

Modern Slavery Statement

Introduction

This Modern Slavery Statement (“Statement”) is for the LondonMetric Property Plc group (“LondonMetric” or the “Company”) and is made in accordance with section 54 of the Modern Slavery Act 2015 (the “Act”). It covers LondonMetric, its subsidiaries and joint venture interests for the financial year ended 31 March 2021.

This Statement provides an overview of our business activities and the policies and processes we have in place to prevent modern slavery and human trafficking occurring within our business and supply chains as required by the Act.

Our business

LondonMetric is a UK Real Estate Investment Trust (REIT) listed on the London Stock Exchange. We have 31 employees operating from the main London office and a satellite Birmingham office. As at 31 March 2021 we managed £2.6bn of real estate assets located within the UK. The majority of the portfolio is wholly owned, but we also manage approximately £170 million of investments held in joint venture.

Our assets are predominantly single occupier logistics hubs managed in-house 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 for predominantly multi tenanted retail schemes, which comprise a small and diminishing element of our portfolio, and a number of logistics assets to reputable firms of managing agents.

A small proportion of our portfolio (2.3% as at 31 March 2021) comprises of assets which we are developing for income or assets where a significant refurbishment programme is being undertaken.

Policies

We recognise it is 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 firmly 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 two locations and a flat management structure. Most of our staff have been employed by us for a considerable number of years, all with contracts of employment under which they receive fair and performance based remuneration, a pension contribution of at least 10% of salary and benefits such as private health care and life cover. We have flexible working arrangements in place around a core hours framework and an employee handbook which includes a whistleblowing policy. During the review period we undertook our fourth annual employee survey to gauge overall employee satisfaction and its results are summarised on page 59 of our Annual Report and Accounts for 2021. We again scored highly in areas relating to welfare and improved on the high satisfaction scores from the previous year. This survey supplements our annual one-to-one staff assessment process.

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. We believe however that our exposure is limited by our UK only activities and the Responsible Procurement Policy (“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.

Construction

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 our 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 larger 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. All our main developments achieved a ‘Very Good’ or ‘Excellent’ BREEAM accreditation during the year.

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.

Last year our senior development manager and project manager undertook a detailed review of the systems and processes at Faircloth Construction Limited (“Faircloth”), a key contractor employed on contracts of up to £3 million in value. Their review concluded that Faircloth have robust policies in place which are reflected in their sub-contractor arrangements with breaches resulting in disciplinary action.

During the year, a similar review was performed on A Surman & Co Limited (“A Surman”) a key contractor employed on refurbishment contracts across our Midlands industrial portfolio. Contract values range from sub £20,000 up to circa £500,000 and A Surman work all year around on projects across this portfolio. The review concluded that A Surman have robust policies and processes in place and a positive approach to responsible procurement, employment and training. Key findings from the audit include –

- The current owners/directors are 4th generation of management within a family business that has been running for over 70 years,
- Staff retention is very high with 40 direct employees, a number of which have been with the business for over 25 years,
- Where new staff are required, local employment is prioritised,
- Strong client relationships with the majority of work through repeat business,
- All supply chain appointments are approved by senior management,
- Supplier pre-qualification questionnaires demonstrate an obligation on all suppliers to comply with Modern Slavery legislation,
- Policy requirements are filtered down to all employees and employee training is provided, and
- Employee remuneration exceeds the living wage requirements.

From discussions during the meeting it was concluded that A Surman share similar values to LondonMetric in this field.


This coming year in addition to our annual health & safety audits on a sample of our projects we intend to fully review a further contractor with a particular focus on local sourcing, modern slavery and the minimum wage.

Service providers

Our portfolio has very limited landlord management responsibilities given the FRI nature of the bulk of our leases with occupiers. Our annual spend on the provision of services is therefore relatively small. Where we do provide services the majority of contracts are procured through leading firms of managing agents with responsible supply chain, anti-slavery and human trafficking policies in place and training for key staff on their implementation. We review our managing agents' policies periodically and monitor service provider compliance against them.

Over the last three years we have reviewed the top service providers procured through the larger managing agents we employ (Savills, Fidum and Cushman & Wakefield) on services such as cleaning, landscaping, maintenance and security. We have been satisfied that these providers pay at least the minimum wage and have policies and procedures in place which are in line with our expected standards and policies. No red flags have been noted.

By order of the Board of Directors



Martin McGann
Finance Director & Head of Responsible Business Working Group

27 August 2021