
Grosvenor Gender Pay Gap report 2018

This report outlines our performance on Gender Pay for our UK employees as of April 2018 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 world's largest privately-owned international property businesses. We develop, manage and invest in property in more than 60 cities around the world.

To help realise our ambition of achieving commercial success and enhance the wellbeing of the communities in which we work, delivering lasting social benefit, we aim to build a diverse workforce which reflects the communities in which we operate.

We can achieve this by attracting the best people from as wide a talent pool as possible and retain them through an inclusive culture. This enables us to be diverse in our thinking and inclusive in our behaviour so that our people can express their views freely within the context of our values.

In 2017 the UK Government introduced legislation for organisations to publish the difference in the average pay between male and female employees. This document reviews our pay gap in 2018 and outlines our approach to gender pay.

Mark Preston
CEO Grosvenor Group

What is a Gender Pay Gap?

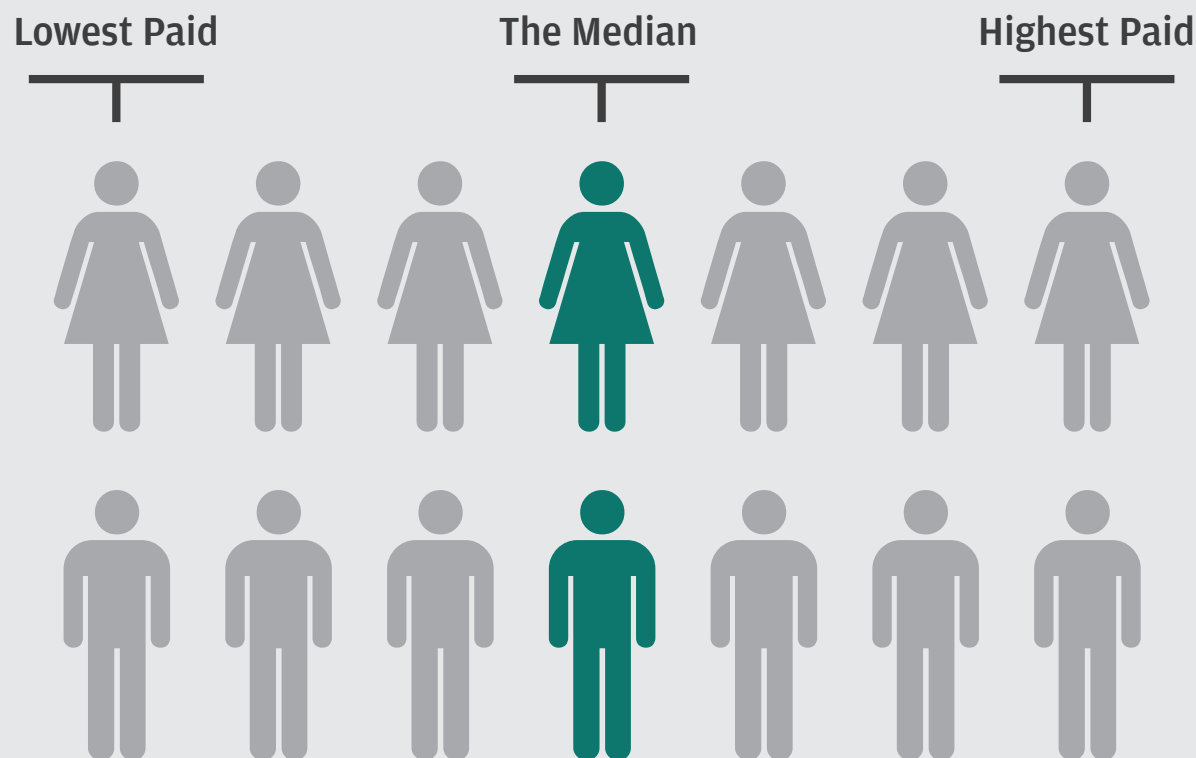
A gender pay gap shows the difference in the average pay between all men and women in a workforce.

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 2018 was 31.8% on a median basis (middle) and 37.3% on a mean basis (average).

Our pay gap is largely affected by our upper quartile, which captures the highest earning 25% of employees. There is a pay gap within this quartile because the very highest earners - our most senior directors and board members - are predominantly men.

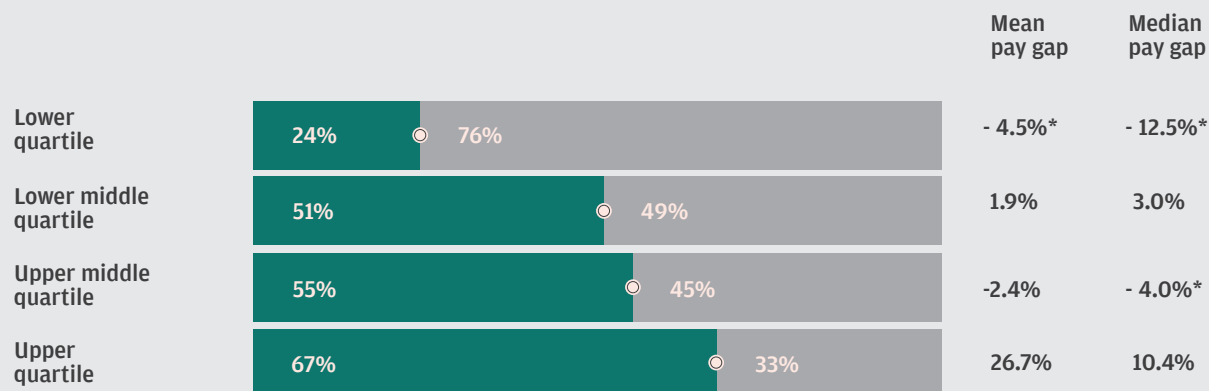
Our upper middle and lower middle quartiles are relatively well balanced, in terms of mean and median pay and distribution of men and women in the quartiles. In our lowest quartile, mean pay is relatively well balanced. There are significantly more women in the quartile, and the median pay is in favour of women.

The pay gap for bonuses is 60% on a median basis and 78.7% on mean basis. This is affected by two main factors:

Our bonus figures include long term incentive plans that in 2018 were paid to our most senior directors and board members. The incentive is typically based on performance over a three to five year period and linked to our long term success. The value of the payment is included in the year it is paid out; regardless of the performance period the payment covers.

Bonus calculations are not prorated for part time workers, and 13% of our female workers currently work part time.

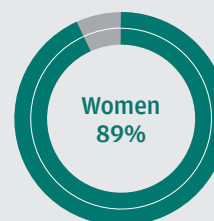
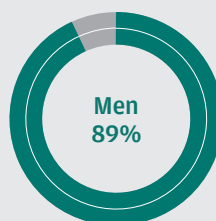
Gender pay by quartile



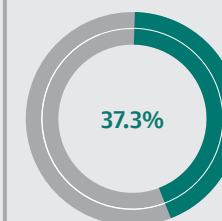
Note: the above chart illustrates the gender distribution across Grosvenor in four equally sized quartiles. The total company size is 352 employees.

Men Women

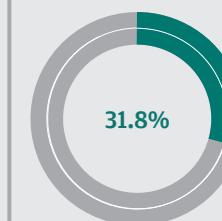
Number of people receiving a bonus



Overall mean pay gap



Overall median pay gap



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

Year on year results

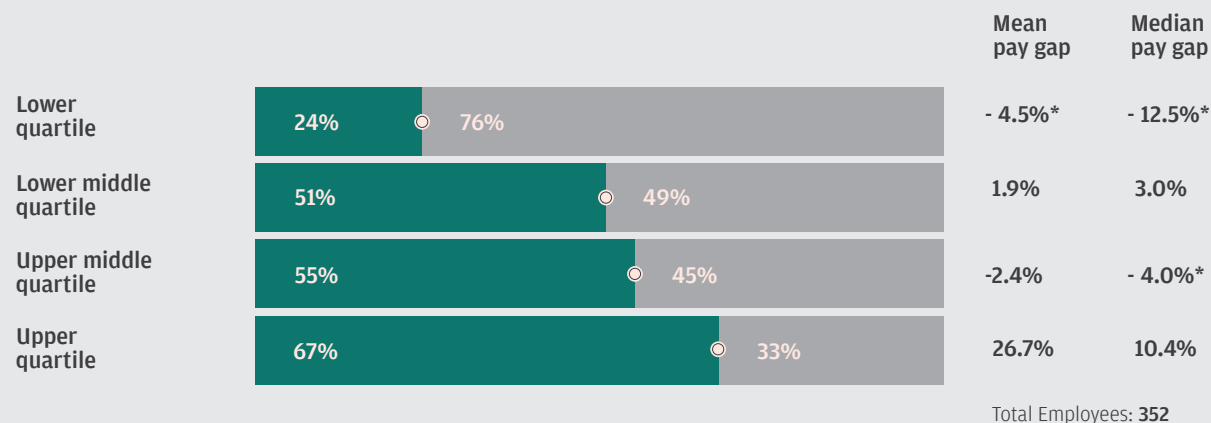
This table shows our results in 2018 compared to 2017.

Since 2017 we have seen improvements in our pay gap in our upper middle, lower middle and lowest quartiles. We believe this is testament to the measures - outlined in the next section - that we have taken to improve gender pay parity.

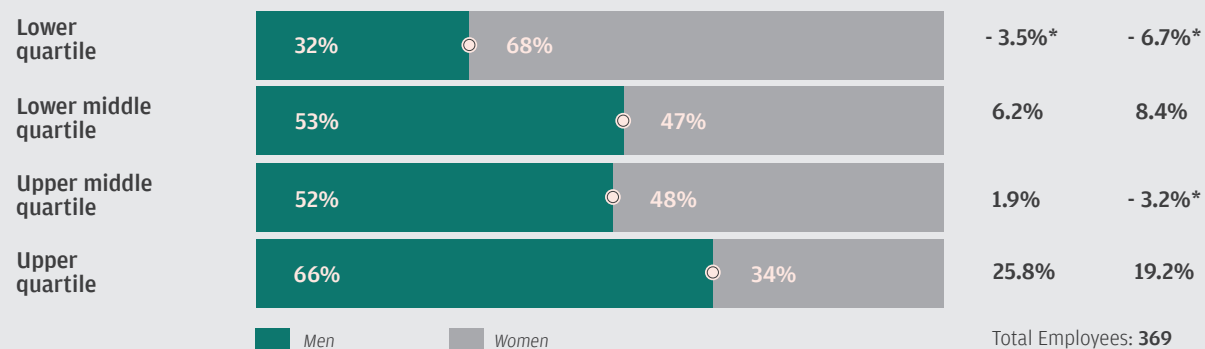
In our upper quartile, our pay gap has increased. The main reasons behind this relate to a number of men among our most senior directors and board members receiving performance related pay rises, and a number having their pay increased to recognise a significant increase in responsibilities as a result of taking on broader roles.

The increase in the gender pay gap in the upper quartile accounts for the overall increase.

2018



2017



Note: the above charts illustrates the gender distribution across Grosvenor in four equally sized quartiles.

Improving gender balance across all pay levels

It is important to recognise that we do not have an equal pay issue (that is rewarding men and women equally for doing work of equal value), however, we are determined to overturn the imbalance in our gender pay.

Our pay gap is predominantly affected by the demographics of our upper pay quartile and the fact that our senior directors are the product of an industry that has historically been male dominated. As we take proactive steps to tackle gender balance at all levels across the business, we are confident that we will start to see more females in the most senior positions and our gender pay gap will balance out.

Our approach to closing the pay gap is long term and we do not believe in positive discrimination in our appointments or promotions. Instead,

gender parity is part of our wider Group Policy on Equality, Diversity and Inclusion.

Since last year each of our operating companies has launched dedicated plans to support gender equality. Some of our initiatives include:

- Training all UK staff involved in recruitment to understand and recognise unconscious bias and ensure it does not affect the impartiality of their decisions
- Reviewing recruitment and promotion processes
- Equal pay auditing
- Introducing improved work life balance initiatives including: sabbaticals; shared parental leave and improved pay for parental

We take proactive steps to tackle gender balance at all levels across the business

leave; flexible working, which helps parents who are primary care givers - and updated maternity leave policy

- 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

- Joining industry groups which aim to improve gender balance across the property industry or get more women into top roles, such as 30% Club, Women on Boards and Real Estate Balance, in order to tap into their ideas as a company and help individual female colleagues develop skills to progress their careers

Closing our pay gap is not straightforward and whatever measure is introduced - short of wholesale positive discrimination - will not yield results overnight.

Notwithstanding the challenges of making progress quickly we are determined to see change and believe that our approach will start to show results once our initiatives to encourage a better gender pay balance have had a chance to take hold.