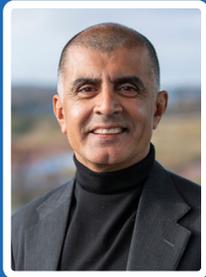


2020 GENDER PAY GAP



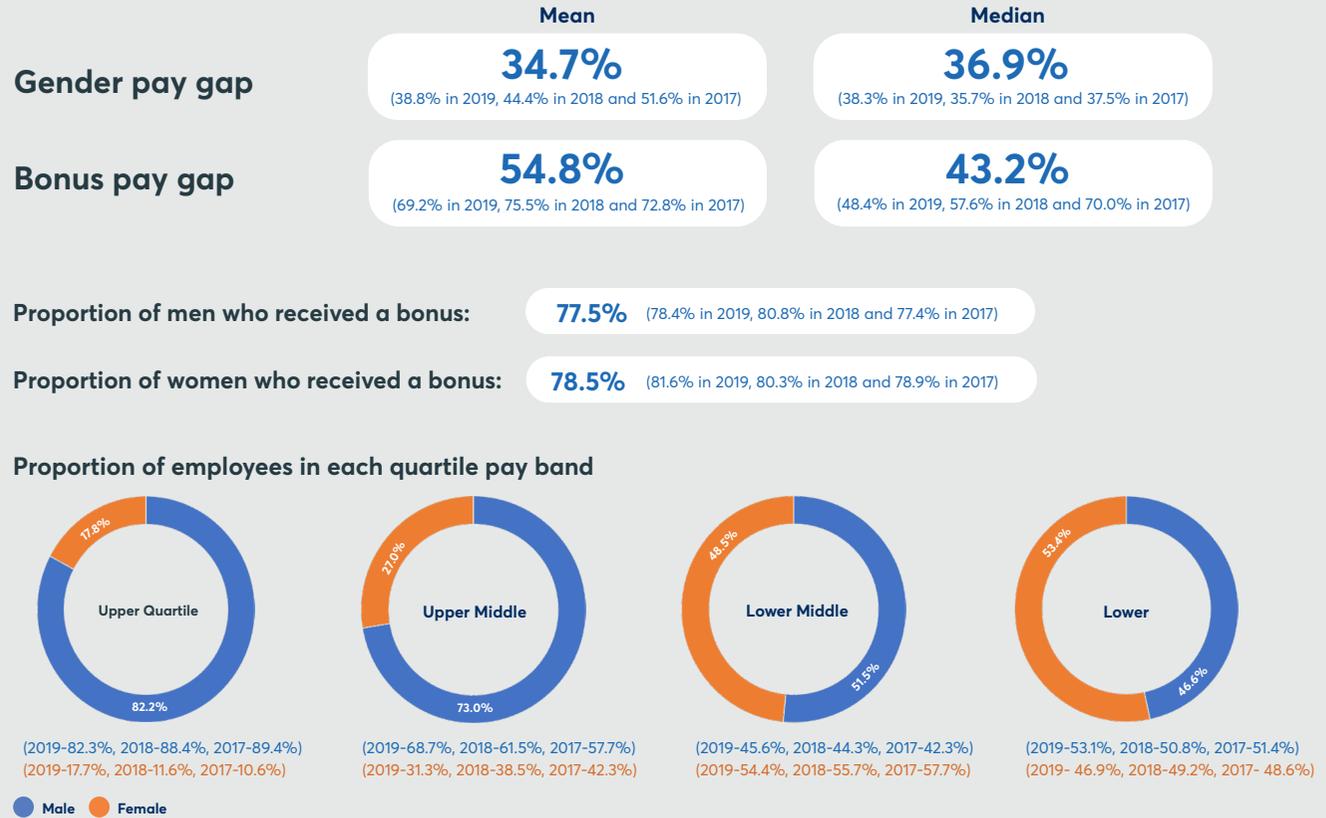
The last 12 months have been incredibly challenging for the economy and businesses. Now, more than ever, we appreciate the commitment and energy of our employees in St. Modwen who have shown great resilience to ensure our ongoing success as a business.

This is the fourth year of reporting our Gender Pay Gap. We made the decision not to publish our figures for 2019 last April as the implementation of our diversity and inclusion action plan was temporarily paused because of COVID-19. However, this did not stop us making progress and we made positive improvements that will undoubtedly transform how we work, most notably the launch of agile working.

The property and housebuilding sectors as a whole have historically been male dominated. As in previous years, our gender pay gap figures continue to reflect this, however, we are now seeing a positive change to most of our results due to the introduction of a number of initiatives aimed at reducing the gap. Everyone that works for St. Modwen can be confident that they enjoy equal reward, opportunity and support.

The steps we have been taking and our ongoing future plans are detailed in the next pages.

Sarwjit Sambhi, Chief Executive



Understanding our pay and bonus gap figures

The pay gap: The primary underlying cause of our pay gap remains, as in previous years, the small number of senior women employed in our business. However, positively this year we are reporting a reduction of 4.1% in our mean pay gap and a 1.4% decrease in our median pay gap.

The gender split is relatively balanced at lower levels, however, in middle and senior management roles which carry higher rates of pay, we have a much greater number of men than women. This is demonstrated by the pay quartile data above.

The bonus gap: Bonus payments represent a percentage of salary. As we have a much greater proportion of men in senior roles within the Company, with corresponding higher rates of pay, the bonus payments are also therefore higher. We are pleased to report that our mean bonus gap figures have reduced by 14.4% on last year and our median bonus gap by 5.2%. The lower proportion of women and men receiving a bonus this year is simply a reflection of the number of new starters who were not eligible in the reporting period, due to their start date.



Last year was no doubt a challenging one from both a business and personal perspective. However, it shone a light on just how many brilliant and talented people there are in St. Modwen.

We are ambitious, for ourselves and for our employees. We want St. Modwen to be a place of inspiration, advancement and recognition for everyone who works, or wants to work, for us. Our aim is to be the very best employer we can be.

Over the last three years, we have made positive inroads to our Diversity & Inclusion Strategy, as well as recently responding to the opportunities COVID-19 presented to improve our communication to our employees and commit to agile working. There remains no 'quick fix' to closing the gender pay gap, however, and we remain absolutely committed to continue along our journey by challenging the norms and ensuring that we reflect the communities in which we live, work and serve. We continue to take positive action to ensure that equality, diversity and inclusion are integral to all that we do.

I confirm the gender pay gap data contained in this report is accurate.

Jane Saint, Group HR Director

Our commitment is to making St. Modwen a more diverse and inclusive place to work and in doing so addressing our gender pay gap

We have continued to work on delivering our People Pledges to our employees, which include a long-term Diversity & Inclusion Strategy and Action Plan, many of which are key to addressing the gender pay gap. As with previous years, our commitments are focused across five key areas.

Building on our previous commitments we have taken the following action:

We continue to do more, and our priorities include:

1 RECRUITMENT AND PROMOTION

- We increased training provided to managers involved in recruitment to reduce unconscious bias and ensure we are making the best recruitment decision.
- The first phase of our HR Information System was rolled out. This provides access to people data, including diversity, empowering line managers to make the right decisions for their teams and the business.
- The development of our new approach to resourcing is progressing well. This will significantly improve all stages of the recruitment process from attraction through to induction, with a focus on increasing diversity amongst appointees.
- This will be accompanied by the roll out of Phase 2 of our HR Information System in 2021, enabling us to monitor and track each stage of recruitment with specific Key Performance Indicators relating to diversity.

2 IMPROVING AND INTRODUCING NEW POLICIES

- Our performance development framework 'Personal Best' was launched in January 2019. This enables all employees to reach their potential and be recognised for their achievements with clear objectives, personal development plans and a new transparent bonus scheme.
- Our Agile working policy was introduced in September 2020, building on the opportunities presented by COVID-19. This will be rolled out through line manager upskilling and all employee workshops.
- Our new people policies were launched in August 2019 with diversity and
- Enhancement of our Group induction will ensure that all new employees

inclusion aspects being embedded throughout. Supported by training and manager and employee guidance, they enable consistency, transparency and empower everyone to make considered decisions.

- In late 2019, we introduced new, more flexible working arrangements around core hours as well as the ability to buy more annual leave.

3 DEVELOPING OUR DIVERSITY AND INCLUSION STRATEGY

- The implementation of our Diversity & Inclusion Strategy and Action Plan, including the actions to address our Gender Pay Gap, has benefited from our enthusiastic Diversity & Inclusion Working Group. This is now well established and has contributed to a number of initiatives over the last 12 months, including the introduction of diversity and inclusion awareness training for 120 managers and the celebration of key dates in the diversity and inclusion calendar including International Women's Day.
- We have now established subgroups to enable a more in-depth focus on key areas of inclusion and widen representation across the business.
- Our Board and Executive Committee are key champions of our Diversity and Inclusion strategy with one of our Non-Execs now a member of People Matters Group (a group of Employee Representatives who support development of our People strategy). 50% of our Non-Executive Board are female and in March 2019, Danuta Gray was appointed as non-Executive Chair.

4 GROWING TALENT FOR THE FUTURE

We recognise the importance of increasing diversity and inclusion through developing talent and ensuring succession for the future from a more diverse talent pool.

- Since the launch of our St. Modwen Academy, to support employee development, 200 managers have benefited from our People Management Programme and 46 senior managers our Leadership Development Programme. Both programmes are accredited by the Institute of Leadership and Management and include diversity and inclusion awareness throughout.
- 24 women have benefited from our Women in Leadership Programme.
- We have continued to support apprenticeships and trainees with 39 currently in our business.
- We have continued to strengthen our partnerships this year to build our future pipeline of young women into our business through Women into Construction and Ahead Partnership (building relationships with schools). We hosted our first ever virtual work experience in partnership with Women into Construction.

understand the importance St. Modwen places on Diversity and Inclusion.

- We have recently refreshed our core competencies which outline the behaviours expected of employees to ensure Diversity and Inclusion.

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- Having received great feedback from managers, diversity and inclusion awareness training will be rolled out to remaining line managers in 2021 and all employees in 2022.
 - An initial assessment against the UK National Equality Standard will enable us to refresh our strategy and action plan, our aim being to achieve the Standard by 2025.

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- In 2021 further cohorts of managers will attend our People Management Programme. We will also continue to increase the remit of St. Modwen Academy to include pilots for Emerging Managers and Emerging Leaders programmes, mindful of the need to develop a strong, diverse pipeline of talent.
 - The Women in Leadership Programme will also continue with the aim to support women to progress in the workplace. Strengthening our relationship with Women into Construction is key to attracting women to our industry.
 - A company-wide Early Careers Scheme will be introduced encompassing apprenticeships, internships, work experience and a new graduate programme. The design and implementation will focus on supporting the appointment of young women as well as a general focus on diversity and inclusion.
 - The identification and development of talent and succession will be an ongoing focus with the introduction of new frameworks to support line management and a significant investment in Learning and Development (L&D). The St Modwen Academy, supported by our new online L&D Workday module, will provide a one-stop-shop for all employees to access learning.

- In 2019 we signed the Armed Forces covenant of which we have now achieved Bronze Employer recognition status.
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5 IMPROVING COMMUNICATION

- In 2019, we were awarded the Korn Ferry Employee Engagement and Enablement Award presented to employers that achieve best in class levels of engagement and enablement as evidenced through their employee engagement surveys.
 - In December 2019, we hosted an all-company event where we launched our Responsible Business ambitions of which diversity and inclusion was a key area. This was greatly supported by employees.
 - Communication has significantly improved to support diversity and inclusion both internally and externally, including the introduction of new forums to support our employees and highlighting important subjects such as Black Lives Matter and International Women and Men's Day as well as a strong focus on improving mental health awareness.
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- In 2021, we are piloting a mentoring programme with apprentices, graduates and trainees specifically targeting females and those from a BAME background.
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- Our third employee engagement survey will be launched in March 2021. As in previous years, this includes capturing employees views on diversity and inclusion.
 - We will continue to improve our internal communications, with feedback from our employees. This year will see the introduction of employee forums with representative groups of employees strengthening the employee voice to influence company activity
 - The focus on our Responsible Business ambitions, with our aim to achieve the National Equality Standard, will ensure we make significant progress in the areas of Diversity and Inclusion.
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