

# NET ZERO Carbon Pathway

July 2020

# Overview

“We will become Net Zero Carbon by 2030”

This means we need to reduce our energy consumption and subsequent greenhouse gas (GHG) emissions in line with a 1.5°C climate warming scenario and offset any residual emissions we cannot eliminate through verified schemes.

## The scope of our 2030 commitment includes carbon emissions from:

**Corporate activities** — Operational energy and water consumption, waste production and business travel

**Developments** — Embodied carbon of new developments, refurbishments, and managed fit outs

**Investment portfolio** — Landlord and occupier energy and water consumption from the managed and unmanaged portfolio

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## Guiding principles

Transparency

Integrity

Influence

Innovation

Accountability

## Action

Reducing operational energy and carbon emissions

Procuring and investing in renewable energy

Reducing the embodied carbon of development projects

Offsetting residual carbon emissions we cannot eliminate

## Delivery

Communication and collaboration

Governance

Green finance

Independent assurance



# Introduction

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In February 2020 we announced our commitment to achieve net zero carbon by 2030. We plan to do this through driving down energy demand across our portfolio, investing in renewable energy and offsetting the residual emissions we cannot eliminate.

As the largest London-focused Real Estate Investment Trust (REIT), we recognise our responsibility to reduce the energy demand of our investment portfolio and ensure it is resilient to the risks and opportunities created by climate change. Regeneration is at the core of our business model, through the refurbishment of existing buildings or the development of new ones. This means we can have an important role in improving the performance and resilience of London's building stock. We are also in a unique position to engage with our occupiers to support them in achieving their own sustainability aspirations, whilst reducing the energy consumption of our investment portfolio. As a result, our net zero commitment includes activities that make up a significant percentage of our Scope 3 emissions.

This pathway document provides the detail and scope of our commitment together with how we intend to measure our progress. It has been developed in line with the Better Buildings Partnership's (BBP) Net Zero Carbon Pathway Framework.



Brunel Building W2 – rooftop



# Our journey so far...



For several years, we have been working to understand and reduce the carbon impact of our business activities. We know that addressing the energy performance gap of our new buildings is essential to reducing operational energy consumption. Enhanced energy modelling using the CIBSE TM54 methodology is carried out during the design of new schemes to determine their performance under different operating scenarios. These models are then used as a benchmark to monitor the building's actual operational energy consumption against and inform its on-going energy management plan. In addition to this we are part of the BBP new 'Design for Performance' pilot scheme, which aims to address the performance gap and ensure transparent energy labels for new buildings.

Since 2013 we have completed embodied carbon assessments for our new developments and major refurbishment projects. This work has enabled us to understand the process of mapping and measuring embodied carbon. As a result, this allows us to challenge our design teams and supply chain to reduce embodied carbon from design through to construction.

Along with taking steps to reduce energy demand, we have also committed to procuring 100% renewable electricity by joining the RE100. For our managed portfolio we achieved this two years ahead of the 2020 target. In October 2019 we signed the BBP Climate Change Commitment which requires us to align our approach with their Net Zero Carbon Pathway Framework and annually disclose our performance and progress.



**From left to right:**  
**25 Savile Row W1 (2017)**  
 Achieved SKA Gold rating for refurbishment  
**White Collar Factory EC1 (2017)**  
 Achieved BREEAM Outstanding and LEED Platinum  
**Tea Building E1 (2012-2020)**  
 Rolling environmental upgrades via our Green Tea initiative  
**Brunel Building W2 (2019)**  
 Using low carbon aquifer thermal energy store

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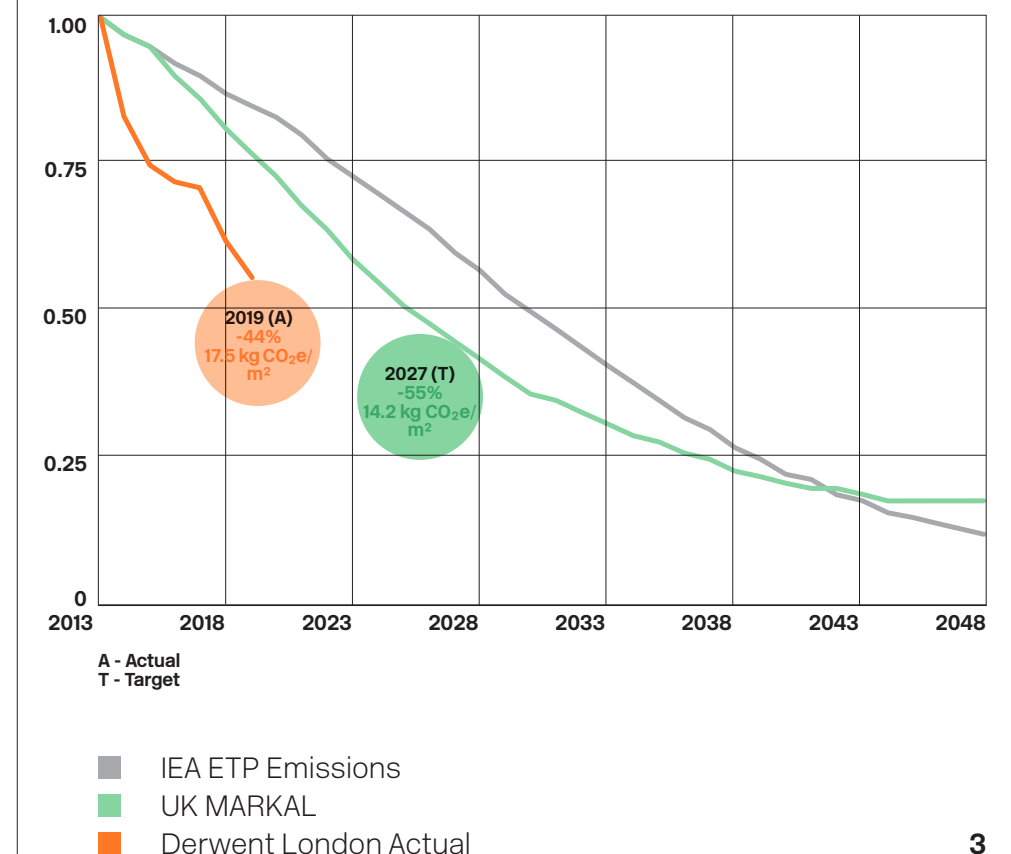
# Our existing targets

We have set science-based carbon emission reduction targets which align with the 2015 Paris Agreement aim to keep global temperature rise well below 2°C above pre-industrial levels. In 2017 these targets were independently verified by the Science Based Target Initiative (SBTi) and we are one of only two UK REITs to go through this process.

## Our current targets

- Reduce Scope 1 and 2 like-for-like landlord GHG emissions by 55% per m<sup>2</sup> by 2027 from a 2013 baseline year
- Reduce our Scope 3 GHG emissions by 20% per m<sup>2</sup> by 2027 from a 2017 base year

In 2019 we remained on track, achieving a 44% reduction in carbon intensity (kgCO<sub>2</sub>e/m<sup>2</sup>) and an 18% reduction in energy intensity (kWh/m<sup>2</sup>) against the 2013 baseline year respectively.



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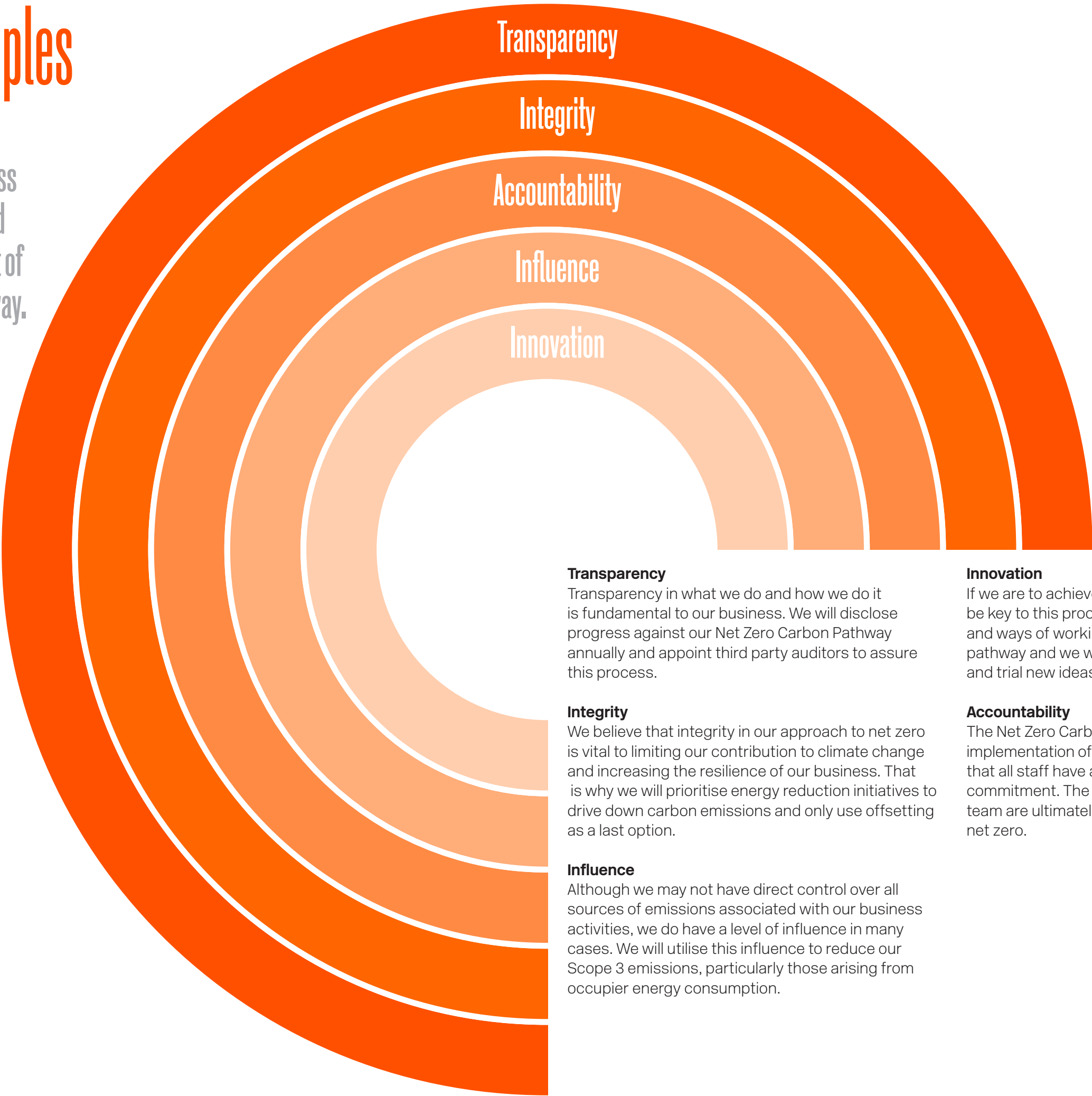
Since our science-based targets were first verified in 2017 we have been working towards achieving net zero carbon by 2050. Following a review of our progress to date and the ever-growing need for urgent action on climate change, we have decided to bring this date forward by two decades. As a result, our new commitment is to:

**Become net zero carbon across our portfolio by 2030. This means we need to reduce our energy consumption and subsequent greenhouse gas (GHG) emissions in line with a 1.5°C climate warming scenario and offset any residual emissions we cannot eliminate through verified schemes.**



# Guiding principles

The following principles align with our core business values and have been used to inform the development of our Net Zero Carbon Pathway.



**Transparency**

Transparency in what we do and how we do it is fundamental to our business. We will disclose progress against our Net Zero Carbon Pathway annually and appoint third party auditors to assure this process.

**Integrity**

We believe that integrity in our approach to net zero is vital to limiting our contribution to climate change and increasing the resilience of our business. That is why we will prioritise energy reduction initiatives to drive down carbon emissions and only use offsetting as a last option.

**Influence**

Although we may not have direct control over all sources of emissions associated with our business activities, we do have a level of influence in many cases. We will utilise this influence to reduce our Scope 3 emissions, particularly those arising from occupier energy consumption.

**Innovation**

If we are to achieve net zero by 2030, innovation will be key to this process. Exploring new technologies and ways of working is an important part of our pathway and we will look to support relevant research and trial new ideas where possible.

**Accountability**

The Net Zero Carbon Committee will lead on the implementation of the pathway; however, we recognise that all staff have a role to play in achieving our commitment. The main Board and senior management team are ultimately accountable for delivering net zero.

When considering the scope of our net zero commitment, we reviewed in detail the emission sources behind our total carbon footprint. As we have direct control over our Scope 1 and 2 emissions these naturally fall within our commitment. However, the majority (61%) of our 2019 emissions came from activities where we have no direct ownership or control i.e. our Scope 3 emissions. Despite this we have included a number of these activities in the scope of our commitment, including occupier energy consumption and embodied carbon from development projects.

Our Scope 3 emissions were reviewed individually to determine the level of effective influence we have over them and their contribution to our overall footprint. Following this review process the scope of our 2030 net zero commitment includes emissions as shown in the chart opposite.

	Corporate activities	Developments	Investment portfolio
Energy	Operational energy consumption	Embodied carbon of new developments, refurbishments, and managed fit outs	Landlord & occupier energy consumption
Water	Operational water consumption	Water captured through embodied carbon calculations	Landlord & occupier water consumption
Waste	Operational waste production	Waste captured through embodied carbon calculations	Managed portfolio operational waste
Travel	Business travel and staff commuting	Transport captured through embodied carbon calculations	

Acquisitions

One way we add value through our business model is by acquiring older buildings which are typically less efficient, and subsequently regenerating them by refurbishment or redevelopment. The process of improvement, often due to existing occupational leases, results in a time lag between acquisition and the beginning of the planning and design process for regeneration. As a result, acquisitions will be excluded from our net zero scope for a period of up to three years. During this transitional period, we will take action to improve the operational performance of such buildings where this is possible. We will report on the steps taken to progress them towards net zero carbon as part of our annual disclosure.

Over the course of our journey to net zero we may make a significant acquisition or series of acquisitions which have a material impact on the size or composition of our portfolio. Where, in a single year the combined floor area of these exceeds 15% of the previous year end's investment portfolio floor area, this new space will be excluded from our net zero carbon scope. In this circumstance we will review the scope of our net zero commitment to ensure it remains viable for the business. Furthermore, should there be a material change to our business (e.g. merging with another business or change of business model) a similar exercise will be undertaken.

Out of scope emissions

Emissions from retail and residential operational energy consumption, purchased goods and services and occupier managed fit out projects have not been included in the scope of our 2030 commitment. Our current level of influence and oversight of these activities is very low, which is a major challenge for us and the wider real estate sector. We will however consider how this can be achieved as part of our post 2030 planning process to 2050 and as a signatory of the BBP Climate Change Commitment. Further details of the scope and how it aligns with the BBP mandatory requirements can be found in Appendix A of this document.

The scope of our commitment will be reviewed each year to ensure it remains relevant to our business activities and aligns with best practice.

# Pathway actions

Developing a credible approach to achieving net zero carbon means prioritising energy reduction initiatives across our activities and spheres of influence. A critical part of our pathway is investment in renewable energy and supporting additionality (the creation of new sources of renewable energy) across the UK network. It is also important that we de-risk our business from any future volatility in the energy markets as far as possible. Despite our focus on energy reduction and

renewable generation, there will be carbon emissions arising from our business activities that we cannot eliminate. It is therefore important we have a robust and transparent strategy for carbon offsetting.

The table below provides further details of how we plan to achieve our acommitment.

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Topic	Actions	Metrics	Outcomes
Operational energy and carbon	Rebase current science-based targets to align with a 1.5°C climate warming scenario and verify with the Science Based Target Initiative (SBTi)	kWh/m <sup>2</sup> tCO <sub>2</sub> e/m <sup>2</sup>	Monitor progress of reducing carbon emission intensity in line with the preferred warming scenario as identified by the 2015 Paris Agreement
	Specify all electric heating and cooling systems for new developments and major refurbishment projects	Percentage of new developments and major refurbishments with all electric systems	Avoid onsite combustion of gas and reduce the carbon intensity of new developments
	Reduce the operational energy performance gap by mandating 'Design for Performance' (DfP) assessments for new developments and major refurbishment projects	Operational energy intensity rating: kWh/m <sup>2</sup>	Reduce the performance gap and the operational energy intensity of new developments
	Identify properties in the investment portfolio for retrofit to all electric heating and cooling systems	Percentage of buildings with all electric retrofit programmes	Avoid onsite combustion of gas and reduce the carbon intensity of the investment portfolio
	Set out energy efficiency measures in the five-year asset management plans and maintenance programmes for all properties including acquisitions	Percentage of buildings with energy efficiency measures included in the five-year plans	Reduce the overall energy demand of the investment portfolio
	Increase the granularity of operational energy and water consumption data (landlord and occupier) by ensuring the accuracy of existing meters and the installation of additional sub-metering	Percentage of buildings with landlord and occupier electricity / gas / water sub-metering linked to BMS	Use enhanced data to inform occupier engagement projects and building management plans to reduce energy demand across the investment portfolio
	Review the energy demand of occupied buildings, set operational energy intensity targets and monitor ongoing performance	Monitoring electricity and gas consumption and intensity on a monthly basis: kWh, tCO <sub>2</sub> e, kWh/m <sup>2</sup> (intensity), tCO <sub>2</sub> e/m <sup>2</sup> (intensity)	Promote the efficient operation of the investment portfolio
	Review the water demand of occupied buildings, set operational water intensity targets and monitor ongoing performance	Monitor water consumption and intensity on a monthly basis: m <sup>3</sup> /m <sup>2</sup>	Promote the efficient operation of the investment portfolio
	Review the waste production and recycling figures of managed buildings, set reduction and recycling targets and monitor ongoing performance	Monitor building waste and recycling figures on a monthly basis: tonnes produced % recycled	Reduce the carbon emissions associated with the production and management of waste
	Develop an approach to understanding the carbon impact of the unmanaged portfolio which includes a methodology for estimating energy and water consumption where actual data is not readily available	Operational carbon impact of unmanaged buildings: kWh, m <sup>3</sup> , tCO <sub>2</sub> e , tCO <sub>2</sub> e/m <sup>2</sup> (intensity)	Gain a better understanding of the carbon impact of our unmanaged portfolio to inform occupier engagement projects
	Develop a programme for occupier engagement to improve building performance, including energy and water consumption and waste production	Percentage of buildings with occupier sustainability engagement plans  Monitor the number of occupiers engaged with on a quarterly basis	Raise awareness of building performance and encourage behaviour change to reduce carbon emissions from operational activities
	Explore opportunities for reducing carbon emissions from business travel	Monitor business travel emissions and intensity on a quarterly basis: tCO <sub>2</sub> e, tCO <sub>2</sub> e/FTE	Reduce carbon emissions associated with business travel
	Explore energy storage and heat recovery technologies that could be incorporated in new developments and the investment portfolio	Number of technologies reviewed, and buildings installed in	Support the transition to all electric buildings and balance grid demand

Topic	Actions	Metrics	Outcomes
Renewable energy procurement and investment	Specify onsite renewables for new developments and assess their feasibility for major refurbishments	Generation of onsite renewable energy supplies across the portfolio as a percentage of building demand: kWh	Reduce grid energy demand of new developments and associated carbon emissions
	Procure 100% of gas and electricity from Green Gas Certified and REGO back sources for the managed portfolio	Percentage of electricity and gas supplies from renewable sources	Support additionality of renewable energy to the UK grid and reduce the carbon intensity of the portfolio
	Explore opportunities for self-generated renewable energy on our Scottish estate and elsewhere in the UK	Number of direct investments in renewable energy generators  Total energy (gas and electricity) produced by investments: MWh, kWh	Support additionality of renewable energy to the UK grid, reduce the carbon intensity of the portfolio and increase reliance on self-generated energy
Topic	Actions	Metrics	Outcomes
Embodied carbon	Develop a process for including carbon accounting in scheme appraisals, including an appropriate price per tonne of carbon	Embodied carbon for proposed schemes: tCO <sub>2</sub> e £/tCO <sub>2</sub> e	Inform decision making to support schemes with lower embodied carbon
	Set appropriate embodied carbon reduction targets for new developments and refurbishments and include in the Derwent London Embodied Carbon Assessment Brief	Monitor embodied carbon intensity during design and construction: tCO <sub>2</sub> e/m <sup>2</sup>	Reduce the embodied carbon of new developments and refurbishments
	Explore new low embodied carbon materials and building methods that could be utilised for future developments	Number of technologies investigated, and buildings installed in	Reduce the embodied carbon of new developments and refurbishments
Topic	Actions	Metrics	Outcomes
Carbon offsetting	Appoint an appropriate provider to support the implementation of a Derwent London carbon offsetting strategy for emissions that cannot be eliminated	Number of carbon offsets procured: tCO <sub>2</sub> e  Number and type of offsetting schemes invested in	Ensure carbon offsets procured achieve the carbon benefit expected along with creating additional value where possible
	Explore the opportunities for carbon offsetting projects on the Scottish estate	Hectares of Scottish estate used for tree planting  Number of verified carbon credits achieved on the Scottish estate	Increase the availability of self-generated carbon schemes to support our net zero commitment
	Explore opportunities to support offsetting research and development projects	Number of institutes engaged with and projects supported	Support the development of the science and technologies associated with carbon offsetting
Topic	Actions	Metrics	Outcomes
Climate resilience	Complete climate resilience assessments for new developments and the investment portfolio	Percentage of new developments and investment portfolio where assessments have been undertaken	Understand the potential risks and opportunities of climate change at an asset level to inform adaptation measures



# Delivery

## Communication and collaboration

Achieving our commitment will not happen in isolation and we recognise the importance of collaboration, both internally and with our supply chain and peers. We will communicate our commitment to all stakeholders and be clear on how we can work together on the journey towards net zero. Effective collaboration with our occupiers will be particularly vital in reducing emissions associated with occupier energy consumption. Over the long term we will need to work with them to increase our understanding of the carbon impact of activities such as tenant fit out. Sharing best practice and lessons learnt with the wider real estate sector and beyond is also essential to help speed up the response to the climate crisis. As required under the BBP Climate Change Commitment we will disclose progress against our pathway annually.

## Governance

Ultimate accountability for achieving our commitment will sit with the main Board. Day-to-day implementation will be led by the Net Zero Carbon Committee with oversight from the Responsible Business and Executive Committees. The Net Zero Carbon Committee will track progress against the actions outlined in the table on page 7 through the Net Zero Carbon Action Plan. The plan will be a live document and will be presented to the Sustainability Committee on a quarterly basis. It will also inform our annual net zero carbon disclosure and third party assurance processes. At the asset level, progress against actions will be monitored through the Building Sustainability Plans (BSP), and Project Sustainability Plans (PSP) will be used for new developments and refurbishments.

## Green finance

In 2019 we were the first UK REIT to sign a Revolving Credit Facility (RCF) with a 'green' tranche. To support this, we produced our Green Finance Framework which aligns with the Loan Market Association's (LMA) Green Loan Principles (GLP). As a result, projects which focus on renewable energy, energy efficiency and climate change resilience can be funded by the 'green' tranche of our RCF. This financing arrangement supports our commitment to achieving net zero carbon by 2030. Further information on our Green Finance Framework can be found on our corporate website.

## Carbon accounting

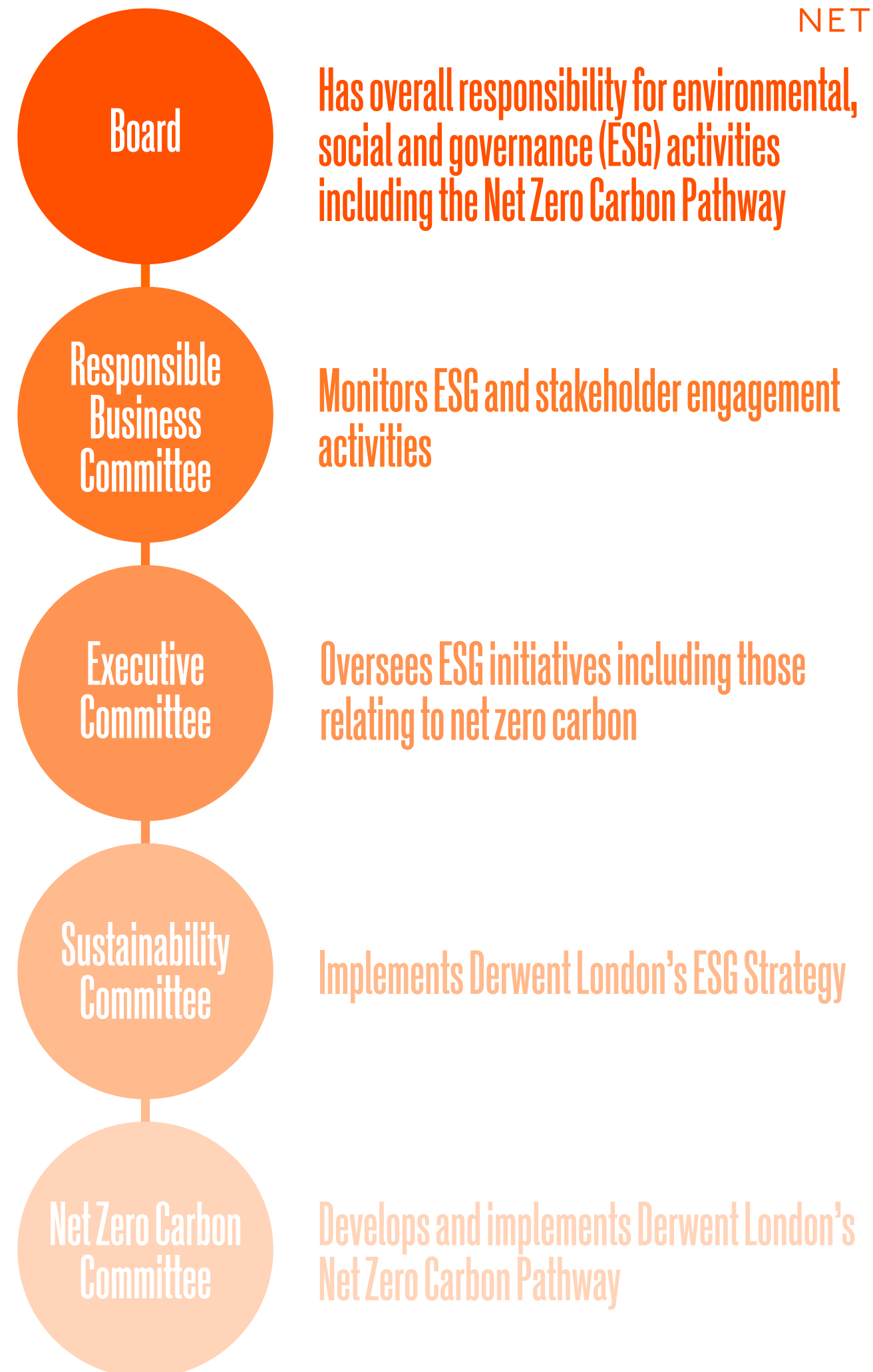
To fully consider a scheme's potential carbon impact we will develop a methodology for incorporating carbon accounting in the financial appraisal process. This will allow the management team to review the estimated carbon impact alongside the financial implications of a proposed development or acquisition. Having visibility of carbon at this stage enables broader decision making to occur and will also help inform the design process.

## Independent assurance

Transparent reporting is very important to us and our approach to net zero carbon is no exception. Our environmental data has been independently assured at the reasonable level since 2017 and the limited level since 2013. We will work with our third party auditors to incorporate the measurement and verification of our net zero work into our non-financial assurance process. Independent certification and industry standards will be used when procuring renewable energy and carbon offsets. As our pathway journey progresses, we will consider other independent verification or certification schemes as they become available.

Along with the formal governance structure, all our staff have a role to play in achieving net zero carbon. That is why we will provide full support to ensure they have the skills and knowledge required to deliver the pathway. Our commitment to net zero carbon will be incorporated in our existing sustainability frameworks and policies.

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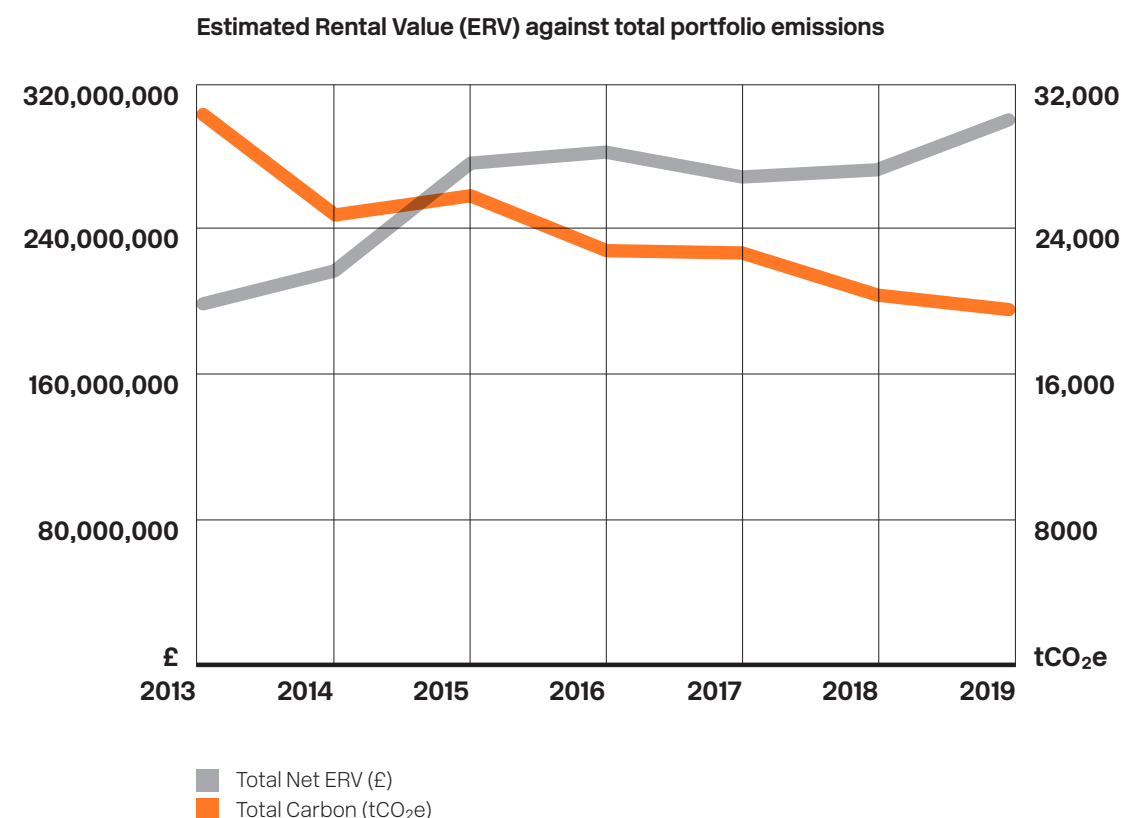
# Potential opportunities

Increasing resilience  
Exploring new technologies  
Achieving carbon reduction while supporting ERV growth

As the impacts of climate change are felt more intensely and more frequently across the world, it is vitally important we understand how these might impact our portfolio and business activities. By accelerating our commitment to net zero carbon we aim to increase the resilience our buildings to changing weather patterns and extreme events. Our focus on investing in renewable energy generation will limit our exposure to future volatility in the global energy markets.

We recognise that the scientific and technological solutions to climate change will evolve over time along with regulation. As outlined in the Pathway actions table on page 7, we will be exploring new technologies and approaches which can support our net zero commitment. This will enable us to trial new ideas and potentially stay ahead of any changes or updates to regulation.

We know from previous experience that achieving business growth does not have to mean an increase in carbon emissions. Since 2013, the net estimated rental value (ERV) of our investment portfolio has steadily increased while our total carbon emissions have decreased, clearly demonstrating that growth can occur whilst carbon declines.



# Potential challenges

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One of the biggest challenges to achieving our net zero commitment will be reducing emissions from activities where we currently have limited influence and oversight. For example, we have included carbon emissions from our unmanaged portfolio in the scope of our commitment, however, we have little influence over how single let buildings are operated. This is also the case for the embodied carbon of refurbishments and fit-out projects, where we currently have a limited understanding of their impact. Addressing the emissions arising from such activities will require collaboration from all stakeholders across our value chain, from occupiers to contractors and suppliers. This issue is a challenge for the wider real estate sector and we will continue to work with our peers and the BBP to create consistency in our approach.

We recognise our journey to achieving net zero is a complex one with many unknowns. The science around climate change and mitigation and adaptation technologies is rapidly evolving. We will need to be dynamic in our approach to account for these and every year we will monitor progress against our pathway, adapt it where required and disclose any changes we make.



# Summary

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Derwent London has been on a journey to becoming a net zero carbon business for many years however we believe the current climate crisis requires more urgent action. This led us to bring forward our target by two decades to 2030 from 2050.

We believe our pathway to net zero increases our portfolio's resilience to the risks and opportunities associated with climate change. Importantly, our new commitment to 2030 sends a clear message to our current and future occupiers that we are proactively tackling the aspects of our business that contribute to climate change. Given that the built environment contributes significantly to the UK's overall carbon footprint, it is more important than ever for us to take action to reduce emissions from our direct operations and use our influence to help our stakeholders to do the same.





# Timeline

This timeline maps out some of the key actions identified in the pathway over 10 years and indicates when we might undertake them

- Every year we will...**
- Monitor performance against operational energy and water targets and take action to achieve them
  - Engage with our occupiers and other stakeholders
  - Explore new technologies and approaches to reducing operational energy renewable generation and reducing embodied carbon
  - Offset any residual carbon emissions we cannot eliminate
  - Support our staff so they can continue to deliver the pathway
  - Review our approach to acquisitions
  - Monitor, develop and disclose our approach to net zero
  - Gain third part assurance of our progress towards net zero

**Projects funded under our Green Finance Framework, from left to right:**  
**80 Charlotte Street W1 (2020)**  
Our first all-electric building  
**The Featherstone Building EC1 (2022)**  
Adopting concrete core cooling  
**Soho Place W1 (2022)**  
Using PVs and 40% green roof attracting biodiversity

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2020

Specify Design for Performance (DfP) assessments and all-electric heating and cooling systems for new developments

Incorporate energy efficiency and all-electric systems in the five-year asset management plans

Set building specific energy and water intensity targets

Monitor progress against all-electric retrofit and energy efficiency for the investment portfolio

Rebase our science-based targets to align with a 1.5°C climate warming scenario

2025

Develop, implement and review our methodology for carbon accounting and reducing embodied carbon

Develop, implement and review our approach to assessing the climate resilience of our portfolio

Develop, implement and review our carbon offsetting strategy

Roll out a programme for occupier engagement across our managed and unmanaged portfolio

2030

Develop, implement and review our approach to self-generation of renewable energy

Look for ways to increase our influence and oversight of retail, residential and occupier fit-out activities

Evaluate the success of the pathway in achieving our net zero carbon commitment

Set a new commitment and pathway beyond 2030

Procure 100% of gas and electricity from renewable sources



# Detailed scope table

The table here sets out the carbon emissions included within the scope of our commitment and alignment with the BBP Net Zero Carbon Pathway mandatory scope elements.

Appendix A

Business Area	Activity	Carbon scope	BBP requirement	In scope	Comments
Corporate	Operational energy consumption	1 (direct) 2 (indirect)	No	Yes	
	Operational water consumption	3 (indirect)	No	Yes	
	Operational waste production	3 (indirect)	No	Yes	
	Company vehicles	1 (direct)	No	Yes	
	Business travel	3 (indirect)	No	Yes	
	Employee commuting	3 (indirect)	No	Yes	
	Purchased goods and services	3 (indirect)	No	No	Currently limited oversight however we will aim to increase our understanding of the carbon impact arising from this activity over the long term
Business Area	Activity	Carbon scope	BBP requirement	In scope	Comments
Investment Portfolio (direct real estate holdings)	Landlord purchased energy (electricity & fuels)	1 (direct) 2 (indirect)	Yes	Yes	
	Occupier (managed and unmanaged) purchased energy (electricity and fuels)	3 (indirect)	Yes	Yes	
	Retail energy consumption	3 (indirect)	Yes	No	Currently no oversight and limited influence over operational consumption. Retail tenants make up only 10% of our overall tenant profile. We will aim to increase our understanding of the carbon impact arising from this activity over the long term
	Residential energy consumption	3 (indirect)	Yes	No	No oversight or influence over operational consumption and not material as represents less than 1% of portfolio. We will aim to increase our understanding of the carbon impact arising from this activity over the long term
	Landlord refrigerants	3 (indirect)	Yes	Yes	
	Occupier refrigerants	3 (indirect)	No	No	
	Landlord purchased water	3 (indirect)	Yes	Yes	
	Occupier purchased water (managed and unmanaged)	3 (indirect)	Yes	Yes	
	Landlord managed operational waste	3 (indirect)	Yes	Yes	
	Occupier managed operational waste	3 (indirect)	Yes	Yes	
	Visitor transport	3 (indirect)	No	No	
	Customer supply chain emissions	3 (indirect)	No	No	
	Landlord purchased goods and services	3 (indirect)	Yes	No	Currently limited oversight however we will aim to increase our understanding of the carbon impact arising from this activity over the long term
	Occupier supply chain emissions	3 (indirect)	No	No	
	Visitor transport emissions	3 (indirect)	No	No	

Detailed  
scope table

Business Area	Activity	Carbon	BBP requirement	In scope	Comments
Investments (Indirect Real Estate Holdings)	Landlord purchased energy (electricity & fuels)	3 (indirect)	Yes	Yes	
	Occupier purchased energy (electricity & fuels)	3 (indirect)	Yes	Yes	
	Landlord refrigerants	3 (indirect)	Yes	Yes	
	Occupier refrigerants	3 (indirect)	No	No	
	Landlord purchased water	3 (indirect)	Yes	Yes	
	Occupier purchased water	3 (indirect)	Yes	Yes	
	Landlord managed operational waste	3 (indirect)	Yes	Yes	
	Occupier managed operational waste	3 (indirect)	No	Yes	
	Occupier supply chain emissions	3 (indirect)	No	Yes	
	Visitor transport emissions	3 (indirect)	No	Yes	
Business Area	Activity	Carbon	BBP requirement	In scope	Comments
Development	New development (including funding)	3 (indirect)	Yes	Yes	
	Refurbishments	3 (indirect)	Yes	Yes	
	Landlord controlled fit-out	3 (indirect)	Yes	Yes	
	Occupier controlled fit-out	3 (indirect)	Yes	No	Currently no oversight or influence however we will aim to increase our understanding of the carbon impact arising from this activity over the long term
	End of life	3 (indirect)	No	No	



## Better Buildings Partnership (BBP)

The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock.

## Building Management System (BMS)

A BMS is a computer-based control system which is installed in a building which monitors and controls the mechanical and electrical equipment e.g. lighting, heating, cooling and security systems.

## Carbon dioxide equivalent (CO<sub>2</sub>e)

CO<sub>2</sub>e is a standard unit for measuring carbon footprints. It expresses the impact of each different greenhouse gas in terms of the amount of CO<sub>2</sub> that would create the same amount of warming impact of each gas. As a result, the total impact of all these gases can be expressed as a single number in a same unit.

## CIBSE TM54

CIBSE Technical Memorandum 54 (TM54) provides building designers and owners with clear guidance on how to evaluate operational energy use fully, and accurately, at the design stage. It sets out how the operational energy required for the building can be estimated - covering both regulated and unregulated loads.

## Design for Performance (DfP)

The DfP initiative is a UK industry funded and backed project established to tackle the energy performance gap in buildings and provide an approach, based on measurable performance outcomes, to ensure new office developments deliver on their design intent.

## Embodied carbon

Carbon emissions associated with energy consumption (embodied energy) and chemical processes during the extraction, manufacture, transportation, assembly, replacement and deconstruction of construction materials or products.

## Estimated rental value (ERV)

The external valuers' opinion as to the open market rent which on the date of valuation could reasonably be expected to be obtained on a new letting or rent review of a property.

## Greenhouse Gas (GHG) Protocol Corporate Accounting standard

This internationally recognised standard sets out methodologies for businesses to collate, calculate and report all the GHG emissions they produce.

## Loan Market Association (LMA) Green Loan Principles (GLP)

The green loan principles aim is to create a high-level framework of market standards and guidelines, providing a consistent methodology for use across the green loan market. It comprises a series of voluntary recommended guidelines that seek to promote integrity by clarifying the instances in which a loan may be categorised as "green".

## MARKAL

An integrated energy system modelling platform that can be used to analyse energy, economic, and environmental issues at the global, national, and municipal level over a timeframe of up to several decades. It is a set of software tools that may be used to quantify the impacts of policy options on technology development and resource depletion.

## RE100

A membership group led by The Climate Group in partnership with the Carbon Disclosure Project of the world's most influential companies committed to 100% renewable power.

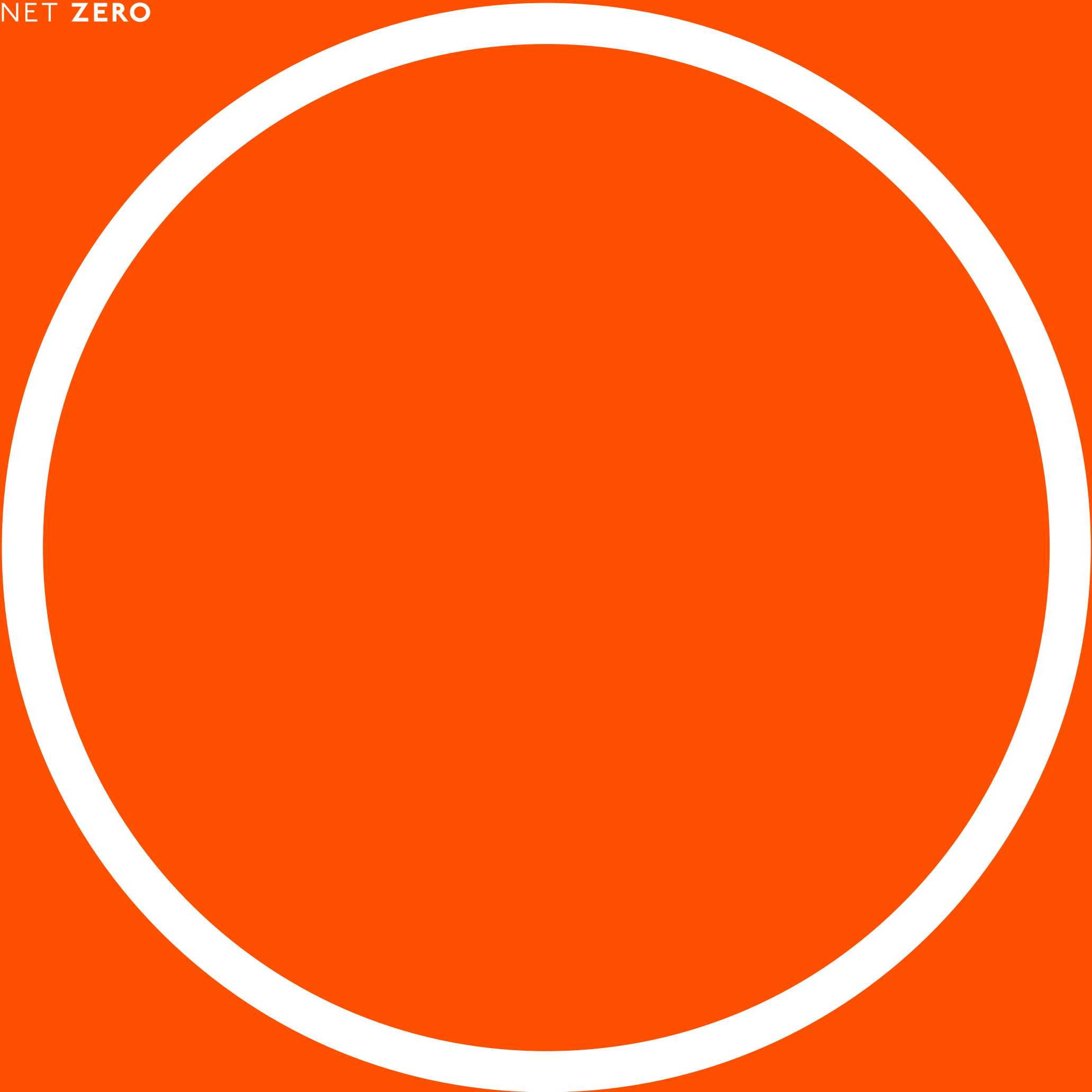
## Renewable Energy Guarantees of Origin (REGO)

The REGO scheme administered by Ofgem provides transparency to consumers about the proportion of electricity that supplier's source/provide from renewable generation.

## Science Based Target initiative (SBTi)

The Science BasedTargets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF). The SBTi defines and promotes best practice in science-based target setting and independently assesses and approves companies'targets. Science-based targets provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions.

NET ZERO



DERWENT  
LONDON

25 Savile Row  
London W1S 2ER  
+44 (0)20 7659 3000  
[www.derwentlondon.com/  
responsibility](http://www.derwentlondon.com/responsibility)

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