

Slavery & human trafficking statement 2017

We believe great places are for people to experience and are made with the experience of great people. This philosophy runs right through our business, investing in people, understanding people, and building relationships with people is how we can build experiences.

We want everyone to have a positive experience working with us, whether they are directly employed by Landsec, or providing services to us via one of our partners. This means respecting the rights of everyone, from our cleaners and security guards to the CEOs of our biggest suppliers. Respect is one of our core values and we're committed to upholding respect for human rights, in our business and in every part of our supply chain.

Our business

We own and manage some of the most successful and recognisable property assets in the UK. Our portfolio is a diverse mix of offices, retail and leisure in London, and retail and leisure across the rest of the country. Our business model involves working with a range of suppliers in the development, maintenance, and operation of this portfolio.

We employ c. 630 people directly, all based in the UK. Most of our staff are in professional and managerial roles, at our head office in London and in our centres around the country. We also work with about 170 principal companies on a contracted or annual basis, usually referred to as our 'partners':

- 58 companies providing hard and soft maintenance services to our properties such as cleaning and security, where contracts are usually agreed on an annual basis.
- 30 companies providing construction contracting services where contracts are agreed on a case by case basis. These contracts are usually delivered using a variety of specialist trade contractors.
- A further 81 strategic suppliers providing a range of professional and financial services.

In addition to our partners, we source goods and services from a wider network of suppliers which provide everything from paper and stationery to seasonal decorations.

Our policy and process

Slavery, forced labour and human trafficking has no place in a modern society, in our organisation or in our supply chain. We're committed to zero tolerance, and we're prepared to stop trading with partners and suppliers who won't work with us to deliver on our policies.

- Our Human Rights Policy recognises and safeguards the human rights of everyone in our business, our partners, and our supply chain. We support the principles of both the UN Universal Declaration of Human Rights and the International Labour Organisation.
- Our Procurement Policy supports our intention to source goods and services efficiently and fairly. The policy applies to our partners and supply chain, and sets out our health, safety, security, ethical and sustainability standards.
- We use the PROACTIS supplier pre-qualification system, and ensure all prospective suppliers obtain

clearance before working with us. This system enables us to check whether suppliers are under or over the £36m threshold.

- Our Sustainability Brief communicates our sustainability strategy and requirements for designers. This sets expectations and boundaries, and refers to other industry best practice guidance about selecting materials produced in a sustainable and ethical way.
- Our Sustainability Preliminaries outline our expectations for the sustainable and ethical sourcing of materials. We use this document in construction contracts.

Risk assessment

During the year we carried out a modern slavery and trafficking risk assessment across all our activities. Based on our own policies and procedures, we believe the risks of slavery or human trafficking in the recruitment and engagement of our employees is low. To ensure it remains low, we have provided training on modern slavery for our HR team, made improvements to our reference checking processes for new starters and continue to work with recruitment agencies to ensure they have right candidate vetting processes in place.

Extending the risk assessment to the supply chain, we assessed each of our partners and their contracted activities and used this information to produce a risk map. Where suppliers' turnover exceeds £36m, we assessed their Modern Slavery Act statement and the procedures they have in place. For sub-suppliers in construction, there are an unknown number and variety of companies, so we have mapped risks for procurement categories and material types, in line with ISO 20400 best practice. From this exercise, we have a better understanding of our risks and the actions needed to address them:

- Debt bondage and/or labour exploitation amounting to modern slavery has been found in the UK, in catering, cleaning, waste management and construction. To date, we have not found abuses of any kind in our own business or supply chain. Our larger partners and suppliers have variety of procurement, pre-qualification and practical checks in place to prevent these abuses. With our smaller partners in cleaning, security and waste management, we believe a higher risk exposure may exist. This is due to the inherent nature of the work and the diversity of the labour force employed to carry out these activities. We will need to work with all our partners to address these risks, through undertaking due-diligence checks of their direct and temporary staff. We will also need to improve our dialogue with regulatory bodies and labour providers to ensure that we are playing our part in addressing the issue across the industry.
- Labour exploitation during extraction and manufacturing of materials abroad poses a risk. There is a high-risk in the manufacturing of a range of construction products. To address this, we will need to work closely with those partners that specify construction materials (for example, those involved in architecture, engineering, and construction) to 'design out' the risks. To support this, we introduced mandatory checks for selecting and procuring materials from high risk countries, but this will take more work to embed across our business.

Monitoring and dialogue

We use a variety of methods and channels to monitor and learn more about the risks described above:

- We reserve the right to carry out due-diligence to determine risk in any of our activities. We will exercise our right where products are specified or procured from countries where there is a high risk of slavery and human trafficking in manufacturing. We will also carry out due diligence with our UK partners, especially those under the £36m threshold.
- We will continue to use our continuous improvement groups (CIG) to maintain dialogue with our partners. We use the CIG to set our expectations around management of risk, but also to hear feedback and discuss how to influence the wider supply chain.
- We will continue to promote our whistleblowing policy and facilities as a way of reporting concerns, and investigate anything related to our employees, our partners, or the wider supply chain.

Disclosure

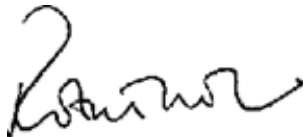
We're an accredited Living Wage Foundation employer, and we've asked for commitment from our partners to pay the Foundation Living Wage to their employees too. In making this commitment, our partners must provide evidence of compliance. This year, we will continue to conduct due-diligence and request evidence from partners that this is being implemented.

In the year ahead, we will disclose data about our business and our supply chain through the Workforce Disclosure Initiative (WDI). The WDI will offer us a framework for improving our own employment and procurement practices, and will also show to our investors how we support the intentions of the UN Sustainable Development Goal 8, 'Decent work for all'.

The year ahead

To address the risks described above, we're comfortable with our roadmap of due diligence and dialogue, combined with application of our existing controls and risk management. We intend to communicate our expectations for partners and the wider supply chain through a new charter, and will launch the charter within the year. Next year, we will report on our progress and achievements, along with areas for improvement.

This Statement was approved by the Board on 28 September 2017.



Robert Noel
Chief Executive

About this statement

This is our second 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.

The Statement relates to Land Securities Group PLC (“Landsec” or “the Company”) and its subsidiaries and is made in respect of its financial year ended 31 March 2017. It sets out the steps Landsec 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 the operations and such arrangements) are treated as being part of our supply chain.