

Diversity at Landsec

Including our gender
pay gap data for 2020



Landsec

Foreword

Foreword from
Barry Hoffman,
Group HR Director

Here at Landsec we strongly value diversity and aim to be an inclusive employer. We strive to attract, retain and promote employees from all backgrounds, regardless of their gender, race, religion, age or sexuality.

This approach contributes to cognitive diversity, creativity and innovation in our workforce, widens our talent pool, helps us to better reflect, understand and respond to our customer base and, ultimately, improves our decision-making ability.

This report focuses on gender diversity, in line with current reporting requirements on gender pay. We are, however, committed to creating a culture of diversity in the broadest possible sense.

As of April 2020, Landsec's median gender pay gap narrowed from 37.1% in 2019 to 34.3% in 2020. Our mean gender pay gap however increased from 36.8% last year to 37.7% in 2020. We are disappointed to see this gap widen.

We know that our female representation at senior levels of our business, and therefore our gender pay gap, are not where they should be. The gap is mainly driven by fewer women in senior roles in our business, which we're working hard to address and will talk more about later in this report.

Our approach to recruitment and progression is one of the most important factors in defining our culture and future workforce composition. We firmly believe that embracing diversity enables us to perform better and succeed in a competitive market. Appointments for roles at all levels are made following a fair and transparent recruitment process, and our workforce is 52% female in composition.

The gender pay gap is an issue and a challenge that not only affects the real estate sector and its individual companies, but society as a whole.

That's why we've taken the decision to publish not only the data required by the Government, which covers all staff employed by Land Securities Properties Limited (the entity covered by the Gender Pay Gap Regulations), but also data for the three Executive Directors who are employed by Landsec Group PLC. We believe that this level of transparency is in the spirit of the regulations and what they are trying to achieve. However, more importantly than that, by publishing these figures, we can hold ourselves to account and track our progress as we seek to achieve our goals of closing the gap.

To be the business we want to be - one that attracts and retains the best talent, one that works with and serves the communities around us, and one that our people are proud to work for - we must take focused, tangible actions, and we're committed to doing this at pace.

From Barry Hoffman,
Group HR Director



Key actions to address our gender pay gap

Enhanced parental leave

We've enhanced our parental leave allowances to empower employees to be able to balance their home and work life more effectively. We now offer six months fully paid parental leave to all employees – an increase of 10 weeks.

Diversity strategy

We've appointed a Diversity & Inclusion Manager, a new role for Landsec as we seek to embed more inclusive behaviours and values into our business and culture.

Attracting female talent

To help us increase female representation at leader level and above at Landsec, our recruitment agencies are committed to sourcing candidates from the widest pool of talent possible. We're also developing a returnship programme targeted at women who've left the property sector or have taken a career break and are looking to return to work.

Retaining and developing talent

We've introduced a new development programme called Thrive, especially designed to support women to develop the skills and confidence to develop into leadership roles.

Agile working

Every role advertised internally and on our website is open to a conversation about flexible working to support a positive work-life balance.

Enabling equal access to opportunities

We collaborate with our local communities to deliver programmes for young people from a diverse range of backgrounds to share insight into our business, and help give them the confidence to achieve their ambitions and have successful careers.



Our gender pay gap 2020

Pay element	April 2020			April 2019			Pay gap increase (% points)
	Male	Female	% difference	Male	Female	% difference	
Mean hourly salary	£47.19	£29.38	-37.7%	£48.02	£30.36	-36.8%	0.9
Median hourly salary	£36.25	£23.80	-34.3%	£36.99	£23.28	-37.1%	-2.8
Proportion of employees receiving a bonus	82.9%	78.7%		78.2%	74.5%		
Mean bonus	£23,382	£9,108	-61.0%	£28,419	£10,053	-64.6%	-3.6
Median bonus	£11,332	£5,850	-48.4%	£11,236	£4,803	-57.3%	-8.9

We're committed to building a balanced workforce and are looking closely at why our mean pay gap has widened.

Our median gender pay gap narrowed from 37.1% in 2019 to 34.3% in 2020 and our mean pay gap increased from 36.8% in 2019 to 37.7% in 2020. Our pay gap is still much higher than the UK average of 17%.

We want to go beyond just publishing raw numbers and have chosen to analyse our gender pay gap to find out why this gap exists at Landsec and to identify actions we can take to improve it.

The gender split of our business is fairly even - 48% male, 52% female. We're confident that our gender pay gap is not caused by our approach to setting pay levels. We use an industry standard Job Evaluation methodology and we voluntarily undertake regular independent equal pay audits to confirm that our approach to pay operates fairly and within the law.

Our pay gap is driven by the structure of our workforce because we have significantly more women (66%) than men (34%) in non-management roles (our support and professional roles), and a higher number of men (73%) than women (27%) in leadership and senior leadership roles.

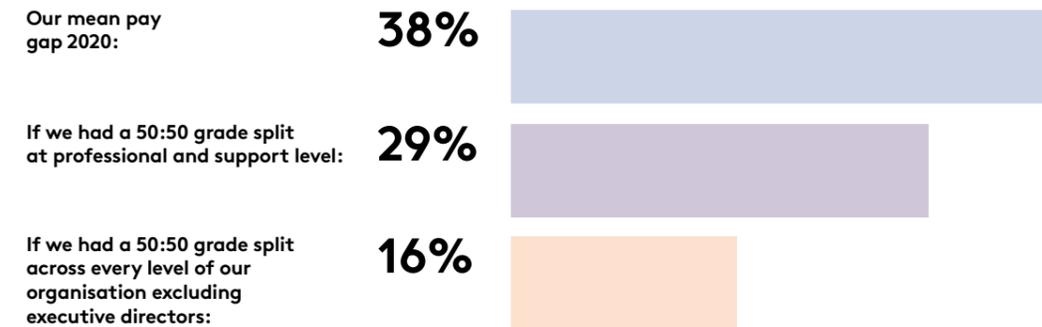
If we had gender parity in our non-management roles (support and professional roles) our overall mean pay gap would reduce to under 30%. If Landsec was to achieve gender parity at every level of our organisation, our mean pay gap would reduce to around 5%.

Female representation at Landsec in 2020:

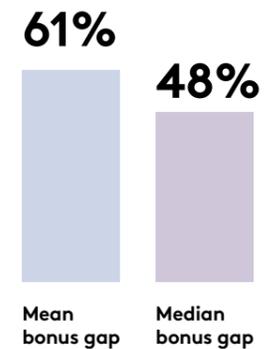


We recognise that we need to do more to support women in their career progression. To focus the organisation, we have set some long-term targets which we expect to encourage more women to join and progress their careers at Landsec and will provide an impetus to narrow the gender pay gap.

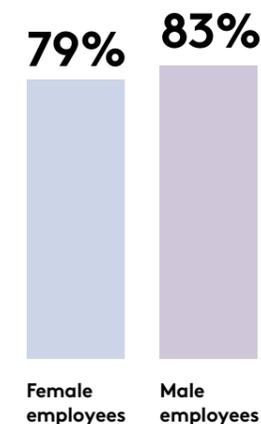
Analysis of our mean pay gap



The structure of our workforce also influences our mean and median bonus gap, which sits at 61% and 48% respectively. Our bonus gap is impacted by the higher percentage of men in more senior roles.



The proportion of males and females receiving a bonus payment:



Our diversity targets

We have a long-term commitment to diversity and inclusion and gender balance, which is why we've set challenging targets that we're working to achieve by 2025.

The targets we set for attaining gender balance should be seen in the context of a wider programme of measures to make our organisation more diverse, more welcoming and ultimately more successful for our employees as well as for our customers, communities and partners.

Key targets

	Whole organisation	Board, executive Committees & Senior Leaders	Leader level
Female representation (by 2025)	50%	50%	40%
BAME representation (by 2025)	>14%	14%	14%

Sexual orientation

Achieve appropriate accreditation as a welcoming place to work for everyone irrespective of sexual orientation.

Disability

Achieve appropriate accreditation as a welcoming place to work for everyone irrespective of physical ability.

We believe these targets are challenging, but also a fair and attainable goal if we work hard to make our organisation a welcoming and supportive place for all employees.

Current status (March 2020)

	Whole organisation	Board, executive Committees & Senior Leaders	Leader level
Female representation (2020)	52%	31%	24%
BAME representation (2020)	17%	0%	11%

Taking action

To make more progress towards our targets, we're supporting women at all stages of their career. This year we've established new talent development initiatives, we've enhanced our parental leave pay, and we've changed the way we recruit so that we're attracting more diverse candidates.

Above all we are talking about living and breathing diversity in every part of our organisation – from our inclusion committee (Landsec Includes) to our employee networks and in our assets where we consider our customers' needs.

We have spent time thinking about our culture and the mechanisms we use to attract, retain, promote and support women through the organisation and the wider property sector.



Mo Kebbay, Diversity and Inclusion Manager at Landsec

Evolving our culture

– We've appointed a diversity and inclusion manager, a new role for Landsec as we seek to embed more inclusive behaviours and values into our business and culture. Diversity and inclusion are integral to us being able to deliver for our customers and we believe this appointment will enhance our efforts to meet our diversity goals.

– We want to support people through their careers, and that means supporting them in life outside Landsec, too, removing traditional barriers for women and others with caring responsibilities. This year we've enhanced our parental leave allowances to empower employees to be able to balance their home and work life more effectively. We now offer six months fully paid parental leave to all employees – an increase of 10 weeks. It's important that people have the opportunities to spend more time with their children as they grow their families, and that we can ease the financial pressures new and existing parents can often experience.

– We want to support women through all milestones of their personal and working lives. We're investigating how we can do more to support key life transition points that may have a significant impact on women, including the menopause and early parenthood.

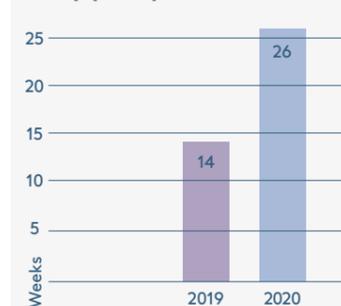
– We want all our people to work in a way that enables them to achieve their career goals. We know how important agile working is to support a positive work life balance, which can be a great benefit for women in particular during and after periods of absence. We've invested in technology that offers all employees the opportunity to work in more agile ways such as full Office 365, and lightweight Microsoft Surface Pros that can be used for work in any place at any time.

"We recognise that we still have a way to go to improve our environment so that our people can thrive and have a rewarding career. While we've made good progress in creating a diverse and inclusive organisation, we're not yet where we want to be.

"Our D&I strategy strives towards better representing the people and communities we serve and creating a more inclusive and gender balanced working environment. Within these areas, we've set ambitious goals to guide our efforts, measure progress and hold ourselves to account. We'll also seek to better understand the contributing factors to the gender pay gap to enable us to address it."

Mo Kebbay, Diversity and Inclusion Manager

Fully paid parental leave



Attracting female talent

- To help us increase female representation at leader level and above at Landsec, our recruitment agencies are committed to sourcing candidates from the widest pool of talent possible, and we hold them to account in delivering diverse and gender-balanced shortlists for all roles for us.
- To ensure our advertised roles are attractive to a diverse mix of people, we are rewriting all our job descriptions and our job adverts to remove gendered language and instead use gender-neutral language.
- Every role advertised internally and on our website is open to a conversation about flexible working and we clearly state this.
- Our family friendly policies are openly published on our website so that anyone applying for a role can understand how we support parents and carers.

Retaining and developing female talent

- We've introduced a programme called Thrive, especially designed to support women to develop the skills and confidence to secure promotion and develop into leadership roles, and to guide men on how to support aspiring women leaders.
- Development doesn't stop at the end of a formal programme like Thrive, and so we've introduced a mentoring programme, which supports female mentees through their careers with Landsec.
- Building diversity into our processes is a constant journey and decisions about promotions, pay, internal moves and recruitment are all taken with support from data and insight from our HR system, Workday. We've configured Workday to collect and report on data, which makes our decision making more powerful.

"Introducing Thrive is the first time we've focused on targeting development for a single population, but we know that we need to take clear and proactive steps to support them. As a result of this programme, we anticipate that we'll see talented females take control of their futures by having proactive career conversations and build confidence, so they put themselves forward for career opportunities. It will also build internal networks and visibility leading to an increase in female role models."

Lisa Reynolds-Jones,
Learning and Development
Manager, on the Thrive programme

"The Thrive programme so far has been insightful and highly relevant to my personal development, providing me with a new level of self-awareness and confidence to put the skills I've learnt in to action. I hope the programme will enable me and my Thrive colleagues to recognise the typical barriers that may limit our potential and provide us with the tools to overcome them. I believe understanding this will ensure this extremely talented group of women continue to succeed and positively drive diversity within Landsec and the wider property industry."

Alex Chitty, Portfolio Manager, taking part in the Thrive programme

Lisa Reynolds-Jones,
Learning and Development Manager at Landsec

Taking action

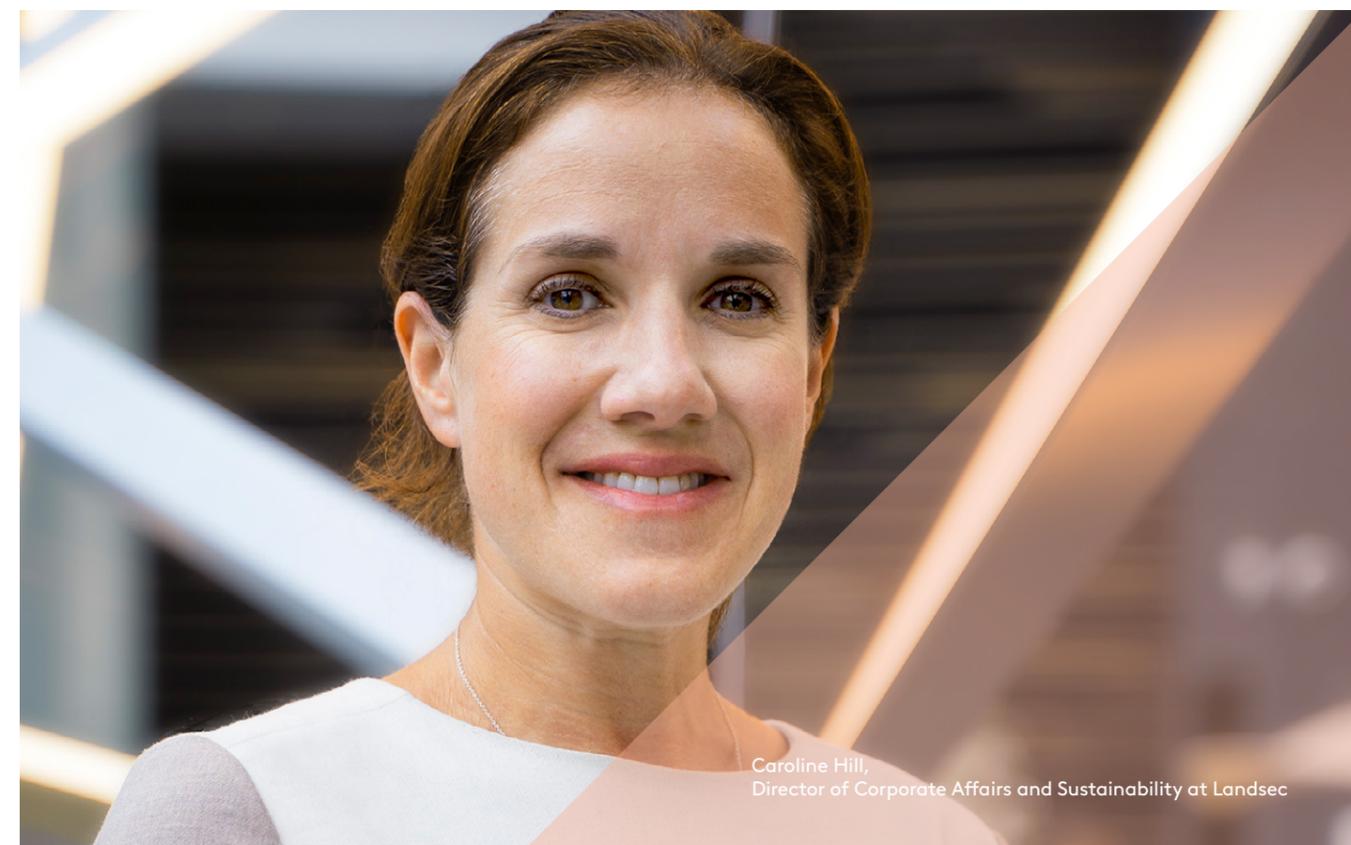
Addressing wider societal issues

As a society and a sector we face a serious issue that needs addressing. Encouraging more women into real estate is a goal that we're committed to and we're working hard to make it a reality.

- We run education programmes in the local communities in which we operate to encourage more young people from diverse socio-economic backgrounds, in particular BAME and female students, to consider a career in property. By partnering with local schools, we ensure young people meet diverse role models from all areas of our business to help make our industry an inclusive place for everyone. For example, our Build Your Future education programme in London inspires Year 8 girls through projects and site visits, to explore the property industry and, since 2017, over 140 students have taken part.
- We're also developing a returnship programme targeted at women who've left the property sector or have been on a career break and are looking to return back to work.

"Working towards a business that is representative of our local communities by opening up opportunities to all is a priority to address the significant gender imbalance in the property industry. Our education programmes are inclusive of students from all backgrounds and we focus on providing these young people with the confidence and skills they need to succeed in their careers, closely supported by our volunteers. In turn, this helps us achieve a more diverse and successful business, and to address the future skillsets we will need as our industry evolves."

Caroline Hill, Director of Corporate Affairs and Sustainability



Caroline Hill,
Director of Corporate Affairs and Sustainability at Landsec

Inspiring the next generation

298

young people – 63% of whom were female have completed a Landsec education initiative

92%

of these students reported an increase in confidence

97%

said they felt more prepared for the labour market



Participants in Landsec's Circl mentoring programme

Our Future Property School programme, run with Construction Youth Trust, inspires Year 12 students from schools in Victoria about working in property. Around 15 young people take part each year and carry out workshops supported by volunteers from our business while working on an exciting new development project.

Future Property School introduces students to diverse industry professionals from Landsec and our partners in construction, architecture and innovation, helping to provide strong role models and mentors. This is significant as 67% of this year's Future Property School students are female and 78% are BAME, so by showcasing the diversity of our people and roles at Landsec, we can send a powerful message that the property industry is open to everyone.

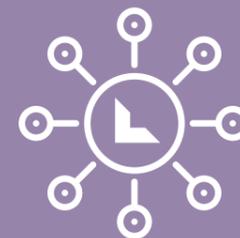
Our diversity and inclusion strategy

Our vision is for Landsec to be an inclusive workplace where all employees can thrive and have a rewarding career; for the diversity of employees reflects the communities we serve, and to provide inclusive and accessible services for our customers and build inclusive relationships with suppliers.



Build and maintain a diverse workforce & talent pipeline

- Ensure recruitment is fair, diverse & inclusive
- Build a diverse talent pipeline
- Provide inclusive learning opportunities for all employees



Embed inclusive behaviours & values into our culture

- Support line managers to embed inclusive behaviours
- Promote inclusive network events
- Promote work life balance & wellbeing



Provide inclusive services for our customers

- Inclusive & accessible design
- Inclusive policies, procurement & practices
- Supplier diversity
- Wellbeing



Build an inclusive employer brand

- Host and attend events that promote Landsec as an inclusive employer and customer brand
- Enter appropriate industry awards/benchmarks

Enabling equal access to opportunities

Giving young people insights into our business and the confidence to achieve their ambitions is important in helping us to close the gender pay gap. One way we do this is through our Circl leadership programme where our employees coach – and are coached by – students from Southwark across an academic year. Circl showcases the exciting world of property to young people who may have never considered this as a career, and it makes our industry more accessible by breaking down barriers through giving them a professional coach and network.



Participants in Landsec's Circl mentoring programme



Participants in Landsec's Build Your Future programme



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