

GENDER PAY GAP REPORT 2021



FOREWORD

As one of the leading engineering businesses, we have a responsibility to design, deliver and operate lived environments that work better for all. This means we need to create and maintain an inclusive and diverse culture in our industry that attracts the best talent across all genders and ethnicities and allows them to reach their full potential.

In the past year, we've continued to address the female underrepresentation across our industry and our workforce, and we're extremely proud of the recognition we've received and the progress we've made.

We have clear targets, and while we know that it won't be easy to achieve them, we're committed to leading the change we want to see through embedding Equality, Diversity & Inclusion (ED&I) into everything we do, removing barriers to career progression and nurturing talent by offering development opportunities at all career levels.

The UK government's requirement for us to report our gender pay gap statistics helps us measure progress and we're taking this even further internally by improving the transparency of information around our diversity to make better decisions.

Ultimately, our goal is for everyone in our business to have a positive experience of working here, to be supported in reaching their potential and above all else, to feel valued and recognised.

In this report, we share the results of the latest gender pay gap analysis for the three legal entities that SNC-Lavalin operates in the UK. We confirm that this information and data is accurate as of the snapshot date of 5 April 2021.



Richard Robinson
CEO, UK & Europe
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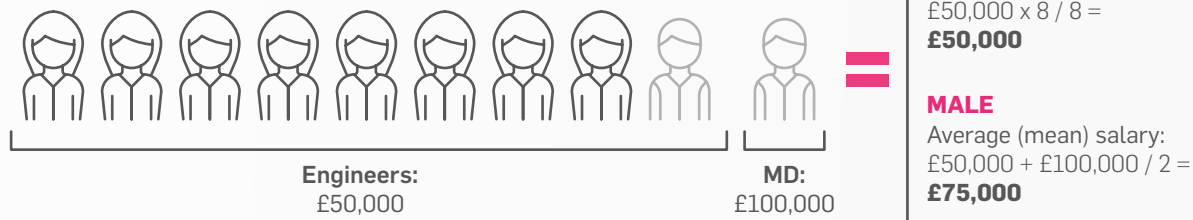
Jilly Calder
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ABOUT THE GENDER PAY GAP STATISTICS

In response to regulations introduced in 2017, every UK organisation with 250 employees or more must publish its gender pay data annually.

Following the acquisition of W. S. Atkins plc in July 2017 and in conjunction with these guidelines, SNC-Lavalin is reporting data for the following employment entities in the UK as of the snapshot date of 5 April 2020: Atkins Limited, Faithful+Gould Limited and SNC-Lavalin Rail & Transit Limited.

A legal entity employs 9 engineers and an MD.



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 significant gender pay gap.

Gender Pay

Gender pay is different to **equal pay**. Equal pay is about paying men and women the same salary for the same or similar roles. Paying our people fairly and equitably relative to their role, experience, skills and performance is a fundamental principle of SNC-Lavalin's approach to determining pay and reward. We ensure our policies and practices are fair and actively scrutinise decisions around our annual performance, pay and bonus activities.

The median

The **median** gender pay gap is determined by ordering the individual hourly rates of pay for all men and women from the lowest to the highest and then calculating the difference between the middle number in the male and female range for each entity. This is expressed as a proportion of the men's median hourly rate of pay.

The mean

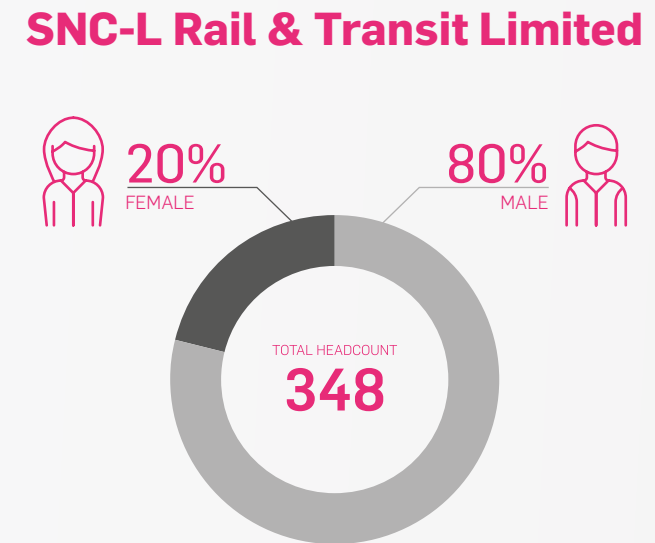
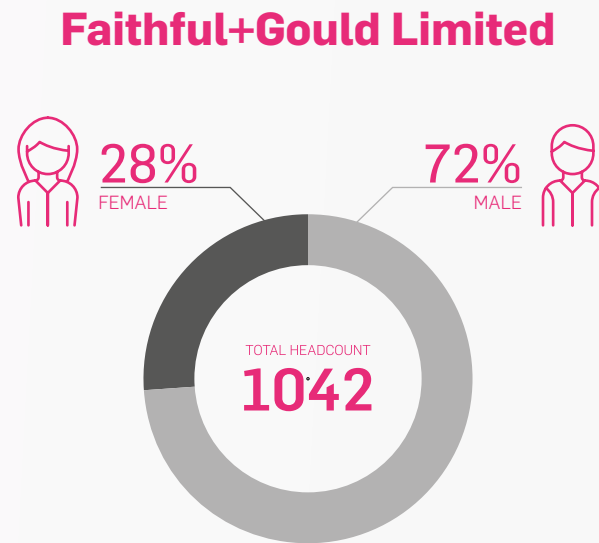
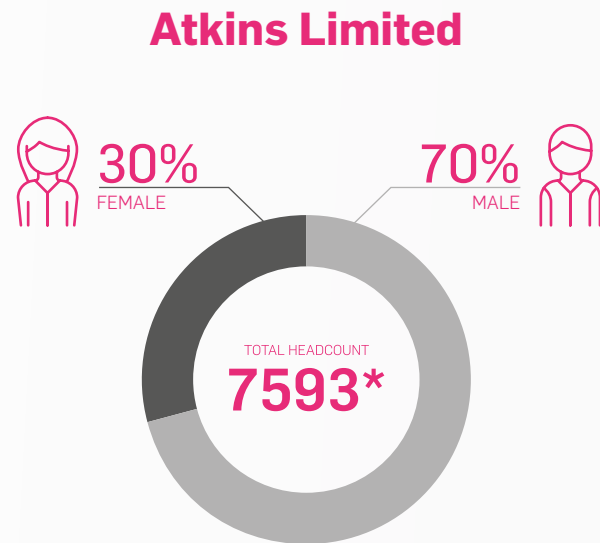
The **mean** gender pay gap is the difference between the average hourly rate of pay of women compared with men in a company. This is expressed as a proportion of men's hourly rate of pay.

OUR ORGANISATIONAL CONTEXT

Like most companies in the engineering and construction sector, our gender pay gap is largely a reflection of the disproportionate ratio of men to women in our business, particularly within our senior population.

Just under three quarters of our combined UK workforce is male and in senior positions, men outnumber women by more than four to one. Senior roles command higher salaries and more variable pay at risk, with bonus payments and share awards often linked to these salaries. In addition, a greater

proportion of women work part-time hours under our flexible working arrangements. As salaries of part-time workers are pro-rated based on their working pattern, this contributes to the gender bonus pay gap figures that we have reported.



* On 30th July 2021, Atkins Ltd completed the sale of the UK Oil & Gas business to Kent. The 2021 gender pay gap report includes 266 employees who have since left the business, 27% female.

TACKLING THE GENDER GAP THROUGH LONG-TERM ACTIONS

Engineering a better future for our planet and its people requires a team united both by exceptional talent and the ability to recognise and reflect the needs of the society they serve.

Such talent is challenging to find, and that's why we as an industry have long recognised our responsibility to attract as wide a pool of talent as possible into the world of engineering. Working together with the industry, we've succeeded in increasing the proportion of female engineering and technology undergraduates in the UK by five percentage points over the last decade (2011-2021).

However, the most significant challenge facing our industry when it comes to closing the gender pay gap is the disproportionate number of men to women across all levels of the career spectrum, particularly in senior roles. Moreover, women are also leaving the engineering profession at twice the rate of men, and 1 in 10 women aged 20-34 will leave the engineering industry to work elsewhere each year¹.

To increase the number of our female workforce in STEM roles, we are actively recruiting more women into the business and increasingly retaining them by providing development opportunities for progression into more senior positions.



¹ Career deflection: The impact of barriers to career progression in engineering.

TACKLING THE GENDER GAP THROUGH LONG-TERM ACTIONS

Since we started reporting our gender pay gap results in 2017, we've been laying the essential groundwork for meaningful and sustainable long-term improvements to close our gender pay gap, including the launch of our ED&I action plan, Different Makes a Difference.

Additionally, we commissioned a report by the Institute of Employment Studies on **Career Deflection: Exploring Diversity, Progression and Retention in Engineering** to look at the barriers to progression within a career in engineering and how these differ based on gender, ethnicity and disability and are being distorted under an applied load over time.

In 2022, we're looking to build upon this research, working with industry leaders and institutions, identifying actions to address the distortion across our industry.

While we know our gender pay gap results will fluctuate year-on-year as we seek to address the gender imbalance, we've been making positive progress to close the gap, and we're confident we're heading in the right direction.

This is proven by the industry recognitions we've received in the past 12 months:



being named in The Times Top 50 Employers for Women;



being the first engineering company to achieve Gold standard on the Clear Assured Accreditation;



our women's employee network winning the 'Employee Network of the Year' Award at the Engineering Talent Awards;



being awarded WISE's and the Rail Industry Association's ED&I awards for our demonstrable impact on engagement and widening the diversity conversation.

Although our overall UK gender split as of our 2021 snapshot date remains unchanged from 2020 (29% female, 71% males), we're aiming to push to a 33% female representation globally by 2025. In the past 12 months, 36% of all promotions have been female, and as a proportion of the total female workforce, this means 15% of women were promoted compared with 11% of men.

The shift in the female representation in our upper pay quartiles has had a positive impact on our mean gender pay gap in the current reporting period for all our three business entities, with a reduction of 1.6% in Atkins Ltd, 1.3% in Faithful+Gould Ltd, and 2.7% in SNC-Lavalin Rail & Transit Ltd. In addition, our median gender bonus pay gaps for our two largest entities, Atkins and Faithful+Gould, have both closed by 6% and 14% respectively.

While a natural lag is to be expected as we develop and progress our female talent into senior positions, there are additional activities which are emphatically the right things to be doing but add a further lag to our progress. Our efforts to recruit more women through our successful STEM outreach and early careers pipeline have a dampening effect on our gender pay gap results in the shorter-term.

This is reflected in the Atkins and Faithful+Gould results where more female representation in the lower quartiles adds 1% and 5.9% to the median gender pay gap.

We know that gender diversity needs to be tackled at all levels, from our early careers to our senior executives. We want every single person to feel valued, empowered and be able to reach their full potential as important members of our team, and we have set ourselves three areas of focus through which we can achieve this.

WEAVING ED&I INTO EVERYTHING WE DO

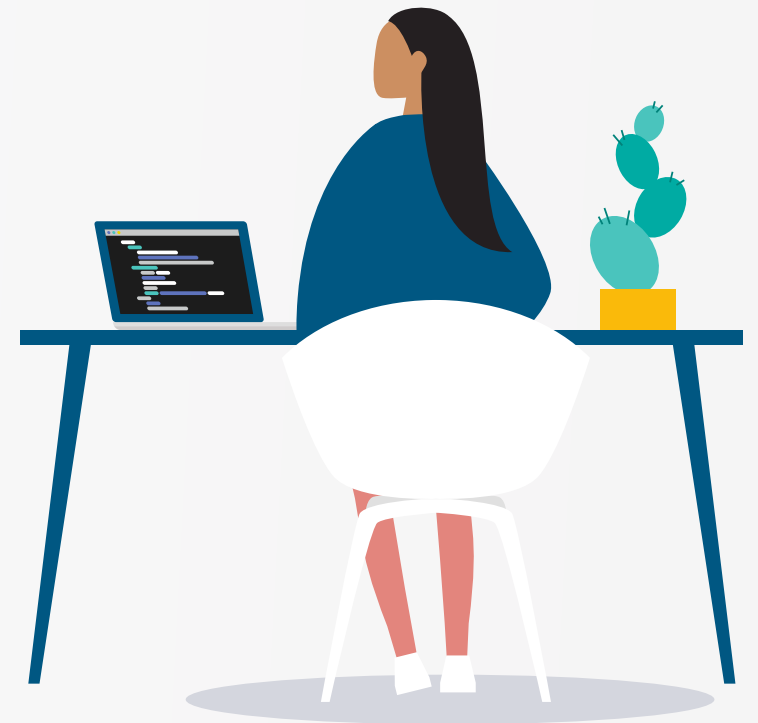
We realise that it's crucial we embed ED&I culturally within our business and adhere to our Gold Clear Assured standard, so we've set clear ED&I objectives and targets to be able to formally evaluate our progress and hold ourselves to account.



For the first time ever, this year we'll be measuring our senior bonus participants specifically around how they're progressing our regional and global gender representation and our average ED&I score in the annual employee engagement survey.

To maintain fairness, consistency and transparency in decision-making around our people processes, we've created internal ED&I principles and advanced our diversity data capture and analytics. In addition to this, as part of our annual performance and compensation cycles, we undertake checks and balances to ensure pay and performance decisions are made fairly and free from bias, and that we present insights to deep dive into the root causes of any anomalies.

Through our annual employee engagement VOX survey, collaborating with our employee networks and the results of our recently conducted survey focusing on ED&I, we'll gather robust diversity monitoring data and better understand the experiences of individuals to further develop and shape our thinking.



REMOVING BARRIERS EVERY STEP OF THE WAY

As part of our commitment to eliminate all barriers, potential or actual, in the way of career progression, we've set ourselves the global target of reaching 25% female representation in our senior leadership team by 2025 and maintaining the 30% representation on the Board. In addition to this, we're also setting targets on a regional level.

To help us achieve these targets, we've introduced non-engineering routes into the business and widened our degree requirements, which has enabled us to reach an even more diverse talent pool.

Our THRIVE development programme for women in ethnic and minority groups, launched in 2021, provides virtual 1-2-1 coaching as well as 'growth groups' for peer-to-peer support. It's designed to bridge the gap between where applicants are in their career and where they need to be to progress into more senior roles. It's delivered by our training partner, Skills 4, and their unrivalled training experts in the engineering and construction sectors. The initiative has been built around the successful framework of INSPIRE, our award-winning women's development programme, which has helped almost 1,000 women advance their career in SNC-Lavalin over the last 10 years, and we've already approved more than 150 women to take part this year.

Our suite of learning and development programmes continue to provide tools and techniques covering all career stages. Over the past year, we've invested even more into development initiatives, acting on the positive feedback we'd received from previous participants, such as networking groups for peer-to-peer support across all levels and mandatory unconscious bias training that over 4,000 employees in the UK & Europe have completed.

We recognise the importance and benefits of helping our people explore any adjustments and arrangements they may need to perform their work to the best of their ability and achieve their potential. Our new Reasonable Adjustment policy aims to minimise disadvantages related to disability, mental health, neurodiversity and changes in life circumstances, so no one encounters any additional challenges in the workplace. To speed up and simplify the approval process of the requests, we've reduced bureaucracy by introducing the 'Adjustment Passport', which is a simple agreement created between the individual and their line manager.

Infertility can be very difficult and can have a profound effect on work, so we've taken some positive steps to address the challenges and improve the support that we offer to our employees who are going through fertility treatment. Our new 'Fertility Journeys' support group is a safe space for employees to share their experiences, and our 'Fertility Treatment and the Workplace Guidance' collates information about the potential physical and emotional impact and the type of help we

have available at work. We've also introduced a pregnancy loss support toolkit for individuals experiencing pregnancy loss or facing difficult decisions following antenatal testing.

Since the launch of our refreshed flexible working policy last year, and the introduction of formal hybrid working this year, we've continued to share case studies demonstrating the potential and positive effects of flexible working across gender, role and seniority level for both women and men. However, we still need to learn more about the impact this has on career progression in the long term and how we can support women returning to work.

BEING A VOICE FOR CHANGE

We understand that the key to better gender diversity is active allyship, and we've been challenging ourselves to do more to support our female employees through all stages in their life and career.

Women make up nearly half of the UK workforce, but around 900,000 have quit their jobs because of going through menopause². To ensure everyone within our business going through menopause is supported and can continue to progress their career, we've signed the Wellbeing of Women charity's Menopause Workplace Pledge. We've also introduced a number of menopause advocates within our business to enhance the workplace support for everyone.

Our recently established Women in Defence group has a primary focus of promoting gender balance across the UK defence enterprise and will be the internal hub for introducing a variety of content and events as well as encouraging discussion around gender inequality challenges. The group's work is endorsed by our signature on the Women in Defence Charter to further influence the female presence within the defence industry.

Our Global ED&I Program is a central component of our sustainable business strategy and provides us with an opportunity to unite around a common goal. When we unite, we all feel included and by combining our differences, we truly make a difference. As part of this, we've made a commitment to align our regional ED&I action plan to the United Nation's (UN) observances and its sustainability goals.

On International Day of Women and Girls in Science, we showcased our female talent and their impact on society and on the UN's Sustainability Development Goal 6: Clean Water and Sanitation. This was followed by one of our most successful virtual global events to date on International Women's Day. It connected 1,700 employees from across the globe to listen to some of our best female talents discuss our gender equality efforts and share how they are breaking the bias against women. In parallel to this, our global recognition initiative was encouraging people to thank and reward inspirational women in their teams.



² <https://www.wellbeingofwomen.org.uk/campaigns/menopausepledge>

BEING A VOICE FOR CHANGE

While each of us has a role to play in shaping a more equal, diverse and inclusive culture, we acknowledge that this starts at the top, and as such our business leaders are committed to truly making a difference in both actions and words, working collaboratively to achieve our ambitions. To strengthen our efforts to close the gender gap, this year, some of the most senior leaders in our business pledged to tackle gender inequality for all women and create work environments that aren't just diverse but truly inclusive. This starts with listening and educating ourselves, so a growing number of senior leaders have been participating in our reverse-mentoring programme with some of our female talent.

We're committed to focusing on inclusion as a whole rather than solely on specific diverse demographics to close our gender pay gap. Tackling gender imbalance on all levels will only be met through long-term actions, and our ED&I goals and targets that we set will allow us to focus our attention on the most important challenges:

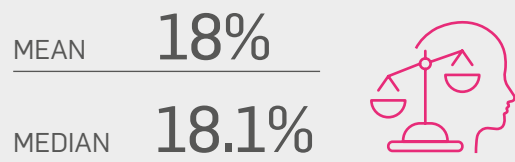
- **widening our pool of talent by opening up new opportunities**
- **retaining this talent by removing barriers in the way of their progression**
- **providing personal and professional support throughout their career**

We're confident that our dedication to active allyship, industry research and seeking long-term impact will lead to an even more diverse workforce not just in our business but across all of our industry.



OUR RESULTS AT A GLANCE: **ATKINS LIMITED**

Gender pay gap analysis



The **mean pay** of men is **18% higher** than that of women

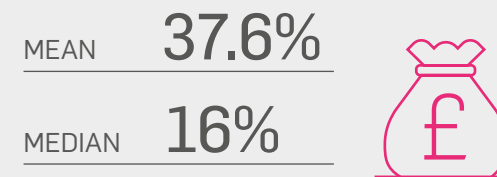
The **median pay** of men is **18.1% higher** than that of women

Proportion of staff receiving a bonus



36% of all **women** and **36%** of all **men** received a bonus

With a bonus gap of

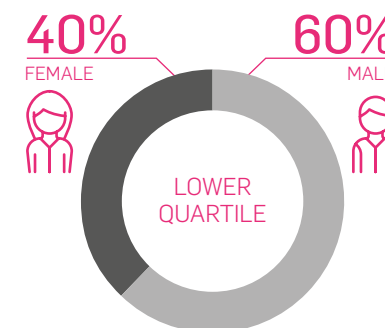
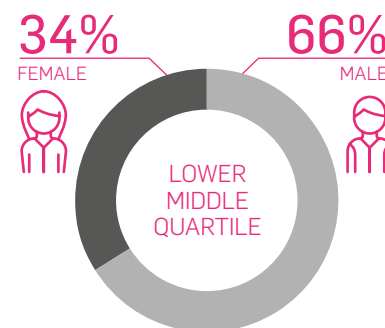
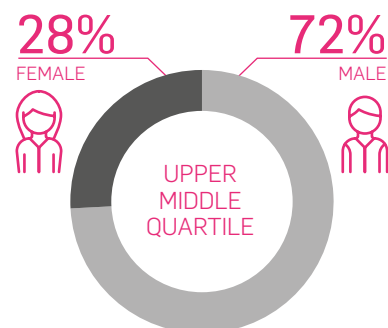
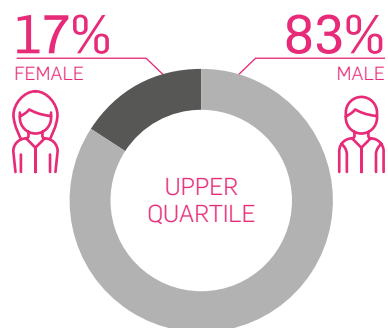


The **mean bonus** pay of men is **37.6% higher** than that of women

The **median bonus pay** of men is **16% higher** than that of women

Proportion of employees in each pay quartile

Quartiles represent the pay rates from the lowest to the highest for our UK employees, split into four equal sized groups with the percentage of men and women in each quartile.



OUR RESULTS AT A GLANCE: **FAITHFUL+GOULD LIMITED**

Gender pay gap analysis

MEAN **23.8%**
MEDIAN **22.6%**



The **mean pay** of men is **23.8% higher** than that of women

The **median pay** of men is **22.6% higher** than that of women

Proportion of staff receiving a bonus

28% PROPORTION OF FEMALES
48% PROPORTION OF MALES



28% of all **women** and **48%** of all **men** received a bonus

With a bonus gap of

MEAN **49.7%**
MEDIAN **14.3%**

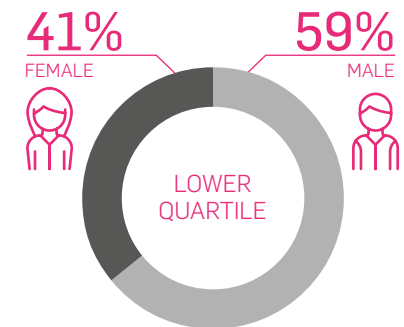
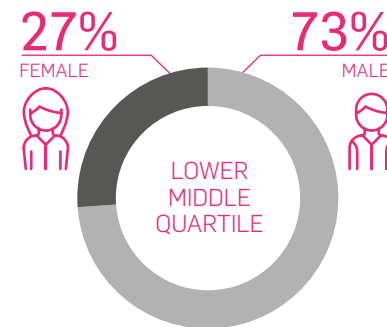
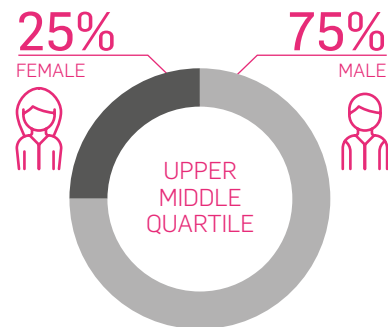
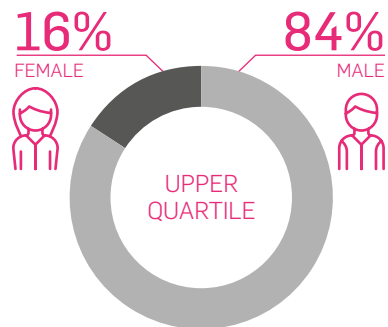


The **mean bonus** pay of men is **49.7% higher** than that of women

The **median bonus** pay of men is **14.3% higher** than that of women

Proportion of employees in each pay quartile

Quartiles represent the pay rates from the lowest to the highest for our UK employees, split into four equal sized groups with the percentage of men and women in each quartile.



OUR RESULTS AT A GLANCE: SNC-LAVALIN RAIL & TRANSIT LIMITED

Gender pay gap analysis

MEAN **31.6%**
MEIAN **34.9%**



The **mean pay** of men is **31.6% higher** than that of women

The **median pay** of men is **34.9% higher** than that of women

Proportion of staff receiving a bonus

42% PROPORTION OF FEMALES 
53% PROPORTION OF MALES 

42% of all **women** and **53%** of all **men** received a bonus

With a bonus gap of

MEAN **61.2%**
MEDIAN **51%**

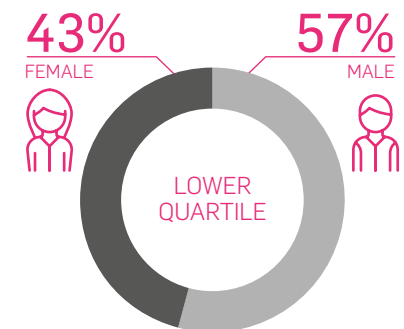
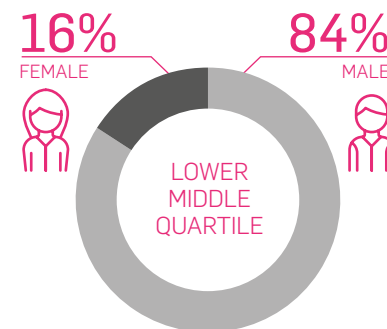
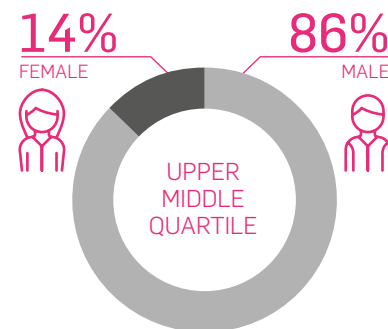
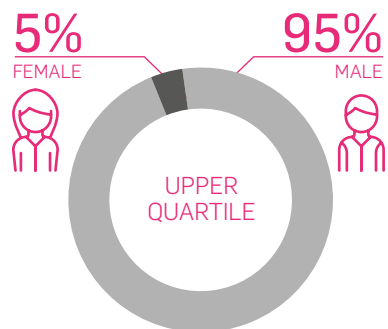


The **mean bonus** pay of men is **61.2% higher** than that of women

The **median bonus pay** of men is **51% higher** than that of women

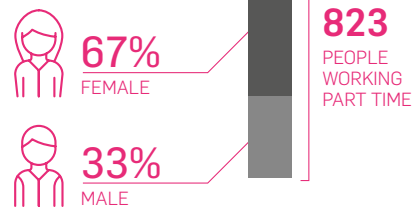
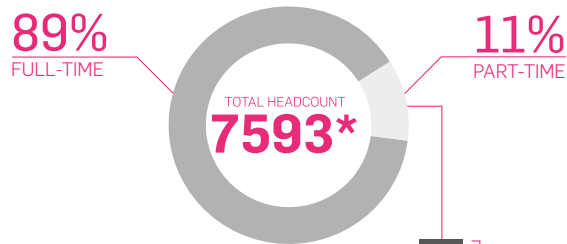
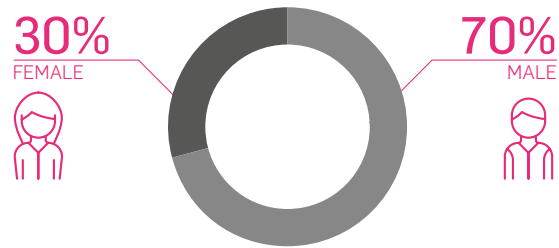
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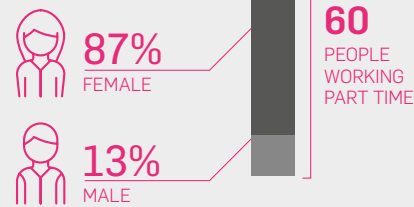
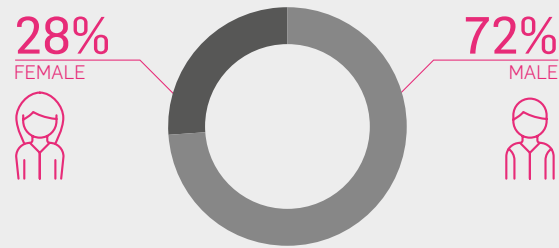


DEMOGRAPHICS OF OUR ORGANISATION

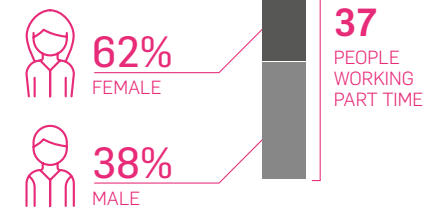
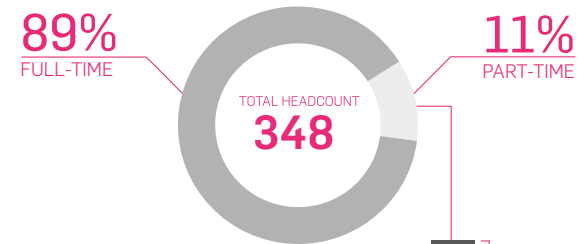
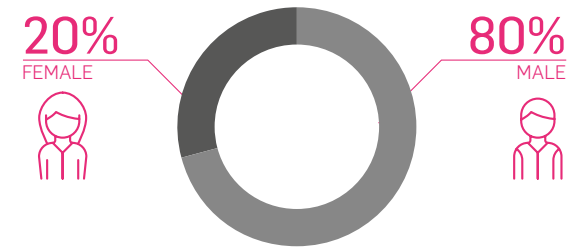
Atkins Limited



Faithful+Gould Limited



SNC-L Rail & Transit Limited

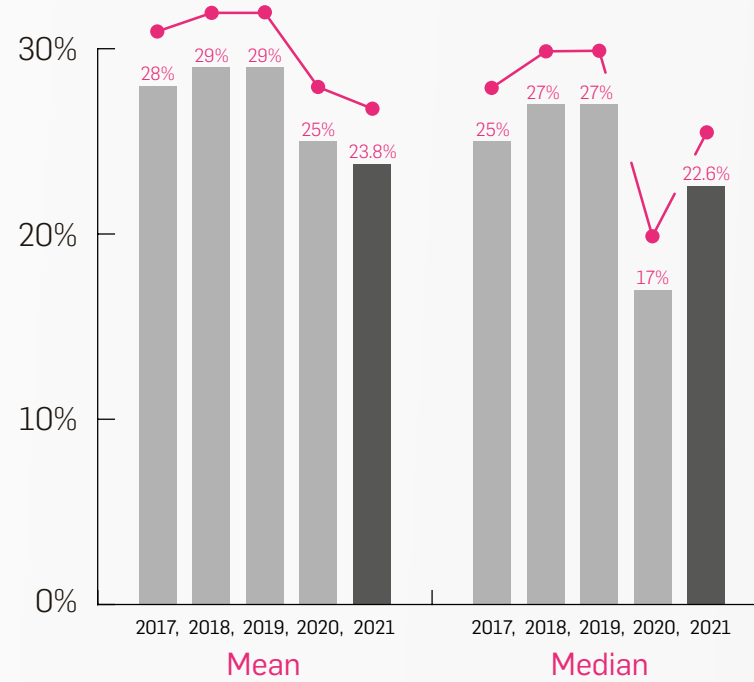


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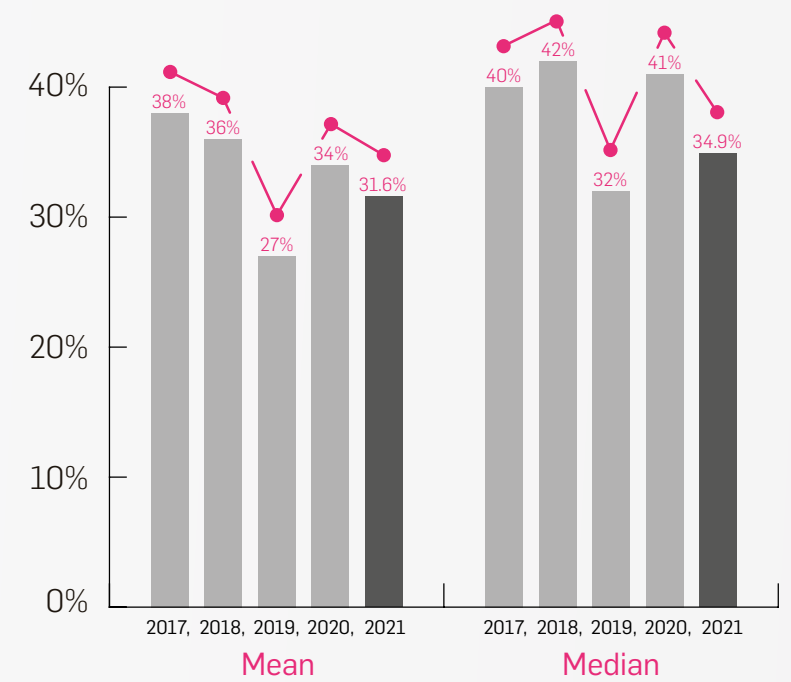
YEAR ON YEAR PROGRESS IN CLOSING OUR GENDER PAY GAP



Atkins Limited



Faithful+Gould Limited



**SNC-Lavalin
Rail & Transport Limited**

DIFFERENT MAKES A DIFFERENCE

We're not all the same, and that's our greatest strength. Different views and opinions enhance our ability to provide value-added performance and better services. That's why we believe... Different makes a difference.



SNC • LAVALIN

ATKINS FAITHFUL+GOULD

Members of the SNC-Lavalin Group