

Arcadis

Gender Pay Gap Report 2018

March 2019

Gender Diversity is important

Equality, Diversity and Inclusion are cornerstones of our business in the UK. We know that diversity of people, and of thought, delivers benefits to our people, our culture, our clients and our projects.

Last year we shared details of our gender pay gap and it showed that like many other peers in the construction industry we are grappling with a historic gender imbalance.

Whilst we have made some progress, this year's figures demonstrate that this cannot be changed overnight. It will be iterative, and we need to ensure we not only take the right action but that we do it well.

With this in mind, the UK Leadership Team has defined a shared goal we can aim for as a collective and a marker by which we can review our progress. The headline goal is to have 30% representation of women at senior job levels by the end of 2021. This is ambitious, but I believe it is an ambition we can achieve if we work together.

We need to each contribute to creating a culture, an environment and an experience where more women will want to join, stay and progress in our business – and hopefully within our wider industry too.

Mark Cowlard
CEO - Arcadis UK



Gender Pay Gap

Our Results

Arcadis Gender Pay Gap 2018

	Mean	Median
Employee Hourly Pay	21.2%	24.8%
<i>Decrease from 2017</i>	0.5%	0.9% ▼

Our overall gender pay gap has shown small improvements and remains in line with the industry average. It is also reflective of an imbalance of men and women at different levels and within different functions across the organisation.

	Mean	Median
Partner (LLP) Hourly Pay	4.4%	3.9%

In order to provide additional transparency, and although not required by statute, we have provided our Partner (LLP) data which we are pleased to report shows a much narrower gender pay gap.

Arcadis Bonus Pay Gap 2018

	Mean	Median
Bonus	25.9%	13.3%
<i>Decrease from 2017</i>	4.9%	20.9% ▼

As with the hourly pay gap, the bonus gap is attributable to more men than women at more senior levels in our business. Analysis also showed an increased proportion of part-time workers who are women was a factor in the results but nevertheless we appear to be making progress evidenced by the reduction in bonus gap.

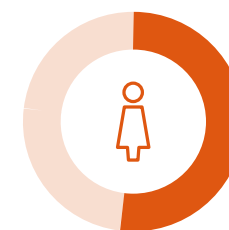
Proportion of employees receiving Bonus



Men

56.9%

Decrease from 2017
3.4% ▼



Women

57.3%

Increase from 2017
5.4% ▲

This illustrates that bonuses are distributed equally between men and women across our organisation.

Gender Pay Gap

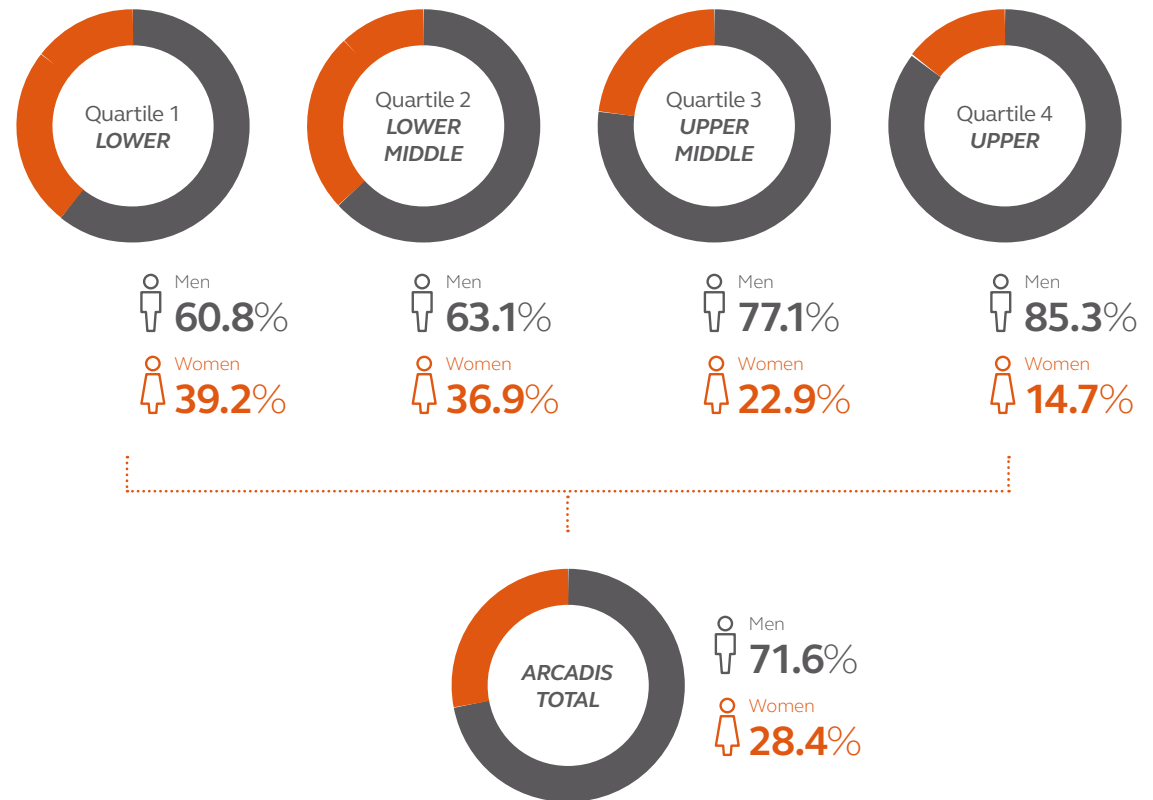
Our Results

The gender pay gap in Arcadis is indicative of an under-representation of women in our business. This problem is particularly acute at senior levels. Whilst we have fewer women in senior roles we also have a higher proportion of women relative to men in more junior roles, all of which drives a higher Gender Pay Gap.

Although we are seeing a welcome increase in the number of women choosing to join Arcadis. We currently employ a greater number of men than women. At the time of reporting, out of a UK workforce of around 3,300 employees, 72% were men and 28% were women.

However, we are starting to see some positive trends that suggest that targeted actions are making an impact.

Proportion of men and women in each quartile band



Gender Pay Is Not Equal Pay

We have an aggregate gender pay gap but this is NOT the same as having an equal pay gap. The issue of pay inequity (i.e., unequal pay) is paying women and men differently for doing comparable work which is illegal in The UK.

This is not what our report and statistics show. The gender pay gap captures the difference in the average pay between all men and all women in a workforce to enable organisations across all sectors within the business community, to report performance on pay in a standardized manner for comparison purposes.

The data used to calculate a gender pay gap does not take account of the average pay between men and women working at the same level in a workforce. It is not therefore a comparison of pay for comparable jobs.

This example shows how a Gender Pay gap can exist with Equal Pay:

A company employs 11 people, 10 engineers and a Managing Director. The 10 engineers (**nine women, one man**) all earn £50,000 so are paid equally; the MD is a man and earns £100,000.

The average (mean) salary for women in the organisation is £50,000, while the average for the (two) men is $(£50,000 + £100,000)/2 = £75,000$.

Therefore the Mean Gender Pay Gap is 33% $(75,000 - 50,000/75,000)$.

So despite paying all the engineers equally we still see a big gender pay gap.



In Arcadis, we proactively monitor equal pay as part of our annual pay and bonus process to help ensure we meet our legal and moral obligations.”



Mike Wilkins

Head of Compensation & Benefits

Our Challenge

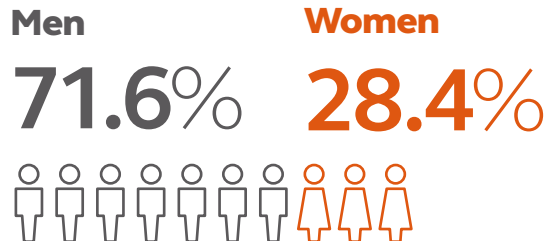
The Representation Gap

Across the engineering and professional technical services market, there is a historic under-representation of women, which leads to a Representation gap.

As long as there are significantly more senior men in the industry there will remain a large Gender Pay Gap and we see this reflected in our own results.

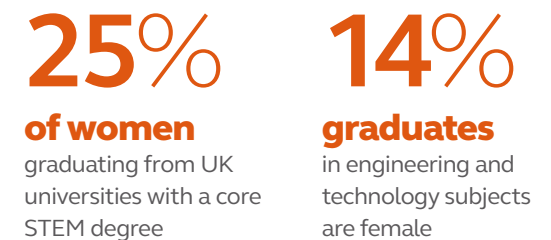
This could detrimentally impact our ability to attract talent into our business.

Gender split of Arcadis Employees
(as of 2018)



The STEM Challenge

Societal influences and unconscious bias start at an early age and this has a direct influence on the educational choices children make as they get older. The shortage of women in science, technology, engineering and mathematics (STEM) jobs in what has been a traditionally male dominated industry also represents a significant challenge we share with the wider UK economy, resulting in under representation of women at all levels. In the UK, only 25% of all graduates in STEM subjects are women, and in engineering and technology, this figure is just 14%.



= 22,000

women entering the construction, engineering and technology market compared to **over 65,000 men** (2016)

Our Response to the Gender Pay Gap

We acknowledge the disparity between the number of men and women in our business and we also understand the reasons behind these differences. Our focus is now on developing an approach that addresses the imbalances.

It is also a **“Call to Action”** highlighting what we are doing as a Business to address our gender balance and how **EVERYONE** can help drive this change.

If we want to live up to our ambition of “improving the quality of life” and creating an environment where our people feel they can bring their “whole selves to work” then **EVERYONE** must play apart in driving this change.

To reduce the gender pay gap, we need to improve the gender balance at every level.

**We want more women to
Join Arcadis.**

**We want more women to
Stay in Arcadis.**

**We want more women to
Progress in Arcadis.**

Our Response

Leading by Example

As a UK business, we recognise that our priority is to improve the diversity of our workforce and specifically to increase number of women in technical, operational and senior roles, This will be driven by a clear ambition:

To achieve 30% representation of women at Senior Job Levels by the end of 2021

To embed accountability, we are:

- Setting expectations on business lines to measure diversity
- Report progress and be accountable as a UK leadership team.
- Asking our leaders to actively support our ambition.

We have developed an Equality, Diversity and Inclusion Strategy to improve the inclusivity and diversity of our workforce, provide fairness of opportunity and to help us reduce our pay gap. Our Diversity Council will oversee this strategy, advising and challenging our efforts by providing expertise and input on best practice.

We have introduced a number of initiatives in recent years to help improve gender balance at Arcadis, which you can read more about in the following pages.



I am committed to continue to drive positive change to ensure the women have parity of opportunity at all levels, creating an inclusive business where everyone can succeed, without compromise."



Rose Clark

Chief Financial Officer and Executive Sponsor for Gender Equality

Our Response

Joining Arcadis

We want to attract and retain talent to our business and be recognised as an employer of choice for all.

To do this we must embrace diversity and the opportunities a more diverse workforce will bring. From a gender diversity perspective we will maintain a **focus on gender parity in our recruitment process** using gender neutral language throughout all our job adverts, actively **checking and challenging the diversity of our shortlists**, as well as aiming for gender-balanced interview panels.

We advertise all jobs flexibly specifically **targeting job boards for part time workers** whilst promoting our family friendly policies, and incentivising our people to identify senior women through our referral process.

We actively partner with organisations and networking groups to **raise awareness of STEM subjects at school** (science, technology, engineering and mathematics), university and in the workplace, and we are also an **active member the 5% Club** a movement of employers focused on providing 'earn and learn' positions (including apprentices and graduates).



Working at Arcadis with a young family in the background, the family friendly policy in so far as how flexible working fits around family life has been a vital part of the reason I chose to work at Arcadis and continue to do so."



Thulasi Karunakaran

Associate Technical Director

Our Response

Staying in Arcadis

We are fortunate that we have an active **Gender working group**, sponsored by our CFO Rose Clark, who challenge, innovate and work collaboratively under the Diversity Council to support our gender balance goals.

This year we will work with the gender strand to:

- Develop buddies for returners
- Showcase inclusive leaders
- Shape our training and development programmes
- Promote family friendly policies

As a business we will continue to:

- Build on our behavioural framework towards one **inclusive culture through leadership and behavioural change**
- **Monitor equal pay** as part of our annual pay and bonus process.

We will collaborate with our **Male Allies Group** to build a network of influence that supports gender balance.

Other initiatives include:

- Mandatory EDI induction training as part of induction process for all new hires
- Unconscious bias training weaved through all of our learning and development offerings
- Supporting managers to embrace flexible and agile working opportunities, recognising the opportunities it brings to all our people for better work life balance
- Ensuring we embed fairness and equality within all aspects of our recruitment and promotion processes
- Increase awareness of family friendly policies



Together we create our own culture, aligned to our corporate objectives. Getting involved in the Male Allies Group is a natural step for me as an Inclusive Leader, where I bring client insight, my commitment to a people first culture and an appetite to learn and develop my own understanding of how I as an individual and we as a group can make a difference."



Andy Timms

Project Director

Our Response

Progressing in Arcadis

The first and most critical thing we are doing is to nurture and empower everyone with the OPPORTUNITY to progress their career. Our career framework has been created to provide clarity on the skills, knowledge and experience our people need to progress their career within their chosen job family but also through other job families, a technical, client development, managerial or leadership career path.

Our career zone and learning and development programmes provide the learning needed to target the development of core skills and our new approach to performance development – Grow Perform Succeed, puts development at the heart of the performance conversation to support every Arcadian to fully realise their potential.

However we must also **focus on positive action** to eliminate real or perceived barriers to progression.

We invest in programmes that specifically focus on personal barriers to success. For example our **women in engineering** program is an award winning run by Skills4UK which is now in it's 4th year. We run promotions workshops to support people to progress and focus **on talent and succession planning** to cultivate progression opportunities and talent across our business.

“

I have a successful career as a civil engineer in a male orientated industry. I use my own experience to drive change and make Arcadis the best place to work both in the office and client sites.”



Elena Vrabie

Senior Technical Director

Things are changing... at Arcadis

Gender Balance at Arcadis

Our efforts are already beginning to yield results. For example, in the last 12 months we have seen a welcome increase in the number of women joining each one of our UK business lines – women we must now work hard to retain.

35% new hires in 2018 were women

(23% above industry average)

Over the past four years the proportion of employees (including LLP) who are women has grown from:

**27% to 30% overall and
from 9.5% to 14.2% within
the Partnership (LLP).**

Graduates & Apprentices

It is important that we ensure we are attracting a diverse mix of candidates when we recruit new talent into our business. Our Emerging Talent teams have been targeting a more diverse representation at graduate and apprentice intake level, ensuring we deploy gender neutral recruitment materials and language. We recognise that this needs to be a long term commitment to embed sustained change.

Tackling gender balance within our early careers population in 2018

47% of all graduates hired in 2018 were women, an increase of 15% on 2017 and significantly above the industry average of 26%.

33% of all apprentices hired in 2018 were women, an increase of 8% on 2017



 **47%**
Female graduates



 **33%**
Female apprentice



We're building an Arcadis culture with our people for our people. Whilst we've been recognised by the Sunday Times and Glassdoor as one of the best big companies to work for - our challenge now is to improve.

Whether it's encouraging women to join, stay or progress within our business – we are committed to investing in things that matter."



Lucy England

—
UK HR Director

Everyone can play a part in improving the Gender Balance

If we are to shift our gender balance **EVERYONE** must play a part.

We want our people to:

- **Speak up and be curious about gender balance**
- **Embrace the Family Friendly policies** available such as flexible working, shared parental leave etc.
- Consider getting involved in **our EDI Diversity programme** or become a member of the **Male Allies Group**
- Proactively go for the stretch opportunities available.

We expect managers to:

- Address team behaviours that are not in line with our values
- Reject non diverse shortlists
- Lead by example
- Be open and curious about diversity and inclusion and the benefits it brings.

“

Understanding your talents and skills is only part of your story, Arcadis is an opportunity rich environment that enables you to test, practise and hone your skills in all sorts of ways no matter what your background is and whatever stage you are at in your life.”



Sarah Wilkes

Global Solutions Leader

Useful Information

Further Information

More information on gender pay reporting can be found on the Diversity and Inclusion pages on the intranet.

Prospective employees wanting to know more about our programmes should see the equality, diversity and inclusion pages on the careers section of the Arcadis UK website.

Authorised Signatory

I confirm that the data reported is accurate.

A handwritten signature in black ink, appearing to read 'Lucy England', written in a cursive style.

Lucy England

Arcadis UK HR Director

Note: all figures are for Arcadis UK employees only, as at the “snapshot” date of April 5, 2018

Arcadis. Improving Quality of Life.