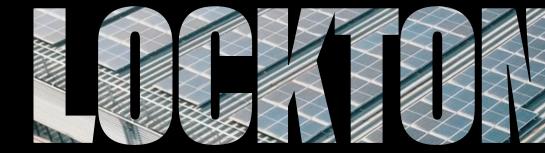


GLOBAL REAL ESTATE & CONSTRUCTION

Industrial, Warehousing and Logistics



Your partner in People & Risk.

OVERVIEW

Lockton is the world's largest privately owned global insurance broker.

What makes Lockton stand apart is also what makes us better: **independence.**

Lockton's private ownership empowers its 10,750+ Associates doing business in over 140 countries to focus solely on clients' risk and insurance needs. With expertise that reaches around the globe, Lockton delivers the deep understanding needed to accomplish remarkable results.

Our 97% client retention rate speaks for itself.

 $10,750^{+}$

Associates

97%

Client retention rate

17%

Revenue growth

 $65,000^+$

Clients in over 140 countries

 130^{+}

Offices worldwide

\$3.1bn

Global revenue

\$65bn⁺

Premiums placed

90%

Reinvestment due to our private ownership

\$17m⁺

Charitable donations to more than 250 organisations

LOCKTON GLOBAL REAL ESTATE AND CONSTRUCTION -SNAPSHOT

Lockton Global Real Estate and Construction (GREAC) is a cohesive and collaborative global team of handpicked real estate and construction specialists. Harnessing deep expertise, we act as a trusted partner to our clients, securing cost-effective, bespoke insurance and risk solutions. We're the world's largest independent insurance broker. Which means you get all the benefits of working with a global operator – combined with the power of independence.



Well **established** and integrated Real Estate and Construction Practice with **specialist Industrial, Warehousing and Logistics experience**



Dedicated GREAC team in London, Manchester, Malta and Australia



Extensive Industrial, Warehousing and Logistics expertise in all **key global territories** via the Lockton Global Partnership



200+ dedicated skilled Associates and Partners within the team



Dedicated Surety, Due Diligence and Contingent & Special Risks teams incorporated within the GREAC Practice 'Asset' II, our own **extensive and bespoke** real estate Policy Wording



Entrepreneurial spirit and close collaboration driving the highest service levels, as exemplified by our market-leading **98%** client retention

INDUSTRIAL, WAREHOUSING AND LOGISTICS EXPERTISE

Insurance solutions built around you.

To protect your assets and operations, you need an insurance and risk partner that understands the industrial, warehousing and logistics sector, and the full range of risks you could face.

As experts in the industrial, warehousing and logistics space, Lockton can help you.

Our Global Real Estate and Construction (GREAC) team has a strong track record delivering exceptional insurance solutions for businesses in your sector. You'll find we work hard for our clients, constantly challenging the insurance markets, pushing the boundaries to deliver the best possible programme for your unique needs. With a dedicated team of experienced Partners and Associates specialising in the rapidly-evolving industrial, warehousing and logistics sector, we come to the table with the knowledge and expertise you need. We've worked with the largest portfolios, the most complex risks, with trophy tenants and with speculative builds.

Whether you're an asset manager, fund manager, institutional fund, managing agent, property owner, contractor, developer, real estate investment trust or sovereign wealth fund, we can help. We take the time to fully understand your operations and your assets - and shape our services round them.

A seamless solution, from construction through to operating asset

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We shape not just our solutions, but also our operations around your needs. With us, you'll experience zero dilution of knowledge across the process, because we're organised as a single joined-up team. That way, you know we can cater for the full range of risks you may face, throughout your assets' lifecycle. You'll also find we seek out insurance carriers who work the same way.

A sector-specific All Risks policy wording

The last thing you need is a generic policy wording that doesn't fully reflect your needs. That's why we've spent the last 20 years developing the Lockton Asset II policy wording. It's purpose-built to deliver comprehensive protection for real estate owners and developers, with additional bespoke coverage that reflect the specific needs of businesses in the industrial, warehousing and logistics sector, including cover for dilapidations, energy performance and sustainable buildings.



A one-stop risk management solution

We work with anchor tenants to make sure leases run back to back with your insurance programme. We deliver bespoke programmes for landlords of last-mile logistics and logistics sheds with liability reviews for activities undertaken within assets.

Best practice advice for landlords and tenants

We offer risk management sessions and site sessions. During these sessions, attended by Lockton Associates and insurance partners, we look at previous loss history, applying our sector-specific experience to highlight lessons learnt.

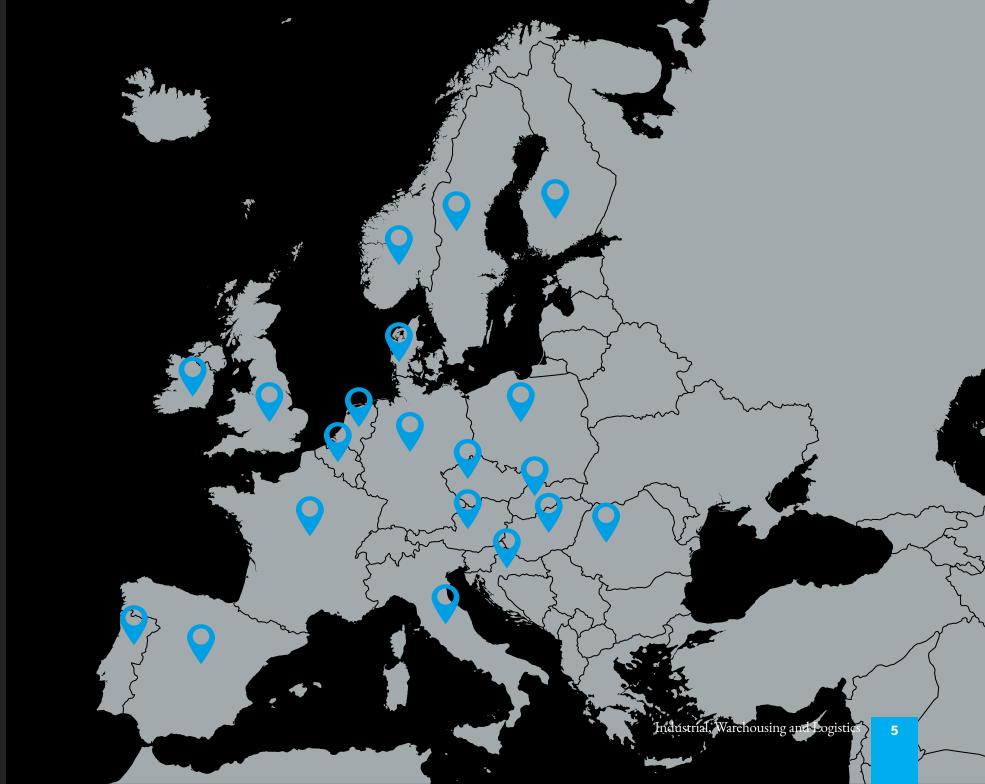
PROVEN TRACK RECORD

We put your needs first.

When you partner with Lockton, you'll be working with a team that's been designing and arranging real estate and construction insurance programmes in the UK and Europe for many years.

As specialists in the industrial, warehousing and logistics sector, we work with clients in countries across the EEA and UK.

The map (right) illustrates the key territories where we place cover across UK and Europe.



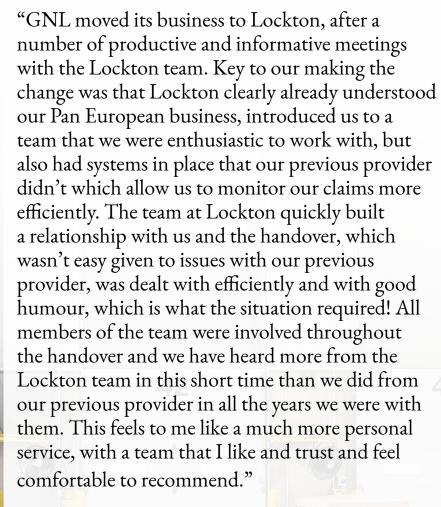
WHAT YOU CAN EXPECT

Insurance solutions built around you.

"Our team has always been hugely impressed with the quality and speed of response from the entirety of the Lockton team. Multiple team members are always allocated to any deal and therefore speed of response is guaranteed. The Lockton Team share the same work ethic and client focus that we pride ourselves on. We couldn't recommend the team highly enough."

- BGO

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- Global Net Lease (GNL)

COMPLETE PROTECTION THROUGH THE RISK LIFECYCLE

When you work with our single integrated real estate and construction team, you'll find there's no dilution of knowledge at any point in the process.

01



Land Purchase/ Planning

- Due Diligence
- Environmental
- Judicial Review
- Legal Liabilities
- Lender Requirements
- Rights of Lights
- Risk Financing
- Title Insurance.





Development Phase

- Construction All Risks
- Existing Structure
- Latent Defects
- Loss of Revenue/ Rental Income
- Partial Occupation
- Sectional Completions
- Terrorism
- Tenant Fit Out Works
- Third Party Liability/ Public Liability.

03



Operational Asset

- Commencement of Latent Defects
- Cyber
- Directors and Officers
- Engineering
- Property/Buildings
- Loss of Rent
- Terrorism.





Disposal

- Tax Liability
- Transactional Risks
- Warranty & Indemnity.

ADDED VALUE SERVICE

Targeted solutions, built to last.



Innovation

Working with us, you'll benefit from the latest technological innovations that deliver tangible benefits and insights across your insurance programme - with direct links to third-party systems to create an efficient data flow into risk modelling in areas like climate change.

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Latent Defects Insurance (LDI)

If one of your property assets is affected by defects that arise post-completion, an LDI policy provides first-party protection - enhancing the saleability of your asset and protecting your balance sheet.



Real estate cyber solutions

You won't need us to tell you that cyber attacks pose a particularly serious threat to smart buildings in the industrial, warehousing and logistics sector. These threats come in many forms, and the consequences can be devastating. Without necessarily causing property damage, a cyber attack can still result in significant business interruption. We can provide you with tailor-made cyber cover to help restore your peace of mind.



Data management and process efficiency

You can count on us for core insurance data management, asset onboarding and offboarding, prompt and accurate certificate production, and premium allocation, invoicing and collection.



Getting you the best solutions You'll be talking to people who speak your language when you partner with Lockton. We understand the terminology and the nuances for property owners and tenants. You'll find our advice, guidance and metrics are firmly anchored in the day-today realities of your sector.

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CLAIMS

Here for you, when you most need help.

When it comes to claims, you'll find we deliver a seamless claims process. We configure our claims management process to suit your needs and expectations. The Lockton Claims Code puts you at the heart of the process, so you'll know exactly what will happen, when, and why.

How you benefit from our tailored approach to claims

- We fast-track low-value claims, so you benefit from faster recovery, minimal fuss and swifter settlement
- Our secure single database allows us to track claims effectively, and proactively drive down loss ratios
- You get in-depth reporting that identifies emerging trends, hotspot locations, and common themes across property and liability, empowering you to manage risk more effectively, and ultimately reduce premiums.

Technology-based solutions

We work with you and with our technology partners to provide tailored advocacy based on claims-mitigation technologies like earthquake sensors, snow alerts and water and leak detection.

Handling large and complex losses

Fire continues to result in the highest-value claims for the industrial, warehousing and logistics sector. The most frequent causes of claims, on the other hand, are impact, escape of water and accidental damage.

If you're affected by a significant claims event, our experienced advocates will act on your behalf and support you through complex, sensitive or major losses. You'll have a dedicated loss adjuster to help you get your business back up and running as quickly as possible. You can expect best-in-class service - and to benefit from the generous cover afforded by our specialist ASSET II wording.

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SECTOR-NATIVE SOLUTIONS

Risk advice that's embedded in your world.

When you partner with Lockon, you'll be working with risk professionals who have immersed themselves thoroughly in your world. You'll benefit from our broad and deep knowledge of the industrial, warehousing and logistics sector - and from expert guidance on how best to handle the complex and challenging risks that come with the territory.



Construction methods

Sustainable construction methods and materials like cementfree concrete, cross-laminated timber, wooden frame and hybrid structures are becoming increasingly common. To help you understand the implications of these and other new approaches, we offer both thought leadership and tailored advice. We also deploy risk engineers to support and guide you through the operational phase of your asset.

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Photovoltaic panels and electric vehicle charge points

Photovoltaic (PV) panels and electric vehicle (EV) charging points are becoming increasingly widespread. As these technologies expand and evolve, it's vital you consider both their benefits and their risks. In that context, you can call on the extensive experience and expertise we've built up in this area. We have helped enable large-scale installations with added-value best practice guidance from an insurance market perspective.



Robotic sheds

We have particular expertise in the area of highly engineered robotics-intensive shed environments. Our knowledge and risk experts have built up specialist knowledge of the plant and machinery risks associated with oxygen reduction systems. Indepth knowledge of the risk profile of such assets has helped us arrange cover for a number of highly engineered sheds.



Specialist large and complex placements

Our expertise and capabilities in arranging cover for large and complex risk extends beyond more conventional structures. Whatever the scope of your operations, we have the expertise to design a programme tailored to your needs.

You can call on our specialist placement team to work strategically with insurers to provide you with marketleading cover and premium rates right across your industrial, warehouse and logistics portfolios.

The articles below provide detailed guidance on two of the crucial areas highlighted above:



The Rise of Solar Energy: Pairing Sustainability with Safety



Emerging Electric Vehicle Charging Risks for the Real Estate Sector

CASE STUDIES

Insurance solutions built around you.

Case Study A Industrial tenant in the nuclear sector

The proposed new tenant for our landlord client was a manufacturer of nuclear reactors. The tenant wanted to carry out component testing on-site.

By collaborating with the prospective tenant, and going into granular detail about their intended on-site operations and the licences they held, we were able to present the risk to insurers so as to secure a policy solution without cover restrictions or prohibitive excesses.

Working proactively with tenants, and digging that bit deeper, often enables us to find solutions where none initially seemed apparent.

Case Study B Informing business strategy through data

Lockton's partnership with Moody's enables our clients to utilise Moody's future risk modelling as part of the initial due diligence process for their acquisitions.

A client was undertaking due diligence of a logistics portfolio. The 16 assets included were all located in close proximity to one another, in and around a major river basin. Moody's modelling helped us identify that 12 of the 16 assets would be at serious risk of future flooding. Neither the third-party technical advisors, nor the insurers, had picked up on this, having focused purely on current exposures rather than anticipated future developments.

Ultimately, the client decided that, although insurance was readily available for all 16 assets and mitigation measures had been suggested to reduce their future flood risk, the CAPEX expenditure was too great and would affect fund returns on exit. On this basis, the client proceeded with the acquisition of the four unaffected assets only, with an option to acquire the remaining 12 if the mitigation strategy was fully implemented.

ESG

Protecting the world we live in.

🏹 Environmental

Lockton continues to hold the UKAS externally accredited ISO14001:2015 Environment Management System (EMS) certification. We have held this internationally recognised environment accreditation since 2013 and were the first London Market Broker to be granted it.

γ Creative placements and risk analysis

We understand how to design non-traditional placement structures to satisfy lender requirements. We conduct risk vulnerability reviews, and reviews of supply chain impact, while our liability assessments inform our guidance on limit setting. We also deploy our service team on-site, alongside our insurer partners and risk engineers.

Climate modelling to understand long-term exposures

Working with our Moody's-backed partner, we provide scienceled solutions for new acquisitions and disposals, at either asset or portfolio level. This can help inform our client investments and ensure long-term insurance solutions.

GREAC ESG Working Group

We provide ESG-integrated solutions within our insurance placements and look across the supply chain when managing and running placements. This work is complemented by the Global Real Estate and Construction ESG working group which launched in May 2022.



DELIVERING EXCEPTIONAL SERVICE THROUGH INNOVATIVE SOLUTIONS

REAL ESTATE

CONSTRUCTION CLAIMS

Stay connected

Your partner in People & Risk.



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