

28 July 2020

NET ZERO

Derwent London plc (“Derwent London” / “the Group”) DERWENT LONDON RELEASES NET ZERO CARBON PATHWAY

Derwent London today sets out its Net Zero Carbon Pathway following its commitment in February this year to become a net zero carbon business (“Net Zero”) by 2030.

It is the first UK REIT to provide a detailed Pathway explaining how it will become Net Zero by 2030, in line with achieving a 1.5°C future. It follows the Group introducing independently verified Science Based Targets across its portfolio in 2017 and the first revolving credit facility with a green tranche in the sector in 2019.

The Pathway clearly details:

- Further reductions to the portfolio’s energy and carbon emissions such as using all-electric heating and cooling for new developments and retrofitting older properties
- Collaborative work with occupiers, supply chain and the wider real estate sector
- Using renewable electricity and green gas to power the Group’s portfolio including opportunities to self-generate renewable energy from our land holdings in Scotland
- Investigating and utilising innovative, low carbon technologies
- Annual disclosure of Derwent London’s progress towards Net Zero measured using independently assured metrics

Climate change is a major global challenge and will impact how business operates in the future. Given that the built environment contributes significantly to the UK’s overall carbon footprint, we must find the solutions to further reduce emissions and develop renewable energy sources.

Paul Williams, Chief Executive of Derwent London, said:

“The COVID-19 pandemic has not diminished our ambition to be a net zero carbon business by 2030. It is fundamental to develop a resilient business and to lessen our impact on climate change. We have an opportunity and responsibility to make a difference and look forward to working with our occupiers, suppliers, our communities and sector peers to achieve common goals.”

John Davies, Head of Sustainability for Derwent London commented:

“Our Pathway clearly sets out how we intend to meet the commitment to become net zero by 2030. We have set challenging targets which will be independently assured. Following the work we have done in recent years, together with an accelerated ambition to find solutions, we will draw on innovation and collaboration to bring about effective change.”

Deputy Mayor for Environment and Energy, Shirley Rodrigues commented:

“Through the Mayor’s London Business Climate Leaders programme, Derwent London have joined with other key London businesses in taking action to contribute to the Mayor’s goal of making London a zero carbon city. We are delighted to see Derwent London continuing to be at the forefront of these efforts with the ambitious target to become a net zero carbon business by 2030. As London recovers from COVID-19, we want to work with more businesses to take similar steps in driving the green recovery, including through creating green jobs and skills and continuing to tackle the climate emergency.”

Sarah Ratcliffe, Chief Executive of the Better Buildings Partnership said:

“The Better Buildings Partnership welcomes Derwent London’s publication of its Net Zero Carbon Pathway, a key requirement for signatories to the BBP Climate Commitment. Aligning the Pathway to a 1.5°C climate change scenario, with a clear focus on driving down energy demand & occupier emissions, means that Derwent’s 2030 target is ambitious. Their Pathway provides much needed transparency concerning the scope of the target & their approach to achieving these emissions reductions across the business.”

The Pathway is Derwent London’s next step towards becoming Net Zero, a focus over many years. However, more urgent action was required which led to February 2020’s announcement to bring forward the Group’s net zero carbon target by two decades from 2050 to 2030.

The scope of the commitment to a 1.5°C climate warming scenario includes emissions from activities where the business has direct control and those over which it has some level of influence, such as tenant energy consumption. Due to this, collaboration with occupiers, supply chain and the wider sector will be crucial. The recently completed 80 Charlotte Street W1 will be the Group’s first net zero building, soon to be followed by Soho Place W1 and The Featherstone Building EC1 which are both currently on site.

To power business activities, both renewable electricity and gas will be procured and invested in. The Scottish estate provides opportunities for self-generating renewable energy which Derwent London is excited to explore.

The Group’s focus is on reducing emissions and using renewable energy, but where there is carbon that cannot be totally eliminated, this will be offset using certified schemes.

Each year Derwent London will disclose its progress against the metrics identified in the Pathway to ensure it remains transparent. It will also incorporate this net zero work into its non-financial assurance process.

Regenerating buildings is at the heart of the business which provides the Group with a significant opportunity to lead the sector in taking action to mitigate and adapt to climate change. This is part of how Derwent London designs, delivers and operates its buildings responsibly – and how it will also become a more resilient business in the long term. The Group recognises that this is a challenging commitment but the current global climate crisis means it is absolutely necessary.

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Notes to editors

Derwent London plc

Derwent London plc owns 82 buildings in a commercial real estate portfolio predominantly in central London valued at £5.5 billion (including joint ventures) as at 31 December 2019, making it the largest London-focused real estate investment trust (REIT).

Our experienced team has a long track record of creating value throughout the property cycle by regenerating our buildings via development or refurbishment, effective asset management and capital recycling.

We typically acquire central London properties off-market with low capital values and modest rents in improving locations, most of which are either in the West End or the Tech Belt. We capitalise on the unique qualities of each of our properties – taking a fresh approach to the regeneration of every building with a focus on anticipating tenant requirements and an emphasis on design.

Reflecting and supporting our long-term success, the business has a strong balance sheet with modest leverage, a robust income stream and flexible financing.

As part of our commitment to lead the industry in mitigating climate change, in October 2019, Derwent London became the first UK REIT to sign a Green Revolving Credit Facility. At the same time, we also launched our Green Finance Framework and signed the Better Buildings Partnership's climate change commitment. The Group is a member of the 'RE100' which recognises Derwent London as an influential company, committed to 100% renewable power by purchasing renewable energy, a key step in becoming a net zero carbon business. Derwent London is one of only a few property companies worldwide to have science-based carbon targets validated by the Science Based Targets initiative (SBTi).

Landmark schemes in our 5.6 million sq ft portfolio include 80 Charlotte Street W1, Brunel Building W2, White Collar Factory EC1, Angel Building EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

In 2019, the Group won several awards including EG Offices Company of the Year, the CoStar West End Deal of the Year for Brunel Building, Westminster Business Council's Best Achievement in Sustainability award and topped the real estate sector and was placed ninth overall in the Management Today 2019 awards for 'Britain's Most Admired Companies'. In 2013 the Company launched a voluntary Community Fund and has to date supported over 100 community projects in the West End and the Tech Belt.

The Company is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the UK. The address of its registered office is 25 Savile Row, London, W1S 2ER.

For further information see www.derwentlondon.com or follow us on Twitter at [@derwentlondon](https://twitter.com/derwentlondon)

Forward-looking statements

This document contains certain forward-looking statements about the future outlook of Derwent London. By their nature, any statements about future outlook involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Actual results, performance or outcomes may differ materially from any results, performance or outcomes expressed or implied by such forward-looking statements.

No representation or warranty is given in relation to any forward-looking statements made by Derwent London, including as to their completeness or accuracy. Derwent London does not undertake to update any forward-looking statements whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.