



Gender pay gap report

2022 (UK)

CUNDALL

Executive Summary

As a consultancy operating within the built environment, and employing a primarily engineering and technical workforce, we continue to operate within an industry constrained by its lack of diversity. The challenges facing our industry are well-documented, not least the growing skills shortage. It therefore makes good business sense to find new ways of attracting, retaining and developing great people of all backgrounds and identities. Only by doing this will we be able to meet our commitment to being the best place for talent to grow and flourish; thought-leaders in our industry; and the consultant of choice for clients.

Whilst the publication of our first Gender Pay Gap report (in 2017) was in response to legislation in the UK, the issue of gender diversity in our business (and the wider industry) is one that we have been working for many years to address. In 2019, we appointed our first Head of Talent, Diversity and Inclusion, and this has led to a significant focus on building a truly inclusive culture, bringing about real, measurable change within the business over the past year.

Our analysis up to this point has highlighted some key issues in relation to gender diversity in our business and led us to examine more closely the underlying reasons for these issues, and what else we could do to address them. For instance, we identified that we do well in hiring a substantial proportion of women for more junior positions, but that we experience a “retention gap” as these women progress, which leads to women being under-represented in more senior roles.

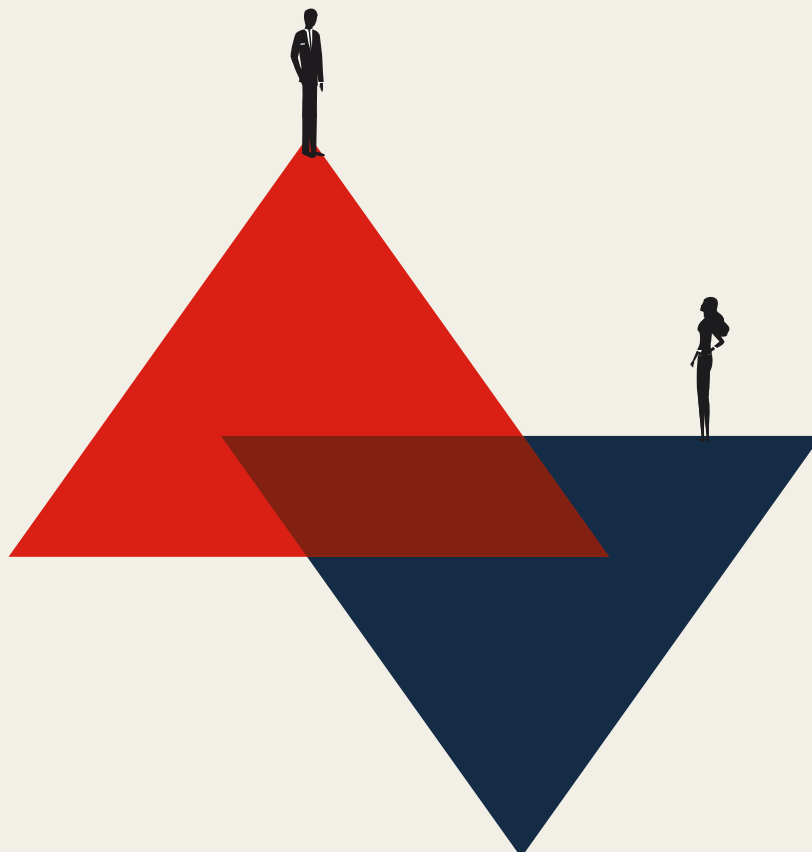
We continue to work hard on our diversity and inclusion initiatives. Many of these have been focused around improving the representation of women at all levels within our business and engaging more widely within the industry and society to raise awareness of the benefits of diversity and appeal to talented young people of all identities and backgrounds. While positive progress has been made, there remains much to be done. In the 12 months ahead, we will continue to focus on practical strategies that will drive real change within our business, improving representation and pay equity for the long-term.

Whilst it will take time for our investment in identifying and nurturing talented women to have a significant impact on our gender pay gap figures, we have made some very positive progress over the past 12 months:

- Our mean gender pay gap is at its lowest level since publication of our first gender pay gap report in 2017, at 22.5%.
- Our mean gender pay gap compares favourably against our competitors of a similar size.
- Our mean gender bonus gap at 29.7% (down from 46.4% in 2017) and our median gender pay gap remains at 19.08%.
- This year we have seen the highest proportion of women receiving a bonus since 2017 at 97.3%.
- 39% of the “early career” talent (Apprentices, Trainees and Graduates) that we hired in the period 1 May 2021 to 30 April 2022 were women.
- The proportion of women who were internally promoted in the same period has increased by 10%.
- The proportion of women recruited into leadership grades in the same period has increased by 30%.

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01

A view from the top



A view from the top

As a consultancy operating within the built environment, we continue to work proactively to overcome long-term challenges regarding diversity affecting our sector and our own business. As the first woman to have the privilege of leading our global business, I feel a keen sense of responsibility to continue the work started by my predecessors, and to ensure that future generations of women at Cundall enjoy the same opportunities that I have enjoyed.

Our work around diversity and inclusion continues to focus on developing new and innovative methods of attracting, developing and retaining great people of all backgrounds and identities. In striving to become the most inclusive consultancy in our industry, we benefit greatly from the voices of colleagues in our employee networks, and from our relationships with external bodies in the various territories in which we operate.

We published our first Gender Pay Gap report in 2017 in response to new legislation in the UK. At that time, we were already undertaking a range of initiatives to address the underrepresentation of women (in particular) in our business. Since then, we have appointed our first Head of Talent, Diversity and Inclusion, published our diversity and inclusion strategy, “Valuing Diversity”, and increased our focus on embedding diversity and inclusion into all aspects of our work. We are making positive progress, and this year’s report shows a significant shift in the

representation of women in managerial and leadership roles at Cundall, as well as a further erosion of our gender pay gap, which has reached its lowest level since we started reporting. That said, we know there are still important questions that remain unanswered, and work that remains undone. As we continue our work in this area, we must avoid complacency and it is incumbent upon me and my peers to continue to educate ourselves on issues relating to inclusion, and to continue to drive the inclusive culture that will create a great place to work for all of our colleagues, and bring the commercial benefits that we know a more diverse workforce brings.

I look forward to continuing our journey.

Carole O’Neil
Managing Partner

02

Introduction and context

Introduction and context

This report presents statistical data regarding gender diversity at Cundall, and commentary relating to these statistics. It also sets out some of the key steps that we are taking to improve gender diversity within our business.

2.1 Statistical method

We report our data in accordance with the requirements of the UK's "Equality Act 2010 (Gender Pay Gap Information) Regulations 2017".

The "mean" figure on each measure is calculated by adding together all of the salaries (or bonus payments) in the sample, then dividing the total figure by the number of salaries (or bonus payments) in the sample. The "median" figures represent the mid-point in each list of numbers. The distribution of salaries in each office means that the "mean" and "median" figures can look quite different, when the calculations are undertaken. "Bonus pay" includes long-service bonuses, Chartership bonuses, annual profit shares and other discretionary bonuses, including Christmas gifts awarded as cash (or cash equivalents), awarded in the 12 months to April 2022. For reporting purposes, annual bonus payments are pro rated (by dividing by 12) to give a notional monthly figure.

It is worth noting that the offices that make up the sample vary in size, from less than 5 people, up to over 200 people. In statistical terms, the difference in sample size means that there is more likely to be a pay gap (in either direction) in a smaller office than in a larger one. Except where otherwise stated, data relates to staff paid through our UK PAYE payroll (or, where applicable, one of our international payrolls) on 28 April 2022. contract / agency staff and Partners within the business (who are self-employed) are therefore excluded.

2.2 Going beyond

Whilst we report in line with UK legislative requirements, we are committed to going beyond our compliance obligations, which require only that we analyse and report on our basic gender pay gap data for the UK business (including mean and median basic salary and bonus information, and pay quartiles).

This report therefore includes additional analysis to help us better understand our workforce as well as commentary in relation to the specific targets and KPIs we have set (and against which we will monitor our progress) in relation to diversity and inclusion.

03

Statistical data

Statistical data

This section presents raw data regarding the demographics within our UK business, as of April 2022.

3.1 Gender diversity

At the date of reporting, 20.9% of our payrolled staff in engineering and related roles are women, as shown in figure 1.

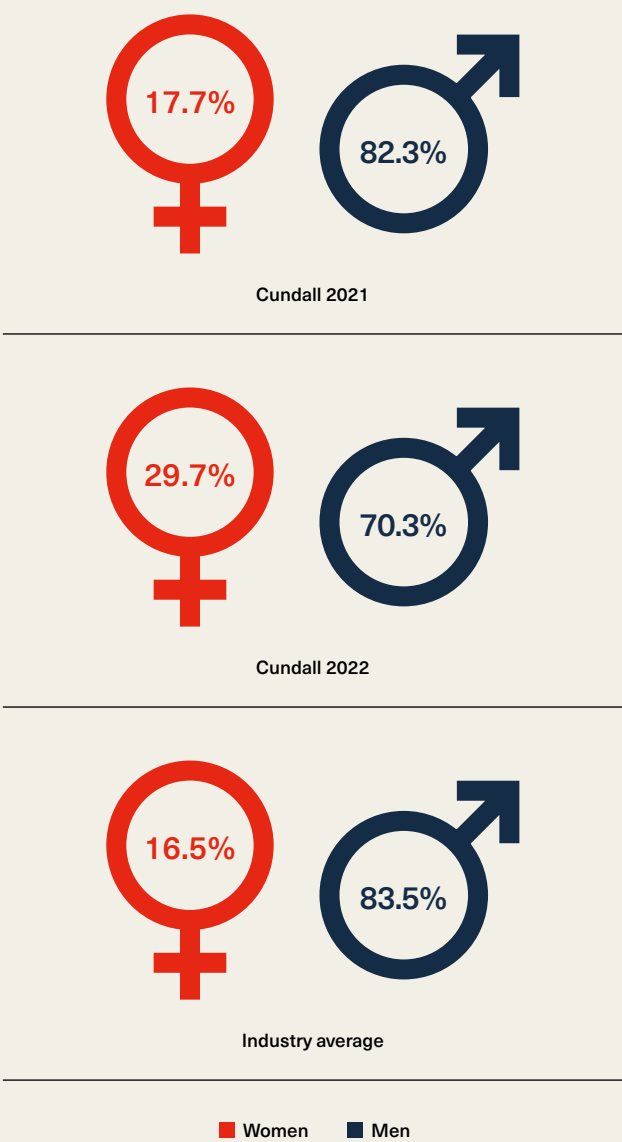
More broadly, at the date of reporting, 29.7% of our UK payrolled staff are women. This is an increase of 3.7% from 26% since April 2021, and 5.8% higher than the average for women represented across all occupations within the engineering sector (Engineering UK, 2021).

The Partners who lead our business are excluded from the majority of the statistical data set out in this report (due to being the owners of the business, and therefore self-employed). However, just 11% of this group are currently women. This remains unchanged since 2021.

We know that women in engineering are under-represented in senior roles and on our regional and global boards in particular. We have further work to do to ensure that we retain our talented people of all identities and backgrounds, and to provide equality of opportunity for all to progress to more senior roles within the business.

% Women in workforce

Figure 1: Workforce gender split (industry figures from Engineering UK 2021)



04

Gender pay gap

Gender pay gap

4.1 Contextual information

We have calculated our “gender pay gap” based on our April 2022 payroll and using guidance from the UK government with regard to how the data should be analysed. It should be noted, however, that this analysis takes no account of the demographics of our workforce. In particular, it does not allow for an analysis of pay data by “job type”, nor by geographic region. We have therefore included some commentary later in this report which provides some context for the figures shown in figure 2.

4.1.1 Job roles and functions

Salaries are typically affected by a variety of factors, in particular the nature of the work being undertaken, with job roles and functions being a significant factor in determining pay rates. The gender split within our business is very different for engineering / technical functions, as compared with professional support functions, as shown in figure 2.

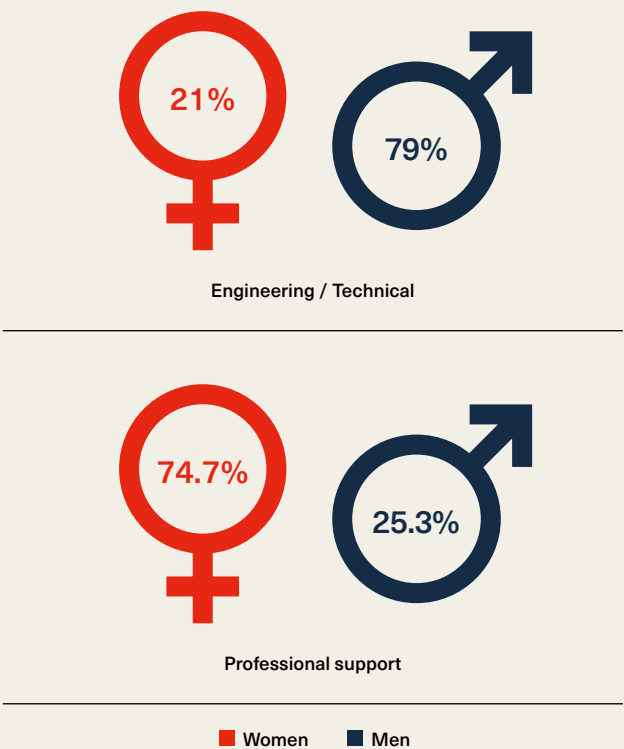
The proportion of women in technical roles has increased since our previous gender pay gap report (21% compared to 19%).

We have seen a significant increase in the gender diversity within professional support roles. 25.3% of these roles are now filled by men, up from 19% last year.

The gender pay gap in our professional support roles is slightly higher than across our engineering and related roles at 22% compared to 20%.

Gender by job type

Figure 2: Proportion of men / women employed by job type



4.2 Gender pay gap figures

Our gender pay gap figures as at April 2022 are shown in figure 3.

Average pay for women has increased slightly more than for men over the reporting period. The mean hourly rate was £19.87 for women (up by 11.25% since our last report) and the mean hourly rate was £24.84 for men (up by 7.8% from last year).

Both our mean and median gender pay gaps have reduced in the past 12 months and are at the lowest rate since we started reporting our gender pay gap in 2017.

4.2.1 Median

Our median gender pay gap stands at 25.9%, which is 1.2% lower than last year. This reflects the difference in median hourly rates between men and women across the UK business. The median hourly rate for women was £17.37 (up by 12.9% from last year) and the median hourly rate for men was £23.44 (up by 11% from last year).

4.2.2 Mean

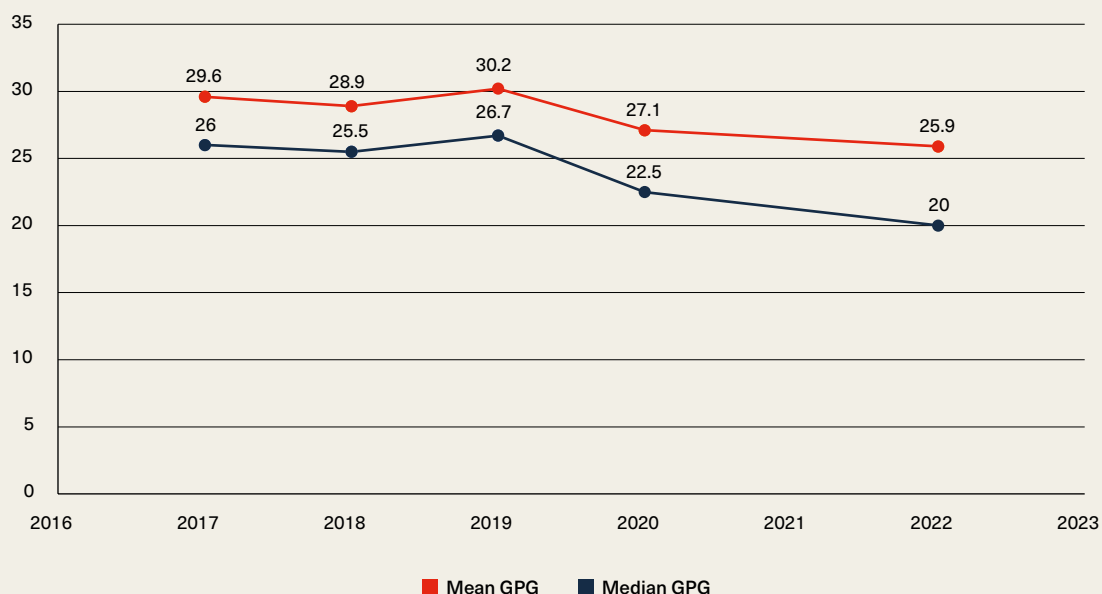
Our mean gender pay gap stands at 20%, which is 2.5% lower than last year.

The chart below compares the median and mean gender pay gap figures across the five reporting years to date. It is encouraging to see a sustained reduction in the gender pay gap more recently, particularly after three years with minimal movement. Although there is clearly more to be done, we are hopeful that this indicates the action we have taken to-date is making an impact in reducing our gender pay gap.

That being said, it is worth noting that because of the relatively small (compared to many of our peers) size of our business, and the proportion of women represented within senior / leadership roles in particular, small shifts in our gender representation whether by via recruitment, promotions, departures, or salary increases, can have a marked impact on the pay gap data (both positive and negative). We will need to review ongoing data to identify if this is a longer-term trend.

Mean and median UK gender pay gap over time

Figure 3: Mean and median UK gender pay gap by year



4.2.3 Quartile pay bands

The hourly rates of all relevant employees have been ordered and separated into the following quartiles:

- Lower quartile
- Lower middle quartile
- Upper middle quartile
- Upper quartile

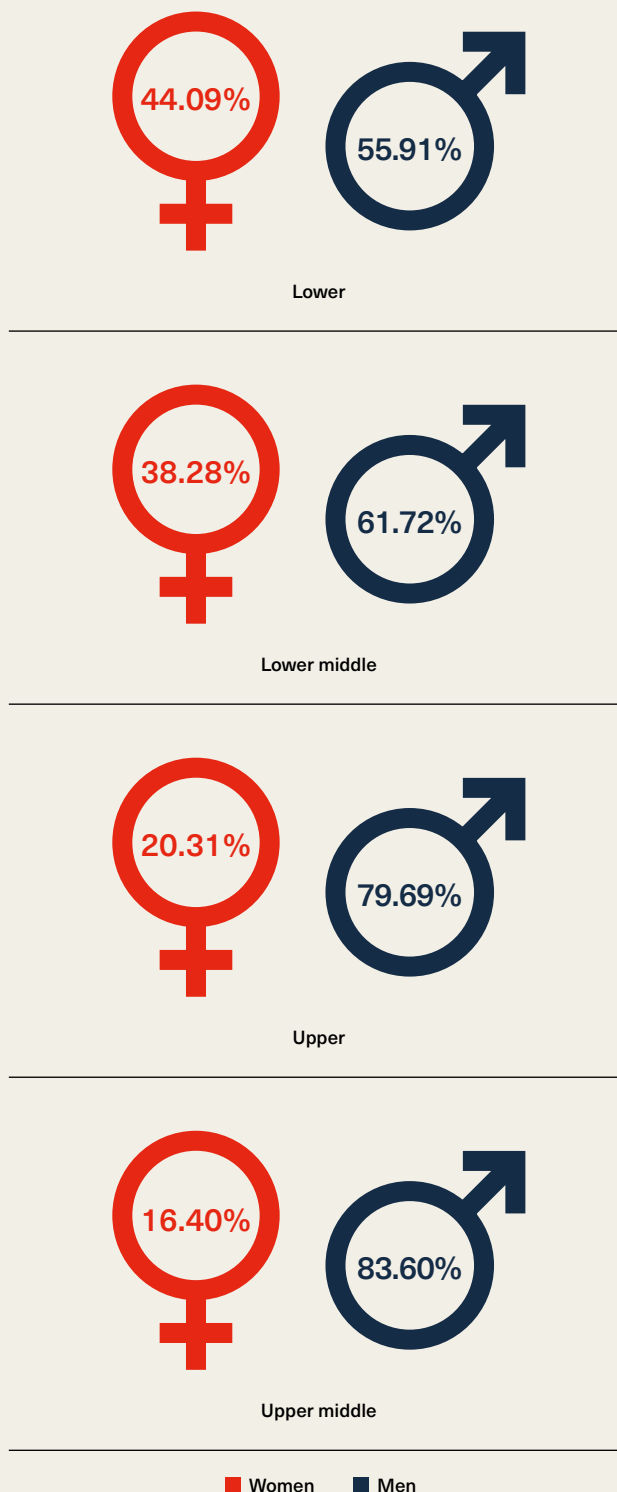
The proportion of women in both the lower and lower middle quartiles has increased since our last pay gap report (by 8.2% and 6.8% respectively). It is particularly encouraging to see an increase in the proportion of women in the upper middle (2.3%) and upper (5%) quartiles over the same period. This suggests that improved gender diversity in more senior roles within the business may be starting to impact positively on our gender pay gap data.

The proportion of men and women in each quartile across the four years we have been reporting Gender Pay Gap data is represented in figure 5.

We are pleased to be able to report that over the past five years the number of women in the upper quartile has increased by 8.7%. This data points to some progress as a result of the work that we have carried out to nurture and develop talented women, but also tells us that we still have a great deal to do. We continue to have a strong pipeline of female talent in early- to mid career roles (in our lower and lower middle quartiles), but we have yet to significant progress at more senior grades and this continues to be a priority for the next 12 months and beyond.

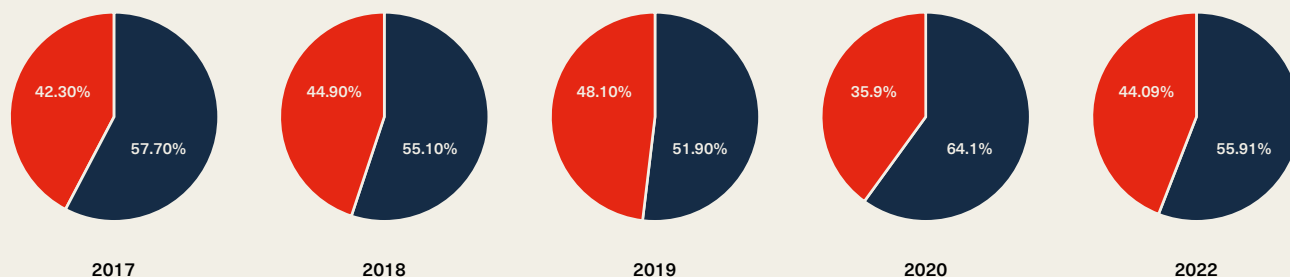
Pay quartiles

Figure 4: UK quartile pay bands 2022



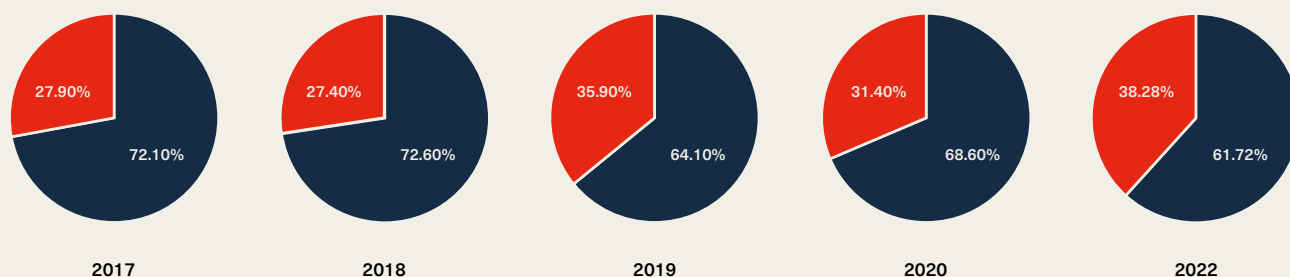
Lower quartile by year

Figure 5: Lower quartile pay band year on year



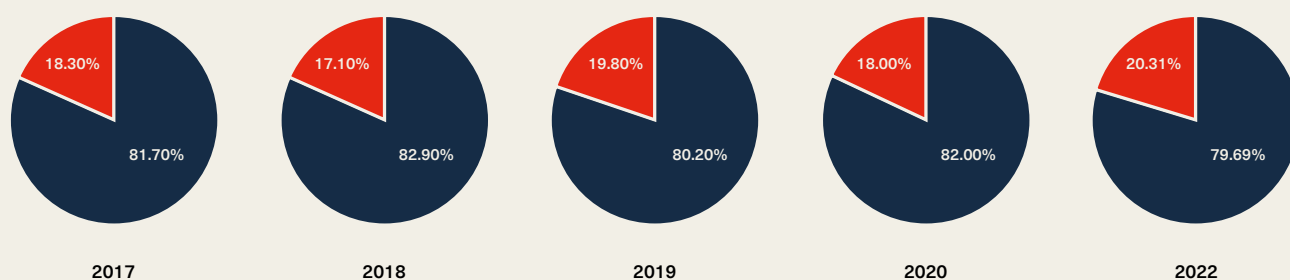
Lower middle quartile by year

Figure 6: Lower middle quartile pay band year on year



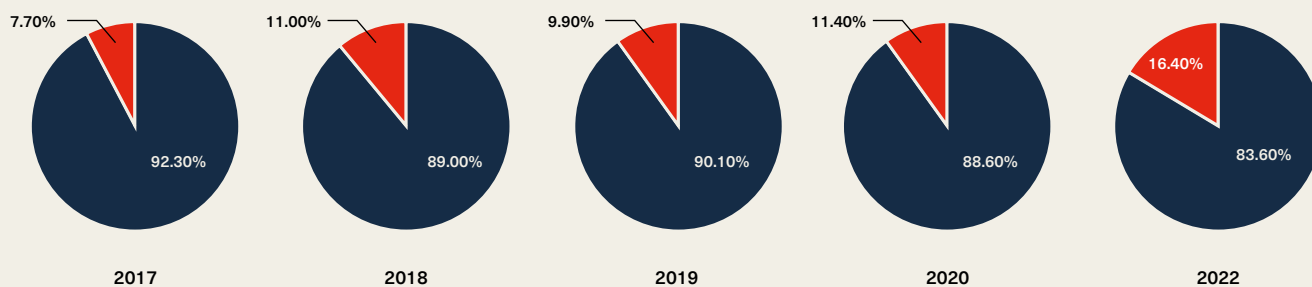
Upper middle quartile by year

Figure 7: Upper middle quartile pay band year on year



Upper quartile by year

Figure 8: Upper quartile pay band year on year



Women Men

4.2.4 Bonus data

We have analysed our bonus data for the 12 months to 28 April 2022. For the purposes of this calculation, “bonus pay” includes:

- Discretionary profit shares
- Joining bonuses
- Chartership bonuses
- “Recommend a Friend” bonuses
- Discretionary bonuses
- Prizes
- Christmas bonuses (whether paid in cash, or as cash equivalents such as vouchers)
- Long service awards

In this period, 98.7% of women, and 98.9% of men received a bonus. This is an increase of 1.4% for women and an increase of 4.2% for men since our last report. Figure 9 shows the proportion of women and men who received a bonus over the past four years.

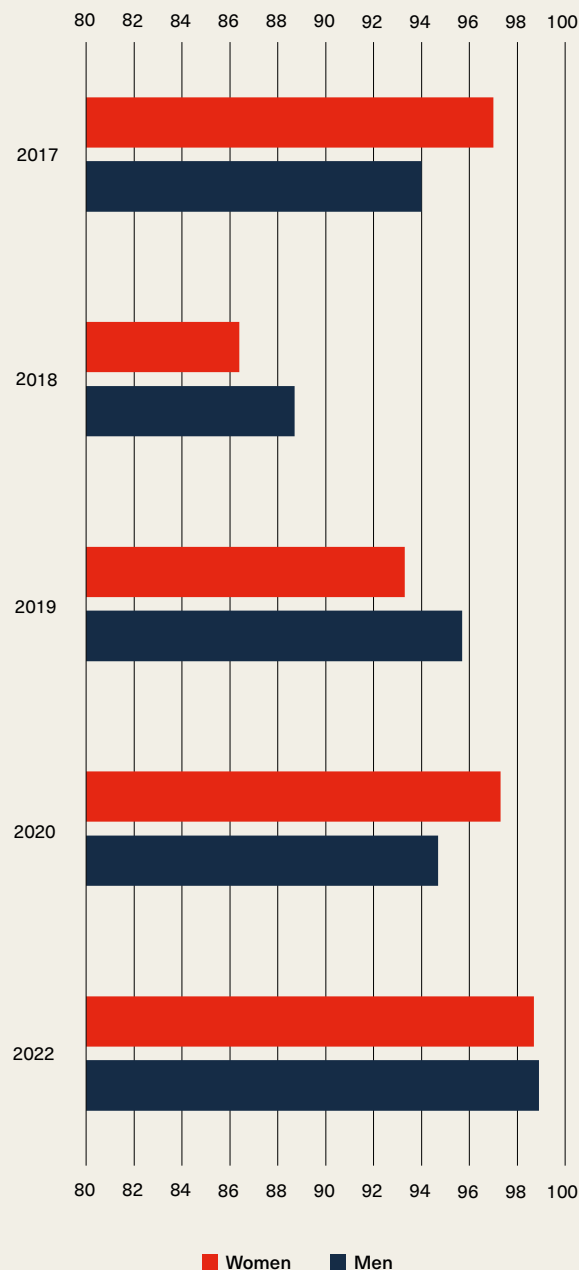
The mean bonus paid to women was £129.86 and the mean bonus to men was £184.92 giving a bonus gap of 29.77%.

The median bonus pay for women was £88.33 and for men was £109.16 giving a median bonus pay gap of 19.08%.

The difference is largely accounted for by the fact that more men than women occupy senior positions within the business (which provide for participation in our discretionary profit-sharing scheme).

UK staff in receipt of bonus payment (%)

Figure 9: Proportion of employees receiving bonus pay in the 12 months preceding each reporting date)



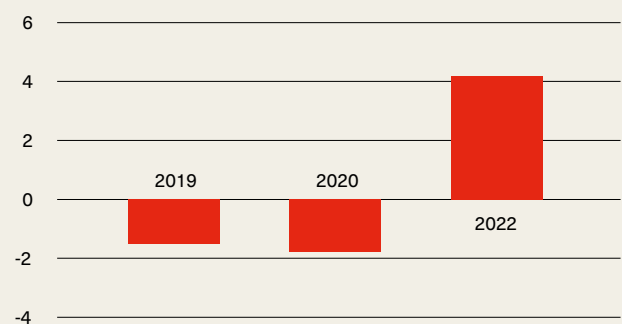


4.2.5 Ethnicity pay gap

Whilst not related to gender pay gap analysis, we have chosen to analyse whether there are disparities between the salaries of our black and minoritised ethnicity groups and white ethnicity groups. The average hourly rate for global majority ethnicity groups was 4.16% lower than the average hourly rate for white ethnicity groups. This gap has increased from -1.8% since our previous pay gap report.

Mean ethnicity pay gap by year (%)

Figure 13: Mean ethnicity pay gap by year





4.3 Industry benchmarks

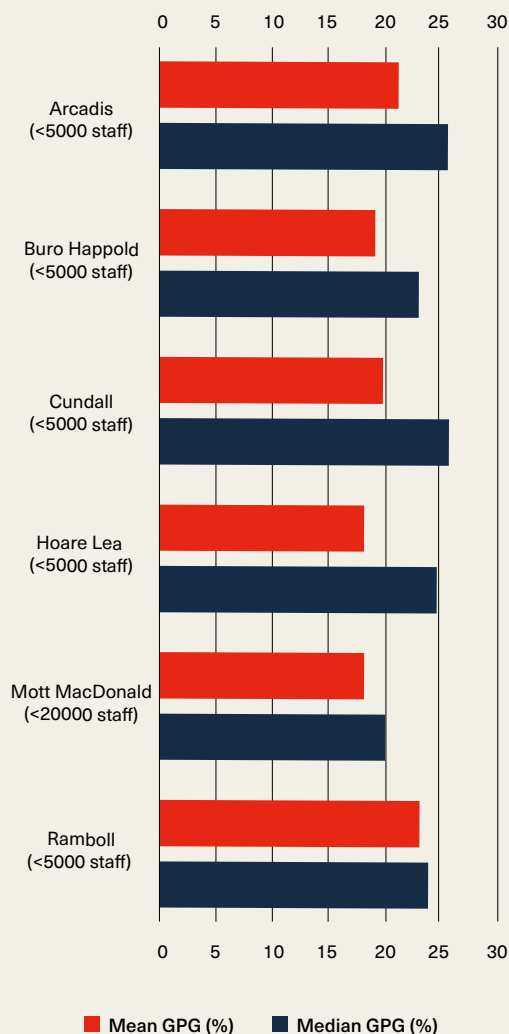
To help us understand the challenges facing our wider industry, we have analysed some of the gender pay gap data published by UK businesses operating in the construction industry. To ensure relevance, we have focused on organisations who we consider to be our immediate competitors – firms who operate in the same (or a similar) space to ours. Where businesses are yet to publish their 2022 data, we have relied upon their most recently available pay gap data at the time of publication.

The average mean gender pay gap across the firms reviewed stands at 20.9%. Although we compare favourably with some of our competitors, our own mean gender pay gap sits in line with the benchmarking average, at 20%.

The larger firms report a higher proportion of women in the upper middle and upper pay quartiles. Cundall do not perform as well as our larger competitors in the representation of women with the upper pay quartiles, which suggests there is more that we need to do to promote and attract women into leadership roles across our business. Our diversity and inclusion strategy, Valuing

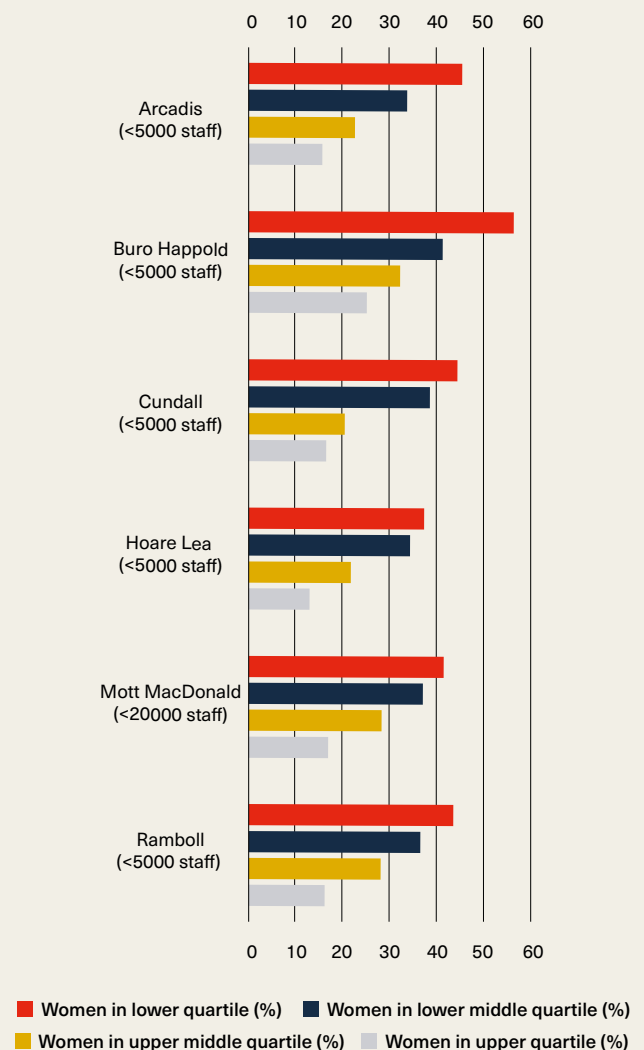
Mean and median gender pay gaps - Industry benchmark (%)

Figure 14: Mean and median gender pay gap data from competitor employers (April 2020/2021)



Proportion of women by pay quartile - Industry benchmark (%)

Figure 15: Proportion of women by pay quartile - data from competitor employers (April 2020/2021)

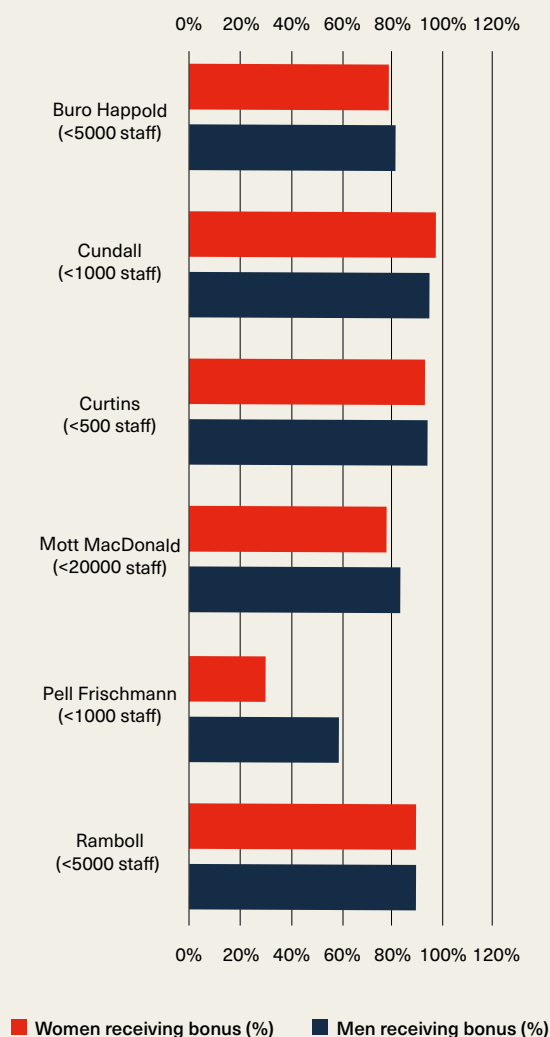


Diversity, outlines a number of methods and initiatives, which we will continue to implement over the next 12 months and beyond to ensure we redress existing inequality and under-representation, and continue to reduce our gender pay gap.

We compare favourably with other firms in terms of the proportion of our staff who receive a bonus; a higher proportion of our staff (of both genders) received a bonus in the most recent reporting than in any of the other firms. Our mean bonus pay gap (of 29.77%) was in the lower range of all the firms included in the analysis.

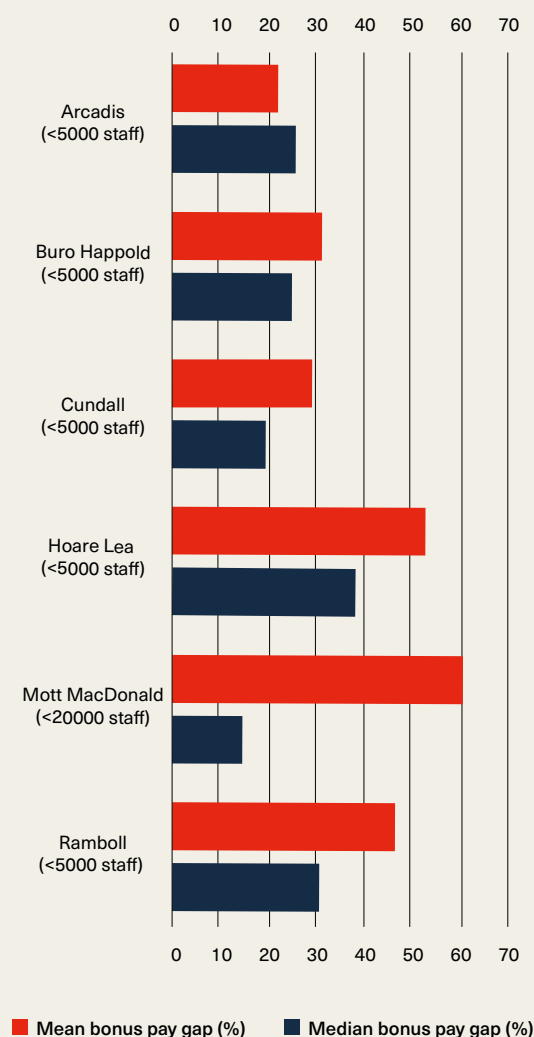
Proportion of employees receiving a bonus by gender - Industry benchmark

Figure 16: Proportion of employees receiving a bonus - data from competitor employers (April 2020/2021)



Mean and median bonus pay gaps - Industry benchmark (%)

Figure 17: Mean and median gender bonus gap data from competitor employers (April 2020/2021)



05

Action plans

Action plans

5.1 Completed actions

We remain committed to significantly reducing our gender pay gap, by focusing on attracting, retaining and empowering talented women within our business. In support of this goal, we have already delivered a number of the actions to which we committed in our last report, as well as some additional actions identified following the publication of that report. In particular:

- In 2019 we made a specific commitment as part of our Sustainability Roadmap to “substantially increasing the proportion of women in leadership roles” within our business over 5 years. Since then we have seen an increase in the proportion of women in our management and leadership grades: (+10% at Associate; +3% at Associate Director; +3% at Director, +2% at Partner).
- We are continuing to sponsor aspiring engineers with “Launch” bursaries through the IET. These bursaries provide financial support to disadvantaged students, who might not otherwise be in a position to pursue engineering careers. Following their objective assessment and selection process, we request that the IET present us with a balanced mix of candidates from their pool of successful applicants, so that we ensure that our efforts in supporting the next generation of engineering talent is deployed to the equal benefit of candidates of both genders.
- In 2022 we partnered with Inclusive Employers to enhance our work on diversity and inclusion via external guidance and expertise. Over the past year we have worked closely with Inclusive Employers to refine our diversity and inclusion initiatives, and have used their extensive webinar series as part of our Inclusive Leadership programme.
- In 2022 we launched our newest employee network – Divergent – focusing on supporting neurodivergent staff and driving a neuroinclusive business.
- We developed and launched a comprehensive 12 month Inclusive Leadership programme, targeted at fostering every inclusion among the most senior members of the Practice. So far we have enrolled 21 senior leaders (around 40% of this cohort) on this challenging and wide-ranging programme.
- We are a founding member of the PlanBee initiative which sees us work alongside Ryder, Xsite, Turner and Townsend and Sir Robert McAlpine to offer paid rotations across multiple industry sectors, and have continued to facilitate apprenticeships for young people through this as well as other similar schemes.
- We have continued to develop our recruitment processes; which include positive action measures to hire more women and Black and global ethnic majority talent across our business. This includes revised advertising materials, mandatory diversity of applicant shortlists (including adoption of the Rooney rule), targeted recruitment, and updated training for interviews on bias. We have also remained steadfastly committed to eradicating nepotistic and cronyistic hiring practices across all levels and locations of the business;
- In the past year we have reviewed our existing career paths and promotion criteria and processes to make them more transparent and accessible.
- In the past year we have delivered interactive education workshops to staff across all levels on topics including neurodiversity, menopause, microaggressions, and collective burnout.
- We have, and will continue to, benchmark our own gender pay gap data against that of our industry peers (as described in this report), to help us understand better how we perform in comparison with the others, and the extent to which gender pay issues are specific to our business, or endemic within the wider industry.
- We have included more detailed analysis of our gender pay gap data than is required by legislation for the past 3 years, enhancing our capacity to take targeted action on diverse representation and pay distribution.

5.2 Ongoing and new actions

- We will continue to survey employees on diversity and inclusion and use the findings to shape our diversity and inclusion priorities.
- We will continue to roll out inclusive leadership development for our senior leaders. This will ensure that all of our leaders are engaged with the principles and behaviours that underpin our drive for an inclusive culture.
- We will continue to embrace positive action measures that accelerate the diversity of our business, particularly within management and leadership positions. Such diversity not only enhances our capacity to make the most informed decisions for our clients, but will create more effective role models to inspire the next generation.
- As part of our aim to support, develop and nurture talented women within the business we will work with our employee gender inclusivity network to provide opportunities for women and gender minorities around the business to increase their exposure and network with executive level colleagues.
- We will continue to highlight and promote positive examples of agile, flexible and hybrid working practices from within our business and educate leaders and managers (in particular) about the business and personal benefits of flexible working. The past year has seen us develop the beginnings of a 'new normal', which while enabling us to work more flexibly, has also come with new challenges about how we connect and communicate with one another. The expectations of workers and clients is always evolving, and we will continue to embrace innovative ways to ensure that we are deliver a great place to work for our people, and an excellent service to our clients.
- For many years we have been involved in a wide range of "outreach" activities with schools including those within low income areas, and those that cater for specialist needs and learning challenges. The aim of which is to encourage work experience opportunities for young people from a variety of backgrounds. Having recently hired our first Resourcing Business Partner specialising in early careers, we plan to develop an outreach strategy which will improve how we engage with and provide career pathways for young people from all backgrounds and identities over the next 12 months.
- Cundall staff are encouraged and supported to volunteer their time in schools and colleges to raise awareness of engineering and construction careers, as well as supporting young people with CV writing and interview skills. Again, our early careers activities will enhance the availability of opportunities for colleagues to get involved in volunteering activities over the next 12 months.
- We have committed to meeting the Living Wage Foundation benchmark, guaranteeing that UK staff will be paid at least the minimum rate of £10.90 per hour (£11.95 per hour in London).

