

Modern Slavery Statement

year to 31 December 2020

Executive Summary

This is Derwent London plc's fifth 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 2020, 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.

We are and continue to be 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. During this extraordinary year of 2020 with the impacts of the Covid-19 pandemic, Derwent London has continued to maintain and enhance its robust programme to mitigate the risks of modern slavery and human trafficking taking place in any part of its business operations or in any of its supply chains. These measures include the bullets listed here:

- 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.
- Putting in place specific measures during the Covid-19 pandemic to ensure that our own office workplace and the offices in the managed portfolio of properties were made safe and accessible to our employees and occupier tenants, in accordance with government guidelines.
- Ensuring that the health, safety and well-being of our direct employees was highest priority with regular updates to Covid-19 safe protocols and communications via email and intranet.
- At each of our construction sites, Covid-19 checks were made with our contractors to ensure that latest Site Operation Protocols and procedures had been implemented.
- Covid-19 risk assessments were undertaken with each of our property management suppliers to ensure safe working protocols for their staff had been established and maintained.
- We proactively supported our suppliers during the Covid-19 pandemic, by not cancelling orders or contracts but maintaining a level of service and payments including furlough top-up and ensuring that our suppliers were paid promptly, within 21-days on average.

Based on our risk assessments and measures taken through 2020, before and during the Covid-19 pandemic, we believe the risk of any 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 2020 and approved by the Board on 11 March 2021.

Paul Williams
Chief Executive Officer

11 March 2021

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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 £5.4 billion as at 31 December 2020. 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 Derwent London'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 are asset management of the property portfolio as well as managing the occupational leases and maintaining relationships with our tenants; development and refurbishment of existing buildings or new acquisitions, and investment activity by either acquiring properties with future regeneration opportunities or disposing of those with limited future potential.

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

1. Assessing the risk of modern slavery within the business

We have a team of circa. 150 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 London and are typically office-based unless working from home. All our employees are paid the London Living Wage or above. Based on our on-going risk assessments and measures that are 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

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

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 risk assessment indicated the potential greatest risk existed in the appointment of construction contractors as well as the property management suppliers and maintenance contractors used in our buildings, which include cleaning and security services.

The higher risk suppliers are assessed on a regular basis 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 annually that they are in compliance with the legislation. Based on our on-going risk assessments and measures taken, we continue to believe the risk of any modern slavery or human trafficking in respect of our supply chain is low.

Our focus and priorities turned to responding to and addressing the impacts of the Covid-19 pandemic with respect to our business operations, our employees and our supply chain.



Progress in the year to 31 December 2020

During the first three months of 2020, we continued our programme of measures to endeavour to eradicate the risk that modern slavery or human trafficking was occurring in the supply chain. This included further assessment of suppliers' responses to the 2019 Supply Chain Standard Questionnaire, Modern Slavery section to assess where further risk assessment and mitigation would be beneficial.

Since March however, our focus and priorities turned to responding to and addressing the impacts of the Covid-19 pandemic with respect to our business operations, our employees and our supply chain. Specific measures were established and put in place to ensure appropriate high standards of health & safety were met in our own office and the managed portfolio of properties for both our employees and tenants, which were maintained throughout the remainder of the year.

In March a new Covid-19 working group established specific additional measures within the business as outlined below, which were put in place as a response to the Covid-19 pandemic:

Health & safety of our employees:

During the initial lockdown period, regular communication with employees via their respective line managers was made to assess employees' circumstances for safe home working and to monitor their general health and well-being. There was access to a suite of online support via our intranet and the creation of staff newsletters. In June, specific Covid-19 protocols for a safe return to work were put in place and communicated to employees, in accordance with Government guidance. This included temperature screening, safe access, one-way circulation and various social distancing measures. The same protocols were implemented within the managed portfolio to ensure our building management staff were able to work in Covid-19 safe environments. Individual results from our Covid-19 "High Risk Questionnaire" enabled us to assess those at higher risk and make further adaptations where necessary. An online desk booking system was created and implemented to control and monitor attendance in the office to enable us to maintain social distancing at all times.

Human resource procedures:

We have a number of policies in place that we believe promote our culture and behaviours which accord with the Act's objectives. After a review in light of Covid-19, these policies were considered to be appropriate unamended, with the exception of our 2020 Holiday Policy. The policies are clearly set out in our Employee Handbook and are made available in full on our intranet site. There were no further changes to policies or procedures on account of Covid-19. 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

Recruitment and training:

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. Our recruitment and induction processes continued throughout 2020 (albeit online) with several new starters, despite the change in circumstances. 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.

Included in the compliance training programme are specific modules on modern slavery. This is delivered online and continued through 2020 but slightly modified taking in to account high workloads during the lockdown periods. In addition, mental health training was provided to line managers to enable them to provide guidance and support to their teams and colleagues where necessary.

Managing emerging risks internally:

Through the Covid-19 working group, established specifically to respond to the Covid-19 pandemic, a regular assessment of risks was undertaken to ensure that appropriate measures were put in place to ensure that our policies, procedures and the health, safety and well-being of our employees was maintained at the highest possible levels. In line with Government guidelines and as circumstances changed, the risks were

Before the selection and appointment of any main contractor, their compliance with the requirements of the Modern Slavery Act is checked and confirmed.



Managing emerging risks internally (continued):

re-assessed and adjustments made as necessary which were then communicated to employees by email, via our intranet, the employee newsletter and re-enforced by bi-weekly virtual Town Hall meetings led by Paul Williams, CEO. Regular feedback was sought from employees via two online pulse surveys, the results of which were considered and informed adjustments to the protocols and measures.

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

Health & safety on our construction sites:

From March 2020 onwards, checks were made and confirmed with the appointed contractors who manage our construction sites 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 Modern Slavery Act is checked and confirmed. Our risk assessment has identified that the greater 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. This is then formally reported to our Development team on each live project.

Property management suppliers

For those organisations appointed across the managed portfolio, various checks were made and actions taken with respect to Covid-19 measures and modern slavery. These included:

- Covid-19 statements were obtained from all suppliers along with confirmation of additional staff training, that internal policies were maintained and Personal Protective Equipment (PPE) was provided to employees.
- Covid-19 risk assessments were undertaken at each property and protocols established which were provided to the supply chain and all staff working at these properties. Suppliers and staff were required to follow the safe working protocols when on site.
- All suppliers received Derwent London's latest modern slavery statement. Similarly, modern slavery statements were obtained from all suppliers and logged.
- During the pandemic, no changes in personnel from the supply chain were made as a result of Covid-19. No relief staff outside of our standard set of approved personnel were used.
- During the pandemic, there was no change to our standard payment terms. Where supplier services were reduced due to lockdowns, we continued to pay agreed retentions. For example, we continued to pay 33% of our waste service costs throughout, despite reducing collections to once per week and we continued to pay our floristry services 30% of the contract value, despite suspending services during the period.
- We worked with the supply chain to agree which contracts required staff to be placed onto furlough. Where we requested staff to 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.

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 2020 we paid our supplier invoices within 21 days on average, in support of them through the Covid-19 pandemic period. We are aware of the new Prompt Payment guidelines which came into effect in January 2021 and will instigate appropriate measures where required over the next reporting period.

Throughout the pandemic, we have actively supported and engaged with our contractors from the 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



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Supporting suppliers & payment terms (continued):

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. Our Health and Safety Team members are all trained in modern slavery issues, knowing the signs to look out for in the workplace and supply chain, raising any concerns to senior management or through our whistle blowing policy.

Managing emerging risks (suppliers & sites):

During 2020 we worked with the supply chain to ensure that fair play and 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, but always following 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.

One of the tools we use to help identify any potential risk of modern slavery occurring within the supply chain is our Supply Chain Standard Questionnaire which clearly sets out our expectations of suppliers across a series of issues which includes specific questions to suppliers on their environmental, social and governance (ESG) management procedures and policies including modern slavery. The Questionnaire was issued in September 2019 to a sample of 51 suppliers considered to be of higher risk 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 range of supplier services being provided together with the varied risk levels inherent in the supplier's labour force being employed either directly or through sub-contractors. Responses from 50 suppliers were received (98%) and where relevant these were followed up during 2020 to encourage suppliers to reassess and improve their policies and measures with respect to modern slavery even if those suppliers fell outside the scope of the Act due to a turnover less than £36m per annum.

Each year through our contractor risk assessment, we check that all contractors have in place a modern slavery statement and policies to mitigate the risk that modern slavery or human trafficking is taking place in

their organisation or in their supply chain, and this is recorded on our "Approved Suppliers Register". A copy of their policy is recorded in the Derwent Way Health and Safety Knowledge Library. We believe that reiterating strong ethical values and communicating them each year reinforces standards of behaviour which allow us to build long term and successful partnerships with stakeholders.

During 2020 we continued to implement all these measures which has enabled us to actively mitigate the risk of any slavery or human trafficking as a result of our operations.

Future commitments

During 2021 we will continue to identify and implement ways to strengthen our programme, both within the business and within our supply chain. This will include 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.

We will endeavour to assist and improve the robustness of our supply chain with respect to modern slavery in order to increase the positive response rate in the next Supply Chain Standard Questionnaire to be issued in September 2021.

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.

Appendix 1

List of Derwent London PLC subsidiary companies as at 31 December 2020

Co. name

Caledonian Property Investments Limited

Caledonian Properties Limited

Central London Commercial Estates Limited

LMS Offices Limited

LMS (City Road) Limited

Kensington Commercial Property Investments Limited

The New River Company Limited

Portman Investments (Baker Street) Limited

West London & Suburban Property Investments Limited

Asta Commercial Limited

Charlotte Apartments Limited

Derwent Central Cross Limited

Derwent Valley West End Limited

Derwent Henry Wood Limited

80 Charlotte Street Limited

Derwent London Asta Limited

Derwent London Angel Square Limited

Derwent London Farringdon Limited

Derwent London Holden House Limited

Derwent London Featherstone Limited

Derwent London Oliver's Yard Limited

Derwent London Whitfield Street Limited

Derwent Valley Central Limited

Derwent Valley London Limited

Derwent Valley Property Developments Limited

Derwent Valley Property Investments Limited

Derwent Valley Property Trading Limited

Derwent London Asta Residential Limited

Derwent London Brixton Limited

Derwent London Page Street Limited

Derwent London Savile Row Limited