



UK Ethnicity Pay Gap Report 2020: Race *Action* Plan

This is the first year we've reported our Ethnicity Pay Gap (EPG). We're doing this on a voluntary basis because we believe it's the right thing to do. With less than 10% of UK businesses reporting their EPG, we hope others will follow. The process of reporting and benchmarking allows us to use data to focus our efforts on where we need to do the most. This exercise leaves us in no doubt that setting ethnicity targets is vital to accelerating the changes we want to see. In the absence of any EPG regulations we have followed the approach that aligns with our most recent Gender Pay Gap (GPG) Report, which went further by setting gender targets because we weren't satisfied with the pace of change.

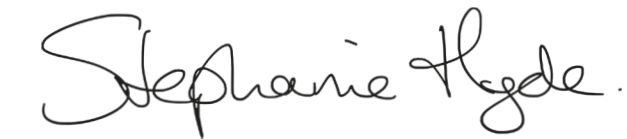
This report details our EPG and the action plan we have in place to reduce the gap. EPG is the average pay across all roles and the differential between white and all other ethnicities, different from equal pay which looks at the comparison of people in the same role. We have followed the statutory GPG reporting methodology when calculating our gap.

Our EPG mean pay gap is 16.3% which is based on a 73.5% response rate. The reason the pay gap exists is because of a lack of ethnically diverse representation at senior level. We need to do more to increase the proportion of ethnically underrepresented colleagues and believe voluntary reporting, coupled with targets, gives us the focus to hold ourselves to account and improve. We know that these things alone aren't enough, and we continue to focus on embedding an ethos of fostering an inclusive workplace for all day in day out.

As this is our first year of reporting, we don't have comparative data. Instead we are focusing on what the results show, the actions we need to take to narrow the gap, and how we drive a more complete data set in the future.

*The main body of this report concentrates on JLL UK, which is how we present ourselves and operate within the UK. JLL UK comprises of six operating entities: JLL Ltd, JLL Resources, JLL Services, Integral, Hall & Kay & LaSalle Investment Management Limited.

"Ultimately, we want JLL to be a place where people feel like they belong, regardless of their difference. EPG reporting and targets are another example of us delivering on our strategy to create a more diverse workplace and inclusive culture. We're learning from our experiences, our peers, and clients. By doing the right thing we're grounded by our purpose to shape the future of real estate for a better world."



Stephanie Hyde

Chief Executive, JLL UK

"This is the first year we're reporting our EPG and from the outset we're taking immediate action to narrow our pay gap. This is why we're pushing ourselves with an ambitious race action plan, which incorporates targets that we'll work to achieve. The real estate industry has historically been slow to react and we're prepared to make a stand to force change for the benefit of all."



Kweku Yankson

HR Director, UK & Ireland



EPG explained

EPG shows the difference in the average hourly rate of pay between our ethnically underrepresented colleagues and our non-ethnically underrepresented colleagues. It is expressed as a percentage of the average non-ethnically underrepresented earnings, regardless of their role. An EPG can be driven by several factors including a lack of ethnically underrepresented colleagues in senior positions.

EPG is different to equal pay. Equal pay is the right for everyone, no matter their ethnicity, to be paid the same when undertaking the same or equal work. Equal pay has been UK law since 1970 and is something we at JLL are committed to throughout the organisation.

Ethnically underrepresented explained

In consultation with our colleagues, we’ve decided not to use the term Black, Asian and minority ethnic (BAME). Instead we’re using ethnically underrepresented, recognising that there is a cross-section of people in society who are statistically ethnically underrepresented by nature of systemic inequalities.

Calculations

We’ve chosen the same pay gap calculation methodology set out by the Government Equalities Office (“GEO”) for GPG reporting for our mean and median EPG, bonus gap, and distribution across pay quartiles. However unlike gender, our employee ethnicity data disclosure rate is not 100%, it stands at 73.5%. This means that any employees with undisclosed ethnicities, just over a quarter, are excluded from our calculations.

The calculations are based on hourly rates of pay as at 5 April 2020, and bonuses paid in the year to 5 April 2020.

- **Mean pay gap – 16.3%**
- **Mean bonus pay gap – 60.5%**

The mean is calculated by adding up pay of all relevant employees and dividing the figure by the number of employees. The mean EPG is calculated based on the difference between mean ethnically underrepresented pay and mean non-ethnically underrepresented pay.

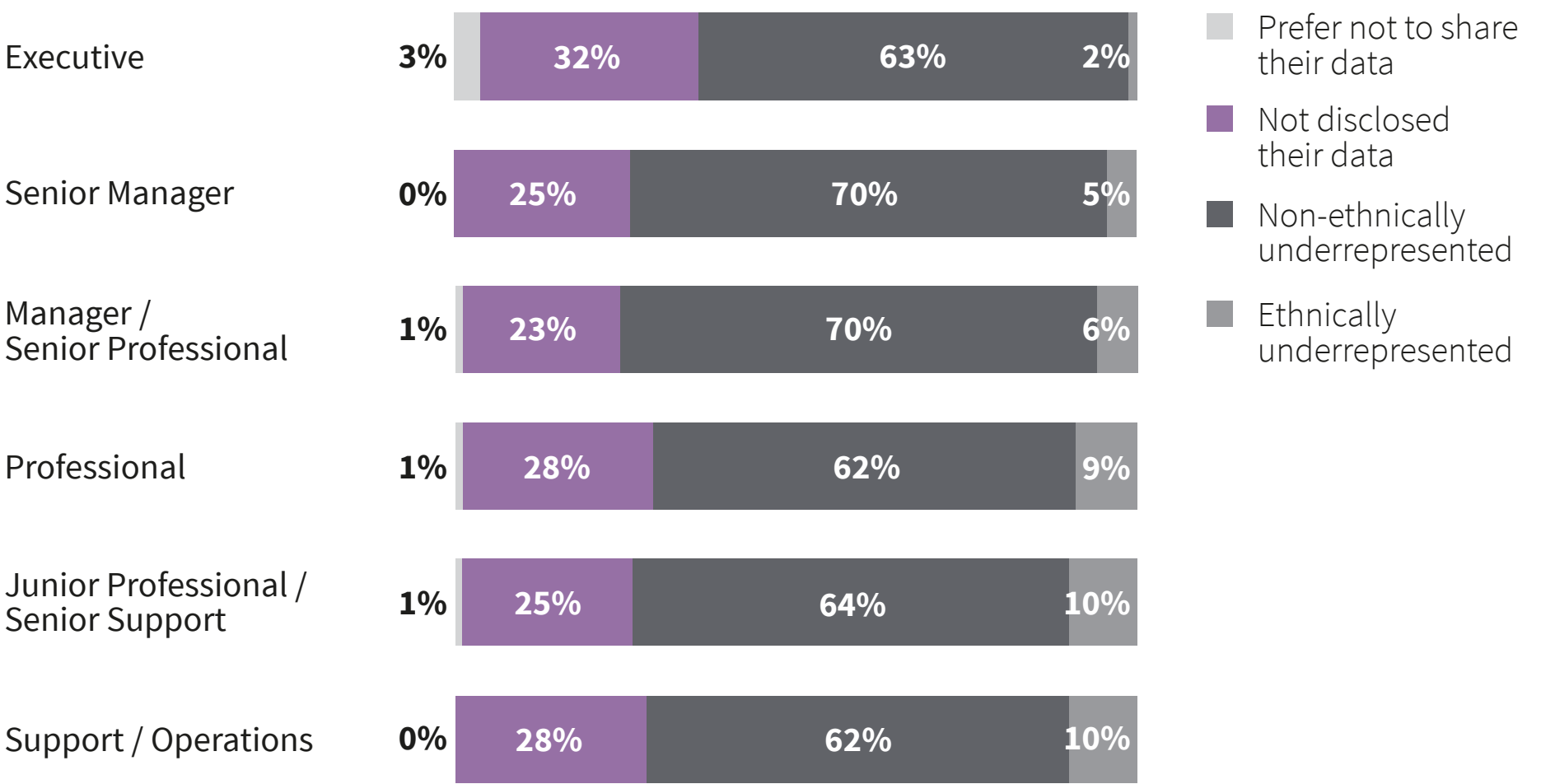
- **Median pay gap – 10.5%**
- **Median bonus gap – 45.0%**

The median is the figure that falls in the middle of a range when pay of all relevant employees are lined up from smallest to largest. The median gap is calculated based on the difference between the employee in the middle of the range of ethnically underrepresented pay and the middle employee in the range of non-ethnically underrepresented pay.

Proportion of employees in each pay quartile

Pay quartile	Ethnically underrepresented	Non-ethnically underrepresented	Not disclosed their data	Prefer not to share their data
Upper	6.8%	66.9%	25.1%	1.2%
Upper middle	8.7%	62.0%	28.5%	0.8%
Lower middle	10.3%	64.1%	24.7%	0.9%
Lower	11.7%	60.2%	27.6%	0.5%

Ethnicity representation by seniority



Representation must be our focus as we set targets

The analysis tells us that our EPG arises because ethnically underrepresented colleagues hold fewer senior positions within JLL UK. While this group is 9.4% of our overall workforce, only 6% of our senior leadership are from this demographic. We are committed to achieving greater representation across our business, we will:

Ensure 15% of employees and 10% of Directors are from ethnically underrepresented groups by 2025.

Our work towards this target will be supported by our extensive **Race Action Plan**.

Bringing our Race Action Plan to life

Commitment from the top

Our leadership know that faster progress must be made and we have in place:

An Executive Sponsor who is responsible for a clear leadership stance on race and ethnicity and driving our action plan and ensuring this is discussed regularly at Board meetings.

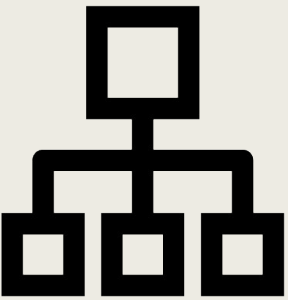
Ethnicity targets to keep us focused on making progress and to hold ourselves to account. With UK wide targets now in place, 2022 will see us explore setting further targets by locality and within ethnic groups.

Leadership engagement in education, purposefully investing time in learning about racial inequality with regular attendance at our Race for Change session and the first half of 2021 saw over 1000 line managers invited to participate in a programme “Leading Inclusively and Learning About Race”. Many of our leadership will commence further mentoring in the near future.

A zero tolerance approach to any form of discrimination.

A Diversity & Inclusion (D&I) objective which our leaders will work towards and is linked to annual remuneration.

To mark our commitment, we’ve also signed up to the **Business in the Community’s (BITC’s) Race at Work Charter** and the **Confederation of British Industry’s (CBI’s) Change the Race Ratio Commitments** to support us in our efforts to accelerate our progress. Many of the pledges within the frameworks are reflected throughout the rest of our action plan.



Data transparency

Comprehensive data and associated analysis provide a baseline to measure our progress and informs where we must focus our efforts. We will:

Capture ethnicity data of our employee base, with 73.5% response rate it’s important for us to obtain a fuller data set so our actions are well informed ones.

Report regularly to Board, within JLL and externally on the make-up of our workforce and our progress towards our target.

Reporting our EPG will now be an annual exercise.



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Widening access for the future

We know that a key way in which we can improve the ethnic diversity of our workforce is through who is attracted to and subsequently works with us. Recent and future activity includes:

Diversifying our Early Careers Programmes

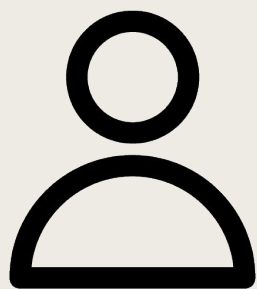
We are actively looking to attract a broader range of individuals to JLL. Here is the breakdown of the percentage of young people from ethnically underrepresented backgrounds on our most recent programmes:

Access to Property: 70%
Apprentices: 31%
Graduates: 41%

Additionally in our most recent graduate cohort, 50% came from non-Russell Group universities.

Supporting the 10,000 Black Interns initiative in addition to our existing programmes, hosting a number of black students for a 4-6 week paid internship in summer 2022.

Community Partnership with charities such as ELBA which delivers employability & skills programmes for underrepresented groups.



Progression

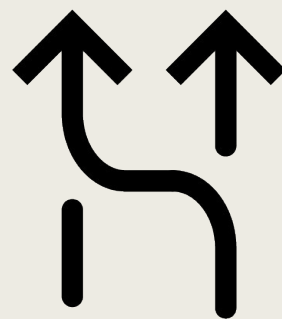
We need to improve the pipeline of future ethnically underrepresented leaders retained by us and progressing to narrow our gap. We will:

Ensure each business reviews their talent pipelines through an ethnicity lens to ensure that our high performing ethnically underrepresented colleagues have career plans alongside all other talented JLL individuals.

Support ethnically underrepresented colleagues earlier on in their career with guidance on progressing their careers from our 'Race for Change Advocates', who are ethnically underrepresented JLL individuals that have been with JLL for a number of years and who have progressed within JLL and want to help others.

Run speed mentoring sessions enabling our ethnically underrepresented colleagues to obtain careers insights from a cross-section of our senior leadership.

Implement a career progression programme (akin to our Women in Leadership programmes) for identified ethnically underrepresented colleagues at the mid-point in their careers.



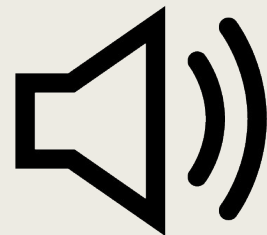
Listening & learning

We learn the most when we listen to the experiences of others and use this to inform action we must take. We will:

Run a race survey annually, having first launched this in July 2020, we'll re-run this again before the end of 2021.

Hold quarterly listening sessions with members of Race for Change with our race Executive Sponsor, sharing key themes and recommended actions back to the UK Board. This follows on from Business Line Lead and COO sessions which were run in 2020.

Roll-out all-employee sessions exploring the role of each of us in creating inclusive workplaces, spotting and addressing microaggressions following the line manager learning programme earlier this year.



The people driving action

Our Race for Change Network are critical in all our work towards racial equality. They are committed to promoting a positive, respectful, equal, and fun environment for all ethnically underrepresented employees, and champion a more diverse property industry. With over 250 members and an active committee, the Network undertakes a wide range of activities including:

Let's Talk Race – a programme of conversations about different aspects of race, ethnicity and identity which enable anyone to engage in the topic to learn more, reducing any awkwardness about discussing some of the topics.

Race Allies – a network of over 100 colleagues from across JLL who are committed to listening to others, educating themselves and others, and supporting colleagues in matters regarding race, taking an active role in creating an inclusive culture for everyone.

Race Mentoring (reverse) – where over 50 ethnically underrepresented colleagues are paired with senior leaders to aid the senior leaders understanding of what it is like to be from an ethnically underrepresented background, including the challenges that an ethnically underrepresented colleague may face at work and in wider society. We'll establish another cohort of leaders to engage in the programme early in 2022. We've also partnered with Legal and General to establish the programme across our organisations, following a successful pilot earlier this year we are now exploring next steps.

Celebratory events - enabling colleagues to share their heritage and celebrate their diversity including, but not limited to activities during Black History Month and Chinese New Year planned for 2022.



What gets measured gets done

Our commitment to ethnicity reporting and targets was detailed in our latest **UK Sustainability Highlights Report** published in July 2021. This report includes 16 flagship targets across:

- Fostering inclusion and wellbeing
- Tackling the climate and nature emergency
- Championing a just and equal society
- Growing responsibly

Within the fostering inclusion and wellbeing section, which aims to create an environment which values diversity, rewards talent, develops skills for tomorrow's challenges and fosters wellbeing, our priority areas focus on:

- Ensuring 15% of employees and 10% of Directors are from ethnically underrepresented groups by 2025
- Ensuring 35% of Directors are female and all key governance groups are 35% female by 2025
- Develop an Employee Wellbeing Index and deliver against the top three priorities by 2023

Coupled with our Gender targets, this report, our actions and the partnerships we're forming are all examples of us proactively driving greater diversity at JLL within the UK. We anticipate that in Spring of next year, we will combine both our Ethnicity Pay Gap and Gender Pay Gap data into one report.

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