

# CORPORATE GOVERNANCE STATEMENT

## Governance

At Derwent London our approach to governance is rooted in the concepts of fairness, transparency, and accountability.

The Governance section has been organised to follow the structure (1 to 5) and principles (A to R) of the 2018 UK Corporate Governance Code (the Code) to illustrate how we have applied the Code principles and complied with the provisions. Further information on the Code and our compliance is on page 121.

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## Board leadership

### Effective Board

Our Board is composed of diverse professionals who bring a range of skills, perspectives and corporate experience to our boardroom. The composition of the Board is subject to periodic review by the Nominations Committee to ensure it remains sufficiently balanced and diverse to effectively oversee and determine the Group's strategy.

The Board, its principal committees and individual Directors are subject to annual effectiveness evaluations to identify areas for improvement or action (see page 137). The Chairman discusses with each Director their training needs to ensure they keep their knowledge and skills up to date.

To ensure sufficient time for discussion, the Board utilises its five principal committees to effectively manage its time (see page 127). At each Board meeting, the agenda ensures sufficient time for the committee chairs to report on the contents of discussions, any recommendations to the Board which require approval and the actions taken.

➔ Board composition / See page 136

➔ Board diversity policy / See page 143

➔ Training / See page 136

### Value creation and preservation

The role of the Board is to generate long-term value for shareholders and other key stakeholders and contribute to wider society.

The appropriateness of our strategy is subject to detailed review at the Board's Strategy Awaydays which are held annually. Additionally, before making a material decision, the Directors have due regard for the wider context including the macroeconomic environment, property cycle and the impacts on all our stakeholders and wider society.

Some of the key aspects discussed by the Board during its strategy discussions include:

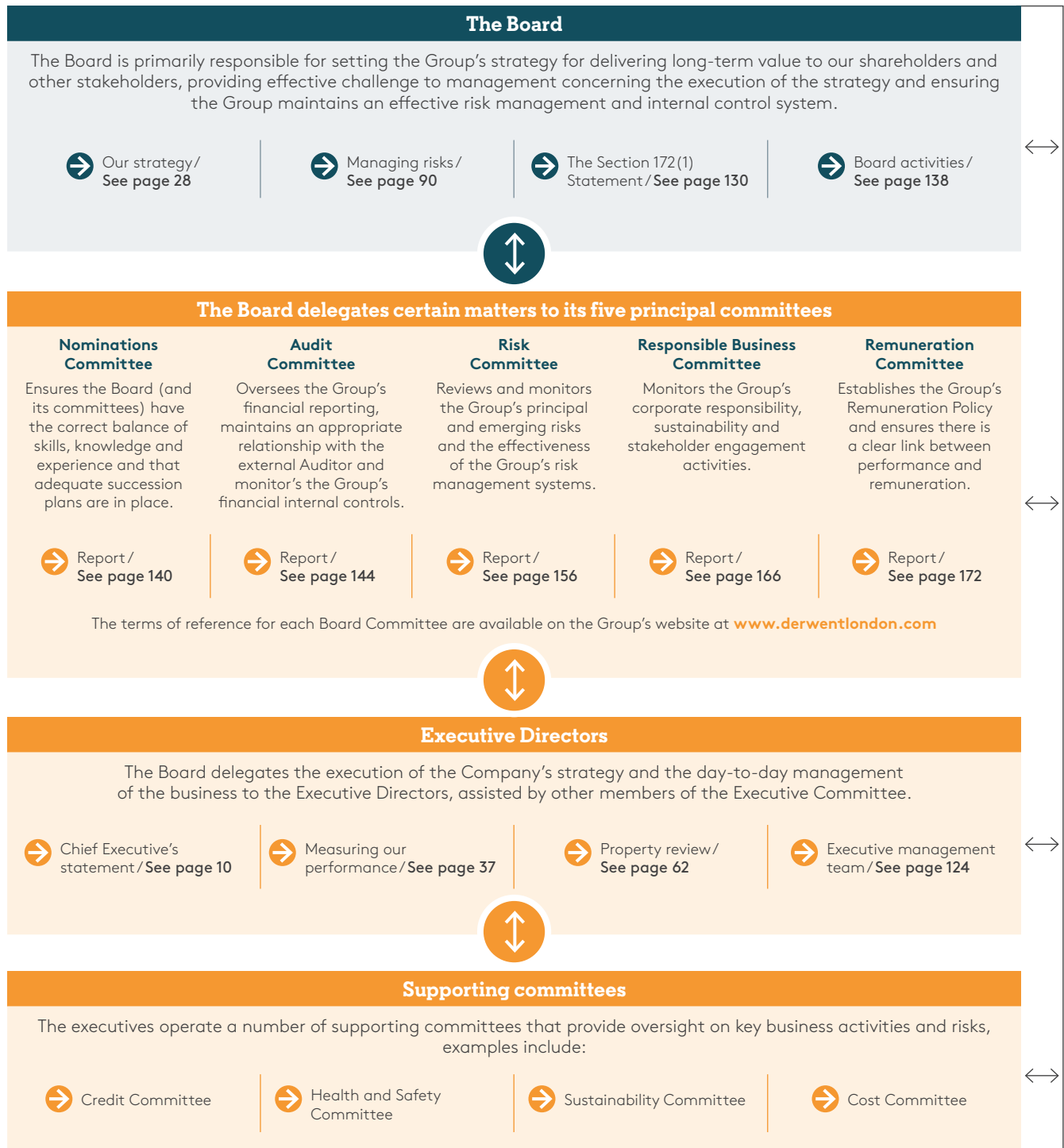
- changes to the London office market and investment market (see pages 13 to 15);
- nature of office occupation;
- our aspirations, culture and purpose;
- feedback received from our employees and other key stakeholders;
- climate change risk and opportunities;
- our development pipeline in respect to its replenishment and future potential; and
- review of the five-year plan including the potential impact of external risk factors on the business and our stakeholders, including inflation, interest rates and recession.

The Board required no significant changes to the Group's strategy which continues to assist in the achievement of our purpose and is aligned with our values. As a business, we continue to create value responsibly through responsible initiatives, a conservative balance sheet and resilient strategy (see pages 16 and 17).

# Governance framework

We pride ourselves on conducting our business in an open and transparent manner.

Our well-established culture ensures that our governance framework remains flexible, allowing for fast decision making, effective oversight and clear accountability throughout the organisation.



Our shareholders and other key stakeholders play an important role in monitoring and safeguarding the governance of our Group. Further information on how we engage with our key stakeholders is on pages 42, 43 and 131.

## CORPORATE GOVERNANCE STATEMENT continued

### Governance arrangements

Corporate governance is essential to ensuring our business is run in the right way for the benefit of all of our stakeholders. Our governance arrangements support the development and delivery of strategy by:

- ensuring accountability and responsibility;
- facilitating the sharing of information to inform decisions;
- establishing engagement programmes with key stakeholders (see page 131);
- maintaining a sound system of risk oversight, management and an effective suite of internal controls (see pages 90 to 117 and 144 to 165);
- providing independent insight and knowledge from the Non-Executive Directors;
- facilitating the development and monitoring of key performance indicators (see pages 37 to 41); and
- promoting the desired culture and values (see page 129).

The Board maintains a formal schedule of matters which are reserved solely for its approval. These matters include decisions relating to the Group's strategy, capital structure, financing, any major property acquisition or disposal, the risk appetite of the Group and the authorisation of capital expenditure above the delegated authority limits.

The delegated authority limits are detailed below:

Board approval is required for:	Level of approval:
Major property acquisition or disposal	Valued above £40m
Major capital expenditure project	Projected costs above £20m
Material occupier lease or contract	Rental income greater than 7.5% of the Group's total rental income

Although the Board is formally required to authorise capital expenditure above this limit, the open nature of our organisation means that the Board is aware of all active projects within our portfolio.

If any Director has concerns about the running of the Group or a proposed course of action, they are encouraged to express those concerns which are then minuted. No such concerns were raised during 2023.

All Directors have access to the services of the Company Secretary and any Director may instigate an agreed procedure whereby independent professional advice may be sought at the Company's expense. No such advice was sought by any Director during the year.

 Governance framework / See page 127

 Key activities of the Board / See pages 138 and 139

### Workforce policies and practices

The Executive Directors have been delegated responsibility for ensuring that policies and behaviours set at Board level are effectively communicated and implemented across the business.

Policies are published on the intranet and where relevant included in the employee handbook. To ensure policies are embedded in our business practices, we operate a mandatory training programme which aims to reinforce key compliance messages in areas such as anti-bribery, modern slavery, conflicts of interest, etc.

If the Board is concerned or dissatisfied with any behaviours or actions, it seeks assurance that corrective action is being taken. No such action was required during 2023.

 Compliance training / See page 165

### Conflicts of interest

All employees (including the Board) are required to notify the Company as soon as they become aware of a situation that could give rise to a conflict or potential conflict of interest.

Prior to all major Board decisions, the Chairman requires the Directors to confirm that they do not have a potential personal conflict with the matter being discussed. If a conflict does arise, the Director is excluded from discussions and voting, unless the Board unanimously decides otherwise.

 Independence / See page 135

### Anonymous reporting of concerns

As a business, we seek to conduct ourselves with honesty and integrity and believe that it is our duty to take appropriate measures to identify and remedy any malpractice within or affecting the Company. Our employees embrace our high standards of conduct and are encouraged to speak out if they witness any wrongdoing which falls short of those standards.

All employees have access to our 'Speak up' system. Our procedures are included within our employee handbook, on our Group intranet and staff noticeboards. Following receipt of a message we have procedures in place to ensure an independent and proportionate investigation.

The Board receives updates from the Company Secretary on the operation of the 'Speak up' system. During the year under review, we did not receive any messages via our system (2022: no messages). Due to the 'open door' nature of our business, concerns are often raised directly with management, the CEO or the HR team.

# Purpose, values & culture

Our purpose communicates the Group’s strategic direction and intentions to our employees, occupiers and wider stakeholders. Due to its importance, it is routinely reviewed by the Board. Further information on our progress towards achieving our purpose during 2023 can be reviewed on the following pages:

- ➔ Long-life, low carbon, intelligent offices / See pages 18 to 27
- ➔ Long-term returns for all our stakeholders / See pages 38 and 195

## Embedding our culture

The Board reinforces our culture and values through its decisions, strategy and conduct. Culture and value ‘fit’ is a key consideration during our recruitment process, which is reinforced during our induction programme, town halls run by the CEO, and is monitored through performance appraisals.

As part of the six-monthly performance review cycle, our employees reflect on whether they demonstrate the core ‘competencies’ outlined in the review. These competencies include the ability to build strong internal and external relationships, communicate clearly, build trust, and demonstrate creativity, initiative and teamwork. These discussions reinforce the behaviours we wish to foster within our workforce and link our culture to our reward mechanisms.

Our senior management team undertake training to ensure they are supporting their teams and encouraging the behaviours which align with our culture. During 2023, management training covered the use of Personal Development Plans and strength profiles.

## Assessment and monitoring

The Board monitors the culture and values of the Group via:

- Regularly meeting with management and inviting employees to present at Board and committee meetings.
- Receiving feedback via the four employee representatives that sit on our Responsible Business Committee.
- Assessing cultural indicators such as:
  - management’s attitude to risk;
  - health and safety data;
  - compliance with the Group’s policies and procedures; and
  - key performance indicators, including staff retention.
- Feedback from our wider stakeholders, including from occupier ‘pulse surveys’.
- Promptness of payments to suppliers.
- Independent assurance was sought via the outsourced internal audit function and other advisers.

The feedback received from employee surveys provides valuable insights into what is valued and seen as corporate norms. The biennial employee survey includes a specific question on how our employees would describe our culture.



## The Section 172(1) Statement

The Board of Directors confirm that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

### Issues, factors and stakeholders

The Board has direct engagement principally with our employees and shareholders but is also kept fully informed of the material issues of other stakeholders through the Responsible Business Committee, Executive Directors, reports from senior management and external advisers.

We utilise various engagement channels to receive informative feedback from our key stakeholders which can be factored into our principal decisions and activities. On page 131, we outline the ways in which we have engaged with key stakeholders.

s.172 factor	Relevant disclosures
<b>a) the likely consequences of any decision in the long-term</b>	Company purpose (page 5) Central London office market (page 13) Our business model and strategy (page 28)
<b>b) the interests of the Company's employees</b>	Our people (page 52) Diversity and inclusion (page 53) Non-financial reporting (page 58) Employee engagement (page 131)
<b>c) the need to foster the Company's business relationships with suppliers, customers and others</b>	Social Value Strategic Framework (page 50) Responsible payment practices (page 169) Modern slavery (page 169) Supply Chain Responsibility Standard (page 169)
<b>d) the impact of the Company's operations on the community and the environment</b>	Environmental (page 46) Our pathway to net zero (page 48) Community Fund (page 51) Streamlined Energy and Carbon Reporting (SECR) disclosure (pages 60 to 61) Task Force on Climate-related Financial Disclosures (TCFD) (pages 104 to 117)
<b>e) the desirability of the Company maintaining a reputation for high standards of business conduct</b>	'Speak up' procedures (page 128) Purpose, values and culture (page 129) Internal financial controls (page 148) Risk management (page 157) Anti-bribery and corruption (page 165) Awards and recognition (see inside back cover)
<b>f) the need to act fairly between members of the Company</b>	Annual General Meeting (page 200) Voting (page 200) Rights attached to shares (page 201)

### Principal methods used by the Board in 2023

The main methods used by the Directors to perform their duties include:

- strategy reviews which assess the long-term sustainable success of the Group and our impact on key stakeholders;
- the Responsible Business Committee monitors the Group's corporate responsibility, sustainability and stakeholder engagement activities and reports to the Board on its activities (see pages 166 to 171);
- assessing the potential impact of significant capital expenditure decisions on our stakeholders;
- identifying the risks and potential consequences of decisions in the short-, medium- and long-term so that mitigation plans can be put in place;
- direct and indirect stakeholder engagement (see page 131);
- external assurance is received from stakeholder surveys, brokers and advisers; and
- specific training for our Directors and senior managers, in addition to the mandatory compliance training programme (see pages 136 and 165).

### Informed decision making

The Board's procedures require a stakeholder impact analysis to be completed for all material decisions requiring its approval that could impact on one or more of our stakeholder groups. The stakeholder impact analysis assists the Directors in performing their duties under s.172 of the Companies Act 2006 and provides the Board with assurance that the potential impacts on our stakeholders are being carefully considered by management when developing plans for Board approval. The key activities and principal decisions undertaken by the Board in 2023 are detailed on pages 138 and 139.

### Public Interest Statement – 2023

We are aware of our wider obligations to be a responsible business partner to our occupiers and to the communities in which we operate. As our activities impact on multiple stakeholder groups, our Board ensures that stakeholder matters are central to its decision making alongside the long-term financial success of our business. We extend our obligations beyond the statutory requirements to add value and build long-term mutually beneficial relationships. Our obligations are incorporated into our purpose, which strongly influences our values (see page 129). We have detailed on pages 44 to 61 and 130 to 133 how we have acted in the public interest during 2023.

## Stakeholder engagement

We recognise the importance of clear communication and proactive engagement with all of our stakeholders. Our Chairman aims to routinely meet with institutional investors and report their views to the Board. On an annual basis, Mark Breuer writes to all our major shareholders inviting them to meet with him to discuss any areas of concern or provide feedback. For our private investors, there is an opportunity to meet the entire Board (including the Non-Executive Directors) at our Annual General Meeting (AGM).

The Board appointed four employees to the Responsible Business Committee, who are fully involved in all aspects of the Committee's activities (see page 167). Employees at Board level enable our employees to have direct involvement in decision making and bring the voice of our employees directly to the boardroom. All stakeholder engagement programmes are kept under routine review by the Board.

Stakeholder	Engagement methods	Material concerns
<b>Occupiers</b> Strategic objectives: <b>2 4 5</b>	<ul style="list-style-type: none"> <li>Occupier 'pulse surveys'</li> <li>Constructive and collaborative discussions on sustainability initiatives and achieving net zero carbon</li> <li>Interaction and engagement through the DL/App</li> <li>Occupier-focused amenity with the development of DL/28</li> </ul>	<ul style="list-style-type: none"> <li>Well-designed and sustainable buildings</li> <li>Suitable lease terms</li> <li>Exclusive access to available amenities</li> <li>Adaptable space to accommodate new and collaborative ways of working</li> </ul>
<b>Employees</b> Strategic objectives: <b>3 4</b>	<ul style="list-style-type: none"> <li>Biennial employee survey</li> <li>Disability survey, approved by the Business Disability Forum</li> <li>Employee Working Groups, including the newly established Health, Safety and Accessibility Working Group</li> <li>Independent 'Speak up' system</li> <li>A dedicated Non-Executive Director for gathering the views of the workforce</li> <li>Employee members of the Responsible Business Committee</li> </ul>	<ul style="list-style-type: none"> <li>Overall health and wellbeing</li> <li>A diverse and inclusive working environment</li> <li>Opportunities for training, development and progression</li> <li>Adoption of smart working principles</li> </ul>
<b>Local communities &amp; others</b> Strategic objectives: <b>3 4</b>	<ul style="list-style-type: none"> <li>Operation of our Community Fund</li> <li>Volunteering and charitable donations</li> <li>Provided employment and work experience opportunities</li> <li>Engagement throughout the planning and development process</li> <li>Engagement with Non-Governmental Organisations (NGOs), Business Improvement Districts and industry bodies</li> </ul>	<ul style="list-style-type: none"> <li>Minimising local disruption</li> <li>Impact on the local economy</li> <li>Effective communication and engagement</li> <li>Being a responsible neighbour</li> </ul>
<b>Suppliers</b> Strategic objectives: <b>4</b>	<ul style="list-style-type: none"> <li>Regular correspondence and updates at the Responsible Business Committee</li> <li>Supply Chain Questionnaire circulated to all major suppliers</li> <li>Signatories to the Prompt Payment Code</li> <li>'Unseen', the independent charity, conducted a gap analysis on our modern slavery procedures</li> </ul>	<ul style="list-style-type: none"> <li>Long-term partnerships</li> <li>Collaborative approach</li> <li>Open terms of business</li> <li>Fair payment practices</li> </ul>
<b>Central &amp; local government</b> Strategic objectives: <b>4</b>	<ul style="list-style-type: none"> <li>Maintain proactive relationships through regular dialogue and correspondence with government departments such as HMRC</li> <li>Continued our pledge to the Westminster City Council Sustainability City Charter</li> <li>Ongoing engagement with local authorities to ensure high quality planning applications are submitted</li> </ul>	<ul style="list-style-type: none"> <li>Openness and transparency</li> <li>Proactive engagement with local authorities</li> <li>Support for local economic plans and strategies</li> <li>Compliance with legislation</li> </ul>
<b>Shareholders &amp; debt providers</b> Strategic objectives: <b>1 5</b>	<ul style="list-style-type: none"> <li>Annual General Meeting (AGM)</li> <li>Our annual Report &amp; Accounts</li> <li>Regular announcements via the London Stock Exchange's regulatory news service (RNS)</li> <li>Annual Bondholders Meeting</li> <li>Investor meetings, presentations and property tours</li> <li>Shareholder consultations</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Environmental, social and governance performance</li> <li>Openness and transparency</li> <li>Dividend</li> </ul>

### Key to strategic objectives

- |   |   |  |   |  |
|---|---|--|---|--|
| <b>1</b> To optimise returns and create value from a balanced portfolio | <b>2</b> To grow recurring earnings and cash flow | <b>3</b> To attract, retain and develop talented employees | <b>4</b> To design, deliver and operate our buildings responsibly | <b>5</b> To maintain strong and flexible financing |
|---|---|--|---|--|

## The Section 172(1) Statement continued

### Factoring our stakeholders into our decisions

The three case studies below are examples of how the Board has factored stakeholders into its decisions in 2023.



#### Strathkelvin Retail Park

Engagement and communication with our occupiers is integral in order to ensure all needs and demands are consistently considered and met.

The Strathkelvin Retail Park in Bishopbriggs, near Glasgow, totals over 313,000 sq ft and has near full occupancy. Occupier feedback was received that smaller retail units are more desirable in comparison to larger floor-plates and that there were opportunities to improve the wider public realm surrounding the retail park to improve the user experience and prioritise stakeholder needs.

In response, the Board approved capital expenditure of £20.2m to refurbish the retail park, including:

- the subdivision of a larger unit into three smaller units providing 129,643 sq ft of lettable space and preserving c.£1.33m pa of income and a highly valued occupier relationship; and
- public realm improvements to the car park, pathways and signage to improve congestion, wayfinding and ensure safety of pedestrians.

It is expected that the works will be completed during 2024.



#### Diversity and inclusion

Creating an inclusive and diverse environment is paramount to ensuring all employees feel supported. The 2022 employee 'pulse survey' showed that 84.1% of employees strongly agreed that Derwent London is an inclusive place to work. Whilst this is an excellent outcome, we continually seek opportunities to improve and provide an even more inclusive workspace for our employees.

During 2023, the Responsible Business Committee approved our membership of the Business Disability Forum and for us to complete stage one of the Disability Smart Audit, in the form of a Business Disability Self-Assessment. The results of the self-assessment were shared with the Committee and an action plan for implementing the recommendations was agreed. The Committee, and Board, will monitor our progress during 2024.

We also launched a range of wellbeing sessions on a variety of inclusivity topics including, but not limited to, neurodiversity and mental health awareness. All sessions were well attended and received positive feedback.

During 2024, the Group's wellbeing strategy will continue to be an area of focus with actions implemented by employee-led working groups.

#### Investor meetings

# 253

we engaged with 72% of our shareholder register during 2023

#### Conferences

# 12

during 2023, we attended 12 property conferences

#### Property tours

# 73

during the year we hosted 73 property tours

#### Occupiers

# 104

occupiers engaged with as part of our work to reduce energy usage (44% of ERV)



DL/Service at The White Chapel Building E1

## DL/ Service

We recognise the important role that design-led, well-located and amenity-rich offices play in attracting and retaining talent. In response to feedback from occupiers, in 2023 we introduced DL/Service, a food and beverage offering, at four of our buildings – The Featherstone Building EC1, DL/28, The White Chapel Building E1 and White Collar Factory EC1.

DL/Service offers our occupiers a diverse all-day menu and preferential pricing for our community of Members. Operated in partnership with a third party service provider (at cost to Derwent London), we have flexibility to update the offering to suit evolving occupier requirements. Early feedback has been positive, with the additional amenity well received by occupiers.



## Division of responsibilities

### Board roles

There is clear division between executive and non-executive responsibilities which ensure accountability and oversight. The roles of the Chairman and Chief Executive are separately held and their responsibilities are well defined, set out in writing and subject to review by the Board.

#### Chairman, Mark Breuer

- Responsible for the effective running of the Board and ensuring it is appropriately balanced to deliver the Group's strategic objectives
- Promote a boardroom culture that is rooted in the principles of good governance and enables transparency, debate and challenge
- Ensure that the Board as a whole plays a full and constructive part in the development of strategy and that there is sufficient time for boardroom discussion
- Effective engagement between the Board, its shareholders and other key stakeholders

#### Senior Independent Director, Helen Gordon

- Provide a 'sounding board' for the Chairman in matters of governance or the performance of the Board
- Available to shareholders if they have concerns which have not been resolved through the normal channels of communication
- To at least annually lead a meeting of the Non-Executive Directors without the Chairman present to appraise the performance of the Chairman
- To act as an intermediary for Non-Executive Directors when necessary and act as Chairman if the Chairman is conflicted
- To act as an independent point of contact in the Group's whistleblowing procedures

#### Designated NED for gathering the views of our workforce<sup>1</sup>, Dame Cilla Snowball

Cilla Snowball has been designated the NED responsible for gathering the views of our workforce. This is achieved by:

- Attendance at key employee and business events, including property launches and the Summer Party
- Review messages received through the 'Speak up' system from the Group's employees
- Monitor the effectiveness of engagement programmes established for employees
- Monitor the outcome of employee surveys and provide input on their design

#### Non-Executive Directors (NEDs)

- Provide constructive challenge to our executives, help to develop proposals on strategy and monitor performance against our KPIs
- Ensure that no individual or group dominates the Board's decision making
- Promote the highest standards of integrity and corporate governance throughout the Company and particularly at Board level
- Determine appropriate levels of remuneration for the senior executives
- Review the integrity of financial reporting and that financial controls and systems of risk management are robust

#### Chief Executive, Paul Williams

- To provide clear and visible leadership
- Execute the Group's strategy and commercial objectives together with implementing the decisions of the Board and its committees
- To keep the Chairman and Board apprised of important and strategic issues facing the Group
- To ensure that the Group's business is conducted with the highest standards of integrity, in keeping with our culture
- Manage the Group's risk profile and ensure actions are compliant with the Board's risk appetite
- Investor relation activities, including effective and ongoing communication with shareholders

#### Chief Financial Officer, Damian Wisniewski

- Support the CEO in developing and implementing strategy
- Provide financial leadership to the Group and align the Group's business and financial strategy
- Responsible for financial planning and analysis, treasury and tax functions
- Responsible for presenting and reporting accurate and timely historical financial information
- Manage the capital structure of the Group
- Investor relation activities, including communications with shareholders, alongside the CEO

#### Other Executive Directors

- Support the CEO in developing and implementing strategy
- Oversee the day-to-day activities of the Group
- Manage, motivate and develop staff
- Develop business plans in collaboration with the Board
- Ensure that the policies and practices set by the Board are adopted at all levels of the Group
- Investor relation activities, including communications with shareholders, alongside the CEO

#### Company Secretary, David Lawler

- Secretary to the Board and its committees
- Develop Board and committee agendas and collate and distribute papers
- Ensure compliance with Board procedures
- Advise on regulatory compliance and corporate governance
- Facilitate induction programmes for Directors and assist with their training and development, as required
- Responsible for communications with retail shareholders and the organisation of the Annual General Meeting
- Available to support all Directors

<sup>1</sup> Cilla Snowball was chosen for this position as she chairs the Responsible Business Committee which oversees stakeholder engagement. The Chairman ensures that all Directors continue to remain engaged with our employees, and challenge and contribute to discussions on workforce engagement.

## Appointments to the Board

At Derwent London, we ensure that appointments to our Board are made solely on merit with the overriding objective of ensuring that the Board maintains the correct balance of skills, length of service and knowledge of the Group to successfully determine the Group's strategy. The Nominations Committee report on pages 140 to 143 provides further information on:

- Board composition and Non-Executive Director tenure;
- Board appointments and induction; and
- Succession planning and diversity.

## Independence

The Non-Executive Directors play an important role in holding to account the performance of executive management and ensuring that no individual or group dominates the Board's decision making. It is therefore of paramount importance that their independence is maintained. To safeguard their independence, Non-Executive Directors are not permitted to serve more than three three-year terms unless in exceptional circumstances (see page 141).

The Board has identified in the table below which Directors are considered to be independent. The Board has reconfirmed that our Non-Executive Directors remain independent from executive management and free from any business or other relationships which could materially interfere with the exercise of their judgement.

The Chairman held a number of meetings with the Non-Executive Directors without executive management being present. These meetings are useful to safeguard the independence of our Non-Executive Directors by providing them with time to discuss their views in a more private environment.

 Related party disclosures / See page 262

## External commitments

The Board takes into account a Director's other external commitments when considering them for appointment to satisfy itself that the individual can discharge sufficient time to the Derwent London Board and assess any potential conflicts of interest. Our Directors are required to notify the Chairman of any alterations to their external commitments that arise during their tenure with an indication of the time commitment involved.

When assessing additional directorships, the Board considers the number of public directorships held by the individual already and their expected time commitment for those roles (see biographies on pages 122 and 123).

Executive Directors may accept a non-executive role at another company with the approval of the Board. Currently, none of our Executive Directors are directors of other listed companies. However, several of our Executive Directors are Trustees of charitable organisations or members of industry-related bodies.

All Directors have confirmed (as they are required to do annually) that they have been able to allocate sufficient time to discharge their responsibilities effectively (see page 120 for Board meeting attendance).

The 2023 Board evaluation conducted by Helen Gordon, Senior Independent Director, also considered whether each Director had sufficient time to discharge their responsibilities effectively at Derwent London (see page 137).

## Other publicly listed appointments

The Board takes into account guidance published by institutional investors and proxy advisers as to the maximum number of public appointments which can be managed efficiently. For the table below, we have used the methodology contained in the ISS UK and Ireland Proxy Voting Guidelines in respect of 'overboarding' to calculate our Non-Executive Directors' mandates in respect of their publicly listed appointments. Any person who holds more than five mandates at listed companies would be classified as 'overboarded'. The Board confirms that none of our Directors are overcommitted and are capable of discharging sufficient time to Derwent London.

	Non-Executive Director			Board Chairman		Executive Director		Total Mandates <sup>1</sup>
	Independent	Appointments	Mandates	Appointments	Mandates	Appointments	Mandates	
Mark Breuer	Yes	-	-	Derwent London plc DCC plc	4	-	-	4
Claudia Arney	Yes	Derwent London plc Kingfisher plc	2	Deliveroo plc	2	-	-	4
Lucinda Bell	Yes	Derwent London plc Man Group Plc	2	-	-	-	-	2
Helen Gordon	Yes	Derwent London plc	1	-	-	Grainger plc	3	4
Sanjeev Sharma	Yes	Derwent London plc	1	-	-	M&G Real Estate	3	4
Cilla Snowball	Yes	Derwent London plc Whitbread PLC	2	-	-	-	-	2

<sup>1</sup> Inclusive of their appointment at Derwent London plc. For the purposes of calculating the number of total mandates: a non-executive directorship counts as one mandate, a non-executive chairmanship counts as two mandates, and a position as executive director (or a comparable role) is counted as three mandates.

## Composition, succession and evaluation

### Board composition and knowledge

Our Board is a diverse and effective team, focused on promoting the long-term success of the Group for the benefit of all stakeholders. Further information on Board composition is on pages 141 and 143.

**100%**  
Board meeting attendance during 2023

**60%**  
Independence of the Board

**50%**  
of our Board are women

**9.1%**  
of the Board is from an ethnic minority group

### Training

With the ever-changing environment in which Derwent London operates, it is important for our Executive and Non-Executive Directors to remain aware of recent, and upcoming, developments. We require all Directors to keep their knowledge and skills up to date and include training discussions with the Chairman in their annual performance reviews.

As required, we invite professional advisers to provide in-depth updates. Updates and training are not solely reserved for legislative developments but aim to cover a range of issues including, but not limited to, market trends, the economic and political environment, environmental, technological and social considerations.

Our Company Secretary provides regular updates to the Board and its committees on regulatory and corporate governance matters. In addition, we invite our Directors to attend courses hosted by the Deloitte Academy and PwC.

### During 2023

- The Audit Committee received training on the International Sustainability Standards Board (IFRS S1 and IFRS S2) climate disclosure requirements and Energy Certificate Performance (EPC) improvements.
- The Risk Committee reviewed a legal update on upcoming legislative changes in November.
- All Directors attended regular external briefing sessions from the major accountancy firms.
- All employees (including Directors) participated in online compliance training courses on a range of topics including competition law, conflicts of interest, anti-bribery and cyber fraud awareness.

➔ Compliance training / See page 165

### Board skills and experience

The chart below provides an overview of the skills and experience of our Directors as at 31 December 2023. To be counted for each skill area, a Director is required to have executive or senior management experience.

Executive or strategic leadership	4	6
Property, real estate or construction	4	3
CFO, accountancy or audit	1	3
Financial markets, investment banking or capital projects	4	5
Risk management	2	5
Health and safety	2	4
Environmental (including climate change)	3	3
Corporate responsibility or community relations	1	4
Investor relations and engagement	4	6
Governance, legal or compliance	2	6
Remuneration, human resources or people management	2	5
Technology, digital, data or cyber security	1	2

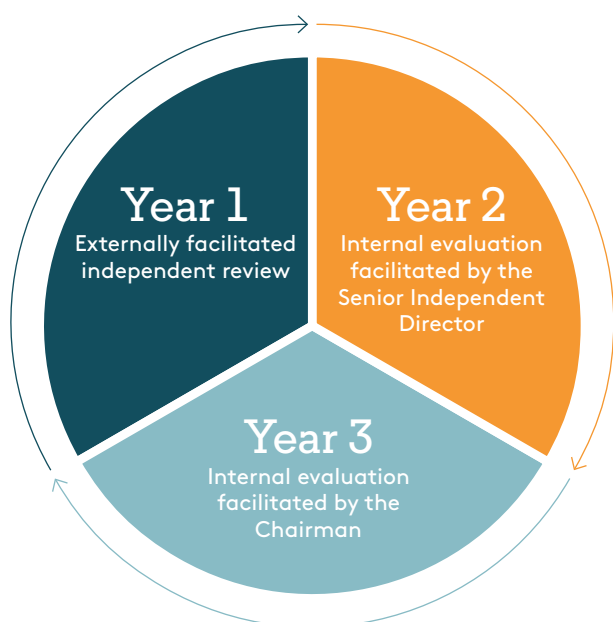
For the skill areas in which our Directors have less experience at an executive-level, we provide training and regular updates either to the entire Board or to specific committees.

■ Executive Director  
■ Non-Executive Director

➔ Board biographies / See pages 122 and 123

# Annual Board evaluation

On an annual basis, an evaluation process is undertaken which considers the effectiveness of the Board, its principal committees and individual Directors. This review identifies areas for improvement, informs training plans for our Directors and identifies areas of knowledge, expertise or diversity which should be considered in our succession plans. The Board follows a formal three-year cycle that was developed to enable reviews to be led from a fresh perspective, each year.



## Evaluation for the year ended 31 December 2022

The 2022 Board evaluation was externally facilitated by Manchester Square Partners LLP and was outlined in the 2022 Report & Accounts on page 149. As a result of this evaluation, the Board identified a number of areas which it wished to focus upon during 2023:

Focus area	Actions during 2023
<b>Succession and talent development</b>	The Nominations Committee continued to focus on succession planning and talent development across the Group (see page 142)
<b>Board skills matrix</b>	A specification was prepared for the appointment of a new Non-Executive Director. The specification outlined a detailed composition review of the Board, including its skills, experience, and diversity
<b>Site visits and Board meetings</b>	During the year a number of site visits were held across the portfolio. The Board held a meeting at DL/28, the new amenity at The Featherstone Building

## Evaluation for the year ended 31 December 2023

The 2023 Board evaluation was internally facilitated by Helen Gordon, our Senior Independent Director, who was informed by the recommendations arising from the 2022 external Board evaluation. The process covered the following areas:

- Role of the Board
- Effective use of committees
- The Board’s understanding of purpose and values
- Board skills
- Executive succession
- The Board’s understanding of business
- Strategy review and execution monitoring
- Horizon scanning for risk and resilience
- Agenda planning
- Assurance
- Stakeholders’ perspective

## Feedback from the 2023 Board evaluation

As a result of the evaluation, the Board confirmed that its structure, balance of skills and operation continues to be satisfactory, balance of skills and operation continues to be satisfactory and appropriate for the Group. Overall, the feedback of the internal evaluation was positive from all Board members, however, for continuous improvement the Board identified a number of focus areas for 2024 arising from the evaluation:

- A wider range of outside voices to be brought into the boardroom.
- To hold a broader debate on risk appetite.
- Further discussions around the use of artificial intelligence and technology.
- Further interaction and engagement between the Board and wider workforce.

## Re-election of Directors

In accordance with the Code, all Directors (excluding Claudia Arney) will be putting themselves forward for re-election at the AGM on 10 May 2024. Following the formal performance evaluation (detailed above) and taking into account the Directors’ skills and experience (set out on page 136), the Board believes that the re-election of each Director is in the best interests of the Company.

## Evaluation for the year ending 31 December 2024

In accordance with our three-year cycle, the performance evaluation for the year ending 31 December 2024 will be internally facilitated by Mark Breuer, our Chairman.

## Key activities of the Board during 2023

### Overview

The Board met six times during the year (including the Annual General Meeting). Additional meetings are arranged if necessary for the Board to properly discharge its duties. An overview of our Board's key activities is provided below.

Property portfolio	Strategy and financing	Risk management and internal control
<ul style="list-style-type: none"> <li>Approved the refurbishment of the Strathkelvin Retail Park inclusive of the subdivision and wider public realm improvements</li> <li>Capital expenditure approval for £18.7m at the Solar Park in Scotland</li> <li>Received regular updates on key construction projects</li> <li>Reviewed the portfolio pipeline for future acquisitions and disposals</li> <li>Continued to invest across the portfolio on various upgrades including in respect of EPC ratings</li> <li>Regular updates from the Asset and Property Management teams on the portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing updates from the Executive Directors on the implementation of strategy throughout the year, including a Board Strategy Awayday in June</li> <li>Received regular updates on lease expiries and potential vacancies</li> <li>Reviewed and approved the Group's five-year plan and forecast</li> <li>Reviewed quarterly project cost reports</li> <li>Approved the portfolio valuation as at 30 June 2023 and 31 December 2023</li> <li>Approved the 2023 interim and final dividends</li> </ul>	<ul style="list-style-type: none"> <li>Updates from the Risk and Audit Committee Chairs on the key areas discussed</li> <li>Routinely considered the Board's conflict of interests</li> <li>Regular reports received on health and safety matters</li> <li>Received assurance reports from Deloitte in respect to environmental reporting and green finance</li> <li>Reviewed the compliance training completion rates and approved the 2023/2024 training programme</li> <li>Conducted regular 'deep dive' analysis of the share register in line with the UK sanctions regime</li> <li>Approved the Group's model for internal audit services</li> </ul>
<b>Strategic objectives:</b> <b>1 2 4</b>	<b>Strategic objectives:</b> <b>1 4 5</b>	<b>Strategic objectives:</b> <b>2 3 4</b>

	Jan	Feb	Mar	Apr	May
<b>Board and committee meetings</b>	Remuneration Committee	Audit Committee & Valuers meeting Executive Committee Main Board Remuneration Committee	Remuneration Committee	Executive Committee Risk Committee	Annual General Meeting Audit Committee Main Board Responsible Business Committee
<b>Key announcements and activities</b>	Sale of 19 Charterhouse Street EC1	Full year results announcement	Investor meetings	2022 Report & Accounts and Notice of AGM	Q1 Business update

**Key to strategic objectives**

- 1** To optimise returns and create value from a balanced portfolio
- 2** To grow recurring earnings and cash flow
- 3** To attract, retain and develop talented employees
- 4** To design, deliver and operate our buildings responsibly
- 5** To maintain strong and flexible financing

Corporate reporting and performance monitoring	Stakeholder engagement	Governance
<ul style="list-style-type: none"> <li>Reviewed the rolling forecasts and approved the 2024 budget</li> <li>Received updates on the Group’s Net Zero Carbon Pathway to 2030</li> <li>Approved the full year and interim results</li> <li>Approved the Q1 and Q3 business updates</li> <li>Reviewed the 2023 Report &amp; Accounts to ensure it is fair, balanced, and understandable</li> <li>Published our annual Responsibility Report</li> <li>Our Senior Independent Director, Helen Gordon, conducted the 2023 internal Board evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Hosted the Annual General Meeting (AGM) on 12 May 2023</li> <li>Invited all shareholders to engage in the external audit tender</li> <li>Received updates from the Responsible Business Committee on the Group’s sustainability and stakeholder initiatives</li> <li>Reviewed the results of the biennial employee survey</li> <li>Appointed Unseen UK to conduct a gap analysis on our modern slavery policies and procedures</li> <li>Conducted a Disability Survey and became members of the Business Disability Forum</li> <li>Received updates on our investor engagement programmes and regular investor relations reports</li> <li>Held an analyst/investor launch event at the new amenity space, DL/28</li> </ul>	<ul style="list-style-type: none"> <li>Performed a review of the Board committees’ memberships, led by the Chairman</li> <li>Monitored the FRC’s consultation on the UK Corporate Governance Code</li> <li>Approved the 2023 Modern Slavery Statement</li> <li>Implemented the recommendations and focus areas arising from the 2022 Board evaluation</li> <li>Approved the reappointment of PwC for the 2024 year end audit</li> <li>Reviewed succession planning and talent development across the business</li> <li>Adopted the 2023 Performance Share Plan following its approval at the 2023 AGM</li> <li>Received regular governance updates from the Company Secretary</li> </ul>
<p><b>Strategic objectives:</b></p> <p><b>1 2 5</b></p>	<p><b>Strategic objectives:</b></p> <p><b>3 4</b></p>	<p><b>Strategic objectives:</b></p> <p><b>1 3</b></p>

June	Jul	Aug	Sep	Oct	Nov	Dec
Main Board (Strategy Awayday)	Executive Committee	Audit Committee & Valuers meeting Main Board Risk Committee	Executive Committee	Main Board Nominations Committee Remuneration Committee	Audit Committee Executive Committee Risk Committee	Main Board Remuneration Committee Responsible Business Committee
		Unaudited interim results	Portfolio site tour with Board and members of senior management		Q3 Business update DL/28 analyst/investor launch event	