

# MINDING THE GAP

LENDLEASE'S UK GENDER PAY GAP REPORT



## Foreword from Dan Labbad, Chief Executive Officer, International Operations



Lendlease's founder Dick Dusseldorp was a passionate believer in the need for companies to justify their worth to society, setting him apart as a visionary for his time. Fast forward sixty years and this vision helps to underpin our approach to diversity and inclusion, driving our culture while acting as a constant reminder of our commitment towards progress on issues like gender equality and gender pay.

It is no secret that like many industries, the property and construction sectors suffer from female underrepresentation, which is particularly pronounced at senior levels. This is something Lendlease is determined to address by attracting more women to the industry and supporting the development of more women into senior roles.

If we fail to take proactive action, both as a company and as an industry, then we will all suffer as a whole. By attracting more women to the industry and supporting their development into senior roles, we can all realise the benefits greater diversity brings. Empowering new ways of thinking from a wider talent pool will help tackle the skills crisis and enable modern day businesses to rise to today's challenges. Although the industry is working hard to break down many barriers and perceptions which have held the sector back, we need to fast-track this change. At Lendlease we have already achieved equal pay for equal work and by applying the same focus to gender representation I'm confident we can make a positive impact.

Benchmarking is one way to help drive positive change, which is why we welcome the Government's requirement for companies to publish their gender pay gap. As part of our plan to address the gender pay gap we have introduced a number of pro-active measures; from prioritising flexible working to supporting and developing female leaders, which you can read about in this report.

While we recognise that closing the gender pay gap will take time and like so many have much more to do, we are committed to building a more diverse workforce.

A handwritten signature in black ink, appearing to read 'Dan Labbad'.

## A place for all - about Lendlease:

Lendlease is a leading international property and infrastructure group behind many of the UK's best and well-known projects. We are the UK's only fully integrated retail, residential and commercial provider of end-to-end property solutions specialising in development, construction, investment and asset management.

With 1,200 UK employees, not only are we committed to building and creating the best places, we are also committed to ensuring Lendlease is a place for all by celebrating and supporting diversity and inclusion.

When it comes to gender equity we are committed to creating a level playing field so everyone has an equal chance of success. This applies to all our processes and policies, ensuring opportunities are fair and equitable for all.

### Gender pay reporting requirements

From April 2017, all UK organisations which employ over 250 employees are required to report annually on their gender pay gap. The gender pay gap is defined as the difference in the average earnings of men and women over a standard period of time, regardless of their role or seniority. Due to historical mergers and acquisitions Lendlease has a number of business entities. Only our construction entity is required to publish data under the regulations, however we felt it was important to analyse and publish data for our Lendlease UK business overall.



## Equal pay for equal work

### We are confident all our people are paid equally for equivalent jobs

Our Career and Job Framework, introduced over 5 years ago, classifies each role by level and type in the organisation, enabling us to identify like-for-like roles. This means we can accurately measure and eliminate pay disparity and also gives us the ability to recruit gender neutrally because pay is benchmarked by role rather than person.

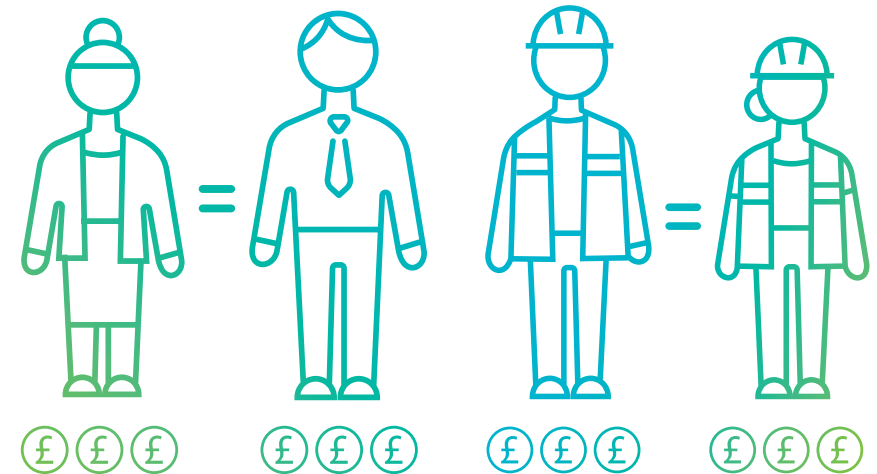
A continued emphasis on equal pay is important to the leadership team and each year through our compensation review process we analyse pay and bonus outcomes to ensure the parity we have worked hard to achieve is maintained.

## Gender pay

Gender pay measurement, as defined by the recent legislation, is distinct from equal pay as it is not measuring the parity of pay for roles of the same level. Instead it compares the average pay by gender of all roles collectively, regardless of level or type.

Equal pay does not contribute to our gender pay gap so we welcome the new legislation as this raises the awareness of representation of women in the industry - particularly in senior roles. We know that our gender pay gap is due to the low number of females within our UK business, in particular at senior levels. Our current overall representation is 71% men and 29% women, which is mirrored in our Executive population that has increased from 24% to 29% in the last 18 months.

In our Construction business female representation is a considerably greater challenge. So when looking at this business entity in isolation the gap is much bigger, as the representation of woman is 19% and only 7% in senior management roles.



### Gender Pay & Bonus Gap

Table 1 demonstrates the mean and median gender pay gap, based on hourly rates of pay for our overall Lendlease UK business and our UK Construction business as at 5<sup>th</sup> April 2017, and the difference between bonus payments made in the 12 months preceding the 5<sup>th</sup> April 2017.

Table 1

		Mean	Median
Lendlease Construction	Hourly fixed pay gap	30.4% lower	33.0% lower
	Bonus gap	65.4% lower	51.4% lower
Lendlease UK*	Hourly fixed pay gap	19.2% lower	26.5% lower
	Bonus gap	46.2% lower	39.3% lower

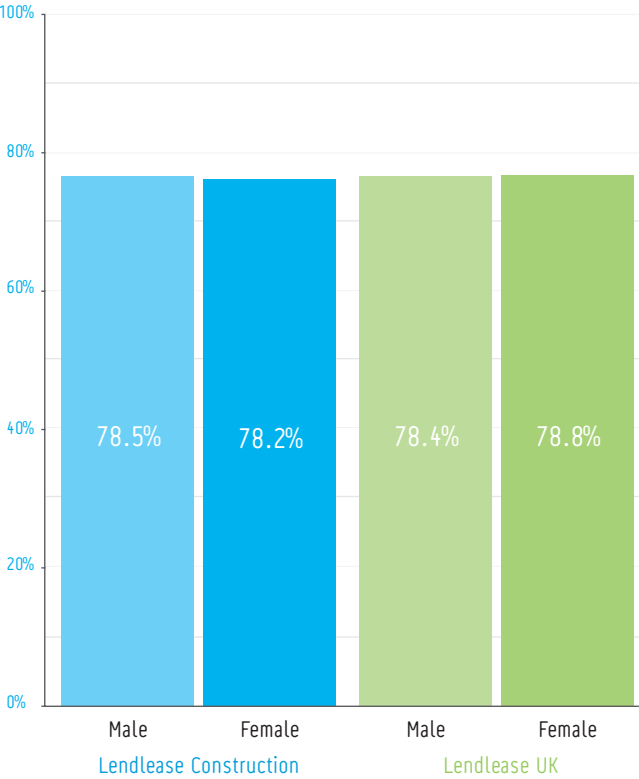
\*Figures for Lendlease UK do not include Non-Executive Directors



# Proportion of employees awarded a bonus for 2016

Table 2 shows the proportion of men and woman who received a bonus for their performance in the 2016 financial year, demonstrating that all employees have an equal opportunity to earn a bonus payment.

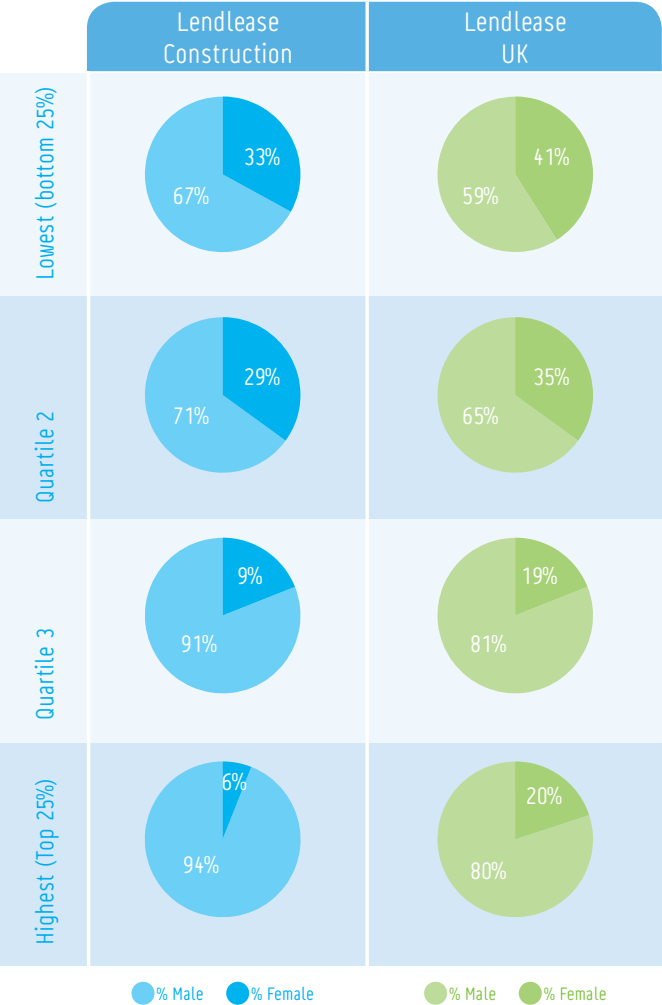
Table 2



# Pay quartiles

Table 3 shows the distribution of gender across four equal quartiles of pay from the lowest 25% of earners to the highest 25% of earners. For example the highest 25% of earners in our overall UK business consists of 20% female and 80% male.

Table 3







## LEADERSHIP AND CULTURE

Leadership is vital to building and cultivating a culture which develops and supports a diverse and inclusive workplace. This not only helps our people feel valued, but helps to build a better, stronger and more innovative Lendlease.

As part of our ongoing journey, we are proud to have become the first property group to achieve the National Equality Standard (NES). We now use the NES framework as our guide for continuous improvement.

### Leadership

- Gender representation targets now form part of our senior leadership's performance targets.
- We have introduced leadership behaviour assessments to provide valuable insights into building high performing and inclusive teams.
- In the last 18 months we have increased senior female representation from 24% to 29% - and are currently targeting 33% by 2020.

### Culture

- By promoting flexible working practices we are aiming to increase our ability to attract diverse talent and support wellbeing. In our last engagement survey 71% of our people reported having flexible working arrangements.
- We offer enhanced parental leave with equal entitlement, irrespective of gender.



## THE RECRUITMENT CHALLENGE

It is widely acknowledged the construction industry faces a tough challenge in attracting women to the sector, particularly into senior roles and we are dedicated to playing a leading role in addressing this. Not only do we want to encourage more women to join Lendlease, we also want to help encourage our extensive supply chain to attract more women to the sector.

We are asking our supply chain to include diversity targets in their tenders, which form part of the scoring criteria. We hope this will act as a catalyst to encourage them to think about how they are addressing this challenge.

### Established a 50:50 graduate intake

To drive long-term change and encourage more females to consider careers in the industry we have introduced a 50:50 graduate mix and have also broadened our criteria to encourage a wider mix of subject backgrounds which is showing a measurable difference year on year.

38%	45%	54%
Females 2015	Females 2016	Females 2017

### Tackling unconscious bias

We understand unconscious bias has played a long-term role in limiting opportunities, especially for females. To ensure we are addressing this challenge we have rolled out unconscious bias training across the organisation and have introduced a robust selection process for people managers through the establishment of diverse assessment panels.

### Balanced candidate shortlists

We now insist on recruitment shortlists which include women to ensure we have a balanced shortlist for each role. We have also broadened our attraction methods through partnering with gender focused organisations.







## GROWING AND SUPPORTING OUR FEMALE TALENT

Supporting and developing our people is not only a key business priority but is critical to the ongoing success of our business.

### Talent and succession programme

We are focused on developing females into senior roles through our talent and succession programme. To date we have increased the number of identified female successors by 50%.

### Future leaders

Our future leaders programme has a target of 50:50 representation to support and grow the next generation of leaders across the business.

### Female development programme

We are also piloting a female development programme which includes mentoring and networking events.



## CASE STUDIES

Here's what just some of our people have to say about working at Lendlease:



Nicky Whitbread  
Senior Marketing  
Manager, Residential

*"Diversity means having a workplace that embraces people of all different backgrounds, genders, and cultures. It's important that everyone feels included, and I think we work hard at Lendlease to promote that."*



Rob Heasman  
Project  
Director

*"Lendlease is the place for me because it gives everyone the opportunity to be their best."*



James Walsh  
Finance Business  
Partner

*"Lendlease values families and gives me the opportunity to spend more time with my kids. Lendlease is a level playing field and there are lots of opportunities – people can go anywhere that they want to go."*



Angela Brennan  
Development Project  
Manager

*"How we approach equality and diversity links back to our overall vision of creating the best places. Lendlease is a place for me because it has allowed me to grow and has provided me with opportunities and it is accepting and embracing in terms of all differences – by virtue of that, it allows me to thrive."*



Clare Amass  
Project  
Manager

*"Every time I have felt frustrated or stuck in a role, there are people always willing to listen to my concerns, and set me on a new challenge where I can better achieve my goals. Having that flexibility is invaluable."*



Rada Popova  
Assistant Development  
Manager

*"Lendlease was probably the first company where from day one I felt very supported and felt that this is definitely a place where the culture would fit me."*

To hear what our staff have to say about the importance of gender equality you can visit [Lendlease A Place for Me](#).

### Declaration

We confirm that Lendlease Construction (EMEA) Limited's gender pay gap calculations have been carried out in accordance with the requirements of the Regulations. The data and statements within this report have been verified by our People & Culture department and the calculations and methodology under the Regulations have been assured by our external legal advisors.