

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

APRIL 2023

C&R

CAPITAL &
REGIONAL

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INTRODUCTION

This statement is issued on behalf of Capital & Regional plc pursuant to Section 54 of the Modern Slavery Act 2015. It constitutes our modern slavery and human trafficking statement for the financial year ended 30 December 2022, setting out the measures Capital & Regional takes to prevent slavery and human trafficking in our business and supply chain. Modern slavery is widespread, affecting all sectors. Slavery is not acceptable within our business and our supply chain, and so we are committed to responsible business conduct and fully support the principles of the Act.

This is Capital & Regional plc's statement under the Modern Slavery Act 2015 (the "Act") which applies to companies and partnerships, which have a global turnover in excess of £36 million and conduct any of their business in the UK. As required by the Act, the statement reports on the steps that Capital & Regional plc and other relevant UK subsidiaries¹ has taken during the financial year ended 30 December 2022 to ensure that slavery and human trafficking is not taking place in any of our supply chains or in any part of our own business. This is Capital & Regional's seventh published modern slavery and human rights report. This year's report provides an update on progress and our due diligence completed.

¹ Entities required to publish a statement under the Modern Slavery Act and therefore covered by this Group Statement include: The Mall Limited Partnership.

OUR BUSINESS

Capital & Regional is a UK-focused retail property REIT specialising in community shopping centres that provide needs based, non-discretionary and value-orientated retail goods and services. Our centres are tailored to the needs and aspirations of each centre's local community and form a critical part of the local infrastructure.

Capital & Regional has a strong track record of delivering value enhancing retail and leisure asset management opportunities across its portfolio of tailored in-town community shopping centres.

Capital & Regional is listed on the main market of the London Stock Exchange and has a secondary listing on the Johannesburg Stock Exchange.

Capital & Regional owns shopping centres in Hemel Hempstead, Ilford, Luton (until 16 March 2023), Maidstone, Walthamstow and Wood Green. It also acts as Property and Asset Manager for the Kingfisher Centre in Redditch. Capital & Regional manages these assets through its in-house expert property and asset management platform. Capital & Regional also owns Snozone, which operates snow sports centres in Castleford, Milton Keynes and Madrid.

Across the whole business, Capital & Regional employed an average of 248 people during the year ended 30 December 2022. The Group had an annual turnover of £60.6 million for the year ended 30 December 2022.

OUR APPROACH TO HUMAN RIGHTS

Capital & Regional supports the aims of the Act to combat slavery and human trafficking and improve the transparency of reporting on modern slavery. As part of our culture Capital & Regional operate an integral set of core values. They support the vision, shape the culture, and reflect who we are as a company. These values are reflected in our relationship with key stakeholders groups including guests, customers, suppliers and our staff. Our approach to tackling modern slavery is influenced by these business values. It forms part of our broader human rights strategy, through which we work to raise labour standards, improve working conditions and the health & wellbeing of our workforce. We regularly review our existing compliance and risk management processes to ensure our business and supply chain is not exposed to the threat of modern slavery or human trafficking. We expect our business partners to hold their own suppliers to the same standards in prohibiting forced, compulsory or trafficked labour.

We have a zero-tolerance approach to modern slavery and expect all who have, or seek to have, a business relationship with Capital & Regional, to familiarise themselves with our anti-slavery and human trafficking policy and to act at all times in a way which is consistent with the policy.

We are committed to acting transparently, ethically and with integrity in all our business transactions and relationships, and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our business or in our supply chains.

We are not complacent and have ensured that our resourcing strategy includes consideration of modern slavery, and we have trained our people in key roles to be alert to the risk of slavery. We have specific requirements to address the risk of modern slavery and human trafficking in our procurement policy and processes.

Our policies and codes provide guidance to our employees, suppliers and partners to support the prevention of modern slavery and human trafficking from taking place in our business or in our supply chains. We monitor the application of our policies and procedures through our due diligence audits and risk management processes. We believe that this embedded approach to responding to modern slavery and human rights issues is effective.

We are committed to a culture where people are confident to speak up and we communicate this to employees via our Code of Business Conduct and wider awareness communications, including our staff engagement survey and our Employee Voice 24/7 feedback tool. During FY22, we have had no issues raised about modern slavery via these or any other routes.

OUR DUE DILIGENCE & RISK MANAGEMENT

Based on our internal risk assessment and standards review, we consider that the risk of any slavery or human trafficking in the employment of our employees remains low.

We have a number of policies and procedures in place that we believe promote a culture and behaviours in keeping with the Act's objectives. These are all set out in our staff handbook and include:

- Anti-fraud, bribery and corruption policies
- Disciplinary and grievance policy
- Human Rights policy
- Inclusion and diversity policy
- Grievance procedure
- Health and safety policy
- Stress and Mental Health policy
- Whistleblowing policy
- Code of Business Conduct
- GDPR Policy

We undertake modern slavery risk assessments, particularly in our supply chain. We have in place a pre-qualification process for new suppliers, and our sub-contract terms and conditions explicitly require our suppliers to be legally compliant with modern slavery and human trafficking legislation.

We continue to carry out a comprehensive analysis of our standards, operations and activities to review any new emerging risks in the current reporting period. We continue to work with our appointed Project Management contractor to manage the roll out of our capex programmes.

We use the following key performance indicators to measure how effective we have been to ensure that slavery and human trafficking is not taking place in any part of our business or supply chains:

- Effective use of the Recruitment and Selection Process

- Use of labour monitoring and payroll system checks including identification of shared bank accounts and multiple occupancy addresses
- Completion of audits conducted by internal and external auditors
- Robust levels of communication and personal contact with our business partners and supply chain and their understanding of, and compliance with, our expectations, including the updating of their documentation.

SUPPLY CHAIN

Our supply chains include contractors, sub-contractors, goods and services suppliers and professional service suppliers. In most cases we aim to develop long term relationships with our key suppliers by engaging with entities that have similar cultures and values to our own. During the last 12 months we have reviewed our supply chain to identify the areas that are potentially most prone to slavery or human trafficking and where significant changes have been implemented.

Our assessment concluded that the highest risk occurred in three key areas: -

1. Where we engage in large capex development contracts where the completion of the contract may involve the use of subcontractors.

We take some limited assurance from the size of the businesses that we engage with, which means that they will need to introduce their own procedures in order to comply with the Act. During the FY 2022 we continued to work with our experienced Project Management contractor to manage the roll out of our capex programme. HFM Project Management as part of the procurement process implement compliance checks on modern slavery issues during the main contractor pre-tendering process and post contract periods of all projects, ensuring compliance with the Act. During any major construction works we also complete audits of the staff welfare facilities onsite and monitor shift patterns and overnight working practices.

2. In the outsourcing of soft services such as cleaning and security.

Following our audit, we ensure the risk remains low by engaging with a single well-established supplier, Bidvest Noonan. As part of our review we considered Bidvest Noonan's updated Modern Slavery Act statement still demonstrates an appropriate commitment on their part to ensuring compliance with the Act. They adopt a zero-tolerance approach to Modern Slavery and are committed to acting ethically and with integrity in all their business dealings and relationships, and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in their own business or in any of their supply chains.

3. Increasing the awareness of modern slavery across our business operations and protecting the health and safety of our work force.

Our Modern Slavery Champion continues to increase awareness of modern slavery and hidden labour exploitation with fellow workers, contractors, tenants and peers and to promote the different ways individuals can report concerns or suspicions of modern slavery. Raising awareness of these issues is an important step to help prevent workers from being exploited and to identify any individuals that may need help. Our Champions have received training through Stronger Together and are trained on how to spot the signs of modern slavery, with particular attention paid to a number of factors: -

- Physical appearance of employees in terms of potential abuse or malnutrition
- Employees' personal effects, documentation and freedom of movement
- Whether employees are regularly dropped off/collected by a third party
- The influence of third parties on staff

NEXT STEPS

We are committed to reviewing and improving what we do each year to prevent modern slavery and human trafficking. Our 2023 initiatives will continue to build on our work and increase awareness within our sphere of influence. This year we will continue to:

- Review and update policy in light of changes in law and best practice to ensure that we meet the legal requirements across the business
- Ensure all frontline recruiters and site teams across the group are aware of the tools available to them including the information on the intranet
- To foster our relationship with the organisation Stronger Together and continue to use their e-learning tool to enhance our staff awareness with colleagues involved in recruitment or the management of our supply chain.
- Continue to engage with key suppliers to increase visibility of modern slavery risk further down the supply chain.
- To continue to support our Modern Slavery Champions at each centre and meet quarterly to share best practice across the business.
- Continue to raise awareness via communications and our intranet web resource (CARTER) and provide training for our people.
- Continue to screen all new suppliers and provide additional scrutiny

RESPONSIBILITY

The responsibility for reviewing the Group's ongoing compliance with the Act is undertaken by the Board's ESG Committee who report their findings to the Board. Strong governance underpins the Committee who meet regularly and receive briefings on business ethics and modern slavery.

This statement was approved by the Board on 28th April 2023.

A handwritten signature in black ink, appearing to read 'Lawrence Hutchings', written in a cursive style.

Lawrence Hutchings

Chief Executive

Capital & Regional plc