

UK 2023  
Pay Gap  
Report



Arup's mission is to shape a better world. Externally, in our work, we see social value and equity as a chance to think big, consult and co-design in partnership to produce lasting value for all.

This is reflected internally with our workforce too. Equity, diversity and inclusion are integral to the way we operate and it is valued as critical to our businesses success.

We are pleased to announce that we have reached an important milestone, in achieving one of our sustainable development goals around gender equity. Women now represent over 40% of our workforce, reaching our initial aspirational goal.

However, we know there is more to deliver on gender equity, as well as within our broader Equity, Diversity and Inclusion (EDI) ambitions and we will continue to forge our way ahead in creating a thriving workforce that represents the communities we serve, at all levels of our firm.

Our annual pay gap report helps us to measure the progress we are making against our goals. In our UK 2023 Pay Gap Report, we share the results of the latest gender pay gap and also our ethnicity pay gap analysis, which we share voluntarily. We confirm that this information and data is accurate as of 5 April 2023



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 2023 Pay Gap Report

## Executive summary

Arup’s UK 2023 Pay Gap Report outlines the results of our latest gender and ethnicity pay gap analysis, and shines a light on the steps we’re taking to improve female and ethnic minority representation at every level of the organisation, the main cause of our pay gaps.

### Gender pay gap

Our median gender pay gap has decreased from 15.8% in 2022 to 14.4% in 2023. Since we began reporting in 2017, our median gender pay gap has reduced by 2.3 percentage points.

Representation of women across Arup has risen for the seventh consecutive year, from 33% in 2017 to 40.2% in 2023.

Female representation within our leadership grades has increased from 22% in 2017 to 29.6% in 2023. The representation of women in the upper quartile of all pay grades has also increased from 22.4% in 2017 to 29.4% in 2023.

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 (Grades 7-9).

### 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 72.1% of our members.

Over the past year, the number of ethnic minority members has grown from 15.9% in 2021 to 17.8% in 2023. Our median ethnicity pay gap has increased from 11.3% in 2021 to 12.1% in 2023.

Since the UK 2021 Pay Gap Report was published, ethnic minority representation within the leadership grades has increased from 7.9% in 2021 to 9.5% in 2023. The representation of ethnic minority members in the upper quartile of all pay grades has also increased from 10.9% in 2021 to 11.9% in 2023. As a part of a long term strategy to reduce the pay gap, Arup has continued to attract and recruit ethnic minorities at the early career grades, with the aim that they will be promoted into the highest paid grades. This has caused the pay gap to increase whilst these members are in the early career grades.

Exploring the interplay of gender and ethnicity on the pay gap shows the make-up of the organisation, with white males more commonly holding senior roles, which pay higher salaries and have the greatest impact on the pay gap. There is greater diversity in our early and mid-career grades but changes in representation take time to realise. 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.

### Key



White



Ethnic Minority



Female



Male

# UK 2023 Pay Gap Report

## 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.

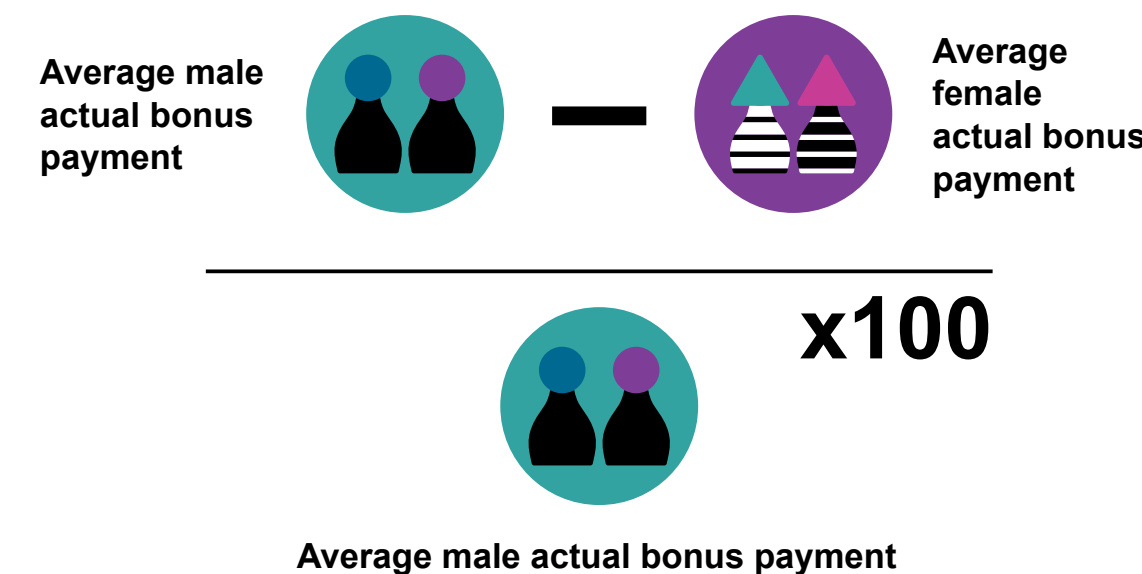
### Understanding the pay and bonus and gap data

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.

### 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 5 April 2023. 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’, which includes those of British, English, Welsh, Scottish, Northern Irish, Irish, Roma, or any other white background.

**Ethnic minority** is all other ethnic groups.

The ethnicity pay gap for the different ethnic groups looks at the difference in hourly pay between white members and members from each of the ethnic groups. The ethnic groups have been defined as follows:

**Mixed/Multiple ethnic groups** is all members who have identified their ethnicity as white & Asian, white and Black African, white and Black Caribbean, white & Chinese, or any other mixed or multiple background.

**Asian** is all members who have identified their ethnicity as Bangladeshi, Chinese, Indian, Pakistani, or any other Asian background.

**Black** is all members who have identified their ethnicity as African, Caribbean, or any other Black British, African or Caribbean background.

**Other** is all members who have identified their ethnicity as Arab, or any other ethnic group.

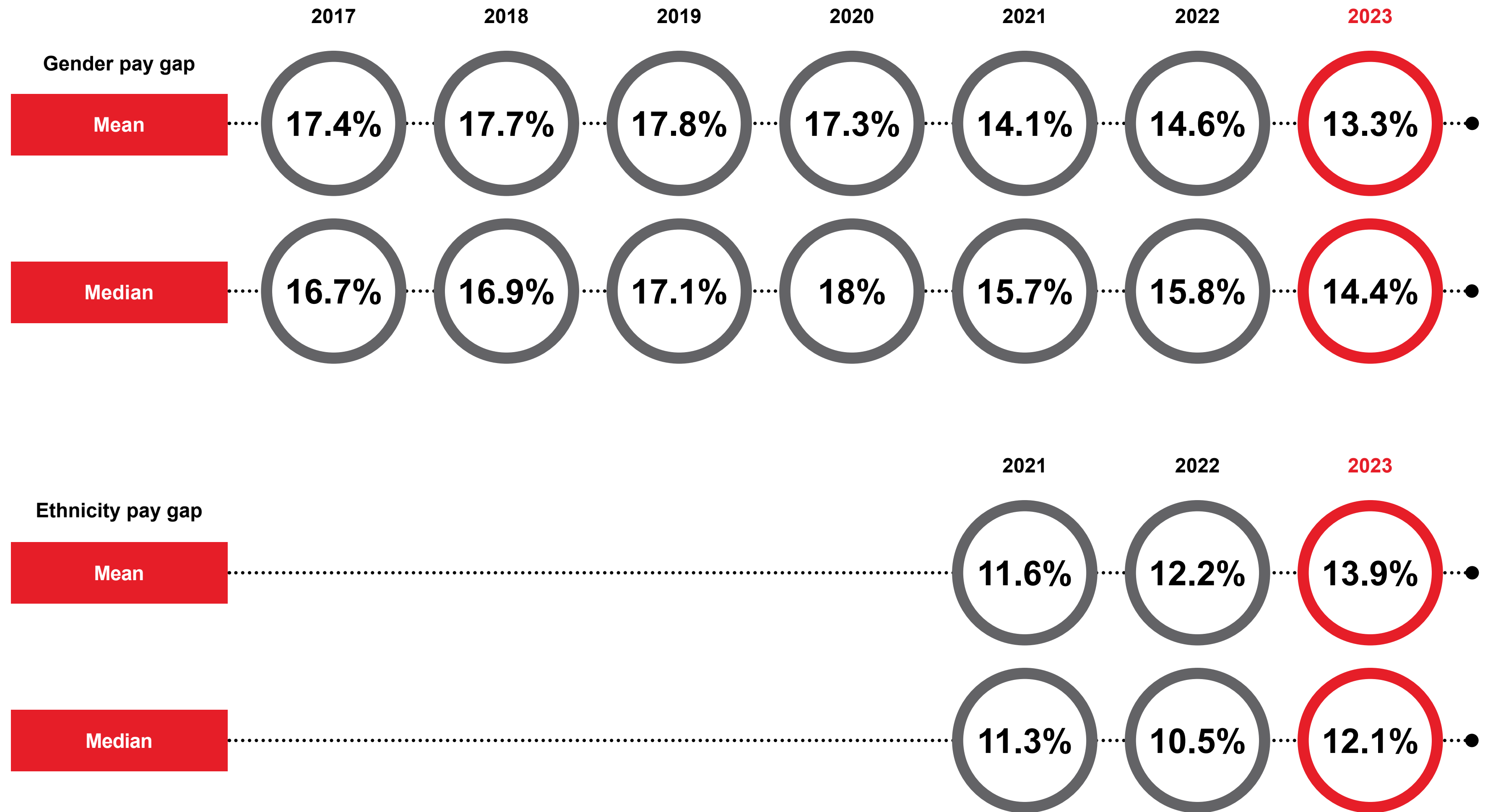
Members who have not stated an ethnicity or chosen not to disclose have been excluded from the pay gap.

# UK 2023 Pay Gap Report

## Pay gap trends

Arup has reported its gender pay gap since 2017. In 2021, we started reporting our ethnicity pay gap and combined both figures into one pay gap report.

This graphic details our gender pay gap and ethnicity pay gap figures for each reported year. In the rest of the report, figures for the first reported year are shown alongside figures from 2022 and 2023.





# UK 2023 Pay Gap Report

## Bonus pay gap

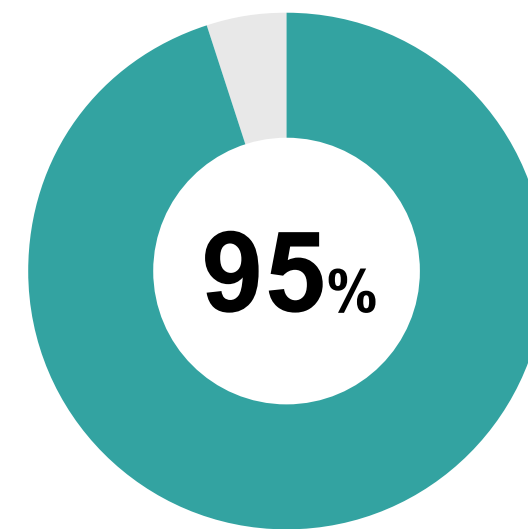
Arup is owned in trust for the benefit of our members and each year they partake in the collective success of the organisation through Profit Share. Profit Share is our bonus equivalent and applies to all permanent and fixed-term roles.

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.

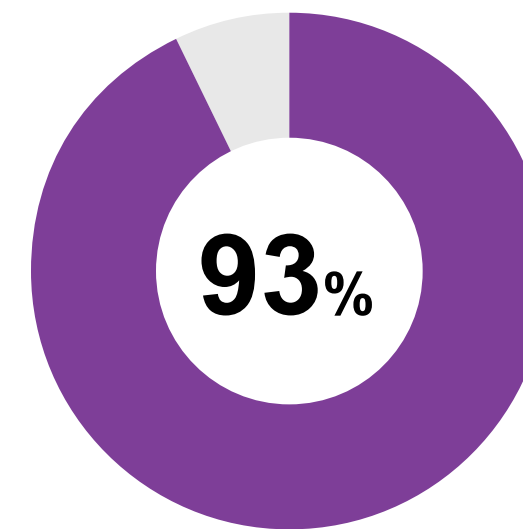
### Gender Bonus pay gap key statistics



**Male**  
Proportion of males receiving a bonus



Male

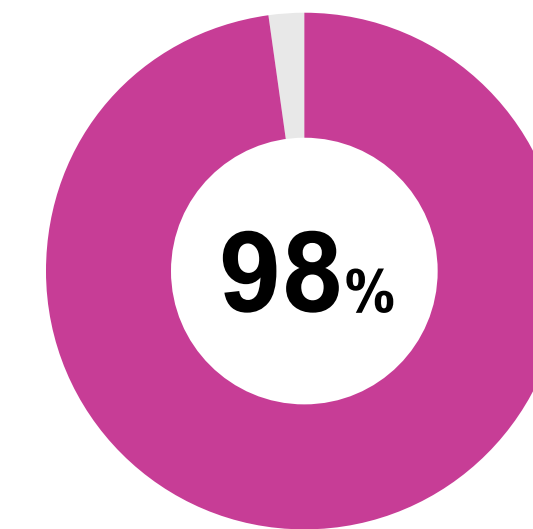
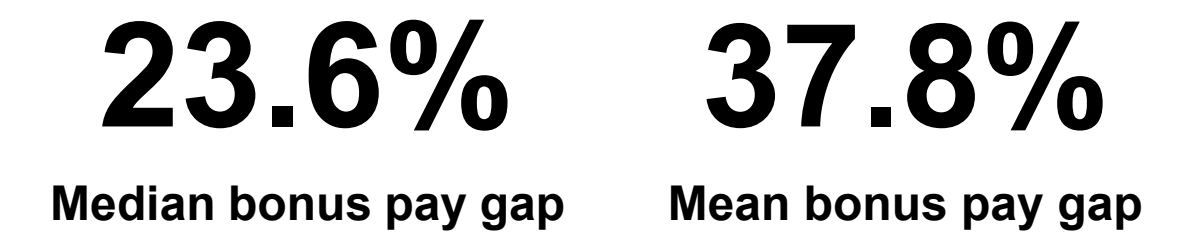


**Female**  
Proportion of females receiving a bonus



Female

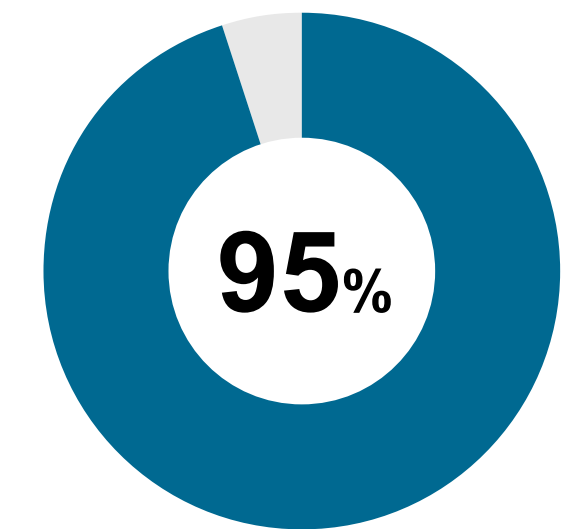
### Ethnic Minority Bonus pay gap key statistics



**White**  
Proportion of white members receiving a bonus



White



**Ethnic Minority**  
Proportion of ethnic minority members receiving a bonus

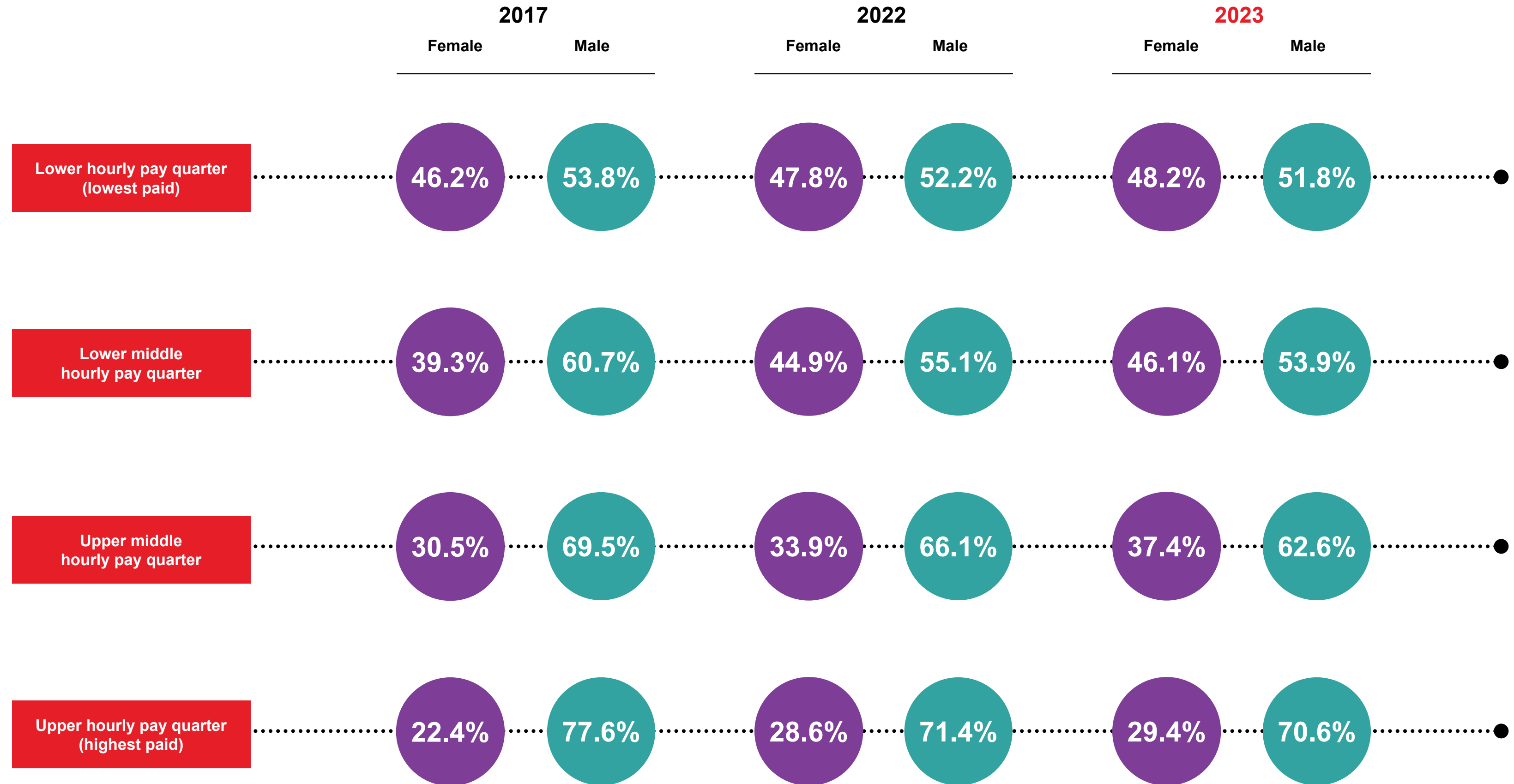
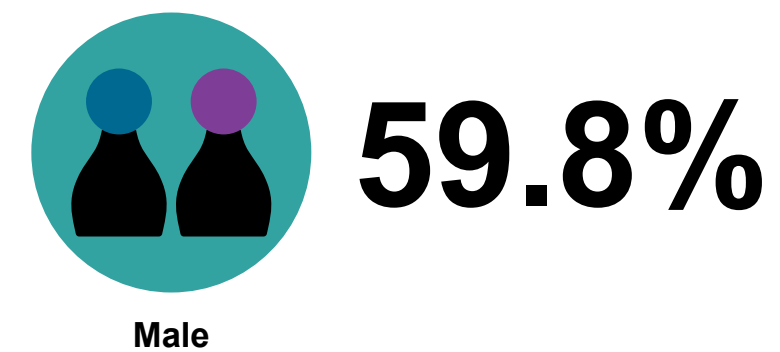
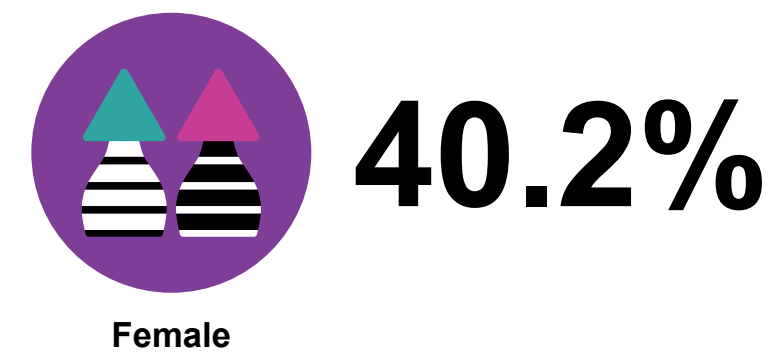


Ethnic Minority

# UK 2023 Pay Gap Report

## Representation at a glance: Gender

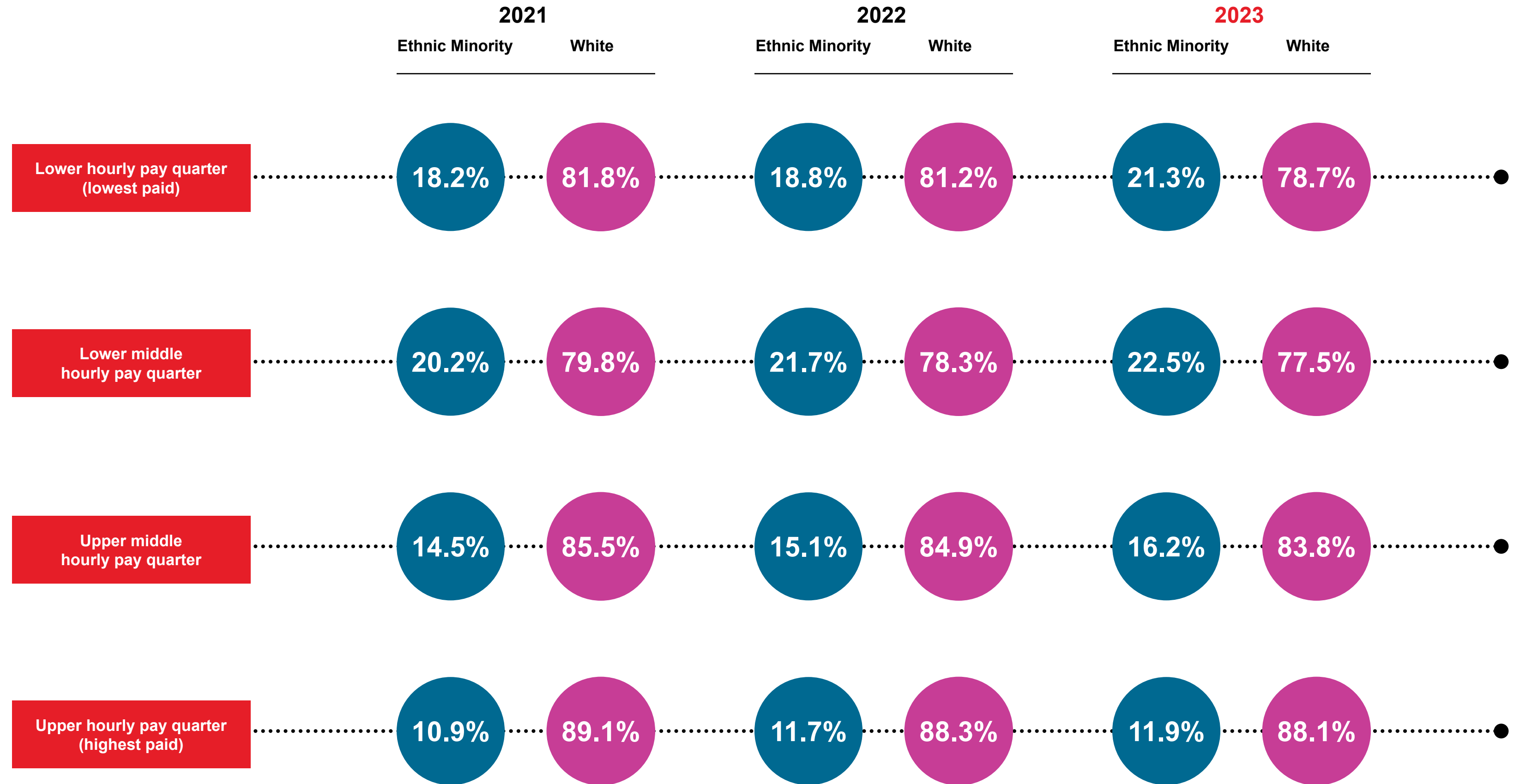
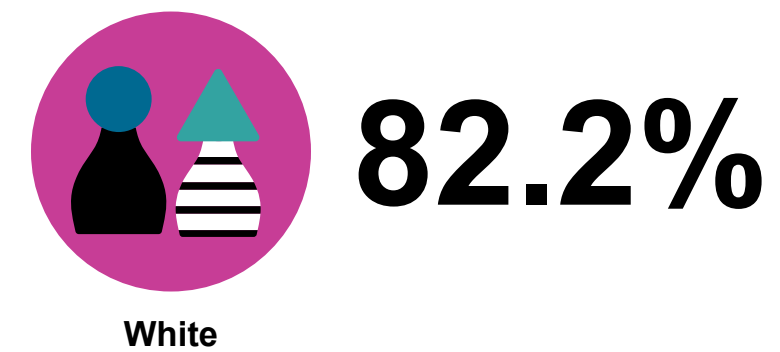
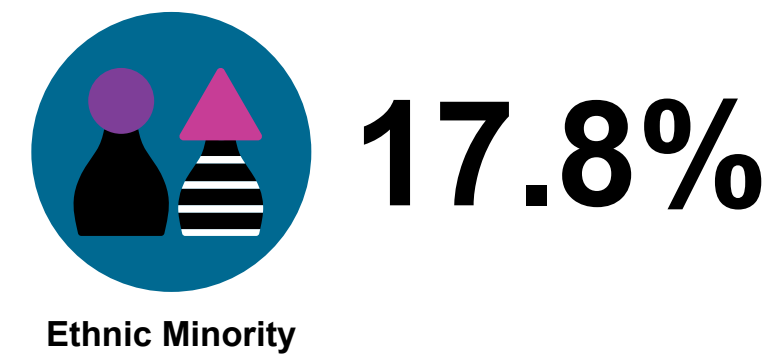
The Government requires Arup to report the percentage of men and women in four equally-sized quarters, from highest to lowest hourly pay. These pay quarters are not related to Arup pay grades.



# UK 2023 Pay Gap Report

## Representation at a glance: Ethnic minority

The Government requires Arup to report the percentage of men and women in four equally-sized quarters, from highest to lowest hourly pay. These pay quarters are not related to Arup pay grades.

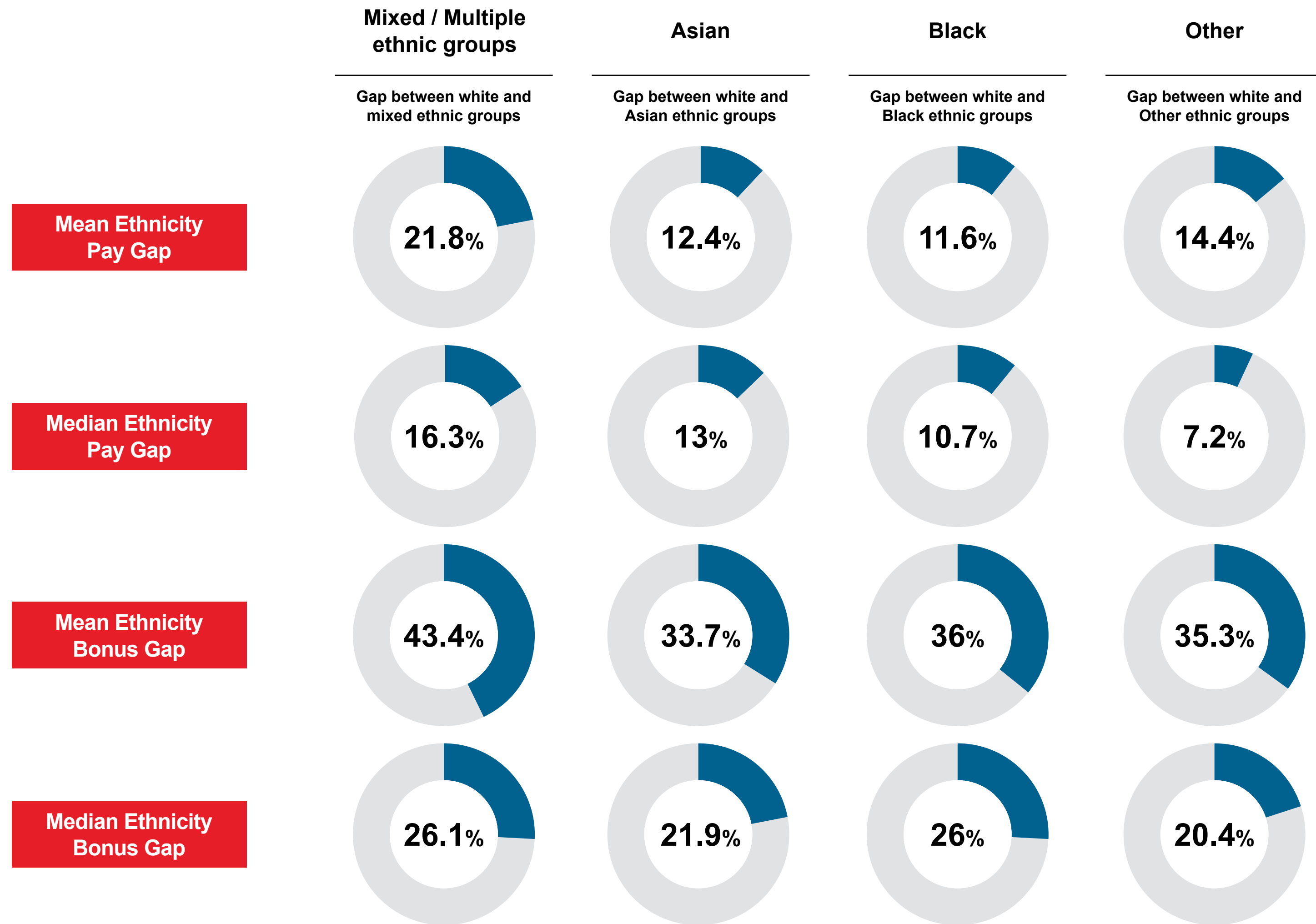




# UK 2023 Pay Gap Report

## Pay gap trends

In 2023, the Government issued new guidelines for employers who voluntarily report their ethnicity pay gap. The guidelines include comparing multiple ethnic groups, as well as ethnic minority and white.



# UK 2023 Pay Gap Report

## Representation: Early Careers

Arup is playing a significant role in shaping the future of engineering and sustainable development, hiring almost 400 graduates and apprentices within the UK in 2023.

Since 2019, Arup has committed, as part of our Equality, Diversity and Inclusion strategy, Total Inclusion, to ensuring people from all parts of society are represented and shape our work. There is particular focus on increasing representation of women and those from ethnic minority backgrounds, at all levels. It is noted that this growth can demonstrate increases to pay gaps in the short term, however, our continued work to recruit, retain and develop talent from under-represented groups, at all grades and careers stages, will reduce our pay gaps in the long term.

The data displayed uses our recruitment data through Taleo and provides a more accurate representation of the diversity of our Early Careers cohort. It is not used to calculate our pay gaps.



Female



Ethnic Minority



Female

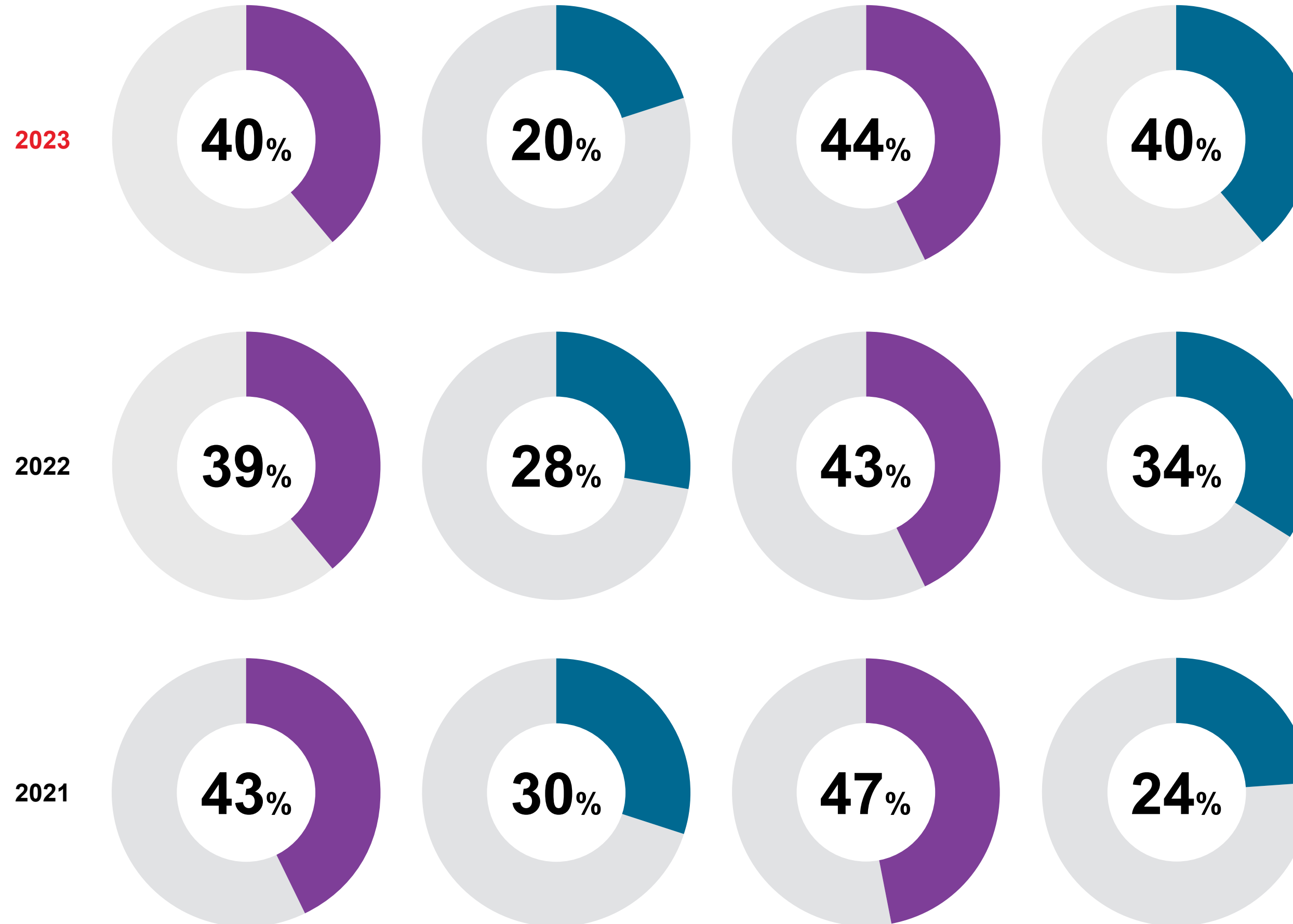


Ethnic Minority

### Apprentices

### Graduates

### Awards



[Click to view award](#)

## UK 2023 Pay Gap Report

### Addressing our pay gaps

Our **Total Inclusion strategy** focuses on creating an inclusive culture for all our members, with diverse representation at every level of our firm.

Our region Equality, Diversity and Inclusion (EDI) action plan ensures we continue to strive towards achieving our ambitions.

#### Promotions process review

We reset our approach to promotions with an initial focus on two of our leadership grades, Grade 7 and Grade 8. This included introducing a Regional Promotions Review Panel, the responsibility of which is to ensure the integrity of the promotions approach and that promotion recommendations represent a diverse range of colleagues.

We continue to review and update our promotions process to create more transparency and ensure it is fair and equitable for all.

#### Partnerships for inclusion

We have reviewed our operating model for how we deliver our EDI ambitions in this region. The focus has been on creating greater clarity around roles, responsibilities and accountability – to facilitate more connection and collaboration, ensuring all those involved have the time, skills and resources to be effective in delivering EDI impact.

This has led us to recalibrating how we deliver EDI in our region – with our employee resource groups being front and centre. This includes introducing funded structured steering committee roles, board sponsors and rotating positions on the EDI Executive Committee.

We have also formed a network of Inclusion Allies to support our EDI Champion introduced for each of our Geographies and National Portfolios.

#### Reciprocal mentoring

We expanded our approach to reverse mentoring and developed our structured Reciprocal Mentoring Programme, primarily focused on ethnic minority and female talent.

The programme matched 13 aspiring leaders with 13 established leaders and supported learning and connection over a 6-month period of workshops and 1:1 sessions.

It has increased the confidence and capability of both our established and aspiring leaders, as well as aiding systemic cultural and organisational transformation to create a welcoming and inclusive working environment for all our members. Feedback from the pilot highlighted that:

- 100% felt the mentoring has made a positive difference to their confidence and career.
- 100% would recommend the programme to others.





## UK 2023 Pay Gap Report

### Priorities going forward

Both our gender and ethnicity pay gaps are driven by lower female and ethnic minority representation across Arup and at senior grades.

Arup continues to deliver against our long-term plan set out in our Total Inclusion strategy and region race plan to improve retention, development and representation and achieve gender and race equity and decrease our pay gaps.

#### Developing our talent

We have partnered with We Are Utopia to co-develop our ethnic minority Development Programme - a commitment within Arup's Race and Ethnicity Plan. The programme pilot is currently being shaped in collaboration with our ethnic minority employees.

After a successful pilot we are expanding our **Reciprocal Mentoring Programme**. We will continue to develop our aspiring and established leaders with inclusive leadership skills through a co-coaching/partnership relationship.

#### Inclusive Leadership

We recently launched our **Inclusive Leadership Framework**, which aims to develop current leaders and shape our approach to leadership to ensure it is representative of the communities we serve, celebrates differences and has inclusion at its heart.

Our inclusive leadership principles will support our 1,500 leaders to create the welcoming culture and experience we want all our members to have. Whilst also providing our aspiring leaders with the learning framework for future development.

#### Improved baseline and reporting

To ensure we continue to deliver on our evidence-based approach to EDI, we are improving our data dashboards and reporting methods. This will enable greater leadership accountability and targeted interventions at a local level.

This will be supported by the migration to our improved HR platform, which will support better collection of diversity information from our members. This improved baseline and reporting will allow us to better track trends for recruitment, retention, promotion and exiting of under-represented groups.



ARUP