

Modern Slavery Statement

Year to 31 December 2023

Executive Summary

This is Derwent London plc's eighth 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 2023, to endeavour to ensure that the risk of modern slavery and human trafficking occurring in any of our activities, our supply chains (as far as we can infer) or in any part of our wider business is reduced as much as practicable.

We understand that preventing modern slavery is vital and we remain committed to eradicating any possibility of modern slavery or human trafficking occurring with respect to our business operations. Our aim is to seek continued improvement in this and all areas of our business.

Measures we have taken include the following:

- Commissioned the anti slavery charity Unseen to undertake a review and analysis of our current policies and procedures
- Issued our fourth Supply Chain Questionnaire
- 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
- Operating as a responsible business, balancing and managing our environmental, social and governance opportunities proactively and in accordance with our policies

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 company policies and procedures, we believe the risk of modern slavery or human trafficking occurring in our own business activities and affecting the recruitment and engagement of our direct employees is very low. Due to the nature of our supply chain we recognise that extra vigilance must be taken but based on the risk assessments and the measures we have taken throughout 2023 we believe the risk within our supply chains is reasonably 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 2023 and approved by the Board on 26 February 2024.

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 5.4 million sq ft, predominantly in central London, valued at £4.9 billion as at 31 December 2023. 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. 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 three categories:

- A. Professional consultants including lawyers, architects, engineers, valuers, agents, auditors and further 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 seven key responsibility priorities:

- ◆ Designing and delivering buildings responsibly
- ◆ Managing our assets responsibly
- ◆ Creating value in the community
- ◆ 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. 199 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. 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 very low.

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

Since 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.

As a member of Unseen's Construction Hub we are able to collaborate with other businesses in the sector, share best practice and benefit from being kept up-to-date with the latest advice.

Our procedures indicate 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 believe the risk of modern slavery or human trafficking in respect of our supply chain is reasonably 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 2023. 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. 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. Our Tier I construction contractors are required as part of their quarterly updates to provide updates on their site specific modern slavery procedures.

Property management suppliers:

For those organisations appointed across the managed portfolio, various checks are made and actions are taken with regards to modern slavery. 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 2023 we paid our supplier invoices within 19 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)

The built environment is recognised as being higher risk for modern slavery due to such issues as high demand for labour, skills shortages and at times complex supply chains.

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-assess our sites and project teams in accordance with current HSE and government guidance. In addition, we apply 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 2023

A review and analysis of our current policies and procedures to be undertaken by the anti slavery charity Unseen: as a result of the review a set of key recommendations and a range of additional best practice suggestions were supplied to help further enhance our detection and prevention of modern slavery.

Supply chain questionnaire to be issued: we commissioned Maru/Matchbox to assist us assess supplier compliance with and progress against quality standards and policies. In addition, they provided an insight review in to responses received for the Modern Slavery section of the questionnaire and we were pleased to note the number of suppliers within our supply chain that show their commitment to addressing the issue of Modern Slavery by participating in a range of modern slavery industry initiatives.

Derwent London became a member of Unseen's Construction Hub; a group for businesses they work with to share good practice, consider ongoing auditing issues and to improve overall responses to worker exploitation.

Future Commitments

Implementation of gap analysis action plan for 2024: the key recommendations have been reviewed internally with consideration given to the risk level and proportionality of implementing the various recommendations. A prioritised action plan of recommendations has been developed and will be implemented across the business as necessary in the coming year.

Modern Slavery Policy – as an extension of our modern slavery procedures, this policy expands on procedures alluded to in the Statement and which will state the intentions, objectives and values of the organisation.

We have scheduled refresher training on modern slavery for all Derwent London employees in Q2 of 2024 as part of our compliance training programme.

Our 2024 Responsible Development Brief places an even greater emphasis on social value. Modern slavery compliance is required within a project's social value targets and key deliverables will include regular updates on modern slavery awareness and prevention measures.

Appendix I

List of Derwent London PLC subsidiary companies as at 31 December 2023

Co. name

Subsidiaries

Asta Commercial Limited
Caledonian Properties Limited
Caledonian Property Estates Limited
Caledonian Property Investments Limited
Central London Commercial Estates Limited
Charlotte Apartments Limited
80 Charlotte Street Limited
Derwent Asset Management Limited
Derwent Central Cross Limited
Derwent Henry Wood Limited
Derwent London Angel Building Limited
Derwent London Asta Limited
Derwent London Baker Street Limited
Derwent London BH Limited
Derwent London Brixton Limited
Derwent London BSP Limited
Derwent London Development Services Limited
Derwent London Farringdon Limited
Derwent London Featherstone Limited
Derwent London Gallery Limited
Derwent London George Street Limited
Derwent London Holden House Limited
Derwent London Holford Works Limited
Derwent London Horseferry Limited
Derwent London KSW Limited
Derwent London No.2 Limited
Derwent London No.4 Limited
Derwent London No.5 Limited
Derwent London No.6 Limited
Derwent London Oliver's Yard Limited
Derwent London Page Street Limited
Derwent London Savile Row Limited
Derwent London White Chapel Limited
Derwent London White Collar 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 Valley West End Limited
Kensington Commercial Property Investments Limited
LMS (City Road) Limited
LMS Offices Limited
The New River Company Limited
West London & Suburban Property Investments Limited

Joint ventures

Derwent Lazari Baker Street GP Limited
Derwent Lazari Baker Street Limited Partnership
Dorrington Derwent Holdings Limited
Dorrington Derwent Investments Limited
Prescot Street GP Limited
Prescot Street Limited Partnership
Prescot Street Nominees Limited
Primister Limited

For more information, please email sustainability@derwentlondon.com