

# Modern Slavery and Human Trafficking Statement

2023



GROSVENOR

## UK MODERN SLAVERY ACT

# Modern Slavery and Human Trafficking Statement

**On behalf of Grosvenor Group Limited and its Group companies for the financial year 2023 (January to December 2023)**

## Overview

Slavery, human trafficking and child labour, and any other form of human rights abuse, have no place in our business. We recognise the important part that we play in helping to keep our properties, places and supply chains free from that abuse.

Grosvenor is an international organisation whose activities span urban property, food and agtech, rural estate management and support for philanthropic initiatives. Our purpose is to deliver lasting commercial, social and environmental benefit through everyday actions with a long-term perspective. Our values of integrity, respect and trust underpin this ambition, and we continue to endeavour to create a strong culture of ethical business practices both within our organisation and across our supply chains.

This annual statement sets out the steps we have taken during 2023 to reduce the risk of slavery, human trafficking and child labour occurring in our international urban property business, and confirms our ongoing commitment to the aims of the UK Modern Slavery Act 2015. Highlights for 2023 include:

- In line with Canada’s recently enacted Fighting Against Forced Labour and Child Labour in Supply Chains Act, our Canadian business has published its Modern Slavery Report for 2023. The Report sets out the steps taken during 2023 to prevent and reduce the risk that forced labour or child labour is used in our business in Canada.
- We have continued with steps to support the resilience of our supply chain against the threat of modern slavery:
  - Continuing the rollout of our 2019 UK Supply Chain Charter and our 2022 global Supply Chain Principles for all major and strategic suppliers. These outline the minimum standards that we expect from our suppliers, including those impacting modern slavery. We have also worked on building an enhanced culture of awareness internally around proactive supply chain management by implementing Supplier Management Procedures, applicable to our UK property business.
  - Re-procuring major long-term contracts for repairs and maintenance services across our London Estate, enabling us to refresh and enhance preventative measures against modern slavery and forced labour in an inherently higher risk area of our supply chain. This included a procurement specification for the first time covering some specific expectations for employment benefits of certain “hidden” workers in our supply chain.
  - Continuing the upskilling of our suppliers by providing access to a wide range of user-friendly guidance and training, including on modern slavery, secured on their behalf as part of our membership of the Supply Chain Sustainability School.
- We have continued to develop our “People. Planet. Positive” strategy within our UK property business to enhance our ethical business conduct:
  - Initiating work on a “place first” approach to procurement, to maximise positive impact through our people and partners, in support our “People. Planet. Positive” aims – specifically by exploring how we can help local economies thrive via targeted spend with local, SME, social enterprise and B-Corp suppliers.

- Making progress on community investment and focused support for vulnerable children and young people, with £3.3m donated to philanthropic initiatives – predominantly in support of the Westminster Foundation’s work to help provide structure and opportunity to vulnerable young people through initiatives focused on mental health, youth hubs, education, sport and on mitigating the effects of the cost-of-living crisis in the UK.

We are proud of the progress that we are making but recognise the ongoing challenge to do even more.

For more information about Grosvenor, please visit [www.grosvenor.com](http://www.grosvenor.com)

**Mark Preston**

**Executive Trustee and Chief Executive, Grosvenor**

**For and on behalf of Grosvenor Group Limited and its Group companies\***

**June 2024**

*\*This statement is in accordance with section 54 of the Modern Slavery Act 2015 and was approved by the Grosvenor Group Limited Board of Directors. It relates to the Group’s financial year ending 31 December 2023, and covers both the business and its subsidiaries, including these UK companies with a turnover greater than £36m: Grosvenor Limited, Grosvenor West End Properties & Grosvenor Estate Management Limited.*

## 1 Our Business, Structure, Personnel and Supply Chains

### 1.1 Our Business and Structure

We are an international property developer, manager and investor with a track record of over 340 years. Improving property and places across many of the world's leading cities, we promote sustainability within the built environment, enhancing the wellbeing of customers and communities. We operate through various subsidiaries under a UK holding company, Grosvenor Group Limited, to invest directly in the UK and North America, and to back local like-minded property investment partners across the world.

Our UK and North American property businesses invest directly in developing and enhancing places that are dynamic, diverse and well connected. We see these as more resilient through cycles, better able to evolve to meet the needs of customers, and ideal platforms from which to diversify our rental income and sectoral mix. In addition, our Diversified Property Investments business works with specialist like-minded local partners, who have a clear understanding of the changing demands of real estate in their markets, to further diversify our sectoral and regional property exposure.

### 1.2 Our Employees

In 2023, we had a headcount of approximately 493 employees globally, the majority of whom were located in the UK. The remainder worked from offices outside the UK, mainly in the US and Canada but with some also in Hong Kong, Sweden, France and Luxembourg. The number of employees in Asia and Europe has been reduced in the course of 2023 following the strategic decision in 2022 to change from direct operations to indirect investment in these regions.

These employees consisted mainly of executives and professionals, including: specialists in property (investment, asset management, property management, development, financing, construction and project management); and specialists in other areas (including sustainability, finance, treasury, tax, legal, company secretarial, information technology, digital innovation, human resources, strategy, research, health and safety, marketing, communications, and general business administration).

No worker representative organisations are involved due to the size, constitution and/or choice of our workforce.

### 1.3 Our Supply Chains

In 2023, we continued to source a range of suppliers, contractors and materials to support our business. When appropriate, we worked with long-standing or key suppliers under multi-year frameworks or panel arrangements following a tender process. We required strategic partners to comply with the requirements of our supply chain standards (i.e. our UK property business's 2019 Supply Chain Charter, or our 2022 global Supply Chain Principles, as appropriate), which outline the minimum standards that we expect from our suppliers, including those impacting modern slavery.

Significantly, our UK property business re-procured major and long-term contracts for repairs and maintenance services (RMS) across its London estate, which provided the opportunity to review and refresh measures to tackle modern slavery and forced labour in a relatively higher-risk area of the business. We also included – as part of our procurement specification for these contracts – advanced expectations to protect, and provide better health outcomes for, “hidden workers”. We consider “hidden workers” to be those who keep our buildings running, with roles including cleaning, security and maintenance, who are not directly employed by Grosvenor but instead by our suppliers and subcontractors. These measures covered (i) enhanced sick pay on a “zero wait” basis, (ii) death in service

benefit, and (iii) proper access to virtual healthcare services. Measures like these are an important part of driving change and improving welfare standards across supply chains, helping to deliver lasting social change in line with the principles behind modern slavery legislation.

Our suppliers included: property industry specialists (including construction contractors, agents, valuers, planning consultants, architects, engineers, property managers, facilities management providers, repairs and maintenance providers, landscapers/gardeners, environmental consultants, health and safety advisers); and general business professional advisers and suppliers (including auditors, lawyers, accountants, tax advisers, technology providers, research and strategic consultants, HR-related suppliers, event organisers, banks and insurers).

In terms of our visibility of our supply chain, we maintain records of our direct contractors and material suppliers ('tier 1'). Below this, we also know the identity of the significant subcontractors used by our repairs and maintenance, facilities and construction/development contractors ('tier 2'), as well as significant indirect material suppliers used in our main construction/development projects. Contractors in these areas do not generally subcontract without our written permission. However, like most companies, we recognise that we are less aware of the identity further down our supply chains of subcontractors and indirect material suppliers to the extent they are used outside of these areas and rely on measures implemented by our tier 1 suppliers.

## 2 Risk Assessment

### 2.1 Our People

In 2023, we continued to consider the risk of modern slavery and human trafficking occurring within our own workforce to be negligible given our size, skills and professional services nature.

### 2.2 Our Supply Chain

We recognise that there is a higher risk inherent in our supply chain, on the basis that modern slavery and forced labour does occur in the real estate, property management and construction industries globally. Although there has not been any material change to our supply chain modern slavery risk in 2023, we remain mindful that:

- construction, repairs, and maintenance contractors are higher risk due to the potential use within the industry of low paid, migrant labour and agencies; and
- suppliers of construction, renewable energy materials and carbon credits from countries with high unemployment, weaker labour laws, and/or weaker enforcement are also higher risk.

To address these risks in 2023, we continued to implement the prevention and mitigation measures described in section 3 below, as well as taking steps to gain greater insights into suppliers.

### 2.3 Our Investments

Throughout 2023, our international urban property business continued to streamline its direct investment activities to focus on the UK and North America, divesting our direct investments in Asia and Europe in favour of indirect investments in those regions via Grosvenor Diversified Property Investments. This has resulted in a continued reduction in our direct operational risks together with any associated supply chain modern slavery risks, in Asia and Europe.

Our UK property business also began exploring potential investments into nature-based carbon credit schemes internationally, as part of its carbon offsetting strategy for its net zero carbon pathway and in line with its environmental leadership for the property sector. Three of these projects are based in jurisdictions with less stringent labour practices than in the UK, and so we recognise these present an

inherently higher risk of modern slavery. To mitigate this, rigorous investment criteria and due diligence processes were applied, and appropriate contractual protections put in place. As these are isolated and one-off investments, we do not consider that these investments have materially increased our overall modern slavery risk.

Overall, we do not consider that the modern slavery risk posed by our investments is significant.

### 3 Prevention and Mitigation Measures

#### 3.1 Relevant Policies

Relevant policies to address modern slavery and human trafficking risk sit within a broader framework of policies that support Grosvenor's ethical behaviours. These are underpinned by our clear purpose to deliver lasting commercial, social and environmental benefit, and our values-led culture based on integrity, respect and trust.

**Our overarching policy:** We continue to maintain a specific Anti-Slavery and Human Trafficking Policy, which applies to all our personnel and businesses. It makes it clear that all forms of slavery and human trafficking are unacceptable to us and requires that steps be taken to help prevent these practices from occurring in our businesses and supply chains.

**Our investment approach:** During 2023, we continued to invest in line with our Grosvenor Group Guidelines for Joint Ventures, and our Responsible Investment Strategy.

**Supplier governance:** At the core of our supplier management are our Supply Chain Principles, which were launched in 2022. These Principles apply to the activities of our international urban property business and set minimum standards that we expect from our suppliers, including those impacting modern slavery. As a minimum, our suppliers must commit to these Principles and progress towards targets. However, if one of our businesses has its own Supply Chain Charter or code of conduct, which expects more from suppliers than these Principles, suppliers should adhere to that higher standard.

Our UK property business has continued to seek assurances from the majority of its suppliers that they would work in a manner consistent with its Supply Chain Charter, launched in 2019. This Supply Chain Charter includes commitments and expectations for suppliers relating to the prevention of slavery and human trafficking and, more broadly, the conduct of business in an ethical manner. Strategically significant suppliers are expected to report on their compliance with the Charter, and for the first time in 2023 we were able to gain insights from those reports. We intend to review and refresh the Charter in 2024.

As our Diversified Property Investments business backs third party managers, it does not have the same breadth of suppliers as the direct property operations in the UK and North America. In its place, the Diversified Property Investments business strongly encourages all of our partners to adhere to the principles set out in the Responsible Investment strategy.

**Our recruitment and employment practices:** Each part of our business operates its own recruitment and procurement policy/practices appropriate for its business activities. In 2023, these continued to meet or exceed applicable employment laws and standards. We maintain our long-held commitment to the values of integrity, respect and trust, and all personnel are expected to demonstrate behaviour that lives up to these values.

**Our "Speak Up" approach:** Our people have access to our whistleblowing "Speak Up" programme platform, which is an online platform through which they can raise questions or concerns about potential wrongdoing or unethical behaviour. It is supported by a network of "Speak Up Allies".

### 3.2 Due Diligence Processes

We expect third parties with whom we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

**Our refreshed supplier risk assessments and procedures:** Our Anti-Modern Slavery and Human Trafficking Policy requires each business to consider the appropriateness of its due diligence practices to help prevent modern slavery and human trafficking touching our businesses and supply chains. On a practical level, our businesses have their own General Preventative Procedures that are tailored to ensure relevance to their business activities across a range of risk management areas, including modern slavery to help bring our policy to life. Our UK business and Grosvenor Diversified Property Investments implemented these in 2022, with GPA in 2023, and they are refreshed on an ongoing basis as appropriate. Additionally, UK business launched new Supplier Management Procedures in 2023 to enhance a culture of awareness internally around proactive supply chain management, including ongoing monitoring for risks such as modern slavery – see section 4 for further information on this.

**External environment impact:** Taking account of the risk profile of our supply chains, we continued to meet our due diligence requirements in 2023, despite challenging externalities and macroeconomic conditions affecting businesses globally. We expect to continue meeting appropriate due diligence requirements in 2024.

**Our reasonable measures:** During 2023, other ongoing efforts to implement reasonable measures to prevent modern slavery within our supply chains included:

- Continuing to seek to work with contractors and third-party partners whose ethical values and reputational concerns are aligned, using known personnel and subcontractors, and generally not relying solely on lowest cost as the procurement criterion. We are guided in our decision-making for all transactions by our purpose of delivering lasting commercial, social and environmental benefit – living up to our values of integrity, respect and trust.
- Asking new and re-procured suppliers to confirm their anti-slavery and human trafficking practices for all engagements of material value. Of particular significance in 2023 was our UK business's re-procurement of its major and long-term contracts for repairs and maintenance services across the London Estate, enabling us to refresh and enhance our due diligence and preventative measures against modern slavery and forced labour in respect of each contractor engaged, as well as for the first time fostering improved employment terms for "hidden workers" (see section 1.3).
- Including contractual obligations designed to mitigate modern slavery in our supply chain within our new suppliers, joint venture, tenancy and other significant commercial agreements, and discussing these with suppliers during contractual negotiations.

**Our people:** We also continued to consider our general human resource processes and background checks to be sufficient to mitigate risk of modern slavery and human trafficking in our own workforce, however, this risk was assessed to be negligible due to the location, nature and size of our professional services workforce. These processes are captured in an accessible preventive procedures document.

### 3.3 Training

**Training our people:** A specific modern slavery training module continued to be available in our employee online learning platform. It continues to be included in induction training for new joiners and mandatory for employees, who must complete a 'refresher' course on an annual basis.



We also provide training to our UK supplier relationship managers specifically on supplier engagement and what we expect for due diligence, including modern slavery. This is supported by the Supply Chain Sustainability School, an industry-led organisation in the UK for driving the improvement of sustainability knowledge and skills throughout the value chain in the sectors of construction, infrastructure, facilities management and homes. Grosvenor is one of 220 industry partners who support the school, which gives our employees access to the school's training resources.

**Training our suppliers:** We expect our suppliers to also provide appropriate training to their workforce as part of their contractual commitment to provide reasonable preventative measures. In the UK, we continue to make available to our suppliers a wide range of user-friendly guidance and training, including on modern slavery, secured on their behalf as part of our membership of the Supply Chain Sustainability School. For other areas of the business, we recognise the ongoing importance of finding ways to support our smaller or medium sized suppliers who may not have sufficient access to training.

**Our internal team:** Our Grosvenor Legal Team advises on our anti-slavery and human trafficking framework, working with relevant business teams. During 2023 we recruited an additional team member, with a specific remit on supporting commercial partnering and supply chain management as well as business ethics compliance, including modern slavery.

## 4 Effectiveness

**Our approach:** Our assessment of the effectiveness of our anti-modern slavery and human trafficking efforts continues to evolve, including as part of increasing our proactive supplier engagement and gaining greater data insights. This work has become more focused as our 2022 Supply Chain Principles and the Diversified Property Investments' Responsible Investment strategy have embedded in the business.

Measures currently supporting our insight development include:

- **Supplier onboarding & reporting enhancements:** Our property operating companies continue to conduct due diligence related to supplier onboarding and ongoing monitoring, in accordance with their respective General Preventative Procedures, and refine the processes relating to them. For example, our UK business (in which the bulk of supplier activity occurs) undertook the following in 2023:
  - Received reports on supplier compliance with its Supply Chain Charter from its supply chain and procurement consultant, Action Sustainability, and utilised these to generate insights into how best to upskill suppliers in a number of areas (including legal compliance and ethical conduct risk).
  - Launched its Supplier Management Procedures, to train our people in encouraging best practice when onboarding and working with suppliers. These Procedures provide a roadmap for each stage of the supplier management lifecycle – carrying out risk proportionate due diligence (including in relation to modern slavery and related risks), proactive monitoring and management of suppliers to ensure ongoing responsible practice, implementing the Supply Chain Charter, and reporting and insights from suppliers on key metrics. All of this is in support of building stronger and more transparent partnerships with our suppliers.
- **Employee training:** Our employee compliance training, which all our employees are required to complete, includes questions and assessments to test awareness. The modern slavery-focused training module is available on an online learning platform. The module is included in the onboarding training for new employees and all employees are required to complete an annual refresher.



- **Reporting/Speak Up:** Our personnel are required to report any instance of modern slavery or human trafficking to management directly or through our “whistleblowing” Speak Up platform, which was refreshed for the start of 2021 and reinforced through mandatory training in 2023.
- **Compliance monitoring:** As part of our governance processes, we monitor compliance with our Anti-Modern Slavery and Human Trafficking Policy on an ongoing basis, as well as reviewing and tackling any concerns that may arise from time to time. The same steps will also now be taken in respect of our Canadian business’ Modern Slavery Report 2023, which will be refreshed on a yearly basis.
- **Internal leadership:** Our Grosvenor Legal Team advises the business teams on our anti-modern slavery framework, including due diligence procedures, contractual obligations related to modern slavery, and training.



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