

Modern Slavery and Human Trafficking Statement 2019

Capital & Counties Properties PLC (together with its subsidiary companies, “Capco”) is a prime central London property investment business driving long-term value creation centred around one landmark Covent Garden estate. Capco’s assets were valued at £2.8 billion as at 31 December 2019 (Group share) and Capco employed around 80 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 high standards of personal and professional ethics. 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. The policies also protect our employees and their labour rights in our operations. We operate a Whistleblowing Policy and independent Whistleblowing hotline 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. We have not received any modern slavery related complaints or allegations of serious labour abuse during the financial year ended 31 December 2019.

Our Employees

We have policies and procedures in place to protect our directly employed employees and their labour rights. All Capco employees are paid above the London Living wage. We also ensure that the providers of managed services to our offices and estates pay the London Living Wage to those working with Capco. We believe that as we are a UK employer that is subject to UK employment legislation and as we have well developed internal controls within our business there continues to be a 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. A large part of our supply chain spend comprises professional services from suppliers based in the United Kingdom, which we have assessed to be of low potential risk area in relation to modern slavery.

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.

Capco is also a Client Partner of the Considerate Constructors Scheme ("the CCS"). The CCS requires Client Partners to adhere to its guidance on modern slavery and human trafficking awareness and ethical sourcing. We encourage the contractors we engage to be registered with the CCS and we expect compliance with all aspects of the CCS Code on our registered sites, including the CCS guidance on modern slavery.

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 2019 the following activities were undertaken to raise awareness of the risk of modern slavery and human trafficking:

- Consideration of prospective suppliers' approach to combatting modern slavery continued to be integral to the Capco Procurement Policy and tender review process.
- Further information on our expectations relating to modern slavery was provided to suppliers via our wider suite of corporate policies with which key suppliers are required to confirm acceptance on an biannual basis.
- We continued to deliver bespoke training on modern slavery and human trafficking to relevant employees, and continued to include training on the statement and Capco's Procurement Policy in the formal induction process for new employees.
- Continued to raise awareness of the issue of modern slavery and human trafficking with those responsible for procurement within the business to ensure that they are able identify and report any suspected instances. This included providing further guidance on matters to be considered when procuring goods or services from higher-risk sectors.
- Introduced a "Capco Health and Safety Constructing Excellence" assessment for all high profile development projects, which includes an assessment on modern slavery and human trafficking. We undertook an assessment of the Principal Contractor on Phases 2 and 4 Lillie Square and a score of 89 per cent was achieved.
- Continued to ensure that best practice advice from the Gangmasters Labour Abuse Authority was provided to our suppliers where relevant, with our direction that this be provided to the wider supply chain.
- Continued to proactively monitor our supply chain and ensure any potential high-risk suppliers complete a Modern Slavery Act questionnaires.

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

Future Activities

Capco recognises that tackling modern slavery and human trafficking requires constant monitoring and vigilance. During the year ahead we aim to continue to build on the work to date. We intend to further our ongoing engagement with our applicable suppliers on modern slavery by encouraging them to train their own suppliers on the relevant policies they have in place and raise awareness of modern slavery and human trafficking throughout the supply chain.

Training

On joining Capco all permanent and fixed term contract employees are made aware of modern slavery and human trafficking as part of the formal induction process. All employees are made aware of the Group's policies and procedures including those on financial crime, whistleblowing, diversity and inclusion, health and safety and anti-bullying and harassment and 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. We remain committed to demonstrating strong environmental, social and governance practices. 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 fourth 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 2019. This statement covers the activities of Capco, and all its subsidiary entities and specifically those referenced below. This Statement was approved by the Board of Capital & Counties Properties PLC on 24 February 2020

Ian Hawsworth
Chief Executive
Capital & Counties Properties PLC

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

This statement is made on behalf of all subsidiaries within the Capital & Counties Properties PLC ("Capco") Group, and specifically the entities cited below:

- Capital & Counties CGP
- Covent Garden Group Holdings Limited