

Grosvenor Gender Pay Gap Report 2020

This report outlines the outcome of our gender pay analysis for our UK employees as of April 2020 and our areas of focus in relation to equality, diversity and inclusion within our business.





Foreword

Grosvenor Group is one of the world's largest privately-owned international property companies. With a track record of over 340 years we develop, manage and invest with a purpose of improving property and places to deliver lasting commercial and social benefit.

We are focused on building a diverse and inclusive workforce which reflects the communities in which we operate. We believe that diversity in our thinking and inclusivity in our behaviours are both key to ensuring the long-term success of our business.

As part of this, we are committed to improving representation of women at all levels of the business, including the very top, which will have the effect of reducing our gender pay gap over time.

We are passionate about the initiatives that we have in place to help us reach this goal, such as shared parental leave and our Work from Anywhere policy, which form part of our wider diversity and inclusion strategy.

The UK Government introduced legislation in 2017 for organisations to publish the difference in mean and median pay between male and female employees. We have welcomed the transparency in measuring our progress and the opportunity for discussion this has brought.

This document reviews our gender pay gap as of April 2020 and outlines our approach to achieving gender pay parity over time.

Mark Preston
CEO Grosvenor Group

What is a gender pay gap?

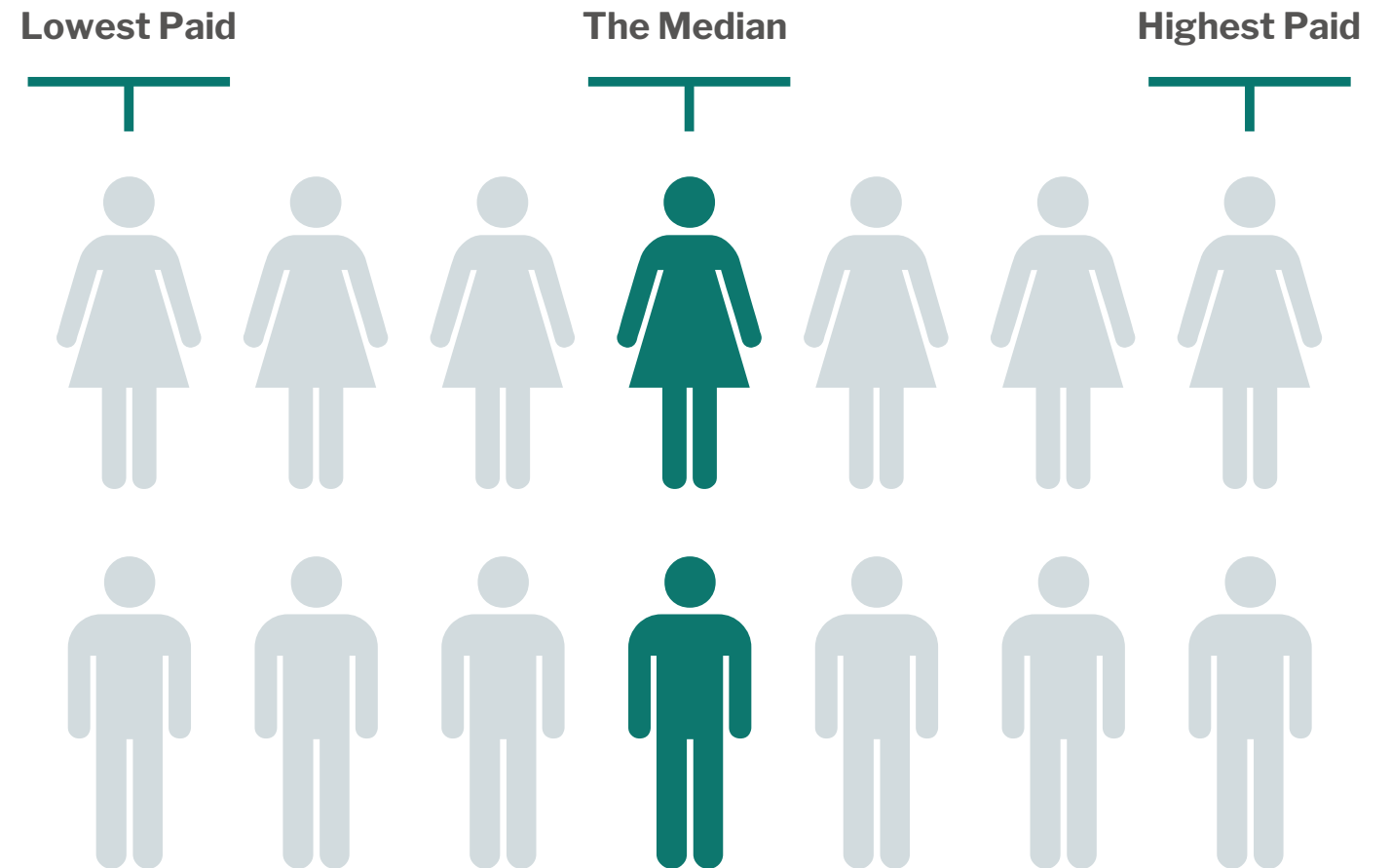
A gender pay gap shows the difference in the average pay between all men and women in a workforce.

The mean gender pay gap shows the difference in the average hourly rate of pay between men and women. This is calculated by adding up all the base salaries of males and females separately and dividing them by the number of men and women respectively to get an average for men and women.

To calculate the median gender pay gap, all female employees and separately all male employees are listed in order of pay. The median compares the pay of the female in the middle of this list with the pay of the man in the middle.

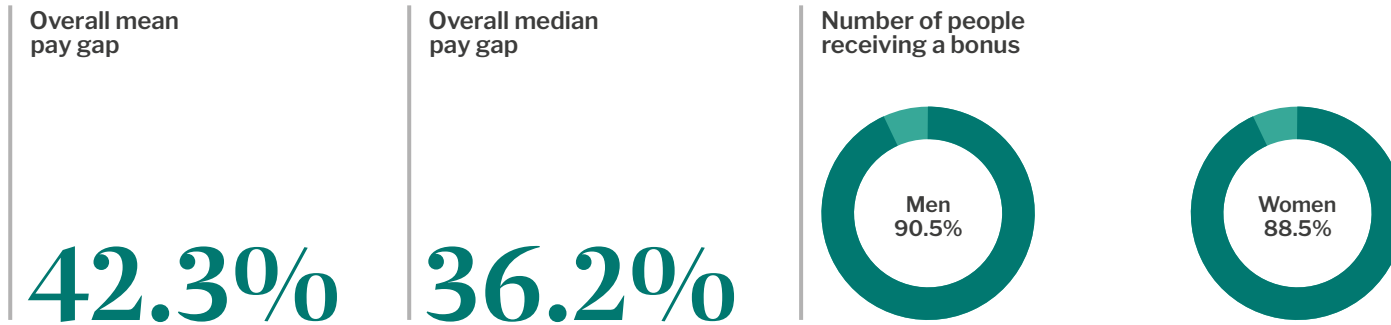
A gender pay gap differs from an equal pay gap. In the UK, it has been a legal requirement for companies to pay men and women equally for doing work of equal value since 1970.

Men and women at Grosvenor are paid fairly and equally for doing the same job. We know this because for several years, we have benchmarked the base pay of all our roles, both externally and internally.



Our results

Our overall pay gap in April 2020 was 42.3% on a mean basis (average) and 36.2% on a median basis (middle) in favour of men.



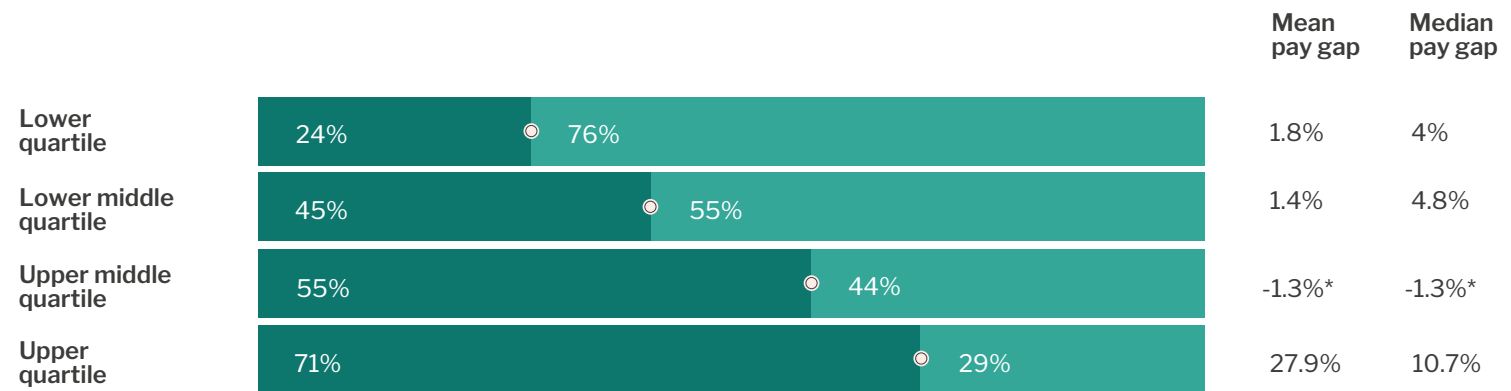
There are two main factors affecting our pay gap:

The first is that we have more women than men in the lower quartile of earnings.

The second is that we have more men than women in the upper quartile. Our upper quartile has a large pay gap because the very highest earners in this quartile – our Chief Executives and board members in the UK – are all men.

Our bonus pay gap is 78% as a mean and 61.8% as a median in favour of men. This is because the highest bonuses are paid to our board members and most senior directors, who currently are predominantly men. Also, the calculation does not allow for prorating of bonuses for part time workers, and 19% of our female workers currently work part time whereas only 4% of our male workers work part time.

Gender pay by quartile



Note: the above chart illustrates the gender distribution of Grosvenor's 351 UK-based employees in four equally sized quartiles.

*A negative gap indicates the gap is in favour of women

Men Women

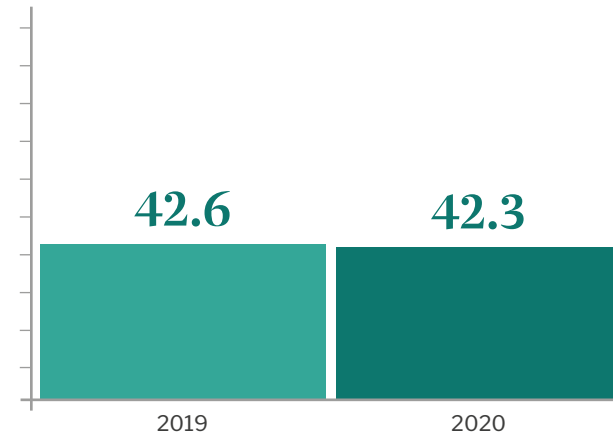
Year on year results

In 2020 compared with 2019 our mean pay gap has decreased by 0.73% and our median pay gap has increased by 1.96% in favour of men.

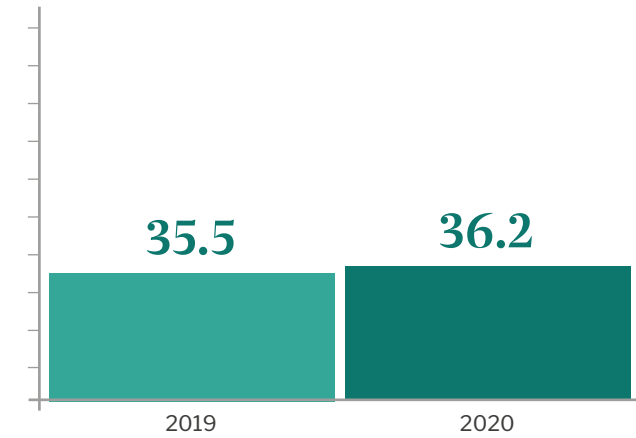
While there have been small changes, the overall picture is very similar. This reflects our policy of always recruiting the best person for the job. Within the upper quartile we have promoted several women to more senior positions and have also appointed two men to newly created roles.

Our bonus pay gap has increased by 1.8% as a mean and 7.2% as a median. This is a result of some of our most senior employees who are male, choosing to make withdrawals from long term incentive plans in this period.

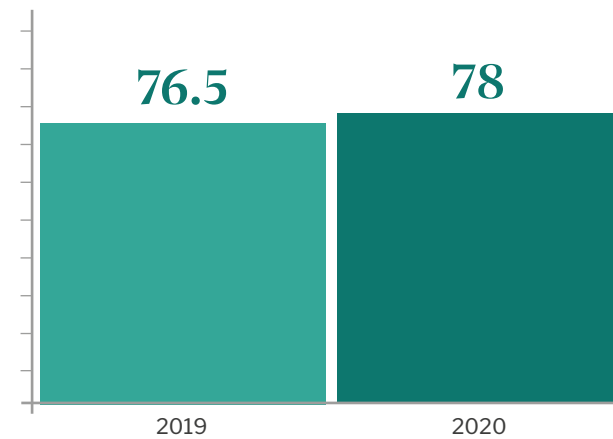
Mean Pay Gap



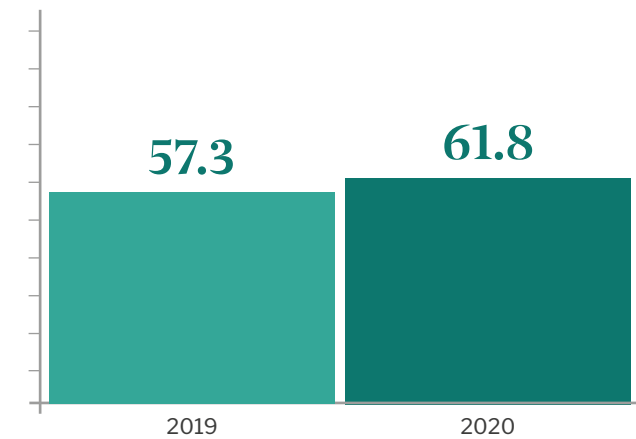
Median Pay Gap



Mean Bonus Gap



Median Bonus Gap



Improving gender balance across all pay levels

We believe that the best way to improve gender pay parity at Grosvenor is as part of our wider diversity and inclusion strategy.

This focuses on creating an equal playing field so that gender, ethnicity, religion, social background, disability or sexual orientation present no barrier to being appointed, or to progressing a career, within Grosvenor.

We do not believe in using positive discrimination as a substitute for fixing underlying causes of gender imbalance across the organisation and will always recruit the best calibre of talent for the job. We are therefore delighted with the progress we have seen in terms of women being promoted to senior positions in recent years. In this reporting period, the Executive Committee Board of our Grosvenor Britain & Ireland business became 50/50 male and female for the first time.

However, we recognise that eliminating the gender pay gap will take time. Property is historically a male dominated industry and as a consequence we still have more men than women in senior positions. We will only see gender pay parity when we have equal numbers of men and women at all levels of the business, including the very top. To achieve this, we must maintain and increase our pool of female talent to recruit from for these roles.

This is an issue we are wholeheartedly committed to and one that remains high on our agenda as part of our programme to improve all areas of diversity. We are focussed on recruiting more women into the industry and providing support at all stages of their careers so that we attract and retain top female talent.





Each of our Operating Companies has its own dedicated diversity and inclusion plan in which gender equality forms a key part. Some recent examples in the UK include:

- Taking positive action so that a hiring manager has to explain the recruitment of a new male/ female member of staff at a level where either gender is underrepresented
- Introducing a Work from Anywhere policy which helps support employees balance work and family life
- Introducing a Menopause Policy to support and retain female employees in the workplace during this transitional period of their life
- Launching a reverse mentoring programme to help leaders understand what barriers more junior members of our teams might face
- Increasing the number of recruitment partners giving us access to different pools of talent

We also have established initiatives that include:

- Working with schools and universities to attract more women and other underrepresented groups into the industry. For instance, our Next Generation Programme which includes month long internships for school age children
- Enhanced maternity and shared parental leave
- Maternity coaching offering employees individually tailored support at key stages during the return to work process to help make the transition as easy and successful as possible
- Sabbaticals
- An Inclusive Leadership Programme
- Inclusive awareness training for all

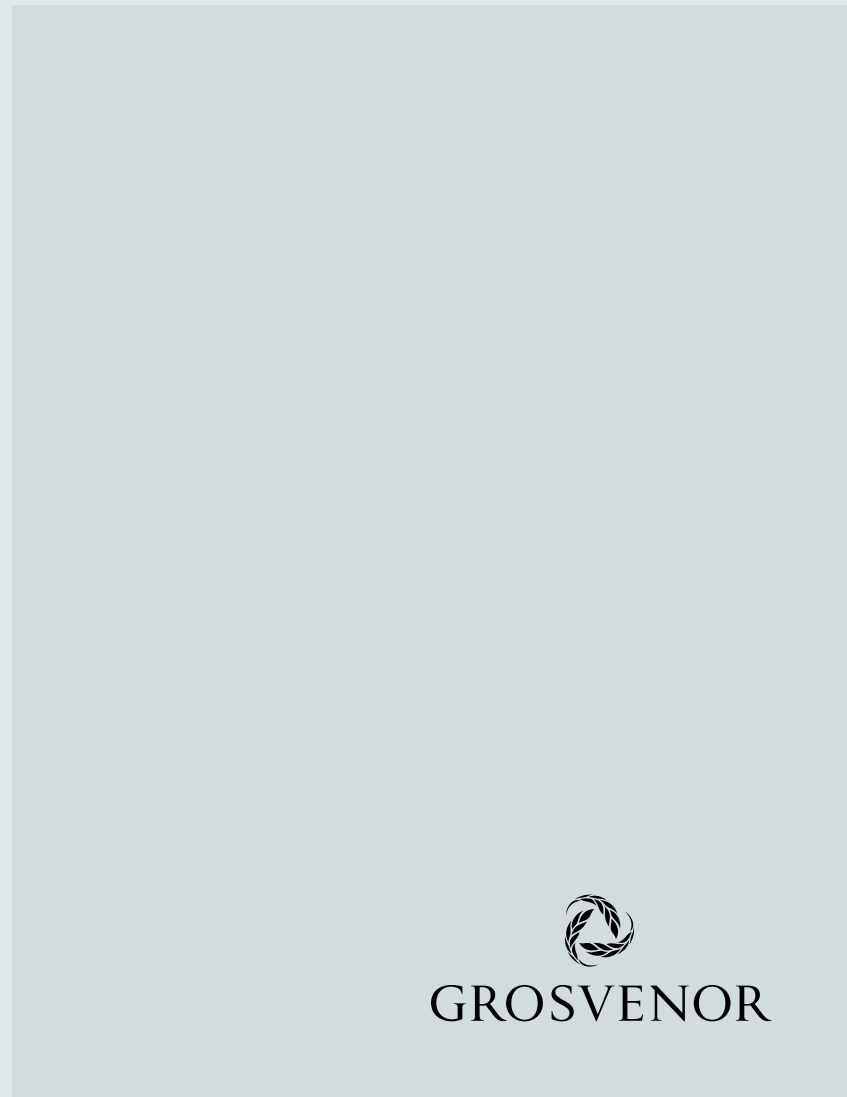
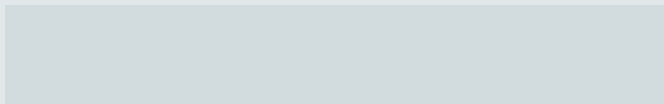
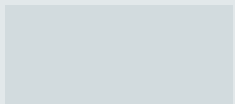
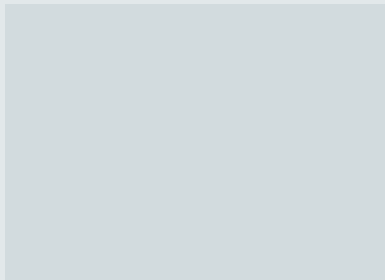
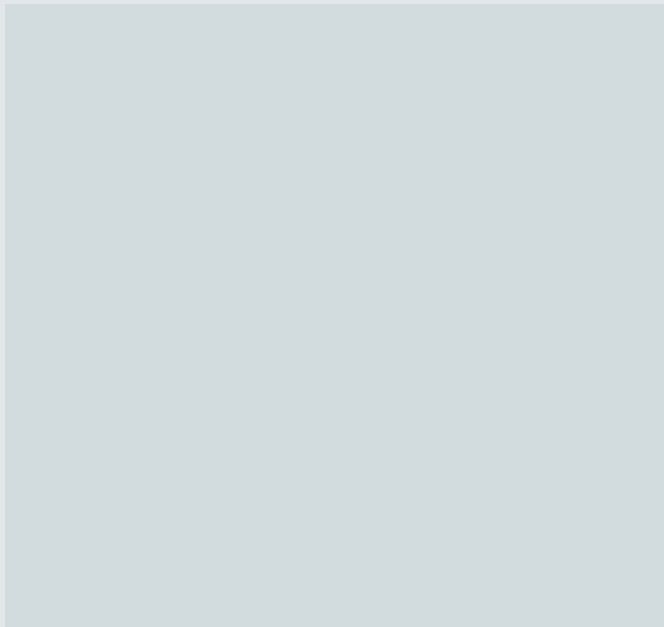
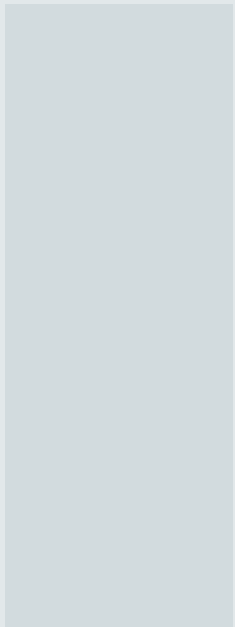
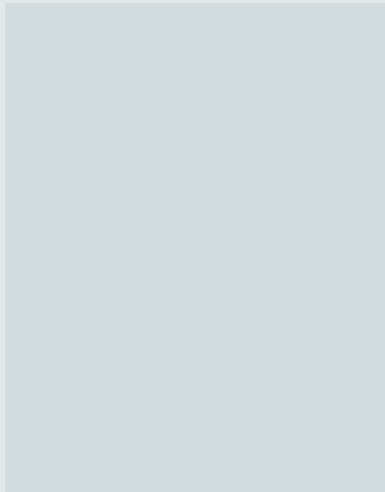
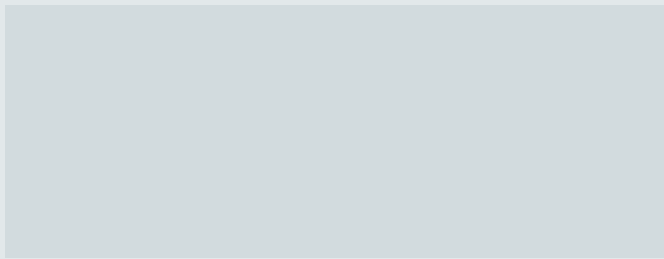
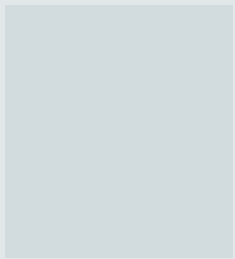
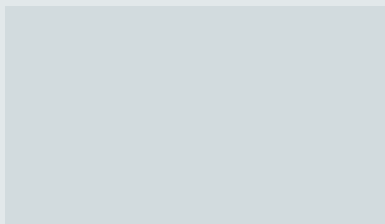
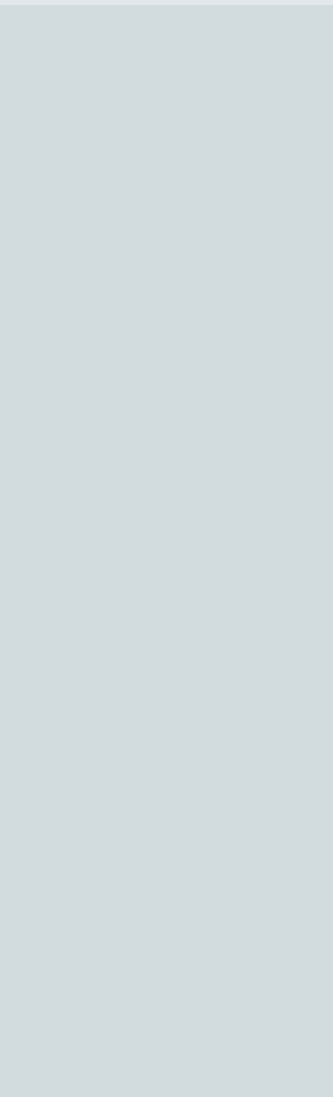
The importance of shared parental leave

Traditionally only women took extended periods away from work to have children, which often meant that they lost a year in their career. After two children this gap in career progression could be two years behind a male colleague who had started in the same role at the same time. Shared parental leave enables both genders to take significant time away from work. It is hoped that this will reduce the gap in career progression between the genders

We are pleased to see growing numbers of men taking up shared parental leave. Between April 2019 and April 2020, we had six men on paternity leave for two months or more in the UK compared to 15 women on maternity.

- Participation in industry networks such as Women Ahead and the 30% Club which aim to increase female representation on boards and senior management teams
- Equal pay auditing

The positive effects that we are starting to see as a result of these measures are visible within our business, although not yet in our reported gender pay gap. We recognise it will take time, but we believe that we will achieve our goal of having a gender balanced workplace.



GROSVENOR