



## Chief executive's overview

# We are building an inclusive work environment where everyone is valued for who they are and empowered to achieve their full potential



Morgan Sindall Group plc is a leading UK construction and regeneration group with revenue of £4.1 billion, employing over 7,000 employees and operating in the public, regulated and private sectors. We operate through six divisions of Construction, Infrastructure, Fit Out, Property Services, Partnership Housing and Urban Regeneration (the 'Group').

As a group with over 75 locations across the UK, we strive to build a workforce that, reflects the diversity of the communities we serve through our projects and operations.

We consider diversity in the broadest sense and are committed to fostering an equitable work environment, prohibiting any form of discrimination, and giving full and fair consideration to all job applicants. We provide equal pay, fair compensation, and an inclusive work environment where everyone has access to the resources they need to achieve their personal ambitions. We believe diversity of outlook and experience helps challenge the status quo, drive innovation, increase productivity and achieve long-term success in driving the business forward. Our commitment to continuously improving diversity and ensuring that inclusivity is reflected in our culture and embraced at all levels of the Group, is outlined in our Board diversity policy, Code of Conduct and human rights policy.

We are pleased to have seen some of our efforts and commitments being recognised in the past year. For example, Infrastructure has been listed as one of The Times Top 50 Employers for Gender Equality 2023 for its commitment to addressing gender inequalities in the workplace.

This accolade recognises employers who are taking action and making gender equality part of their business strategy. Applicants are assessed on activities that include flexible working, family-friendly policies, pay and reward, and progression at work. Urban Regeneration has received a 'Great Place to Work' accreditation for the second year running as well as 'Great Place to Work for Women', as featured in Elle magazine in July 2023. Also in the year, Construction became one of the first three construction companies to achieve Member status of the Greater Manchester Good Employment Charter based on the criteria of work security and flexibility, pay, engagement and voice, recruitment, people management, and health and wellbeing. Four of our divisions have maintained their Investors in People accreditations: Construction holds Platinum status and Infrastructure, Partnership Housing and Urban Regeneration each hold Gold status.

Nevertheless, we recognise that we have a gender imbalance, and our gender pay gap remains high owing to most of the senior positions in the Group being held by men, despite women making up 25% of our workforce. More work is needed to narrow the gap by balancing male and female representation at all levels of the business. Over the year, our divisions have continued to take proactive steps to diversify our recruitment process, roll out additional inclusivity training for all employees, and increase access to health and wellbeing services. New initiatives in the year also included newly personalised career development resources for employees and additional collaborations with educational institutions and social organisations to share expertise and innovative insight.

We believe that these strategic priorities, over time, will result in a more diverse workforce and, as the following pages illustrate, we are gradually making progress.

**John Morgan**  
Chief Executive

## Summary of the numbers and our gender pay gap explained

Our 2023 median gender pay gap for the Group, based on our April 2023 data, is 29.0%. The gap remains high and reflects more men than women occupying senior roles.

This report sets out the gender pay gap metrics for each of the Group's legal entities to which the legislation applies. As in previous years, we also present our pay gap for the Group as a whole, including those companies that are not subject to mandatory reporting, as more information on our gender pay gap provides us with greater strategic insight into areas of improvement.

Women make up 12% of the upper pay quartile (2022: 11%) compared to 38% (2022: 39%) in the lower quartile. This results in a median gender pay gap of 29.0% (2022: 30.6%). While there has been a slight improvement from the previous year, the quartile breakdowns continue to illustrate the higher number of senior male employees in the Group and the higher proportion of female employees in junior and support

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 obligation. All divisions pay employees the national living wage or above, and the majority pay real living wage rates or above.

Our median bonus gap, while remaining high, has decreased to 28.9% (2022: 30.4%) and this is the fourth consecutive year it has decreased. The gap remains due to fewer women in senior positions where higher bonuses are paid. We have achieved parity between men and women receiving bonuses for the second year in a row (83%).

### Gender pay gap

Median

**29.0%**

2022: 30.6%

Mean

**26.8%**

2022: 28.8%

### Bonus pay gap

Median

**28.9%**

2022: 30.4%

Mean

**52.5%**

2022: 58.8%

### Percentage of employees receiving a bonus

Median

**83%**

2022: 79%

Mean

**83%**

2022: 79%

### Proportion of men and women in each quartile band

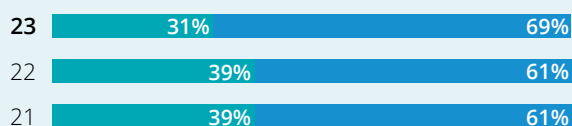
#### Upper quartile



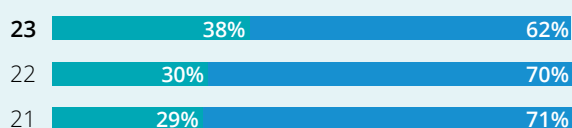
#### Upper median quartile



#### Lower quartile



#### Lower median quartile



■ Women ■ Men

## How we are addressing our gender pay gap

We are determined to increase the number of people from all minority groups, including women, across all levels within the Group. We acknowledge the difficulty in attracting women into the construction industry and that it will take time to change public perceptions and showcase the wide range of opportunities in construction that are equally available to both men and women.

One of our Total Commitments is 'Developing people', which encompasses our strategy to recruit from all social backgrounds and invest in the training and wellbeing of our employees. We provide family-friendly policies, flexible working options, and leadership training. Our Group HR forum, which is made up of the HR leads in each division, meets quarterly and focuses on sharing best practice and experience of the initiatives they have introduced to improve inclusivity. As we are 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. However, each division continues to progress initiatives broadly aligned to the following three themes: improving recruitment processes and promoting construction as a career; fostering inclusivity and retention of employees through training and beneficial resources; and supporting diversity and inclusion in our supply chain. In addition, each division undertakes 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. Examples of some of the initiatives we have implemented in 2023 are set out on page 5 to 7. The Board and its responsible business committee are also kept apprised of each division's progress and initiatives.

Our Board diversity policy includes the following targets:

- women making up at least 40% of the Board (including those self-identifying as women);
- 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);
- women making up at least one third of the Group management team (GMT, our senior management team); and
- continue to ensure that at least one member of the Board is from a minority ethnic background.

Currently, women represent 37.5% of the Board and do not hold a senior Board position. However, in early December we announced that Kelly Gangotra will succeed Steve Crummett as finance director, and she will join the Board later this year. Moreover, the three non-executives recruited to the Board since 2020 have been women. The gender diversity of the GMT was 10% (2022: 18%) and gender diversity in the direct reports of the GMT increased to 35% (2022: 32%). We are committed to increasing the diversity of the Board and the GMT, from both a gender and broader perspective, and will address this as part of any future succession.



## How we are addressing our gender pay gap continued

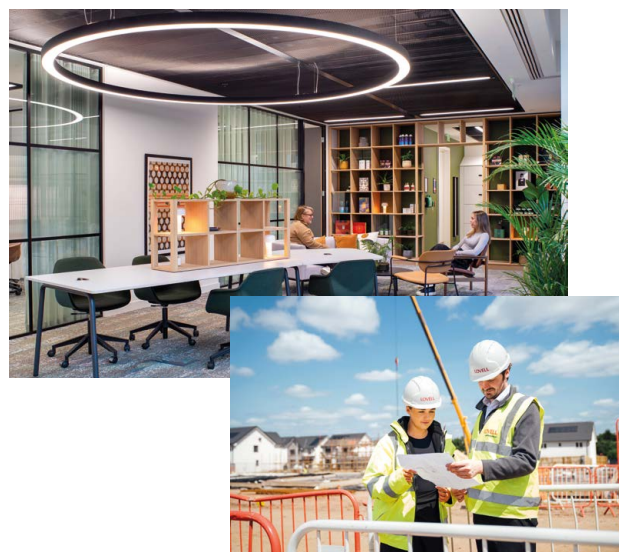
### Enhancing recruitment processes and promoting construction as a career

We recognise that construction has historically not been attractive to a wide pool of candidates, particularly female, and that addressing misconceptions requires ongoing engagement from our teams with schools, charities and social organisations. Through these engagements and long-term relationships, we help expose students and people from diverse backgrounds to the wide range of opportunities available in the industry. We believe that over time, these initiatives will have an impact on the diversity of both the Group and the industry.

We maintain our national partnerships with Women into Construction (WiC), Working Families/ Working Mums, BPIC (Black Professionals in Construction) and BuildForce UK. Through these networks, we reach a wider audience to share information about the benefits of a career in construction. With schools, colleges and universities, we provide mentorship opportunities, attend career fairs, facilitate STEM (science, technology, engineering and mathematics) activities, and provide site visits, work experience and training opportunities. We encourage young people to apply for job opportunities, apprenticeships and graduate schemes and to learn more about our employees make meaningful contributions to the wider community through volunteering and sustainability initiatives. We are also a member of the 5% Club, a national campaign to generate opportunities for graduates and apprentices. Our Property Services division launched an 'Apprenticeship Academy' to attract and inspire talented young people into a career within the division or the wider sector. The academy offers apprenticeships not only in construction trades but also in transferable skills, such as commercial roles, customer services, communications and design. We believe that, through these types of initiatives and investment, we will widen the talent pool of future potential employees and remove some of the barriers the industry currently faces in attracting diverse candidates.

Additional collaborative engagements achieved during the year include the following:

- **Construction** continued its engagement with university partnerships to attract female candidates into the industry and the strategy is yielding benefits. In the North West, the division achieved a 50:50 gender balance in its early-career programme intake. The division also collaborates with FutureIN, a locally focused programme providing routes to apprenticeships in construction for young people who may be homeless, at risk of homelessness, or facing other challenges.
- **Infrastructure** is supporting 'teacher encounters', an initiative by The Careers & Enterprise Company, a national body for careers education in England that gives teachers the opportunity to engage directly with employers and learn about career pathways relevant to their subjects. The division also hosted 44 STEM teachers as part of a local programme coordinated by the North East Local Enterprise Partnership and Newcastle University. In addition, Infrastructure's rail team took part in WiC's first employment programme in the North East; participants received



construction and employability training, work placements, site visits and coaching and support from WiC, and one participant secured an apprenticeship with Infrastructure. Infrastructure also has an 'Inclusion Impact Group' working group which aims to make job postings and interview processes more inclusive.

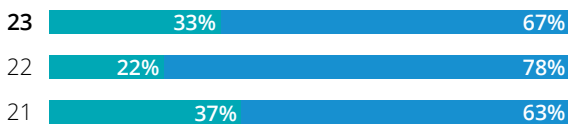
- **BakerHicks** completed over 30 school and career events in 2023 for students aged 11 and over. The division entered into four new formalised partnerships with schools across the UK and established a team of STEM ambassadors, employees who volunteer to visit schools to educate students about STEM careers and encourage them to pursue further study.
- **Fit Out** formed educational partnerships with several all-girl schools, showcasing potential roles and opportunities traditionally associated with men.
- **Partnership Housing** also completed a pilot engagement with 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. Partnership Housing also partnered with Network75, a work-experience scheme run by the University of South Wales, with eight part-time students in construction-related degrees participating in 2023.
- **Property Services** continued its partnership with the charities Smart Works and Phoenix Domestic Abuse Services, to support women facing barriers to employment. The women who take part are provided with employability coaching, mentoring and support with dressing for interviews to help build their confidence. The division's social value team develops a personalised action plan for each participant, with sessions held in person, over the phone or on Microsoft Teams, depending on the individual's needs and preferences. One participant in 2023 secured a position with the division.

## How we are addressing our gender pay gap continued

- **Urban Regeneration** has entered its second of 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, with four women completing work experience during the year. The division also formed a new partnership with Oldham College to provide placements for two T-level students and if the students wish to pursue a career in the industry, the division will sponsor them for an apprenticeship or a degree.

Our school engagements, apprenticeships and graduate recruitments do not have an immediate effect on our gender pay gap; however, they play a role in improving gender diversity among our future managers and leaders over the medium to longer term. In 2023, 38% of our graduates and 26% of our apprentices were female. We continue to monitor these statistics and seek new ways of improving recruitment processes.

### Graduates



### Apprentices



■ Women ■ Men

### Fostering inclusivity and resources for future development

Our management teams are constantly working to provide all employees in the Group with an inclusive and rewarding work environment that enables them to excel and be their authentic selves, and supports a healthy lifestyle. To achieve this, we:

- provide collaborative office environments, flexible working arrangements wherever possible and family-friendly working practices, to help our colleagues manage different priorities in their lives;
- support training, career development resources and transparent merit-based promotional structures, so that all employees can identify opportunities and progress their careers through the business;

- review and revise our policies to enhance their inclusivity and advance diversity, and roll out additional training and awareness programmes to improve people's understanding of inclusion; and
- monitor our retention rates, provide training and mentorship to help our employees increase their skills and knowledge, and promote internally where we can.

Some key examples of how our divisions have helped promote inclusivity are listed below:

- **Construction** introduced a new diversity and inclusion working group whose early outputs included re-launching the division's 'Instinctively Inclusive' learning modules and increasing the number of its Fairness, Inclusion and Respect ambassadors. Construction also joined the Department for Work and Pensions' Social Mobility Pledge Consortium, which commits to providing work and training opportunities for vulnerable groups such as carers, ex-offenders, homeless people, survivors of domestic abuse and people with disabilities.
- **Infrastructure** updated its flexible working policy during the year and introduced guides for line managers on topics such as managing pregnancy and maternity and supporting people experiencing menopause. The division also introduced training on identifying signs of domestic abuse, attended by 145-line managers; reviewed its guides and policies to increase awareness of diversity and inclusion; extended its 'Inclusive Leadership' programme, attended by 125 senior leaders in 2022, to its remaining 500 line managers; launched a women's hub and several ally networks for groups such as LGBTQ+, carers and armed forces personnel; introduced transferable bank holidays for people with differing religious beliefs; and launched a 'support and report' app for employees to log any unacceptable behaviour.
- **BakerHicks** set up a working family's group to review family policies and procedures and benchmark them against peers, and develop a return-to-work scheme for new parents. The group is made up of men and women of varying levels of seniority and includes parents and other types of caregivers so that 'family' is defined in its broadest sense.
- **Fit Out** introduced additional family policies, including a fertility policy, and is reviewing its maternity, paternity and adoption policies to enhance payment packages. The division introduced a 1.5-hour dignity at work/respectful behaviour workshop, led by an external legal counsel. The session was piloted with senior managers and then extended across the business, with 160 employees having completed it to date.
- **Property Services** launched a new recruitment toolkit with information on increasing diversity and extended its guaranteed interview scheme to include applicants who have previously taken part in its social value initiatives, such as disabled people or ex-military personnel.
- **Urban Regeneration** introduced an enhanced shared parental leave package of 26 weeks' full pay, to enable parents to take leave in a more flexible way during the baby's first year, with both parents able to take time off either at the same time or separately. The division also enhanced maternity pay to 26 weeks' full pay, followed by 26 weeks' half pay.

## How we are addressing our gender pay gap continued

'Talented people are key to our success' is one of the Group's Core Values and emphasises the importance we place on training, skills development and career advancement for people across all levels of the business. This helps us retain our qualified employees and generates a more rewarding career with a clear pathway over the longer term into senior leadership positions.

The examples below show how our divisions approach long-term talent development and the development of transferable and versatile skillsets necessary for our evolving industry.

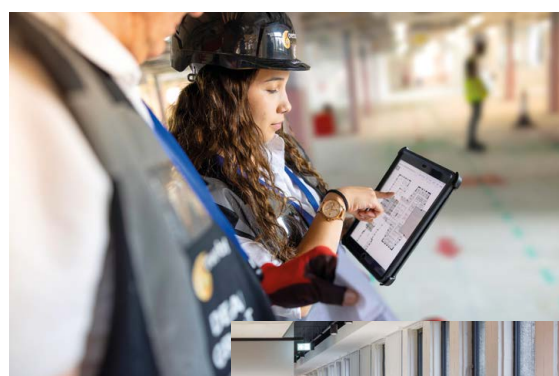
- **Infrastructure** developed a competency management system (CMS) to ensure everyone has the right level of training, information, skills and knowledge to carry out their work safely and to the best of their ability. The CMS produces a personalised career development plan for every employee.
- **BakerHicks** developed career pathways for all technical areas, outlining the skills and experience required at each grade. The division is rolling out a new learning management system with dedicated training and development programmes for each discipline/sector. BakerHicks implemented a mentoring scheme for graduates and is developing 'early careers ambassadors' who will provide additional support.
- **Fit Out's** young leadership group, 'The Success Collective', ran their first professional development session on communicating with impact and influence, in partnership with RADA Business. The division's Foundation Programme, which provides tailored mentoring and training for graduates and apprentices, welcomed 28 new candidates in 2023. This brings the total to 149 young people since the programme began in 2014, 77% of whom are still with the business.
- **Property Services** developed a competency matrix of the minimum qualifications and training required for all site-based roles, which will be used in recruitment procedures and performance reviews to identify training gaps. The division introduced a new performance review toolkit and launched a 'Data Academy' to improve data literacy across the business.
- **Urban Regeneration** introduced curated 'people plans' for every employee, setting out plans for training, development and promotion.

These types of initiatives strengthen the resources and benefits available to our employees, including women, and equip them to progress through the Group.

## Supporting diversity and inclusion in our supply chain

We endeavour to procure from suppliers and subcontractors who champion diversity and inclusion. This provides opportunities for local businesses to grow and enables us to maximise our positive social impacts in the wider community. We were a founder member of 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 2023 we were awarded Gold Status by the SCSS, a reflection of our increasing involvement and active knowledge sharing. For the second consecutive year, we took part in the SCSS's employee diversity benchmarking survey to see how our supply chain performed against other suppliers and how they compared with Office for National Statistics data. In total, over 195,000 employees from 359 companies within our supply chain took part. The results indicated that we have increased diversity representation within our supply chain. Currently, 22.8% of our supplier employees are women (2022: 21.8%), 8.3% are aged 25 or younger (2022: 7.9%), 1.2% are members of the LGBTQ+ community, 2.9% identify as having a disability and 10.2% are from an ethnic minority group.

Following these results, we are continuing to engage with the SCSS's Fairness, Inclusion and Respect programme and our divisions are developing new initiatives to promote diversity and inclusion among our supply chain. For example, Fit Out is planning to use the findings to shape its 2024 social value strategy and work with its supply chain to improve its 'JEDI' (justice, equity, diversity and inclusion), for example through additional SCSS training. The division has also begun capturing data on the diversity of its preferred suppliers and plans to set long-term targets aimed at increasing its spending with those suppliers exhibiting greater diversity.



⊕ For more information on our responsible business activities please visit our website [morgansindall.com](https://www.morgansindall.com), where you can also find a copy of our 2023 annual report and responsible business data sheet.

## 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 2023);
- mean and median bonus gender pay gap (considers bonus pay received in the 12 months leading up to 5 April 2023);
- 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

#### Median calculation



Lowest paid

Highest paid



Lowest paid

Highest paid

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.



#### Mean calculation



Sum of women's hourly rate of pay

÷

Total number of women

VS



Sum of men's hourly rate of pay

÷

Total number of men

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.





## Reporting metrics continued



## 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

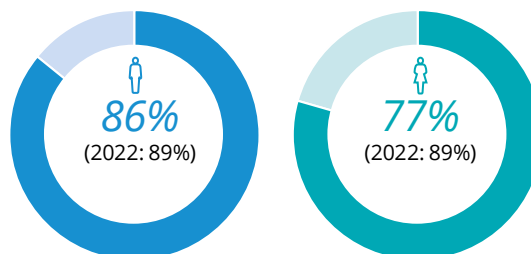
#### Gender pay gap

| Median                        | Mean                          |
|-------------------------------|-------------------------------|
| <b>21.8%</b><br>(2022: 18.6%) | <b>25.6%</b><br>(2022: 21.5%) |

#### Bonus gap

| Median                        | Mean                          |
|-------------------------------|-------------------------------|
| <b>14.3%</b><br>(2022: 16.7%) | <b>40.8%</b><br>(2022: 47.1%) |

#### Proportion of men and women receiving bonus payments



#### Proportion of men and women in each quartile band

| Proportion                | Quartile              | 2022                      |
|---------------------------|-----------------------|---------------------------|
| <b>91%</b><br>(2022: 88%) | Upper quartile        | <b>9%</b><br>(2022: 12%)  |
| <b>76%</b><br>(2022: 76%) | Upper median quartile | <b>24%</b><br>(2022: 24%) |
| <b>62%</b><br>(2022: 69%) | Lower median quartile | <b>38%</b><br>(2022: 31%) |
| <b>64%</b><br>(2022: 62%) | Lower quartile        | <b>36%</b><br>(2022: 37%) |

## Reporting metrics continued

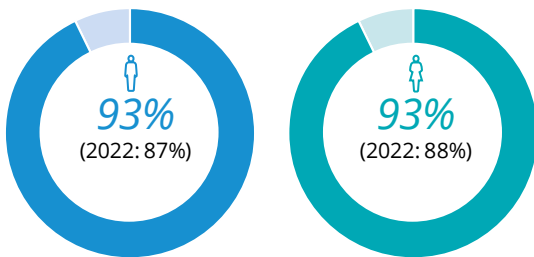
Morgan Sindall Construction  
& Infrastructure Ltd

## Gender pay gap

| Median        | Mean          |
|---------------|---------------|
| 30.3%         | 26.3%         |
| (2022: 31.4%) | (2022: 28.2%) |

## Bonus gap

| Median        | Mean          |
|---------------|---------------|
| 30.1%         | 40.1%         |
| (2022: 31.4%) | (2022: 51.6%) |

Proportion of men and women  
receiving bonus paymentsProportion of men and women  
in each quartile band

|             |                       |             |
|-------------|-----------------------|-------------|
| 90%         | Upper quartile        | 10%         |
| (2022: 91%) |                       | (2022: 9%)  |
| 84%         | Upper median quartile | 16%         |
| (2022: 86%) |                       | (2022: 14%) |
| 76%         | Lower median quartile | 24%         |
| (2022: 76%) |                       | (2022: 24%) |
| 57%         | Lower quartile        | 43%         |
| (2022: 58%) |                       | (2022: 42%) |

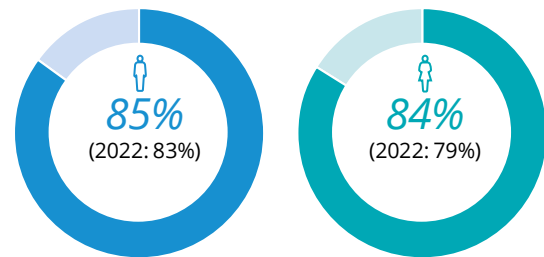
## Overbury plc

## Gender pay gap

| Median        | Mean          |
|---------------|---------------|
| 42.4%         | 41.0%         |
| (2022: 46.8%) | (2022: 43.1%) |

## Bonus gap

| Median        | Mean          |
|---------------|---------------|
| 28.9%         | 63.0%         |
| (2022: 45.7%) | (2022: 66.1%) |

Proportion of men and women  
receiving bonus paymentsProportion of men and women  
in each quartile band

|             |                       |             |
|-------------|-----------------------|-------------|
| 95%         | Upper quartile        | 5%          |
| (2022: 96%) |                       | (2022: 4%)  |
| 88%         | Upper median quartile | 12%         |
| (2022: 89%) |                       | (2022: 11%) |
| 72%         | Lower median quartile | 28%         |
| (2022: 76%) |                       | (2022: 24%) |
| 49%         | Lower quartile        | 51%         |
| (2022: 47%) |                       | (2022: 53%) |

## Reporting metrics continued

## Morgan Sindall Property Services Limited

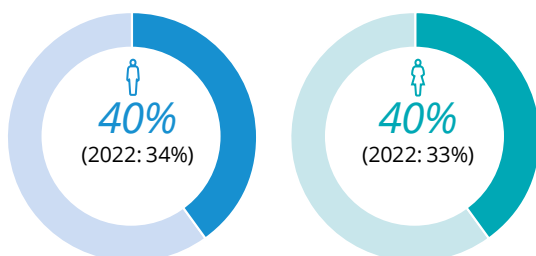
### Gender pay gap

| Median        | Mean          |
|---------------|---------------|
| 16.0%         | 11.2%         |
| (2022: 14.0%) | (2022: 11.9%) |

### Bonus gap

| Median        | Mean          |
|---------------|---------------|
| 83.3%         | 84.4%         |
| (2022: 55.0%) | (2022: 84.7%) |

### Proportion of men and women receiving bonus payments



### Proportion of men and women in each quartile band

|             |                       |             |
|-------------|-----------------------|-------------|
| 79%         | Upper quartile        | 21%         |
| (2022: 79%) |                       | (2022: 21%) |
| 85%         | Upper median quartile | 15%         |
| (2022: 83%) |                       | (2022: 17%) |
| 92%         | Lower median quartile | 8%          |
| (2022: 90%) |                       | (2022: 10%) |
| 57%         | Lower quartile        | 43%         |
| (2022: 58%) |                       | (2022: 42%) |

## Lovell Partnerships Limited

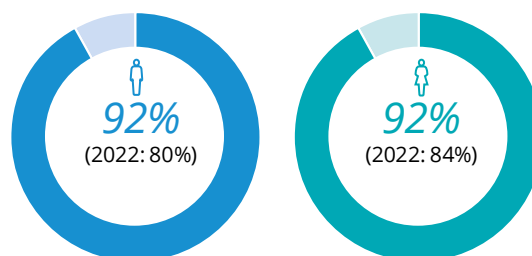
### Gender pay gap

| Median        | Mean          |
|---------------|---------------|
| 32.7%         | 23.1%         |
| (2022: 28.5%) | (2022: 23.9%) |

### Bonus gap

| Median        | Mean          |
|---------------|---------------|
| 34.0%         | 45.8%         |
| (2022: 39.3%) | (2022: 66.5%) |

### Proportion of men and women receiving bonus payments



### Proportion of men and women in each quartile band

|             |                       |             |
|-------------|-----------------------|-------------|
| 85%         | Upper quartile        | 15%         |
| (2022: 84%) |                       | (2022: 16%) |
| 83%         | Upper median quartile | 17%         |
| (2022: 79%) |                       | (2022: 21%) |
| 60%         | Lower median quartile | 40%         |
| (2022: 58%) |                       | (2022: 42%) |
| 63%         | Lower quartile        | 37%         |
| (2022: 65%) |                       | (2022: 35%) |

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