

UK 2021
Pay Gap Report



Our people are both the reason Arup exists and the means by which we achieve our goals. Our diversity and the common values and culture we share make us who we are.

Our Pay Gap Report, which includes our gender pay gap figures and, for the first time, our ethnicity pay gap figures, is part of our commitment to building a truly equal, diverse and inclusive workplace. It sets out some of the steps we are taking to achieve a better representation.

What is the gender and ethnicity 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 men's average hourly earnings (excluding overtime).

Source: Office for National Statistics 2021



The ethnicity pay gap is calculated using the same methodology as for the gender pay gap.

How is it 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.

What is the mean and median?

The mean is the average pay or bonus for a woman and man, or for a BAME and a non-BAME colleague.

The median is the 'middle' pay or bonus for a woman and a man, or for a BAME and a non-BAME colleague, when all values are distributed from low to high. The median is considered more meaningful as its less affected by outliers.

Did you know?

Gender pay gap reporting is a legal obligation in the UK, introduced in 2017. Ethnicity pay gap reporting is voluntary.



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



Tony Lovell
Corporate Services Leader



Our gender pay gap

Arup employs more men than women in the UK, which reflects the gender imbalance prevalent in the industry and is the main driver of our pay gap. This is particularly the case in the leadership grades where pay is higher.

The percentage of women within these leadership grades has increased from 25% in 2020 to 27% in 2021. The representation of women in the upper quartile of all pay grades has also increased from 25.5% in 2020 to 27.9%.

Overall, representation of women across Arup (for the fifth consecutive year) has gone up from 37% last year to 38% in 2021.

This has had a positive effect on our median pay gap, which decreased by 2.3 percentage points this year, taking it from 18% in 2020 to 15.7% in 2021, and by 1 percentage point since we began reporting in 2017. The voluntary retirement exercise, which we undertook in response to the coronavirus pandemic, and our reshape in 2020 has had an impact on our representation which has narrowed our gender pay gap.

Our gender 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 firm through profit share. The profit share scheme is our bonus equivalent and applies to all permanent and fixed-term roles, with all members participating equally.

Our median bonus gap has decreased from 30.4% in 2020 to 26.6% in 2021. Since 2017, that figure has fallen by 3.8 percentage points.

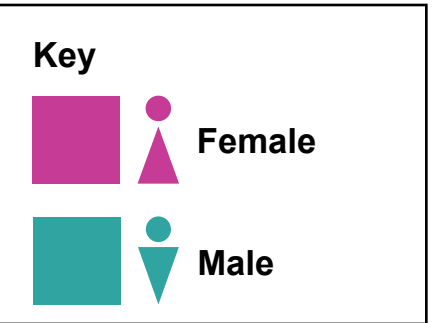
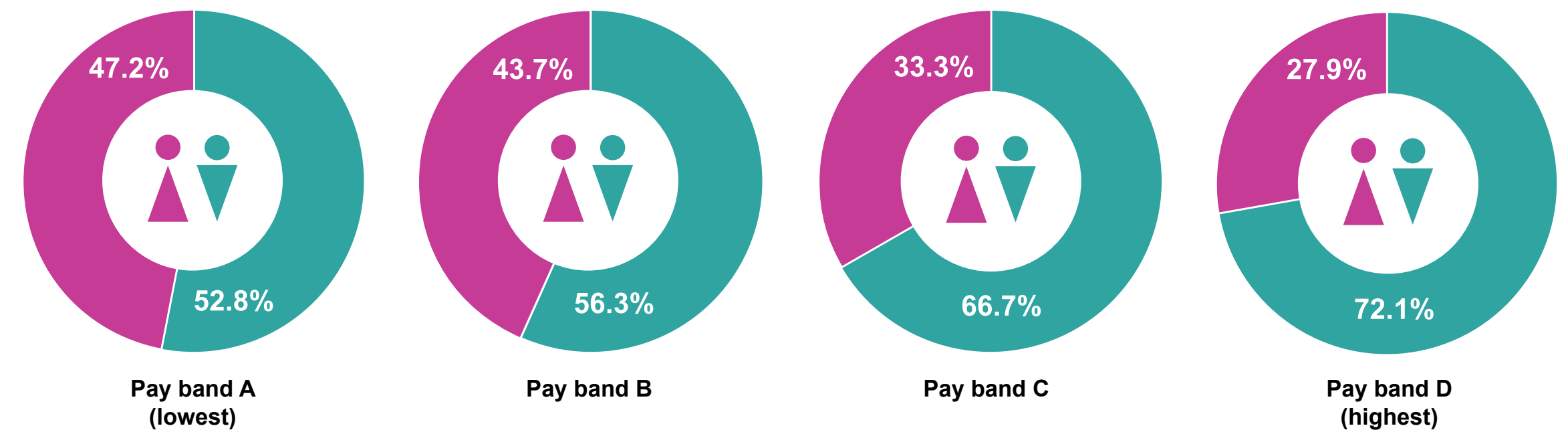
The bonus gap is larger than the pay gap because the roles in leadership grades have a higher share allocation. We also have a larger number of men than women in these grades.

Part-time roles also play a part as the statutory calculations do not convert bonuses paid to part-time employees to a full-time equivalent. Women make up 71% of our part-time workforce, down from 73% in 2020.

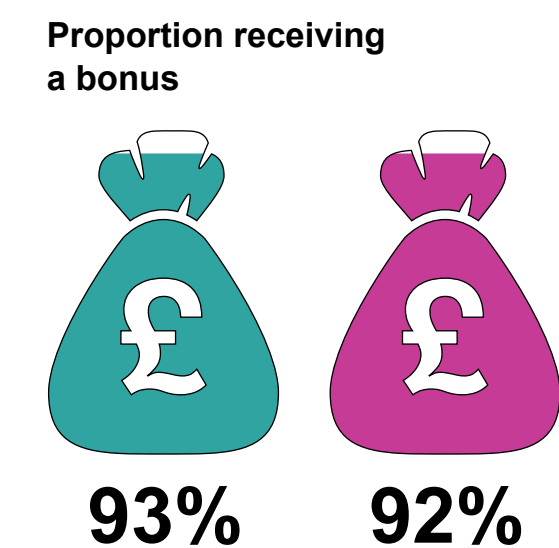
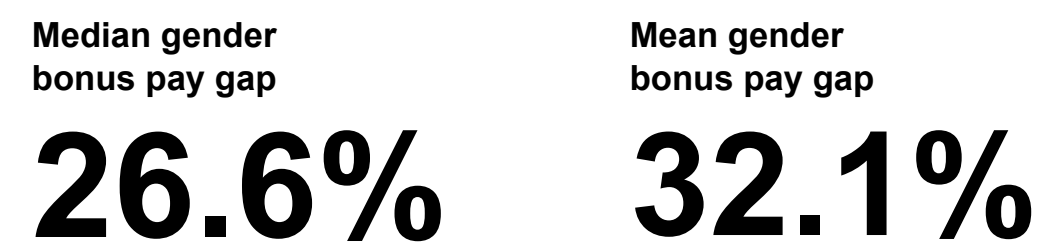
Our gender pay gap key statistics



Quartile pay bands



Our gender bonus pay gap key statistics





Ethnicity

Our ethnicity pay gap

Our ethnicity pay gap is calculated in line with the methodology used for gender pay gap reporting. This year's ethnicity pay gap is based on point-in-time date collated on 5 April 2021.

Reporting our ethnicity pay gap is, however, more challenging than our gender pay gap as only 78% of our members have chosen to disclose their ethnicity. Of this figure, 16% identified as BAME.

This means we have an incomplete picture of our workforce and therefore the reported figures will fluctuate in a given year. We will continue our efforts to encourage our employees to update their diversity information in their HR records.

The main driver of our ethnicity pay gap is explained by representation of BAME members and how they are distributed across Arup; representation of BAME members is higher at lower grades, where pay is lower, and lower at leadership grades, where pay is higher. This trend is similar to gender representation.

Our ethnicity bonus pay gap

Our median bonus gap is 18.6%. The bonus gap is larger than the pay gap because the roles in leadership grades have a higher share allocation. We also have a larger number of non-BAME than BAME members in these grades.

Unlike gender, the ethnicity bonus gap is not as impacted by part time working as our BAME members are twice as likely to work full time than part time.

Our ethnicity pay gap key statistics

Median ethnicity pay gap

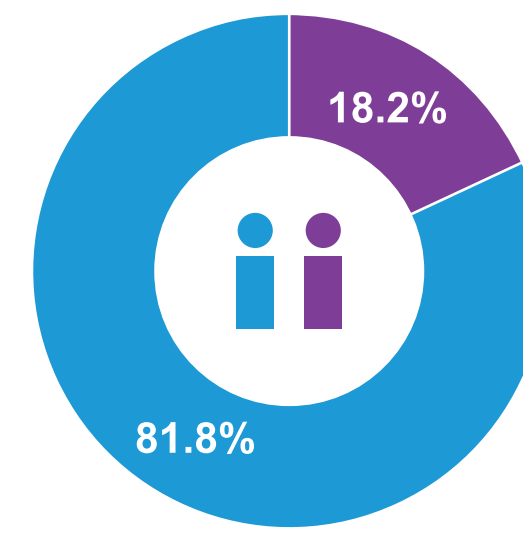
11.3%

Mean ethnicity pay gap

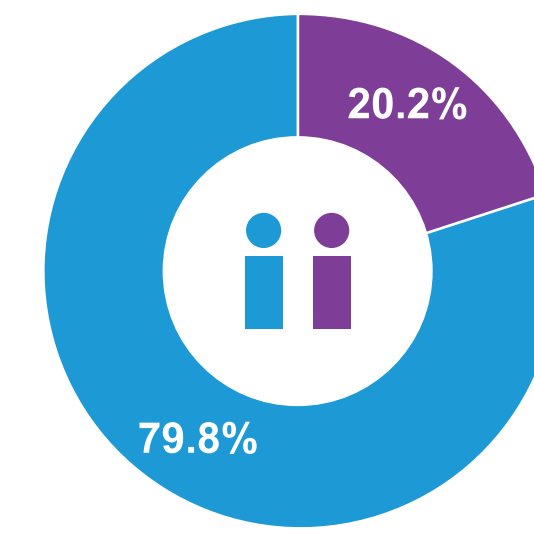
11.6%



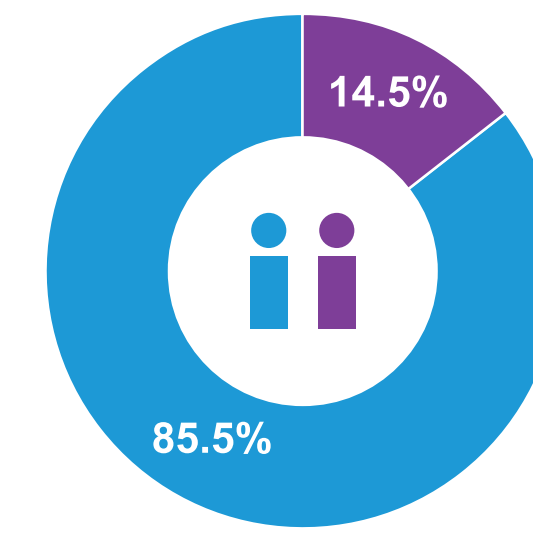
Quartile pay bands



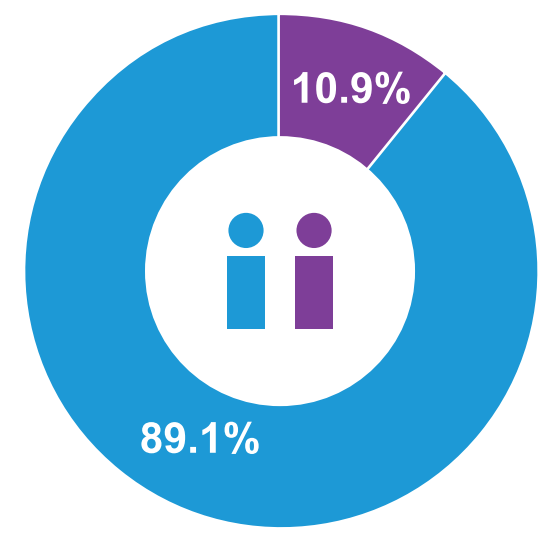
Pay band A (lowest)



Pay band B



Pay band C



Pay band D (highest)

Our ethnicity bonus pay gap key statistics

Median ethnicity bonus pay gap

18.6%

Mean ethnicity bonus pay gap

29%

Proportion receiving a bonus



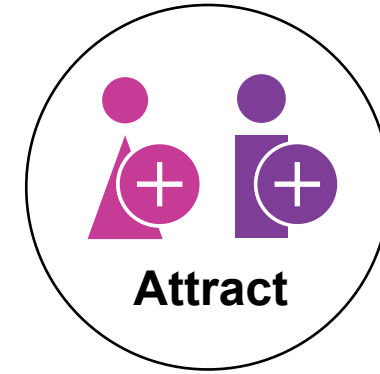
93%



90%

What are we doing to improve our representation?

Our people are the reason Arup exists and how we live out our purpose. Our Total Inclusion strategy forms part of our wider commitment to Equality, Diversity and Inclusion (EDI) and ensures that our firm's focus continues to be on talented people from all sections of society shaping our work at Arup.

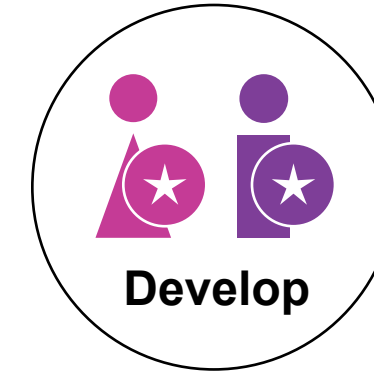


Over the last year, we've taken steps to increase female and BAME representation across the firm.

We have expanded the pool of schools, colleges and universities we recruit from and have put in place champions within the business to lead on developing closer relationships with institutions that have strong, diverse candidates.

We have used member social media profiles and video job adverts to create 'people like me' messages, used AI technology to remove bias in job descriptions, and delivered 'open to all' virtual recruitment campaigns, all of which has resulted in more diverse talent pools.

In addition, we have continued to invest in unconscious bias and inclusive hiring training and adapted our assessment centres to be virtual and inclusive, which has resulted in a significant uplift in diversity of our apprentice and graduate population - from January 2021 to September 2021, we increased the number of female and BAME apprentices by 10 percentage points and 11 percentage points respectively.



We are developing succession plans to deliver a more diverse candidate pool for leadership roles. We are providing support for leaders to have productive conversations with all colleagues about individual development paths and plans during appraisals.

We're also looking at how we can secure greater BAME and female representation on our leadership teams and to have diverse voices and perspectives to influence our decision making at all career stages.

We scrutinise all promotions and look to promote in line with the diversity of our promotion pools.

The pandemic and the past two years of changes have affected what people want from the world of work. We have consulted our BAME employees about what development they need to succeed at Arup, and will be using their feedback to design a programme of activities to enhance their progression.

We are also consulting our female employees about what support they want from Arup to achieve their professional development and career ambitions now.



We recognise that our experiences at work are shaped by more than one personal characteristic so we are exploring how intersectionality influences how inclusive we are.

Our Inclusion Allies training is empowering members to take accountability for their own actions, words and behaviours.

We have continued our coaching programme to support new parents and launched Work Unbound, providing more flexibility of when and where our members work.

We launched our EDI Bids and Projects Guidance to help our members consider how we can deliver EDI at every stage of the project lifecycle and to help us exceed our client contractual requirements.