

Modern Slavery and Human Trafficking Statement

2022



GROSVENOR

Modern Slavery and Human Trafficking Statement

UK Modern Slavery Act

Grosvenor's international urban property business Financial Year 2022 (January – December 2022)

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 ensure that our properties, places and supply chains are 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 – living up to our shared values of integrity, respect and trust. Underpinning this ambition is a continuing focus on creating a strong culture of awareness within our organisation of ethical business practices, including in our supply chains by seeking transparency from our suppliers and adopting appropriate preventative measures.

In publishing this annual statement, reflecting the relevant activities that are within our international urban property business (under its holding company Grosvenor Group Limited), we confirm our ongoing commitment to the aims of the UK Modern Slavery Act 2015 and outline our approach during financial year 2022. Highlights for 2022:

- Continuing our roll-out of supply chain standards across our various businesses. Building on our UK property business' 2019 Supply Chain Charter, we launched our global Supply Chain Principles, which outline the minimum standards that we expect from our suppliers, including those impacting modern slavery.
- Progressing how we articulate, measure and report our social impact. As long-term investors and community partners, we have a role to play in ensuring places have a positive impact on people. Within our communities, we strive to support economic growth while upholding fair and equal opportunities for all – including providing inclusive housing, educational and career opportunities to improve social mobility and enhance wellbeing. Looking ahead, during 2023 we are further developing our Grosvenor-wide social impact framework.
 - Our UK business launched its social impact strategy, grounded in independent research into societal as well as local needs of the communities in which we play a part. Our 'People Positive' strategy advances how the business focuses and maximises its positive impact on the community through its core activities. It centres on: improving wellbeing in the places our UK property business creates and manages; helping local economies thrive; and maximising the positive impact of our people and partners.
 - Our global Diversified Property Investments business launched its Responsible Investment strategy, which articulates the standards we expect of not only ourselves, but of our chosen partners and networks in which we engage. This strategy provides a framework for approaching our investments, and assists us in keeping our values of integrity, trust and respect at the core of our business through efficiently using natural resources, restoring and enhancing the environment; improving land, property, places, goods and services; and making a positive impact within communities.
 - We are also pleased to be making a positive impact on communities and enhancing opportunities for meaningful employment through educational and mentoring opportunities. Through our UK and North American businesses, we supported 194 students this year through our partnership with the Urban Land Institute with school visits, work experience, and mentoring programmes.

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

Mark Preston

Executive Trustee and Chief Executive, Grosvenor

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

29 June 2023

* 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 2022, 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.

Section 1: Business, Structure, Personnel and Supply Chains

In 2022, we made the strategic decision in our international urban property business to focus our direct investment activities in the UK and North America, changing our approach in Asia and Europe from direct operating companies to investment indirectly, through our Diversified Property Investments business led from the team in our head office in London (as described below). This has led to a reduction in our direct operational risks with any associated supply chain modern slavery risks, in Asia and Europe. There were no other significant changes in our business, structure, personnel or supply chains.

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. Our business demands a deep understanding of the cities and local communities in which we operate, and the ability to respond to global influences that are shaping the cities we live in and that are driving change at an unprecedented rate. To best respond to these challenges, we work to combine a far-sighted, international perspective, borne out of our unique experience and footprint, with an intimate knowledge of the local markets and communities in which we work.

The business operates through various subsidiaries under a UK holding company, Grosvenor Group Limited.

Our UK and North American operating property businesses invest directly in managing, developing and enhancing places that are dynamic, diverse and well connected. Our Diversified Property Investments business co-invests with likeminded third party managers who have a clear understanding of the changing demands of real estate in their markets through joint ventures and funds to further diversify our sectoral and regional property exposure. By investing Grosvenor's own capital alongside local partners who have a clear understanding of the changing demands of real estate in their markets, we aim to generate strong commercial results, while advancing our social and environmental ambitions.

Our Employees: We employed around 500 people during the year. The majority were located in the United Kingdom, primarily at our head office in London. The remainder worked from offices outside the UK, mainly in the US, Canada and Hong Kong but with some also in mainland China, France, Japan, Luxembourg, Spain and Sweden. The number of employees in Asia and Europe has been reduced in the course of 2022 following the strategic decision relating to changing from direct operations to indirect investment (see Section 1 above).

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.

Our Supply Chains: In 2022, 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 continued to see the trend of the property industry being increasingly supported by technology and digital innovation, and this is an aspect of our supply chain that we expect to continue to evolve in the coming years (for example technology for data insights into building performance or for supporting renewable energy initiatives).

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.

Section 2: Modern Slavery and Human Trafficking 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 strong values-led culture based on integrity, respect and trust. Progress has been made this year to articulate and report our social impact across the Group. We launched our social impact framework, which better articulates and reports on our strategic social impact objectives. The metrics that we can report will continue to evolve, as our social benefit strategy develops and grows.

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 2022, we invested in line with our refreshed investment/joint venture guidelines to require ESG alignment, including with our supply chain requirements.

Our recruitment and employment practices: Each part of our business operates its own recruitment and procurement policy/practices appropriate for its business activities. In 2022, 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 Grosvenor's whistleblowing "Speak Up" programme and online platform, through which they can raise questions or concerns about potential wrongdoing or unethical behaviour, which can be used anonymously. It is supported by a network of employees as "Speak Up Allies".

Our suppliers: Most significantly, in January 2022 we launched our [Supply Chain Principles](#). 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:

- Conducting business in an ethical manner
- Treating all workers fairly, demonstrating integrity, respect and trust
- Supporting their communities
- Respecting the environment and efficiently using natural resources

We worked closely with our suppliers in 2022 to secure their commitment 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. This includes our UK property business, which continued to seek assurances from most 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. During 2023 we are reviewing this charter in anticipation of an update in 2024. Our North American property business is currently developing its own supplier code. 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.

Section 3: Risk Assessment

Our own people: In 2022, 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. Our employees are paid above the living wage in their relevant country.

Our supply chain: During 2022, we did not identify any significant increase in modern slavery risk in our supply chains, but we continue to recognise that there is, in general, a higher risk of slavery and human trafficking in certain property industry supply chains, for example:

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

During 2022, we continued to proactively due diligence and engage with our suppliers, as described below, seeking to understand and mitigate risk.

Section 4: Due Diligence, Prevention and Mitigation

Our refreshed 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, to bring this policy to life, we have been implementing tailored preventative procedures, informed by refreshed risk assessments for various ethical business practices including modern slavery – all in an accessible, single place. These are rolled out to our business teams who are supported through dedicated training. We completed this during 2021 for the UK, covering the bulk of our activities, and most of our global business and continued this into 2022. As we reduced our direct property operations in Asia and Europe, we had a commensurate reduction in risk and associated mitigation procedures.

External environment impact: Taking account of the risk profile of our supply chains, we continued to meet our due diligence requirements in 2022. As with 2021, we did not detect an impact on our ability to apply our policies and procedures as a result of the COVID-19 pandemic continuing during 2022. Looking ahead to 2023, we will continue to be alert to potential supply chain disruption due to various external factors and the potential impact on risk and procedures (for example, the war in Ukraine, impact of growing inflation and other macroeconomic indicators, and climate disruption).

Our reasonable measures: During 2022, 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.
- Incorporating anti-modern slavery and human trafficking policies into our existing procurement processes and asking our new suppliers to confirm their anti-slavery and human trafficking practices for all engagements of material value. In common with many organisations, we use standard spend thresholds to identify material value engagements.
- Including contractual obligations designed to mitigate modern slavery in our supply chain within our new supplier, 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.

Section 5: Effectiveness

Our approach: Our assessment of the effectiveness of our anti-modern slavery and human trafficking efforts continues to evolve, including as part of growing supplier engagement and data insights. We expect this work to become more focused in line with the new Supply Chain Principles, further review and evolution of our UK business' more detailed Supply Chain Charter, the Diversified Property Investments' Responsible Investment strategy and our soon to be launched North American property business' code. We were also supported through a three-year anti-modern slavery plan to help guide our development. Measures currently supporting our insight development include:

- **Training:** Our employee compliance training includes questions and assessments to test awareness.
- **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 2022.
- **Internal certification:** Compliance with our Anti-Slavery and Human Trafficking Policy is certified annually by the management of each of our businesses.
- **New Principles/metrics:** In 2021, our international urban property business developed a set of global Supply Chain Principles that set minimum standards of business practices expected from suppliers engaging with us. We published these Principles on our website at the start of 2022, and began rolling them out across our suppliers, with a target of achieving the commitment from 75% of our suppliers by spend by 2030. We are pleased to report that during 2022 we had already managed to secure the commitment of 53% of our Group-level and Diversified Property Investments business suppliers by spend. We expect improved insight into goals and metrics, enhanced by the creation of a new centralised reporting role supporting these Principles. These principles complement supplier codes or charters in the operating businesses.
- **UK supplier onboarding & reporting enhancements:** During 2022, our UK property business, in which the bulk of supplier activity occurs, improved supplier onboarding processes, including due diligence. During 2022 we continued to refine that process, including through technological innovation to enhance the integrity and automation of the process. During the year, we monitored due diligence responses from an increasing number of significant suppliers. This included refreshed anti-modern slavery due diligence questions for our general UK supplier management processes, with a focus on identifying higher risk suppliers and their anti-modern slavery measures. In addition, our suppliers are asked to report on an ongoing basis against our UK property business' Supply Chain Charter (which includes modern slavery). This continues to help Grosvenor in the implementation of its Supply Chain Charter and to build stronger and more transparent partnerships with our suppliers.

Section 6: Training and Capacity

Training our people: We believe that each of us at Grosvenor has responsibility for supporting anti-modern slavery and human trafficking efforts, and so our training and capacity is aligned with this. A specific modern slavery training module continued to be available in our employee online learning platform. It continues to be mandatory for employees and included in induction training for new joiners.

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 170 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.



GROSVENOR