

Modern Slavery and Human Trafficking Statement 2017

Capital & Counties Properties PLC (together with its subsidiary companies, “Capco”) is one of the largest investment and development property companies that specialises in central London real estate. Capco aims to create and grow value through a combination of asset management, strategic investment and selective development. Capco’s landmark London estates at Covent Garden and Earls Court were valued at £3.5 billion as at 31 December 2017 (Group share) and Capco employed 119 people, all of whom are based in the UK.

Capco remains committed to combatting modern slavery, servitude, forced or compulsory labour and human trafficking in every part of its business and supply chains. This statement sets out Capco’s approach by describing the policy framework, due diligence and monitoring implemented to prevent all forms of modern slavery.

Our Approach

Capco’s Business Code of Practice states our commitment to embedding high ethical standards throughout the business and to operating, as a minimum, in accordance with all applicable laws and regulations. We apply these high standards to our engagement with stakeholders, our approach to managing our environmental impacts, the quality of services and facilities we supply, our employment practices, procurement and corporate reporting. As outlined in our Financial Crime Policy, we take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings. We expect those who work with or for Capco to comply with their tax obligations.

Capco employees are expected to deliver their roles with integrity, following ethical business practices in line with Capco’s approach to corporate responsibility. This includes awareness of the risk of breaches of human rights, including modern slavery, forced labour and human trafficking. A range of HR policies and procedures support the recruitment and management of employees in a fair and positive manner. We operate a Whistleblowing Policy to encourage staff, and those affiliated with the business, to report any suspected wrongdoing, in the knowledge that their concerns will be taken seriously and investigated in confidence.

Our Employees

Due to our existing policies and procedures, we believe that there is minimal risk of modern slavery incidences relating to the recruitment and management of Capco’s directly employed employees.

Our Supply Chain

As a property company that purchases, manages and develops assets, we procure a wide range of goods, services and works to support the delivery of our business strategy. Capco considers that the highest potential risk areas in relation to modern slavery are in its supply chain. To mitigate the risks that could be associated with our business and our supply chain, Capco has put in place policies, procedures and processes to avoid incidences of modern slavery and human trafficking.

Capco has a Procurement Policy and procedure to support employees in achieving best value and minimising risk when procuring goods, services and works. This is supported by a Supply

Chain Policy which sets out the ethical standards we require our suppliers to uphold and specifically addresses modern slavery and human trafficking. Should we believe that a supplier is not undertaking adequate action to prevent modern slavery or human trafficking, or is practising in breach of Capco's policies or legislation, then the relationship with the supplier would be terminated.

Activities To Date

Capco remains committed to being transparent with suppliers, to operating in a collaborative manner and to improving our suppliers' understanding of ethical and responsible business. During the year ended 31 December 2017 the following activities were undertaken to raise awareness of the risk of modern slavery and human trafficking:

- An extensive assessment of a major development site within the Capco Portfolio was undertaken in conjunction with the contractor with the objective of better understanding whether the policies and procedures in place are sufficient to mitigate the risks of modern slavery in the supply chain. The assessment included interviews with management personnel from the contractor and sub-contractors and also sub-contractor site workers. A follow up meeting was held with the contractor to discuss the findings and recommendations from the assessment.
- Consideration of prospective suppliers' approach to combatting modern slavery was added to the Capco Procurement Policy and tender review process.
- Bespoke training on modern slavery and human trafficking was delivered to relevant employees, and training on the statement and Capco's Procurement Policy was included in the formal induction process for new employees.
- Further information on our expectations relating to modern slavery was provided to suppliers via our wider suite of corporate policies with which suppliers are required to confirm acceptance.
- Capco continued to collaborate with industry experts to complete risk assessments of suppliers to identify and better understand where the potential greatest risk of modern slavery may occur. Potential high-risk suppliers were asked to complete a Modern Slavery Act questionnaire.

To date, Capco has identified no occurrences of modern slavery or human trafficking in our supply chains.

Future Activities

Capco aims to build on the work to date, with the following activities intended for 2018:

- Continue to raise employee awareness of the issue of modern slavery and human trafficking and how to prevent, identify and report any suspicious activities.
- Provide further guidance to employees on matters to be considered when procuring goods or services from higher-risk sectors.
- Further our engagement with our suppliers on modern slavery by sharing this statement and a summary of our related policies.

Training

Capco employees are periodically required to review and confirm their understanding of company policies. Bespoke training on modern slavery and human trafficking will continue to be provided to relevant employees and included as part of the formal induction process for new employees.

Evaluating Performance

Whilst we believe that the risk of modern slavery within our direct operations is low, we recognise the need to set best practice standards for our supply chain and to regularly monitor and evaluate their performance. In the year ahead we will continue to raise the awareness of modern slavery to our employees, engage with and review supplier performance.

Approval

This statement is Capco's second statement made pursuant to section 54 of the UK Modern Slavery Act 2015 'Transparency in Supply Chains' (the "Act") and constitutes Capco's modern slavery and human trafficking statement for the financial year ended 31 December 2017. This Statement was approved by the Board of Capital & Counties Properties PLC on 19 February 2018

Ian Hawsworth
Chief Executive
Capital & Counties Properties PLC

There is a link to this statement, and Capco's 2016 statement, on the Capco website and copies are available upon written request.