

# Responsibility Strategy

2020



DERWENT  
LONDON

## Our commitment

We recognise that our activities impact, both directly and indirectly, on a variety of environmental, social and economic outcomes. As a result, we are committed to continuing to measure and improve our performance using the guiding principles set out in this strategy and aim to be recognised as one of the leading organisations in the London property sector in terms of responsible business.

We are committed to maximising the positive impacts our business has through the continuous improvement of our performance.

The overall aim of our strategy is to:

**“Ensure our business demonstrates high standards of integrity, transparency and safety whilst ensuring our spaces are designed, delivered and operated responsibly”**

How we want to achieve this strategy is set out herein

This document is approved on behalf of the Board by:



Paul Williams  
Chief Executive Officer  
Derwent London plc

August 2020

# Our business model

We believe a responsible approach is fundamental to our business model and activities, which in turn supports our five principal business objectives:

1. To optimise returns and create value from a balanced portfolio
2. To grow recurring earnings and cashflow
3. To attract, retain and develop talented employees
4. To design, deliver and operate our buildings responsibly
5. To maintain strong and flexible financing

## Guiding principles

To help us deliver this strategy we use the following principles.

### Clear purpose and robustness

A clear purpose and a robust business model are important elements to deliver long term value to all our stakeholders. We will continue to promote our values, build and maintain long-term relationships in an open and progressive corporate culture.

### Social value and prosperity

A fundamental trait of responsible business is the creation of improved social value and prosperity for both business and society. If a business uses a responsible approach to its growth this will have a multiplier effect that benefits not only society and the economy but also the environment. To maintain and grow a strong business we must recognise and balance the needs of our key stakeholder groups, these are:

- Occupiers
- Shareholders
- Employees
- Local communities
- Suppliers
- Central and local government
- Debt providers

## Holistic approach

We aim to have a holistic approach to improving the performance of our business. This means recognising that the benefits and impacts we generate are often interrelated, which means decisions should not be made in isolation.

## Precautionary principle

Taking account of the precautionary principle requires that risk assessment and management techniques are used to identify and limit any adverse impacts. Meeting the requirements of future legislation and trends requires us to set long term realistic priorities and objectives in order to maintain high level levels of performance across our business.

## Net zero carbon

Viability of our business. Our pathway has been designed to achieve net zero status by 2030. We will publish updates on our pathway on an annual basis so our stakeholders can monitor our progress and achievements. [Link here.](#)

## Continuous improvement

We will monitor and measure our performance through review and audit. This will enable the identification of areas of under-performance as well as strong performance, and in turn allow us to identify opportunities for future improvement.

## Green finance

Our Green Finance Framework sets out clear green eligibility criteria for our development and refurbishment projects, which have been aligned to our long-term priorities set out below. The Framework is linked to our corporate revolving credit facility which has a dedicated green funding element within it and allows us to draw down finance which meet the eligibility criteria thereby allowing clear demonstration of the positive impact of our buildings and spaces.

# Our priorities

In order to achieve this strategy, we have identified seven long term priorities, which are fundamental to our business and to the needs of our stakeholders. These priorities are used to measure our performance, monitor our progress, and ultimately gauge our success.

## 1. Designing and delivering buildings responsibly

A key part of our preferred development approach is to harness good design to develop and refurbish buildings, whilst learning from our existing portfolio and older buildings in order to inform our future designs. A fundamental trait of good design, we believe, is its ability to help deliver inherently efficient and healthy spaces. From experience we see that well designed, sustainable spaces let more quickly and on better terms, therefore clearly demonstrating the value of our approach. In addition, we believe such spaces help promote enhanced levels of occupier health and wellbeing.

***Aim: Ensure a responsible approach is considered and implemented at every stage of the design and delivery of our projects.***

## 2. Managing our assets responsibly

As a long-term investors and asset operators it is vital that we take a responsible approach to the management and maintenance of our assets. Although we always seek to design and deliver buildings which are sustainable and efficient to run, rigorous management is still required in order to maximise the environmental performance and deliver the potential savings of which the buildings are capable. We believe it is important to engage proactively with our customers to assist them in operating their spaces as efficiently as possible, thereby making our management efforts even more effective.

***Aim: Ensure all our assets are managed and maintained in a responsible manner in order to maximise their efficiency.***

### 3. Creating value in the community

We are committed to supporting the communities in which we operate, such that we can enable value creation and develop and maintain strong relationships in these communities. To assess the benefits our assets can bring to local business, the public realm, building occupants and local residents we undertake socio economic assessments to map the impacts our buildings have on an area.

***Aim: Enable value creation and develop and maintain strong relationships within the communities in which we operate.***

### 4. Engaging and developing our employees

The continued strong performance of our business would not be possible without a diverse, motivated and highly skilled workforce. Therefore, it is important that we continue to create the right environment by encouraging and creating opportunities for individuals and teams to realise their full potential; thereby enabling our business to achieve its strategic goals and targets.

***Aim: Create a working environment that actively engages employees by encouraging continuous personal development, promoting diversity and recognising and nurturing high performance.***

### 5. Ensuring the highest standards of health and safety

The health and safety of our employees, occupiers and those that work in our buildings is of utmost importance to us. Moreover, so is the approach we take to the design and delivery of our buildings, ensuring they set the highest standards in terms of health and safety but also promote high levels of occupier wellbeing. To deliver this we have developed an integrated approach which considers health and safety at every stage during the life cycle of our properties – from acquisition, design, delivery and management.

***Aim: Maintain and operate a robust approach to health, safety and fire risk management across our business.***

## 6. Protecting human rights

The protection of human rights and the fundamental freedoms of our employees, occupiers and those that work in our buildings is a key priority. To support this, we ensure that we have the right processes and procedures in place such that we maintain our high standards of transparency and integrity, overseen by our Responsible Business Committee. In addition, we are active in ensuring our position and expectations on human rights are clearly communicated to our supply chains.

***Aim: Ensure we support and respect the protection of human rights of our employees, occupiers and those that work in our buildings and supply chains.***

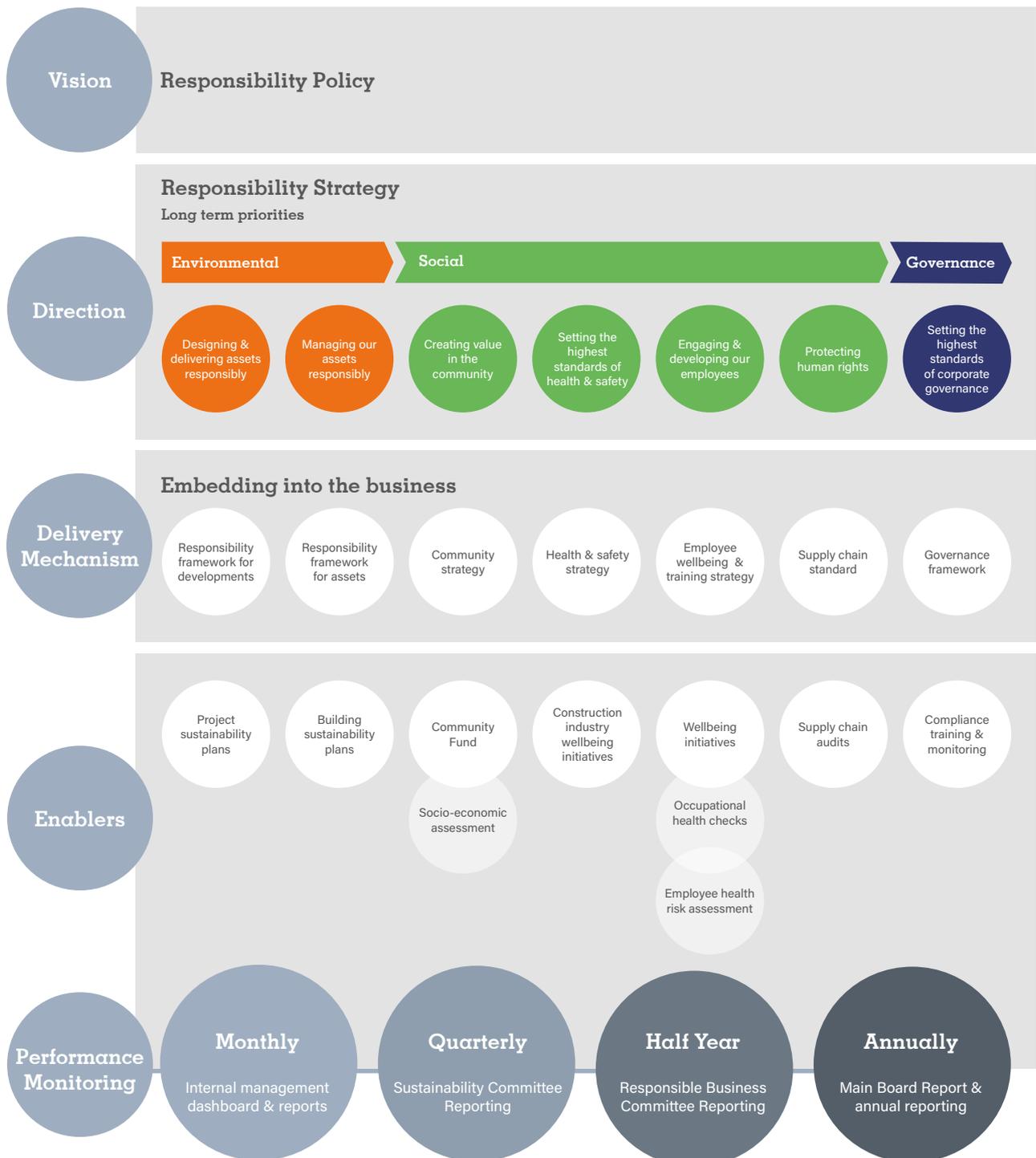
## 7. Setting the highest standard of corporate governance

Operating ethically and in a responsible manner is fundamental. Our Board, with input from its principal committees, ensures we meet and exceed the highest standards of corporate governance.

***Aim: Ensure we operate ethically and in a responsible manner with high levels of transparency and accountability.***

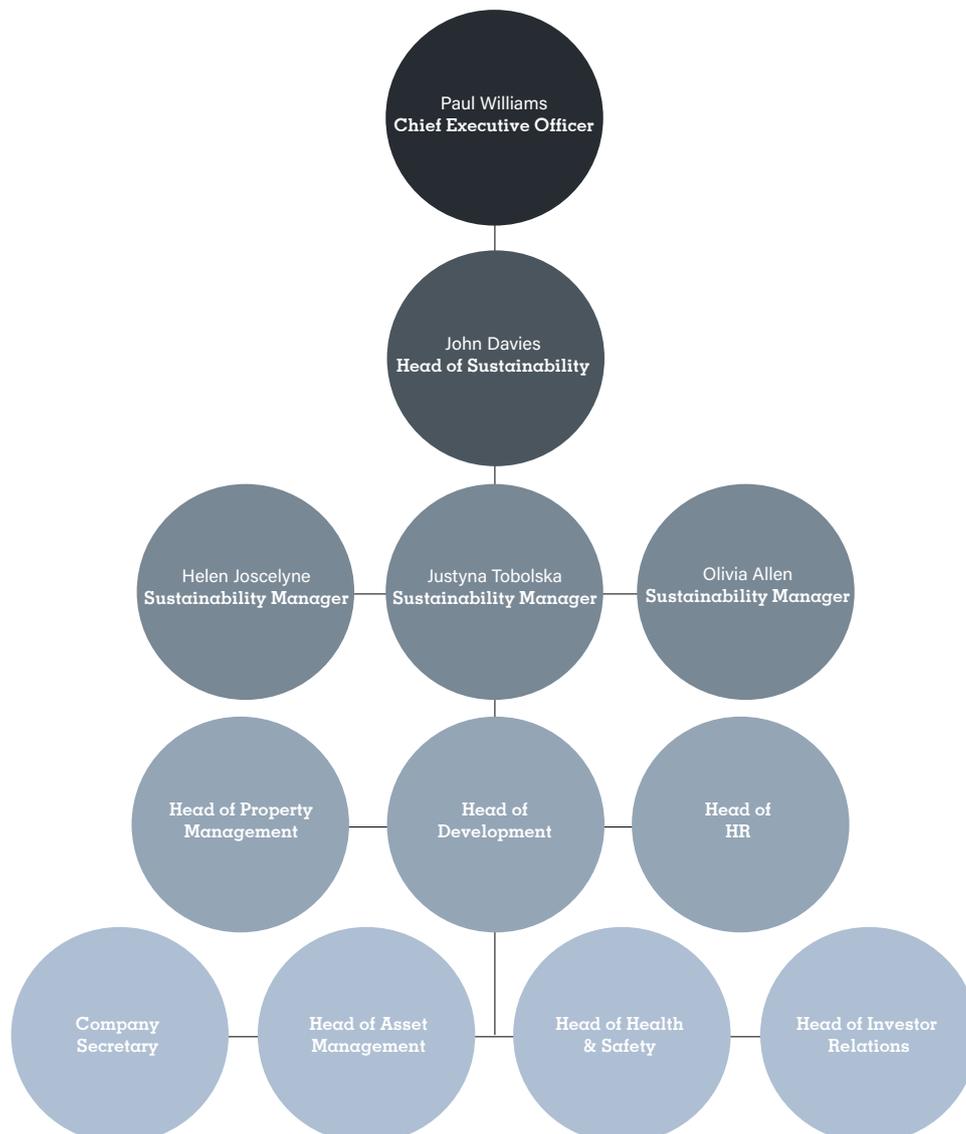
# Delivery framework

To implement this strategy and our policy we use our 'Responsibility Map', which sets out the framework for us to deliver on our commitment and long-term priorities. It also ensures that we have the correct processes in place across our business functions in order to meet the requirements of this strategy and our policies.



# Management

To ensure the effective implementation of our policy and strategy there is a clear management hierarchy and accountability pathway for our responsibility agenda within our business. This starts with the main Board and the Responsible Business Committee filtering down to the Sustainability Committee and each business function Head, who in turn are required to ensure that our responsibility agenda is integrated into their areas of work. To oversee effective day-to-day management, the Head of Sustainability is responsible for overseeing delivery across the business, with the wider Sustainability Team supporting the various business functions in maximising their performance.



## Performance measurement

For us to demonstrate progress against our strategy we believe it is important to set the right targets and key performance indicators so we can track our progress effectively. We set out our latest suite of targets on our website which can be found at [this link](#).



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