

#### **CHIEF EXECUTIVE'S OVERVIEW**

We promote an open and honest culture and want everyone who works with us to feel respected, empowered and valued.



John Morgan, Chief Executive

Morgan Sindall Group plc is a leading UK construction and regeneration group with Regeneration (the 'Group').

Diversity, in its broadest sense, is vital to our long-term strategy of organic growth, as different perspectives help us challenge the status quo and drive innovation.

We want to provide our teams with a positive working environment, where everyone feels included and is treated with fairness and respect. Our commitment to diversity and inclusion is reflected in our Code of Conduct and human rights policy, as well as in our divisions' succession plans, to ensure that we have a diverse pipeline of candidates being recruited, retained and developed throughout the Group.

Our current gender balance and gender pay gap remain high, reflecting the number of men in senior positions in the Group and the historic tendency for the construction industry to attract male rather than female employees. This will take time to change. Our approach is to showcase the wide range of opportunities in construction that are available to women as well as men, so that we can attract more women into the industry

and into the Group, and then to make sure that women are equally supported in their career development. In 2021, we reported that, based on the results of a diversity and inclusion survey we had conducted, our divisions had introduced action plans focusing on changing behaviours, improving recruitment and retention processes, promoting construction as a career choice, and supporting diversity and inclusion in our supply chain. Challenges persist, but as you will see in the following pages, our divisions' initiatives are starting to show results.

During 2022, the divisions enhanced existing diversity programmes as well as introducing new initiatives. Efforts continued towards making work in construction more accommodating to women through family-friendly policies, flexible working options, investments in technology to reduce the need for site-based resources and leadership training. Infrastructure's family-friendly policy, for example, now includes fertility and pregnancy support, adoption benefits, and equal maternity and paternity benefits.

New initiatives in the year included programmes focused on women's health, newly personalised career development resources for all employees, and new collaborations with educational institutions to share expertise and innovative insight. For example, Urban Regeneration has partnered with the University of Reading's Henley Business School and the Reading Real Estate Foundation (RREF) on its career initiative 'Pathways to Property' to support the next generation of property professionals. Many of our divisions have rolled out additional inclusivity training to foster stronger communication between employees and managers, and new forms of employee engagement to promote the diversity currently present across the business.

Our responsible business committee and the Board are kept updated on each division's progress against its diversity and inclusion roadmap. In 2022, we revised our Board diversity policy to include the FCA targets of women making up at least 40% of the Board and at least one of the senior Board positions being a woman. The policy also states our own target of women comprising a third of our Group management team, which includes the divisional managing directors.

We acknowledge that our progress towards reducing our gender pay gap continues to be slow, as despite making up 25% of our workforce, women are still under-represented in senior roles. We remain committed to narrowing the gap by balancing male and female representation at all levels of the business.

#### John Morgan

Chief Executive

#### SUMMARY OF THE NUMBERS AND OUR GENDER PAY GAP EXPLAINED

Our 2022 median gender pay gap for the Group based on our April 2022 data is 30.6%. The gap remains high and reflects a higher number of senior male employees in the Group

This report sets out the gender pay gap metrics for each of the Group's legal entities to which the legislation applies.

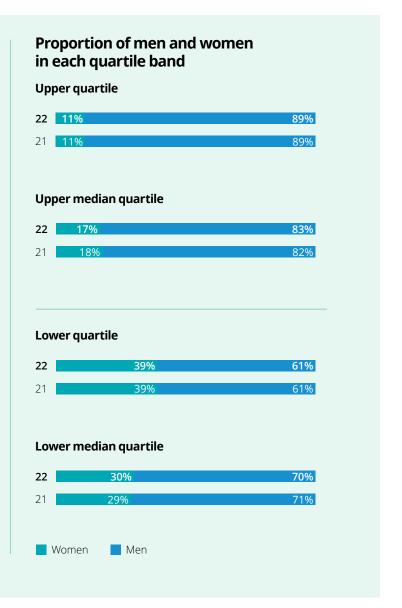
We have also presented our pay gap for the Group as a whole, including those companies that are not subject to mandatory reporting. The more we understand about our gender pay gap the greater our ability to make aimed decisions.

We have analysed the slight increase in the Group's median gender pay gap on last year and concluded that this is a result of normal business practices (i.e., employees leaving and joining). Women continue to make up 11% of the upper pay quartile (2021: 11%) compared to 38% (2021: 38%) in the lower quartile. Women make up a higher portion of support and junior roles, which predominately fall within our lowest pay quartile.

Our gender pay gap is not a result of equal pay issues, as we have a gender-neutral approach to pay across all levels of the Group and we regularly monitor this to make sure we meet this legal and moral obligation. All divisions pay their teams the national living wage or above, with the majority paying the real living wage rates or above.

Our median bonus gap has decreased to 30.4% (2021: 36.0%), yet it remains high, as does the mean bonus pay gap, due to there being fewer women in senior positions where higher bonuses are paid. In 2022, we achieved parity between men and women receiving bonuses (79%).

# **Gender pay gap** Median Mean 2021: 29.6% 2021: 29.9% **Bonus pay gap** Median Mean 58.8% 2021: 36.0% 2021: 57.1% Percentage of employees receiving a bonus Male Female 2021:71%



#### HOW WE ARE ADDRESSING OUR GENDER PAY GAP

We foster an inclusive work environment where everyone has access to the resources and services they need to achieve their personal ambitions, deliver the best outcomes for our clients and drive the business forward. We are determined to improve the number of people from all minority groups, including women, across all levels within the Group.

The construction industry is a traditionally male sector, particularly at senior levels. However, we are committed to equal opportunities and fairness in our recruitment, development and promotion practices. As a decentralised organisation, each division is responsible for designing and implementing initiatives to support our aims and is accountable to the Board for improving its own diversity and ultimately reducing its own gender pay gap.

Through our Group HR forum, which is made up of the HR leads in each division, the divisions share best practice and experience of initiatives they have introduced to improve inclusivity. The responsible business committee and the Board are kept apprised of each division's progress and initiatives. 'Developing people' is one of our Total Commitments and drives efforts to recruit from all social backgrounds and invest in training and nurturing employees so that every individual can reach their career potential. Only by ensuring our working environment is inclusive and allows all employees to thrive and achieve their goals, whether progressing through the Group or developing within their current role, will we be able to make significant progress.

In 2022, we made changes to our Board diversity policy. While the policy applies to the Board, its committees, the Group management team (GMT) and its direct reports, it also sets the tone Group-wide. The revised policy states the following targets and we will continue to work towards maintaining or achieving them in our succession planning:

- women making up at least 40% of the Board (including those self-identifying as women). In 2022, women made up 38% of the Board;
- at least one of the senior Board positions (chair, chief executive officer, senior independent director or finance director) being a woman (including those self-identifying as a woman). We do not currently have a woman occupying any of these positions. This has been highlighted previously and will be addressed as part of any future Board succession; and
- women making up at least one third of the GMT: in 2022, the gender diversity of the GMT was 18%1 (2021: 9%). The gender diversity in the direct reports of the GMT is 32% (2021: 26%). We are committed to increasing the diversity of the GMT and will address this as part of any future succession.

The divisions undertake a variety of employee engagement activities which include surveys, forums, and career and wellbeing initiatives to help identify areas of improvement and monitor the impact of new initiatives. In 2022, all but one division completed employee surveys as Fit Out decided to delay its survey until Spring 2023 to allow more time for new initiatives implemented following its 2021 survey to take effect. Each division continues to progress initiatives broadly aligned to the following themes: changing behaviours to become more inclusive; improving recruitment and retention processes; promoting construction as a career; and supporting diversity and inclusion in our supply chain. Examples of some of the initiatives we have implemented in 2022 are set out on pages 5 to 8.





<sup>1</sup> Following Kate Bowyer's resignation on 15 February 2923, female representation on the GMT is 10%

## Changing behaviours to become more inclusive

As part of our wider health-related campaigns, Construction, Infrastructure and Partnership Housing held menopausal awareness weeks, with specific initiatives to help female employees who may be experiencing symptoms but also for males to understand more about what females in their lives may be experiencing. Our divisions review and revise policies to enhance their inclusivity, advance diversity and inclusivity initiatives, and roll out additional training and awareness programmes to improve people's understanding of inclusion. Some key examples of how our divisions have helped promote inclusivity are listed below:

- Construction developed a strategy in 2021 to improve its approach to inclusion and, in 2022, introduced five new education and awareness modules. Construction has also made it mandatory for all sites and offices to have sanitary products available free of charge.
- Infrastructure enhanced its 'family friendly' policy by making it gender neutral, collectively addressing maternity, paternity and adoption benefits, and adding support on pregnancy, baby loss, fertility support and sabbatical leave.
- **BakerHicks** is rolling out new inclusivity awareness training and sessions on unconscious bias are scheduled for 2023. The division introduced a new podcast series, 'Wavelength', which explores the journeys of colleagues with a multitude of diversities. The impact of these stories, from volunteers, has been both educational and emotive, fostering kindness and understanding at new levels. BakerHicks has updated its maternity

and paternity leave policies and developed a 'Behaviour Charter' and line manager guidance on menopause, pregnancy, and infancy loss and transitioning at work. BakerHicks' work has been identified for leadership and innovation: the National Construction Equity and Inclusion plan devised by the Construction Leadership Forum, a collaborative initiative between the Scottish Government and construction industry, cites the business as an exemplar to support the Forum's drive to create new, innovative policies and programmes that in turn will drive real and lasting change in equity and inclusion across the Scottish construction

- To raise awareness and make people feel comfortable talking about periods, Fit Out instigated an on-site Period Poverty campaign at a project in London and raised more than 55,350 sanitary products for food banks and women's homeless shelters, enough to help 615 women for six months.
- Property Services' HR team designed and delivered 'inclusive leadership' training to all line managers and 'creating an inclusive workplace' training to help engineers who spend much of their time out repairing and maintaining properties feel included. Property Services has also signed a 'social mobility pledge' to consider how employment can provide social mobility and commit to recruiting people with diverse backgrounds. Property Services is reviewing the inclusivity of its benefits, improving the cascade of communications through regular bulletins and structured toolbox talks, and supporting wellbeing by launching performance and wellness conversations, menopause support and providing all line managers with mental health awareness training.

 Urban Regeneration set up an equality. diversity and inclusion committee which developed a strategy focusing on five elements: training/ education; promotion; policies; reporting; and recruitment/career progression. The division has also reviewed its hybrid working policy, length of service holiday entitlement, Christmas closure period and paternity leave entitlement.

While there is no quick fix to reducing the gender pay gap, we are committed to implementing initiatives that will enable us to ensure all our employees feel included and able to thrive within the Group.

#### **Recruitment and retention**

In line with our purpose, we are committed to providing our people with the resources they need to achieve their maximum potential and progress their careers through the business. We provide collaborative office environments, flexible working arrangements wherever possible and family-friendly working practices all to help our colleagues manage the different priorities in their lives. We monitor our retention rates, provide training and mentorship to help our employees increase their skills and knowledge, and promote internally where we can. Our divisions work with industry bodies and initiatives to attract the best people into the Group. These include the 5% Club, a national campaign to generate opportunities for graduates and apprentices. While not helping to improve our gender pay gap in the short term, our graduate and apprenticeship programmes help us to improve gender and broader diversity among our future managers and leaders and the improved training and clarified career progression will lead to more women being

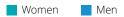
promoted into senior positions over time. Our 2022 percentage of female graduates has decreased due to an increase in overall graduates joining the business. This means that while there are more female graduates than ever before, their growth rate is not keeping pace. Our divisions are working to develop new ways of attracting female graduates.

#### Graduates



#### **Apprentices**





#### HOW WE ARE ADDRESSING OUR GENDER PAY GAP continued

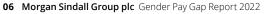
The examples below show how our divisions approach long-term talent development and the development of transferable and versatile skillsets necessary for a fast-paced business.

- Construction completed an 18-month project on rethinking recruitment, onboarding, development and a retention process for the Gen Z workforce: 17% of the division's employees are now classified as 'early career', the highest level the division has ever achieved.
- Infrastructure relaunched its mentoring programme with refreshed training for mentors and mentees. To date, over 100 employees (30% of whom are women) have been mentored by more senior colleagues, aiding their personal and career development. Women make up 18% of mentor roles, providing valuable leadership development for the business' more senior women.
- BakerHicks' graduate scheme welcomed four female graduates in 2022, raising its total percentage of female graduates to 32%. BakerHicks has ongoing training to upskill staff and enhance sustainability offerings, including NABERS (an energy-efficiency rating for office buildings), BREEAM refurbishment and fit out, and Passivhaus. Of the business' 11 in-house certified Passivhaus designers, five are women, and two additional women completed their NABERS and BREEAM qualifications in 2022. The role of these women will become more critical to the business, as clients demand low-carbon designs.
- Fit Out runs a Foundation Programme that provides training and work experience for young people. Of Fit Out's Foundation Programme intake in 2022, 45% were women (2021: 55%). Fit Out has more

- than 270 employees being supported in their professional development, including QUEST scholarships with the Institution of Civil Engineers and qualifications with the Institution of Mechanical Engineers, Royal Institution of Chartered Surveyors, Institute of Environmental Management and Assessment and the Chartered Institute of Purchasing and Supply.
- Property Services launched a new appraisal toolkit to standardise its approach across all job levels. The toolkit includes a new learning and development portfolio to support career conversations between employees and managers and make it easier for employees to access the wide range of promotion opportunities available to them. The division also enhanced its HR system to analyse competency gaps in the business and, based on the analysis, is developing a framework of career paths for launch during 2023. The framework defines the minimum training and qualifications needed for all operational roles so that individual employees' development plans can be effectively targeted to ensure that the business has all the skills it needs.
- Partnership Housing continues to provide face-to-face learning and support through its training co-ordinators and 'Lovell Academy'. Twenty assistant site managers, two of them women, joined the division's site manager development programme in September 2022, an intensive course providing them with the skills and knowledge the division will need as the business expands.

 Urban Regeneration has partnered with the University of Reading's Henley Business School and the Reading Real Estate Foundation (RREF) on its career initiative 'Pathways to Property', which through a wide range of activities brings together students, teachers and the property industry to support the next generation of property professionals. Urban Regeneration has also developed a skills and competency framework for each role that links to a career pathway and training matrix and has begun a review of its job descriptions to clarify the difference between roles and support transparent career progression. This will help employees understand potential long-term career trajectories and identify opportunities.





#### **Promoting construction** as a career

To attract a more diverse group of people, our divisions build partnerships with schools, charities and social organisations and provide work and training opportunities to introduce young people to careers in construction. This helps increase awareness of the wide variety of career opportunities available within the industry and helps the Group promote diversity while building a pipeline of talent for the industry. We also offer work experience and work placement opportunities to help get people back into work who have been unemployed for a long time. We have maintained our national partnerships with WiC, Working Families/ Working Mums, BPIC (Black Professionals in Construction) and Build Force UK. These networks enable us to reach a wider audience and share information about the benefits of a career in construction with those who may have a different perception of what it is like to work in our industry. Our work with schools, colleges and universities ranges from mentoring, STEM (science, technology, engineering and mathematics) activities and workshops to career talks, site visits and work experience and we collaborate with learning institutions to open our business to new ideas and skillsets. For example, Construction, in conjunction with the Cranfield School of Management, invested in a 'Shaping our Future' programme where diverse teams research the challenges and opportunities that drive the business and industry forward. Additional collaborative engagements achieved during the year include:

- Construction became the first construction company to partner with Developing Experts, an education platform focusing on STEM subjects (science, technology, engineering and mathematics) that provides more than 6,500 schools with over 1,000 interactive lessons and industry and career links. As part of this collaboration, Construction will develop a bespoke set of lessons reflecting the diverse range of careers available in the industry and helping children, teachers and parents better understand how construction relates to their everyday lives. A total of 379 students took part in Construction's virtual work experience programme, delivered in partnership with Speakers for Schools. Sixty-five percent of the participants were female.
- Infrastructure worked with Copeland Work & Skills Partnership to provide a four-day programme for eight autistic adults, three of them women, to improve their employability skills. Participants got to meet employers and visit workplaces. On completion, two found employment and four progressed to further training.
- BakerHicks employees volunteered with Middlesex University, London South Bank University, Birmingham City University and the University of Salford to help interview students and offer work experience placements. As part of the work experience, BakerHicks assigns each student a mentor, and gives them mock interviews, CV reviews and training based on BakerHicks projects aligned to their studies.

- Fit Out has continued to engage with the Leonard Cheshire Foundation, a charity that finds work placement opportunities for people with disabilities. In 2022, the division doubled its placements in design, site management and finance. Fit Out also worked with iConsult. a vouth employment partner, on one of its projects to provide a six-week work experience programme for five local people from disadvantaged backgrounds. The programme rotated the students between the Fit Out site team and supply chain partners, introducing them to a variety of trades.
- **Property Services** completed virtual work experience for 30 Year 10-13 students. The division carried out a survey after the exercise and found that 80% had expanded their knowledge of possible career opportunities in the industry. Property Services is collaborating with Westminster City Council on the Phoenix Programme, a pilot programme to support female survivors of domestic abuse to rebuild their confidence and develop the skills they need to enter or re-enter the workplace. The division will also provide guaranteed interviews for roles at Property Services and its supply chain members. Property Services has also partnered with Smart Works, a UK charity that dresses and coaches unemployed women for success at their job interview.
- **Partnership Housing** joined with veterans' charity Alabaré and Wiltshire Council to provide ex-military personnel with transferable skills to help get them started on a career in construction. To date this has included one female in the cohort. Partnership Housing also formed an education partnership with the Wensum Trust in Norfolk to educate young people (46% of whom were girls) about the range of career opportunities in the sector.

- The division hosted a 'construction careers day' at local school, Acle Academy, where carpentry and bricklaying apprentices presented on pathways for apprenticeships. Partnership Housing has also completed a pilot engagement with Women into Construction (WiC) in Norfolk. The pilot was successful with a job offer being made to a participant and as a result, the division is exploring support of a WiC HUB in the region.
- Urban Regeneration has begun a three-year commitment to support the Reading Real Estate Foundation's 'Pathways to Property' project to widen access to the real estate profession and promote diversity by raising awareness of the vast range of careers available in the sector. Activities have included providing mentoring and work experience placements for sixth form students.
- Through our educational and community **engagements**, we help expose students and people from diverse backgrounds to the wide range of opportunities available in the industry and break down misperceptions they may have. We encourage them to apply for job openings and graduate schemes and to learn more about how the Group's employees make meaningful contributions to the wider community through volunteering and sustainability initiatives. These initiatives and investments will help widen the talent pool of future potential employees and remove some of the barriers the industry currently faces in attracting diverse candidates into the field. We believe that over time, these initiatives will have an impact on the diversity of the Group, and of the wider industry.

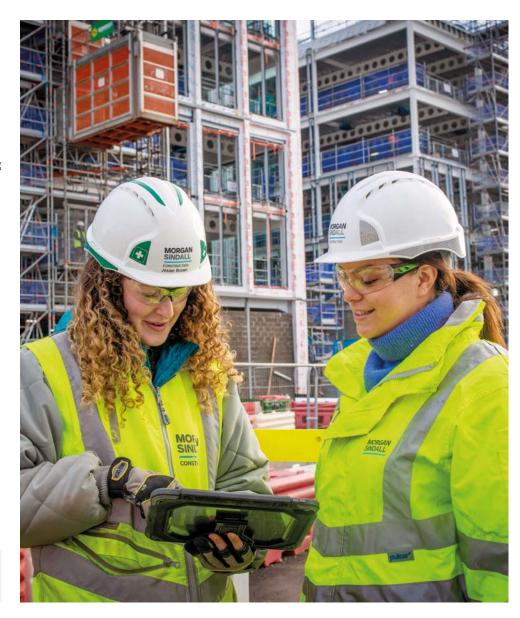
# Supporting diversity and inclusion in our supply chain

Our relationships with our supply chain partners are essential in the successful delivery of our projects. We were a founder member of, and continue to support, the Supply Chain Sustainability School (SCSS) which provides free training in topics such as fairness, inclusion and respect and we work with our supply chain to help them to improve their own recruitment practices and to raise awareness of the importance of inclusive management.

In 2022, we took part in the Supply Chain Sustainability School's employee diversity benchmarking survey to see how our suppliers performed against others. The results showed that our supply chain is younger (7.9% people aged 18-25 compared to the survey average of 6.8%); and more ethnically diverse (21.9% ethnic minority compared to 17.5%). We employ 21.8% women, close to the survey average of 23%. A total of 339,912 people were surveyed, of whom 37,261 were members of our supply chain. We will be sharing the findings with our suppliers to identify needs and develop diversity initiatives through the School's fairness, inclusion and respect programme.

In 2022, our divisions enacted several initiatives to foster greater inclusivity and diversity within our supply chain. As part of Construction's improved inclusion strategy, the business expanded its training to include the supply chain for the first time. Partnership Housing joined Construction and Fit Out in extending its employee assistance programme free of charge to its supply chain via the Supply Chain Assistance Programme, which provides free and confidential support on a wide range of wellbeing issues including tenancy and housing, medical information, child support, legal enquiries and financial wellbeing.

Our suppliers and subcontractors play an important role in helping us fulfil our responsible business goals and providing opportunities for innovation. Engaging with our supply chain partners on the topic of diversity and inclusivity allows the Group to maximise our positive social impacts among the wider community and provides opportunities for our partners to grow their businesses.



(+) For more information on our responsible business activities please visit our website morgansindall.com, where you can also find a copy of our 2022 annual report and responsible business data sheet.

#### **OUR STATUTORY DISCLOSURES**

Morgan Sindall Group has five legal entities with at least 250 employees: Baker Hicks Limited, Morgan Sindall Construction & Infrastructure Ltd, Overbury plc, Lovell Partnerships Limited and Morgan Sindall Property Services Limited. We are required to report our gender pay gap data for each of these entities, as set out in the tables that follow.

I confirm that Morgan Sindall Group's gender pay gap calculations are accurate and meet the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

For and on behalf of the Board of Morgan Sindall Group plc

John Morgan Chief Executive



# **Baker Hicks Limited**

	Gender pay gap	
Median		Mean
18.6%		21.5%
(2021: 21.7%)		(2021: 25.3%)
	Bonus gap	
Median		Mean
16.7%		47.1%
(2021: 27.3%)		(2021: 51.9%)
Proportion of men	and women receiv	ing bonus payments
\$9% (2021: 95%)		89% (2021: 84%)
Proportion of men and wom	en in each quartile	band
<b>88%</b> (2021: 92%)	Upper quartile	<b>12%</b> (2021: 8%)
<b>76%</b> (2021: 78%)	Upper median quartile	<b>24%</b> (2021: 22%)
<b>69%</b> (2021: 64%)	Lower median quartile	<b>31%</b> (2021: 36%)
<b>62%</b> (2021: 62%)	Lower quartile	<b>37%</b> (2021: 38%)

# Morgan Sindall Construction & infrastructure Ltd

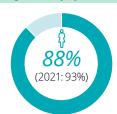
Gender pay gap		
Median	Mean	
31.4	28.2%	
(2021: 30.7%)	(2021: 28.9%)	

Median	Mean
31.4%	51.6%
(2021: 35.2%)	(2021: 48.1%)

**Bonus** gap

## Proportion of men and women receiving bonus payments





## Proportion of men and women in each quartile band

<b>91</b> (2021: 91%)	Upper quartile	<b>9%</b> (2021: 9%)
<b>86%</b> (2021: 85%)	Upper median quartile	<b>14%</b> (2021: 15%)
<b>76%</b> (2021: 76%)	Lower median quartile	<b>24%</b> (2021: 24%)
<b>58%</b> (2021: 61%)	Lower quartile	<b>42%</b> (2021: 39%)

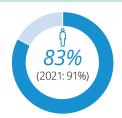
# Overbury plc

Gender pay gap	
Median	Mean
<b>46.8</b> (2021: 46.6%)	<b>43.1%</b> (2021: 44.3%)

Median	Mean
45.7%	66.1%
(2021: 58.8%)	(2021: 70.6%)

Bonus gap

# Proportion of men and women receiving bonus payments





# Proportion of men and women in each quartile band

<b>96%</b> (2021: 96%)	Upper quartile	<b>4%</b> (2021: 4%)
<b>89%</b> (2021: 86%)	Upper median quartile	<b>11%</b> (2021: 14%)
<b>76%</b> (2021: 76%)	Lower median quartile	<b>24%</b> (2021: 24%)
<b>47%</b> (2021: 48%)	Lower quartile	<b>53%</b> (2021: 52%)

# Morgan Sindall Property Services Limited

defluer pay gap	
Median	Mean
14.0%	11.9%
(2021: 13.9%)	(2021: 10.3%)

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Median	Mean
55.0%	84.7%
(2021: N/A)	(2021: N/A)

**Bonus** gap

## Proportion of men and women receiving bonus payments





## Proportion of men and women in each quartile band

	•	
<b>79%</b> (2021: 75%)	Upper quartile	<b>21%</b> (2021: 25%)
<b>83%</b> (2021: 84%)	Upper median quartile	<b>17%</b> (2021: 16%)
<b>90%</b> (2021: 79%)	Lower median quartile	<b>10%</b> (2021: 21%)
<b>58%</b> (2021: 58%)	Lower quartile	<b>42%</b> (2021: 42%)

# Lovell Partnerships Limited

Gender pay gap	
Median	Mean
<b>28.5%</b> (2021: 21.7%)	<b>23.9%</b> (2021: 23.6%)
	Bonus gap

Median	Mean
39.3%	66.5%
(2021: 37.5%)	(2021: 55.4%)

# Proportion of men and women receiving bonus payments





## Proportion of men and women in each quartile band

<b>84%</b> (2021: 83%)	Upper quartile	<b>16%</b> (2021: 17%)
<b>79%</b> (2021: 75%)	Upper median quartile	<b>21%</b> (2021: 25%)
<b>58%</b> (2021: 56%)	Lower median quartile	<b>42%</b> (2021: 44%)
<b>65%</b> (2021: 66%)	Lower quartile	<b>35%</b> (2021: 34%)



#### REPORTING METRICS

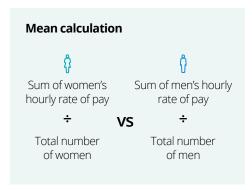
Gender pay gap legislation requires all employers in the UK with 250 employees or more to calculate and publish their gender pay gap data on an annual basis. The data must be based on figures taken from 5 April each year. The specific information we are required to publish must include:

- mean and median gender pay gap (based on an hourly rate of pay at 5 April 2022);
- mean and median bonus gender pay gap (considers bonus pay received in the 12 months leading up to 5 April 2022);
- proportion of men and women receiving a bonus payment; and
- proportion of men and women in each quartile pay band (looking at the proportion in four pay bands when we divide our workforce into four equal parts).

## **Distinguishing between** median and mean



The median is the figure that falls in the middle of a range when the wages of all relevant employees are lined up from smallest to largest. The median gender pay gap is calculated based on the difference between the middle employee in the range of male wages and the middle employee in the range of female employees.



The mean is calculated by adding up the wages of all relevant employees and dividing the figure by the number of employees of each gender. The mean gender pay gap is calculated based on the difference between mean male pay and mean female pay.

The gender pay gap is expressed as a percentage of male earnings (e.g. women earn x% less than men).

## Gender pay gap vs equal pay

A gender pay gap is a measure of the difference between the average earnings of men and women (irrespective of roles or seniority). Equal pay is our legal obligation as an employer to give men and women equal pay for equal work.



# **Morgan Sindall Group plc**

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