

UN Global Compact

Communication on progress 2022



Reaffirming our commitment, 2022

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Our approach to running Mott MacDonald incorporates the 10 UNGC principles, covering human rights, labour, environment and anti-corruption, while helping to achieve the 17 UN Sustainable Development Goals (SDGs).

This is demonstrated through our purpose, values, policies, and Our Code. Our purpose is to improve society by considering social outcomes in everything we do. Our PRIDE values – Progress, Respect, Integrity, Drive and Excellence – guide our behaviour, shape our culture and inform our relationships with our clients, stakeholders and each other. Our policies incorporate the UNGC principles and highlight our priorities. Our Code helps us make good decisions and do what's right. It also sets out our commitment to acting with integrity and our expectations of all colleagues and those we work with.

We are delighted to submit our fourth Communication on Progress where we present in more detail our policies, commitments and outcomes to achieve our own corporate sustainability and address the SDGs.

As Mott MacDonald's new executive chair, I look forward to working with my colleagues across the business to continue to achieve sustainable, resilient solutions to the challenges we face around the world."

James Harris

Executive chair, Mott MacDonald



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Find out more:

Social outcomes

PRIDE values

Our people promise

Slavery and human trafficking statement

Slavery and human trafficking policy

Business integrity policy

Health, safety and security policy

Risk management policy

Safeguarding policy

Social responsibility policy

Supply chain policy

Sustainability policy

Social value policy

Our Code

Principles:

Businesses should support and respect the protection of internationally proclaimed human rights

Businesses should make sure that they are not complicit in human rights abuses

1000

employees attended programme to discuss how they are improving society by considering social outcomes in everything they do 30% of our workforce are women, up from 24% in 2015



We are committed to respecting the human rights of everyone who works for us, with us or lives in the communities in which we operate. Our approach is described in our corporate policies and strategy, and this is compliant with the United Nations Global Compact and the Guiding Principles on Business and Human Rights (UNGP). It is embedded in our Group Purpose to 'improve society by considering social outcomes in all we do' and our PRIDE values – Progress, Respect, Integrity, Drive, and Excellence.

Our operations fully align with UNGP good practice and the recently published draft minimum safeguards of the European Union Taxonomy Regulations. As our business is based around professional services and expertise, our most salient and material human rights issue is labour rights. This includes preventing forced and child labour, practicing non-discrimination in respect of employment and occupation, upholding occupational safety and health, providing fair working conditions (wages, working hours) and respecting our employees' rights to freedom of association and collective bargaining (see next section for details).

Among others, we also manage and uphold:

 the rights of women in the workplace and women and girls in the communities in which we operate

- digital security and privacy with regards to data protection, storage and nondissemination or personal data
- the rights of indigenous peoples and communities with ancestral heritage and collective attachment to land
- access to water and sanitation, which we actively contribute to improving through our international development services

How we monitor and evaluate performance

All our staff receive training on ethics and complying with our PRIDE values, directives and processes, and we have systems in place to report inappropriate behaviour or suspected safeguarding, non-compliance, ethics or human rights issues. We conduct due diligence on our clients, partners, contractors and suppliers to ensure they follow the same approach as us to human rights and also have comparable systems of due diligence for their supply chains.

Progress against our Equality, Diversity and Inclusion (EDI) goals is monitored at twice-yearly Board meetings and shared publicly in our Annual EDI Report. In the UK, we review our performance on accessibility and disability inclusion using the Disability Confident Scheme, and we achieved level 2 reaccreditation in 2021. We also publish annual gender and ethnicity pay gap reports. Anonymised data

from our people management system is used to evaluate the success of non-discrimination strategies at key points on the 'hire-to-retire' people journey – for example, recruitment, promotion and leadership development.

All our monitoring, reporting, evaluation and learning activities capture gender impact, and we mainstream gender throughout our results frameworks and use in-house data analytics tools to generate gender-disaggregated data, insights and dashboards.

Over the past year, audits and assurance activities have evaluated data privacy and security practices across our organisation. This includes an ISO 27001 audit and internal audits on our operations in the UK, Spain and the United Arab Emirates.

Recent developments

We have launched our first gender capability statement setting out how our internal commitment to gender equality is embedded in our projects and delivering positive social outcomes.

Our approach to corporate social responsibility (CSR) forms part of our new EDI strategy. We are contributing to programmes aimed at improving the employment prospects of under-represented and marginalised groups in our communities by sharing our professional knowledge. This includes continuing our relationship with London-based social enterprise Renaisi to provide professional mentorship to unemployed and underemployed refugees.

In Australia, we have published a second Reconciliation Action Plan, which is focused on embedding Aboriginal and Torres Strait Islander led practice across our business. Commitments include prioritising meaningful employment opportunities for Aboriginal and Torres Strait Islander peoples, and updating our procurement strategy to improve supplier diversity and map growth of Aboriginal and Torres Strait Islander business market share in our supply chain.

We updated and refreshed our mandatory eLearning on data privacy and security issues, with tailored training provided to core groups of employees.

We have also improved data privacy and security in our supply chain through enhanced vendor due diligence and appropriate clauses and schedules in contracts for services. We provide greater transparency and accountability on how we collect and process personal information, including from employees and job applicants and users of our website and our digital solutions, including our Moata platform.



RED T

Innovative
Reconciliation
Action Plan for
our Australian
business

At Mott MacDonald, we want to improve society by considering social outcomes in everything we do and as a key part of that we seek to integrate reconciliation across our Australian business by working alongside Aboriginal and Torres Strait Islander organisations and communities. The publication in 2022 of our second Reconciliation Action Plan (RAP), our Innovate RAP, is part of our continued commitment to reconciliation in Australia.

Our RAP has been developed to integrate reconciliation as a shared value within Mott MacDonald where our staff understand and are committed to sharing in our reconciliation journey.

Our PRIDE Values (Progress, Respect, Integrity, Drive, Excellence) are integral to how we build relationships, shaping how we work, and this influences our work towards reconciliation. We see our values of Respect and Integrity as vital to building quality relationships with Aboriginal and Torres Strait Islander peoples.

The activities of our RAP Team are focused on the efforts of reconciliation in the places in which we work. We seek to collaborate with organisations to tackle under-representation and support equal opportunities for all, partnering with CareerTrackers to provide internship opportunities and Kinaway and Supply Nation to open opportunities with Aboriginal and Torres Strait Islander suppliers.

We've worked with artist Ammie Howell to create our Mott MacDonald artwork (shown), which seeks to share the story of our journey to reconciliation and capture the essence of our values, relationships and social purpose.

66

The RAP programme's emphasis on relationships, respect, and opportunities gives organisations a framework from which to foster connections with Aboriginal and Torres Strait Islander peoples rooted in mutual collaboration and trust.

Karen Mundine,
Chief executive officer at
Reconciliation Australia

Discover more

Find out more: PRIDE values

Our people promise

Equality, diversity and inclusion

Social outcomes

Social outcomes position paper

Slavery and human trafficking statement

Equality, diversity and inclusion policy

Business integrity Policy

Health, safety and security policy

Safeguarding policy

Social responsibility policy

Social Value Policy

Supply chain policy

Sustainability policy

Our Code

Principles:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

The elimination of all forms of forced and compulsory labour

The effective abolition of child labour

The elimination of discrimination in respect of employment and occupation

2021 employee engagement survey headlines

87%

are positive about our approach to ethics, how we make good decisions and live our PRIDE values

75%

are positive about the time and energy we invest in becoming more diverse, equitable and inclusive

70%

are positive about how we apply our wellbeing programme

As one of the most relevant human rights pillars of our business, we place great importance to the need to uphold the labour rights of our employees and of workers in our supply chains. We are committed to creating an organisation where people can be themselves, feel valued and safe, and enabled to perform at their best.

We reject modern slavery in all its forms, including servitude, forced or compulsory labour, child labour and human trafficking, and are committed to promoting ethical behaviour in our own operations. We comply with equal opportunities legislation and aim to promote diversity and fair employment policies within the framework of local culture and laws.

We recognise our responsibilities to ensure that our supply chain complies with International Labour Organisation conventions and core labour standards and have proper respect for the people supplying services to them. We are committed to achieving the ethical standards we set for ourselves with our supply chain and seek to work only with those who share our values and operate in a manner consistent with Our Code – in their dealings with us and within their own supply chains. Our modern slavery and human trafficking

statement (including forced labour and child labour as a subset) is updated annually and confirms our compliance with Section 54 of the UK Modern Slavery Act 2015. In setting our policies and processes we aim to follow best practice as well as the UK government quidance, 'Transparency in supply chains'.

We are committed to behaving and operating safely and without causing harm to health, and our 2022 safety and wellbeing strategy sets priorities and targets for moving closer to achieving our goal of zero harm. Goals include:

- improving the consistency of safety and wellbeing behaviour at operational and project level, and our understanding of risks affecting teams
- increasing the percentage of staff reporting the positive action they have taken to create a safer and healthier working environment.

We have a well-established grievance process and clear steps to remedy any potential adverse impact associated with labour rights issues. There is a confidential system to report issues to line managers, HR, legal or finance, or anonymously via a helpline. 'Manage Speak Up', our whistleblowing guidance, is available to all staff.

How we monitor and evaluate performance

We assess progress in preventing and mitigating the risks and impacts associated with labour rights issues through regular monitoring, seeking feedback and benchmarking against other organisations. For US-based operations, we also comply with Federal requirements, including on disclosure.

In the UK, we publish annual gender and ethnicity pay gap reports that uphold both legislative requirements and our commitment to transparency and non-discrimination. The reports include details of how we are tackling gaps and making progress.

We are developing local evidence-led action plans for our new global EDI strategy, with EDI goals and measures to monitor our progress. We also added a new Inclusion Index in our engagement survey in 2021 to measure the six drivers of inclusion set out in our EDI strategy – trust, respect, fairness, psychological safety belonging and 'visible' diversity.

Recent developments

Our updated Group Equality, Diversity and Inclusion (EDI) policy includes a commitment to non-discrimination across a broad range of characteristics, including those not globally enshrined in legislation but intrinsically important to human rights, including LGBT+. Our Values, Code, People Promise and EDI strategy ('Everyone's Business') set out how we will put the EDI policy into practice. In addition to our global EDI strategy, we have four regional versions setting out the regional priorities.

Advance, our employee EDI network, continues to grow and during 2021 we reached a total of 18 specialised subgroups across our four global regions. The groups are key to delivering change, particularly in terms of raising awareness of the key barriers experienced by minority groups. They delivered more than 50 events of awareness-raising sessions in 2021.

In the UK, we continue to run our 'reciprocal mentoring' scheme, which partners ethnic minority, disabled and LGBT+ colleagues at junior levels with senior leaders. The scheme is designed to support the development of staff from marginalised groups, while enabling our leaders to learn from colleagues with different

perspectives and insights. More than 200 staff have participated in the scheme. About 80% of the reverse-mentors are from an ethnic minority background and 44% are female.

In 2022, we launched Connect People, our people management system, supporting performance (Connected conversations), development, talent management and succession planning across the whole organisation. In February 2022, we became accredited in the UK as a Living Wage Employer, meaning that we can now demonstrate that every colleague working for us in the UK earns the real Living Wage.

In 2022, we increased our score on the UK government 'Modern Slavery Assessment Tool' to 74% by, for example:

- improving training for staff on site
- briefing key staff on modern slavery and the processes we have in place to manage it
- creating Our Code and sharing it with suppliers
- including questions on modern slavery in our due diligence processes for large procurements
- introducing modern slavery country risk assessments to help guide our project staff on risk levels



Protecting vulnerable workers in the pandemic

COVID-19 disrupted global supply chains, putting at risk the livelihoods of farmers and factory workers in some of the world's least developed countries. We managed an innovative partnerships programme for the UK Foreign, Commonwealth and Development Office (FCDO) to support vulnerable agricultural and garment workers and their families across Africa and Asia through the pandemic.

The Business Partnerships for the Global Goals (BP4GG) programme – designed to test and scale ideas based on creating shared value in global and UK supply chains – was only two weeks into implementation and swiftly adapted

into a Vulnerable Supply Chains Facility. In less than 10 weeks, the programme pivoted to deliver bespoke support on the ground quickly as well as fast-tracking projects in line with its original aims. It brought together the private and not-for-profit sectors to work in partnership.

More than 1.4M people were reached – 55% women and 63% living on less than US\$5.50 a day. More than 160 businesses reported positive impacts on their working practices. The FCDO awarded BP4GG an A++ score, the highest possible, in its programme completion review.

Read more here



Environment

Find out more:

Net-zero position paper

Living with climate change position paper

Digital innovation position paper

Social outcomes position paper

Our journey to carbon neutral

Carbon neutral qualifying explanatory statement

Moata Carbon Portal

Moata People and Planet

Environment policy

Social responsibility policy

Social value policy

Supply chain policy

Sustainability policy

Our Code

Single use plastics report

Principles:

Businesses should support a precautionary approach to environmental challenges

Undertake initiatives to promote greater environmental responsibility

Encourage the development and diffusion of environmentally friendly technologies 36%

decrease in absolute emissions since 2019 (including wider scope 3 emissions)

41%

of our global energy consumption comes from renewable sources (99% in the UK)

250,000

single-use plastics products have been removed from our business

2250

of our colleagues attended Sustainability Week 2022, with all the sessions attracting almost 3700 participants



We commit to making a positive difference for our planet and to being a leading global partner in advancing sustained economic, social and environmental wellbeing to deliver lasting value for all. To achieve this, we have placed sustainability at the core of our purpose and promote company-wide alignment with the United Nations' Sustainable Development Goals (SDGs).

We have separate policies on the environment and sustainability and have published papers on both climate resilience and net zero. Since 2020 we have been certified carbon neutral globally and we continue to make progress on our commitment to become a net-zero organisation in line with our science based pathway. As a business, we are committed to a 90% reduction in our carbon emissions by 2040 and are in process of having our updated target validated by the Science Based Targets initiative (SBTi). We have pledged to remove avoidable single-use plastics from our business where there are viable and sustainable market alternatives. We highlight the risks to clients posed by climate change on their projects – and work to mitigate them. We believe that nature-based solutions and

circular economy models should be considered a key component of project planning from the outset as standalone measures or connected interventions to complement traditional hard engineering, and as a cost-effective way of reducing carbon emissions and waste and securing biodiversity benefits.

How we monitor and evaluate performance

We continue to measure, reduce, and report our Group carbon footprint for our global business and have recently expanded its scope to include all major sources of Scope 3 emissions in line with recommendations by SBTi. Our carbon footprint is calculated annually and is independently verified. To offset our residual emissions, we continue investing in a peatland restoration project in Indonesia, which generates several co-benefits for the environment, and improves health and local employment opportunities.

As a member of the Coalition for Climate Resilient Investment, we have led the development of the Physical Climate Risk Assessment Methodology (PCRAM) to improve the integration of physical climate risks into investment appraisals.

We also chair the Net Zero Infrastructure Industry Coalition, which aims to mobilise the UK infrastructure sector to meet the net-zero challenge by 2050 or earlier and support the UK in becoming an international leader in net-zero across the global infrastructure industry. As a member of the World Economic Forum's Alliance of CEO Climate Leaders, we report our carbon footprint data and have been assessed to be at the net-zero champion level.

Our environmental management systems are certified to ISO 14001:2015 standard, and compliance is embedded into our processes and systems.

Recent developments

As part of the journey to net zero, we continue to be carbon neutral as well as maintain our PAS 2060 accreditation and global certification to PAS 2080.

We are taking action to improve organisation-wide resilience to climate change and are continuing to implement recommendations by the Task Force on Climate-related Financial Disclosures across the business, including the disclosure of climate-related financial risks in Q1 2024.

Environment

We have taken action to increase resilience in the projects we deliver and in the communities in which we operate by assessing climate risks on major projects. Our experts contributed to the Intergovernmental Panel on Climate Change Sixth Assessment Report on adaptation finance, and at COP26 in December 2021 we supported the Resilience Hub on resilient infrastructure, water and health, and wellbeing. Later in 2022, we will launch our Climate Change Academy. It will provide training to up-skill our technical staff and we will continue to provide mandatory training to all staff, as well as in-depth specialist modules essential to addressing the climate crisis.

Earlier this year, we launched a new interactive map that enables users to explore the opportunities for nature-based solutions, from water catchments through urban areas to the coast. In May, our former executive chair Mike Haigh spoke about nature-based solutions at the annual meeting of the World Economic Forum in Davos. He has also been appointed the new chair of World Economic Forum's influential Infrastructure Industries Governors Group, which seeks to drive change in the infrastructure sector through improved public and private sector collaboration.

This year we are ramping up our efforts to reduce physical waste and environmental impacts by strengthening our capabilities and our approach to the circular economy. Our aim is to achieve more resource-efficient, low-carbon, and inclusive designs. We are partnering with The Cradle to Cradle Products Innovation Institute to drive circular product innovation in the built environment.

Our work on single use plastic was honoured by the Chartered Institute of Ecology and Environmental Management, and we recently issued our first single use plastic progress report.



Peatland regeneration in Indonesia

Peat is a carbon store and vital to tackling climate change. Indonesia has the world's second largest area of tropical peatland, and its peat swamps capture between 0.5t and 1.5t of carbon per hectare each year. Expansion of oil palm and acacia plantations, as well as intensive logging, have degraded and drained much of this land. Dry and eroding peat releases large amounts of carbon into the atmosphere and can easily catch fire – adding to global warming. Loss of peat leads to land subsidence, and also increases the risk of flooding. In South Sumatra, we're supporting local private sector partners Forest Carbon and Global Alam Lestari to restore almost 23.000ha

of degraded peatland at Merang, which is a habitat for critically endangered species, including the Sumatran tiger and is where both organisations hold an ecosystem restoration concession.

Our reforestation and regeneration plan combines with canal blocking to restore the water table and rewet the peat surface to control fires and support natural revival.

As part of our commitment to become carbon neutral globally, we are also investing in the restoration of the peatland in Sumatra to offset the carbon emissions we have so far not eradicated from our business.

Find out more



Anti-corruption

Find out more:

PRIDE values

Tax strategy

Business integrity policy

Supply chain policy

Sustainability policy

Our Code

Principles:

Businesses should work against corruption in all its forms, including extortion and bribery

98%+

of employees have already completed training on Our Code, since its launch in September 2021



Anti-corruption

We are committed to countering all forms of bribery and corruption and operate to strict standards as set out in Our Code and policy on business integrity. These articulate a zero-tolerance approach to bribery and corruption and expand on the standards of ethical behaviour that we expect from everyone that works for us or with us. This behaviour is reflected in or PRIDE values, and our business management system is certified to the ISO 37001 anti-bribery management quality standard.

All allegations of bribery or corruption are taken seriously, and any suspected incidence must be reported to a manager, our legal team or through our confidential helpline. Every allegation is investigated, and we will always take appropriate follow up steps, including reporting the matter to relevant authorities where appropriate.

We seek to work only with those who share our anti-corruption values, act responsibly within their own supply chains, and operate consistently with our code. To ensure our standards can be met, we conduct appropriate due diligence checks on our clients, suppliers and partners.

Our stand-alone policy and recommendations for employees stipulate how they must act and provide examples of situations that may represent a conflict of interest. This is reinforced through our code of conduct, Our Code, policy on business integrity and specific requirements and guidance on conflicts of interest and gifts and hospitality. Training on Our Code must be completed each year, and every three years for business ethics – Getting it Right, our business ethics requirements.

We are developing a risk-based training programme covering anti-bribery and corruption for suppliers that cannot provide evidence on how they meet the standards and expectations in Our Code. This includes where they present more than a low risk of bribery or corruption.

How we monitor and evaluate performance

Compliance is monitored through external audits and risk-based controls, and our investigation process includes case reviews and internal investigations. High level matters are reported to the Executive Board and the Group ethics and compliance officer meets regularly with the Group managing director and General Counsel to discuss specific issues.

Recent developments

We adopted a new process in 2021 to enable us to better identify all actual, potential and perceived conflicts as early as possible, and to discuss these with line management.

We have strengthened oversight of financial crime, including bribery and corruption, and have updated our approach to bribery risk assessments and checks on new employees and internal moves across the business as well as our third-party due diligence questionnaires. We are planning on developing training for third party suppliers.

We recently introduced dilemma-based conversations to support the embedding of Our Code within the business, including publishing a dilemma video on bribery and corruption for teams to use internally.

Anti-corruption

Our Code

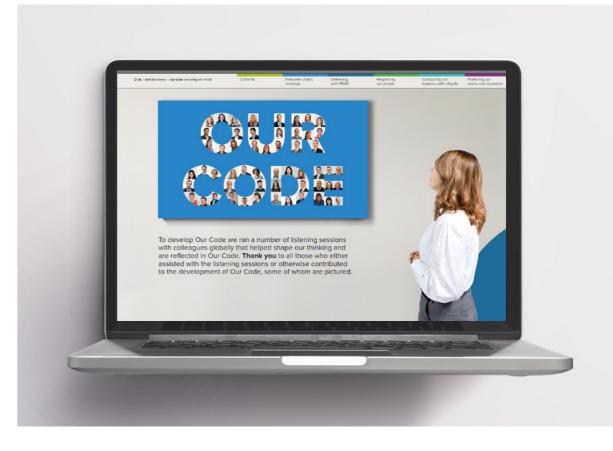
Our Code consolidates our commitment to doing what's right and building an ethical culture throughout Mott MacDonald. It sets out our standards and expectations on the issues that matter to us; it's a guide for making good choices and living our PRIDE values (Progress, Respect, Integrity, Drive, Excellence).

By following Our Code, we build stronger, more trusting relationships with our clients, communities and colleagues and increase our ability to comply with country specific, federal and local laws, and regulations. We follow local legislation and regulation wherever we work. However, where Our Code provides the higher standard, we expect that to apply.

The section on 'Conducting our business with integrity' covers bribery and corruption, fraud, money laundering and tax evasion as well as exchanging gifts and hospitality.

We take breaches of Our Code extremely seriously and respond to all concerns raised. All concerns received through the confidential Speak Up helpline are initially assessed by one of the legal team and where necessary will be investigated by a suitably trained and objective individual. If a breach of Our Code is found, appropriate steps will be taken to address the issue, which may include disciplinary action, up to and including dismissal.

Discover more about Our Code here



Opening opportunities with connected thinking.







