

Slavery & human trafficking statement 2016

This is the Company's inaugural Slavery and Human Trafficking Statement ("Statement") made pursuant to Section 54 of the Modern Slavery Act 2015 'Transparency in Supply Chains' ("Act").

The Act introduced a number of measures to combat slavery and human trafficking and improve the transparency of reporting on modern slavery, including a requirement on companies with an annual turnover of at least £36m to report annually on its workforce and supply chain, and specifically to confirm that workers are not enslaved or trafficked.

This Statement relates to the Company and its subsidiaries and is made in respect of its financial year ended 31 March 2016. It sets out the steps Land Securities has taken, and is proposing to take, to address the risk of slavery and human trafficking taking place in our business and within our supply chain. For the purposes of this Statement, the Company's joint venture arrangements (where we are responsible for those operations and arrangements) are treated as being part of our supply chain.

Our business

Land Securities is the largest listed commercial property company in the UK by market capitalisation. We buy, develop, manage and sell predominantly commercial property in the UK, with a focus on the office, retail and leisure sectors in London, and retail and leisure outside of London. We hold and operate our assets through two business units, the London Portfolio and the Retail Portfolio, and as at the 31 March 2016 the combined portfolio value was £14.5bn. Our customers (i.e. the tenants who occupy our premises) include a broad range of businesses from all sectors of the economy.

Our purpose is to provide the right space for our customers and our communities – helping businesses to succeed, the economy to grow and people to thrive.

Our vision is to be the best property company in the UK in the eyes of our customers, our communities, our partners and our employees.

Our position on Human Rights

The Company has in place a set of values which we believe will help us achieve our vision and, to support those values, we have provided guidance to our employees explaining the behaviours expected of them.

Respect is one of those values, and this includes respect for human rights. Slavery, forced labour and human trafficking has no place in a modern society, in our organisation or in our supply chain. The Board of Land Securities is committed to zero tolerance in this regard and upholding these rights forms an integral part of how we do business. The Board has delegated responsibility for delivering on its commitment to the Chief Executive.

Our people

During the year under review, the Company employed 626 people in the UK (including a number of contractor and agency staff), with the majority based at our London office.

Integrity is central to the way we do business and crucial to our external credibility and reputation in the market place. To demonstrate integrity, everyone working for Land Securities must follow ethical business practices, be reliable, trustworthy and honest, deliver our promises and have a fair-minded approach. Similarly, all employees have an important role to play in the management of risk - something that is embedded in our everyday activities and culture - and this includes being alert to the risk of slavery, forced labour and human trafficking in our business and in the wider supply chain.

The Company's Human Rights Policy recognises and safeguards the human rights of all citizens in the business areas in which we operate. We support the principles set out within both the UN Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our Policy is built on these foundations, and includes, without limitation, the principles of equal opportunities, collective bargaining, freedom of association and protection from forced or child labour. The Policy is being extended to embrace the specific requirements of the Act and the Board's zero tolerance commitment.

Led by the Group Human Resources Director, the Company operates a robust recruitment and engagement programme. We also have in place a range of supporting employment policies, processes, procedures and guidelines which reflect current legislation and best practice and which are targeted at safeguarding the interests of employees and potential employees and other people (such as contractors) who work for our business.

External legal advice and training on the identification, understanding and response to the risk of slavery and human trafficking in business has been provided to certain members of the Company's legal, procurement, development and HR teams. An employment specific training programme for the HR team is also planned. Following that, and a review and risk assessment of our employment practices, any identified improvements to our current systems and controls will be implemented.

On a preliminary basis, we believe that the risk of any slavery or human trafficking in the employment or engagement of our own employees is low. Additionally, we take comfort from the fact that any concerns which employees may have, whether in connection with the organisation or the supply chain, can be reported (and will be investigated) through the Company's Whistleblowing Policy and facilities. This particular risk exposure, and the reporting of it, will form part of this year's annual Whistleblowing communication to all employees.

Our supply chain

Our policy is to source goods and services efficiently and fairly. The method of procuring goods and services complies with legislation, including health and safety regulations, and conforms to Land Securities' ethical, environmental and sustainability standards. Our Procurement Policy applies to a diverse supply chain ranging from large construction partners through to refurbishment and facility companies and providers of goods and services where our success and reputation is inextricably linked to the performance and ethicality of suppliers.

The Land Securities' philosophy is to develop long-term partnerships with suppliers whose policies, values and cultures, including respect and integrity, are complementary to our own. We set and expect high standards and work with our suppliers to ensure they understand our requirements and can deliver against them on an ongoing basis. This approach has already proved successful, for example, in relation to the Company's commitment to fair pay for all its employees which is now matched by a commitment from our main contractors to pay at least the Living Wage to their employees working on our future development projects.

We are applying this same inclusive approach to the risk management of any slavery or human trafficking exposure that may exist in our supply chain. We are using our continuous improvement group ("CIG") platform to raise awareness of the new legislation amongst our suppliers and explain what we expect of them, and by when, in the management of this risk in their business and in their direct and indirect workforce. This education programme will continue over the next 6-9 months and will be supported by contractual arrangements with them. We also use CIG in the area of Health, Safety and Security to promote dialogue and improvement between ourselves and our suppliers across the business.

As part of our existing due diligence and risk assessment process, the Company requires all prospective suppliers to obtain pre-qualification clearance before being approved to work with us. Post approval, the Company also reserves a contractual right to carry out periodic compliance audits and/or request additional information and evidence in respect of a wide range of matters. This process and these rights will be extended to cover compliance with the Act (where applicable) and the standards we have set in relation to the risk management of anti-slavery and human trafficking in the supply chain.

Under the strategic direction of the Procurement Committee, which is chaired by the Group General Counsel and Company Secretary, a multi-disciplinary working group will be established to develop further our slavery and human trafficking risk management framework for the supply chain. Primarily, the group will focus on:

- Instructing due diligence and reviewing risk assessments of our supply chain covering each area of our business, as well as reviewing our existing procurement and tender policies and procedures, and our standard terms and conditions;
- Reviewing the development specification process to see if any high risk items can be excluded at the design stage, thereby reducing those areas of greater risk; and
- Training our employees in the supply chain management and procurement teams.

We believe the above actions will enable us to enhance our current risk management and internal control systems and engage directly in helping those suppliers whose activities we perceive may represent a higher risk exposure.

On a preliminary basis:

a) We expect to be able to take comfort from our principal contractors, larger suppliers and joint venture partners (the majority of whom are UK based) in relation to their own risk management of slavery and human trafficking.

These partners are required to comply with the Act and will be doing so, like Land Securities, not only for compliance purposes but also for their wider corporate responsibility goals as well. That said, we will not take this comfort at face value because where we develop or refurbish properties, this work is typically undertaken by contractors who procure labour and materials from the UK and overseas under various sub-contract arrangements. In accordance with the findings of the Global Slavery Index 2016 ("GSI 2016"), where migrant labour is used in the UK or local labour is used in the overseas production of materials, there is a varied level of risk of slavery and human trafficking dependent on the country of origin of the individual or the materials purchased. This is an important area where, from time to time, we may need to seek assurances in advance from such suppliers; and

b) It is with our smaller, but equally important, infrastructure support and service suppliers (such as cleaning, security and maintenance) where we believe a higher risk exposure may exist.

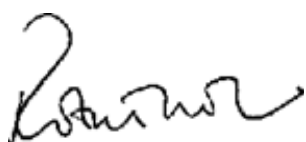
This is due to the inherent nature of the work to be performed by such suppliers and diversity of the labour force employed to carry out these activities. Again, as per the GSI 2016, some migrant workers may be at risk of slavery or human trafficking, with the level of risk dependent on the individual's country of origin. It is also due to the fact that such suppliers may not be subject to the Act and/or their procurement and employment policies and procedures may fall short of our own high standards and best practice.

Our continuous improvement approach

We are confident in our management and assessment of the low risk exposure to slavery and human trafficking existing in our operations and with our people. However, we appreciate there is further due diligence and risk assessment that needs to be undertaken, and improvements made to our current processes and procedures, before we can say that we are adequately managing this risk in our business and supply chain. That said, we are also confident that our roadmap of activity and engagement with suppliers over the next 12 months, coupled with the application of the Company's existing internal control and risk management systems (suitably flexed for this particular purpose), are capable of getting us to that position. Of course, any final position reached, and compliance with the Act, will itself form part of our internal audit programme going forward.

Next year's annual Statement will include details of the progress and achievements we have made both internally and externally, and any key performance indicators we have set to challenge and measure ourselves (and our suppliers) as part of our continuous improvement approach.

This Statement was approved by the Board on 29 September 2016.



Robert Noel
Chief Executive