

Modern Slavery Statement

Introduction

This Modern Slavery Statement ("Statement") is for the LondonMetric Property Plc group and is made in accordance with section 54 of the Modern Slavery Act 2015 (the "Act"). It covers LondonMetric Property Plc, its subsidiaries and joint venture interests for the financial year ended 31 March 2019.

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.

On 27 June 2019, LondonMetric Property Plc acquired A&J Mucklow Group Limited (formerly A&J Mucklow Group Plc) by way of a Scheme of Arrangement under part 26 of the Companies Act 2006. Next year's Statement will include A&J Mucklow Group Limited and its subsidiaries.

Our business

LondonMetric Property Plc is a UK Real Estate Investment Trust (REIT) listed on the London Stock Exchange. We have 28 employees and operate from one London office. As at 31 March 2019 we managed £1.8bn of real estate assets located within the UK. The majority of the portfolio is wholly owned, but we also manage 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 logistics assets to reputable firms of managing agents.

A small proportion of our portfolio (3.2% as at 31 March 2019) 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 one location 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 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 and following the refurbishment of our office space to improve facilities, we undertook a wellbeing survey and our second employee survey to gauge overall employee satisfaction. We scored highly in areas relating to welfare and maintained or improved on the high satisfaction scores from the previous employee survey. These surveys supplement 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. 75% of our developments, by square footage, achieved the 'Very Good' 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 Winvic, one of our largest key contractors, responsible for the developments at Bedford Link and Stoke. Their review concluded that Winvic 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 Deeley, another key contractor but considerably smaller, employed on lower value contracts of up to £3m. Deeley were able to demonstrate that they also have robust policies and processes in place to comply with the Act's requirements which include:

- Supply chain due diligence obligations and termination of employment provisions where there is a failure to meet their required standards;
- Compliance discussions with sub-contractors at pre-contractual meetings evidenced by the sub-contractor's signature on meeting minutes;
- Where trades are employed directly only agencies that can demonstrate compliance with the Act are used;
- All supply chain appointments are approved by the company's managing director and construction director; and
- Policy requirements are filtered down to all employees.

From discussions during the meeting and after a detailed review of subsequent information provided by Deeley it was concluded that Deeley do 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. Last year we reviewed the top five service providers managed by Savills representing over 60% of our total spend through Savills on services such as cleaning, landscaping, maintenance and security. For the year under review, we looked at service providers managed by Edgerly Simpson Howe ("ESH") through whom we spend approximately £600,000 pa on services, broadly similar to the amount spent through Savills. We found that ESH's largest service provider, representing over 30% of our total spend with them, pays at least the minimum wage and their policies and procedures are in line with ESH's policies with no red flags noted.

We have also recently met with the cleaning contractor directly employed by us at our office premises. We have discussed their policies and procedures with them and been assured that they are supporters of the living wage.

By order of the Board of Directors



Martin McGann
Finance Director & Head of Responsible Business Working Group

19 September 2019