

RESPONSIBLE BUSINESS COMMITTEE REPORT



Dame Cilla Snowball Chair of the Responsible Business Committee

2025 focus areas

- Ensure a smooth transition as Madeleine McDougall succeeds Dame Cilla Snowball as Chair of the Responsible Business Committee
- Review and action the recommendations arising from the 2024 employee 'pulse survey'
- Continue to monitor the Group's community, charitable and sponsorship initiatives
- Continue to monitor and receive regular progress updates on the Group's Net Zero Carbon Pathway

Committee membership during 2024

	Independent	Number of meetings	Attendance ¹
Cilla Snowball ²	Yes	1	50%
Mark Breuer	Yes	2	100%
Madeleine McDougall ³	Yes	1	100%
Matt Massey	Employee	2	100%
Lucy Taylor	Employee	2	100%
Kirsty Williams	Employee	2	100%
Paul Williams	No	2	100%

1 Percentages are based on the number of meetings that each member is entitled to attend for the 12 months ended 31 December 2024.

2 Cilla Snowball was unable to attend the meeting in December. Cilla was fully involved in the preparation of the agenda and review of the papers. In Cilla's absence Mark Breuer acted as Committee Chair.

3 Madeleine McDougall was appointed as a member of the Responsible Business Committee on 1 November 2024.

Dear Shareholder,

As the Chair of the Responsible Business Committee, I am pleased to present our report for 2024.

Engagement with our stakeholders

Stakeholder engagement is a core strategic priority at Derwent London, and the Committee regularly reviews the activities and impacts of the Company's engagement with its employee, occupier, supplier and community stakeholders.

The Derwent London Community Fund has been running since 2013 and to date has invested over £1.15m into 172 grassroot, local community projects and initiatives across our portfolio. We are extremely proud of the work that has been done and that local funding has been consistently maintained (led by Helen Joscelyne, Community & Social Value Manager) enabling our neighbours and communities to thrive. The Committee also reviewed the wider community engagement and consultations held during Derwent London's developments at Baker Street, Network, Gloucester Place and in the Old Street Quarter.

Employee engagement is particularly strong at Derwent London and we are proud to see consistently high levels of employee pride and satisfaction in staff surveys. This year the Committee's employee members led important work to improve performance reviews and cross-company collaboration as well as preparing for the 2024 employee 'pulse survey' that was carried out in December 2024. On 17 October, the Board hosted a reception with a range of Derwent London employees to foster relationships and facilitate wider discussions.

The Committee received updates on occupier engagement with our sustainability initiatives, the Supply Chain Responsibility Standard and Modern Slavery Policy, practices and procedures.

Diversity and inclusion

The Committee oversaw the process to renew Derwent London's National Equality Standard (NES) accreditation and was delighted that the Company was emphatically reaccredited and ranked in the top 5% of all companies who have participated in the National Equality Standard assessment. Special credit to Katy Levine (Head of HR) and the D&I Working Group who led this important work and many other inclusion initiatives over the year; including the #10,000 Black & Able Intern programme, our health and wellbeing strategy and the Health, Safety and Accessibility Working Group. The Working Group continued to progress the recommendations from the Business Disability Forum self-assessment. All this work was effectively communicated and actioned through town halls and D&I newsletters, ensuring high awareness and engagement.

Net zero carbon

The Committee received regular oversight updates on the progress to net zero carbon by 2030, focusing on dashboard metrics, embodied carbon, occupier engagement and operational initiatives. We discussed work on offsets and solar panel procurement, the Accelerating Concrete Decarbonisation Group and the circular economy initiative. We are grateful to John Davies and the Sustainability team for leading this work.

Employee members

The employee members bring great insight, momentum and energy to the Committee and the Board is extremely grateful for their contributions which have made such a positive difference in so many areas and enable the Board to have a wider and deeper understanding of the organisation. We thank Matt Massey, Lucy Taylor and Kirsty Williams for their excellent work over their terms which concluded in December 2024. Following an internal application and selection process, we appointed Carys Grieve, Amy Hulbert, Bryan Vasquez and William Waples to the Committee as employee members. We wish them all much success in 2025 and beyond.

Further engagement

I would recommend that this report is read alongside the Responsibility section on pages 40 to 59. If you wish to discuss any aspect of the Committee's activities I am available via our Company Secretary, David Lawler.

After nine years on the Board, I will be stepping down on or before the 2025 AGM as Chair of the Responsible Business Committee and as the designated director for gathering the views of the workforce. I am delighted to be handing over my responsibilities to Madeleine McDougall, who I am sure will continue to drive the ever-important responsible business initiatives that are embedded in the culture at Derwent London.

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Dame Cilla Snowball

Chair of the Responsible Business Committee

26 February 2025

Committee composition and performance

During 2024, our Committee consisted of three independent Non-Executive Directors, the Chief Executive and three employee members. At the request of the Committee, members of the Executive Committee, senior management team, other Board members and external advisers were invited to attend all or part of any meeting, as and when appropriate. During the year under review, the Committee held two formal meetings (in May and December) (2023: two meetings).

As Cilla Snowball will retire from the Board no later than at the 2025 AGM, Madeleine McDougall will succeed Cilla as the Group's designated director for gathering the views of our workforce (see page 138).

The 2024 evaluation of the Board, its committees and individual Directors was internally facilitated by Mark Breuer, Chairman, in accordance with our three-year cycle of evaluations (see page 139). The review confirmed that the Committee continues to operate very effectively.

The Committee's role and responsibilities are set out in the terms of reference, which were last updated in December 2023 and are available on the Company's website at: www.derwentlondon.com/investors/governance/board-committees

Committee Chair succession

Madeleine McDougall joined the Derwent London Board and was appointed a member of the Responsible Business Committee on 1 November 2024.

Madeleine is the Head of Corporate Coverage Sector at Lloyds Banking Group and prior to this was the Head of the Real Estate & Housing team. Madeleine brings significant banking and central London real estate expertise to the Board.

During 2025, Madeleine will succeed Dame Cilla Snowball as Chair of the Responsible Business Committee and as the designated director for gathering the views of our workforce.

➔ Non-Executive Director recruitment / See page 142



Madeleine McDougall Non-Executive Director
Incoming Chair of Responsible Business Committee

Key activities of the Committee

During 2024, the Committee continued to monitor and have oversight of the responsible business practices of the Group, prioritised employee wellbeing and engagement with key stakeholders through several methods and activities.

Responsible business

Supply Chain Responsibility Standard

Following the independent gap analysis conducted in 2023, the Supply Chain Responsibility Standard was revised and updated. The main changes related to:

- a new standalone section for 'Information Security and Data' providing emphasis on its importance; and
- greater detail on diversity and inclusion to encourage suppliers to improve practices within the sector beyond compliance obligations.

Modern slavery

Reviewed the Group's practices to prevent modern slavery and implemented the key recommendations from the independent gap analysis conducted by Unseen UK, which included updating the 'Speak up' Policy and condensing our procedures into a Modern Slavery Policy. The new Modern Slavery Policy was published on the Group's intranet.

Circular economy

The Committee received a copy of the Circular Economy initiative in advance of the Board meeting in H1 2025. The circular economy is about rethinking how we make, use and treat materials, such that the material's life is extended, reused or repurposed (see page 46).

Net zero carbon

Reviewed the Group's progress to be net zero carbon by 2030 and the latest Sustainability Data Dashboard. Discussed the work undertaken on carbon offsets, solar panel procurement and the Accelerating Concrete Decarbonisation Group. The risks associated with the procurement of solar panels was referred to the Risk Committee (see page 161).

8 years

Our Supply Chain Responsibility Standard has been an integral part of our responsible business practices for eight years

Stakeholder engagement

Local community engagement

Reviewed the wider community engagement and consultations undertaken before, during and after completion of our developments. Received regular updates on our community initiatives and engagement.

Sponsorship and Donations Committee

The Sponsorship & Donations Committee committed £339k for a variety of causes to be supported throughout the year.

The Committee received an update in December of all the charities supported during 2024, inclusive of both the Community Fund and the Sponsorship and Donations Committee.

The Committee noted that in the future there will be an option for charities to apply for multi-year funding. This is in response to charities looking for greater certainty and stability.

Occupier engagement

The Committee received an update on occupiers who have been engaged with during the year in respect to our sustainability initiatives.

Employee engagement

The Board hosted a 'meet the Board' event with employees from across the workforce to facilitate discussions and foster relationships. The Committee received an update on the latest 'pulse survey' and staff satisfaction in 2024.

£339k

Committed by the Sponsorship and Donations Committee during 2024

Diversity and inclusion

National Equality Standard

Renewed our National Equality Standard accreditation through an assessment conducted by EY, scoring in the top 5% of accredited organisations in the UK.

EY spoke with over 60 employees, including leadership discussions, 1-1 interviews and focus groups, and we provided 55 pieces of supporting documentation. EY presented the results to the Committee in December.

D&I Working Group

During the year the D&I Working Group membership was refreshed and strengthened through a series of new appointments.

The importance of D&I continued to be well-communicated across the business through town halls, inductions, the intranet and D&I newsletters.

#10,000 Black & Able Intern programme

Welcomed four interns for a period of six weeks with a rotation across the business every two weeks.

Health, Safety and Accessibility Working Group

The Committee received updates from the Health, Safety and Accessibility Working Group which continues to progress the recommendations arising from the Business Disability Forum self-assessment, with a focus on the built environment and accessibility. Actions include improving the way in which we capture and interpret data from our occupiers to identify patterns and common issues and improve the user experience in our buildings.

Top 5%

Scored in the top 5% of accredited organisations in the UK with the National Equality Standard

Employees

Employee members

To enable the voice of employees to be heard in the boardroom, the Responsible Business Committee composition includes employee members.

As the employee members reached the end of their tenure, engagement was sought from the wider workforce to appoint new members. Further information is on page 170.

The Committee's employee members continue to play an active and critical role in the Committee's activities and facilitate engagement between the wider workforce and the Board.

Health & Wellbeing Plan

Rolled out the 2024 Plan which covered an array of topics, such as pensions, healthcare and neurodiversity. The Committee were kept updated on the health and wellbeing initiatives being offered to staff and the feedback received.

Feedback from 2023 employee survey

The Committee reviewed the recommendations arising from the results of the 2023 biennial employee survey. The Committee's employee members hosted a series of focus groups to identify key focus areas, with the feedback and recommendations presented to the Committee.

Employee initiatives

Celebrated the careers and achievements of individual employees through the 'Monday Meets' initiative and introduced a series of 'Jargon Busting' interviews to share knowledge on our environmental, social and governance (ESG) areas.

6 years

The voice of our employees has been brought into the boardroom via our employee members for the past six years

Employees on the Responsible Business Committee



William Waples
Senior Asset Manager

Bryan Vasquez
Data Analyst Lead

Carys Grieve
Senior Financial Accountant

Amy Hulbert
Assistant Company Secretary

Having employee members on a Board-level committee enables the diverse voice of our employees to be brought directly into our boardroom, providing invaluable insight and feedback.

The Committee opened applications for new employee members in Q4 2024 as Matt Massey, Lucy Taylor and Kirsty Williams approached the end of their tenure. The Committee is thankful for the level of commitment the employee members have all shown to the Committee's initiatives. The Committee was pleased to receive a number of high quality applications from the wider workforce, and following an in-depth process, welcomed Bryan Vasquez, Carys Grieve, Amy Hulbert and William Waples as the new employee members from 1 January 2025.

Our employee members will continue to be fully engaged in all aspects of the Committee's activities, meeting regularly with the Head of HR and D&I Working Group to review initiatives and provide six-monthly updates to the Executive Committee and wider workforce.



As an employee member, I was fortunate to collaborate with various people from across the business and saw first-hand the value created when bringing the employee voice into the boardroom.

Kirsty Williams

Associate, Property Management
Member of the Committee from January 2022
to December 2024

Supply Chain Responsibility Standard

The primary purpose of the Supply Chain Responsibility Standard (the Standard) is to clearly set out our principles and expectations in terms of the environmental, social, ethical and governance issues which relate to our supply chains. The Standard renews our commitment to ensuring our supply chain remains as engaged as we are in setting the highest standards. During 2024, a review was conducted to ensure the Standard remains valid, with an updated version to be issued in 2025.

All new suppliers must acknowledge and adhere to our standards. We conduct risk reviews every two years, focusing on suppliers with an annual spend of over £20,000 and ask these suppliers to complete a more detailed questionnaire on key risk areas. All responses are reviewed to ensure compliance, and we provide additional support to suppliers if needed. The fundamental principles of the Standard are set out below:

Fundamental principles	Minimum standard
Governance	We will not tolerate any form of fraud corruption, bribery or anti-competitive behaviour/actions in our supply chain
Information security and data protection	Suppliers to have a comprehensive set of IT governance policies and procedures that are communicated to all employees through periodic training on data privacy and protection
Employment and labour practices	Suppliers to comply with the relevant employee-based legislation
Modern slavery	Suppliers to comply with the relevant legislation, specifically the Modern Slavery Act 2015
Diversity and inclusion	Suppliers to comply with the relevant employee-based legislation, specifically the Equality Act 2010
Payment practices	To aim to pay our suppliers within 30 days or in accordance with specified contract conditions
Health, safety and wellbeing	Suppliers to annually review their Health and Safety Policy Statement and management systems
Environmental and social	Suppliers to have robust environmental management policies and procedures in place appropriate to nature and scale of business

Responsible payment practices

Derwent London continued to be a signatory of the Chartered Institute of Credit Management (CICM) Prompt Payment Code up until its cessation on 3 December 2024. During 2024 our average payment term was 20 days. The Fair Payment Code replaced the Prompt Payment Code in December 2024. We remain committed to being clear, fair and collaborative with our suppliers and are currently in the process of applying for a Fair Payment Code Award of silver or higher.

Modern slavery

We understand that preventing modern slavery is vital and we remain committed to eradicating any possibility of modern slavery or human trafficking occurring with respect to our operations. During the year we continued to strengthen our policies and procedures by implementing the key recommendations arising from the independent review conducted in 2023 by the anti-slavery charity, Unseen UK. Additionally, all employees (including the Board) completed training on ‘Modern Slavery Transparency Statements’.

Key recommendations	Status
Condense our procedures into a Modern Slavery Policy	Actioned and published on our Group intranet
To update the Responsible Business Committee terms of reference to make specific reference of having oversight to modern slavery risk	The Responsible Business Committee terms of reference were updated and are available to view on our website
Our ‘Speak up’ Policy to specifically reference modern slavery as a reportable concern	Actioned and published on our Group intranet

A summary of our key modern slavery practices is outlined below. Our latest Modern Slavery Statement is available to view on our website www.derwentlondon.com

Risk	The potential greatest risk exists in the supply chains of our construction contractors as well as the property management suppliers and maintenance contractors used in our buildings.
Governance	The Modern Slavery Act 2015 requires companies with an annual turnover of £36m to provide a modern slavery statement. Where legally required, our suppliers publish a modern slavery statement. Regardless of this threshold we encourage all suppliers to adhere to the Act. Suppliers are expected to provide modern slavery training to employees and ensure they have provisions in place for full compliance.
Policies	We have a number of internal policies that promote our culture and expected behaviours in accordance with the Act’s objectives.
Engagement	We are clear on our zero-tolerance position and all suppliers have access to Derwent London’s latest Modern Slavery Statement. We endeavour to obtain modern slavery statements from all suppliers, where they are bound by the Act. We expect our main contractors to conduct due diligence within their own supply chains to ensure that the risk of modern slavery and human trafficking occurring is adequately mitigated.
Effectiveness	All new starters are required to complete a ‘core skills’ programme which includes training on modern slavery risks. Ongoing training initiatives and our mandatory compliance training programme ensures that employees are kept up to date with the latest requirements.

Diversity and inclusion

Having a diverse, highly talented and skilled group of people at all levels within Derwent London is fundamental to our business success. Diversity and inclusion brings new ideas and fresh perspectives which fuel innovation and creativity.

The Board has established clear focus areas which aim to build an inclusive culture that promotes, encourages and celebrates the importance of diversity and inclusion at all stages, from attracting diverse and talented individuals through to retention and career opportunities.

Diversity and inclusion focus areas

Attracting diverse, highly skilled and talented employees

- Tackle any unconscious bias
- All shortlists to have due regard for diversity considerations (not limited to gender and ethnicity)
- Recruit from a wide pool of talent (including parents returning to work)

Retaining the best talent

- Focus on supporting parents returning to work
- Promote the importance of health and wellbeing initiatives
- Prioritise training and development and equal opportunities for all, with support of career progression
- Ensure open two-way communication

Promoting diversity

- Gender balance within our internships and work experience placements
- Aim to attract more women to the construction and property industry
- Heads of Departments to lead by example demonstrating inclusive leadership qualities

Key actions taken during 2024

- Redesigned and relaunched our performance appraisal process following feedback from the 2023 employee survey with manager training and consistent performance metrics and measurements.
- Worked with EY during the four-month National Equality Standard reassessment, which included speaking to a significant number of employees through a series of focus groups.
- Hosted six individuals through the #10,000 Black & Able Intern programme.
- Provided inclusive leadership training for senior managers.
- Introduced the option of enabling employees to 'swap' a limited number of standard bank holidays for a religious holiday/festival that holds personal significance.

→ Our people / See page 50

The Diversity & Inclusion Working Group

The Diversity & Inclusion Working Group (the D&I Working Group) consists of 13 members and meets monthly to discuss the progress being made towards the Group's diversity and inclusion vision, strategy and KPIs.

On an ad hoc basis and when deemed necessary, Executive Directors and/or Heads of Departments and employees are invited to join the Group's meetings, which provides insights into the diversity and inclusion initiatives being discussed. The Committee received updates on the progress made by the D&I Working Group at each meeting during 2024, which included:

- **Business Disability Forum (BDF):** Derwent London became a member of the BDF from 1 March 2023. During the year, the D&I Working Group continued to focus on progressing the feedback from the Disability Smart Audit self-assessment across the 10 competency areas.
- **Wellbeing initiatives:** During 2024, all employees were invited to attend a range of programmes. Our comprehensive approach involves supporting mental, physical, social and financial wellbeing. These were well-attended and included sessions on 'Neurodiversity: invisible conditions', 'The impact of changing seasons', and our benefit schemes. Additionally, there is a wealth of information available via the intranet all year round.
- **Communication:** The importance of diversity and inclusion has continued to be communicated via staff inductions, town halls and the intranet. Two diversity and inclusion newsletters were rolled out to employees with positive engagement and feedback received. To further share in the careers and achievements of individual employees, the D&I Working Group continued to post 'Monday Meets' via the Intranet and social media channels. 2024 also saw the introduction of a 'Jargon Busting' series with the objective of providing greater insight into our ESG areas.

In 2025, the D&I Working Group will continue to focus on the Business Disability Forum Framework and action plan, as well as actioning feedback from the recent National Equality Standard re-accreditation. The wellbeing strategy will be updated to reflect new requirements and inclusive working training will be rolled out to all employees.

Diversity key performance indicators

51%

of employees are female as at 31 December 2024

36.1%

of new recruits during 2024 were from an ethnically diverse background

42%

of the Executive Committee and its direct reports are women

The Group's composition and diversity

The information below provides a breakdown of our diversity as at 31 December 2024. Further information on the Board's composition is shown on page 143. The variance between genders in response to employee surveys is taken into account by the Remuneration Committee when determining the annual bonus payout for Executive Directors in relation to the staff satisfaction metric (see page 193).



Gender diversity and ethnic origin¹

	Total employees ²		Executive Committee and its direct reports ³		Board ⁴		Senior positions on the Board ⁵
	Number	%	Number	%	Number	%	Number
Gender							
Men	98	49%	44	58%	6	55%	3
Women	103	51%	32	42%	5	45%	1
Other	-	-	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-	-	-
Total	201		76		11		4
Ethnicity							
White British/White Other	143	71%	64	84%	10	90%	4
Mixed/Multiple Ethnic Groups	10	5%	3	4%	-	-	-
Asian/Asian British	26	13%	6	8%	1	10%	-
Black/African/Caribbean/Black British	15	7%	1	1%	-	-	-
Other Ethnic Group	5	3%	2	3%	-	-	-
Not specified/prefer not to say	2	1%	-	-	-	-	-
Total	201		76		11		4

1 The information disclosed, and the format of the table, is prescribed by Listing Rule 9.8.6R(10).
 2 Total employees include the Board of Directors.
 3 Includes the Executive Committee and its direct reports (excluding administrative and support staff).
 4 The Board includes the Chairman, Executive Directors and Non-Executive Directors.
 5 Senior positions on the Board include the CEO, CFO, Chairman and Senior Independent Director.