

# HEALTH and SAFETY POLICY

May 2020

## Introduction

The health and safety policy of Ground Rents Income Fund (GRIO) sets out our general approach to health and safety in line with statutory responsibilities. It explains how GRIO will manage health and safety in the business. It says who does what, when and how. Schroders Real Estate Investment Management (SREIM) as Alternative Investment Fund Manager for GRIO, has the executive responsibility for discharging the Company's obligations with regard to health and safety and this documents sets out how that policy will be implemented.

The company's obligations extend to all of its holdings but the repairing and maintenance obligations of many of the assets are delegated to the Residents Management Company (RMC) through the terms of the occupational leases. Health and safety on those developments is the responsibility of the RMC and discharged through the appointment of a managing agent. Where there is no RMC, the Company appoints a managing agent who becomes the 'responsible person' and SREIM monitors the activities of the managing agent through a formal management agreement.

## Establishment of Management Procedures

### Objectives

1. "Best-in-Class" residential asset management
2. Clear, regular communication with all stakeholders in simple, plain English
3. Achieve full regulatory and legislative compliance to protect consumers and shareholders
4. Periodic review of existing procedures to maintain "Best-in-Class" position
5. Distinction – Managed & Non-managed

### How will these objectives be achieved?

#### 1. "Best-in-Class" residential asset management

- **On GRIO managed properties:**
  - Annual General Risk Assessments (GRA) and/or periodic review in excess of requirements
  - Annual Fire Risk Assessments (FRA) up-graded for 2020 to Type 3 or Type 4 Intrusive (App 1.)
  - Annual Water Risk Assessments (WRA)
  - If appropriate, Asbestos Risk Assessments should be undertaken and reviewed
  - All documents will be held centrally in a openly accessible online database
  - All documents provided to Fire & Rescue Services and the insurance brokers
  - Establish a Strategic Partnership with Greater Manchester Fire & Rescue Service
- **On GRIO Insured developments, insist on the timely production of:**
  - Annual General Risk Assessments (GRA)
  - Annual Fire Risk Assessments (FRA)
  - Annual Water Risk Assessments (WRA)
  - If appropriate, Asbestos Risk Assessments will be undertaken
  - All documents provided to Fire & Rescue Services and insurance brokers
  - Establish a Strategic Partnership with Greater Manchester Fire & Rescue Service
- **On GRIO owned but not managed or insured**
  - Request copies of GRA / FRA and WRA on an annual basis
  - Obtain copies of insurance certification
  - Review and highlight matters of interest
  - Communicate concerns to appropriate persons and escalate if necessary
  - Record and retain documents

## 2. **Clear, regular communication with all stakeholders in simple, plain English**

- Health & safety matters will be a priority item in regular management and formal quarterly board meetings;
- Record all findings and documentation on SREIM database for further analysis;
- The Block Management Service Level Agreement (“SLA”) for the managed estate will include clawback provision for failure to obtain and record health & safety documentation and records;
- Work with insurance brokers and other professionals to drive standards to protect all stakeholders;
- Conduct a programme of regular communication with leaseholders to draw attention to relevant issues and critical items in line with “Best in Class” aspirations to drive standards consistent with RICS Best Practice;
- Engage in a formal “Partnership” arrangement with Greater Manchester Fire & Rescue Service (*see footnote*) to provide high-level advice and assistance in the formulation and implementation of this policy; and
- Work with Fire & Rescue Services in local areas to highlight matters of concern and promote, in particular, good fire safety practice

## 3. **Achieve full compliance to protect consumers and shareholders**

- Participate in industry groups driving “Best-in-Class” and become a thought leader on Health & Safety issues;
- Produce an annual report regarding the Health & Safety status of the portfolio; and
- Where appropriate, we will appoint an independent, external Health & Safety Consultant to provide advice on all matters relating to the management and maintenance of effective Health & Safety measures.

## 4. **Review existing procedures periodically to maintain “Best-in-Class” position**

- Conduct and record an annual review of Health & Safety procedures and review processes with the our managing agents and external consultants;
- Invite industry specialists to participate in internal and Board Meetings , as required; and
- Present a year end report to the GRIO Board highlighting performance and matters for further improvement with equal prominence.

## 5. **Distinction – Managed & Non-managed**

- It is important to make a clear distinction between those sites where GRIO has responsibility and influence over health and safety matters; typically these are bi-partite leases under the Landlord & Tenant Act 1985;
- Where a tri-partite lease exists the responsibilities lie with the RMC and effecting and implementing change is difficult other than by advice and dialogue; and
- Where GRIO arranges or instructs the block insurance, there is more leverage that can be applied to the RMC to implement change advised by insurers.

### **GRIO Initiatives under SREIM Management**

The GRIO team have taken a number of steps in order to achieve the goal set within this document in the past 12 months and these have included-

- **Meridian Compliance** - Rectification of (c.100) Meridian items discovered. **Complete**
- **Melbourne** – Audit & remediation of riser cupboards, extended to fire doors. **Complete**
- **Rome** - Roof access audit, given high profile trespass. **Complete**
- **Belize**- Granular report on the façade construction on all developments. **Complete**
- **Lisbon** - Project to normalise RMCs. Companies House protocol established **Complete**

\* *SREIM are in negotiation with Greater Manchester Fire & Rescue Service to enter into a “Partnering Agreement”. This formal agreement will help us work collaboratively to prevent fires and improve the health and well-being of those most at risk. This is a mutually beneficial arrangement and provides better service and access to qualified advice than working alone.*