

Grosvenor Gender and Ethnicity Pay Gap Report 2021

This report outlines the outcome of our gender and ethnicity pay analysis for Grosvenor's UK employees, as of April 2021.



GROSVENOR



Foreword

Grosvenor is an international organisation which represents the Grosvenor family and whose purpose is to deliver lasting commercial, social and environmental benefit. We address today's needs, while taking responsibility for those of future generations.

Our activities include developing, managing, and investing in international urban property across many of the world's leading cities. In the Food & AgTech sector our growing investment portfolio includes some of the industry's most innovative businesses. And we manage rural estates and their environmentally sensitive habitats, while supporting charitable initiatives targeted at vulnerable young people.

As an employer, 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 organisation and that improving representation of minority groups at all levels, including the very top, will have the effect of reducing pay gaps across our employee population over time.

To achieve this, the different parts of our organisation have developed tailored diversity and inclusion strategies to best tackle their local

needs, focusing on themes such as education, creating career and professional development opportunities, flexible working and supporting families – all initiatives we believe will help us reach our goals.

The UK Government introduced legislation in 2017 for organisations of 250 employees or more 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 and have reported gender pay data for UK employees of our property company, Grosvenor Estate Management Limited (GEML), since.

This year we have sought to go beyond our statutory obligations and are voluntarily providing UK gender data from across all our UK-based entities (some of which employ fewer than 250 people). We are also reporting our ethnicity data for the first time.

This document reviews our gender and ethnicity pay gaps as of April 2021 and outlines our approach to achieving pay parity over time.

Mark Preston
Executive Trustee, Grosvenor

What is a pay gap?

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

We ask employees to identify their gender and see this as a non-binary choice. Employees who identify as a gender other than male or female are not included in the results, however, we review and compare their pay to ensure parity.

The mean 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 (hourly rate) of all men and all women separately and dividing them by the number of men and women respectively, to get an average for each group.

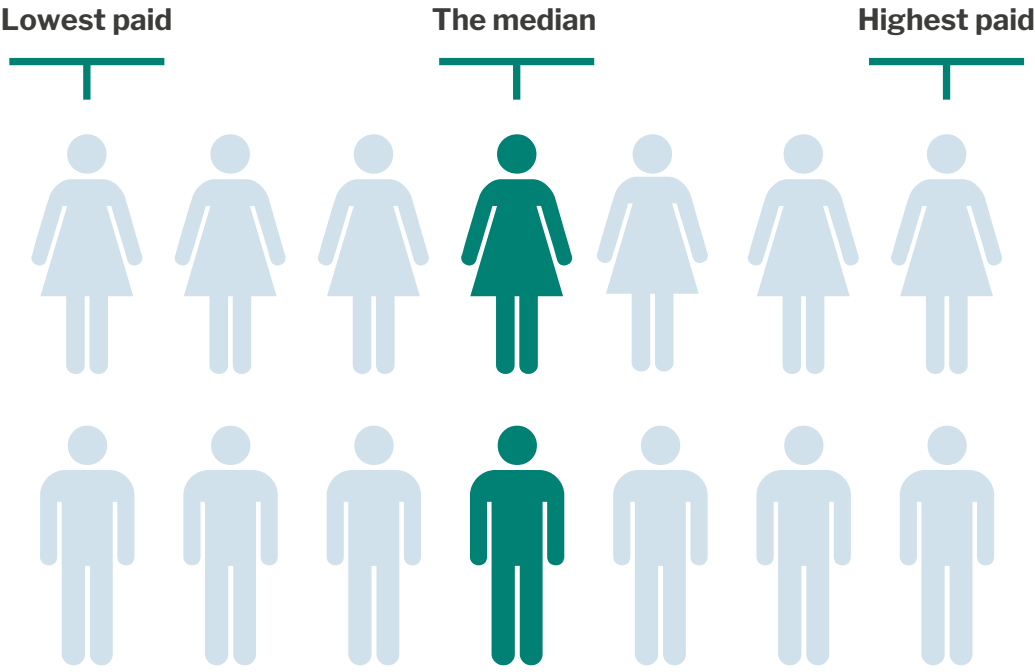
To calculate the median pay gap, all male employees and separately all female employees, are listed in order of pay. The median compares the pay of the man or woman in the middle of their respective lists.

We recognise that there are people of various backgrounds in our communities who are underrepresented and for simplicity of reporting our ethnicity pay gap, we have chosen to use the term ‘ethnically diverse’ to represent employees of non-white backgrounds. An ethnicity pay gap shows the difference in the average pay between white employees and those from ethnically diverse backgrounds.

We have followed the statutory gender pay reporting methodology when calculating our ethnicity pay gap. However, unlike gender, employee ethnicity data is not compulsory, and the disclosure rate is not 100%. This means that any employees with undisclosed ethnicities are excluded from our calculations. In 2021, our disclosure rate was 92% in GEML and 73.7% across Grosvenor.

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

Employees across Grosvenor are paid fairly and equally for doing the same job. We know this because annually, we have benchmarked the base pay of all our roles, both externally and internally.



Our gender pay results

Grosvenor Estate Management Limited (GEML)

The overall gender pay gap of GEML in April 2021 was 38.3% on a mean basis (average) and 35.6% on a median basis (middle), in favour of men.

There are two main factors affecting this gender 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 mostly men.

In 2021 compared with 2020, our mean pay gap has decreased by 4% and our median pay gap has decreased by 0.6%.

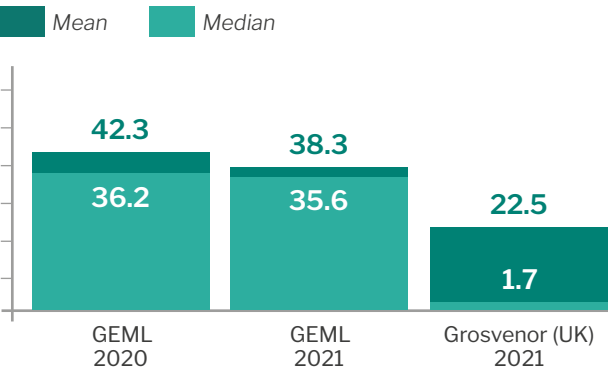
While the overall picture remains broadly similar and reflective of our policy of always recruiting the best person for the job, we are delighted with the progress we’ve seen. Some of the decrease in the pay gap is as a result of more women being promoted to senior positions. For example, in 2021 the Executive Committee of our UK property business became 75% female for the first time.

Across Grosvenor (UK only)

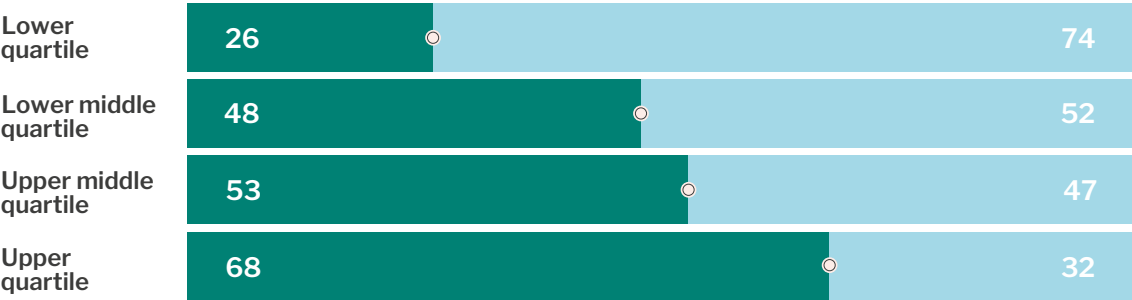
In our first year of reporting from across all UK-based Grosvenor employing entities, including GEML, our gender pay gap was 22.5% on a mean basis and 1.7% on a median basis, in favour of men.

The main factor affecting our mean gender pay gap across Grosvenor is that we have more men than women in the upper quartile of earnings. The median is lower than reported for GEML, as there are also more men working in the lower quartile across the wider business.

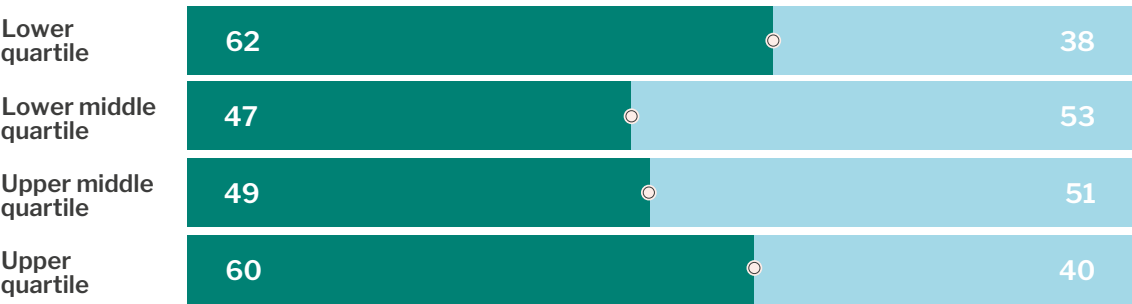
Mean & median pay (%)



GEML – Gender pay by quartile (%)



Grosvenor (UK) – Gender pay by quartile (%)



Our gender bonus pay results

Grosvenor Estate Management Limited (GEML)

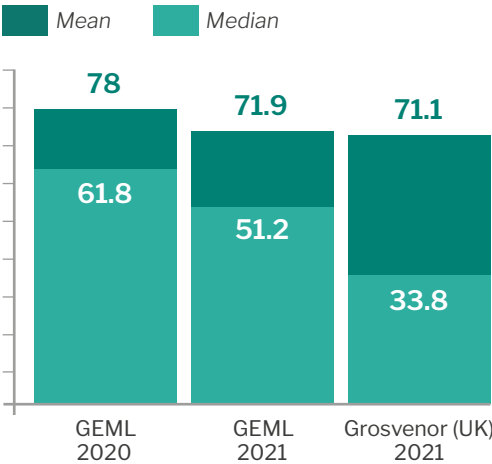
Our bonus pay gap is 71.9% as a mean and 51.2% as a median in favour of men. This is because the highest bonuses are paid to our board members and most senior directors, who currently are predominantly men. Also, the calculation does not allow for prorating of bonuses for part time workers.

Our bonus pay gap has decreased by 7.8% as a mean and 17.2% as a median. This is a result of some parts of the business with a greater number of higher paid men not issuing a bonus in 2021, as seen in our percentage of employees receiving a bonus data.

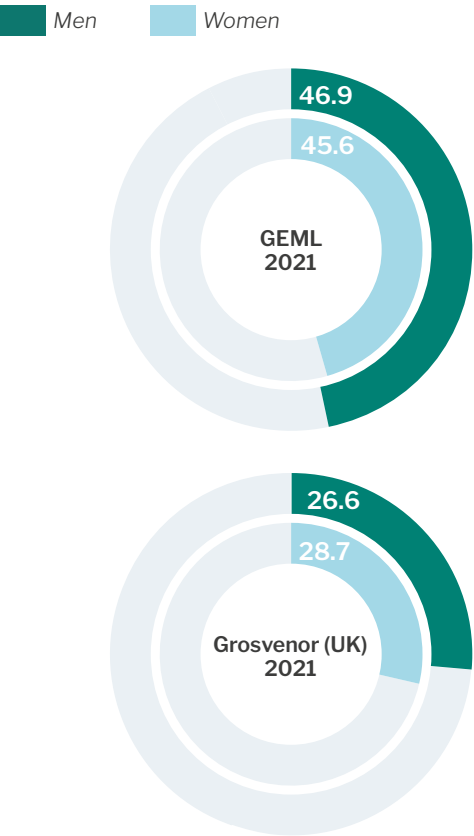
Across Grosvenor (UK only)

Grosvenor’s bonus pay gap is 71.1% as a mean and 33.8% as a median in favour of men. This pay gap mirrors the GEML data, because the most senior positions, who are mostly held by men, sit within the GEML entity.

Mean & median bonus pay (%)



Number of people receiving a bonus (%)

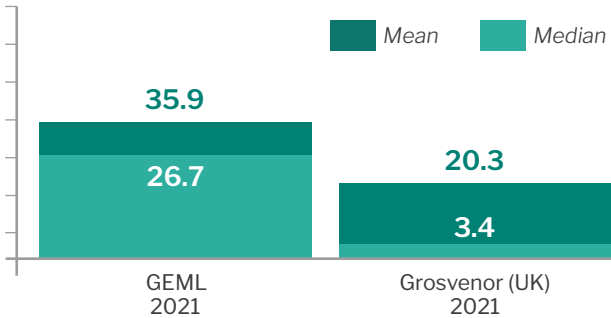


Our ethnicity pay results

Grosvenor Estate Management Limited (GEML)

The ethnicity pay gap for GEML in April 2021 was 35.9% on a mean basis and 26.7% on a median basis, in favour of white employees. The main factor affecting our ethnicity pay gap is that the most senior positions are held by white employees, which is reflective of the make-up of the property industry.

Mean & median pay – in favour of white employees (%)



GEML – Ethnicity pay by quartile (%)

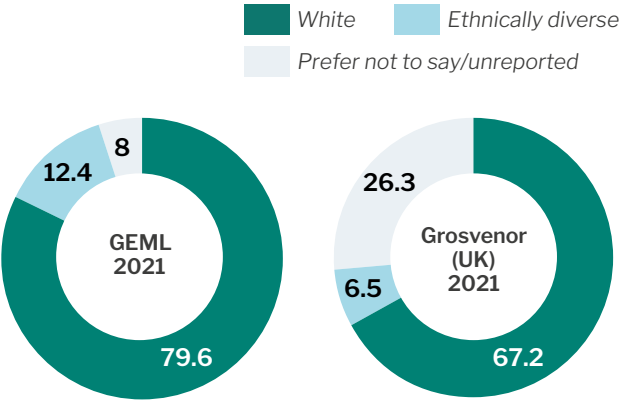


Across Grosvenor (UK only)

The ethnicity pay gap for Grosvenor in April 2021 was 20.3% on a mean basis and 3.4% on a median basis, in favour of white employees. The main factor affecting our ethnicity pay gap is that there are more white employees in both the upper and lowest quartiles.

We did not have sufficient data to report an ethnicity bonus pay gap.

Percentage reporting ethnicity data (%)



Grosvenor (UK) – Ethnicity pay by quartile (%)



Improving balance across all pay levels

We believe that the best way to improve gender and ethnicity 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 have not set targets for representation of gender or ethnicity in our organisation, as we do not believe in using positive discrimination as a substitute for fixing underlying causes of imbalance and will always recruit the best talent for the job, whatever their gender or background. However, we do aim to be as representative of the communities we operate in as possible. As we operate across the UK, we use UK ethnicity statistics to benchmark ourselves.

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. To achieve this, we must continue to expand the pool of talent from which we recruit for roles, ensuring people from different backgrounds have equal opportunities.

Our new recruitment platform, implemented in 2020, has enabled us to reach more diverse candidates than ever before, and we remain focussed on supporting new recruits, and employees at all stages of their careers, so that we can attract and retain top talent.





Diversity and inclusion in action

Each of the businesses and significant non-commercial entities within Grosvenor has a dedicated diversity and inclusion plan of which gender and ethnicity equality forms a key part.

These strategies are focused on themes such as education, creating opportunities, flexible working and supporting families.

Education

- Employee led culture networks including Pride, Disability and Race, developed to raise awareness and encourage practical change
- Inclusive awareness training for all
- Host events that aim to change the way our towns and cities are designed and shaped, ensuring our places are reflective of their diverse communities

Supporting families

- A Menopause Policy to support and retain female employees during this transitional time
- Maternity coaching to help make the transition back to work as easy and successful as possible
- Growing use of shared parental leave

Creating opportunities

- Reverse mentoring to help our leaders understand the obstacles that junior or minority employees perceive
- Increasing the number of recruitment partners to access different pools of talent
- Offering new apprenticeship and internships to a wider pool of candidates than before
- Participation in industry networks such as Women Ahead, which aim to increase female representation on boards and senior management teams

Flexible working

- A Hybrid Working Policy, which helps employees balance work and family life

