

Slavery & human trafficking statement 2018

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 enjoy and value their time 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.

As a responsible business and good corporate citizen, we support the UK government Call to Action to end forced labour, modern slavery and human trafficking. Through business working in partnership with government, the UK is well positioned to lead global efforts to stamp out modern slavery. The dialogue, action and due diligence detailed in this statement describes how we play our part in doing this.

This statement provides an overview of our business, our supply chain and the activities we have undertaken in response to the Modern Slavery Act, focusing on actions taken since our previous statement made in September 2017.

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 about 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 destinations around the country. We work with around 170 UK-based companies on a contracted or annual basis, usually referred to as our 'partners'. This includes maintenance services such as cleaning and security, construction contracting services and professional and financial services.

In addition to our partners, we source goods and services from a wider network of UK suppliers which provide everything from paper and stationery to seasonal decorations. In addition, our construction partners source a broad variety of components and materials from companies all over the world on our behalf. Whilst these goods are not sourced directly by us, they are specified and procured in accordance with our guidelines.

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. We're also committed to working closely with our partners to seek and tackle Modern Slavery in our shared supply chains. To provide a basic level of support for our position, we have a combination of policies, processes and guidance in place as detailed in our 2017 statement.

In March 2018 we launched our Sustainability Charter, *The Power of Partnership*, to support our policies and processes. The Charter states what we expect from partners, and highlights the opportunity areas where we can work with partners to improve. Through this Charter we make our position clear on a range of issues related to Modern Slavery, from providing safe and healthy working conditions to forced and illegal working, and child labour.

Following its launch in March 2018, we communicated the Charter to partners in every part of our business and to support its adoption we created new tender questionnaires and contract reporting requirements for suppliers. This helps us to establish whether partners have the policies and processes in place and enables us to monitor the success of those activities on a quarterly basis.

[Download our Sustainability Charter](#)

Risk assessment

Over the past 12 months, we carried out a modern slavery and trafficking risk assessment across all our activities. The risk assessment showed the risks of slavery or human trafficking in the recruitment and engagement of our employees to be low. Our risk assessment also covered our supply chain as detailed in our 2017 statement and demonstrated two key risks:

- Debt bondage and/or labour exploitation in cleaning, security and waste management. This is due to the inherent nature of the work and the diversity of the labour force employed to carry out these activities. In our 2017 statement, we committed to undertake due diligence checks in these parts of our supply chain.
- Labour exploitation during extraction and manufacturing of materials abroad. There is a high risk in the manufacturing of a range of construction products. In our 2017 statement, we committed to working with our partners who specify construction materials to 'design out' the risks and introducing mandatory checks for selecting and procuring materials from high risk countries.

Monitoring and dialogue

In the past year, we carried out due diligence to monitor and learn more about the risks described above. This due diligence targeted high risk areas of our supply chain, focusing on cleaning, security and construction labour. An experienced and accredited third party issued anonymised questionnaires and held interviews with workers at a range of retail destinations, workplaces in London and construction sites. In total, they spoke to 252 individuals from ten partner organisations, with each individual working under one of 39 'tier two' suppliers. 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, allowing us to test progress against our 2020 Foundation Living Wage commitment. You can read more about this commitment [here](#).

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

- We did not find any cases of debt bondage or labour exploitation among the individuals taking part in the surveys. Although this could suggest our own, and our partners', policies and processes are effective, we will continue to undertake further due diligence in future and target high risk areas of our supply chain.
- Several cases were found where individuals stated they were paid below the Foundation Living Wage rates of £8.75 across the UK and £10.20 in London. In some cases, this was a result of deductions rather than an incorrect hourly rate, however each of these cases is under investigation with the partner organisation and the employer. In the year ahead, we will ensure current rates are increased and the risk of future rates not meeting the Living Wage Foundation rates is addressed. We will also communicate our Living Wage commitment to those employees in retail operations who are not yet eligible to receive the rates to ensure they are aware of our commitment to do this in all parts of our supply chain by 2020.
- 96% of the workers surveyed said they knew how to raise safety concerns, and 86% said their employer had done everything that they could to eliminate or reduce exposure to health hazards in the workplace. Although these responses suggest a high level of understanding and awareness of health and safety, a small number of workers remain who did not feel they had been adequately briefed on safety issues, or that health hazards had been reduced or eliminated. To address this, we continue to promote and reinforce our standards, engagement and dialogue with partners and individuals throughout all our business activities.
- Some supply chain workers in security, cleaning and construction occupations stated they had been discriminated against on grounds of race or gender by either colleagues or (more commonly) members of the public. Each of these incidents is being discussed with the partner organization, to ensure they have the correct policies, procedures and controls in place to avoid subsequent incidents, and to address any outstanding issues to ensure they are satisfactorily addressed. We will work with partners at all our destinations in the year ahead to ensure all staff members who said they received abuse from members of the public have the tools, training and confidence to deal with such incidents.

Based on these findings, we will continue to maintain dialogue with our partners in the year ahead, to push for continuous improvement and with a focus on tackling awareness and transparency on fair payment as well as dealing with discrimination in the workplace.

We have also developed communications to promote our whistleblowing policy and facilities as a way of reporting concerns, and have made this available to workers in all parts of our supply chain through our partner organisations and on-site promotion.

Over the past year, we have continued to work with our partners in architecture, engineering and construction delivery to specify and procure materials from countries where the risk of slavery and human trafficking in manufacturing is low. We use simple guidance and responsible sourcing guidelines, working closely with design teams to ensure each material proposed is checked to ensure it can be sourced from a low risk country and from a supplier with appropriate responsible sourcing certification. We will continue to do this and report on progress in the year ahead.

Disclosure and the year ahead

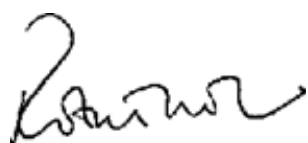
We continue to disclose data about our business and our supply chain through the Workforce Disclosure Initiative (WDI). The WDI gives us a framework for improving our own employment and procurement practices, and demonstrates our commitments to tackling Modern Slavery to our investors. We have made our first full disclosure in May 2018 and will repeat this in 2019.

In support of our ongoing work to tackle modern slavery in our supply chain both in the UK and overseas in the year ahead, we will:

- Carry out further due diligence in support of our 2020 Foundation Living Wage commitment, ensuring cases of underpayment are rectified and reducing the possibility of future cases.
- 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 related issues.
- Continue dialogue with partners in support our Sustainability Charter ensuring good responses to our tender requirements and ongoing good practice against our contract reporting requirements.
- Ensure effective adoption of our ethical sourcing requirements developments to encourage our construction delivery partners to carry out due diligence in overseas supply chains to tackle modern slavery and related issues.

Through our activities described above, 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.

This statement was approved by the Board on 27 September 2018.



Robert Noel
Chief Executive

About this statement

This is our third 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 2018. 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.