

Grosvenor Gender Pay Gap report 2019

This report outlines our performance on Gender Pay for our UK employees as of April 2019 and our chosen areas of focus to ensure improvements in relation to equality, diversity and inclusion within our business.



GROSVENOR

Foreword

Grosvenor Group is one of the largest privately-owned international property businesses. We develop, manage and invest in property in more than 60 cities around the world.

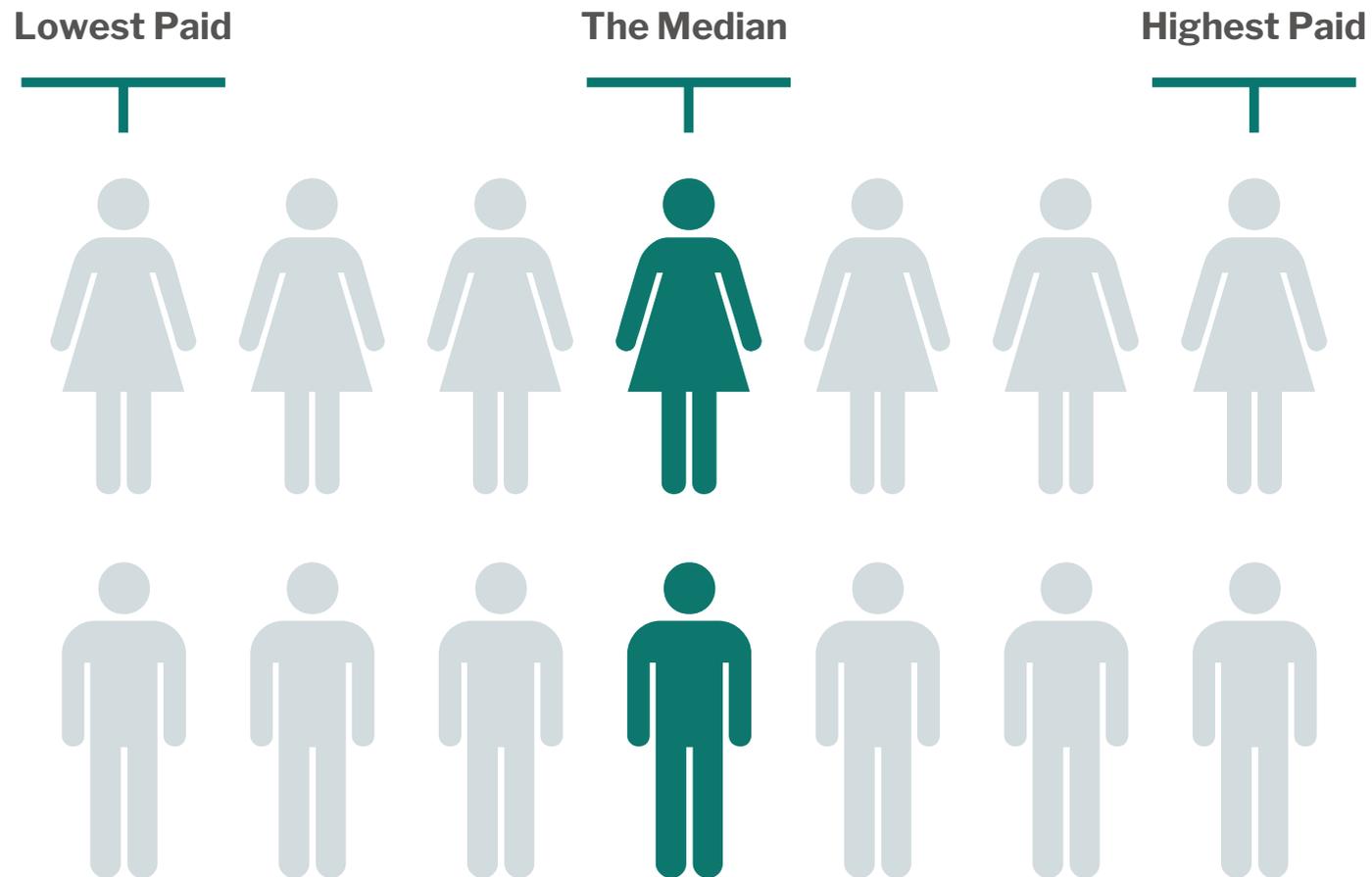
Our purpose is to improve property and places to deliver lasting commercial and social benefit and we believe that the most important factor in fulfilling our objective is the ability to attract and retain a talented workforce. This should reflect the diversity of the communities we operate in and, in order to do so, we aim to create an inclusive culture where diversity in thinking is valued and encouraged.

Eliminating any barrier to such an environment is fundamental, which is why we are committed to improving gender pay parity across our business.

In 2017, the UK Government introduced legislation for organisations to publish the difference in the mean and median pay between male and female employees. This document reviews our pay gap in 2019 and outlines our approach to gender pay.

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.

If all female employees and separately all male employees were listed in order of pay level, the median gender pay gap would compare the pay of the female in the middle of such list with the pay of the middle man.

The mean gender pay gap shows the difference in the average hourly rate of pay between men and women.

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 and every year, we have benchmarked the base pay of all our roles, both externally and internally.

Our results

Our overall pay gap in April 2019 was 35.5% on a median basis (middle) and 42.6% on a mean basis (average) in favour of men.

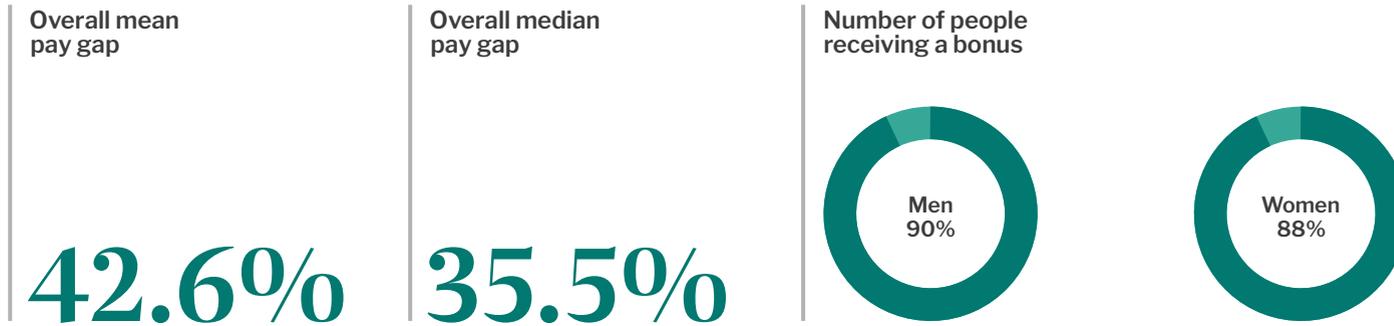
There are two factors affecting our pay gap:

The first is that we have more women than men in the lower two quartiles and more men than women in the upper two quartiles.

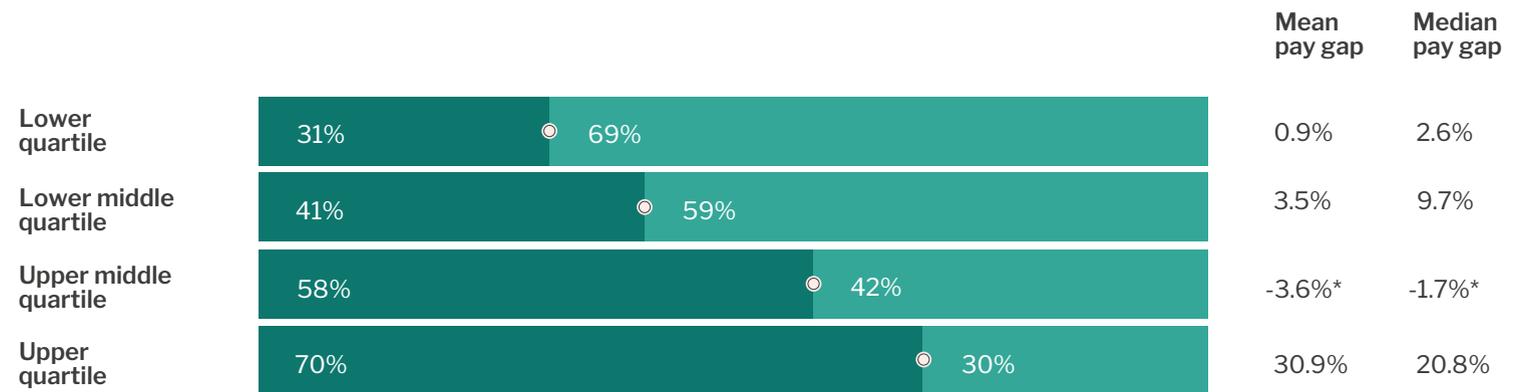
The second factor affecting our results is that our upper quartile, which captures the highest 25% of earnings, has a large pay gap because the very highest earners in this quartile – our executive board members – are all men.

Within the lower two quartiles, pay is relatively well balanced, and in the upper middle quartile there is a pay gap in favour of women.

Our bonus pay gap is 76.5% as a median and 57.3% as a mean in favour of men. This gap is affected by the highest bonuses being paid to our executive board members and most senior directors who are predominantly men. Also, the calculation does not allow for prorating of bonuses for part time workers, and 13% of our female workers currently work part time whereas only 1% of our male workers work part time.



Gender pay by quartile



Note: the above chart illustrates the gender distribution of Grosvenor's 344 UK-based employees in four equally sized quartiles.

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

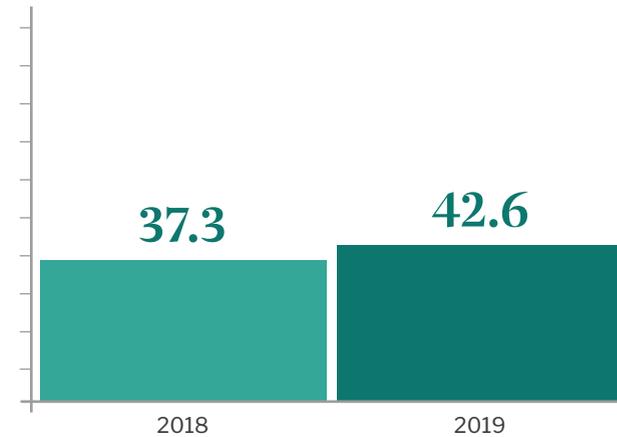
Men Women

Year on year results

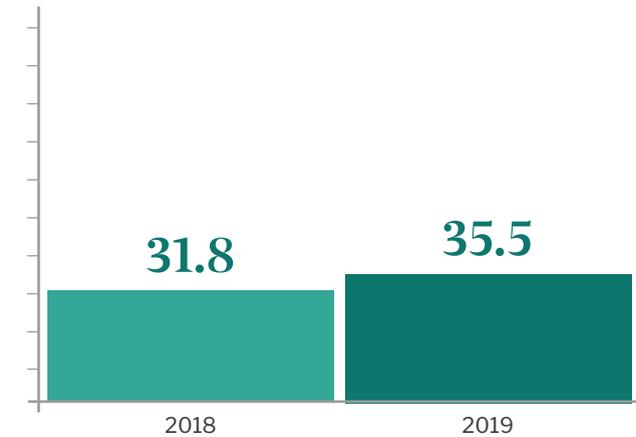
In 2019 compared to 2018 our mean pay gap has increased by 5.3% and our median pay gap has increased by 3.7%, both in favour of men. The bonus has decreased by 2.2% as a mean and 2.7% as a median.

A change in the allocation between bonus and base pay for executive board members has had the effect of a decrease in the bonus pay gap and has contributed to the increase in the mean and median pay gap. A smaller factor contributing to the increase in the mean and median pay gap is that some senior roles have had their scope broadened. The colleagues who are filling these roles have had commensurate pay rises. These roles are filled by men and so this has impacted the pay gap.

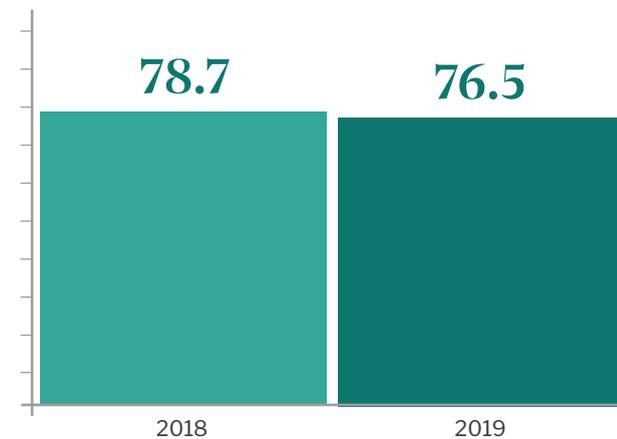
Mean Pay Gap



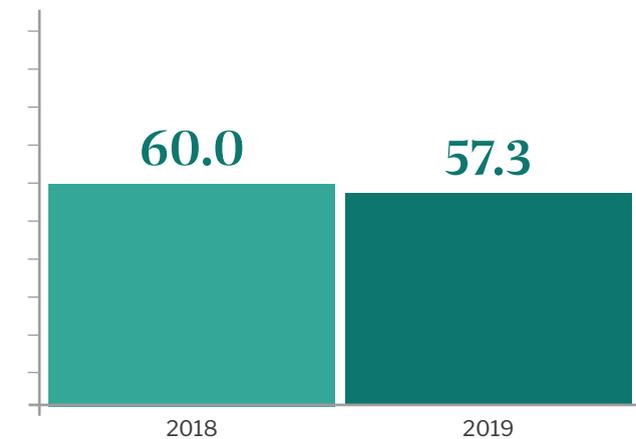
Median Pay Gap



Mean Bonus Gap



Median Bonus Gap



Improving gender balance across all pay levels

We are committed to improving gender pay parity across our business. We believe that the best way of tackling this challenge is as part of our wider diversity and inclusion strategy.

We are determined to maintain the issue high on our agenda and to strive for constant improvement but do not believe in positive discrimination as a shortcut to what is inevitably a long term endeavour. Property is historically a male-dominated industry and, to address this, we are working with schools and universities to attract into the property industry a more diverse population to recruit from.

We will only have gender pay parity when we have equal numbers of men and women across all levels of the business. This means that we need to nurture and retain talent so that we are selecting from the widest possible pool for senior positions. This naturally takes time.

Each of our operating companies has launched dedicated plans to support gender equality and is working hard to embed them successfully. Some of our initiatives include:

- Training UK staff involved in recruitment to understand and recognise unconscious bias and ensure it does not affect the impartiality of their decisions.
- Improved work life balance initiatives including: sabbaticals; shared parental leave and improved pay for parental leave; updated maternity leave policy; and flexible working, which helps parents who are primary care givers.
- Reviewing recruitment and promotion processes.
- Equal pay auditing.
- An Inclusive Leadership Programme which blends digital learning, face to face workshops and peer coaching to help leaders understand why diversity is important for our business and how they can help achieve an inclusive culture.

We will always promote the best person for the job. Our diversity and inclusion ambition is to ensure all our people are fully able to demonstrate why they are the best person for the job.

We are determined to maintain the issue high on our agenda and to strive for constant improvement.



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