

Landsec
Gender and Ethnicity
Pay Gap report 2024



Introduction



Creating inclusive, meaningful places for people to live, work, shop and enjoy their lives is a priority for us as a business. To better understand the communities we invest in and make sure the places we curate are adding value for everyone, we need to make sure they're created and influenced by people that reflect the diverse communities that use them. We also need to make sure that our people are treated fairly and empowered to achieve their full potential.

One of the ways we monitor how we're performing internally is through our gender and ethnicity pay gap, which we report on annually. We've reported on our gender pay gap since the gender pay gap regulations came into effect in 2017. This is also our fourth year of voluntarily reporting on our ethnicity pay gap and our pay gaps by seniority level to support our commitment to transparency and accountability in all areas of diversity and inclusion (D&I).

It's worth noting that when we talk about our pay gap, it's not a reflection of unequal pay. Equal pay is about how much colleagues are paid for doing the same or similar role or work that's considered of equal value. All our employees are paid based on their role and experience, regardless of their gender or ethnicity. We undertake external equal pay audits on a biennial basis to ensure scrutiny on the issue, with our most recent audit being undertaken in summer 2023.

Introduction

What's the data telling us?

This year we've seen a slight improvement in our mean gender pay gap whilst the median has increased by a small percentage. This was driven by small shifts in the distribution of women across our pay quartiles, with increased female representation in the two lowest pay quartiles and smaller (but still positive) increases in the two upper pay quartiles.

As a result of our continued focus on bringing diverse talent into the business, we've seen an increased number of ethnic minority and female hires over the past 12 months. 54% of all hires were female and 32% were from an ethnic minority background. Representation of ethnic minority staff in the upper middle pay quartile has increased the most from 10.9% to 17.6%. This has driven an improvement in our mean ethnicity pay gap and only a minor increase of 0.1% in our median ethnicity pay gap.

As a business that's relatively small by headcount, even a small number of changes in representation at our most senior levels will impact our pay gap.

Our overall workforce is broadly representative of the UK population as a whole – 50% female and 20% ethnic minority. Our pay gaps are caused by the shape of our workforce – with more women and ethnic minority employees at our more junior levels, and more men and white employees at the more senior levels. We see a similar pattern in occupation type – with more diversity in our group functional roles and less in our property-focused roles. It takes time to see change and we've seen that some of our actions that will help in the long term – bringing more female and ethnic minority colleagues into the company at entry-level has negatively impacted our pay gaps in the short term. We are making progress with increasing gender and ethnic diversity at senior levels but this will take time to impact our pay gaps. Further details on how we're working to address our pay gaps are provided on page 12.

Kate Seller

Chief People Officer at Landsec



How we calculate and report on our pay gaps

Our gender and ethnicity pay gaps have been calculated using the UK government's statutory methodology for gender pay gap reporting. Our reporting is based on pay after salary sacrifice as required by statute. Hourly pay is based on the pay period including 5 April 2024 and bonus pay is based on bonuses paid between 6 April 2023 to 5 April 2024.

Note on ethnicity reporting

Our ethnicity pay gap calculations are based on individuals who have chosen to declare their ethnicity and exclude those we do not hold data for due to lack of historical diversity monitoring or those employees who have selected 'prefer not to say'. As of the reporting date we have ethnicity data for 98% of employees. We have taken the decision to combine the data of our ethnic minority colleagues because of our small overall employee population. As pay gap calculations report on averages, the data is more meaningful when reporting on a larger dataset.

Legal entities

We include data for Landsec Group and Land Securities Properties Ltd. At the date we needed to report on our pay gap – 5 April 2024 – we were only legally required to report on Land Securities Properties Ltd which doesn't include the people employed by Uandl Group Ltd.

That said, and in the spirit of all being part of the same group, we have chosen to voluntarily publish pay gap and diversity data for all of our employees who are on one PAYE reference. This includes 616 employees from Land Securities Properties Ltd and 20 employees from Uandl Group Ltd and we refer to it as Landsec Group throughout our report.

Our gender pay gap figures

Landsec Group

	2024	2023	Pay gap change
Mean Gender Pay Gap	28.2%	29.1%	-1.0%
Median Gender Pay Gap	29.2%	27.6%	1.6%
Mean Gender Bonus Gap	61.2%	60.1%	1.0%
Median Gender Bonus Gap	51.3%	53.3%	-2.0%

Quartiles	Male	Female	Mean Gap 2024
Lower	29.6%	70.4%	-1.6%
Lower Middle	45.3%	54.7%	4.8%
Upper Middle	59.7%	40.3%	-3.1%
Upper	63.5%	36.5%	13.9%
Total	49.5%	50.5%	28.2%

Land Securities Properties Ltd

	2024	2023	Pay gap change
Mean Gender Pay Gap	25.6%	26.1%	-0.5%
Median Gender Pay Gap	29.0%	26.4%	2.6%
Mean Gender Bonus Gap	59.4%	56.1%	3.3%
Median Gender Bonus Gap	50.6%	53.3%	-2.7%

Quartiles	Male	Female	Mean Gap 2024
Lower	29.2%	70.8%	-2.3%
Lower Middle	45.5%	54.5%	3.9%
Upper Middle	61.7%	38.3%	-1.9%
Upper	61.0%	39.0%	12.4%
Total	49.4%	50.6%	25.6%

Our gender pay gap figures

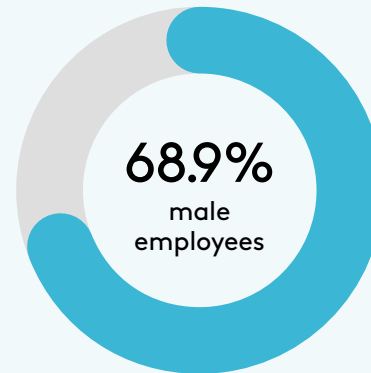
What's behind these figures?

This year, we saw a mixed picture with our mean gender pay gap improving slightly and the median worsening by 1.6%. These small changes in our gender pay gaps are due to increases in female representation in all of the quartiles, except the upper middle quartile which has seen a decrease in female representation. In real terms this is due to increased female representation in all of our leadership populations but a small decrease in our mid-level management population which is largest in number.

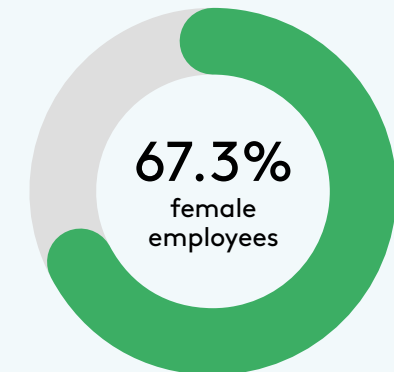
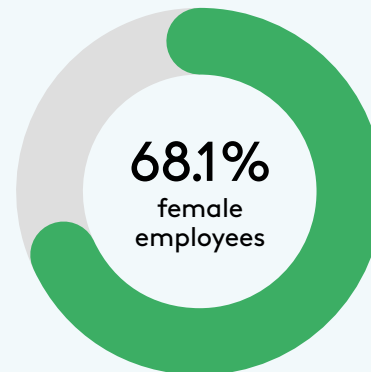
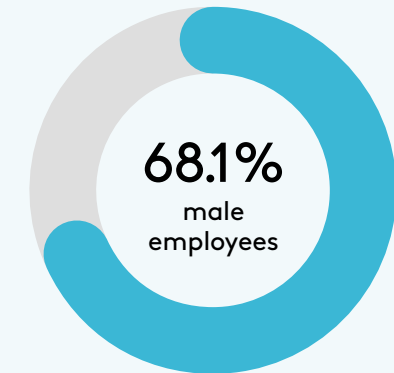
Our mean gender bonus gap worsened by 1% while the median gender bonus gap improved by 2.0%. These changes are small and we still believe the main reason for our ongoing large bonus gap is due to the reduction in gender diversity as the job level increases, and due to there being a larger proportion of men in property roles which attract higher salaries (and therefore higher bonus outcomes) than our non-property roles.

Percentage of employees receiving a bonus payment in 2023/24

Landsec Group

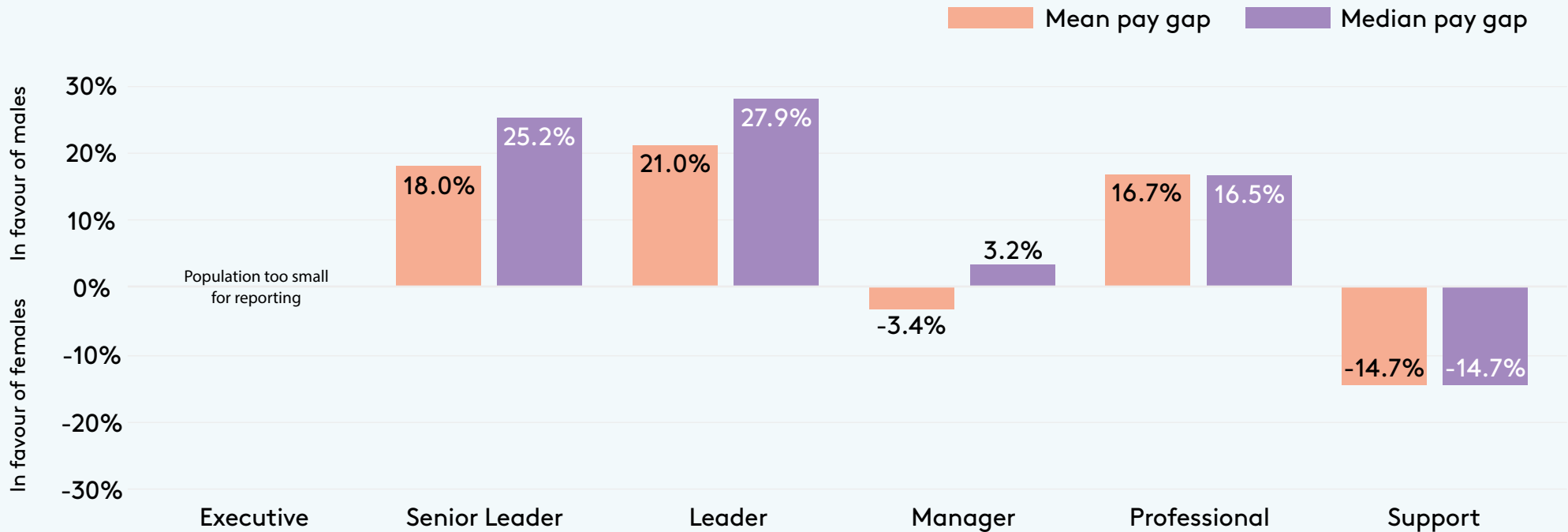


Land Securities Properties Ltd



Our gender pay gap figures

Gender pay gap by level



We voluntarily calculate our pay gaps by seniority level. At our manager and support levels, our gender pay gaps are in favour of women.

Our highest gender pay gap in favour of men is at our Leader and Senior Leader levels which we believe is due to occupational segregation: Property roles receive higher remuneration than Group function roles and a higher proportion of those in Property roles at these levels are male, compared to the proportion of men in Group function roles.

Our ethnicity pay gap figures

Landsec Group

	2024	2023	Pay gap change
Mean Ethnicity Pay Gap	39.6%	43.0%	-3.4%
Median Ethnicity Pay Gap	39.5%	39.4%	0.1%
Mean Ethnicity Bonus Gap	69.8%	58.2%	11.5%
Median Ethnicity Bonus Gap	47.7%	29.8%	17.8%

Quartiles	White	Ethnic minority	Mean Gap 2024
Lower	61.6%	37.1%	5.6%
Lower Middle	78.6%	20.8%	1.0%
Upper Middle	79.2%	17.6%	1.5%
Upper	93.7%	3.8%	9.4%
Total	78.3%	19.8%	39.6%

Land Securities Properties Ltd

	2024	2023	Pay gap change
Mean Ethnicity Pay Gap	39.6%	42.5%	-3.0%
Median Ethnicity Pay Gap	39.1%	38.7%	0.4%
Mean Ethnicity Bonus Gap	74.3%	56.7%	17.5%
Median Ethnicity Bonus Gap	47.8%	27.8%	19.9%

Quartiles	White	Ethnic minority	Mean Gap 2024
Lower	62.3%	36.4%	6.0%
Lower Middle	77.9%	21.4%	1.3%
Upper Middle	81.2%	15.6%	4.8%
Upper	92.9%	5.2%	21.0%
Total	78.6%	19.6%	39.6%

Our ethnicity pay gap figures

What's behind these figures?

Our mean ethnicity pay gap has decreased, and the median has only increased by 0.1% because the representation of ethnic minority employees has increased across all pay quartiles, except the lower middle quartile. This is due to a high proportion of ethnic minority new starters over the period. 31.6% of new starters over the past 12 months are from ethnic minority backgrounds.

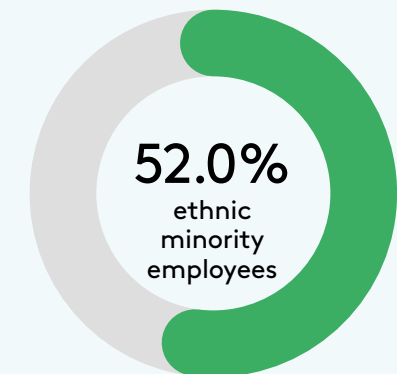
Our mean and median ethnicity bonus gaps increased between 2023 and 2024. There was a reduction in the percentage of ethnic minority employees receiving a bonus. This is due to a higher number of ethnic minority hires between January 2023 and March 2024 compared to existing headcount, and hires the previous year. (45.4% of staff from ethnic minority backgrounds were new joiners in this period compared to 24.8% of white staff). New starters joining during this period were not yet eligible to receive a bonus due to their length of service (or joined after the bonus award date). The positive action of increasing our ethnic diversity over the relevant period has resulted in a lower proportion receiving a bonus.

Percentage of employees receiving a bonus payment in 2023/24

Landsec Group

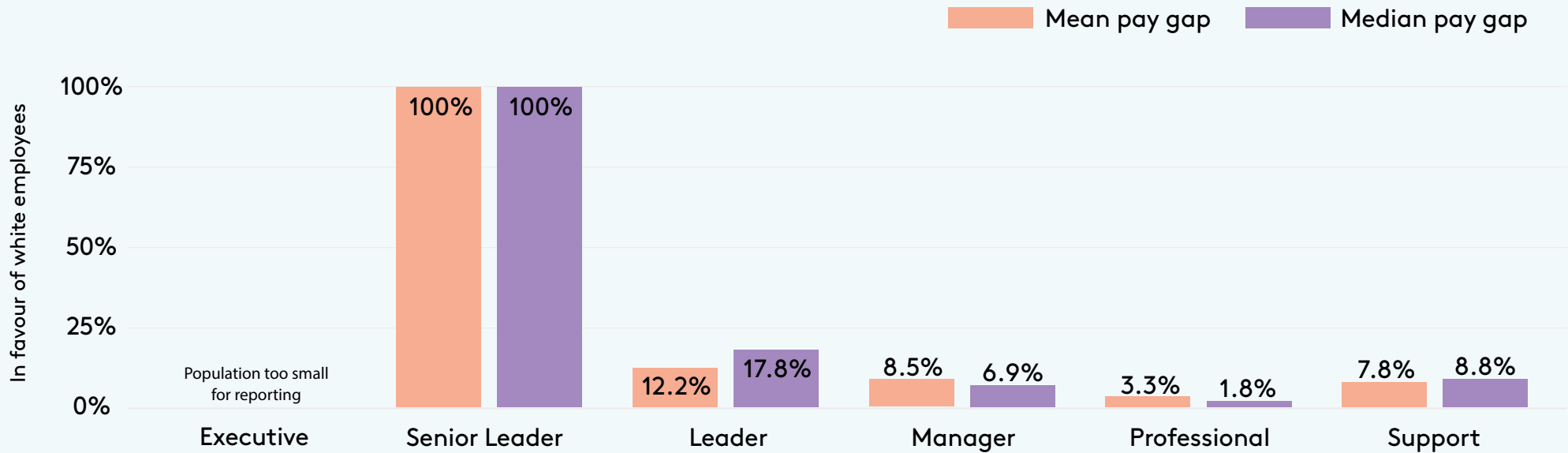


Land Securities Properties Ltd



Our ethnicity pay gap figures

Ethnicity pay gap by level

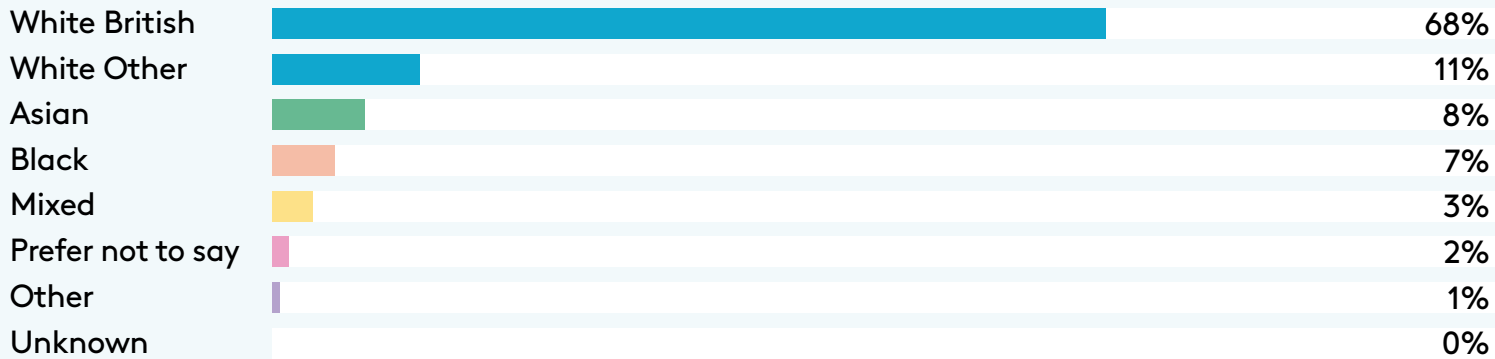


The pay gap at each level of the business is smaller than our overall pay gaps. The exception to this is at our Senior Leader level where at the time of reporting, there was no ethnic minority representation within this seniority level.

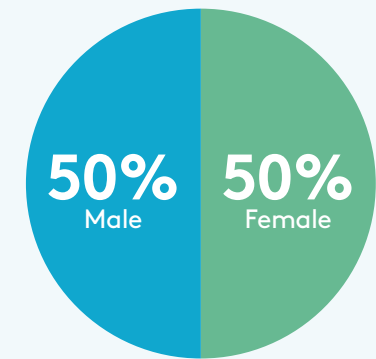
The main factor influencing pay gaps within levels is the higher representation of white employees in property roles, which attract higher remuneration than group or support roles.

Diversity at a glance

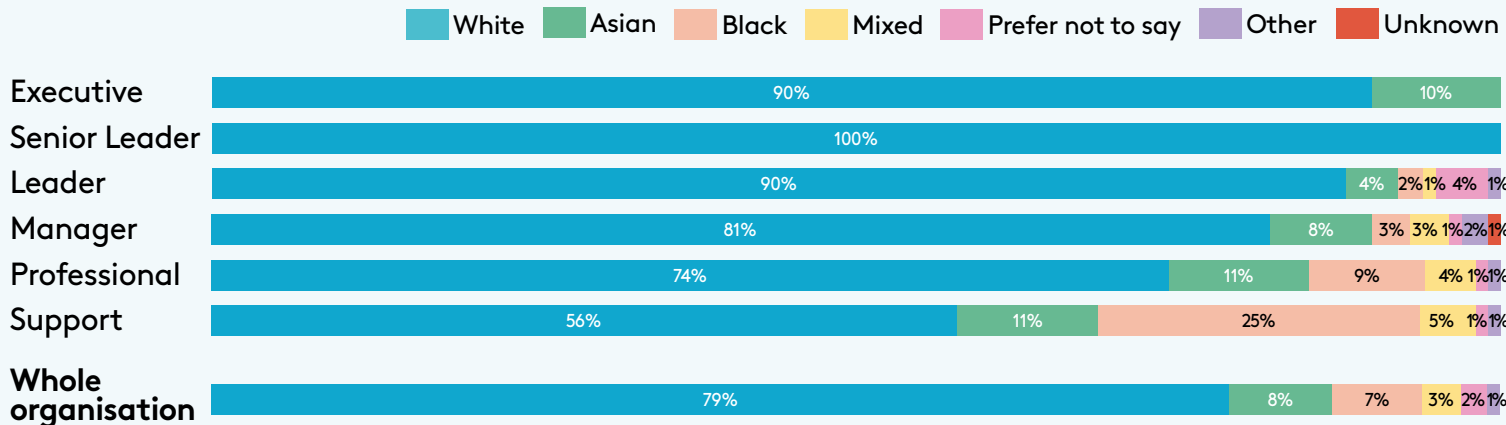
Ethnic diversity – all employees



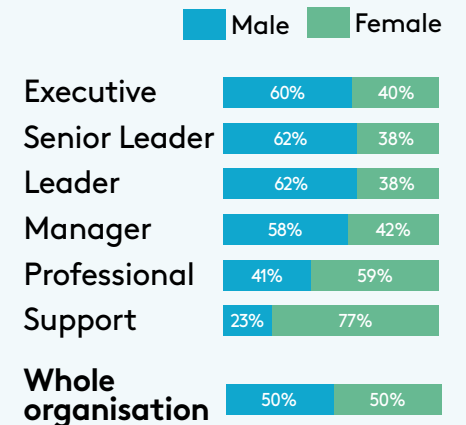
Gender diversity – all employees



Ethnicity by level



Gender by level



*Note: Percentages may not total 100% due to rounding.

Addressing our pay gaps

Our pay gaps are largely due to the shape of our workforce. We have a higher representation of white and male employees at more senior levels and a higher representation of ethnic minority and female employees at more junior levels.

The actions we're taking now will take time to impact our pay gaps, with at least a two year lag between changes such as hires and promotions impacting our bonus gap.

What are we doing to change this?

Diverse talent

The diverse talent pillar of our D&I strategy sets out the actions we're taking to improve the recruitment, retention and progression of female and ethnic minority employees at all levels – from future talent to leadership. These include:

- **Following our inclusive recruitment process for all leadership hires** – This process includes reviewing job descriptions for bias, consistently undertaking structured interviews, using employee interview panels, assessing candidates on inclusive leadership behaviours and setting gender and ethnic diversity shortlist targets for our recruiters and agencies.
- **Enrich career development programme** – In 2024, we introduced a new talent development programme targeted at ethnic minority colleagues at professional and manager levels. While we have over 25% ethnic minority representation at junior levels, this decreases from management level and above.
- **Embedding D&I into our talent strategy** – with our newly established bi-annual Group talent review. During this review, the executive leadership team has a focused discussion on talent which includes data insights on gender, ethnicity and progression by level to ensure that inclusion and fair representation on our core talent programmes is central to decision making.
- **Landsec Futures internships** – Our internships and bursaries programmes are supporting our Diverse Future Talent objectives, with eighteen interns welcomed to Landsec so far and seven university bursaries committed to real estate students from underrepresented backgrounds.

Addressing our pay gaps

Inclusive culture

We're taking steps to create an inclusive and supportive culture to ensure everyone is enabled to perform at their best. This includes:

- **Inclusive policies and benefits** – We have a range of policies and benefits to make sure that all our people are supported. In 2024 we further improved benefits to support working parents including:
 - 6 weeks paid **partner leave** (previously 2 weeks and referred to as **paternity leave**) for the non-birthing parent to take over the first year of the child's life.
 - Up to **4 weeks of paid leave** to support parents whose baby is born prematurely and requires **neonatal care**, added to the end of their family leave.
 - Up to **4 weeks paid leave** to support those undergoing **fertility treatment** or to attend these appointments with their partner.
 - **Back to work coaching and support** for anyone who returns after taking 26 weeks or more of family leave.
 - The option to **phase their return over a 6 month period**, working 80% of the time for 100% of their pay for colleagues returning after taking 26 weeks or more of family leave.
- **Entitlement to participate in our Annual Bonus Plan now continues to accrue throughout the period of leave where the colleague is on full pay**; including adoption, maternity, partner (paternity) leave, and shared parental leave.
- Anyone who joins us **is now eligible** for our enhanced family leave and can apply for flexible working **from day 1**.
- **Our affinity networks (Diaspora and Landsec Women)** – Our affinity networks help us to create an inclusive culture where everyone can thrive and have a rewarding career. Each network has a dedicated budget and a sponsor from our executive leadership team who champions the network at executive level. Landsec Women and the Diaspora network, focused on gender and race equality respectively, also collaborate on initiatives. These include providing mentoring opportunities for predominantly female ethnic minority students through the Diverse Leaders Network.
- **Reverse mentoring** – In 2024 we rolled out a 6 month reverse mentoring programme for our executive leadership team. Each ELT member was paired with a more junior colleague who reverse mentored them based on an area of lived experience, including race and cultural heritage and experiences of returning from maternity leave. The scheme supported the leadership team in understanding the experiences and insights of colleagues from minority backgrounds and experiences within the business.

Addressing our pay gaps

Foundations

To make sure our D&I activity is impactful, we are led by data and evidence of what works in everything we do, and are transparent on our progress so that our colleagues and our partners can hold us accountable. In practice, this means our actions are informed by:

- **Tracking recruitment data trends** – We track gender and ethnicity trends for candidates at each of the four main stages of recruitment: Applied, telephone interview, second interview and hired. Doing this helps us to understand how diverse our candidates are, and to see what else we need to do to promote more diversity across the recruitment process.
- **Sharing our diversity dashboard with all colleagues** – Our diversity dashboard allows us to understand the representation of employees by gender and ethnicity in different areas and levels of our business. All colleagues can view the dashboard to understand diversity in their own business areas and understand anonymised trends such as recruitment and promotion trends to understand where action needs to be focused in their business area.
- **Connecting D&I targets to executive remuneration** – In 2024, we introduced targets on diverse shortlists and ethnic minority and female representation at leader level within executive remuneration to support accountability for improvement.

To find out more about our wider diversity and inclusion actions, take a look at our diversity and inclusion pages.

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