

SGS Transparency in Supply Chains Statement

for the financial year ended 31 December 2022

SGS strongly opposes slavery and human trafficking in any form. This statement sets out the steps taken by SGS Holdco Limited, directly and through its subsidiaries, (together the SGS Group or "**SGS**") to ensure slavery and human trafficking is not occurring in any part of its business or supply chains.

The SGS Group includes Lakeside Centre Limited. SGS has assessed that both SGS Holdco Limited and Lakeside Centre Limited separately have an obligation to make a Transparency in Supply Chain statement (in accordance with s.54 of the Modern Slavery Act). This statement is intended to satisfy that obligation in respect of both companies.

1. **SGS's organisation, business and supply chains**

- 1.1 SGS is the owner of a number of shopping centres and retail parks, specifically the Lakeside Shopping Centre, Atria Watford (including Charter Place), the Braehead Shopping Centre and Retail Park, and the Victoria Centre in Nottingham.
- 1.2 Each of the shopping centres and retail parks is owned by a property company within the SGS Group. However, while SGS has directors to ensure proper governance, SGS does not have any employees. Instead, it outsources its functions to third party suppliers. Its key suppliers are Global Mutual Properties Limited ("**GM**"), which is responsible for asset management, Savills UK Limited ("**Savills**"), which is responsible for property management, and CSC Capital Markets as its corporate service provider.
- 1.3 All property management functions that would be performed by employees are performed by Savills. Consequently, all relationships with suppliers to the shopping centres are also managed by Savills, with input from SGS and GM.

2. **The Savills relationship**

- 2.1 Savills' property management function provides services (including the people to perform those services) to SGS in respect of each of its sites. It has a property management agreement for each site, which determines the services that are to be provided by Savills and the obligations on Savills in doing so. The agreements include requirements to comply with applicable employment laws in the provision of the services and supervise compliance with statutory requirements in relation to health safety and welfare of occupiers of the properties. Prior to onboarding service suppliers, Savills undertakes due diligence including modern slavery risk, and this due diligence is reviewed throughout the business relationship.

Savills has published its own s.54 Modern Slavery Statement, which identifies the steps it took in its last financial year to ensure slavery and human trafficking are not occurring in its business and supply chains. It notes that Savills believes the risk of modern slavery across its business is low, but that there are situations where a greater risk exists, such as the hiring of staff and procurement decisions where suppliers and contractors are appointed. A copy of the Savills' Slavery and Human Trafficking Statement can be found [here](#). We have summarised below key elements that helped prevent slavery or human trafficking in the SGS business or supply chains in the financial year ending 31 December 2022.

- (a) **Policy:** The Savills Code of Conduct underpins its social, ethical and environmental commitments. It is applicable to all Savills staff and Supply Chain Partners. There is also a specific Anti-Slavery and Human Trafficking Policy, which sets out the steps that should be taken by individuals and business heads within Savills, including encouraging all staff to report any concerns to management through the Whistleblowing Procedure.

- (b) **Due Diligence and Management of Suppliers:** Savills has a Property Management Supply Chain Policy which sets out the minimum standards to be applied when managing supply chains on behalf of its clients. It defines Savills minimum ethical, environmental and social principles and standards when engaging with service partners. The policy applies to all supply chain activity involving its service partners. Savills supports the UN Global Compact, UN Declaration of Human Rights, the International Labour Organisation (ILO) Core Conventions and the UN Sustainable Development Goals, and as such, all service partners selected are expected to meet the minimum environmental, social and ethical standards referred to in the Property Management Supply Chain Management Policy. This includes an expectation that service partners will *"respect the people they employ and to offer a safe workplace free from discrimination, harm, intimidation, harassment or fear. We specifically request that our service partners do not use child or forced labour...and adhere to working hours that comply with benchmark industry standards."* This requirement is reiterated in the Tier 1 Service Partner Core Principles. There is also a Service Partner Code of Conduct, which requires Service Partners to deliver goods and services responsibly to Savills' sites and clients. Under this policy, Savills expects all Service Partners to have accountability, ethics, transparency and respect for law and regulations, including modern slavery. The Service Partner Code of Conduct includes a requirement that service partners proactively support human rights and develop effective approaches to comply with the minimum requirements of the Ethical Trading Initiative (ETI) base code of labour practice:

- (i) Employment should be freely chosen
- (ii) Freedom of association and the right to collective bargaining are respected
- (iii) Working conditions are safe and hygienic
- (iv) Child labour should not be used
- (v) Living wages are paid
- (vi) Working hours are not excessive
- (vii) No discrimination
- (viii) Regular employment is provided
- (ix) No harsh or inhumane treatment

Labour Practices are also dealt with in the Service Partner Core Principles to which service partners are required to adhere.

- (c) In addition, through Savills' supplier on-boarding and contracting process, suppliers to Savills are required to conduct their business in full compliance with all applicable laws, including compliance with the Modern Slavery Act, and to comply with the Savills Code of Conduct. There is also ongoing monitoring of standards, including the use of a due diligence questionnaire, updated and most recently completed by suppliers at initial onboarding and then revisited annually in April – June, which includes a section relating to human rights to ensure that suppliers are adhering to their legal and ethical obligations, particularly in relation to Modern Slavery. Savills re-visits the questions in the due diligence questionnaire on an annual basis with the Sustainability Team and Operational Risks Team. The due diligence questionnaire also references Savills' code of conduct and core principles.

- (d) A performance management programme was launched in 2021 which requires service partners to report back to Savills on any ethical and compliance concerns, including modern slavery. Any concerns would be addressed in quarterly review meetings for Tier 1 providers and 6 monthly meetings for Tier 2 providers. Other statuses would be reviewed on an as needed basis. Savills has not received any such reports in the last financial year.
 - (e) **Whistleblowing:** Savills has also adopted a Speak Up Policy which provides support to employees who have concerns, including about modern slavery violations, within the business or its supply chains. Savills encourages those with concerns to raise them with senior management at the earliest opportunity. Senior management is required to objectively investigate allegations and ensure appropriate actions are taken. The Policy sets out examples of concerns that should be reported, including failure to comply with any legal duty. Concerns can be reported through Safecall (an independent reporting service), an immediate manager, senior manager, Business Head, the relevant CEO or Managing Director of a subsidiary, or the Group Legal and Company Secretary of Savills plc. Anyone who reports concerns in good faith is protected against any detriment arising from their report. Savills has a zero tolerance approach to any breach of this policy. Any breach may constitute gross misconduct and in terms of supply chain partners may result in termination of contract. During the last financial year, Savills has not received any reports of potential modern slavery in relation to sites owned by SGS.
 - (f) **Training:** Modern Slavery Awareness Training is provided to office staff across Savills UK Ltd and Savills Management Resourcing.
 - (g) **Risk and response:** Savills considers the modern slavery risk in its business and supply chains to be low. However, it maintains a risk-based approach to assess the likelihood of the existence of Modern Slavery in its supply chains, and, if an issue should be identified, it is committed to, where appropriate, working collaboratively with the supplier to fully eradicate any instance of Modern Slavery, and in doing so seek to adopt an approach that produces the safest outcome for potential victims.
- 2.2 As the owner of shopping centres and retail parks, SGS is particularly aware of the risks of modern slavery in the retail sector and also in the construction sector. SGS takes these risks very seriously and, through GM and Savills, expects these risks to be mitigated. For example, the standard terms of the unit lease at the Lakeside Shopping Centre include a requirement to comply with applicable laws, which includes the Modern Slavery Act, in the use, occupation or otherwise in connection with the unit. Breach of this terms can result in the lease being forfeited.
3. **SGS' ESG Strategy ("the Strategy")**
- 3.1 In November 2022, the SGS Board approved a new ESG Strategy which applies across the SGS Portfolio. Savills Earth have partnered with GM to implement this Strategy.
 - 3.2 A governance structure has been established, including Terms of Reference and an ESG Committee which meets at least quarterly to review progress against targets and actions. The ESG Committee reports to Global Mutual Leadership to ensure SGS level oversight, and to allow for the preparation of SGS Board updates and formal reports.
 - 3.3 As part of this Strategy, there are comprehensive ESG strategies for each of the 4 UK regional shopping centre assets. All of the SGS assets are committed to having a positive community and social impact.
 - 3.4 A key pillar of the SGS Business Plan is to build and execute an ESG Strategy across the portfolio, ensuring that social initiatives are in place that can be benchmarked, implemented and monitored against.

3.5 The ESG Strategy's social deliverables include, but are not limited to, collaboration with community groups, occupier engagement, employee wellbeing and volunteering.

3.6 We also note specifically that Human Rights in Supply Chain and Fair Labour Practices were identified as priority items as part of the ESG strategy formulation exercise.

4. **Further steps**

4.1 SGS will review the implementation of its ESG Strategy on a quarterly basis, with the first review taking place in April 2023.

4.2 SGS is committed to maintaining high standards of conduct by its suppliers and has no tolerance for slavery or human trafficking in its business or supply chains. Although no specific slavery or human trafficking has been identified or reported in the last financial year, SGS will continue to monitor its business and supply chain to ensure slavery and human trafficking is not occurring.

This statement was approved by the Board of SGS on 29 June 2023.

Signed by Andrea Trozzi on 29 June 2023

A handwritten signature in blue ink, appearing to read 'Andrea Trozzi', is positioned below the text 'Signed by Andrea Trozzi on 29 June 2023'.