



# Modern Slavery Statement

2019



## About Landsec

**Our vision is to be the best property company in the UK, in the eyes of our stakeholders, our customers, communities, partners, employees and investors. This includes respecting the rights of everyone who works on our behalf. Respect is one of our core values and we're committed to ensuring that all forms of work in our supply chain associated with our projects and contracts are voluntary and fair, and that the health, safety, security and wellbeing of all workers is a priority.**

We support the UK government in its drive to end forced labour, modern slavery and human trafficking.

We support the recent recommendations of the Independent Review of the Modern Slavery Act 2015, in particular the call for broader mandatory disclosures of the actions taken by businesses to address modern slavery in their supply chain.

Through stronger action from businesses, working in partnership with government, we believe the UK is well positioned to lead global efforts to stamp out modern slavery.

### Our business

At Landsec, we believe great places are for people to experience and are made with the experience of great people.

We own and manage some of the most successful and recognisable property assets in the UK. Our £13.8 billion portfolio spans 24 million sq ft of well-connected, experience-led retail, leisure, workspace and residential hubs, with a growing focus on London. We employ approximately 630 people directly, all based in the UK.

Most of our employees are in professional and managerial roles based at our head office in London and our destinations around the country.

### Our network of suppliers

Our business model of developing and operating properties relies on a network of suppliers. We work with around 160 UK-based companies on a contracted basis, usually referred to as our partners. This includes maintenance services such as cleaning and security, construction and professional and financial services.

In addition to our partners, we source goods and services from a wider network of 1,847 UK suppliers.

Our construction partners also source a broad variety of components and materials from companies all over the world on our behalf. While these goods are not sourced directly by us, they are specified and procured in accordance with our guidelines.

### At a glance

**600+**

employees

**110**

properties in the UK

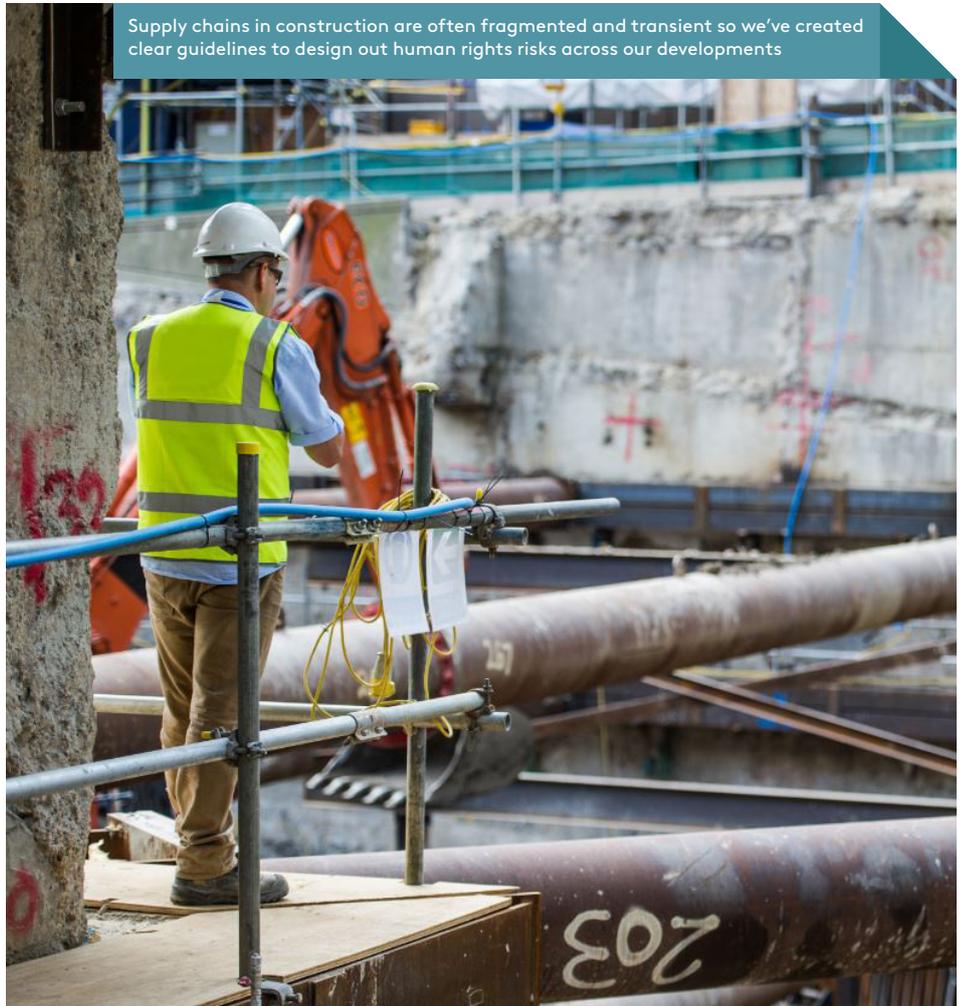
**2,500+**

supply chain workforce

**160**

supply partners

Supply chains in construction are often fragmented and transient so we've created clear guidelines to design out human rights risks across our developments



## Our progress this year

### What we said we would do:

Promote our whistleblowing hotline to partner organisations and at our destinations and construction sites, giving workers an opportunity to raise concerns anonymously about modern slavery and related issues.

Carry out due diligence to ensure cases of underpayment are identified and rectified and a further assessment to support our 2020 Foundation Living Wage commitment.

Ensure effective adoption of our ethical sourcing requirements for developments to encourage our construction delivery partners to carry out due diligence in overseas supply chains to tackle modern slavery and related issues.

Continue dialogue with partners in support of our Sustainability Charter ensuring positive responses to our tender requirements and ongoing best practice against our contract reporting requirements.

### What we achieved

We promoted our whistleblowing hotline through new posters, communication flyers and meetings with partners based at our destinations and construction sites.

We carried out due diligence on ethical work practices on our sites and surveys at ten operational and development sites throughout our portfolio and assessment against our Foundation Living Wage commitment.

We have maintained an ongoing dialogue throughout the year to support and guide partners, focused on improving health, safety and fair payment. We have increased our focus on modern slavery through our construction tender process.

We engaged our partners to design and procure in line with our responsible sourcing commitment and we are on track for all developments. We are creating a Red List, which bans materials with a high risk of modern slavery in manufacturing, which will be published this year.

We partner with a network of around 160 suppliers, providing services at our destinations and construction sites across the UK



## In the year ahead

### We will:

- Talk to our employees about the effects and signs of modern slavery, including delivery of a modern slavery briefing to drive understanding and awareness of the issue.
- Continue to guide our design partners through the process of assessing and minimising slavery risk when specifying materials, and produce a detailed material strategy to address responsible procurement, alongside health and environmental criteria.
- Increase engagement with specialist bodies including Gangmasters and Labour Abuse Authority (GLAA) and Chartered Institute of Building (CIOB) to help drive improvement in our own processes and share our expertise and insight with other businesses.
- Evaluate membership opportunities in ethical trade platforms such as SEDEX. As our construction supply chain grows, we'll need better tools to assess and minimise risk.
- Conduct further workforce engagement surveys with our construction partners to seek out and tackle modern slavery issues on our sites.
- Host events to raise awareness about modern slavery risk with our customers and consumers.

## Our risk assessment

In 2017, we carried out a modern slavery and trafficking risk assessment across all our activities.

Although the assessment showed the risk of slavery or human trafficking in the recruitment and engagement of our employees to be low, it identified two areas of concern:

- Debt bondage and/or labour exploitation in cleaning, security and construction services. This is due to the inherent nature of the work and the diversity of the labour force employed to carry out these activities.
- Labour exploitation during extraction and manufacturing of materials abroad that are then used in the manufacturing of construction products.

## Our due diligence

During 2019, we carried out due diligence to monitor and learn more about the risks described above and to provide data on our supply chain.

This due diligence targeted high-risk areas of our supply chain, focusing on cleaning, security and construction labour in the UK. An experienced and accredited third party organisation held anonymised interviews with workers at ten of our retail destinations, workplaces in London and construction sites.

In total, 247 individuals from 31 partner organisations were surveyed. The surveys covered a range of issues including debt bondage, labour exploitation, fair payment, health, safety and discrimination. Each survey also requested specific information about hourly wage rates.

No cases of modern slavery were found in this survey process, but this work is ongoing.

In the year ahead, we will extend our due diligence activities to increase our focus on the modern slavery risk at our construction delivery partners overseas.

The findings from the surveys and our responses are as follows:

### Right to work

In total, 94% of workers surveyed confirmed that they had been asked to provide proof of their right to work in the UK. However, a small number of workers interviewed stated that they had not been required by their direct employer to provide any documentation to demonstrate their right to work. Some workers also stated that, although they had been asked to provide evidence of identity, other less reliable documents had been accepted, including photocopies and driving licences.

We acknowledge this is an industry wide issue which needs increased focus and procedure from employers to rectify. In response and to help prevent illegal working across our sites, we are engaging our supply partners where concerns have been raised, requiring all files to be reviewed and rectified in accordance with the Home Office's 'acceptable documents' guidelines.

### Foundation Living Wage

We have made a commitment that everyone working on our behalf is paid at least the Foundation Living Wage. Of those workers surveyed, 63% confirmed they are being paid at least the Foundation Living Wage. In the year ahead, we will continue to work to increase that percentage. We will also communicate our Foundation Living Wage commitment to those employees in retail operations who are not yet eligible to receive the rates so that they are aware of this 2020 commitment.

### Conflict at work

We know of 32 cases where a worker stated that they felt that they had been the victim of physical or verbal abuse. Typical examples of issues experienced by workers included verbal abuse from colleagues and from members of the general public when security staff state that smoking is prohibited in our enclosed public spaces. In response to this issue, we are working with our partners to ensure that additional training is being delivered to all managers and supervisors, covering: disciplinary procedure, investigations and note taking, equality, diversity, bullying and harassment, supervision skills, conflict resolution and disciplinary appeals. We're also reviewing our signage to reduce risk of verbal abuse from visitors.

## Health, safety and security

97% of workers surveyed said their employer had done everything that they could to reduce exposure to health hazards. 92% of workers stated they were happy with the safety precautions in place on site. We are working with our Operations Teams to improve these percentages.

### At a glance

**97%**

of workers said their employer had done everything that they could to reduce exposure to health hazards

**94%**

workforce asked to provide proof of right to work

**63%**

of workers surveyed confirmed they are being paid at least the Foundation Living Wage

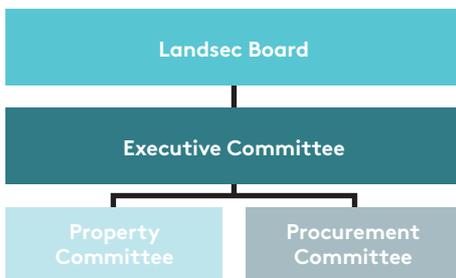
## Governance

Robust governance of modern slavery issues across our business is critical in ensuring effective communication and implementation of our policies and delivering impactful activity to tackle modern slavery.

Our Procurement Committee is responsible for all aspects of our relationships with our supply partners and plays a crucial role in advocating fair treatment of suppliers across our business. The committee, chaired by our Group General Counsel & Company Secretary, reports to the Landsec Executive Committee and has representation from our Sustainability, Development and Procurement Teams.

The committee meets quarterly to review and guide supply chain performance and progress, including the results from annual Workforce Engagement Surveys as well as any corrective actions required.

The Group General Counsel & Company Secretary is responsible for supply chain and procurement related issues in our organisation. If any significant modern slavery related issues are identified these are also reported to our Executive Committee along with progress updates throughout the year.



## Partnerships and collaboration

We recognise the crucial role that collective action across business and government plays in driving responsible business practices and eradication of modern slavery.

By working in partnership with other organisations, both within our sector and wider, we are helping maximise our positive impact and continually improving our own approach to assessing modern slavery risk.



### Gangmasters & Labour Abuse Authority

#### Gangmasters and Labour Abuse Authority (GLAA) and Chartered Institute of Building (CIOB)

This year we joined the GLAA Construction Protocol committing to attendance of its quarterly forum. As a signatory, we have committed to work in partnership with our industry peers to protect workers' rights and prevent labour exploitation, raising awareness and sharing information. This September we hosted the GLAA's quarterly forum at our Head Offices. To help address modern slavery in construction we've also joined an industry working group facilitated by the CIOB.



### UN Global Compact

In May 2019 we became a signatory of the UN Global Compact, with our Chief Executive signing our Letter of Commitment addressed to the UN Secretary-General. This voluntary initiative brings together leading businesses ready to commit to universal sustainability principles and take steps to support the UN Sustainable Development Goals. Several of the targets are linked to human rights and labour standards. This includes target 8.7 under the 'Decent work and economic growth' goal which aims to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour.



### The Home Office and Transparency in Supply Chains (TISC) Reporting

We have registered on the Home Office modern slavery contact database and TISC Modern Slavery Act Compliance Tracker. The goal of the database and tracker is to support partner organisations in going beyond compliance with transparency in their supply chains and provides authentication of modern slavery statements. These actions will increase our transparency and visibility, while helping drive action against modern slavery across business.

## Commitments, policies and guidance

To drive progress in tackling modern slavery across our business and network of suppliers we have three key commitments. Our commitments are set and owned by our Sustainability team and are embedded across the business to ensure collective action to achieve our goals.

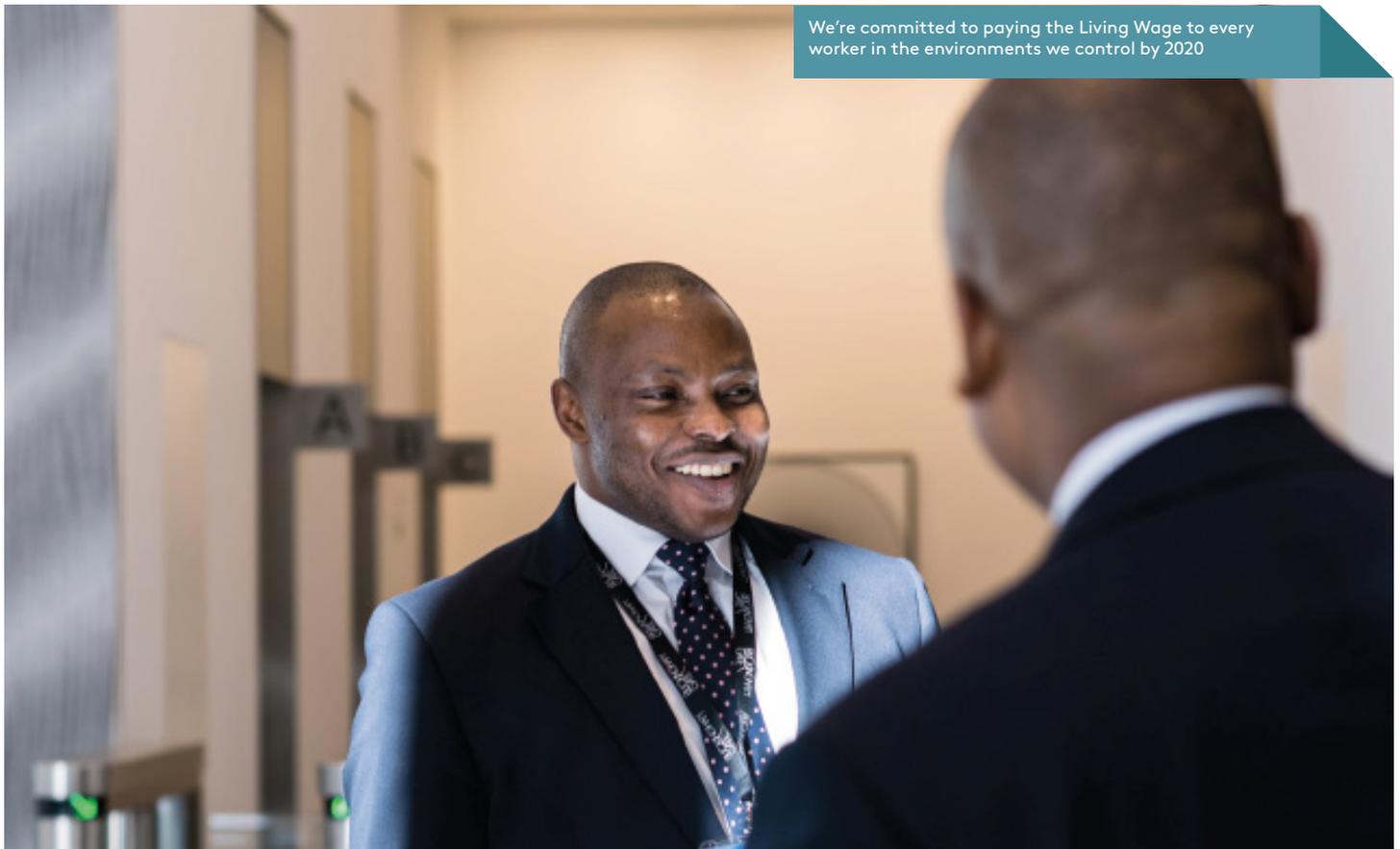
### Engaging our partners

We share and discuss our policies and approach to human rights with our partners throughout our working relationships. To be accepted onto Landsec's supplier list, all organisations are required to complete a pre-qualification questionnaire declaring the existence of and agree to comply with our policies. We encourage our partners to work collaboratively with us to embody these policies through our shared projects and contracts.

Beyond our own commitments and policies to address and prevent modern slavery, we know our partners have their own goals and strategies. To facilitate positive discussions and allow us to understand our partners' goals we use our guidance documents. Importantly these are not rigid contractual documents but rather flexible platforms which help drive positive change.

Our relationship managers work collaboratively with partners to address challenges and identify opportunities.

	Theme	Commitment
	Fairness	By 2020, ensure everyone working on our behalf, in an environment we control, is treated equally, protected from discrimination and paid at least the Foundation Living Wage.
	Health, safety and security	Maintain an exceptional standard of health, safety and security in all the working environments we control.
	Materials	Source core construction products and materials from ethical and sustainable sources.



We're committed to paying the Living Wage to every worker in the environments we control by 2020

## Our policies

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### Sustainability Policy

Our Sustainability Policy helps us comply with legislation, regulations and codes of practice. It also plays an important role in integrating sustainability considerations into our working environment, making sure all our employees and supply partners are committed to delivering our goal.

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### Health, Safety and Security Policy

Our Health, Safety and Security Policy defines how we aim to provide safe and healthy working conditions throughout our operations. The policy outlines how we are preventing work-related injury and ill health and promoting the wellbeing of our employees, contractors and service partners.

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### Human Rights Policy

Our Human Rights Policy demonstrates how we are committed to respecting human rights in accordance with the UN Declaration of Human Rights. It sets out our core principles and states our expectation that everyone working on our behalf be treated fairly and with respect.

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### Procurement Policy

Our Procurement Policy ensures that all of our goods and services are sourced fairly, in accordance with the law and in a way that is compliant with legislation relating to matters such as anti-competitive behaviour, anti-bribery and health and safety regulations.

## Our guidance

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### Employee Code of Conduct

Our Employee Code of Conduct sets out how we will behave and how we will treat our stakeholders, including our supply partners. It encourages our people to make the right decisions and to live our values. The code details our overarching sustainability policy, and those that support it including our Human Rights Policy.

[click here for the latest version](#)

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### Sustainability Charter for Suppliers

We ask all our partners to commit to our charter which outlines our non-negotiables on how we expect our suppliers to behave and treat their own employees. This includes provision of safe and healthy working conditions and the protection of workers' rights against forced, illegal or child labour.

[click here for the latest version](#)

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### Sustainability Brief for Developments

Our Sustainability Brief is designed to facilitate a dialogue with our supply partners through our development process from start to finish. The brief sets out what our commitments mean for our partners and how we will measure success including ensuring the Foundation Living Wage is paid to everyone working on our developments.

[click here for the latest version](#)

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### Red List

Our Red List for materials will provide clear guidance for our design partners, to ensure human rights risks are designed out through the material selection process. The list will state high risk material types and locations for extraction and manufacture, and will be based on robust data sources such as the Global Slavery Index and the Ethical Trading Initiative. The former to risk-assess materials and areas, and the latter as a control mechanism to promote sourcing responsible materials. The list is currently being peer-reviewed by our partners and will be published on our website this year.

## Addressing policy non-compliance

We work alongside our partners to ensure that our fundamental expectations on protecting human rights, fairness and health and safety are met. Our Health, Safety and Security and Sustainability teams carry out engagement with partners throughout our projects and contracts to assess performance, in the form of audits, engagement and site inspections.

On an annual basis, we ask partners to confirm their awareness of and adherence with our policies. In cases where our standards are not being met, we work closely with partners to help improve practices and rectify key issues. If issues are not rectified or we suspect ongoing non-compliance with any of our policies, a request for suspension may be raised.

Any Landsec employee, having received Senior Manager consent, can send a request for supplier suspension to our CFO. Once approved, it will be discussed by the Procurement Committee for a final decision.

## Effectiveness

Our goal is to work collaboratively with supply partners, creating opportunities to enhance sustainability performance. We do this by working closely with partners through contracts and projects, supporting them to deliver on our goals. This applies only to partners where we have an ongoing relationship which can lead to improvements over time. Examples of how we measure effectiveness include:

- Health and safety performance on site, including health factors for workers and safe working practices
- The percentage of contract staff receiving the Foundation Living Wage or higher, excluding apprentices in the period
- Statement and evidence of policies and procedures that support and assist employees
- The percentage of materials which are responsibly sourced, measured against our commitment.

Performance against a number of these KPIs including performance against our 2020 Foundation Living Wage commitment is disclosed in our annual report and on our corporate website.

Effectiveness of our responsible sourcing processes is measured through independent certifications, including the materials credit process in BREEAM which addresses construction materials, and FSC Project Certification which addresses sustainable timber sourcing. These certifications are supported by additional due diligence for high risk manufacturing sites, where we conduct engagement surveys to ensure workers are working in safe and healthy conditions, and are treated fairly.

To review health and safety performance, 100% of our managed sites are also covered by our OHSAS 18001 health and safety management system, which is externally certified. Internal auditing is also carried out biannually for contractors and service partners for all sites through a Property Health Check.

## Whistleblowing hotline

Our whistleblowing hotline allows anyone working on our behalf to report concerns about suspected impropriety or wrongdoing in confidence and anonymously.

This operates as an independent third-party reporting facility, which can be contacted online or through a telephone hotline. This year we actively promoted our whistleblowing policy and facilities to raise awareness of this method of reporting concerns and have made this available to workers in all parts of our supply chain through our partner organisations. We created new posters and flyers that are now displayed and distributed at all our operational and development sites.

If issues of modern slavery are reported, they are immediately referred to our Group General Counsel and Company Secretary and to the Gangmasters and Labour Abuse Authority.



**Landsec**

### Speak up in confidence.

If you've heard or witnessed someone at a Landsec site or property working against their will, or being forced to work, you should raise your concerns.

You can call or email our 24/7, anonymous service to report anything suspicious, knowing your conversation won't be recorded.

Call or email our whistleblowing hotline:  
**0800 374199**  
landsec@expolink.co.uk

## Training and awareness

We recognise the importance of raising awareness of modern slavery and do this by providing training to our employees. This year we delivered modern slavery training to employees in roles including development, health, safety & security, procurement and sustainability. This training is an important step in ensuring that our employees have a comprehensive understanding of the issue and the steps they can take to minimise risk in their day to day activities. The training was delivered in collaboration with industry partners, who provided first-hand experience of identification and resolution of human rights issues.

We have also delivered supplier relationship management for employees in influential procurement focussed roles across the business. A key element of the course focussed on fair and ethical treatment of suppliers and will support supplier relationship managers across our business to deliver fair and effective projects and contracts with our network of partners.

## Conclusion

Through our activities described within this statement, we are confident that our approach to tackling modern slavery is targeted at high risk areas and is appropriate to the nature of our business activities.

We continue to promote positive, collaborative and transparent business relationships with our partners and will drive this through projects and contracts in the year ahead. Next year, we will report on our progress and achievements against these intentions along with areas identified for improvement.

