

Governance at a glance

Our approach to corporate governance aims to preserve and strengthen stakeholder confidence in our business integrity, and provide a working foundation of accountability and flexibility.

Stakeholder engagement

To assess how the Company was handling the Covid-19 pandemic, the Board commissioned pulse surveys to our employees and occupiers. A sample of the responses received is provided below.

Employees

100%

Agreed that Derwent London provided clear guidance to employees in relation to its Covid-19 response (75% strongly agreed)

97%

Agreed that it is clear that their health and wellbeing is a priority for Derwent London (78% strongly agreed)

Occupiers

99%

Agreed that they are satisfied that the measures taken during Covid-19 provided safety and comfort to them and their employees

95%

Agreed that overall they have found the Derwent London approach to Covid-19 and reoccupation positive: 48% 'very positive', 47% 'positive' and 5% 'neutral'

UK Corporate Governance Code – 2020 compliance statement

The Board confirms that for the year ended 31 December 2020, the principles of good corporate governance contained in the 2018 UK Corporate Governance Code (the Code) have been consistently applied. Further information on the Code can be found on the Financial Reporting Council's website at: www.frc.org.uk

As our Non-Executive Chairman was not independent upon appointment, was previously our CEO and has served for more than nine years, we have been unable to comply with provisions 9 and 19 of the Code. We will remain non-compliant with these provisions until John Burns steps down and Mark Breuer succeeds as our independent Non-Executive Chairman at the 2021 AGM. The safeguards in place to ensure separation of leadership were detailed on page 116 of the 2019 Annual Report and operated effectively during the year.

Pension contribution rates for newly appointed Executive Directors is aligned with the workforce at 15% of base salary. The pension contribution rates for the current Executive Directors is transitioning and will be 15% from 1 January 2022 (see page 155). We will remain partially compliant with provision 38 of the Code until 1 January 2022, after which we will comply in full.

Board changes



We were delighted to announce the appointment of Mark Breuer as a Director, with effect from 1 February 2021. Mark will succeed John Burns as our independent Non-Executive Chairman following the conclusion of the 2021 AGM. In addition, with effect from 1 March 2021, Emily Prideaux joined the Board as an Executive Director.

Major Board activities

The major decisions taken by the Board and its Committees during 2020 included:

- The sale of the Johnson Building EC1 for £170.0m before costs
- The redevelopment of 19-35 Baker Street W1 (see page 117)
- The refurbishment of Francis House SW1 for £12.3m
- The Directors increased the budget for charitable donations, sponsorship and community funding by 179% to £1.1m
- Approved a £100m Revolving Credit Facility (RCF) with Wells Fargo and extended our main £450m RCF with our UK banking partners for a further year to 2025 (see page 78)