



MODERN SLAVERY STATEMENT

DERWENT
LONDON

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Introduction

This is Derwent London plc's fourth statement under the Modern Slavery Act 2015 (the "Act") pursuant to Section 54 (1) which applies to companies and partnerships which have a global turnover in excess of £36 million and conduct any of their business in the UK. As required by the Act, the statement reports on the steps that Derwent London has taken during the financial year ended 31 December 2019 to endeavour to ensure that the risk of modern slavery and human trafficking occurring in any of our activities and our supply chains or in any part of our wider business is reduced to a minimum, if not zero.

Our business

Derwent London is a real estate investment trust ("REIT") listed on the London Stock Exchange which operates in the UK and owns a portfolio of commercial real estate, predominantly in central London, valued at £5.5 billion as at 31 December 2019. We have a team of 141 employees which, together with an extensive supply chain, manages the portfolio and developments, fostering well established relationships with occupiers, third party professionals and local communities, enabling all parties to thrive.

This is underpinned by our 7 key responsibility priorities:

- Designing and delivering buildings responsibly
- Managing our assets responsibly
- Creating value in the community and for our wider stakeholders
- Engaging & developing our employees
- Setting the highest standards of health and safety
- Protecting human rights *
- Setting the highest standards of corporate governance *

* New key responsibility priorities introduced in 2020.

Progress within the Derwent London business

Based on our on-going risk assessments, we continue to believe the risk of any modern slavery or human trafficking in respect of our employees is extremely low. All our direct employees are based and employed entirely in the UK, primarily in London and are office-based.

All our employees are paid above the London Living Wage.

We have a number of policies in place that we believe promote a culture and behaviours which accord with the Act's objectives. These are all set out in the Employee Handbook and are available on our intranet site and include:

- Anti-bribery policy and guidelines
- Bullying and harassment policy
- Equal opportunities and diversity policy
- Grievance procedure
- Health and safety policy
- Whistleblowing policy

Our culture is maintained and communicated through a robust recruitment and induction process together with ongoing training initiatives (including a continuous programme of mandatory compliance training) with all employees being aware of the high standards of behaviour expected as set out in our Employee Handbook and policies. Included in the compliance training programme are specific modules on modern slavery. Adopting strong ethical values and procedures which are aligned to the Act's objectives allows us to reinforce our expectations, at the same time ensuring procedures are in place to mitigate any potential issues.

Progress with our supply chain

Following the introduction of the Act, the risk assessment of our supply chain to identify the areas where slavery or human trafficking could occur indicated the potential greatest risk existed in the use of building contractors for our development schemes, as their work involves the use of sub-contractors. This risk also exists in some of the services such as cleaning and security which are used in our buildings. We ensure all of these suppliers are aware of the Act and we require them to formally confirm they are in compliance with the legislation.

One of the tools we introduced in 2017 to help us identify any potential risk is our Supply Chain Standard which clearly sets out our expectations of suppliers across a series of issues which include:

- Governance
- Employment and labour practices
- Payment practices
- Health and safety
- Community
- Environmental standards

This is a working document and requires formal acknowledgement from the supplier in question that they are aware of the standards required and, at a minimum, adhere to them, an example of which is the implementation of the London Living Wage. The requirements encompass the wide range of services being provided together with the varied risk levels inherent in the supplier's labour force being employed either directly or through sub-contractors.

We believe reiterating strong ethical values and communicating them from the start of the relationship reinforces standards of behaviour which allow us to build long term and successful partnerships with stakeholders.

Progress during 2019

During 2019, our Supply Chain Standard Questionnaire which contains specific questions to suppliers on their internal environmental, social & governance (ESG) management procedures and policies, was comprehensively updated to introduce a new section specifically focusing on modern slavery requirements. The 2019 Questionnaire was issued to members of the supply chain identified as potentially higher risk.

We continued to implement measures which will allow us to actively mitigate the risk of any slavery or human trafficking as a result of our operations. These include:

- Use of a New Supplier Form for all new contractors, which asks for confirmation details in relation to the Act
- Requesting a Commitment Statement from suppliers in all contractual documentation, supported by evidence, in relation to the Act
- Conducting reviews of contracts on the managed portfolio to ensure the Act is being appropriately addressed
- Compliance training programme was introduced for all staff in 2019 including a specific module on modern slavery. 99% of staff completed this module successfully.

Future progress

In summary, Derwent London has continued to enhance its robust programme to mitigate the risks of modern slavery and human trafficking taking place in any of its supply chains or in any part of its business. Our ethos is to seek continued improvement in all areas of our business, and its impact on the community as well as other third parties.

Taking this into account, during 2020 we will continue to identify and implement ways to strengthen our programme. This includes more detailed and targeted training, awareness and ownership internally, together with an even more cohesive and collaborative approach to monitoring and cross-checking our supply chain, from procurement to delivery.

During 2020, we also plan to analyse and assess the specific results of the Supply Chain Standard Questionnaire issued in 2019 in order to pro-actively assist those suppliers who were unable to respond positively to the modern slavery questions at that time. We will endeavour to improve the robustness of our supply chain with respect to modern slavery in order to increase the positive response rate in 2020.

In addition, our responsibility programme, which encompasses all our material, environmental, social and governance risks will further strengthen the framework already established and in operation.

This statement is made pursuant to Section 54 of the Act and relates to Derwent London plc and all its subsidiaries. It is made in respect of its financial year ended 31 December 2019 and was approved by the Board on 21 February 2020.



Paul Williams
Chief Executive Officer