

Land Securities Group PLC

Gender Pay 2019

This is the third year that we have disclosed information on our gender pay gap and the information below is based on amounts paid in April 2019.

Pay element	April 2019			April 2018 (Salary Sacrifice adjusted)			Pay gap year-on-year change (% points)
	Male	Female	% difference	Male	Female	% difference	
Mean hourly salary	£48.02	£30.36	(36.8)	£43.51	£27.25	(37.4)	0.6
Median hourly salary	£36.99	£23.28	(37.1)	£33.48	£20.83	(37.8)	0.7
Proportion of employees receiving a bonus	78.2%	74.5%		83.6%	75.5%		
Mean bonus	£28,419	£10,053	(64.6)	£38,336	£13,838	(63.9)	(0.72)
Median bonus	£11,236	£4,803	(57.3)	£10,969	£4,376	(60.1)	2.85

Quartile split	Number	% Male	% Female	Male mean hourly rate	Female mean hourly rate	% difference in hourly rate
Lower	147	28.6	71.4	£14.80	£16.20	9.5
Lower Middle	147	38.1	61.9	£24.08	£23.76	(1.3)
Upper Middle	147	55.8	44.2	£36.66	£35.13	(4.2)
Upper Quartile	148	70.9	29.1	£82.95	£71.73	(13.5)

The definition of pay shown is an hourly pay rate for each relevant employee as at 5 April of the relevant year, reflecting base salary and certain allowances. This year there has been further guidance on how to treat certain items including pension contributions made by employees out of their gross pay by way of salary sacrifice. We have reflected this change in the way we have calculated hourly pay and have adjusted the 2018 comparison figures from those reported last year so that the calculation can be viewed



on the same basis for comparison purposes. The bonus figures shown include total variable pay over the previous 12 months (bonus paid plus any proceeds on exercise of SAYE, ESOP or vesting of LTIP awards).

It is disappointing to note that we have made negligible progress in narrowing our gender pay gap in terms of both the mean hourly pay gap (0.6% point improvement since 2018) and the median hourly pay gap (0.7% point improvement since 2018). There has also been very little improvement in the median bonus gap (2.85% point improvement since 2018) and the gap has widened slightly for the mean bonus payment. The bonus gap remains extremely high.

52% of our employees were women as at 31 March 2019 and female representation is at 40% or more for our Board, Executive Committee and their direct reports, and our Senior Leaders. More than 50% of our managers are female. However, women are significantly under-represented in the Leader level of our organisation and despite putting in place several initiatives to support women into leadership we have moved backwards during this year. At the end of March 2019, 19.5% of our Leaders were women compared to 24.4% in the previous year. Although this is a move of only four positions, we are disappointed with this outcome and will be looking at new ways to support women into leadership in the coming year. We have set more stretching targets for 2025 so that we retain focus and transparency on this critical issue.

Clearly, female under-representation at senior levels contributes to our gender pay gap. We also continue to find it challenging to fill senior roles with female candidates in core property and other technical disciplines which tend to attract a higher market pay. We will be looking at our recruitment model and working with our recruitment partners in the coming year to improve our ability to attract a more diverse workforce across all under-represented groups.

During the year, to support our work on understanding gender pay and with our continued focus to ensure our reward packages are fair, particularly our base compensation, we appointed an independent law firm to undertake a detailed impartial equal pay audit. The audit concluded that Landsec has a robust pay structure in terms of setting pay fairly and identified some recommendations to improve administration. These will be implemented in 2019/20.