

## Land Securities Group PLC Gender Pay 2017

The UK Government has introduced legislation that will require employers with 250 or more UK employees to disclose information on their gender pay gap. The first disclosures will be based on amounts paid in April 2017 and must be published by 4 April 2018.

Improving all aspects of the diversity of our workforce is a key people priority for Landsec, as is being a leader in promoting change across our sector. We have therefore chosen to publish our data in this year's Annual Report.

The table below shows the gender pay picture for Landsec, calculated in accordance with the published requirements. The definition of pay shown is an hourly pay rate for each relevant employee as at 5 April 2017, reflecting base salary and certain allowances. 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).

Pay element	Male	Female	% difference
Mean hourly salary	£43.26	£28.86	(33.3)
Median hourly salary	£33.36	£21.27	(36.3)
Proportion of employees receiving a bonus	79.0%	77.1%	
Mean bonus	£42,894	£14,282	(66.7)
Median bonus	£12,741	£4,780	(62.5)

While at a headline level, the figures would suggest a significant pay gap between males and females in our business, we are satisfied that the issue is one of female representation in higher paying roles, rather than of equal pay for equivalent roles. The analysis below, which includes additional data on hourly rate and mean bonus levels by pay quartile, illustrates this more fully:

Quartile split	Number	% Male	% Female	Male mean hourly rate	Female mean hourly rate	% difference in hourly rate
Lower	138	21.7	78.3	£16.07	£15.68	2.5
Lower middle	138	40.6	59.4	£23.33	£22.39	4.0
Upper middle	138	55.1	44.9	£34.21	£33.70	1.5
Upper	138	72.5	27.5	£75.37	£68.35	9.3

Like other companies across our industry, we have a lower proportion of females in senior roles than we would like. As we have said elsewhere in the Annual Report, we have seen encouraging progress at the most senior levels, and we already exceed the Hampton-Alexander review target of 33% female representation at Executive Committee and the level below (the top 28 executives). However, the majority of our upper quartile roles (encompassing our Executive, Senior Leader and Leader levels) are still occupied by males.

In the pay quartiles where there is a greater prevalence of females, their hourly pay matches, or even exceeds, that of their male counterparts. Given this, the differential in mean bonus payments at the lower levels of pay may seem surprising. However, this can partly be explained by the relatively high proportion in these groups of part-time females, whose bonus payments are pro-rated. For example, in the lower quartile, 14.2% of our employees are part-time and they are all female.

Encouraging more females into senior roles has become a key priority for us, which is why we have committed to a specific target of improving our female representation at Leader level (broadly the lower end of upper quartile) from 20% to 30% by 2020. This is underpinned by some specific initiatives such as the female mentoring programme and a new set of industry-wide recruitment guidelines which we have developed in collaboration with our peers.

Published data as required under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

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