DERWENT
LONDON

RESPONSIBILITY REPORT 2023

Derwent London plc

Operating responsibly for all our stakeholders

Network W1

Introduction
02 Welcome to our latest Responsibility Report
03 Responsibility Pillars – highlights
04 External Benchmarks and industry participation

Environmental
05 Commitments and actions
06 Performance to date

Social
09 Our Communities
11 Our People
13 Health and Safety

Governance
15 Governance

About our Report
17 Materiality

Data and Downloads
19 Data introduction
20 Data spotlight
25 2023 target performance
31 2024 sustainability targets
32 UN SDG reporting
34 EPRA reporting
38 SASB reporting
42 Environmental and Health & Safety assurance statements
47 Green finance assurance statement
50 Environmental basis of reporting
54 Health & safety basis of reporting
57 Green finance basis of reporting

Another busy year

Paul Williams

John Davies

Welcome to our latest Responsibility Report

In what has been another busy year for the business, 2023 has seen continued progress across our environmental, social and governance (ESG) agenda, likewise towards our ambition to be net zero carbon by 2030.

Our long-standing commitment to 'long-life, low carbon, intelligent' buildings accords with the continued occupier demand for high quality buildings and spaces we see across the London office market. This is seen in our current major on-site schemes – the offices at 25 Baker Street W1 and Network W1 which are already 46% pre-let/pre-sold. Both have achieved design stage BREEAM Outstanding ratings, and the project teams are working hard on driving down embodied carbon in line with our stretching target of 600 kgCO_2e per square metre. Likewise, we are aiming to achieve at least a NABERS UK 4.5-star rating at each project and we look forward to reporting on further progress towards these.

Our development team has also been focused on innovation, further exploring modern methods of construction such as off-site fabrication, repurposing existing construction materials such as raised access floors, and using innovative/modern materials such as low carbon concrete. All of which is helping to lower the carbon footprint of our schemes and identify circular economy opportunities.

We were delighted to secure full planning consent for our proposed 18.4 MW solar park in Scotland which we expect will generate over 40% of our London managed portfolio's electricity upon completion in 2025. These are all practical examples of actions we are taking to meet our net zero ambition.

Within our managed portfolio, energy efficiency and driving down consumption remain core priorities. Our challenging portfolio-wide energy intensity target requires a 45% reduction by 2030 from a 2019 baseline. Net Zero Carbon Action Plans are in place for each managed property, detailing aspects such as energy and water conservation measures.

We have also mapped our portfolio in terms of future EPC compliance and meeting the proposed minimum 'B' rating by 2030 requirement. This has given us a clear view on the upgrading/retrofitting required and the likely costs of meeting this target which have been integrated into our asset management and financial planning. Currently, 68% of our portfolio meets this requirement. This work contains key net zero aspects which directly support our pathway and ambition, for example replacing boilers with heat pumps and improving façades. We typically seek to integrate these works into a wider refurbishment which as well as delivering an improved EPC rating, results in an uplift in rental value through improving occupier appeal.

Whilst carbon and energy are a significant focus for us, so also are the social elements. 2023 saw us publish our updated Social Value Strategic Framework, designed to help us demonstrate how we add value for our community stakeholders and the neighbourhoods in which we operate. It contains a series of clear themes and goals, as well as some of the performance indicators we will use to measure our impact. We look forward to sharing more insights from the framework in our future reporting.

We also reached the 10-year anniversary of our Community Fund, one of the longest standing in our sector, with funds invested exceeding £1m across 164 grassroots projects and initiatives. In addition, our Sponsorship and Donations Committee contributed £339,000 of charitable donations to good causes throughout the year.

The dedication and hard work of our employees play a pivotal role in helping us maintain the right culture. Our latest employee survey, which had a 94% response rate, indicated a high satisfaction rate with 89% of respondents 'proud to work for Derwent London', 90% saying they 'feel their immediate team works well together' and 87% saying they 'feel they can make a valid contribution to the business'. These kinds of results show that our ongoing investment in our employees is paying dividends.

In summary, we are pleased with the progress that has been made and would like to extend thanks to those stakeholders we have engaged with or who have supported us in our achievements over this past year, thank you.

Paul Williams
Chief Executive

John Davies
Head of Sustainability

RESPONSIBILITY PILLARS – HIGHLIGHTS

Environment

See page 5

We're on a path to net zero carbon by 2030.

-10%
Reduction in energy intensity since 2019

-7%
Reduction in like for like gas consumption from 2022

99%
Energy consumption on renewable tariffs

Social

See page 9

Making everyone in our community and company count.

£464k
Community fund & sponsorship donations committed in 2023

£1.1m
Community funds provided over 10 years

88%
Overall employee satisfaction

Governance

See page 15

Acting in a fair and responsible manner is a core element of our business practice.

EXTERNAL BENCHMARKS AND INDUSTRY PARTICIPATION

External benchmarking of our performance helps us to track and assess our progress.

We participate in the following benchmarks:

GRESB ★★★★★ 2023
Greenstar status, 'A' rated public disclosure (100/100), Development 5 Star (97/100), Standing Assets 4 Star (84/100)

MSCI ESG RATINGS AAA
ESG rating: AAA

EPRA sBPR GOLD
Gold Award

CDP DISCLOSURE INSIGHT ACTION
Climate Change: A-

Corporate ESG Performance Prime RATED BY ISS ESG
Prime rating: C+

We are also signatories of:

BBP CLIMATE COMMITMENT Signatory

RE100

SCIENCE BASED TARGETS — DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

SUSTAINABLE CITY CHARTER

BPF Net Zero Pledge


80 Charlotte Street W1

ENVIRONMENTAL

Commitments and actions

Climate change is a material issue for society, our sector and our business. The Group's business model of office regeneration and operation will, by its nature, result in embodied and operational carbon emissions across Scopes 1, 2 & 3. However, our Net Zero Carbon 2030 Pathway, launched in 2020, sets ambitious targets to reduce our footprint, minimising the residual emissions. Our strategy is focused on four main pillars and we lay out our commitments and actions for each below, in line with being a signatory of the BBP Climate Commitment.

1) Reducing operational energy and carbon emissions

Commitments

Our aspiration is for our investment portfolio to be operated on a net zero basis by 2030. This involves driving down our energy consumption significantly, upgrading and retrofitting our properties to remove gas use, where feasible, and improve efficiency, as well as collaborating with our occupiers.

Actions

- Upgrade of data environment with new database development and revised data capture processes to improve data sharing across the business and with our occupiers
- Corporate energy broker changed; improved visibility of utilities contracts
- Revised energy intensity methodology more closely reflects energy usage patterns
- Operational and capex-led initiatives identified in 2023 ESOS being implemented
- Occupier engagement to support further reductions in energy consumption

2) Procuring and investing in renewable energy

Commitments

We will ensure that all the energy we procure, both electricity and gas, is from renewable sources.

Actions

- 2023 purchased electricity on REGO-backed tariffs: 99%
- 2023 purchased gas on RGGO-backed tariffs: 99%
- Exit rate of 100% for all electricity and gas on renewable tariffs
- Self-generation of 97,440 kWh with PV panels on six London buildings
- Planning consent received for c.100-acre, 18.4 MW solar park at Lochfaulds, Scotland

3) Reducing the embodied carbon of development projects

Commitments

New developments and major refurbishments will be net zero carbon on completion.

Actions

- Whole life cycle project assessments to inform design decisions
- Challenging contractors to consider innovative lower carbon alternatives, such as reusing raised access flooring
- Investigating building and material element retention and reuse, and where this cannot be done on-site engaging with industry on circular economy routes
- Ambitious, phased upfront embodied carbon targets for new-build projects; GLA and LETi – aligned
  - From 2025: ≤600 $kgCO_2e/m^2$; from 2030: ≤500 $kgCO_2e/m^2$
  - On-site projects being delivered align with 2025 target

4) Offsetting residual carbon emissions we cannot eliminate

Commitments

Where we are unable to manage out or eliminate carbon – operational or embodied – from our business activities, these emissions will be offset using robust, verified carbon offset schemes.

Actions

- Planning ahead to anticipate future requirements in a competitive market with forward purchase of 'removal' offsets (credits)
- 30ha of tree planting in Scotland, with a further c.50ha potential planting in 2024/25
- Reviewing additional carbon offset opportunities across our Scottish land portfolio

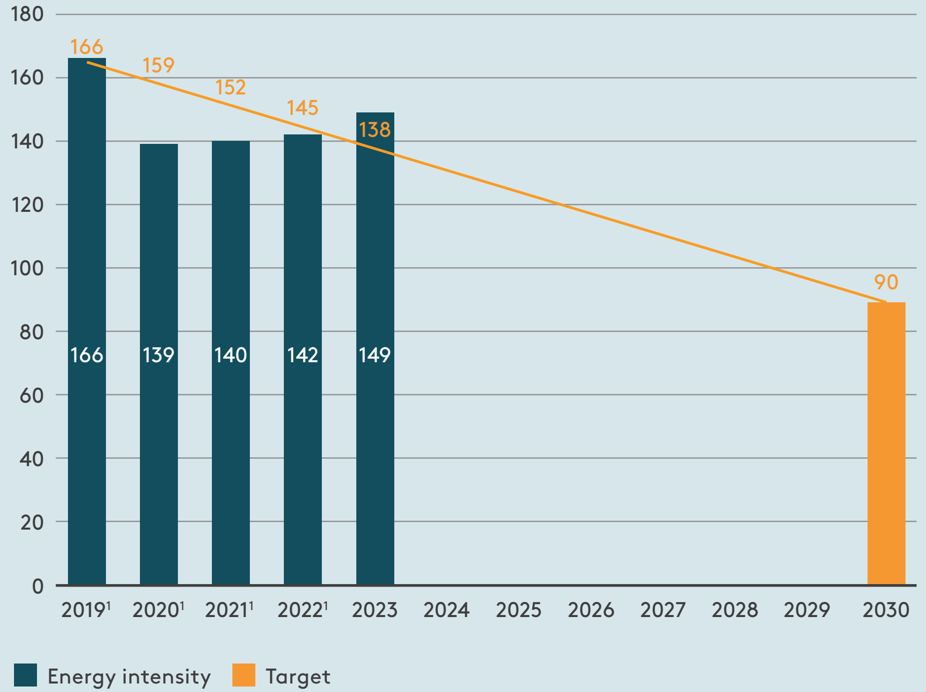
ENVIRONMENTAL continued

Performance to date

1) Reducing operational energy and carbon emissions

Overall energy consumption increased in 2023; electricity by 14%, gas by 9% and water by 29% compared to 2022. Much of this increase is associated with Soho Place W1, The Featherstone Building EC1 and Francis House SW1 completing and becoming operational in mid-2022. At the property level we have seen previously high-consuming buildings reduce consumption due to no or low-cost operational energy savings. For example, installing sensors for reducing gas, a focus on switching off lighting and plant out of hours and adjustments to temperature set points. We will apply these principles to our current high consumers, to reduce usage over the next year, as well as actively engage with our occupiers through our restarted green forums.

Energy intensity kWh/m²

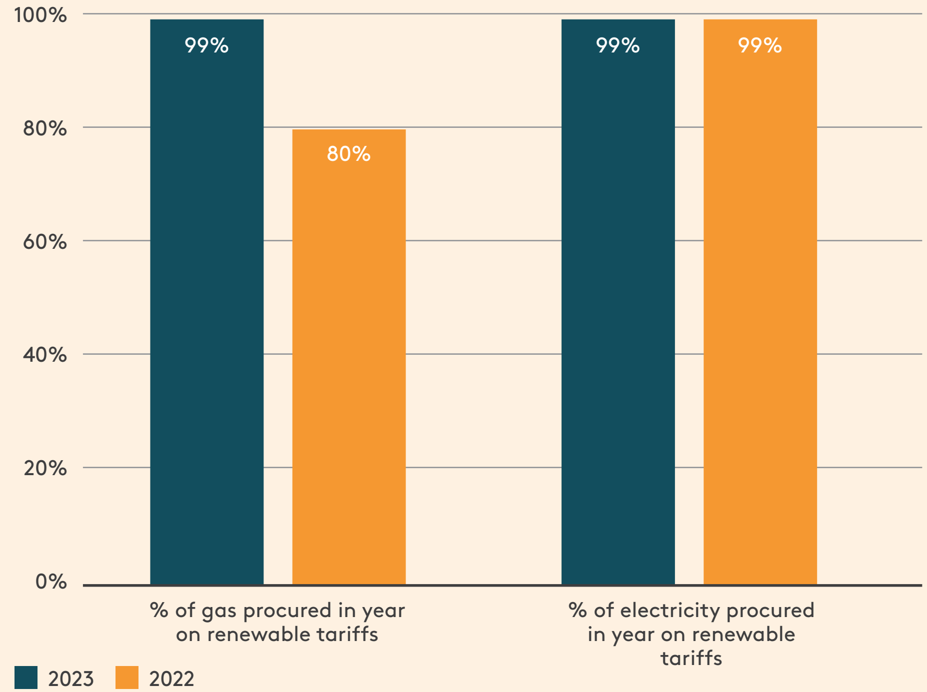


1 2019–2022 targets and figures have been restated. Refer to the Environmental Basis of Reporting for further details.

2) Procuring and investing in renewable energy

With a full year of operation at our recently completed developments at Soho Place W1, The Featherstone Building EC1 and 43 Whitfield Street W1, we have increased our on-site renewable generation by 20% from 2022. We have also installed and commissioned a 104 kW solar array at Easter Cadder in Scotland. This array will meet the full electrical demands of our Easter Cadder office, currently under construction. We were delighted to have received planning consent for our 18.4 MW solar park last year, and expect to be on-site in H1 2024, with commissioning anticipated in 2025. We are currently in discussions with energy suppliers to arrange the purchase power agreements (PPAs) to receive electricity from the park.

Renewable energy procurement



ENVIRONMENTAL continued

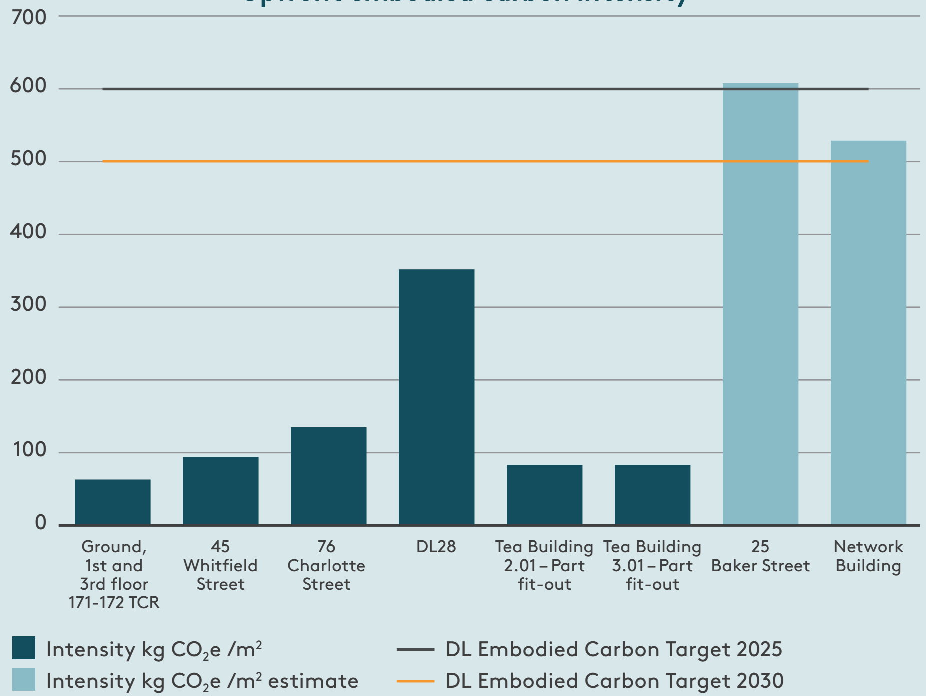
Performance to date continued

3) Reducing the embodied carbon of development projects

A number of minor refurbishments were completed in 2023, with an average embodied carbon intensity of 134 $kgCO_2e/m^2$. The understanding of circular economy pathways for materials, and identifying high-carbon materials is improving such that efforts can be focussed on carbon reductions for our next refurbishments.

We have worked closely with our designers and contractors to reduce carbon across our on-site developments, 25 Baker Street W1 and Network W1. Instructing Environmental Product Declarations (EPDs) to ensuring the low carbon concrete used is verified and procuring alternative raised access flooring (low-carbon and re-used). The embodied carbon intensity for both projects is anticipated to be 600 $kgCO_2e/m^2$ or less.

Upfront embodied carbon intensity



4) Offsetting residual carbon emissions we cannot eliminate

Offsetting the embodied carbon of our developments has continued, using nature-based carbon removal schemes. All offsets are validated under both the VCS (Verified Carbon Standard) and CCB (Climate, Community and Biodiversity) Alliance standards. The two projects we are currently supporting are based in **Kenya** and **Uganda**.

This year we further developed our carbon offset strategy, and are investigating longer-term carbon offset opportunities, as well as gearing up to begin offsetting our operational emissions in coming years.

Exploring carbon offsetting opportunities across our Scottish portfolio remains a priority.

Tree planting on our Scottish land

ENVIRONMENTAL continued

Climate resilience

In line with our Net Zero Carbon 2030 Pathway, we have rebased our science-based near-term target to a 1.5°C climate scenario. Our updated target requires a 42% reduction in absolute Scope 1 & 2 GHG emissions by 2030 from a 2022 baseline. We will continue to measure and reduce our Scope 3 emissions. We have also had our long-term SBTi Net Zero target approved. Whilst our Scope 1 & 2 emissions increased 31% in 2023, this was principally driven by the completion of two large developments, as well as a 7% increase in the UK grid carbon factor for electricity, we have reduced emissions across a number of high consuming properties in the portfolio.

As signatories to the BBP's Climate Commitment, we align with the BBP's definition of climate resilience.

BBP Definition	DL Action
To mitigate the worst impacts of climate change by becoming 'net zero' by 2050	We have committed to be net zero by 2030. Part of this commitment is our science-based target. We have also set portfolio and building level energy intensity reduction targets and embodied carbon targets for our developments.
Adapt to operating in a world in which climate-driven disruption is more frequent and severe	Every two years we carry out a climate risk assessment to identify the key climate-driven disruption risks to our business, based on multiple climate scenarios, as well as transition and physical risks. This was last carried out in 2022. Refer to our latest TCFD disclosure on pages 104–117 in our 2023 **Report & Accounts** for further details. Our updated Responsible Development Brief includes a stronger target on climate resilience and adaptation for our refurbishment and development projects, linked to our latest climate risk assessment.
Disclose climate related information to investors, regulators and other stakeholders in a useful and timely way	Our governance section on pages 57, 104–117 in our 2023 **Report & Accounts** and TCFD disclosure on page 104 in our 2023 **Report & Accounts** outline how our approach to climate resilience is integrated into our investment, asset management and development processes.

In addition to our building-specific climate resilience and adaptation plans as part of developments, we commit to producing a portfolio-wide climate adaptation plan by 2025. This adaptation plan will be complementary to our continual carbon reduction efforts.

SOCIAL

Our communities

Our approach to social value

Creating social value for the communities in which we operate has been a core part of our business practice for many years. We recognise that the way we develop and manage our buildings and spaces can have significant impact on our neighbourhoods, occupiers and the local economy.

Our support takes many forms to ensure maximum positive impact is had on local communities. Financial support through our corporate giving and community funds is important. Equal value is placed on actively supporting and being a part of communities to ensure we remain alert to their concerns and aspirations and can have a meaningful impact. Employee volunteering, work experience opportunities and building open days have all contributed to establishing and maintaining effective connections with these communities.

Our commitment to delivering social value has long been embedded within our Community Strategy. Our updated strategic framework (see below) strengthens this commitment and places stakeholder engagement at the core. Through listening we can better understand what matters most in local neighbourhoods, which in turn will allow us to demonstrate more clearly the benefits we are delivering.

Social Value Strategic Framework

Since 2022 we have been working with external consultants to help us define a framework which outlines our primary goals and how they will be measured and achieved in respect of the social value we create. This culminated in the publication of our Social Value Strategic Framework in December 2023. This strengthens our commitment and will help us demonstrate the benefits we are delivering to local residents, businesses, our occupiers and the broader public.

Our framework is based around three themes:

Theme 1

Part of the neighbourhood

We work with our neighbours to deliver lasting value in our communities, through the way we create and manage our assets.

Theme 2

Great places to work

We design and deliver high quality buildings and spaces to enable our occupiers and their people to succeed and thrive.

Theme 3

A thriving local economy

We support the local economy by creating opportunities for a diverse range of businesses, and by working responsibly with our suppliers and staff.

SOCIAL continued

Sponsorship & Donations Committee four year funding agreement in place with the London's Air Ambulance for 2023–2026

Community funds

As one of London's leading office landlords, we have a significant stake in the city's future. As well as enhancing London, we also have a responsibility to respect and enrich the neighbourhoods in which we operate.

In 2013, we established our first community fund in Fitzrovia. We followed this up with a second fund in 2016 focused on the Tech Belt. In 2022, as part of our efforts to expand the reach of the funds and to make them more inclusive, we made a number of changes to the application process to make it more flexible, which a number of organisations benefitted from in 2023.

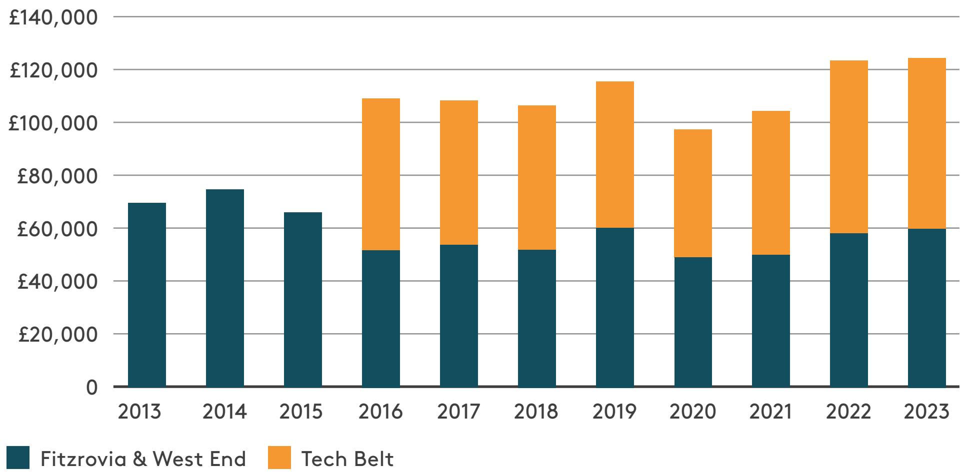
Since inception, we have provided funding of £1.1m to 164 grassroots projects across central London. To mark this 10-year milestone, we published a '10 Years 10 Stories' feature on our Community page on Instagram, which highlighted just some of the many fantastic ventures we have supported.

Other activities

Alongside our community funds, we have an active Sponsorship and Donations committee. In recent years, we have committed £350,000 of annual funding to a range of charitable opportunities and good causes.

In addition, our employees participated in a variety of fundraising activities during the year. This included taking part in the London's Air Ambulance Charity abseil from the highest rooftop helipad in Europe, as well as regular volunteering at The Soup Kitchen in Fitzrovia and with The Paddington Partnership alongside our Brunel Building W1 occupiers.

Community fund contributions – £1.1m since 2013



SOCIAL continued

Our people

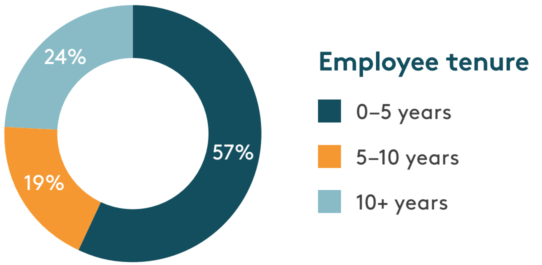
Engaging with talent

Our people are the most important ambassadors of the Derwent London brand and are key to the successful implementation of our strategy and ability to deliver above-average long-term returns.

We recognise the value and opportunities that having a diverse workforce creates. In a year that was dominated by geopolitical and macroeconomic uncertainty, the quality and diversity of our people enabled the business to remain resilient.

We strive to ensure that our people are engaged, thrive in their roles and feel valued and supported. We listen to our employees and embrace feedback and change. We have enjoyed high overall satisfaction for many years, and in our 2023 staff survey, overall employee satisfaction was 88%, with 89% of respondents saying they are 'proud to work at Derwent London'.

This is also demonstrated by our high employee retention (88% in 2023) and long average tenure.



We also recognise the importance of balancing continuity with fresh ideas, experience and skills through external recruitment. In 2023, we recruited 38 people.

We invest significantly in our employees, providing a varied and comprehensive training programme. In addition to our induction programme, we provide core skills training, internal technical workshops and coaching for individuals and teams. We also run a quarterly series of mandatory compliance training.

International Day of Sign Languages training

Health and wellbeing

The health and wellbeing of our people remained a priority during 2023. We know that people are most productive when they are physically and mentally thriving and socially connected.

In addition to a suite of employment benefits, we have trained mental health first aiders, an employee assistance programme and occupational health support. We ran a series of 'lunch and learn' sessions covering topics from neurodiversity and brain & heart health to the impact of changing seasons which were all well received. In 2023, we launched new menopause guidelines as well as offered on-site, one-on-one health checks and annual flu jabs.

The results of the staff survey demonstrate the value this brings to our employees. 85% of respondents agreed that 'the Health & Wellbeing initiatives were useful and informative'.

To allow us to continue to build healthy, nurturing and supportive relationships and foster a genuine community spirit, our Social Committee works hard to arrange regular inclusive events, while volunteering opportunities are open to everyone.

SOCIAL continued

Youth Engagement Day at The White Chapel Building E1

Diversity, inclusion and disability

We are passionate about the future of diversity and inclusivity within the real estate industry. At Derwent London, 27% of our employees are from an ethnically diverse background and 52% of our employees are female. When recruiting, we seek to ensure we take a balanced approach.

We need to be part of the solution when it comes to expanding the sector's appeal to a broader cross-section of society. In 2023, we worked with several organisations to support young people with their education and early career journeys:

- Mock interview practice for students at Westminster schools;
- Career advice as part of Islington's World of Work initiative;
- Co-hosted a Construction Youth Trust event with Laing O'Rourke; and
- Hosted seven work experience candidates.

Disability was a significant focus for the Group. We joined the Business Disability Forum and completed our initial self-assessment which highlighted a number of opportunities. We also carried out an internal disability survey to better understand the proportion of our employees with a disability or long-term condition and to enable us to ensure that these are taken into consideration when planning future events and initiatives.

SOCIAL continued

Health and Safety

The health, safety and wellbeing of our people, occupiers, residents, service partners, contractors and the public is a high priority for us, and this is achieved through robust, effective risk management.

Employees

Providing a safe place for our people to work, targeting both physical and mental wellbeing, is of paramount importance to us.

We offer our staff ongoing internal and external training which in 2023 totalled 182 person days of training. Topics covered included:

- Legionella (City & Guilds);
- Emergency First Aid and Fire Marshal (British Red Cross); and
- Safe Systems of Work/RAMS.

Health and safety (H&S) webinars, live coached sessions and health check-ups were also provided.

Our H&S training matrix helps us identify specific training requirements by job profile. During 2023 we undertook a comprehensive review of the H&S training matrix and programme across all departments, with updates made where appropriate.

In 2023 we set up an employee Health, Safety and Accessibility forum with wide representation across the business. As well as considering H&S matters, this forum seeks to address the main barriers people with disabilities encounter in the workplace. We also became a member of the Business Disability Forum (BDF).

182
Person days of training in 2023

Members of the Development and Health & Safety teams

SOCIAL continued

Managed portfolio

We act to ensure our occupiers, visitors and those who live and work in and around our buildings are safe and healthy.

To do this, we design, build, maintain and operate our buildings using best practices, with collaboration across the business.

Our in-house H&S team supports our Property Management team to ensure the safe operation of our buildings.

Following publication of the Building Safety Act in 2022, the team provided clear awareness and guidance to the Property Management and Development teams. In addition, buildings which are in-scope were registered prior to the 1 October 2023 deadline.

We use the RiskWise system to monitor and report on H&S risk and compliance across the managed portfolio. This is supported by annual H&S inspections and fire risk assessments for each building. In addition, we use H&S data from the Real Estate Benchmarking Group, which we co-founded in 2021, to assess our relative performance against sector peers.

In 2023 we were awarded the Royal Society for Prevention of Accidents (ROSPA) Gold Award in recognition of our high safety standards.

Developments

Construction is an inherently higher risk activity and we make a significant investment in understanding and mitigating the associated health and safety risks to the greatest extent possible.

Our H&S team work closely with the Development team to improve visibility and identification of design elements which could have H&S risk implications so these can be addressed at an early stage of a project.

We have strong relationships with our contractors – both principal and main. We endeavour to lead by example as an informed and responsible construction client. As well as internal and independent H&S monitoring of our construction sites, our supply chain is required to achieve specific stretch target scores for Construction Logistics and Community Safety (CLOCS) and Considerate Constructors Scheme (CCS).

Significant progress was made at our two on-site major West End projects in 2023 and they moved into a higher-risk phase of construction. Consequently, our RIDDOR accident frequency rate (AFR) for developments increased to 4.38 from 3.60 in 2022.

Network W1

GOVERNANCE

At Derwent London, responsible and fair conduct is core to our business practice.

A responsible business

The oversight of environmental, social and governance (ESG) matters is critical in allowing the Board to appreciate more holistically the impact of its decisions on key stakeholders whilst ensuring it is kept aware of any significant changes in the market. ESG is overseen principally by the Board, the Responsible Business Committee and the Sustainability Committee.

Protecting human rights

The protection of human rights and fundamental freedoms is a key ESG priority that we manage both internally and externally. Internally, the Board monitors our culture and values to ensure high standards of transparency and integrity. Externally, our ESG standards are clearly communicated to our supply chains, principally through our Supply Chain Responsibility Standard.

Supply Chain Responsibility Standard

The Supply Chain Responsibility Standard sets out our principles and expectations in terms of the environmental, social, ethical and governance issues that relate to our supply chain. During the year we requested evidence that our major suppliers are compliant with the Standard via a questionnaire.

Supply Chain Responsibility Standard

Responsible payment practices

Derwent London is a signatory to the Chartered Institute of Credit Management (CICM) Prompt Payment Code, which confirms our commitment to best practice payment procedures and the fair and equal treatment of our suppliers. We aim to pay our suppliers within 30 days or otherwise will do so in accordance with specified contract conditions.

25 Savile Row W1

Modern Slavery

During the year Unseen UK were commissioned to conduct a detailed review of our Modern Slavery policies and procedures. The review provided independent assurance that all our Modern Slavery procedures are sufficiently robust and aligned with best practice guidance.

The report provided was reviewed internally in order to identify any useful insights that will enhance our ability to detect and prevent modern slavery within our supply chain. A focus area for 2024 will be implementation of the key recommendations, including the development of a Modern Slavery Policy.

Our **Modern Slavery Statement** is available to view on our website.

GOVERNANCE continued

The Poets' Park at
80 Charlotte Street W1

Climate change governance

Our Board has ultimate responsibility for the governance of climate-related risks and opportunities. The Board monitors the Group's progress against our published net zero carbon targets, specifically energy intensity, operational carbon footprint and embodied carbon intensity.

Building climate resilience on page 104 in our 2023 Report & Accounts

Fair and Equitable Pay

We are transparent about our pay practices as we seek to create long-term collaborative relationships with our occupiers and employees. Total remuneration fairly reflects the performance delivered by the Executive Directors and the Group.

Aligning remuneration with our purpose,values and strategy on page 177 in our 2023 Report & Accounts

Green finance governance

Our Green Finance Framework allows us to clearly link our financing to the environmental benefits our activities generate. The Audit Committee receives annual updates on our green finance initiatives including in respect to our reporting disclosures.

Our Green Finance Framework on pages 84–85 in our 2023 Report & Accounts and on our website

£754m

Cumulative eligible green project capex at 31 December 2023

19 days

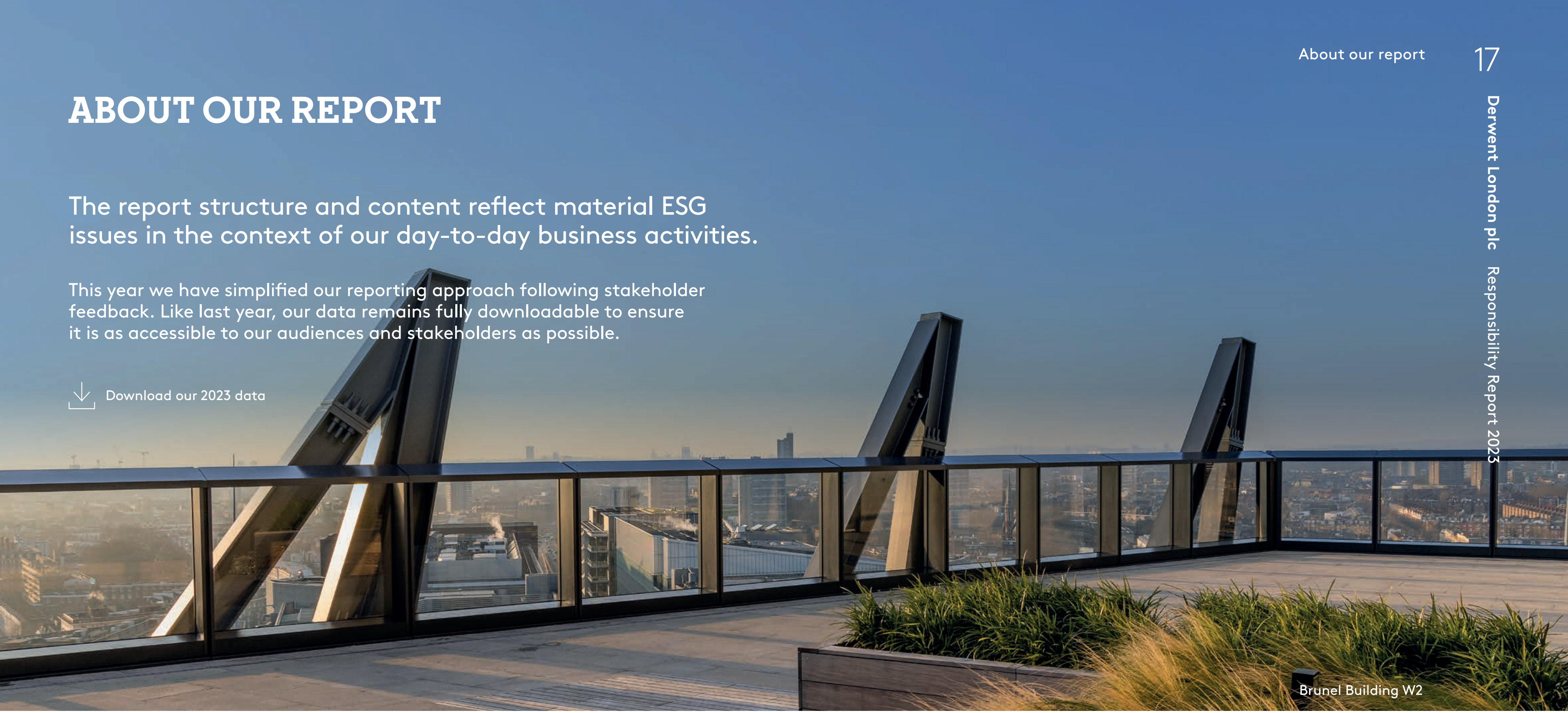
Average payment term for 2023

ABOUT OUR REPORT

The report structure and content reflect material ESG issues in the context of our day-to-day business activities.

This year we have simplified our reporting approach following stakeholder feedback. Like last year, our data remains fully downloadable to ensure it is as accessible to our audiences and stakeholders as possible.

Download our 2023 data



Brunel Building W2

Scope and boundaries

This report relates to the work undertaken in our past financial year: 1 January to 31 December 2023. Its scope reflects our business activities – real estate investment, management, and development in central London – which were unchanged during 2023. Our data scope and boundaries, together with the calculation and aggregation methods, are set out later in this report in our basis of reporting documents.

Reporting frameworks

We compile and align our outputs in accordance with EPRA's Sustainability Best Practices Recommendations (sBPR) and we produce a summary of our progress in supporting the UN Sustainable Development Goals (SDGs). New for this year we have produced our first report under the Sustainability Accounting Standards Board (SASB) Real Estate Standard further broadening our reporting scope. Our disclosures against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations can be found on pages 104–117 in our 2023 **Report & Accounts** or our online **TCFD Report**.

Assurance

Selected environmental metrics have been subject to independent limited assurance under the ISAE 3000 (Revised) and ISAE 3410 Standards. Selected H&S metrics have been subject to independent limited assurance under the ISAE 3000 (Revised) Standard. In addition, green finance metrics were subject to independent reasonable assurance under the ISAE 3000 (Revised) Standard.

The assurance statements can be found on page 42

MATERIALITY

We ensure that the ESG-based aspects relevant to our business are captured effectively in our corporate strategy and net zero carbon ambitions.

During our latest materiality review, a four-step process – identification, prioritisation, validation and review – was used to ensure the right issues were brought forward and assessed properly. The results from this exercise were examined by members of the senior management team to establish the priority and relative importance of the issues to both our business and stakeholders, and ensure alignment with our risk register. The material issues identified remain unchanged this year.

The matrix below sets out the material ESG issues relevant to our business set under our seven long-term priorities.

<table>
<tr><th>Designing and delivering buildings responsibly</th><th>Managing our assets responsibly</th><th>Creating value in the community and for our wider stakeholders</th><th>Engaging and developing our employees</th><th>Setting the highest standards of health and safety</th><th>Protecting human rights</th><th>Setting the highest standards of corporate governance</th></tr>
<tr><td colspan="2">Resource efficiency inc. – climate change, energy efficiency, greenhouse gases, water and waste</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7">Health and safety</td></tr>
<tr><td></td><td></td><td></td><td colspan="2">Employees</td><td></td><td></td></tr>
<tr><td></td><td></td><td>Community</td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Materials inc. – timber use, steel and concrete</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Supplier engagement</td><td></td><td></td><td colspan="3">Supplier engagement</td></tr>
<tr><td colspan="2">Customer engagement</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7">Human rights</td></tr>
<tr><td colspan="7">Business conduct</td></tr>
</table>

DATA INTRODUCTION

2023's focus was on refining all aspects of our data process – ease of capture, visibility and sharing, and setting our 1.5°C SBTi target.

2023 saw us upgrade our data environment to enhance our data capture, analysis processes and widening of our Scope 3 coverage. We also changed our corporate energy broker. This involved a contract/meter mapping exercise that identified existing supplies that needed to be added and revision of floor areas based on new surveys. This has resulted in the restatement of Scope 1, 2 and 3 as well as historic energy figures and intensity metrics. For further details refer to the Environmental Basis of Reporting. In addition, our intensity calculation methodology was refined to more accurately reflect data coverage and visibility of occupier procured electricity. This has resulted in a revised 2019 baseline energy intensity of 166 kWh/m^2, with our 2030 target unchanged at 90 kWh/m^2.

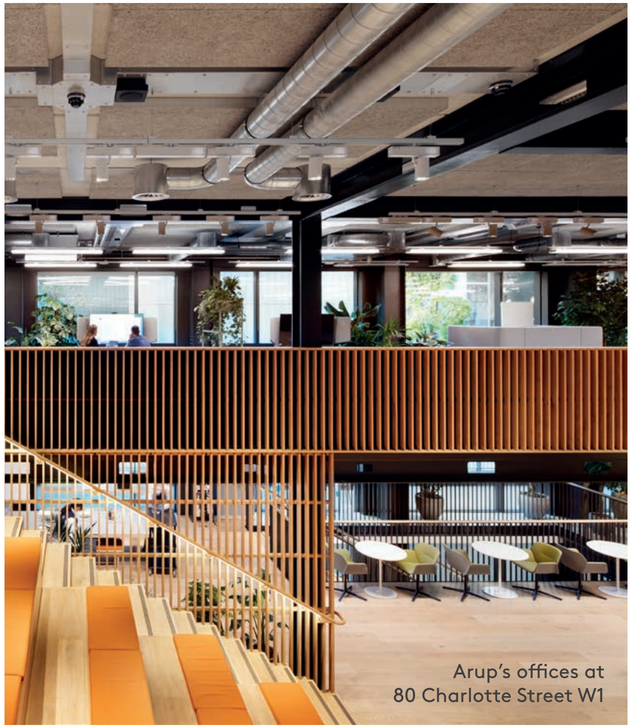
Reducing out-of-hours consumption was a core focus for the year, and we carried out multiple energy consumption and out-of-hours assessments to identify actions to be applied across the portfolio.

We have continued to engage with our occupiers and in addition to one-to-one conversations, we held six green forums, which included energy analysis, sharing best practice and easy actions that occupiers could implement in their spaces. We carried out 34 recycling audits with occupiers and issued Recycling Improvement Strategies.

Whilst our targets were not achieved this year, we recognise this is a journey, and given the improvements we have made to our data environment, we will be able to refine our efforts in identifying and actioning reductions, for ourselves and our occupiers.

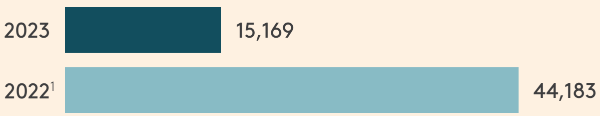
Our key performance metrics are summarised below and our 2023 data workbook can be downloaded. For further details on our data methodologies see our Environmental Basis of Reporting on page 42. Selected environmental and health & safety metrics within our report have been subject to independent limited assurance by Deloitte LLP in accordance with the ISAE 3000 (Revised) and ISAE 3410 Standards. These metrics are marked [(A)] in our data workbook download.

Download our 2023 data


Arup's offices at 80 Charlotte Street W1

Total carbon footprint
tCO_2e

15,169



Managed portfolio energy consumption
kWh

56,662,872

Managed portfolio energy intensity
kWh/m^2

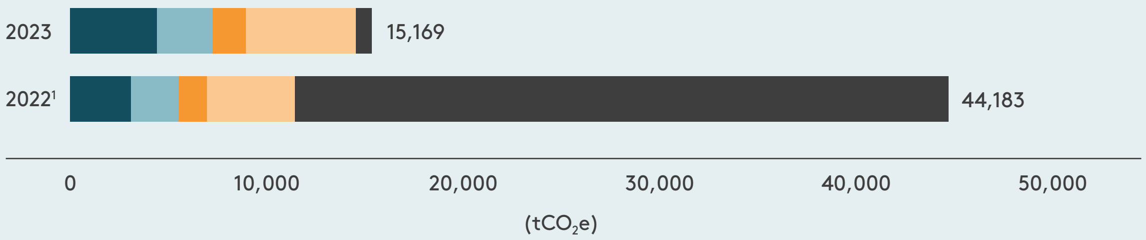
149

1 2022 figure restated. Refer to Environmental Basis of Reporting for details.

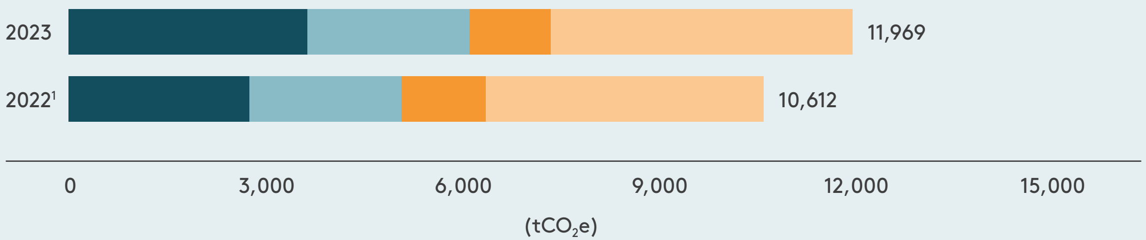
See full breakdown of carbon footprint on page 21

DATA SPOTLIGHT

Our carbon footprint (location-based)
Landlord & tenant emissions (tCO_2e)



Our carbon footprint (location-based like-for-like)
Landlord & tenant emissions (tCO_2e)



- (a) Scope 1[(A)]
- (b) Scope 2[(A)]
- (c) Scope 3 – Embodied carbon[(A)]
- (d) Scope 3 – Other emissions
- (e) Scope 3 – Occupier emissions

Download our 2023 data

(A) Location-based 2023 environmental metrics across the Managed Portfolio have been subject to independent limited assurance by Deloitte LLP under the ISAE 3000 (Revised) and ISAE 3410 Standards.

1 2022 figures restated. For further details, refer to the Environmental Basis of Reporting.

The Featherstone Building EC1

DATA SPOTLIGHT continued

Total carbon footprint

Managed landlord & tenant emissions tCO_2e.

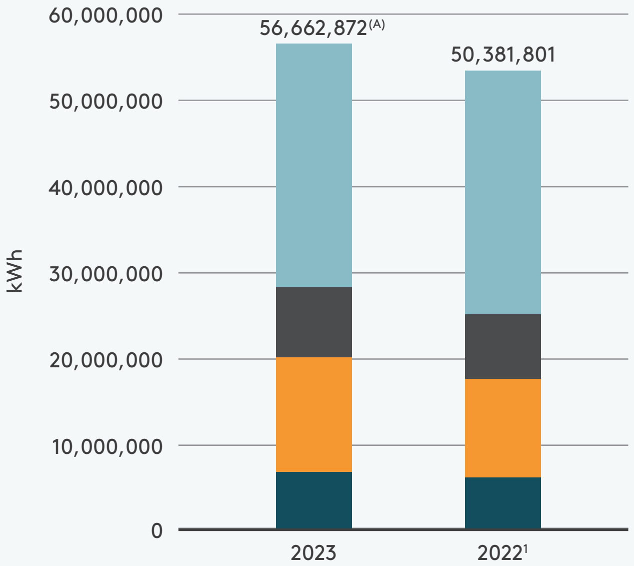
			2023 Location	2023 Market	% change %	2022 Location	2022 Market
Scope 1	Energy use	Gas (total building)	**3,004**	–	10	2,743[1]	–
	Travel	Fuel use in Derwent London company cars for business travel	**3**	–	-57	7[1]	–
	Fugitive emissions	Refrigerant emissions	**1357**	–	335	312	–
Total Scope 1 (location-based)[(A)]			**4,364**	–	43	3,062[1]	–
Total Scope 2 (location-based)[(A)]	Energy use	Electricity use – generation (landlord-controlled areas and Derwent London occupied floor area) (location-based)	**2,795**	–	17	2,388[1]	–
Total Scope 2 (market-based)[(A)]		Electricity use – generation (landlord-controlled areas and Derwent London occupied floor area) (market-based)	–	**29**	-19	–	36[1]
Scope 3	1. Purchased goods and services	Water supply	**36**		-5	38[1]	
	2. Capital goods	Embodied carbon from developments	**799**	–	-98	32,869	–
	3. Fuel and energy-related activities	Electricity use – WTT Generated Scope 3 Indirect GHG (Landlord -controlled areas and Derwent London occupied floor area)	**1,411**	–	8	1,309[1]	–
	5. Waste generated in operations	Waste (total building)	**47**	–	21	39[1]	–
	Waste generated in water treatment	Water use (total building)	**32**	–	52	21[1]	–
	6. Business travel		**58**	–	142	24[1]	–
	7. Employee commuting		**110**	–	–	–	–
	13. Downstream leased assets	Downstream leased assets (tenant electricity emissions)[1]	**5,517**	–	24	4,433[1]	–
Total Scope 3 (location-based)[(A)]			**8,010**	–	-79	38,733[1]	–
Total Scopes 1, 2 & 3 (location-based)			**15,169**	–	-66	44,183[1]	–

(A) Selected 2023 environmental metrics have been subject to independent limited assurance by Deloitte LLP under the ISAE 3000 (Revised) and ISAE 3410 Standards.
1 2022 figures restated. For further details, refer to the Environmental Basis of Reporting.

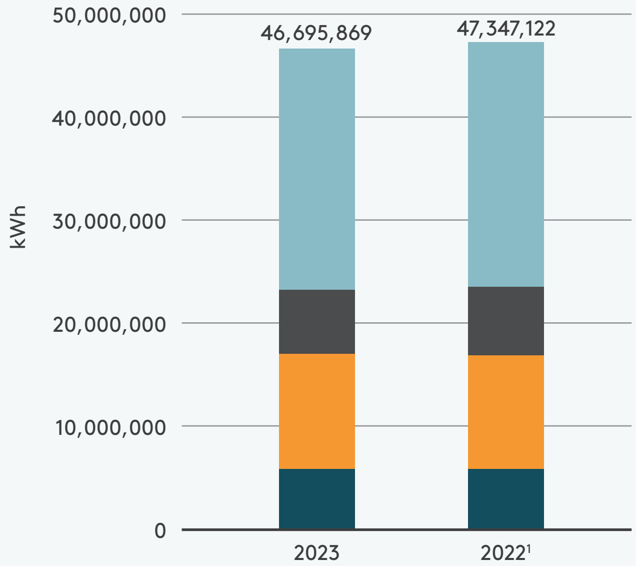
Download our 2023 data

DATA SPOTLIGHT continued

Energy use managed



Energy use like-for-like



- Electricity (landlord-controlled areas, excl. on-site renewables)
- Electricity (tenant-controlled areas)[(A)]
- Electricity (onsite renewable)
- Gas (total building)[(A)]

(A) Selected metrics have been subject to independent limited assurance by Deloitte LLP in accordance with the ISAE 3000 (Revised) Standard.

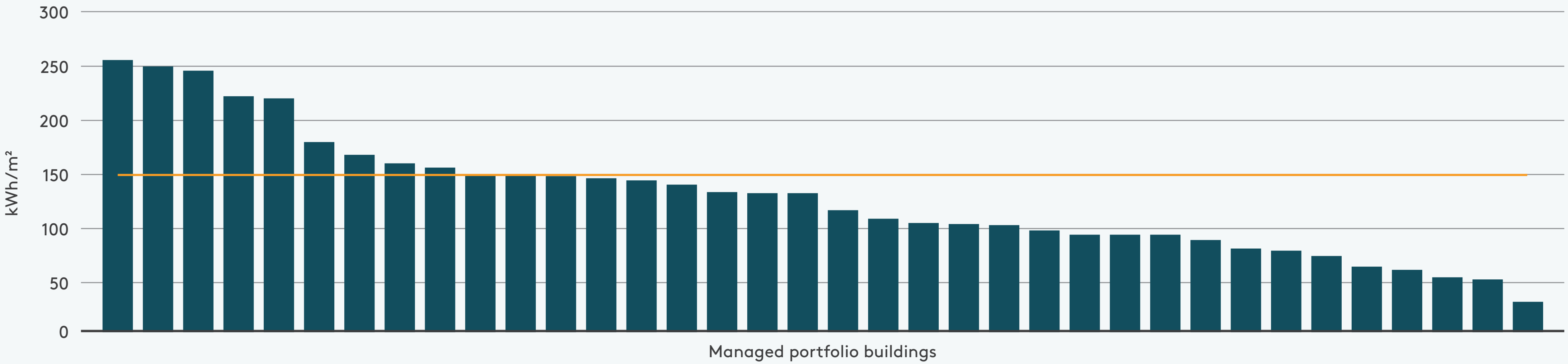
1 2022 figures restated. For further details, refer to the Environmental Basis of Reporting.

Download our 2023 data

Total building energy intensity performance (kWh/m²)

2023 portfolio energy intensity – 149 kWh/m² [(A)]

Download our 2023 data

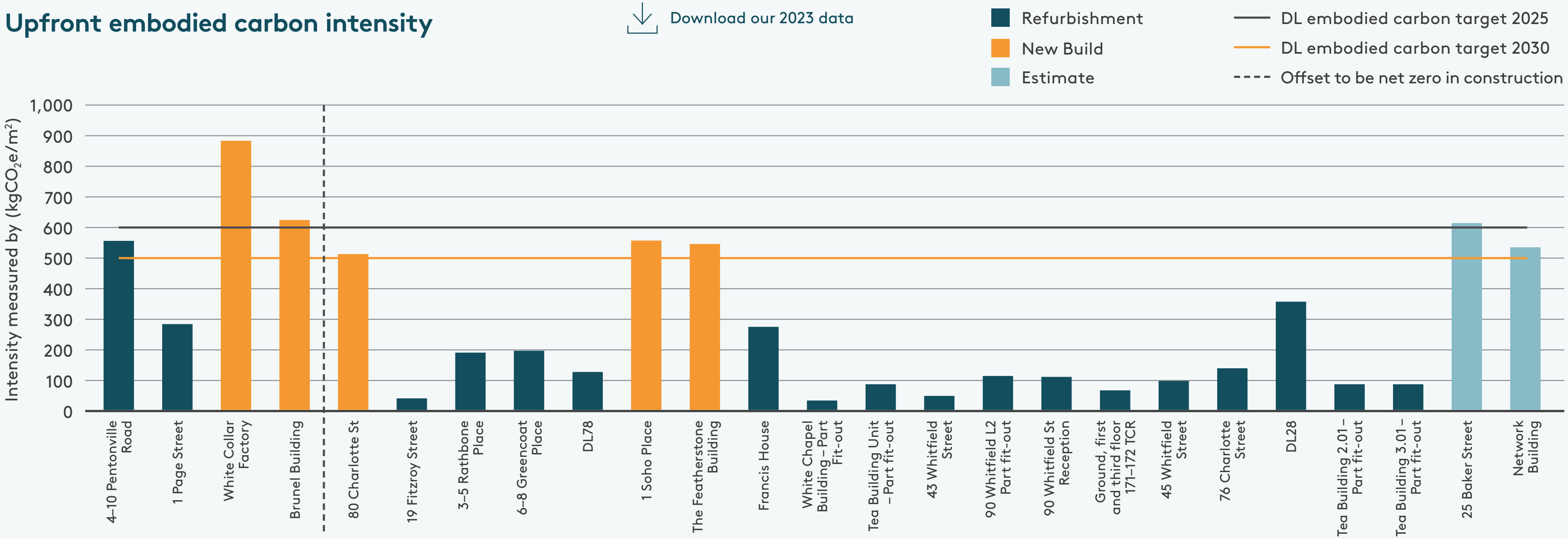


DATA SPOTLIGHT continued

Angel Building EC1

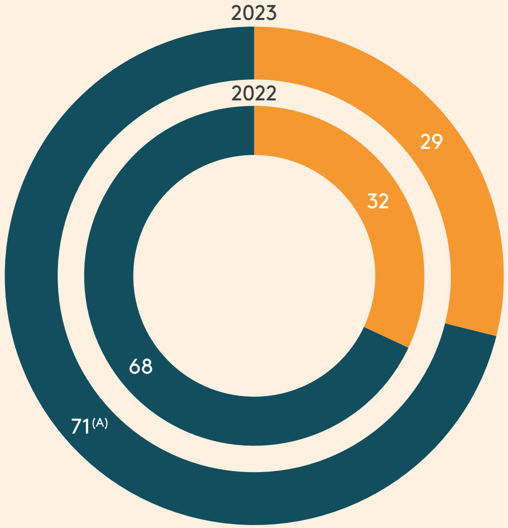
Upfront embodied carbon intensity

Download our 2023 data

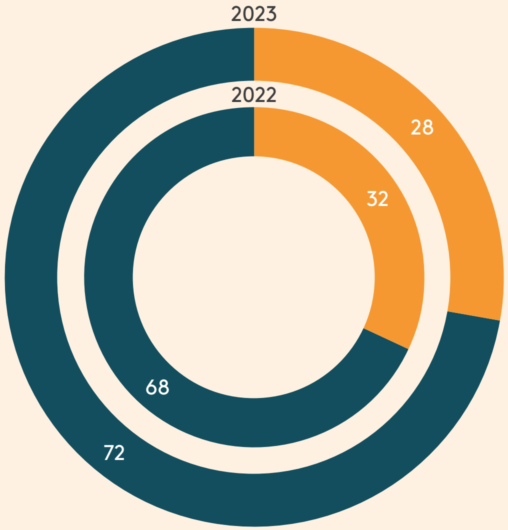


DATA SPOTLIGHT continued

Waste recycled managed (%)



Waste recycled like-for-like (%)



Recycling (%)

Incineration (with energy recovery) (%)

(A) Selected metrics have been subject to independent limited assurance by Deloitte LLP in accordance with the ISAE 3000 (Revised) Standard.

Tea Building E1

2023 TARGET PERFORMANCE

Designing & Delivering Buildings Responsibly

Aspect	Metric	Target	Status	End of year Summary
Building assessment methods	Rating achieved	Minimum of an 'A' EPC rating for new builds. Minimum of a 'B' EPC rating for all refurbishments, and where feasible uplift to an 'A' EPC rating for major refurbishments.	Ongoing	Our latest development projects (new build and refurbishments) are anticipated to achieve EPC ratings in line with our targets. All onsite projects include contract requirement for minimum EPC ratings.
		Achieve a minimum 4.5 star NABERS UK rating for new build projects and major refurbishments.	Ongoing	We have two projects on-site which are targeting achievement of at least a 4.5 Star rating. We continue to use the collateral produced in 2022 for occupiers on NABERS and legal drafting to assist educating occupiers on helping us achieve our targets once the buildings are operational.
		Achieve a minimum of BREEAM Excellent for all new build projects and major refurbishments.	Ongoing	All on-site projects remain on track and comply with the target. • 25 Baker Street W1 – BREEAM Outstanding achieved at design stage.[1] • Network W1 – BREEAM Outstanding achieved at design stage
		Achieve a minimum of LEED Gold for all major new build projects.	Ongoing	All on-site projects remain on track and comply with the target. • 25 Baker Street W1 – targeting LEED Gold.[1] • Network W1 – targeting LEED Platinum.
		Achieve a minimum of Home Quality Mark 4 stars on all new residential development.	Ongoing	All projects remain on track and comply with the target. • 25 Baker Street W1 – targeting a minimum HQM 4 star rating.
		Ensure the shell & core aspects of our schemes are WELL 'enabled' using the most up to date version.	Ongoing	25 Baker Street W1 and Network W1 are being designed to be WELL-enabled. All future projects are targeted to achieve this.
Project Sustainability Plan	Implementation	All applicable projects to create and maintain a Project Sustainability Plan (PSP).	Achieved	A comprehensive Project Sustainability Plan is in use which reflects all net zero carbon targets. This includes NABERS UK, embodied carbon and circular economy considerations. We will be releasing our updated Responsible Development Brief in early 2024.

1 Refers specifically to 25 Baker Street offices, not the wider 25 Baker Street development scheme.

Achieved Ongoing In progress Not started

2023 TARGET PERFORMANCE continued

Designing & Delivering Buildings Responsibly continued

Aspect	Metric	Target	Status	End of year Summary
Energy & Carbon	Installed metering	100% of meters in all new build and major refurbishment projects to be AMR (automatic meter read) capable and BMS (building management system) linked and installed on: all main incoming feeds (electricity/water/gas); landlord lighting and small power; tenant lighting and small power; all major energy producing/consuming equipment e.g. heating and cooling plant; and renewable & low carbon energy generation sources e.g. PV, CHP plant etc., in line with DL Metering Strategy (2021).	Ongoing	All applicable projects have these requirements incorporated into their design strategies and contractual documents. The target will be complete, on a building specific basis, once installation and commissioning confirmation is received.
	Embodied carbon assessment	All new build and major refurbishment projects at RIBA Stages 2, 3 and 4 to undertake an embodied carbon assessment in line with the Derwent London Embodied Carbon Brief and certification standards such as BREEAM. In addition, contractors are to map and measure embodied carbon during the delivery phases using the same assessment approach as during design. Commercial office new build targets as follows: • Developments completing from 2025: ≤600 $kgCO_2e/m^2$ • Developments completing from 2030: ≤500 $kgCO_2e/m^2$	In progress	All live development design projects have completed their assessments at each design stage. On-site projects have begun reporting on embodied carbon on a quarterly basis. Refer to page 23 for embodied carbon intensity data.
	Predicting whole building energy use	All refurbishment projects to undertake a design in-use energy assessment based on CIBSE TM54 and ensure it is updated regularly in line with design progress/changes.	In progress	Where central plant is being replaced, projects are undertaking an in-use energy assessment based on the CIBSE TM54 standard.
	Designed water usage (m^3/m^2)	All new build and major refurbishment projects to be designed and delivered to achieve mains water usage of 0.50m^3/m^2 or less.	Ongoing	All projects are being designed to meet this target.
Waste	% diversion from landfill	Divert at minimum 98% of total construction and demolition waste tonnage from landfill.	Achieved	Compliant on all projects.
Materials	% of certified sustainable timber procured	100% of timber procured is to be from FSC or PEFC sources.	Achieved	Compliant on all projects.
Biodiversity	Net gain	All new build and major refurbishment projects to achieve a net gain in biodiversity as measured through BREEAM.	Achieved	All new build projects are reporting a biodiversity net gain.

● Achieved ◕ Ongoing ◐ In progress ○ Not started

2023 TARGET PERFORMANCE continued

Managing our Assets Responsibly

Aspect	Metric	Target	Status	End of year Summary
Climate change	% reduction	Achieve a reduction in carbon intensity of 55% by 2027 in our like-for-like managed portfolio compared to our 2013 baseline.	Achieved	We have set a new near-term science-based target in line with a 1.5˚C scenario, updating it from our previous target of "well below 2˚C". This will require a 42% reduction in Scope 1 & 2 carbon emissions by 2030 from a 2022 baseline, and commitment to measure and reduce scope 3. We are also finalising a long-term net zero target.
		Achieve a 4% reduction in energy consumption year on year until 2027. This is in line with our target to achieve a 43% energy intensity reduction from a 2019 baseline by 2030 across our managed portfolio.	In progress	We have refined our energy intensity methodology to more closely reflect our energy coverage. Based on this, and high energy consumption during tenant commissioning at our recently completed buildings, energy intensity in 2023 was 8% higher than target. We recognise that energy reduction is not always linear and is principally linked to when we can complete interventions (e.g. lease breaks for access to our managed portfolio or optimising newly completed buildings). To continue the focus on energy reduction, we have developed an Energy Solutions Working Group (ESWG) that will look at energy saving opportunities in individual buildings and how this can be shared across the portfolio. Our 2024 targets, reflect the updated methodology.
Energy & Carbon	Management	Procure 100% renewable, REGO-backed electricity for our managed properties.	Ongoing	By the end of 2023, 100% of our electricity contracts were on renewable, REGO-backed tariffs. Across the year, 99% of electricity procured was on these tariffs.
	Management	Procure 100% RGGO-backed gas tariffs for our managed properties.	Ongoing	By the end of 2023, 100% of gas contracts were on Renewable Green Gas Origin (RGGO) tariffs. Across the year, 99% of gas procured was on these tariffs.
	Management	Update & maintain Net Zero Carbon Action Plans across all managed properties.	Ongoing	Updated Net Zero Action Plans are being used to track progress against targets.
	Implementation	All new building and major refurbishment projects to undertake a full Post Occupation Evaluation 12 months after full occupation and where we still retain control of the building.	Not started	We will be carrying out in-house POEs across our recently completed developments.
Waste	% recycled	Ensure our managed portfolio achieves a minimum recycling rate of 75%.	Ongoing	Our recycling rate has improved from 68% to 71% across the portfolio. We have carried out more than 30 waste floor walks with occupiers to improve recycling practices.
	% diversion from landfill	Send zero waste to landfill from properties for which Derwent London has waste management control.	Achieved	We continue to operate zero waste to landfill across all our managed properties.

Achieved Ongoing In progress Not started

2023 TARGET PERFORMANCE continued

Managing our Assets Responsibly continued

Aspect	Metric	Target	Status	End of year Summary
Water	Management	Undertake water audits and set in place a water management strategy for our managed portfolio which will set out how we intend to reduce our consumption and how we will measure our performance.	◕	Water strategy issued across the portfolio and implemented. We are carrying out trials using water saving devices in two buildings to assess impact on consumption. If they prove successful we will consider installing across the portfolio.
	Management	Maintain portfolio mains water consumption intensity in the like-for-like managed portfolio below 0.50 m^3/m^2. Our long term target is 10% reduction by 2030 from a 2019 baseline, to 0.48m^3/m^2.	●	2023 water intensity in the like-for-like portfolio was: 0.44 m^3/m^2.
Occupiers/ Suppliers	Measurement	Monitor the sustainability KPI's included within our property management engineering and services contracts.	◕	Ongoing as part of monthly KPI review meetings with the property M&E teams.
	Measurement	Ensure the contracted operational supply chain operatives in our managed portfolio are receiving the London Living Wage.	●	All our building management operational supply chain contractors pay London Living Wage or higher.
	% engaged	Ensure occupier engagement plans (Green Forums, regular occupier 1:1's or events) have been scheduled for managed portfolio.	◕	We have run six green forums across four buildings, covering topics such as energy, water and waste. We have carried out 34 recycling audits across eight buildings, and organised training for landlord and occupier cleaner staff to improve engagement. We continued to support occupiers with energy and waste data as well as more specific sustainability information about the building or their own space (furniture/ carbon offsetting). This year we have seen good repeat engagement as well as engagement with many new occupiers across buildings. 104 occupiers directly engaged in 2023 (44% by ERV). Of the 104, 48 (16% by ERV) are occupiers we have not previously engaged with on sustainability. Engagement based on floor area was 39%.
Sustainable Travel	% in place	Ensure Green Travel Plans are developed for 10% of the managed portfolio.	◑	We have developed a new Green Travel Plan for Brunel Building and anticipate that for the remaining buildings a Green Travel Plan will be implemented by end of 2024.
Biodiversity	% in place	Ensure a portfolio-wide Biodiversity Action Plan is developed.	◑	We have carried out a survey to identify biodiversity levels across the portfolio with an aim to develop a Biodiversity Action Plan for our managed portfolio.

● Achieved ◕ Ongoing ◑ In progress ○ Not started

2023 TARGET PERFORMANCE continued

Engaging & Developing our Employees

Aspect	Metric	Target	Status	End of year Summary
Knowledge	Knowledge dissemination	Deliver technical and knowledge sharing 'mini' presentations, throughout the year and via the monthly Town Hall sessions.	●	Monthly Town Halls have taken place during 2023, led by the CEO, with internal and external speakers. Additional presentations have been available to employees around our benefits and DL amenity lounges.
		Issue internal newsletters from Diversity & Inclusion working group and Responsible Business Committee to increase awareness and feedback from the work these groups do.	●	Two newsletters were circulated by the business in 2023 to ensure a line of communication between the two working groups and the wider Company on initiatives and progress.
Employee development	Engagement	Roll out our fifth company employee survey in October 2023 with the results being discussed and analysed by the Executive Committee (EC).	◐	Our fifth full employee survey was rolled out in October 2023 with the results available in December. These were discussed and analysed by the EC in January 2024. The Responsible Business Committee will hold employee focus groups to further explore key themes.
Health & Wellbeing	Health & Wellbeing	Ensure employees are proactively managing their health and wellbeing via the sharing of high quality information, awareness training, initiatives, 'lunch and learn' sessions and engagement opportunities.	●	Health & Wellbeing initiatives which were well attended and received, included 1:1 health assessments and four 'lunch and learn' sessions on topics covering mental health, neurodiversity, brain health and cardiovascular disease.
	Accessibility	Set up Health, Safety & Accessibility forum and carry out an internal self-audit working alongside the Business Disability Forum.	●	The Company set up a new Health, Safety & Accessibility forum in early 2023 and signed up to the Business Disability Forum in March 2023. The self-audit was completed in June 2023 and the working group is now looking at recommendations and actions.
Diversity & Inclusion	Training	Implement our ongoing diversity and inclusivity initiatives including inclusion training, Personal Development Plan (PDP) training for Line Managers and offer work experience/ internship opportunities.	●	PDP training was completed for all line managers in May and June 2023. Team coaching has taken place around collaboration and inclusion during the year. Work experience opportunities have taken place. A core skills workshop on inclusive working was offered.

● Achieved ◔ Ongoing ◐ In progress ○ Not started

2023 TARGET PERFORMANCE continued

Creating Value in the Community

Aspect	Metric	Target	Status	End of year Summary
Community engagement	Community fund delivery	Deliver the 11th year of the Derwent London Community Fund.	●	The Tech Belt Community Fund awarded a total of £64,600 to nine projects (three in Hackney, two in Tower Hamlets and four in Islington). The Fitzrovia & West End Community Fund awarded a total of £60,000 to nine projects (four in Westminster and five in Camden). Since 2013, 164 local projects have been awarded a share of over £1.1m in total funding. The 10 year anniversary of the Community Fund was highlighted with a "10 Years 10 Stories" series on Instagram and was featured in the latest edition of Space magazine.
Community Engagement & Occupiers	No. of community groups/occupiers engaged	Increase occupier support of community groups in collaboration with the DL/Experience team.	◕	Community engagement this year included a career insight day involving several Tea Building E1 occupiers. Work experience candidates have benefitted from property tours of The Featherstone Building EC1, White Collar Factory EC1 and 1 Oliver's Yard EC1 with Islington's World of Work team. We continued to engage with Square Mile Farms at 1 Oliver's Yard and The White Chapel Building E1, the produce from which was donated to community groups as part of the Mayors' City Giving Day on 26 September. The DL/Experience team held a portfolio-wide winter clothes appeal for The Soup Kitchen in Fitzrovia and the Whitechapel Mission. We supported our occupiers once again at their annual Christmas fundraising efforts. The community engagement programme arranged by The Paddington Partnership continues to be a success with occupiers arranging a Christmas party for LDN which supports people with complex needs, and members of Marylebone Boys School choir performing a Christmas songs fundraiser at our Brunel Building W2. We have also introduced a monthly "Spotlight on Community" post on the DL/App which keeps occupiers informed of our Community Fund projects.
Scotland	No. of community groups engaged	Continue to develop our Scotland community engagement programme throughout 2023.	◐	Our Glasgow office supported 13 local community groups across our Scottish Estate. The staff-nominated Christmas charity was Royal National Institute for the Blind. The 2024 key focus for our Sponsorship and Donations Committee will be supporting homeless charities a cause which our Scottish office will also support in order to maximise the impact their donations will have.

● Achieved ◕ Ongoing ◐ In progress ○ Not started

2024 SUSTAINABILITY TARGETS

Strategic priority	Target
Designing & delivering buildings responsibly	All new build and major refurbishment projects (commercial office) to achieve an upfront (A1-A5) embodied carbon intensity of: ≤600 $kgCO_2e/m^2$ (for buildings completing from 2025) and ≤500 $kgCO_2e/m^2$ (for those completing from 2030).
	Minimum of an 'A' EPC rating for new builds. Minimum of a 'B' EPC rating for all refurbishments, and where feasible, uplift to an 'A' rating for major refurbishments.
	Achieve a minimum 4.5-star NABERS UK rating for new build projects and major refurbishments.
	Achieve a minimum of BREEAM Excellent for all new build projects and major refurbishments.
	Achieve a minimum of LEED Gold for all major new build projects.
	Achieve a minimum of Home Quality Mark 4 stars on all new residential developments.
	All new build and major refurbishment projects (where external space is adapted) to achieve a minimum 15% biodiversity net gain.
Managing our assets responsibly	Reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 baseline.
	Achieve a 46% energy intensity reduction from a 2019 baseline by 2030 across our managed portfolio.
	Procure 100% renewable tariff, REGO-backed electricity and RGGO-backed gas for our managed portfolio in line with RE100 commitment.
	Achieve a minimum recycling rate of 75% and send zero waste to landfill from properties for which we have waste management control.
	Maintain annual mains water consumption intensity in the like-for-like managed portfolio below 0.50 m^3/m^2. Long-term achieve a 10% reduction by 2030 from a 2019 baseline, to 0.48m^3/m^2.
	Develop and implement a portfolio-wide Biodiversity Action Plan across the managed portfolio.
Creating value in the community and for our wider stakeholders	Deliver another year of the Derwent London Community Fund.
	Implement the new Social Value Strategic Framework with the DL/Experience team, Building Management and Development teams.
	Further develop our Scotland community engagement programme.
Engaging & developing our employees	Deliver technical and knowledge sharing 'mini' presentations via the monthly Town Hall sessions.
	Issue internal newsletters from D&I Working Group and Responsible Business Committee to increase awareness and share progress.
	Implement actions and recommendations following the 2023 employee survey.
	Deliver the 2024 employee health and wellbeing programme.
	Identify and start implementing key recommendations from the Business Disability Forum self-assessment. Repeat self-assessment to measure progress.
	Host four individuals through the #10,000 Interns Programme.

UN SDG REPORTING

The United Nations Sustainable Development Goals (SDGs) are an international standard developed to support global change and sustainable growth.

We believe that we have a role in supporting the UK in responding to this standard and helping positively affect change.

We have reviewed the suite of 17 goals and have selected those goals which most closely align to our ESG priorities. Set out on the next page is a summary of our efforts against the selected goals.


Soho Place W1

UN SDG REPORTING continued

Our ESG priority	UN Goal	Target	Indicator	Our efforts
Creating value in the community and for our wider stakeholders	4 QUALITY EDUCATION	4.4	4.4.1	Our Community Fund enables us to invest in and support groups who work with and upskill young people from socially and economically challenged backgrounds. For example, the work of London Village Network and their Amplify programme aims to help young people identify their strengths and equip them to gain meaningful employment by way of mentoring programmes in schools, with business volunteers that share their career journeys and provide industry insights and visits.
		4.a	4.a.1	The work of The Doorstep Library, a literacy-outreach charity, seeks to boost and improve children's reading skills in their homes, resulting in improved outcomes at school. Increased literacy and confidence stay with the children through their time in education and into the workplace.
Protecting human rights, Engaging and developing our employees	5 GENDER EQUALITY	5.1	5.1.1	Beyond any legislative requirements we are active in ensuring meaningful gender equality across our business. In 2022 we achieved the National Equality Standard accreditation and our Diversity & Inclusion Working Group works hard to ensure that progress is being made and best practice implemented. All our training and development initiatives are available company-wide, we adopt smart working practices, offer enhanced family leave policies and our employee surveys enable us to identify any differentials with regards to gender and ethnicity.
		5.5	5.5.2	We have a 48%:52% male/female ratio and 31% of senior managers are women. In 2023, there were 18 internal promotions of which 44% were female.
Designing and delivering buildings responsibly, Managing our assets responsibly	7 AFFORDABLE AND CLEAN ENERGY	7.2	7.2.1	Our aim is to ensure we purchase renewable energy for our portfolio in line with our RE100 commitment. During 2023 99% of our energy procured was on renewable tariffs. At the end of 2023, 100% of electricity contracts were on REGO-backed tariffs, and 100% of our gas contracts were on RGGO-backed tariffs. As part of our Net Zero Carbon Pathway, we are developing a 100-acre solar park on our Scottish land. Planning consent has been received and construction is expected to commence during 2024.
		7.3	7.3.1	We have developed specific energy intensity reduction targets, designed to help us improve the energy efficiency of our managed properties and journey towards net zero carbon.
Creating value in the community and for our wider stakeholders	11 SUSTAINABLE CITIES AND COMMUNITIES	11.7	11.7.1	We actively promote the inclusion of public spaces in and around our buildings and ensure they are fully accessible. In addition, we are part of the London Mayor's Business Climate Leaders Group which was set up to help London become a zero-carbon city by 2030.
Managing our assets responsibly	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5	12.5.1	We have established a portfolio-wide minimum recycling target of 75% and a no waste to landfill policy.
		12.6	12.6.1	We integrate comprehensive sustainability reporting information into our Company reporting cycles and public reporting.
Designing and delivering buildings responsibly, Managing our assets responsibly	13 CLIMATE ACTION	13.2	13.2.2	We have new independently verified science-based carbon targets which have been rebased to a 1.5°C scenario. In addition, we have set embodied carbon and energy intensity reduction targets for our developments and managed properties respectively. This means we are committed to reducing our carbon emissions and ensuring our portfolio is climate resilient.

EPRA REPORTING

In the table below, we provide a comprehensive breakdown of our alignment with EPRA's best practice recommendations on sustainability reporting and where applicable cross reference the appropriate Global Reporting Initiative (GRI) indicators. We have also listed our performance measures in our 2023 Report and Accounts.

Environmental performance measures

Measure	EPRA code	GRI code	Definition	2023	2022
Landlord grid electricity consumption	Elec-Abs	302-1, 302-2 & 302-3	Electricity use across our managed portfolio (landlord/common areas) – annual kWh	**13,236,503**	12,144,621[1]
Onsite renewable electricity consumption	Elec-Abs	302-1, 302-2 & 302-3	Electricity use across our managed portfolio (onsite renewables) – annual kWh	**97,440**	81,367
DL occupied grid electricity consumption	Elec-Abs	302-1, 302-2 & 302-3	Electricity use across our managed portfolio (landlord-occupied areas) – annual kWh	**262,094**	201,771[1]
Tenant grid electricity consumption	Elec-Abs	302-1, 302-2 & 302-3	Electricity use across our total managed portfolio (tenant-occupied areas) – annual kWh	**26,642,461**[(A)]	22,926,293[1]
Total electricity consumption	Elec-Abs	302-1, 302-2 & 302-3	Electricity use across our total managed portfolio	**40,238,497**[(A)]	35,354,052[1]
Like-for-like landlord grid electricity consumption	Elec-LfL	302-1, 302-2 & 302-3	Energy use across our like-for-like portfolio (landlord/common areas) – annual kWh	**11,663,397**	11,782,011
Like-for-like onsite renewable electricity consumption	Elec-LfL	302-1, 302-2 & 302-3	Electricity use across our like-for-like portfolio (onsite renewables) – annual kWh	**60,933**	46,324
Like-for-like DL occupied grid electricity consumption	Elec-LfL	302-1, 302-2 & 302-3	Electricity use across our like-for-like portfolio (landlord-occupied areas) – annual kWh	**244,947**	200,908[1]
Like-for-like tenant grid electricity consumption	Elec-LfL	302-1, 302-2 & 302-3	Electricity use across our like-for-like portfolio (tenant-occupied areas) – annual kWh	**22,228,322**	21,936,319
Like-for-like total electricity consumption	Elec-LfL	302-1, 302-2 & 302-3	Electricity use across our like-for-like portfolio	**34,197,599**[(A)]	33,965,562
Total district heating & cooling consumption	DH&C-Abs	302-1, 302-2 & 302-3	None of our properties are connected to or benefit from district heating and cooling	**n/a**	n/a
Like-for-like total district heating & cooling consumption	DH&C-LfL	302-1, 302-2 & 302-3	None of our properties are connected to or benefit from district heating and cooling	**n/a**	n/a
Total fuel consumption	Fuels-Abs	302-1, 302-2 & 302-3	Fuel use (gas, oil, biomass) across our managed portfolio (landlord/common areas) – annual kWh	**16,424,375**[(A)]	15,027,749[1]
Like-for-like total fuel consumption	Fuels-LfL	302-1, 302-2 & 302-3	Fuel use (gas, oil, biomass) use across our like-for-like portfolio (landlord/common areas) – annual kWh	**12,498,270**[(A)]	13,381,560
Building energy intensity	Energy-Int	302-1, 302-2 & 302-3	Energy use across our total managed portfolio (landlord/common areas) – kWh per m^2	**76**	74[1]

(A) Selected 2023 environmental metrics have been subject to independent limited assurance by Deloitte LLP under the ISAE 3000 (Revised) and ISAE 3410 standards.

1 Restated 2022 figure. For further details, refer to the Environmental Basis of Reporting.

EPRA REPORTING continued

Environmental performance measures continued

Measure	EPRA code	GRI code	Definition	2023	2022
Building energy intensity	Energy-Int	302-1, 302-2 & 302-3	Energy use across our total managed portfolio (landlord & tenants) – kWh per m^2	**149**[(A)]	142[1]
Total direct greenhouse gas (GHG) emissions	GHG-Dir-Abs	305-1, 305-2 & 305-4	Total managed portfolio emissions (landlord-influenced portfolio emissions); a total of gas Scope 1 emissions – annual metric tonnes CO_2e	**4,364**[(A)]	3,062[1]
Total indirect greenhouse gas (GHG) emissions	GHG-Indir-Abs (Location-based)	305-1, 305-2 & 305-4	Total managed portfolio emissions (landlord-influenced portfolio emissions); Scope 2 energy-use – annual metric tonnes CO_2e	**2,795**[(A)]	2,388[1]
Like-for-like total direct greenhouse gas (GHG) emissions	GHG-Dir-Abs (LfL)	305-1, 305-2 & 305-4	Like-for-like emissions (landlord-influenced portfolio emissions, building-related only); Scope 1 energy-use – annual metric tonnes CO_2e	**3,646**	2,761
Like-for-like total indirect greenhouse gas (GHG) emissions	GHG-Indir-Abs (Location-based) (LfL)	305-1, 305-2 & 305-4	Like-for-like emissions (landlord-influenced portfolio emissions, building-related only); Scope 2 energy-use – annual metric tonnes CO_2e	**2,466**	2,317
Greenhouse gas (GHG) intensity from building energy consumption	GHG-Int	305-1, 305-2 & 305-4	Intensity (Scopes 1 & 2) per m^2 – tCO_2e/m^2/year	**0.018**	0.015[1]
Greenhouse gas (GHG) intensity from building energy consumption	GHG-Int	305-1, 305-2 & 305-4	Intensity (Scopes 1 & 2) per m^2/£m fair market value	**1.47**	1.02[1]
Greenhouse gas (GHG) intensity from building energy consumption	GHG-Int	305-1, 305-2 & 305-4	Intensity (Scopes 1 & 2) per m^2/£m turnover	**33.64**	26.69[1]
Total water consumption (water withdrawn from municipal supplies)	Water-Abs	303-3	Water use across our total managed portfolio (excluding retail consumption) – annual m^3	**179,627**[(A)]	139,410[1]
Like-for-like total water consumption (water withdrawn from municipal supplies)	Water-LfL	303-3	Water use across our like-for-like portfolio (excluding retail consumption) – annual m^3	**151,266**[(A)]	133,919
Building water intensity	Water-Int	303-3	Water use across our total managed portfolio (excluding retail consumption) – m^3/m^2/year	**0.44**[(A)]	0.37[1]
Total weight of waste by disposal route	Waste-Abs	306-3	Waste generated across our total managed portfolio – annual metric tonnes and proportion by disposal route	**2,227** **71% recycled**[(A)]	1,847 68% recycled
Like-for-like total weight of waste by disposal route	Waste-LfL	306-3	Waste generated across our like-for-like portfolio – annual metric tonnes and proportion by disposal route	**1,984** **72% recycled**	1,803 68% recycled
Number of sustainably certified assets	Cert-Tot Type		Please see our data section download. Sheet 10 tables 15-18	Download our 2023 data	

(A) Selected 2023 environmental metrics have been subject to independent limited assurance by Deloitte LLP under the ISAE 3000 (Revised) and ISAE 3410 standards.

1 Restated 2022 figure. For further details, refer to the Environmental Basis of Reporting.

EPRA REPORTING continued

Social performance measures

Measure/code	GRI code	Reference
Diversity-Emp Employee gender diversity (% of employees)	405-1	2023 Report & Accounts page 18
Diversity-Pay Gender pay ratio	405-2	As we have fewer than 250 employees, we are not obliged by The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 to disclose our gender pay information
Emp-Training Employees training and development (average hours)	404-1	2023 Report & Accounts pages 136, 165
Emp-Dec Employee performance appraisals (% of employees)	404-3	2023 Report & Accounts page 129
Emp-Turnover Employee turnover and retention (total number and rate)	401-1	2023 Report & Accounts pages 34, 52
H&S-Emp Employee H&S (injury rate, absentee rate and no. of work-related fatalities)	403-9	2023 Report & Accounts page 55
H&S-Asset Asset H&S assessments (% of assets)	416-1	2023 Report & Accounts pages 54–55
H&S-Comp Asset H&S compliance (no. of incidents)	416-2	2023 Report & Accounts pages 54–55
Comty-Eng Community engagement, impact assessments and development programmes (% of assets)	413-1	2023 Report & Accounts pages 50–51

Governance performance measures

Measure	GRI code	Reference
Gov-Board Composition of the highest governance body (total no.)	2-9	2023 Report & Accounts pages 122–123, 136, 143, 171
Gov-Selec Process for nominating and selecting the highest governance body (narrative on process)	2-10	2023 Report & Accounts pages 140–143
Gov-Col Process for managing conflicts of interest (narrative on process)	2-15	2023 Report & Accounts pages 128, 135

Read our 2023 Report & Accounts

EPRA REPORTING continued

Overarching recommendations

Organisational boundaries and coverage

Refer to our Environmental Basis of Reporting pages 50 to 53 for a full breakdown of our organisational boundaries and various reporting scopes and subsequent coverage.

Estimation of landlord-obtained utility consumption

None of the data presented above is estimated. For details on methodology refer to our Environmental Basis of Reporting pages 50 to 53.

Third-party assurance

Selected 2023 environmental metrics were subject to independent limited assurance by Deloitte LLP under the ISAE 3000 (Revised) and ISAE 3410 Standards. The Unqualified assurance opinion can be found here on page 42.

Boundaries – reporting on landlord and occupier consumption

We report both landlord and occupier-derived consumption for electricity and subsequent carbon. Refer to our performance data summary on pages 19 to 24 and download our data for more details. Gas and water consumption is reported on a whole building basis. See our Environmental Basis of Reporting on pages 50 to 53 for more detail.

Download our 2023 data

Normalisation

Intensity indicators based on floor area (m^2) are provided for energy, water and carbon. Our data download provides all intensity metrics. For details on normalisation refer to our Environmental Basis of Reporting on pages 50 to 53.

Download our 2023 data

Analysis – Segmental analysis (by property type, geography)

Our reporting portfolios currently report on one typology – commercial office space, which is all located in central London. As a result, we do not compare location and typology (segmentation) within our portfolio to establish geo-spatial differences across varying property types. See our Environmental Basis of Reporting on pages 50 to 53 for more detail.

Disclosure on own offices

See sheet 16, Table 9 in our data download for a breakdown of the energy use at our head office buildings.

Download our 2023 data

Narrative on performance

See our environmental, social and governance performance summary on pages 5 to 16. For full details on our data, download our data.

Download our 2023 data

Location of EPRA sustainability performance measures in companies' reports

A dedicated section on EPRA measures is in our 2023 **Report & Accounts**, and on pages 34 to 37 within this report.

Other issues to consider

Materiality

Refer to our materiality matrix on page 18 for the results of our materiality assessment.

Emerging indicator – return on carbon emissions

We report two sets of financially orientated carbon intensity measures – tCO_2e/£m turnover and tCO_2e/fair market value, which can be found here on page 35.

Socio-economic indicators related to sustainability performance

We have a corporate performance measure to undertake socio-economic assessments of new developments 12 months after full occupation.

We were one of the first UK-based REITs to operate its own self-funded Community Fund. For more details on the 2023 fund recipients and community contributions see page 10.

Transport

We measure the carbon associated with our employees' commuting and the carbon emissions associated with our business travel. We do not measure or report the emissions associated with employees, occupiers or visitors travelling to and from our properties.

Refrigerant gases

We report fugitive emissions from our managed air conditioning and chilling equipment as part of our Scope 1 carbon figures. Our emissions footprint can be found on page 21 or download our data for more details.

Download our 2023 data

SASB REPORTING

Sustainability Accounting Standards Board (SASB) – Real Estate Metrics Index

This is our first performance report prepared in accordance with the SASB Real Estate standard. It shows how our existing reporting aligns with the recommended metrics. We do not currently disclose all metrics in the standard, but will continue to evolve our reporting.

Topic	Code	Accounting metric	Unit of measure	Reference and comments
Energy management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	We report energy consumption for our managed portfolio which equates to 65% of total investment portfolio floor area. See our Environmental Basis of Reporting on page 42 for the composition of our energy reporting.
	IF-RE-130a.2	1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Kilowatt-hour (kWh), percentage (%)	1) See energy use – Sheet 5, table 7. Download our 2023 data 2) 99% of electricity consumed was purchased from the grid. 3) 99% of our purchased electricity is from renewable tariffs backed by REGOs. We have photovoltaic (PV) installations in a number of our buildings which generated 97,440 kWh of electricity or 0.2% of our total.
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Percentage (%)	See like-for-like energy use – Sheet 5, table 8. Download our 2023 data
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has obtained an energy rating and (2) is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area	See EPC breakdown – Sheet 11, table 19. Download our 2023 data
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy		Energy management is integrated into our approach in the design, delivery and operation of our assets. Further details of how we approach this can be found in our **Responsible Development Brief**, **Responsible Asset Framework** and our **Net Zero Carbon Pathway**.

SASB REPORTING continued

Topic	Code	Accounting metric	Unit of measure	Reference and comments
Water management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with high or extremely high baseline water stress, by property subsector	Percentage (%) by floor area	1) We report water withdrawal (consumption) for our managed portfolio which equates to 62% of total investment portfolio floor area. Please see our Environmental Basis of Reporting page 43 for the composition of our water reporting. 2) By floor area, 94% of our investment portfolio is in central London which is categorised as an area of high water stress[1]. The remaining 6% is in Glasgow, Scotland which is an area of low water stress.
	IF-RE-140a.2	1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with high or extremely high baseline water stress, by property subsector	Thousand cubic metres (m^3), Percentage (%)	1) See water use – Sheet 8, table 11. Download our 2023 data 2) 100% of water withdrawn (consumed) within the managed portfolio is in a high water stress area.
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Percentage (%)	See like-for-like water use – Sheet 8, table 12. Download our 2023 data
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks		Water management is integrated into our approach in the design, delivery and operation of our assets. Further details of how we approach this can be found in our **Responsible Development Framework** and **Responsible Asset Framework**. We have water targets for our new developments and managed buildings designed to assist us in driving down water usage. Water risk is also included in our physical climate risk assessments, details of which can be found in our latest TCFD disclosure on page 104 in our 2023 **Report & Accounts**. We also have energy targets for our existing buildings, and targeting NABERS UK ratings for new developments and major refurbishments will assist us in driving down energy usage.

1 According to the World Resource Institute's Water Risk Atlas tool – Aqueduct (Aqueduct Water Risk Atlas (wri.org)).

SASB REPORTING continued

Topic	Code	Accounting metric	Unit of measure	Reference and comments
Management of tenant sustainability impacts	IF-RE-410a.1	1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Percentage (%) by floor area, square metre (m^2)	Our standard form of lease includes various sustainability/resource efficiency-related clauses.
	IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water withdrawals	Percentage (%) by floor area	1) Close to 100% of our occupiers are sub-metered for electricity. Our current electricity reporting is done via floor area apportionment, but our portfolio-wide sub-metering installation project completed in 2023 and we are looking to move our reporting over to a sub-metered basis going forward. 2) Occupier water use is apportioned by floor area with limited sub-metering.
	IF-RE-410a.3	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants		Occupier engagement is a key part of our Net Zero Carbon Pathway. We undertake a wide range of activities to support our occupiers, such as: • One-to-one meetings to build conversations about their own sustainability aspirations. • Hosting green forums in our multi-occupied properties. • Providing guidance notes on energy and water reduction. • Providing data on energy use to help occupiers benchmark their performance. • Providing input on company certifications such as B Corp and Planet Mark. In addition to the above we have also strengthened our standard form of lease, licence to alter and tenant fit-out guide with specific net zero-related aspects.

SASB REPORTING continued

Topic	Code	Accounting metric	Unit of measure	Reference and comments
Climate change adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones		By floor area, 7% – Horseferry House SW1, 1 Page Street SW1, Welby House SW1 and 230 Blackfriars Road SE1 of our London portfolio is located within a 1-in-100-year flood zone and 6% of our Scottish portfolio.
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks		See our TCFD disclosure in our 2023 **Report & Accounts** page 104.
Activity metrics	IF-RE-000.A	Number of assets, by property subsector	Number	See our Environmental Basis of Reporting on pages 42–46 for the composition of our investment and managed portfolios.
	IF-RE-000.B	Leasable floor area, by property subsector	Square metre (m^2)	See our Environmental Basis of Reporting on pages 42–46 for the composition of our investment and managed portfolios.
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	Percentage (%) by floor area	28% of our assets are indirectly managed.
	IF-RE-000.D	Average occupancy rate, by property subsector	Percentage (%)	See page 71 for EPRA vacancy rate in our 2023 **Report & Accounts**.

ENVIRONMENTAL AND HEALTH & SAFETY ASSURANCE STATEMENT

Independent limited Assurance Report to the Directors of Derwent London plc

Independent limited Assurance Report by Deloitte LLP to Derwent London plc on selected environmental and health & safety metrics (the "Selected Information") within the Annual Report and Responsibility Report for the year ended 31 December 2023.

Our assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023, as listed below, in the Annual Report and Responsibility Report has not been prepared, in all material respects, in accordance with the Basis of Reporting defined by Derwent London plc.

Scope of our work

Derwent London plc has engaged us to perform an independent limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), and International Standard on Assurance Engagements 3410 Assurance Engagements on greenhouse gas statements (ISAE 3410), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement for the year ended 31 December 2023 in the Annual Report and Responsibility Report, is as follows:

Environment

	KPI		Unit	2023 figure
Carbon	1	Scope 1 emissions	tCO_2e	**4,364**
	2	Scope 2 emissions (location-based)	tCO_2e	**2,795**
	3	Scope 2 emissions (market-based)	tCO_2e	**29**
	4	Scope 3 emissions	tCO_2e	**8,010**
Energy	1	Electricity use across managed portfolio	kWh	**40,238,497**
	2	Electricity use per m^2 across managed portfolio	kWh/m^2	**109**
	3	Electricity use across the like-for-like portfolio	kWh	**34,197,599**
	4	Electricity from landlord	kWh	**13,596,037**
	5	Electricity from tenant	kWh	**26,642,461**
	6	Gas use across managed portfolio	kWh	**16,424,375**
	7	Gas use across the like-for-like portfolio	kWh	**12,498,270**
	8	Gas use per square metre across managed portfolio	kWh/m^2	**48**
	9	Total energy (landlord)	kWh	**30,020,411**
	10	Whole building energy (landlord & tenant)	kWh	**56,662,872**
	11	Managed portfolio energy per m^2 (energy intensity)	kWh/m^2	**149**

ENVIRONMENTAL AND HEALTH & SAFETY ASSURANCE STATEMENT continued

	KPI		Unit	2023 figure
Water	1	Water use across managed portfolio	m^3	179,627
	2	Water use across like-for-like portfolio	m^3	151,266
	3	Water use per m^2 across managed portfolio	m^3/m^2	0.44
Waste	1	Waste to landfill across managed portfolio	tonnes	0
	2	Waste to landfill across like-for-like portfolio	tonnes	0
	3	Recycling rate across managed portfolio	%	71%
Emission reduction targets	1	Progress against target of reducing absolute Scope 1 and Scope 2 GHG emissions 42% by 2030 from a 2022 base year	%	31%
Embodied carbon and offsets	1	Scope 3 embodied carbon emissions for construction projects and offset amount	tCO_2e	799

Health & Safety

Portfolio	KPI		2023 figure
Managed	1	Injury rate	29.34
	2	Severity rate	0.30
	3	Lost day rate	10.87
	4	RIDDORs	3
	5	Dangerous occurrences	0
	6	Minor injuries	27
	7	Lost time injuries	3
	8	Near misses	20
	9	HSE improvement notices	0
	10	HSE prohibition notices	0
	11	Person hours worked	920,142
	12	Fatalities	0
	13	RIDDORs AFR	3.26

ENVIRONMENTAL AND HEALTH & SAFETY ASSURANCE STATEMENT continued

Portfolio	KPI		2023 figure
Employees	1	RIDDORs	1
	2	Dangerous occurrences	0
	3	Minor injuries	0
	4	Near misses	1
	5	HSE improvement notices	0
	6	HSE prohibition notices	0
	7	Person hours worked	266,513
	8	Fatalities	0
	9	RIDDORs AFR	3.75
Construction	1	Injury rate	10.94
	2	Severity rate	0.28
	3	Lost day rate	5.47
	4	RIDDORs	4
	5	Dangerous occurrences	0
	6	Minor injuries	10
	7	Lost time injuries	4
	8	Near misses	37
	9	HSE improvement notices	0
	10	HSE prohibition notices	0
	11	Person hours worked	913,843
	12	Fatalities	0
	13	RIDDORs AFR	4.38

ENVIRONMENTAL AND HEALTH & SAFETY ASSURANCE STATEMENT continued

Inherent limitations of the Selected Information

The Basis of Reporting defined by Derwent London plc, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop. In addition, the Selected Information, as listed in the above table, needs to be read and understood together with the Basis of Reporting set out in the Annual Report and Responsibility Report.

We obtained limited assurance over the preparation of the Selected Information in accordance with the Basis of Reporting. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The Health & Safety metrics are derived from reported events. As a result, our testing may not identify all misstatements relating to completeness, for example instances where events may have occurred but have not been reported.

The Basis of Reporting used was designed for the purpose of reporting of the metrics covered under the scope of the performed procedures and as a result, the Selected Information may not be suitable for another purpose.

Directors' responsibilities

The Directors are responsible for preparing an Annual Report and a Responsibility Report which complies with the requirements of the Companies Act 2006 and for being satisfied that the Annual Report and Responsibility Report, taken as a whole, are fair, balanced and understandable.

The Directors are also responsible for:

- Selecting and establishing the Basis of Reporting.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Basis of Reporting.
- Publishing the Basis of Reporting publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.

Our responsibilities

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Directors.

Our independence and competence

In conducting our engagement, we complied with the independence and other ethical requirements of the ICAEW Code of Ethics. The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We applied the International Standard on Quality Management (UK) 1 ("ISQM (UK) 1"), issued by the Financial Reporting Council. Accordingly, we maintained a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

ENVIRONMENTAL AND HEALTH & SAFETY ASSURANCE STATEMENT continued

Key procedures performed

We are required to plan and perform our work to address the areas where we have identified that a material misstatement in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement in respect of the Selected Information, we performed the following procedures:

- Performed an assessment of the criteria (the benchmarks used to measure or evaluate the underlying information) to determine whether they were suitable for the engagement circumstances.
- Performed analytical review procedures to understand the underlying subject matter and identify areas where a material misstatement of the Selected Information was likely to arise.
- Through inquiries of management, obtained an understanding of Derwent London plc, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and further assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Through inquiries of management, obtain an understanding of internal controls relevant to the Selected Information, the quantification process and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We did not evaluate the design of particular internal control activities, obtain evidence about their implementation or test their operating effectiveness. Instead, we performed inquiries only around the systems and controls relevant to the Selected Information to gain an understanding of them.
- Through inquiries of management, documented whether an external expert has been used in the preparation of the Selected Information, then evaluated the competence, capabilities and objectivity of that expert in the context of the work performed and also the appropriateness of that work as evidence.
- Inspected documents relating to the Selected Information, including board committee minutes and where applicable internal audit outputs to understand the level of management awareness and oversight of the Selected Information.
- Performed procedures over the activities of significant third parties that perform key controls relevant to the Selected Information.
- Performed procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations and assessed whether the data had been appropriately consolidated.
- Performed procedures over underlying data on a statistical sample basis to assess whether the data had been collected and reported in accordance with the Basis of Reporting, including verifying to source documentation.
- Performed procedures over the Selected Information including assessing management's assumptions and estimates.
- Accumulate misstatements and control deficiencies identified, assessing whether material.
- Read the narrative accompanying the Selected Information with regard to the Basis of Reporting, and for consistency with our findings.
- Through inquiries of management, understood why the 2022 base year value for the emission reduction target had been restated and carried out analytical procedures to check that these changes were in line with expectations based on 2023 data that was tested, evaluated whether the quantification policies reflected in the comparative information were consistent with those applied in the current period and that the restatement had been adequately disclosed.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Use of our report

This report is made solely to Derwent London plc in accordance with ISAE 3000 and ISAE 3410 and our agreed terms of engagement. Our work has been undertaken so that we might state to Derwent London plc those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than Derwent London plc, we acknowledge that Derwent London plc may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Derwent London plc, for our work, for this report, or for the conclusions we have formed.

Deloitte LLP

Deloitte LLP
London
27 February 2024

GREEN FINANCE ASSURANCE STATEMENT

Independent Reasonable Assurance Report to the Directors of Derwent London plc

Independent Reasonable Assurance Report by Deloitte LLP to the Directors of Derwent London plc ("Derwent") on selected qualifying green expenditure and environmental impact indicator metrics, on Eligible Green Projects (EGPs) (the "Selected Information"), within the Annual Report and Responsibility Report of Derwent London plc (the "Company") for the year ended 31st December 2023.

Our assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, in our opinion, the Selected Information for the year ended 31st December 2023, and as listed below has been prepared, in all material respects, with the Applicable Criteria, which is comprised of:

- Green Finance Framework (November 2021) ("the Framework"). Specifically, the content within the following sections and sub-sections:
  - Section 3.1 – Use of Proceeds. Subsections: Categories for Eligibility (Category – Green Buildings (#1 and 2)); and Qualifying Expenditure on Eligible Green Projects (pages 4 and 5, respectively); and
  - Section 3.3 – Management of Proceeds (page 6);
- Green Finance Basis of Reporting. Specifically, the content within the following sections:
  - Criterion for eligibility; and
  - Impact indicator reporting criteria.

The Selected Information needs to be read and understood together with the Applicable Criteria set out in the: Green Finance Framework; and Green Finance Basis of Reporting within the 2023 Responsibility Report – both available on Derwent London plc's website at: **www.derwentlondon.com/responsibility**.

Scope of our work

Derwent London plc has engaged us to perform an independent reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement for the year ended 31 December 2023, as in the Responsibility Report and Annual Report is as follows:

Qualifying green expenditure for the year ended 31 December 2023, including:

- The green funds allocated in aggregate to the eligible green projects (EGPs) (1 January – 31 Dec 2023). Eligible Green Projects (EGPs) include:
  - 80 Charlotte St (excluding Asta House and Charlotte Apartments);
  - Soho Place (Site A only);
  - 25 Baker Street (excludes retail and refurbished residential);
  - Featherstone Building; and
  - Network Building.
- The remaining balance of unallocated funds within the green element of the Revolving Credit Facility (RCF) (as at 31 December 2023).

Environmental impact performance indicators (BREEAM; LEED; EPC; and Home Quality Mark) for the year ended 31 December 2023 (expected/achieved) covering the eligible green projects:

- 80 Charlotte St (excluding Asta House and Charlotte Apartments);
- Soho Place (Site A);
- 25 Baker Street (excludes retail and refurbished residential);
- Featherstone Building; and
- Network Building.

The Selected Information, as listed above, needs to be read and understood together with the Applicable Criteria set out in the Green Finance Framework and Green Finance Basis of Reporting within the 2023 Responsibility Report available on Derwent London plc's website.

GREEN FINANCE ASSURANCE STATEMENT continued

Inherent limitations of the Selected Information

We obtained reasonable assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

The Applicable Criteria is internally generated by Derwent London plc. We draw your attention to the following specific limitation – that the expected environmental impact performance indicators are derived from third party sustainability consultant contractors' assessments of project performance at completion as the basis of the expected performance of a project as "on target". As a result, our procedures did not include the testing of the third party controls or systems governing the expected performance assessments.

Our engagement provides reasonable assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. DNV GL Business Assurance Services Limited has provided a Second Party Opinion as to whether the Framework is aligned with the ICMA Green Bond Principles (GBPs) and the LMA Green Loan Principles (GLPs). For the avoidance of doubt, the scope of this engagement and our responsibilities do not involve us performing work necessary for any assurance on the Framework's alignment with the GBPs and GLPs.

Directors' responsibilities

The Directors are responsible for preparing an Annual Report which complies with the requirements of the Companies Act 2006 and for being satisfied that the Annual Report, taken as a whole, is fair, balanced and understandable.

The Directors are also responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the our reasonable assurance engagement.

Our responsibilities

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent reasonable assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent reasonable Assurance Report to the Directors.

Our independence and competence

In conducting our engagement, we complied with the independence and other ethical requirements of the ICAEW Code of Ethics. The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied the International Standard on Quality Management (UK) 1 ("ISQM (UK) 1"), issued by the Financial Reporting Council. Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

GREEN FINANCE ASSURANCE STATEMENT continued

Key procedures performed

We are required to plan and perform our work to address the areas where we have identified that a material misstatement in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our reasonable assurance engagement in respect of the Selected Information, we performed the following procedures:

- Performing enquiries with management to understand how the Criteria have been applied in the preparation of the selected qualifying green expenditure information.
- Performing a walkthrough of the key processes and assessed the design and implementation of the relevant controls for managing and reporting the selected qualifying green expenditure information and selected environmental impact performance indicators for the eligible green projects.
- Inspecting green finance facilities documentation and bank statements to confirm the total reported values of gross and net proceeds.
- Verifying to source information for a sample of project capital expenditure data on eligible green projects.
- Substantive testing on a sample basis to confirm expenditure on EGPs was in line with any documented exclusions in the Applicable Criteria and received allocations by management.
- Inspecting the Project Sustainability Plans and capital expenditure trackers and comparing against the disclosed eligible qualifying expenditure by year.
- Obtaining calculations of allocations of expenditure to eligible green projects, including deductions for any disposals of eligible green projects and checking the qualifying expenditure information is consistent with the disclosures made within the Reports.
- Performing enquires with management to understand how the Criteria have been applied in the preparation of the selected environmental impact performance indicators for the eligible green projects.
- Inspected internal building sustainability plans and external contractor documentation and environmental building certification and ratings to confirm the environmental performance of buildings and corresponding project development stage.
- Inspected title deeds to confirm existence and ownership of the elected eligible green projects.
- Substantive testing to confirm that elected eligible projects achieved (or were 'on target' with respect to) the environmental performance thresholds set in line with the project eligibility criteria covering: BREEAM; LEED; EPC; and Home Quality Mark.

Use of our report

This report is made solely to the Directors of Derwent London plc in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of Derwent London plc those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than Derwent London plc and the Directors of Derwent London plc, we acknowledge that the Directors of Derwent London plc may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Derwent London plc and the Directors of Derwent London plc as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte LLP

Deloitte LLP
London, UK
27 February 2024

ENVIRONMENTAL BASIS OF REPORTING

Scope and boundary

The reporting period covered in this report is 1 January to 31 December 2023 which is aligned with our financial reporting.

The 'operational control' approach has been adopted which incorporates properties where Derwent London has management control and influence over the operations. This is referred to as the 'managed portfolio'; more detail is provided below. Prior year comparable data is provided.

Our Responsibility Report includes reporting in line with the Greenhouse Gas (GHG) Protocol. We also report in line with EPRA, SASB and UNSDGs. Our TCFD disclosure can be found on pages 104 to 117 of our 2023 **Report & Accounts**.

Independent assurance

Selected environmental metrics have been subject to independent limited assurance in accordance with the ISAE 3000 (Revised) Standard as well as the ISAE 3410 Standard. Assured metrics are denoted with an (A) symbol. The full Deloitte assurance statement can be viewed here on page 42.

Portfolio

Investment portfolio – 66 properties; 501,000 m² (NIA)

The investment portfolio comprises the Group's entire portfolio, including managed and single-let (FRI) properties, retail and residential.

Managed portfolio – 37 properties (in total)

The managed portfolio comprises the multi-let commercial office portfolio (including occupier lounges DL/78 and DL/28) where the Group has control over one or more utilities; this forms the basis of our data reporting. Utilities provision is not uniform across all buildings:

- Occupiers may procure their own utilities, principally electricity.
- Not all buildings have a gas supply.
- Not all buildings are under the Group's waste management contract, and sometimes we provide waste as the only utility.

We report on the following basis:

Managed portfolio	Electricity	Gas	Water	Waste
Includes	Consumption in landlord and common areas Occupier consumption of landlord-procured electricity	Consumption in whole building	Consumption in whole building	Properties under the Derwent London waste management contract
	34 properties 380,000 m² (GIA); 243,000 m² (NIA)	22 properties 365,430 m² (GIA); 228,400 m² (NIA)	30 properties 406,230 m² (GIA); 271,800 m² (NIA)	25 properties 429,100 m² (GIA); 302,600 m² (NIA)
Excludes	Retail utility consumption and associated floor area (NIA) Occupier-procured utility and associated floor area (NIA) Residential utility consumption and associated floor area (NIA) Utility consumption from development projects Single-let (FRI) or properties where the Group has no management control or influence			

Like-for-like portfolio – Properties for each utility – 32 for energy, 24 for water, 20 for waste

The like-for-like portfolio comprises properties included within the managed portfolio for the entirety of the current and prior reporting years. Aligned to changes in composition of the like-for-like portfolio, prior year data is restated annually.

ENVIRONMENTAL BASIS OF REPORTING continued

Exceptions, restatement and estimations

- Henry Wood House, W1: Only water consumption and waste generation is reported; occupiers directly procure energy. Works were undertaken to the façade and hard landscaping of Henry Wood House; these embodied carbon figures will be reported in 2024 Reporting cycle.
- Holford Works WC1: Only waste generation is reported; occupiers directly procure energy and water.
- Angel Building EC1: The management lease assigns day-to-day responsibility for both the common and demised areas to the sole occupier. This reflects an FRI lease resulting in Derwent London having no management control or influence over the building. Consequently, building energy and water consumption is excluded from our reporting.
- A new utility broker was appointed in 2023. As part of the onboarding process, an energy and water supply audit was undertaken with a reconciliation to reported data. Following this review, a number of existing energy contracts were identified and have been included within our 2023 data. Where appropriate, prior year figures have been restated; prior year restatements have not been assured. 2022 energy consumption increased by c.5%, due to these newly identified supplies, as well as one incorrect gas meter reading at one property in 2022. For water, prior year consumption reduced by c.7%, due to an incorrect meter being used at a newly acquired building – 230 Blackfriars Road SE1.
- A comprehensive floor area (GIA) reconciliation has been completed resulting in new measurements of floor areas where either new measured surveys or more accurate insurance statement surveys have been provided. This has impacted the landlord/occupier floor area allocation for energy use and carbon reporting for a number of buildings, likewise our Scope 2 and 3 (category 13 downstream leased assets) reporting. 2022 figures have been restated. In addition, our energy intensity methodology has been updated to more closely align floor areas and energy consumption (please refer to our normalisation and intensity calculation methodology below). Where appropriate, prior year energy intensity figures have been restated; these restatements have not been assured. Collectively, the floor area and methodology adjustments increased energy intensity by 15% in 2022 (123 kWh/m^2 to 142 kWh/m^2).
- Landlord electricity consumption at our third-party managed Strathkelvin Retail Park in Glasgow (car park and building manager office) has now been included in absolute energy consumption for the managed portfolio (2022 and 2023). It is excluded from energy intensity, as it is a different use type to our office properties and does not align with our intensity calculation approach. This is in accordance with our Net Zero Carbon Pathway and our commitment to extending data coverage as appropriate. Our non-electric Scottish vehicle usage has been included in Scope 1. 2022 figures have been restated.
- Our Scope 3 coverage has increased to include Purchased goods and services (water consumption), Business travel and Employee commuting. 2022 Scope 3 figures have been restated.

Carbon calculation methodology

Scope 1 – direct emissions

Scope 1 emissions comprise gas consumption, company-owned vehicle travel and fugitive emissions (refrigerants). To identify fugitive emissions, refrigerant losses are calculated using equipment service records which state refrigerant recharge amounts or top-ups. The Group has one non-electric company-owned vehicle; its annual mileage is estimated by dividing total mileage to date by the age of the vehicle.

Scope 2 – indirect emissions (location and market-based)

Scope 2 emissions comprise purchased electricity consumption for landlord spaces/common areas and Derwent London occupied spaces. Derwent London occupied spaces comprise head office usage at 25 Savile Row W1 and our occupier lounges (DL/78 and DL/28) which are shared occupier amenity spaces. The Group's corporate electric vehicles are not reported separately as charging predominantly occurs at our buildings.

To enable market-based emissions reporting, the Group's utility broker provides evidence that purchased electricity is contracted on a renewable tariff backed by REGOs (Renewable Energy Guarantees of Origin). In addition, our purchased gas is contracted on a green gas contract, and supplier-specific market-based emission factors are requested from suppliers. Where not available, relevant UK Government GHG conversion factors are applied.

Scope 3 – other indirect emissions

Scope 3 emissions comprise other indirect emissions (not in Scope 2). The Group regularly reviews the materiality of each Scope 3 category to account for improvements in data collection and development of agreed sector measurement approaches. Not all categories are relevant to the scope of our business activities, and we set out below the categories we currently report against and, where appropriate, the method used.

Category 1 – Purchased goods and services

- Water consumption.
- Utilities used in construction are captured within our embodied carbon reporting (Category 2).
- We intend to undertake further mapping of Category 1 in 2024 to improve data coverage and subsequent carbon reporting.

DL/28 at
The Featherstone Building E1

ENVIRONMENTAL BASIS OF REPORTING continued

Category 2 – Capital goods (embodied carbon)

- In line with our Responsible Development Framework and Embodied Carbon Brief, all relevant development projects are required to carry out embodied carbon assessments in line with BS EN 15978:2011. Relevant projects are defined at project commencement dependent on scope agreed by the Project Manager and Sustainability Team. In Q3 2023, a small projects checklist was introduced to formalise this approach.
- The scope of embodied carbon assessment is upfront carbon, modules A1-A5, with results presented in $kgCO_2e$/sqm and total tonnes (tCO_2e). This scope was chosen as it represents the area over which we have most control, and where the most significant proportion of embodied carbon is generated and thus a material reduction can be achieved.
- Our consultants utilise material environmental product declarations (EPDs) and generic product embodied carbon estimates from industry databases and tools e.g. One Click LCA. The project Sustainability Consultant updates this report at each stage of design and at practical completion, in line with our Embodied Carbon Brief and in conjunction with the Design Team. Post practical completion, the as-built embodied carbon assessment is provided and based on this report the residual total carbon tonnage for A1-A5 is then offset. These figures include carbon emissions from contractor waste.
- Offsets procured to date through our offset provider, Climate Impact Partners, are from projects accredited to Verified Carbon Standard (VCS) and Climate, Community & Biodiversity (CCB) Alliance standards.

Category 3 – Fuel & energy-related activities

- Well-to-tank (WTT) and transmission & distribution emissions for electricity, are calculated based on landlord electricity consumption (Scope 2) with the relevant UK Government greenhouse gas (GHG) conversion factors applied. This is a change in methodology from last year, in line with industry guidance.
- WTT for gas is calculated based on actual gas consumption (Scope 1) with the relevant UK Government GHG conversion factors applied.

Category 5 – Waste generated in operations (including water)

- Operational waste.
- Water treatment.
- Demolition waste. Contractor waste from construction is captured in our embodied carbon reporting (Category 2).

Category 6 – Business travel

- Air, rail and taxi travel data is extracted from our corporate expenses system and provided by private cab and courier services companies. Business car travel emissions are calculated using distance travelled per transport method type, where available. Expense claims without mileage or destination are not included. Appropriate carbon conversion factors are applied to each car according to type. Air travel emissions are calculated based on distance between start and end destinations using an online distance calculator (Air Miles Calculator). Air travel carbon conversion factors are applied which include the uplift for radiative forcing.

Category 7 – Employee commuting

- We conducted an employee commuting survey (91% response rate), where employees selected their mode of travel to work and mileage, to calculate the emissions associated with commuting.

Category 13 – Downstream leased assets (occupier emissions)

- Calculated based on landlord/occupier allocation approach described below.

Categories 4, 8, 9, 10, 11, 12, 14 & 15 – currently not identified as material to scope of business or not relevant.

Financial intensity metrics are calculated based on total turnover and portfolio fair value. In 2023, Group turnover (gross rental income) was £212.8m and at 31 December 2023, the fair value of the Group's portfolio was £4.9bn.

Carbon conversion factors

Carbon conversion factors are used to convert energy, water, travel and waste generation into carbon equivalents which the Group then uses to report its location-based carbon emissions.

Updated conversion factors are published annually by the UK Government. See Sheet 12, table 20 in our data download.

Download our 2023 data

Energy

Electricity and gas

The hierarchy of data sources for monthly consumption is:

1. Automatic meter readings (AMR);
2. Manual meter readings (MMR); then
3. Utility invoices.

Monthly consumption per meter is recorded and consolidated for each managed property. AMR data, where available, is validated against MMR data on a sample basis. Several enhancements were made through the year to our data processes, including the introduction of risk-based sample checking of manual meter readings.

Landlord/occupier electricity consumption allocation

The Group reports consumption from landlord-controlled areas (common areas) and shared services where whole building heating and/or cooling is provided.

- Landlord area is calculated by deducting net lettable floor area (NLA, also referred to as NIA) from gross internal area (GIA) for each property.
- Landlord area electricity usage (in kWh) is calculated by dividing total building consumption by building GIA and then multiplying by landlord area.
- Occupier electricity consumption (in kWh) is calculated by deducting landlord area usage from total building usage.

Onsite renewable electricity generation

Onsite generation of renewable electricity (self-generated) refers to electricity generated by photovoltaic (PV) panels at our managed properties. PV panels have been installed at the following buildings:

- The Featherstone Building EC1
- Soho Place W1
- 43 Whitfield Street W1
- 1 Oliver's Yard EC1
- White Collar Factory EC1
- 90 Whitfield Street W1

ENVIRONMENTAL BASIS OF REPORTING continued

Water (municipal water withdrawn)

Data is collected monthly via automatic (AMR) and manual (MMR) meter readings taken by Building Management teams. A consistent approach is applied for the recording, consolidation, validation and review of water consumption as used for electricity and gas. Where AMR and MMR data is not available, invoices are used.

Normalisation and intensity calculation methodology

Electricity, gas, carbon and water intensity calculations use normalised floor area to reflect the proportion of the year for which Derwent London had responsibility for the relevant commodity. This aligns with our financial reporting approach and ensures comparability where the Group did not have responsibility for a commodity for the full year. To ensure accuracy of reporting, normalisation occurs either from the date where utility data is first received rather than date of acquisition or to the date of disposal as appropriate.

Building energy intensity is calculated by dividing utility usage by floor area. The floor areas used in our underlying energy intensity calculations are determined in line with electricity/gas data coverage within a building. This year we have refined our calculation approach to account for buildings where we provide landlord services for heating, cooling or ventilation, but do not have visibility of occupier procured electricity consumption. To calculate whole building energy intensity, electricity usage is adjusted based on landlord-consumed and landlord-procured occupier electricity consumption data and associated floor area.

Water intensity is calculated using total water consumption divided by gross internal floor area (GIA).

Waste

For properties where the Group has waste management control, data is requested from our third-party waste contractor. Monthly reports provide data itemised by waste stream. Waste to landfill and recycling rate data is calculated as follows:

- On-board vehicle weighing is used for general waste, paper, cans and plastic containers (PCPC), glass and food waste. This represents the majority of our waste reporting.
- Average weights are used where waste units are collected, or bins exchanged. Examples include cardboard bales, exchanged bins, prepaid bag collections, confidential waste collections and IT/WEEE cages.

Waste and recycling data reflects the weight of materials at the point of collection. In line with standard industry practice, this figure may differ from the actual amount recycled due to contamination. However, all waste is either recycled or sent to a waste-to-energy plant; none is sent to landfill. Full information on end-destination and treatment of each waste stream is provided by our contractor.

Demolition and contractor waste from construction is captured in our embodied carbon reporting (Scope 3 – Category 2).

Science-based targets

The Group reports in line with the Science Based Targets initiative (SBTi), a global partnership enabling businesses to set ambitious GHG emissions reduction targets in line with the latest climate science. This year we rebased our target to align with a 1.5°C climate scenario; our previous targets were aligned with a 2°C scenario. Our updated near-term target commits the Group to reduce absolute Scope 1 & 2 GHG emissions by 42% by 2030 from a 2022 base year and to measure Scope 3 emissions. This is reported as a percentage change from 2022 to the reporting year.

We are setting a base year emissions recalculation policy in line with SBTi and GHG protocol. If there is a change in methodology, discovery of errors or structural changes to the business that results in a greater than 5% change to the base year, our target will be rebased.

The Featherstone Building EC1

HEALTH & SAFETY BASIS OF REPORTING

We measure and report our health and safety (H&S) data across three primary areas:

1. **Our Employees** – ensuring the safety, health, and wellbeing of our employees.
2. **Our Managed Portfolio** – ensuring the safe, healthy, and secure operation and maintenance of our buildings.
3. **Our Construction Projects** – working with our project teams and principal contractors, endeavouring to ensure our projects are designed and delivered safely and without risk to health.

Over the last three years, the collation of information across the 'Managed Portfolio' has been improved. From initially obtaining accident and incident statistics, to obtaining working hours, to widening the coverage of the reporting to include all those service partners with a working base on our properties.

In 2023, the information collected within the Managed Portfolio is in parallel with the construction ('development') statistics, including full coverage of service partner incidents and working hours so that the overall rates should still be similar.

Whilst this will increase the reporting category totals, it also increased the working hours totals, so that the overall rates are still comparable but more statistically significant.

Reporting period

Our reporting period is aligned to our financial year, set to the calendar year – 1 January to 31 December 2023.

Reporting boundary

Our reporting boundary focuses on work-related incidents only and the scope is as follows:

	Employees	Managed Portfolio*	Construction Projects
Includes	Derwent London employees with an employment contract. These are our employees based at our head office location in London, Scotland, and our DL Lounges.	Derwent London employees and service partner workers that are based in our managed buildings. This includes our London Managed Portfolio (47 offices) and Caledonian Managed Properties (5 commercial), as well as approximately 20 residential units. All accidents and incidents occurring within landlord areas of our properties, including those from construction projects in site/works areas that are not handed over in full to the Principal Contractor.	All our development schemes and managed portfolio projects including strip-outs and refurbishments, which require Derwent London to hand over site/works area responsibility in full to the Principal Contractor. Typically, these projects are over one month in duration. This includes both the London Portfolio projects and Caledonian Properties projects.
Excludes	Derwent London employees based in our managed buildings – these will be captured in our Managed Portfolio reporting. Consultants (non-employees) are excluded as these are minimal and vary each month. Non-Executive Directors who have a contract but who are not based in Derwent London properties.	This excludes our head office demise at 25 Savile Row, W1. Excluded also are single let properties (FRI) where Derwent London has no management control. Demised spaces are excluded, such as tenant (occupier) offices, leisure, and retail units.	Accidents and incidents occurring in construction site/works areas are excluded from this category where they are not handed over in full to the Principal Contractor (and therefore are included in the Managed Portfolio scope).

* Note: the managed portfolio building count for our health and safety data differs from that of our environmental data because we maintain a health and safety responsibility for buildings or parts of buildings where we do not control or have influence over utility consumption.
The total property count will vary from time to time as properties are acquired, disposed of, or change in status e.g. managed to FRI etc.

HEALTH & SAFETY BASIS OF REPORTING continued

Metrics for Health & Safety performance

We report our health and safety data across seven key performance indicators for our employees, managed portfolio, and construction projects. These are:

- **Minor injuries** – a work-related incident, which is not a RIDDOR or an employee's Lost Time Injury but resulted in harm to an individual e.g. a slip, trip or fall.
- **Near miss** – event not causing harm but has the potential to cause injury or ill health.
- **Lost time injuries** – an injury from an accident which causes a loss of time beyond the shift during which the accident occurred. This is recordable only for 'workers', e.g. directly-employed staff, service partner workers, and construction project workers. This does not apply to tenants or members of the public (as per HSE Reportable Injury guidance).
- **RIDDORS** – any reportable incident under the RIDDOR regulations, see HSE website: **RIDDOR** – Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 – HSE. This includes occupational-related fatalities, specified injuries, 'over 7-day' lost time injuries for employees, service partner workers, or construction project workers, specified occupational diseases, and specified dangerous occurrences. These are recorded as soon as possible after the event.
- **Dangerous occurrences as defined by RIDDOR** – These include incidents involving lifting equipment, pressure systems, overhead electric lines, electrical incidents causing explosion or fire, gas incidents, explosions, exposure to biological, mutagenic, and carcinogenic agents, radiation generators and radiography, breathing apparatus, diving operations, collapse of scaffolding, and pipeline works.
- **Work-related fatalities** – Occupational activities resulting in death on our premises or construction sites, or as a direct result of our activities on our premises or construction sites.
- **Prohibition / Improvement notices** – a notice issued by an enforcing authority, such as a Local Authority, Fire Service or the HSE, should they find a serious health and safety contravention during a site inspection.

We also report our health and safety data across four key rates. In order to calculate the rates, we require the number of working hours across the head office function (Employees), the Managed Portfolio (Building Managers and service partners workers) and Construction Projects (construction workers).

Person hours worked (updated calculation)

For Employees (Derwent London employees, apart from 'Building Managers'), this is calculated on confirmed headcount each month with an estimated number of working hours available, based on contracted hours per week. The average contracted hours will vary between employees within head office locations, DL/Lounges, and 'Caledonian Properties.' An average is taken of the hours and then multiplied by the headcount each month. Over a year, 47 weeks are worked, once contracted annual leave is subtracted.

For the Managed Portfolio, this is the hours worked on site by the Derwent London employees working as 'Building Managers,' and our service partner workers. This information is provided to Derwent London each month on a monthly return submission.

For Construction Projects, this is all person hours worked on construction sites in line with the above reporting boundary. This information is provided to Derwent London each month on a monthly return submission.

Calculated accident / incident rates:

- **Injury rate** – (total number of injuries excluding RIDDOR and Lost Time Injuries) / (total hours worked) x 1,000,000.
- **Lost day rate** – (lost time days from Lost Time Injuries (excluding RIDDORs) / (total hours worked) x 1,000,000. This only includes Lost Time Injury (LTI) days for employees, construction projects, and for service partners. It does not include tenants and members of the public lost time. Lost Time Injuries/Days are not assured by Deloitte for 'Employees'.
- **Severity rate** – total number of lost workdays (excluding RIDDORs) / total number of incidents. This only includes LTI days for employees, construction projects, and for service partners. It does not include tenants and members of the public lost time. 'Incidents' include minor injuries, LTIs, and any RIDDORs. This is not assured by Deloitte for 'Employees'.
- **RIDDOR accident frequency rate (AFR)** – the number of RIDDORs / (total hours worked) x 1,000,000.

Construction Projects

Scope

The reporting scope for our construction projects covers our large development schemes, refurbishments, lifecycle, and smaller projects, which are notifiable to the Health and Safety Executive (HSE). This includes our London Managed Portfolio projects and Caledonian Properties projects.

Methodology

Our Principal Contractors are required to collate all the required health and safety data and return it to our Health and Safety Team on a monthly basis (Monthly Data Return Form S63). This information is compiled into a report, reviewed, and the data then trended. This report is sent through to the H&S Committee and the Risk Committee on a quarterly basis, respectively. The Head of H&S checks and signs off all RiskWise data after each quarter end.

HEALTH & SAFETY BASIS OF REPORTING continued

Managed Portfolio and Employees

Scope

The reporting scope for our 'Managed Portfolio' covers our managed properties, directly employed staff that work in our managed buildings (Building Management), service partner workers, and members of the public visiting our buildings. It covers incidents occurring in landlord areas only, within our London Managed Portfolio and managed Caledonian Properties.

The reporting scope for our 'Employees' covers directly employed staff at our head office in London, Caledonian Properties, and DL Lounges.

Methodology

We use a health and safety data management system – RiskWise. Each property is required to submit all incident data into RiskWise. The incident data is captured by this system with the Building Manager responsible for ensuring it is populated with data at the required intervals. This system automatically collates and trends the data and allows for the collation of statutory documentation. Our H&S Team then review the output from RiskWise on a weekly and monthly basis, and then report this through to the H&S Committee and the Risk and Audit Committees on a quarterly basis, respectively. The Head of H&S sample-checks and signs off all RiskWise data after each quarter end.

Health and Safety data

	2023	Employee	Managed Portfolio	Construction Projects	TOTALS
Indicators	Person hours worked(A)	266,513*	920,142*	913,843	**2,100,498**
	Minor Injuries(A)	0	27	10	**37**
	Near Miss(A)	1	20	37	**58**
	Lost Time Injuries(A)	3	3	4	**10**
	RIDDORs(A)	1	3	4	**8**
	Dangerous Occurrences(A)	0	0	0	**0**
	Fatalities(A)	0	0	0	**0**
	Improvement notices(A)	0	0	0	**0**
	Prohibition notices(A)	0	0	0	**0**
Rates	Injury rate(A)	0.00	29.34	10.94	**17.61**
	Lost day rate(A)	48.78	10.87	5.47	**13.81**
	Severity rate(A)	3.25	0.30	0.28	**0.51**
	RIDDOR AFR(A)	3.75	3.26	4.38	**3.81**

(A) Data has been assured (following the ISAE 3000 (Revised) Standard) by Deloitte LLP in 2023. For 'Employees,' Deloitte do not assure lost time injuries, injury rate, lost day rate, or severity rate. A copy of their assurance statement is available on page 42.

* Denotes that person hours worked for 'Employees' includes 'DL/ Lounges,' and 'Caledonian Properties' employees BUT does not include Building Manager's working hours, which are subtracted from submitted internal 'Employees' data and added to 'Managed Portfolio data.'

Soho Place W1

GREEN FINANCE BASIS OF REPORTING

Our Green Finance Framework (the 'Framework') is an important tool in our move towards becoming a net zero carbon business, as it demonstrates the clear link between our financing, development and refurbishments and our environmental objectives.

Taking a 'use of proceeds' approach, it sets out how we enter Green Financing Transactions to fund projects that will deliver environmental benefits alongside supporting our business strategy and purpose.

The Framework has been prepared in line with the LMA Green Loan Principles and ICMA Green Bond Principles guidance document, has been externally reviewed and a second-party opinion has been obtained. The latest Framework is available on our website at **www.derwentlondon.com**.

Out of our total debt facilities of £1.8bn, £650m satisfy our definition of Green Financing Transactions (GFTs). The GFTs comprise the £350m Green Bond issuance in 2021 and a £300m 'green' tranche included within our main corporate £450m revolving credit facility taken out in 2019. Together these are used to fund qualifying green expenditure.

Reporting period

Our reporting period is aligned to our financial year, which is set to the calendar year – 1 January to 31 December 2023.

Reporting scope

We report and measure the progress of our Eligible Green Projects (EGPs) across the following areas:

- **Project name** – Identification of the scheme/asset(s)
- **Description** – A description of the scheme/asset(s)
- **Expected completion date** – Estimated scheme/asset(s) completion date
- **Size** – Scheme/asset(s) floor area
- **Projected cost** – Projected total project cost
- **Category for eligibility** – The criteria used to determine whether the scheme/asset(s) will qualify as an eligible green project as set out in section 3.1 – Use of Proceeds of the Green Finance Framework
- **Impact reporting indicators** – The reporting indicator(s) used to demonstrate the impact of the eligible green project
- **Impact Performance reporting** – Performance against the impact reporting indicators

Framework criteria for eligibility

Section 3.1 of the Framework lists out the eligibility criteria for projects. The criteria are used to clearly characterise the sustainability credentials of a project and ensure alignment with our overall strategic priorities and the UN Sustainable Development Goals. To be eligible for election each project must meet at least one of the criteria.

Borrowings issued under the Framework must also align with the Loan Market Association (LMA) Green Loan Principles or International Capital Market Association (ICMA) Green Bond Principles.

Eligible Green Project selection and approval

Prior to approval, all projects are fully appraised to assess the financial returns together with a full risk assessment of the benefits and impacts on our stakeholders. The appraisal will generally include all associated costs to take the project through to practical completion.

The capital expenditure budget is approved through three main Committees each with specified approval authority levels, these are:

1. Cost Committee;
2. Executive Directors; and
3. The Derwent London Board.

Consideration is also given to whether a project is eligible for green finance, and in turn which eligibility criteria within section 3.1 of the Framework it aligns with.

Prior to formal election as an EGP, the project undergoes a review by the Head of Sustainability and the Group Financial Controller, via the completion of the Green Finance Eligibility form, to ensure the eligibility of the project and alignment to section 3.1 of the Framework.

GREEN FINANCE BASIS OF REPORTING continued

Impact Performance reporting

To monitor the ongoing progress of each EGP, each new development or major refurbishment project is required to have a Project Sustainability Plan in place, which is a requirement of our Responsible Development Framework. For other projects, this forms part of the relevant building's sustainability plan. Each plan contains a series of performance criteria which are thematically aligned to the eligibility criteria set out in section 3.1 of the Green Finance Framework. The performance of the plans is monitored by both the Development and Sustainability Teams with formal reporting through to the Sustainability Committee via the Committee reporting tracker.

Where the impact reporting has yet to be fully achieved e.g., a scheme is yet to receive its final assessment methodology certificate, we will continue to track the progress via monthly and quarterly reporting which is mandated of our development projects. This ensures we can provide a meaningful update on our progress and ensure we are tracking funding correctly.

Impact Indicators reporting criteria

Each of the EGPs noted in the section below have been elected against the 'Green Buildings' criteria of the Framework.

The impact indicators used for Green Buildings are internationally recognised environmental certifications or ratings for buildings. Details on the rating and scoring systems are provided below:

- BREEAM (Outstanding, Excellent, Very Good, Good, Pass, Unclassified) – at design and post-construction stages;
- LEED (Platinum, Gold, Silver, Certified) – at post-construction stage;
- EPC (A, B, C, D, E, F, G) – at post-construction stage; and
- Home Quality Mark (star ratings 1, 2, 3, 4, 5) – at design and post-construction stages.

Targets for the environmental performance of each green project are set, with ongoing target performance monitored by third-party sustainability consultants who assess whether the expected performance of the building is 'on target' or 'off target'.

Target performance is reported for projects, including those that have not yet reached the development stage but where a relevant certificate is available (design or post-construction), or where the certification process is underway, but the final certificate has not yet been received. Following receipt of certification, achieved performance is reported.

Current Eligible Green Projects

There are five Eligible Green Projects benefiting from the Green Financing Transactions. These are:

1. 80 Charlotte Street W1 (excluding Asta House and Charlotte Apartments),
2. Soho Place W1 (Site A only),
3. The Featherstone Building EC1,
4. 25 Baker Street W1 (excluding retail and refurbished residential), and
5. Network W1.

The Network Building was a newly elected green project in 2023.

All five projects have been elected based on meeting the 'Green Buildings' of the Framework. To date, all projects are on track to meet their targeted certification ratings.

Soho Place W1

GREEN FINANCE BASIS OF REPORTING continued

80 Charlotte Street
W1

This mixed-use scheme completed in June 2020 and comprises 322,000 sq ft of offices, 43,000 sq ft of residential (10,000 sq ft affordable housing), 12,000 sq ft of retail and a new public realm park.

This is a net zero carbon building and our first 'all-electric' scheme with all the central heating and cooling provided from air source heat pumps, significantly reducing carbon emissions.

Completion date:	Completed H1 2020
Size:	377,000 sq ft
Categories for eligibility:	Green building, criterion 1 (excludes Asta House and Charlotte Apartments)
Impact reporting indicators:	Building certification achieved (system & rating): BREEAM, LEED and EPC
Impact performance reporting:	Achieved: • BREEAM – Excellent (post-construction) • LEED – Gold • EPC – B

GREEN FINANCE BASIS OF REPORTING continued

Soho Place W1

This is a 285,000 sq ft mixed-use scheme on the corner of Oxford Street and Charing Cross Road, directly above Tottenham Court Road station. It comprises 209,000 sq ft of offices, 33,000 sq ft of retail, a 40,000 sq ft theatre and new public realm.

The building has 115m² of photovoltaics (solar panels) installed which will generate approximately 18 MWh of electricity per annum. 40% of the total roof area will be covered with brown roof which will be designed to attract a wide variety of biodiversity.

In July 2022, the Group completed the disposal of its leasehold interest in 2 & 4 Soho Place (Site B).

Completion date:	Completed H1 2022
Size:	285,000 sq ft (combined Site A and Site B)
Categories for eligibility:	Green building, criterion 1 (Site A)
Impact reporting indicators:	Building certification achieved (system & rating): BREEAM, LEED and EPC
Impact performance reporting:	**1 Soho Place (Site A)** Achieved: • BREEAM – Outstanding (post-construction) • LEED – Gold • EPC – B

GREEN FINANCE BASIS OF REPORTING continued

The Featherstone Building EC1

This 125,000 sq ft office-led scheme was delivered in H1 2022 and reflected an 81% uplift on the previous floor area.

The building utilises concrete core cooling which is a highly efficient cooling solution integrated into the ceiling slabs and removes the need for traditional air conditioning. The building has 115m² of photovoltaics installed which will generate approximately 17 MWh of electricity per annum.

Completion date:	Completed H1 2022
Size:	125,000 sq ft
Categories for eligibility:	Green building, criterion 1
Impact reporting indicators:	Building certification achieved (system & rating): BREEAM, LEED and EPC
Impact performance reporting:	Achieved: • BREEAM – Outstanding (post-construction) • LEED – Platinum • EPC – A

GREEN FINANCE BASIS OF REPORTING continued

25 Baker Street W1

The Baker Street development scheme, which totals 298,000 sq ft, commenced in Q4 2021 after we exercised our development option with The Portman Estate. The development comprises 218,000 sq ft of offices (206,000 sq ft at 25 Baker Street and 12,000 sq ft at 30 Gloucester Place), 52,000 sq ft of residential and 28,000 sq ft of retail.

The development will have a low carbon 'all-electric' central heating and cooling system derived from air source heat pumps. As well as joining our long-life, loose-fit high-quality portfolio, the building will be our first NABERS UK certified scheme.

The scheme includes part new development and part refurbishment. Sections of this project do not qualify for eligible expenditure under the Framework, relating mainly to the retail and refurbished residential elements, and these have been excluded from the qualifying green expenditure.

In some cases, sustainability certifications targeted or received, such as BREEAM, LEED and EPC, only apply to certain phases of this development. Where this occurs, this has been disclosed below.

Expected completion date:	H1 2025
Size:	298,000 sq ft
Projected cost:	£463m
Categories for eligibility:	Green building, criterion 1 and 2 (excludes retail and refurbished residential)
Impact reporting indicators:	Building certification achieved (system & rating): Offices – BREEAM, LEED and EPC; Private Residential – Home Quality Mark
Impact performance reporting and targets:	**25 Baker Street offices** Achieved: • BREEAM – Outstanding (design stage) Expected: • BREEAM – Outstanding (post-construction), on target • LEED – Gold, on target • EPC – A, on target **30 Gloucester Place offices** Achieved: • BREEAM – Excellent (design stage) Expected: • BREEAM – Excellent (post-construction), on target • EPC – B, on target **Private residential** Expected: • Home Quality Mark – 4 Stars, on target

GREEN FINANCE BASIS OF REPORTING continued

Network W1

Our newest development is Network W1, which commenced in June 2022. The scheme will comprise 134,000 sq ft of offices and 5,000 sq ft of retail. Network has been designed as a low carbon building, aligning with our 2025 target of ≤600 $kgCO_2e/m^2$.

Expected completion date:	H2 2025
Size:	139,000 sq ft
Projected cost:	£107m
Categories for eligibility:	Green building, criterion 1
Impact reporting indicators:	Building certification achieved (system & rating): BREEAM, LEED and EPC
Impact Performance reporting and targets:	Achieved: • BREEAM – Outstanding (design stage) Expected: • BREEAM – Outstanding (post-construction), on target • LEED – Gold, on target • EPC – A, on target

GREEN FINANCE BASIS OF REPORTING continued

Financial monitoring

Qualifying expenditure on each EGP is tracked and reviewed against the budget and reported internally on a quarterly basis.

External reporting and monitoring requirements to be met are set out in section 3.4 of the Framework.

Qualifying 'green' expenditure

The qualifying expenditure as at 31 December 2023 for each project is set out in the table below. This includes an element of 'look back' capital expenditure on projects in which expenditure had been incurred prior to management's approval of the project as an EGP. This also includes capital expenditure on projects which had already been incurred as at the original refinancing date in October 2019.

Costs which form part of the initial project appraisal or which are associated with delivering the project through to practical completion are included within the eligible green expenditure of the project. Costs incurred subsequently are generally excluded unless specifically elected as green projects.

80 Charlotte Street, Soho Place, and The Featherstone Building are all completed projects and are fully operational. The 25 Baker Street scheme, which commenced on site in 2021, is due to reach practical completion in 2025 and Network, which commenced on site in 2022 and was elected as an EGP in 2023, is due to reach practical completion in 2025.

Cumulative spend on each EGP as at the reporting date

	Subsequent spend			
EGP	Look back spend £m	Q4 2019 – FY 2022 £m	2023 Spend £m	Cumulative Spend £m
80 Charlotte Street W1	185.6	52.5	–	238.1
Soho Place W1[1]	57.5	166.8	(0.9)[2]	223.4
The Featherstone Building EC1	29.1	67.6	0.8	97.5
25 Baker Street W1	26.5	42.3	89.8	158.6
Network W1	23.8	–	12.7	36.5
	322.5	**329.2**	**102.4**	**754.1**

1 Soho Place Site B was disposed of in 2022. In accordance with section 3.3 of the Framework, the expenditure of £34.9m allocated to Site B has now been removed.

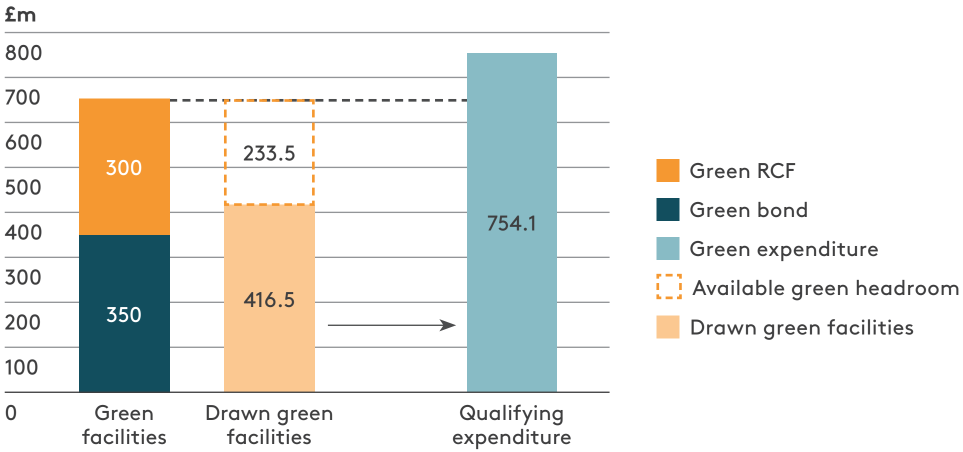
2 This relates mainly to capital contributions received post completion, for costs incurred during the construction period.

The total qualifying expenditure incurred in 2023 was £102.4m and the cumulative qualifying expenditure on the EGPs at 31 December 2023 was £754.1m.

Drawn borrowings from GFTs as at 31 December 2023 were £416.5m, which comprises the £350m Green Bonds and £66.5m drawn under the green tranche of the RCF. Therefore, there was £233.5m undrawn under the £300m green tranche of the RCF, all of which is available to fund future cash flow requirements of the Group.

A requirement under the Framework and the facility agreement is for there to be an excess of qualifying spend on EGPs over the amount of drawn borrowings from all GFTs which, as shown below, has been met.

Green borrowings and qualifying expenditure



DERWENT LONDON

Derwent London plc
Registered office: 25 Savile Row, London W1S 2ER
T: +44 (0)20 7659 3000
www.derwentlondon.com
Registered No: 1819699