

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 2020.

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. This statement includes A&J Mucklow Group Limited (formerly A&J Mucklow Group Plc) and its subsidiaries which were acquired by the Company by way of a Scheme of Arrangement under part 26 of the Companies Act 2006 on 27 June 2019.

Our business

LondonMetric is a UK Real Estate Investment Trust (REIT) listed on the London Stock Exchange. We have 33 employees operating from the main London office and a satellite Birmingham office. As at 31 March 2020 we managed £2.4bn of real estate assets located within the UK. The majority of the portfolio is wholly owned, but we also manage less than £200 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 logistics assets to reputable firms of managing agents.

A small proportion of our portfolio (2.4% as at 31 March 2020) 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 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 third annual employee survey to gauge overall employee satisfaction and its results are summarised on page 55 of our Annual Report and Accounts for 2020. 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 and was followed up with a supplemental survey, once staff started working remotely due to the COVID-19 pandemic, to better understand their individual circumstances and needs.

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. 78% 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 Deeley Construction Limited (“Deeley”), a key contractor employed on contracts of up to £3m in value. Their review concluded that Deeley 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 Faircloth Construction Limited (“Faircloth”), another key contractor employed on contracts of similar value. Faircloth were able to demonstrate that they also have robust policies and processes in place to comply with the Act’s requirements which include:

- Act specific supply chain due diligence obligations for suppliers with more than five employees;
- compliance discussions with sub-contractors at pre-contractual meetings;
- where trades are employed directly only agencies that can demonstrate compliance with the Act are used;
- all supply chain appointments are approved by senior management; and
- policy requirements are filtered down to all employees and employee training is provided.

From discussions during the meeting and after a detailed review of subsequent information provided by Faircloth it was concluded that Faircloth do share similar values to LondonMetric in this field.

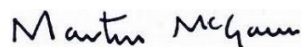
This coming year in addition to our annual health & safety audits on a sample of our projects we intend to fully review a further contractor with a particular focus on local sourcing, modern slavery and the minimum wage.

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.

In 2018, we reviewed our top five service providers procured through our largest managing agent, Savills, representing over 60% of our total spend on services such as cleaning, landscaping, maintenance and security. In 2019, we looked at service providers managed by our next largest managing agent, Edgerley Simpson Howe ("ESH") and were satisfied that these providers paid at least the minimum wage and had policies and procedures that were in line with ESH's policies with no red flags noted. For 2020, our focus was on suppliers to Cushman & Wakefield who act as managing agent to a number of properties that were acquired through our purchase of A&J Mucklow Group Limited during the year. Whilst our review process is still ongoing, our initial analysis showed no red flags and full adherence to our expected standards and policies.

By order of the Board of Directors



Martin McGann
Finance Director & Head of Responsible Business Working Group

30 September 2020