of the workforce planning for their teams.



ARUP