

## **Modern Slavery Statement**

### **Introduction**

This is the Modern Slavery Statement for the LondonMetric Property Plc group made in accordance with section 54 of the Modern Slavery Act 2015 (the “Act”). It covers the financial year ended 31 March 2018 and provides an overview of our business activities and the policies and processes in place to prevent modern slavery and human trafficking occurring within our business and supply chains as required by the Act.

### **Our business**

LondonMetric Property Plc is a UK Real Estate Investment Trust (REIT) listed on the London Stock Exchange. We have 29 employees and operate from one London office. As at 31 March 2018 we managed £1.8bn of real estate assets located within the UK. The majority of our portfolio is wholly owned, but we also manage investments held in joint venture.

Most of our assets are single occupier logistics hubs managed in-house by us where tenants are responsible for the provision of services within the buildings they let from us under full repairing and insuring (FRI) leases. We outsource day-to-day management of predominantly multi tenanted retail parks, a diminishing element of our portfolio, to reputable firms of managing agents.

A small proportion of our portfolio (less than 5% as at 31 March 2018) comprises of assets which we are developing for income or assets where a significant refurbishment programme is being undertaken.

### **Policies**

We recognise our responsibility to behave responsibly and to be aware of the risks of slavery, forced labour and human trafficking within our organisation and supply chains. We are committed to a zero tolerance of such practices and are prepared to stop working with suppliers and service providers who won't deliver on our policies.

### **Risk assessment**

#### **Employees**

We continue to believe that none of our employees are the victims of slavery and human trafficking. We have a small, tightknit team of office based professionals working out of one location and a flat management structure. Most staff have been employed by us for a considerable number of years, all with contracts under which they receive fair and performance based remuneration, a pension contribution of 10% of salary and benefits such as private health cover. We have flexible working arrangements in place around a core hours framework and an employee handbook which includes a whistleblowing policy. In addition to our annual one-to-one staff assessment process we undertook a wellbeing study and employee survey during the review period to gauge overall employee satisfaction and scored highly in all areas relating to welfare. This survey will be repeated when the refurbishment of our office space to improve facilities and wellbeing completes this year. We also propose publishing a wellbeing policy.

## **Contractors and service providers**

We recognise that there are areas of our operations and supply chain such as construction, security, landscaping and cleaning, where it is generally acknowledged that the risks of modern slavery and trafficking may be higher. However, we believe that our exposure is limited by our UK only activities and the Procurement Policy implemented by our Responsible Business Working Group in 2015 to help meet our responsible business objectives. Our Procurement Policy's aim is to ensure appropriate supply chain and procurement standards in areas such as labour, human rights, health & safety and environmental matters.

We have a limited number of high quality contractors with a proven track record who are contractually bound to uphold the law and adhere to our Responsible Development Requirements Checklist ("Checklist"), under the Procurement Policy. This Checklist sets minimum requirements for our development activity including fair treatment and remuneration for workers and health & safety management.

Under our Checklist contractors are required to sign up to and comply with the requirements of the Considerate Constructors Scheme (the "Scheme") which encourages industry best practice. By registering with the Scheme contractors commit to providing a workplace where high standards of welfare and safety are provided and maintained. The organisation which operates the Scheme monitors contractor commitments through audits.

On major developments our Checklist also requires contractors to use reasonable endeavours to complete works which are capable of achieving a minimum BREEAM rating of 'Very Good' under the applicable assessment methodology. These certifications include aspects which incentivise responsible sourcing of construction materials, such as the management of human rights in the production, transportation and assembly of materials. We achieved one 'Excellent' and two 'Very Good' BREEAM accreditations for the three major developments completed in the year to 31 March 2018 with two further developments completed post year end on track to achieve 'Very Good' BREEAM and further BREEAM 'Very Good' developments planned.

In addition to looking at ways of improving our contractors' performance we continue to monitor compliance against the Checklist through the external project managers we employ on each development who work in conjunction with our development professionals. These key members of staff have received training and are familiar with our responsible business and human rights policies and practices.

During the year our senior development manager and the project manager, undertook a detailed review of the systems and processes at one of our key contractors Winvic. Winvic are contractors on our major developments at Bedford Link and Stoke. The review concluded that Winvic have robust policies in place which are reflected in their sub contractor arrangements with breaches resulting in disciplinary action. Winvic have scored 38 and 39 out of 50 in their last two Considerate Constructors Scheme audits at Bedford against an industry average of 36. This coming year as well as to our annual health & safety audits on four projects we intend to fully review a further contractor with a particular focus on local sourcing, modern slavery and the minimum wage.

Outside of construction our annual spend on asset services is small. The majority of contracts for these services are procured through our managing agents who, like our professional advisers, are all leading firms with anti-slavery and human trafficking policies and training in place. We have reviewed our Managing Agents' policies and monitor our suppliers compliance against them. This spring we undertook a procurement audit of our top five suppliers on assets owned as at December 2017. These represented 61% of total spend on such services and comprised of cleaning, landscaping, maintenance and security service providers. We found that all suppliers paid at least the minimum wage and their policies and procedures were in line with our Managing Agents' policies with no red flags noted. We have also met with the cleaning contractor employed by us directly for our office premises. We have discussed their policies and procedures with them and been assured that they are supporters of the living wage.

Following our reviews and monitoring we are pleased to confirm 100% compliance against our Responsible Development Requirements Checklist from our contractors and no noted human rights concerns emanating from our contractors or direct operations and supply chains.

This statement was approved by the Board on 21 November 2018.

*Martin McGann.*

Martin McGann  
Finance Director & Head of Responsible Business Working Group