

Modern Slavery Statement

Year to 31 December 2022

Executive Summary

This is Derwent London plc's seventh 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 2022, 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.

2022 was another challenging year with factors such as the cost of living crisis, inflation and energy security all increasing the risk of modern slavery. We understand that preventing modern slavery in the first place is vital and we remain committed 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 pro-actively 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;
- Publishing our Code of Conduct & Business Ethics which sets out our values and core standards in order to conduct our business in an ethical and socially responsible way;

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 2022, 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 2022 and approved by the Board on 24th February 2023.

Paul Williams



Chief Executive Officer

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 5.5 million sq ft, predominantly in central London, valued at £5.4 billion as at 31 December 2022. 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 pro-actively. 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. 180 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. Everyone in the Derwent London Group who is an employee is paid more than the London Living Wage. 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 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 procedures and measures, we continue to believe the risk of modern slavery or human trafficking in respect of our supply chain is low.

Managing emerging risks internally

We understand the role 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.

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](#)
- ♦ [Equal opportunities and diversity policy](#)
- ♦ [Code of Conduct & Business Ethics](#)
- ♦ [Health and safety policy](#)
- ♦ [Whistleblowing policy and confidential hotline](#)
- ♦ Bullying and harassment policy
- ♦ Grievance procedure

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 2022. All new starters are required to complete compulsory training within their probation period which includes a section on modern slavery.

These e-training courses must be completed to pass probation.

Measures taken with our supply chain to minimise the risk of 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.

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. All contractors are required by our contracts to pay the London Living Wage. All contracts for higher risk areas such as security, Front of House and cleaning are placed via a formal tender process undertaken by a third party to ensure modern slavery policies are provided and checked. Our standard form of contract incorporates our modern slavery policies and procedures.

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. During 2022 we paid our supplier invoices within 23 days on average. We have been working with suppliers since the new Prompt Payment guidelines came into effect in January 2021 instigating appropriate measures where required.

Managing emerging risks (suppliers & sites)

According to a report by the anti slavery charity Unseen their helpline data shows construction being one of the most prevalent sectors for reports of exploitation for the period January to June 2022.

We therefore work with our supply chain to ensure that best practice has been adopted at our managed properties and construction sites, checking with regular site visits. 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.

Our [Supply Chain Responsibility 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.

Progress against commitments made for the year to 31 December 2022

Refresher training for all employees: this took place and covered identifying modern slavery in the supply chain; raising awareness, how it could occur in a supply chain and how to identify the signs. Ongoing training initiatives and our mandatory compliance training programme which contains specific modules on modern slavery raises awareness and ensures all employees including Directors are kept up to date with the latest requirements.

Modern slavery to be included on agenda for Principal Contractor Improvement Groups: this commenced in 2022 and will be periodically 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: this was undertaken to ensure it continues to identify and assess external risks.

Collaboration with external organisations: Partnership discussions took place with the organisation Unseen in order for us to better understand the issue of modern slavery and to further minimise the risk within the business.

Future Commitments

A refresh of our supply chain risk analysis was undertaken in 2022. In order to strengthen this work a review and analysis of our current policies and procedures will be undertaken in 2023 by the anti slavery charity Unseen. Where appropriate this will provide us with recommended areas of focus and development to build on.

Our next supply chain questionnaire will be issued in 2023. This includes specific questions to suppliers on their environmental, social and governance (ESG) management procedures and policies including modern slavery and the living wage.

Appendix I

List of Derwent London PLC subsidiary companies as at 31 December 2022

Co. name

Asta Commercial Limited	Derwent London KSW Limited
Caledonian Properties Limited	Derwent London No.2 Limited
Caledonian Property Estates Limited	Derwent London No.4 Limited
Caledonian Property Investments Limited	Derwent London No.5 Limited
Central London Commercial Estates Limited	Derwent London No.6 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	
Derwent London Horseferry Limited	