



GENDER PAY GAP REPORT 2023

**A WORKING ENVIRONMENT
WHERE DIVERSITY IS
RECOGNISED, VALUED
AND RESPECTED**

INTRODUCTION

A WORKING ENVIRONMENT WHERE **DIVERSITY IS RECOGNISED, VALUED AND RESPECTED**

Ricardo is a global consultancy, delivering strategic, environmental and engineering solutions that are at the intersection of transport, energy and climate agendas.

Our team of consultants, environmental specialists, economists, engineers and scientists provide strategic insight and innovative solutions that help governments and businesses to create a safe and sustainable world.

At Ricardo, we are defined by our motivated people who every single day deliver the very best for our clients. We actively value diversity to promote innovation and build connections with our clients, suppliers and the global communities in which we work and live.

Our people plan is developed around ensuring that our colleagues across the business engage in meaningful and fulfilling work that helps to drive business growth, technological advancement and positive change in society, while fostering a working environment where differences are sought and embraced to create value for all our stakeholders. We are committed to creating an environment where everyone feels a strong sense of belonging.

Ricardo's goal is to create a more diverse workforce and an even stronger inclusive culture.

This year's gender pay-gap report demonstrates that, overall, we continue to make positive changes year on year in line with our goal, but we recognise that more action is required, and we are striving to make further progress.



We know that having and reflecting different perspectives helps us to become better as an organisation: more customer-focused, collaborative, pioneers for change and mindful of the impact that our work can have on society.

These are core to our vision to create a safe and sustainable world, and fundamental to the values that define Ricardo as a company.

Graham Ritchie
CEO



GENDER PAY-GAP REGULATION

As part of the Equality Act 2010 (Gender Pay Gap Information) regulations introduced in 2017, the UK government requires organisations with 250 or more employees to report annually on the differences between average and median levels of pay for men and women. This difference is known as the 'gender pay gap'.

The UK Gender Pay Gap regulations require reporting of the difference between the average and median of all women's pay and all men's pay; it is not an assessment of equal pay, which is an analysis of the pay of women and men in comparable roles. We are confident that we pay equal pay for equal work.

Ricardo has two legal entities with 250 or more employees:

- **Ricardo UK Ltd** (which includes UK employees in the internal business units of Automotive & Industrial and Performance Products and in the corporate teams).
- **REE** (Ricardo AEA Ltd, trading as Ricardo Energy & Environment).

This report represents a trend synopsis across both entities for the past six years.

Defining the terminology

Employers are required to publish the overall mean and median gender pay gaps, the difference in mean and median bonus payments paid to men and women, the proportion of male and female employees that received a bonus, and the gender distribution across the pay quartiles.

Gender pay gap

The gender pay gap is the difference in pay and bonus between men and women.

Mean pay gap

The mean pay gap is the difference between the average pay of men and women.

Median pay gap

The median pay gap is the difference in pay between middle-ranking women and middle-ranking men in an organisation.

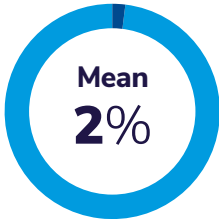
Equal pay

Equal pay is when men and women doing the same job and/or work of equal value receive the same pay.

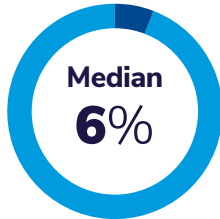
OUR DATA

Ricardo UK Ltd

Mean and median gender pay gap

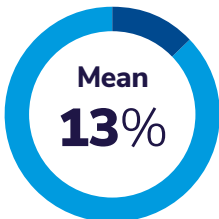


The mean pay for men is 2% higher than for women

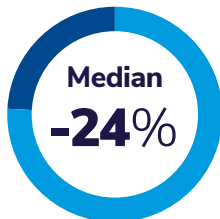


The median pay for men is 6% higher than for women

Mean and median gender bonus gap



The mean bonus pay for men is 13% higher than for women



The median bonus pay for men is -24% higher than for women

The proportion of men and women receiving a bonus



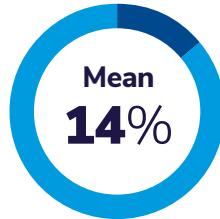
94% Men



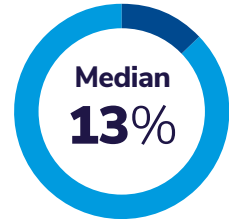
91% Women

REE

Mean and median gender pay gap

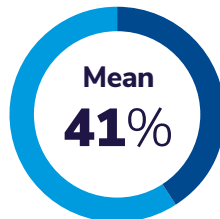


The mean pay for men is 14% higher than for women

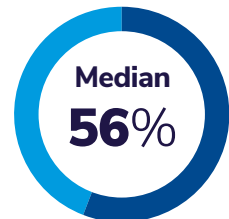


The median pay for men is 13% higher than for women

Mean and median gender bonus gap



The mean bonus pay for men is 41% higher than for women



The median bonus pay for men is 56% higher than for women

The proportion of men and women receiving a bonus

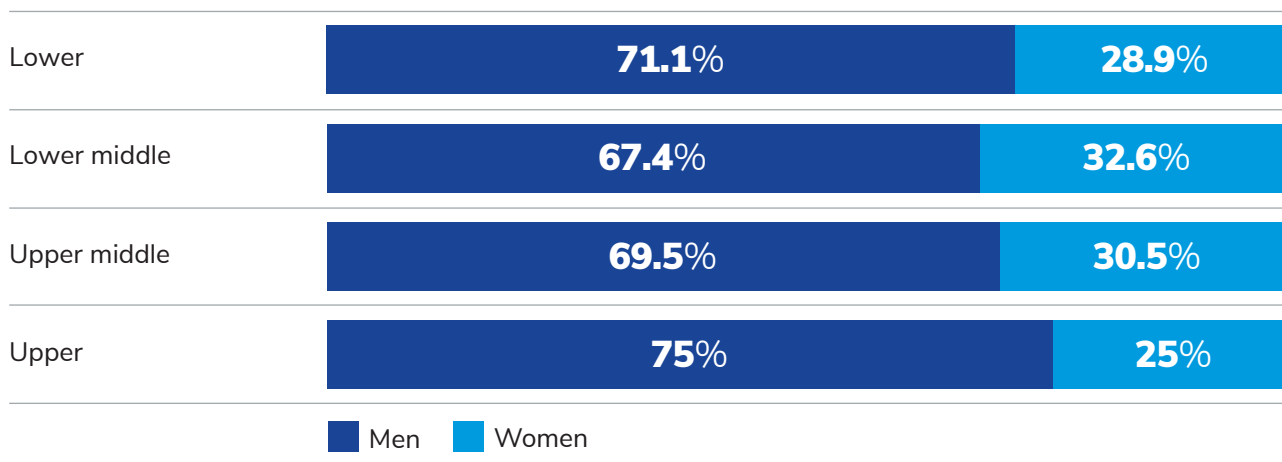


23% Men



21% Women

Proportion of men and women in each quartile of Ricardo’s pay structure across the UK entities



UNDERSTANDING OUR DATA

Women make up 29% of our UK workforce and although this is a slight increase on a year-on-year basis, it is clear that there remains a gender disparity within the business and within the industries in which we operate.

In respect to women in senior leadership positions, we have a 25% representation of women on our company board, the same as the previous year. At the executive level, we are pleased to have retained a 40/60 gender balance range, with women representing 45% of current members of our executive committee.

Nevertheless, women remain underrepresented in leadership and higher-paying roles at an organisation-wide level and there are still more men than women across all other quartiles.

We are seeing positive trends in the form of a generally declining gender pay gap at both the median and the mean across all reportable areas. The gap has more than halved from 13% to 6% in some cases.

The median is the more statistically reliable of the two measures, and our preferred way of reviewing our progress as it is less susceptible to outliers. Furthermore, our figures either sit well beneath or are on a par with the national median of 14.9% in favour of men, according to the Office for National Statistics in 2023.

Bonus pay gaps continue to show volatility, reflecting the variations in business performance and varied levels of participation across both reporting entities.

Overall, the results reveal that our strategy is moving in the right direction, but we recognise that a continued focus is required to further increase women’s representation. We have made and continue to make progress in this across the business.



ADVANCING DIVERSITY, EQUITY AND INCLUSION ACROSS RICARDO

A key factor affecting our gender pay gap is the under-representation of women at the senior level. We are committed to understanding whether there are any unexplained differences in who gets rewarded and promoted, if there are any barriers to women accessing opportunities and to remedying those differences.

The actions that we are taking are primarily focussed on addressing this issue to ensure that women across the business are given the opportunities to join the company and progress throughout their careers.

We also acknowledge that one of our primary challenges is attracting women to our industry and our business. At present, 15% of applications for job vacancies in RUK are from women and 35% of applications in REE are from women and, while this reflects proportionality, it also illustrates our fundamental challenge.

In seeking to be proactive to effect this change, we have recently restructured our teams and set up a dedicated Reward team that will undertake a general review of reward practices, ensuring a fair and transparent reward framework is in place, supported by effective pay policies that are applied consistently and that facilitate effective, bias-free decisions.

Guided by learnings from exit interviews, we are also working to enhance current retention strategies, creating a focus on initiatives that extend the longevity and sustainable career progression of women.

We have also recently recruited a dedicated Head of Recruitment, and part of her wide remit is to bring together all recruitment activity, use best-in-class approaches across the board and ensure that we encourage and attract as diverse a range of applicants as possible. We continue to review and track our recruitment processes (including the language used in job descriptions) and job adverts. We will continue to monitor and track progress.



Here at Ricardo, we are incredibly impressed by the diversity that exists today but at the same time recognise that we can do so much more. As the sponsor of our DEI strategy, I am working closely with the DEI council and our affinity groups to ensure that we continue to promote and provide our colleagues with a strong voice so that they can share ideas and create awareness, providing valuable and thoughtful insight to the business.

Harpreet Sagoo
General Counsel and
Company Secretary



We have a firm commitment to reduce the gender pay gap and build upon established action plans. In addition, we are pursuing five key actions:

1 Extending the existing mentoring programme across the Ricardo Group:

We are rolling out and embedding REE’s established mentoring programme across the entire organisation with the aspiration to nurture potential senior management capability and increase women’s representation in more highly skilled STEM roles.

2 Extending the existing colleague-led gender forum across the Ricardo Group:

We are building on the success of the REE team’s gender forum, which we have now opened to all colleagues across the business. By extending the forum across the entire Ricardo Group, we hope to engage talent from across the organisation to innovate potential solutions to drive a reduction in the gender pay gap.

3 Career progression:

People development is a key focus within our organisation, and we are committed to making the most effective use of the talent, skills and abilities of our employees. We rigorously apply a gender lens to all our talent development and succession-planning discussions. Our development programmes continue to support achievements and success for all our colleagues.

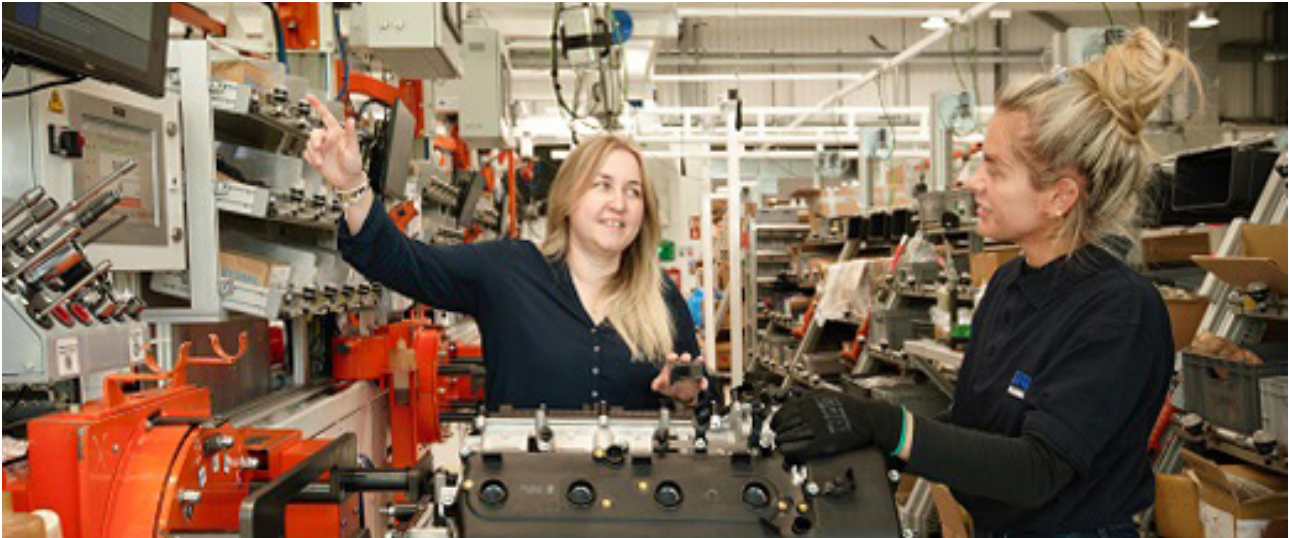
4 Expansion of our STEM programme:

We continue working with our STEM charity partners supporting schools across the UK, with employee volunteers promoting STEM subjects to children and youngsters, educating them on many related topics and offering career advice to prospective new hires. We also operate a buddy system, for new colleagues and encouragingly across Ricardo UK we see a broadly sustained growth of women in our student, apprenticeship, and graduate programmes.

5 Promotion of a flexible working culture:

We continue to actively foster an environment where our policies and practices motivate everyone (irrespective of gender) to develop and progress. Our annual employee surveys highlight that our women colleagues in particular face challenges in balancing their home/work life. As a result, our policies and processes are consistently enhanced to address these challenges.

CASE STUDY: TRAILBLAZING OUR WOMEN IN ENGINEERING AND TECHNOLOGY



As a company, we are exceptionally proud of our talented female engineers and scientists, and actively promote and pursue opportunities where we can showcase their extraordinary abilities. We applaud our many award winners including:

Joanna Rowe, who was named in Autogear Great Women: Rising stars for manufacturing, the prestigious annual top 100 that celebrates the emerging stars of the British automotive industry.

Chief Engineer **Dragica Kostic-Perovic**, who specialises in PEMD and who has been a board member of the Electric Revolution Skills (ERS) Hub, which connects the electrification community through an integrated digital platform.

In 2023, **Joanna Richart** and **Helen Burbridge** were shortlisted in the finals of the Women in Construction and Engineering (WICE) Awards, in the business development and project management categories, respectively.

Laura Kershaw, an apprentice, is deputy chair of the Women's Engineering Society's Apprenticeship Board, illustrating that even at a junior level we support opportunities for our people to get involved in shaping the future for their peers.



Internally, through our group-wide Women in Engineering forum, we are also building a strong collaborative network of female STEM professionals as well as allies who are women working in engineering. The forum takes the lead on internal and external activities undertaken to promote and celebrate International Women's Day and International Women in Engineering Day. The forum gives early-careers STEM professionals at Ricardo the opportunity to engage with more experienced STEM professionals at the company and vice versa for reverse mentoring.

Our full Gender Pay Gap (GPG)
figures are published on the
government-sponsored website.

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