

Modern Slavery Statement

year to 31 December 2021

Executive Summary

This is Derwent London plc's sixth statement under the Modern Slavery Act 2015 (the "Act") pursuant to Section 54 (1). As required by the Act, the statement reports on the steps that Derwent London has taken during the financial year ended 31 December 2021, to endeavour to ensure that the risk of modern slavery and human trafficking occurring in any of our activities, our supply chains or in any part of our wider business is reduced as much as possible.

As a result of wider factors, such as the global pandemic, many of the underlying causes of modern slavery such as poverty, inequality and unemployment have worsened and therefore we recognise that we must strengthen further our commitment to eradicating any possibility of modern slavery or human trafficking occurring with respect to our business operations. Our ethos is to seek continued improvement in this and all areas of our business.

Measures we are taking include the following:

- Operating as a responsible business, balancing and managing our environmental, social and governance opportunities proactively and in accordance with our policies;
- Continuing with our comprehensive risk-based assessment approach for operations both within the business and with our supply chain partners, to assess the risk of whether modern slavery or human trafficking are likely to occur in any of these areas;
- Proactively supporting our suppliers during the ongoing Covid-19 pandemic, by not cancelling orders or contracts but maintaining a level of service and payments including furlough top-up to the end of the furlough scheme and ensuring that our suppliers were paid promptly, within 20-days on average. Thus helping to protect those employed in our supply chain.
- Issuing a revised Supply Chain Responsibility Standard setting out the standards we expect our supply chain to meet and conducted our third Supply Chain Responsibility Standard questionnaire to monitor our alignment with our suppliers.

We believe that reiterating strong ethical values and communicating them regularly reinforces standards of behaviour which allow us to build long term and successful partnerships.

Based on our risk assessments and the measures we have taken throughout 2021, we believe the risk of modern slavery or human trafficking occurring in our business activities or within our supply chains is very low.

This statement is made pursuant to Section 54 of the Act and relates to Derwent London and all its subsidiaries, as listed in the Appendix including those entities which would otherwise be bound to make a statement under Section 54(1) of the Act. It is made in respect of its financial year ended 31 December 2021 and approved by the Board on 22nd February 2022.

Paul Williams
Chief Executive Officer

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Derwent London's business operations and structure

Derwent London is a Real Estate Investment Trust ("REIT") which operates in the UK and owns a portfolio of commercial real estate of 5.6 million sq ft, predominantly in central London, valued at £5.7 billion as at 31 December 2021. The company is listed on the London Stock Exchange and is a member of the FTSE 250.

We apply our asset management and regeneration skills to the Group's property portfolio using our people, relationships and financial resources to add value and grow income while benefitting the communities in which we operate and the wider environment. Derwent London's core activities can be split into two broad categories. First is asset management of the property portfolio which comprises managing the occupational leases and maintaining relationships with our occupiers to maintain and grow income. Second is the development and refurbishment of our buildings and acquiring properties with future regeneration opportunities while disposing of those with limited future potential to deliver above average long-term returns.

In undertaking our business activities, we appoint a number of external suppliers. These suppliers fall into 3 categories:

- A. Professional consultant advisors including lawyers, accountants, valuers, agents, auditors and design professionals
- B. Main contractors in the construction industry
- C. Property management suppliers and maintenance contractors

Derwent London's environmental, social & governance priorities

As a responsible business, we balance and manage our environmental, social and governance opportunities proactively. This focus is visible in our culture, approach, design and management of our buildings, 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 and developing our employees.
- Setting the highest standards of health and safety.
- Protecting human rights.
- Setting the highest standards of corporate governance, including our modern slavery policy.

We recognise the responsibility we have to all our stakeholders. Through our engagement strategy, existing relationships with our key stakeholders and our understanding of their key concerns and issues, we offer wherever possible proactive support.

1. Assessing the risk of modern slavery within the business

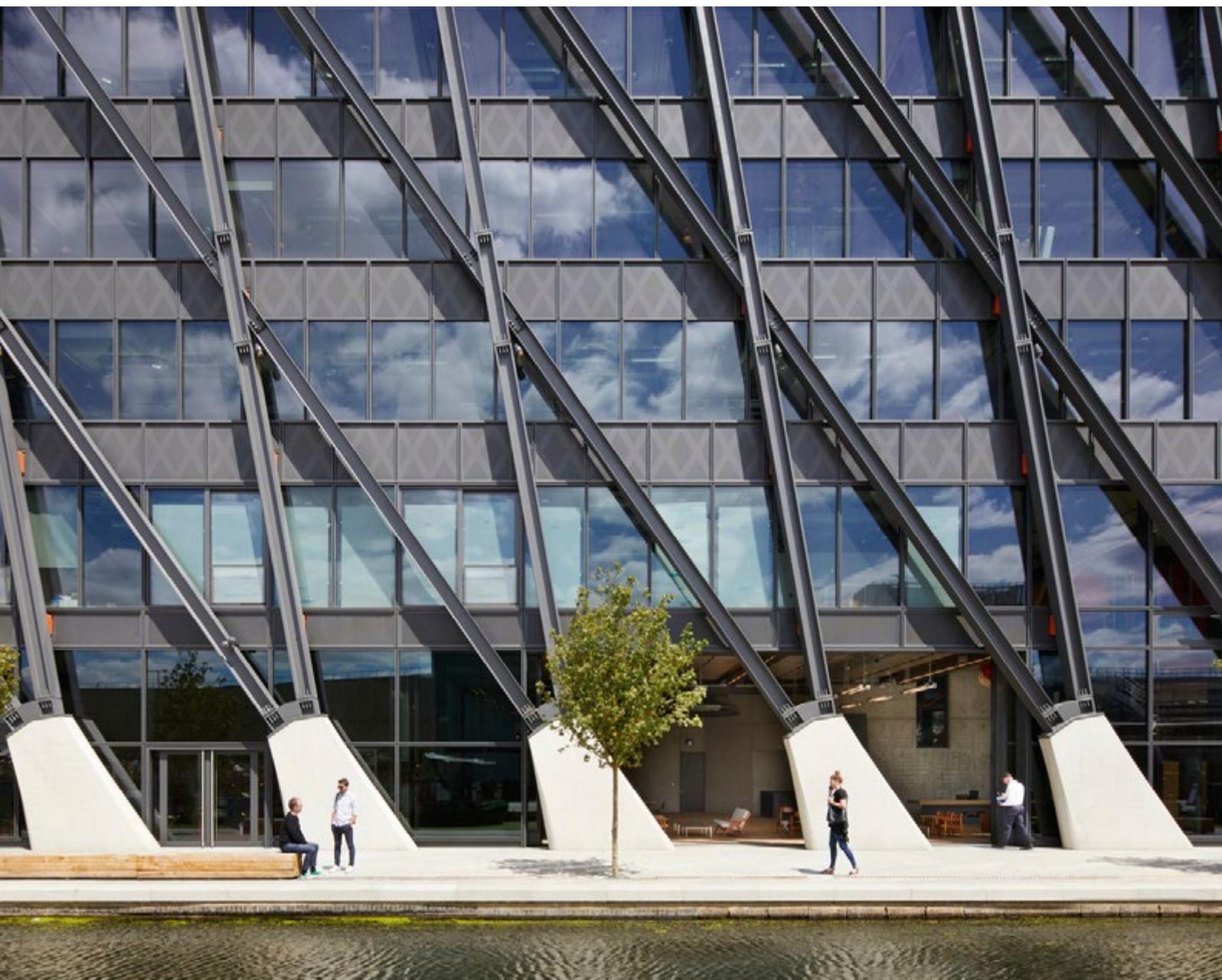
We have a team of circa. 170 employees which, together with an extensive supply chain, manages the property portfolio and developments, fostering well established relationships with occupiers, third party professionals, our supply chain and local communities. All our direct employees are based and employed entirely in the UK, primarily in the Greater London area and are typically office based unless working from home. All our employees are paid the London Living Wage or above. Based on our ongoing risk assessments and measures in place, we continue to believe the risk of any modern slavery or human trafficking occurring in respect of our employees is extremely low.

2. Assessing the risk of modern slavery in our supply chain

Following the introduction of the Act, we have adopted a risk-based approach in the assessment of our supply chain to identify the areas where modern slavery or human trafficking could occur. Our procedures indicated the potential greatest risk exists in the long supply chains of our construction contractors as well as the property management suppliers and maintenance contractors used in our buildings, which include cleaning and security services.

Before entering into business the higher risk suppliers are assessed by the property management and development teams. We ensure that all these suppliers are aware of the Act and we require them to formally confirm they are in compliance with the legislation. Based on our ongoing

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2. Assessing the risk of modern slavery in our supply chain cont.

procedures and measures, we continue to believe the risk of modern slavery or human trafficking in respect of our supply chain is low.

Progress in the year to 31 December 2021

We understand the role that our business has in addressing modern slavery and playing our part in identifying and preventing risks. We have remained focused on responding to and addressing the subject with respect to our business operations, our employees and our supply chain. Mitigating modern slavery risks within our supply chain despite the challenges presented by the pandemic in carrying out in person due diligence processes continued to be a priority.

Human Resource & other procedures:

We have a number of policies in place that we believe promote our culture and expected behaviours which accord with the Act's objectives. The policies are clearly set out in our Employee Handbook and are made available in full on our intranet site. Our human resource policies include:

- Anti-bribery policy and guidelines
- Bullying and harassment policy
- Equal opportunities and diversity policy
- Grievance procedure
- Health and safety policy
- Whistleblowing policy and confidential hotline
- Supply Chain Responsibility Standard

Recruitment and training:

Our culture is maintained and communicated through a robust recruitment and induction process with all employees being aware of the high standards of behaviour expected as set out in our Employee Handbook and policies.

Our recruitment and induction processes continued throughout 2021. All new starters are required to complete a 'core skills' programme which includes a section on modern slavery. This section includes two courses:

- Identifying modern slavery in the supply chain – raising awareness, how it could occur in a supply chain and how to identify the signs.
- What is modern slavery – what this can include (inc. human trafficking, labour exploitation, sexual exploitation, financial exploitation, organ harvesting, forced criminality, forced/early or sham marriage, EU status exploitation, descent based/hereditary and domestic servitude), the legislation, raising awareness of the issues and how to identify the signs.

These e-courses must be completed in order to pass probation.

Managing emerging risks internally

Ongoing training initiatives and our mandatory compliance training programme which contains specific modules on modern slavery ensure that employees are kept up to date with the latest requirements.

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.

We have remained focused on responding to and addressing the subject with respect to our business operations, our employees and our supply chain.



Measures taken with our supply chain to minimise the risk of modern slavery

Health & safety on our construction sites:

The appointed contractors who manage our construction sites confirmed that the latest Site Operation Protocols (SOP) set out by the Construction Leadership Council (CLC) for Covid-19 measures, were in place and were complied with. These protocols were issued to each Principal Contractor, Principal Designer and the external project management teams on each project and checked that suitable and sufficient measures were in place within the Construction Phase Plan to manage and maintain hygiene, social distance and prevent contact, as well as manage issues such as first aid and a clear process should a worker test positive for Covid-19. Checks were conducted with a series of robust, recorded inspections by our internal and external Health and Safety support teams.

Construction supply chain:

Before the selection and appointment of any main contractor, their compliance with the requirements of the Act is checked and confirmed. Our risk assessment has identified that the greatest risk of modern slavery occurring is within the sub-contractor and construction supply chain rather than the main contractor operations which are more management related. On this basis, we expect our main contractors to conduct due diligence within their supply chains to ensure that the risk of modern slavery or human trafficking occurring is checked and minimised.

Property management suppliers:

For those organisations appointed across the managed portfolio, various checks are made and actions are taken with regards to modern slavery.

All suppliers receive Derwent London's latest modern slavery statement. Similarly, modern slavery statements are obtained from all suppliers and logged.

No changes in personnel from the supply chain have been made as a result of Covid-19. No relief staff outside of our standard set of approved personnel were used.

In addition, there was no change to our standard payment terms over the course of 2021. Where supplier services were reduced due to lockdowns, we continued to pay agreed retentions.

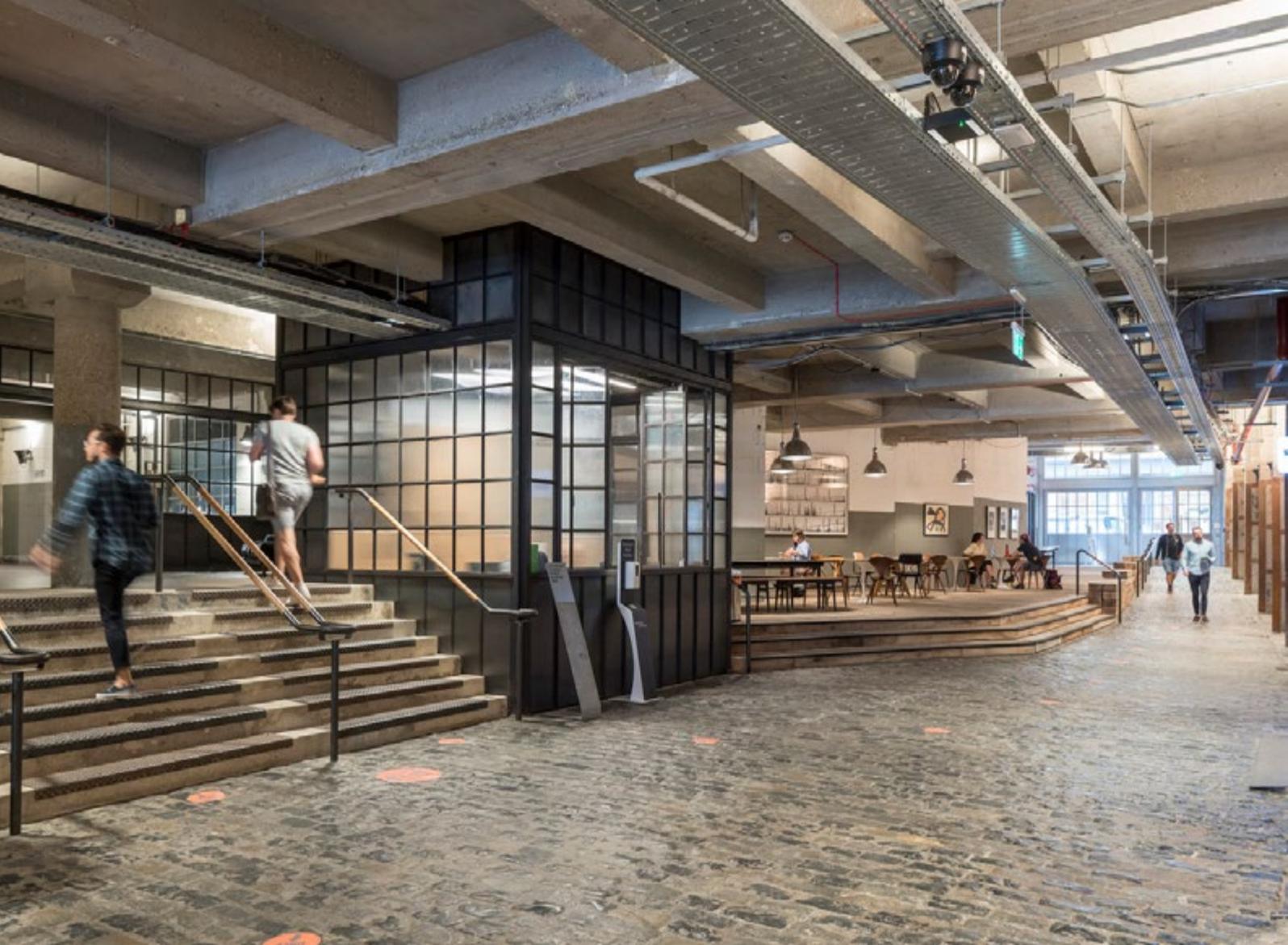
We worked with the supply chain to agree which contracts required staff to be placed onto furlough. Where we requested staff be furloughed, we continued to pay the 20% salary top-up fee (plus NI and tax) to ensure all furloughed staff in the supply chain continued to receive 100% of pay at all times to the end of the furlough scheme, at which point all those concerned returned to employment on pre-pandemic terms.

Supporting suppliers & payment terms

Derwent London is a signatory of the Chartered Institute of Credit Management (CICM) Prompt Payment Code and we have supported our supply chain with prompt payment of invoices. The Prompt Payment Code obliges companies to pay 95% of invoices in 60 days, however during 2021 we paid our supplier invoices within 20 days on average, in support of them through the Covid-19 pandemic period. We have been working with suppliers since the new Prompt Payment guidelines came into effect in January 2021 and instigating appropriate measures where required.

Throughout the pandemic, we have actively supported and engaged with our contractors from senior leadership to site operatives, working to promote mental health, good hygiene, and encouraging best practice through the Derwent London standards. We actively check contractors are looking after any staff who have had to self-isolate and have encouraged contractors to support their sub-contract workforce too, including the appointment of mental health first aiders and accessible mental health champions.

We have also worked with contractors to ensure that suitable and sufficient Covid-19 fatigue management plans were in place, where workers were asked by contractors to work day or night shifts, to ensure that the workforce had a proper rest and maintained a work/ life balance. The members of our Health and Safety team have the knowledge, skills and experience to identify modern slavery issues.



**During 2021 we paid our
supplier invoices within
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pandemic period**

Managing emerging risks (suppliers & sites)

During 2021 we continued to work with the supply chain to ensure that best practice had been adopted at our managed properties and construction sites, checking with regular site visits either in person or remotely via digital technology, in line with current Covid-19 protocols. In doing so, we risk-assessed our sites and project teams in accordance with current HSE and government guidance. In addition, we applied the same rigorous standards to our smaller contractors, but on a proportionate basis.

An updated version of our Supply Chain Responsibility Standard was issued in 2021. This standard sets out our principles and expectations in terms of the environmental, social, ethical and governance issues which relate to our supply chains and includes a section on modern slavery. This requires that, at a minimum, suppliers are to comply with relevant legislation. In addition, we expect suppliers to provide training for employees on modern slavery, and to have provisions in place that endeavour to ensure their supply chain also adheres to the Act.

One of the tools we use to help identify any potential risk of modern slavery occurring within the supply chain is our Supply Chain Responsibility Standard questionnaire which includes specific questions to suppliers on their environmental, social and governance (ESG) management procedures and policies including modern slavery and the living wage. Our third questionnaire was issued in September 2021 to a sample of 49 suppliers considered to be of higher risk.

All suppliers were able to confirm they had a modern slavery policy that addresses the items raised in the Act. Moreover 90% of suppliers advised that employee training is provided on the subject. Whilst understanding that the Act only requires companies with an annual turnover over £36m to legally provide a modern slavery statement, we encourage all suppliers to adhere to the principles of the Act.

Should concerns arise as a result of the questionnaire contact would be made with the relevant supplier. In addition the appropriate department head would be involved to ensure that concerns were addressed and resolved.

Future Commitments

We have scheduled refresher training on modern slavery for all Derwent London employees in Q2 of 2022 as part of our compliance training programme.

Modern slavery issues and updates relating thereto will be included on the agenda of our ongoing Principal Contractor Customer Improvement Groups led by the Health & Safety team.

A refresh of our supply chain risk analysis will be undertaken to ensure it continues to identify and assess external risks with consideration to be given to introducing suitable Key Performance Indicators.

We plan to collaborate with organisations that provide business support to gain an improved understanding of the issue and further reduce the risk of modern slavery and exploitation in our business.

Appendix 1

List of Derwent London PLC subsidiary companies as at 31 December 2021

Co. name

Asta Commercial Limited	Derwent London Horseferry Limited
Caledonian Properties Limited	Derwent London KSW Limited
Caledonian Property Investments Limited	Derwent London No.2 Limited
Central London Commercial Estates Limited	Derwent London No.4 Limited
Charlotte Apartments Limited	Derwent London Oliver's Yard Limited
80 Charlotte Street Limited	Derwent London Page Street Limited
Derwent Asset Management Limited	Derwent London Savile Row Limited
Derwent Central Cross Limited	Derwent London White Chapel Limited
Derwent Henry Wood Limited	Derwent London White Collar Limited
Derwent London Angel Building Limited	Derwent London Whitfield Street Limited
Derwent London Asta Limited	Derwent Valley Central Limited
Derwent London Baker Street Limited	Derwent Valley London Limited
Derwent London BH Limited	Derwent Valley Property Developments Limited
Derwent London Brixton Limited	Derwent Valley Property Investments Limited
Derwent London BSP Limited	Derwent Valley Property Trading Limited
Derwent London Development Services Limited	Derwent Valley West End Limited
Derwent London Farringdon Limited	Kensington Commercial Property Investments Limited
Derwent London Featherstone Limited	LMS (City Road) Limited
Derwent London Gallery Limited	LMS Offices Limited
Derwent London George Street Limited	The New River Company Limited
Derwent London Holden House Limited	West London & Suburban Property Investments Limited
Derwent London Holford Works Limited	