



Our purpose, values and culture are disclosed on pages 1 and 122.

### Purpose and values

Our purpose communicates the Group's strategic direction and intentions to our employees, occupiers and wider stakeholders.

Due to its importance, it is regularly reviewed by the Board. At the Board's strategy review meeting in June 2021, it was agreed that our purpose could be simplified to ensure greater clarity and reference to the importance of our net zero carbon journey (see page 1). Our progress towards achieving our purpose during 2021 can be reviewed on the following pages:

- How we have helped to improve and upgrade the stock of office space in central London (pages 20 to 25).
- The above average long-term returns to our shareholders (pages 46 and 187).
- The social, environmental and economic benefits brought to all our stakeholders (pages 50 to 75).

Our values articulate the qualities we embody and our underlying approach to doing business. Our values are embedded in our operational practices through the policies approved by the Board and the direct oversight and involvement of the Executive Directors.

The Executive Directors have been delegated responsibility for ensuring that policies and behaviours set at Board level are effectively communicated and implemented across the business. If the Board is concerned or dissatisfied with any behaviours or actions, it will seek assurance that corrective action is being taken. No such action was required during 2021.

### Culture

Our culture has developed from our values and is a key strength of our business. The benefits of a strong culture is seen in our employees' engagement scores, retention rate year-on-year and levels of productivity. As the cultural tone of a business comes from the boardroom, safeguarding our culture is a key factor in the development of the Board's succession plans.

### Assessment and monitoring

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

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

The biennial employee surveys provide valuable insights into what is valued and seen as corporate norms. The Board was pleased to note that when our employees described the core characteristics of our culture in the 2021 employee survey, the top responses were 'passionate', 'professional', 'hardworking' and 'reputable'. In addition, 'diverse' and 'inclusive' were attributes of our culture which were used substantially more than in our last employee survey in 2019, highlighting the effectiveness of our initiatives and progress in these areas (see page 59).

With assistance from advisers, the Board will seek independent assurance that the Group's culture is clearly understood by our employees and key stakeholders during 2022 (see page 141).

### Embedding our culture

The Board reinforces our culture and values through its decisions, strategy and conduct.

Culture and value 'fit' is a key consideration during our recruitment process, which is reinforced during our induction programme, monthly town halls run by the CEO, and is monitored through performance appraisals. As part of the six-monthly performance review cycle, our employees reflect on whether they demonstrate the core 'competencies' outlined in the review. These competencies include the ability to build strong internal and external relationships, communicate clearly, build trust, and demonstrate creativity, initiative and teamwork. These discussions reinforce the behaviours we wish to foster within our workforce and link our culture to our reward mechanisms.

Our senior management team undertake training to ensure they are supporting their teams and encouraging the behaviours which align with our culture. During 2021, management training covered recognising and supporting mental health concerns, diversity and inclusion, and unconscious bias.

### Maintaining our culture during uncertainty and periods of change

The Covid-19 pandemic caused disruption and required adjustment to the way we work, lead our teams, collaborate and communicate. Early emphasis was placed on supporting our key stakeholder groups, including our employees, occupiers and local communities.

For our employees, we provided clear communication, reassurance and implemented further initiatives to support their mental health and wellbeing (see page 56).

It was critical that any new joiners during this period, who were unable to physically meet their teams or experience the office environment, gained a clear sense of our cultural identity. This was principally facilitated through frequent team video/conference calls, our employee newsletters, vast information on our intranet site and monthly town halls. As part of National Inclusion Week, 'coffee catchups' were organised for randomly selected staff to get to know someone they perhaps had not had a chance to meet yet. This initiative was particularly helpful for new starters who had joined throughout the year and had limited interaction with other departments.

In addition, we hosted two in-person induction sessions in July and September which included a discussion with Davina Stewart (an employee member of the Responsible Business Committee) on the topic of diversity and inclusion and our culture. At our Property & Building Management Awayday, the HR team hosted an interactive session on Derwent London's culture and values.