

Lazari Investments Limited
Modern Slavery and Human Trafficking Statement 2024

Introduction

Lazari Investments Limited, along with all of its wholly owned subsidiaries, is committed to conducting its business ethically and upholding internationally recognised human rights. This statement is relevant to Lazari Investments Limited and its subsidiary companies:

- Lazari Properties 1 Limited;
- Lazari Properties 2 Limited;
- Lazari Properties 3 Limited;
- Lazari Properties 4 Limited;
- Lazari Properties 5 Limited;
- Lazari Properties 6 Limited;
- Lazari Properties 7 Limited;
- Lazari Properties 8 Limited;
- Lazari Properties 9 Limited;
- 262 High Holborn Limited;
- Lazari Properties 11 Limited;
- Lazari Investments Management Limited;
- Savrow Holdings SARL;
- Derwent Lazari Baker Street GP Limited;
- Derwent Lazari Baker Street LP;
- Lazari Bluesky Limited;
- Link Compliance Limited;
- NBS Holdings 1 Limited;
- NBS Holdings 2 Limited;
- NBS Holdings 63 Limited; and
- NBS Holdings 55 Limited

together referred to as ("**Lazari**").

We have used the corporate reporting requirements set out in the UK's Modern Slavery Act 2015 (the "**Act**") as an opportunity to evaluate our business activities and stakeholder interactions. As part of this ongoing exercise, we have been able to identify our areas of strength and those areas which require improvement.

Lazari is dedicated to ensuring that neither our business dealings nor our supply chain is involved in modern slavery or human trafficking. This is our fourth modern slavery statement (the "**Statement**"), detailing the steps taken to address modern slavery up to 31 March 2024 as well as the commitments we intend to make over the next 12 months.

Our Business

Lazari is a well-established, family-owned property investment group owning a portfolio of primarily commercial real estate assets, principally located in central London. Lazari comprises fifteen UK companies, one Luxembourg registered company (Savrow Holdings Sarl), one Limited Partnership, and four Jersey incorporated companies with UK tax resident status.

We have also recently acquired two properties; 28-29 George Street, W1' and Maple House, 149 Tottenham Court Rd, W1. Our acquisition and refurbishment of these properties included coming up with a detailed ESG strategy report on how we can meet ESG requirements. This shows Lazari's commitment to improving the quality of its portfolio of properties and to reaching its sustainability targets.

As at the time of writing we have 97 employees and regularly work with seven external consultants. Our employees manage the daily operations of our business, including managing our investment portfolio and asset management initiatives. These responsibilities include the oversight of the development and refurbishment of our properties.

The Lazari working ethos is built on fostering close relationships with long-standing suppliers, tenants, professional teams and local communities. Our supply chain support and oversight are led by five Lazari directors, followed by our project management teams and our external consultants. We have a large supply chain which includes both contractors and subcontractors, as well as maintenance providers and corporate suppliers. Approximately 50% of our tier one supply chain is European, most notably from Spain, Italy and the Netherlands. The remaining tier one suppliers are headquartered and / or based in the UK.

To provide us with a sound knowledge of our external stakeholders and our supply chains, we work diligently to build and maintain transparent relationships, enabling us to trace the origins of our supplies. The property management and investment teams continue to regularly engage with existing tenants through the medium of quarterly meetings, to the extent required. The matters discussed during these quarterly meetings are shared with the Board during their weekly management meetings, to allow the management team to take the necessary action. We engage with our supply chain partners through various means, predominantly when we collaborate on customer projects. Relationships with our supply chain partners are principally managed by a combination of the Lazari directors, heads of projects (for developments), building managers and consultants. Engagement is undertaken through a combination of site visits / contractor liaison and calls.

Our Policies & Processes

Lazari has in place Compliance Policies which set out our modern slavery, anti-bribery, anti-fraud, anti-money laundering, anti-tax evasion and sanctions policies, procedures and controls, as well as additional compliance guidance. The Compliance Policies apply to Lazari's directors, employees, contractors, intermediaries and persons operating under the control of Lazari.

The Lazari directors, executive management team and senior management take ownership of managing compliance risks and are actively engaged in addressing any risks. Compliance risks are treated in the same manner as financial, operational and other risks faced by Lazari.

The Risk and Compliance Committee reviews and monitors the Compliance Policies, makes recommendations to the Board and addresses compliance issues with the Board. An Internal Audit function, along with external advisors, carries out regular efficacy reviews of the Lazari Group's Compliance Policies, both in design and operation. These reviews include gap analysis, leading practice and policy requirements, and recommendations for improvement where relevant. Any findings and recommendations are reported to the Board by the Head of Compliance and / or the Nominated Officer.

Our employees and contractors have direct access to the Compliance Policies via our shared drive and can raise questions, queries and concerns through the internal escalation and grievance process. Last year we updated the Compliance Policies with the support of external legal advisers to ensure they accurately reflect our current legal and compliance requirements, corporate governance standards, our risk profile and embed a strong control framework. Since our last Statement, and following feedback from our community, we have added a Compliance Policy Executive Summary, which aims to make the policies easier to decipher and digest. Our on-going objective is to identify, assess and mitigate compliance risks and implement a robust compliance culture with a strong and clear tone from the top.

Modern Slavery Policy - Within the Compliance Policies our Modern Slavery Policy sets out our commitment to implementing and enforcing effective systems and controls to try and ensure modern slavery is not taking place anywhere in Lazari's business or supply chain. It makes reference to this Statement and extends the Lazari commitment of zero tolerance to modern slavery for all persons working with, for or on behalf of Lazari. In line with the UN Guiding principles for Business and Human Rights, Lazari believes that as a business we have a responsibility to particularly respect children's rights through our business activities. We will identify and respond to the risks that are identified in our business or supply chains and are committed to improving our practices in this space. Modern Slavery training was most recently delivered during an in-person compliance workshop held in 2023, a recording of which was available for those who were unable to attend.

In addition to our specific human rights, modern slavery and human trafficking policies, we also have strong due diligence procedures in place. We maintain good visibility across our business and we work with our on-site senior management and associated third parties to best ensure we are aligned on our ethical standing. We schedule quarterly meetings with companies to whom we have outsourced activities, which provide a formal forum for discussion. We have supporting policies in relation to the following:

Business Relationships - Lazari insists on a two-stage tender process. Firstly, we assess the commercial viability of each prospective partnership and list each independent component of the package. Secondly, following a detailed analysis of the options, the packages are ultimately

designed and monitored by our architects. Prospective tender applicants are required to sign a non-collusion statement whereby they declare their bona fide intentions.

Corporate Social Responsibility - Established in 2017, the Lazari family founded a charitable foundation called the Christos Lazari Foundation. The Foundation donates to many charitable causes, many of which are based locally. The Foundation was established through an income generative investment property that was transferred from Lazari by way of a charitable donation. We intend on maintaining the work of the Foundation and continuing to give back to the community through our social and charitable initiatives. During the financial year ending 31 March 2024, the Foundation made 15 donations to various charities and other good causes which align with the Foundation's charitable objectives. These donations amounted to £120,272.

We have aligned our ESG goals with the UK government's ambition of improving energy efficiency and reducing greenhouse gas emissions. At Lazari, we continue to actively monitor and limit emissions, and have previously successfully reduced our emissions year on year, whilst having implemented and followed waste recycling and minimisation initiatives. We have also adopted Energy Performance and Carbon Emission targets for both the development pipeline and the operational performance of our existing portfolio. We are committed to investing in new technology to enhance our energy efficiency and we regularly modernise our equipment to improve functionality and employ locally where feasible to reduce our carbon footprint. 100% of our purchased electricity is from renewable sources and is REGO backed.

In 2022 we launched the Lazari Major Development and Refurbishment ESG Framework (the "**Development Framework**"), an ESG framework and policy for development projects which must be signed off by the Lazari Board before any new refurbishments or major construction can begin. This framework was brought in to help Lazari drive sustainability across all of our subsidiaries and reach the target of being net zero by 2035. All developments are aimed to be designed to the highest Sustainability credentials. For example, "The Lantern", one of our London properties, has been accredited BREEAM 'Excellent' for providing a modern, environmentally friendly workplace for our occupiers. Moreover, it was the winner for 'Best Commercial Workspace' at the 2023 BCO Awards.

A few years on from the publication of our Development Framework, we are consistently achieving our targets which are market leading and significantly more ambitious than current local authority requirements. We have also made significant progress in our carbon reduction journey. In the 2024 financial year, for example, we have reduced our carbon emissions intensity by 20% from the previous year.

We aim to work with tenants to provide environmentally and socially resilient spaces in accordance with their sustainability expectations and have undertaken an assessment of our development portfolio, while setting aside funds for further de-carbonisation measures. The steps taken include further metering and lighting and plant replacement upgrades.

We believe that sustainability safeguards our business model and is the fabric of our business ethos. As part of our recognition of the growing importance of ESG factors, we also ensure that we are aware of the key sustainability impacts underpinning the investments we make and of the

companies we have a shareholding in.

We work with our customers to get rid of wasteful construction methods and to deliver on our aspiration for all our developments to maintain as much existing infrastructure as possible. We approach our developments with six key objectives (all of which shift the focus to circular thinking): (1) retention; (2) reuse on site; (3) responsible and fair sourcing of materials; (4) innovative construction techniques; (5) reuse offsite; and (6) recycling.

Nearly all of our assets are at a minimum of a D and above EPC rating and we aim to get our whole portfolio of assets to achieve a minimum of a B EPC rating in the next five years.

Recruitment - We continue to work with an external employment consultant to ensure that we recruit the most suitable individuals for our business operations. This also ensures that prospective employees undertake a suitable application process, and that the appropriate due diligence measures such as eligibility to work checks, proof of residency and references are all adhered to.

Employees - We strive to maintain the highest standards of employee conduct. As such, our employment contracts set out Lazari's expectations of employees and what employees can expect in return. We foster a strong and fair culture where employees can communicate directly with the Lazari directors.

Escalation - Employees are encouraged to discuss any concerns with their line managers, who in turn can escalate as appropriate. Should an employee feel uncomfortable discussing a particular issue with their line manager, they are able to directly contact the Head of Compliance or the Nominated Officer. A concern may be submitted anonymously with the Head of Compliance maintaining confidentiality while also allowing an employee to raise a pressing, potentially sensitive, issue.

Anti-Money Laundering - We employ a risk-based approach to protect Lazari from any involvement in money laundering or terrorist financing that could take place through our business transactions with third parties. Our risk assessments and Know Your Customer processes are proportionately conducted in line with the nature, scale and complexity of the relevant entity or the proposed activities. This due diligence is applied to prospective clients, contractors, suppliers, counterparties, co-investors and professional services firms.

Anti-Bribery and Corruption - In our ongoing efforts to protect Lazari's integrity, reputation, and third-party confidence, we are fully committed to the prevention and detection of bribery and corruption during the course of business, and we apply a zero-tolerance policy to any such behaviour which can be construed as falling below the expected standards in this regard.

Fraud - Lazari requires all employees to act honestly and with integrity and to safeguard the resources for which they are either directly or indirectly responsible.

Risk Assessment, Prevention and Mitigation

Lazari chooses to operate only with third parties which have a similar ethical standing. Many of our third parties have their own modern slavery policies and demand transparency in their own supply chains. We work closely with our third-parties to share our own sustainability commitments and we ask for a verification of theirs. Working with these third parties in this manner, combined with the regular presence of our senior management on site, assures our sound knowledge of workplace conditions in our business and our supply chain. This visibility encourages communication between senior management and site workers and we also schedule quarterly meetings with companies, to whom we have outsourced activities, which act as a formal forum for further discussion.

We recognise that commercial real estate is a higher-risk sector for modern slavery issues. As such we are mindful of the risks involved in this industry and are committed to ensuring that we have carried out risk assessments and have the policies and procedures in place to reduce our risk exposure. We aim to build and develop enduring relationships with key stakeholder groups, including tenants, supply chain partners, lenders, local communities and our shareholders.

Training

Prior to their onboarding, prospective employees are interviewed by a Lazari director and are invited to ask any questions they have about the intended role or Lazari more broadly. Along with building management and safety training, they are required to undertake systems training to upskill them on our processes and their specific roles, responsibilities and expectations. Any necessary skills or systems training is continued throughout their employment.

The directors and other senior management are committed to leading an inclusive workplace environment with employee development at the forefront of our culture. For several years we have had well implemented policies and processes in respect of, anti-bribery, anti-fraud, anti-money laundering, anti-tax evasion and sanctions. We also extended the Lazari Compliance Policies to include a specific human rights, modern slavery and human trafficking section. We will ensure all of our employees are aware of their responsibilities and Lazari's commitments as set out in this statement and in that section of the Compliance Policies.

We have rolled out training for our new employees. The topics included modern slavery; money laundering; bribery and corruption; and the facilitation of tax evasion, amongst others. Following the training workshop, employees completed declarations to confirm that they had understood the content and its application to their work. These declarations are stored centrally.

Employees are required to undertake systems training to upskill them on our processes and their specific roles, responsibilities and expectations. We will ensure all our employees are aware of their responsibilities and Lazari's commitments as set out in this Statement.

Key Performance Indicators

We are pleased to report that in the last year, and since the incorporation of Lazari, we have

received no complaints concerning the suspicion or actual knowledge of modern slavery or human trafficking in our business or our supply chain.

We will continue to monitor our business and supply chain and report on any complaints raised internally or externally. We currently measure employee satisfaction and / or record and respond to any grievances through monthly appraisals, in addition to encouraging open lines of communication.

Our Commitments

We are committed to eliminating modern slavery in both our own business activities and in our supply chain. Lazari's commitment to the elimination of modern slavery and human trafficking is codified in our existing Compliance Policies, which also set out how we ensure compliance with the Act.

Lazari presents its future vision and business updates at its regular Town Halls. The commitments we intend to make over the next 12 months, in order to further combat risks related to modern slavery both in our business and our supply chain, include:

- Implementing further updates to our Compliance Policies in line with feedback from employees and in response to changes to our risk profile and the relevant regulation;
- Providing regular training to our employees on modern slavery risks and encourage them and our associated parties to read the Statements, which will be accessible on the shared drive and on the UK Government's public website;
- Responding to any changes that come out of the Modern Slavery Act 2015 Committee House of Lords consultation report; and
- Considering the ever-changing social regulatory landscape and reflecting these changes in our working practices.

Approval

This Statement is made pursuant to and for the purposes of section 54(1) of the UK's Modern Slavery Act 2015 and has been formally approved by Nicholas Lazari on behalf of the Board of Directors of Lazari Investments Limited and its wholly owned subsidiaries.

Signature:



Date:

30.9.2024

Published by Lazari Investments Limited and its wholly owned subsidiaries.