Olivia – for the short time you were with us, you left behind a powerful and lasting impression. Thank you for your energy, drive, humour, challenge and commitment in helping create our net zero carbon pathway which bears your hallmark and will make not only a huge impact on our business but also for future generations. So, thank you Olivia from all your friends and colleagues at Derwent London – it was a privilege to have worked alongside you. You are greatly missed and never far from our thoughts. Rest in peace.

Olivia x
Foreword

2020 has been an extraordinary year dominated by the Covid-19 pandemic. Derwent London started off with a positive outlook, but few then imagined how events would unfold. Recovery may take time, but 2020 ended with the UK leaving the EU with a trade deal and, at the start of 2021, the rollout of a national vaccination programme. Covid-19 has had a significant impact on everyone and our teams have been working extremely hard to ensure we have continued to function effectively and to respond quickly to support all our stakeholders.

Climate change remains the major global challenge of our time, which is why we made the significant commitment to become a net zero carbon business by 2030. In July 2020, we published our detailed pathway showing how we propose to achieve this. We continue to push the opportunities for better buildings and to work with our partners. So, as the world looks towards new initiatives emerging from COP26 in Glasgow later this year, Derwent London is fully committed to reducing its impact on climate change.

This recent period has clearly demonstrated the value of our long-lasting relationships which have continued to strengthen as we supported each other. We increased our community and sponsorship donations by 179% to £1.1m, including the temporary use by NHS staff of 16 flats at Charlotte Apartments.

Other relationships have proven equally important. Many of our community partners have been severely affected and we expanded the remit of our Community Fund to allow groups to apply for critical core financial assistance during the pandemic. It was inspiring to see how many adapted to ensure they could continue to help communities and individuals.

We also quickly introduced Covid-19 compliant protocols in our buildings, and our teams assisted occupiers as restrictions developed, applying a 25% service charge discount across the portfolio for two quarters and, for those most in need, deferring or waiving rents.

In our own office, employees were able to work remotely to ensure business continuity as well as allowing flexibility in their home lives. We recognise the importance of mental health – for our team and others. We have remained in close contact with our staff through fortnightly town hall meetings, online social events and appointed mental health champions. In addition, to progress our inclusive approach, we have launched a diversity and inclusion working group with 11 employees – as important for the industry and employees alike. In 2021 we shall work towards achieving the National Equality Standard.

We are finding our investment in ESG is increasingly recognised and believe that this, along with our reputation for creating modern adaptable office buildings, will enable Derwent London to find new opportunities. This will be important as London seeks to raise the quality of its existing office stock to reduce its carbon footprint whilst improving the economic and wellbeing impacts on its occupiers and local communities. There is no quick fix but, we believe, Derwent London is very well placed to make an important contribution.

I am enormously proud of the Derwent London team and what they have achieved this year. Many of my colleagues have worked very long hours to ensure we met our operational objectives and the needs of all our stakeholders. Maintaining a work-life balance can be difficult, and the focus has been on the wellbeing of our teams.

I would like to thank our teams for responding so well to the challenges so well, which enables us to continue to support the wider community.

Paul Williams
Chief Executive
Welcome to the ninth edition of our annual Responsibility Report. I think it is fair to say that 2020 did not unfold as we had expected. This year’s report, like last year’s, is published against the backdrop of the Covid-19 pandemic, which continues to challenge our economy and stakeholders alike. However, that has not stopped our proactive and supportive approach to our stakeholders, and we have continued to utilise our strong financial position to work with our occupiers and local community groups to help them deliver their vital services and support.

This proactive approach continues across our business, not least in our work on climate change, which saw us release our Net Zero Carbon Pathway in July 2020 – the first UK Real Estate Investment Trust (REIT) to do so. Within the pathway we have detailed the scope of our ambition, the actions we will take and how we intend to measure our progress on our journey as we head towards 2030. Our first annual net zero carbon report is set out on pages 12–15. In addition, we have progressed our climate risk assessment work by analysing the physical and transitional risks relevant to our business and how our portfolio might respond in various climate scenarios – further insights can be found on pages 40–42.

We have updated our materiality assessment to ensure our ESG approach. Our seven priority areas are still relevant and in line with stakeholder expectations, and ensure we are addressing the right issues. More details on materiality can be found on pages 10–11.

The government lockdown has meant many of our occupiers have not been able to fully utilise their spaces over the past year. This, in turn, has affected our energy consumption and subsequent carbon emissions. Overall, we have seen a 23% reduction in total energy consumption (tenant and landlord) across our managed portfolio. This meant our total carbon footprint dropped by 32% during 2020 in line with the fall in energy consumption. Much of this reduction can be attributed to lower occupancy but, where our occupiers have been using their spaces, we have also been able to work with them to provide targeted services to avoid unnecessary usage. Please see the data section on pages 117–136 of the report for an in-depth review of our energy and carbon performance.

Looking externally, we are delighted to retain our Global Real Estate Sustainability Benchmark (GRESB) Greenstar status together with a score of 80, maintain our CDP rating of B and achieve EPRA gold award for our sustainability reporting. I hope you find our report insightful and should you have any feedback or would like to find out more about our responsibility work, please do get in touch at sustainability@derwentlondon.com

John Davies
Head of Sustainability
Snapshot

Reduction in our managed portfolio energy intensity 14%

Reduction in our managed portfolio carbon generation in all scopes 32%

Reduction in our like-for-like portfolio energy intensity 23%

Reduction in our like-for-like portfolio carbon generation in all scopes 28%

£1.1m Invested in our Community Fund, corporate contributions and charitable donations

14% Reduction in our managed portfolio energy intensity

18 Projects invested in across our Community Fund
About our report

Scope and boundaries
This report relates to the work undertaken in our last financial year – 1 January to 31 December 2020. Its scope reflects our business activities — real estate investment, management and development in central London. Our data boundaries, together with the calculation and aggregation methods, are set out in our data report on pages 117–136.

Structure and materiality
Our report reflects how we manage our material ESG issues in the context of our day-to-day business activities. The core of the report is arranged around our seven key ESG priority pillars, supported by extensive data and material issues analysis such as climate change. On pages 10–11 we set out our updated materiality matrix which puts the seven priorities into context against the issues material to our business.

Reporting frameworks
We compile and align our outputs with two reporting frameworks – GRI Standards and the EPRA Best Practices Recommendations on Sustainability Reporting. This allows for a broad reporting format comparison (GRI) and a real estate-specific one (EPRA). Summaries of both can be found on pages 97–107 and 93–95 respectively. In addition, we set out a review of our progress in supporting the UN Sustainable Development Goals (SDGs) which can be found on pages 109–110. Likewise, we set out our disclosures against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations which can be found on pages 81–85.

Assurance
Our environmental, health and safety and green finance data is independently assured at the reasonable level by Deloitte LLP. Their opinion can be found in the joint environmental and health and safety statement on pages 90–91 and in the green finance statement on pages 24–26.

We have provided a summarised account of our performance in the Responsibility section of our 2020 Report and Accounts, which can be found at www.derwentlondon.com/investors/results-and-reports.
During 2020 we worked with external consultants to review the broad spread of ESG-based aspects relevant to our business to ensure they are captured effectively in our updated corporate strategy and new net zero carbon ambition. As part of the assessment a four step process: identification, prioritisation, validation and review, was used to ensure the appropriate issues are brought forward and assessed properly. The results from this exercise were assessed by the Sustainability and Executive Committees to establish the priority and relative importance of each of the issues to both our business and stakeholders and alignment with our corporate risk register.

Our material ESG issues are:

1. Resource efficiency (including energy efficiency, greenhouse gases, climate change, water and waste)
2. Health and safety
3. Employees (including development, engagement and diversity)
4. Community (including investment and engagement)
5. Materials (including timber use, steel, concrete etc)
6. Supplier engagement
7. Customer engagement
8. Human rights (including modern slavery)
9. Business conduct (including tax principles and regulatory actions)
Last year, we set out our net zero carbon ambition and strategy on how we intend to achieve our 2030 target. During 2020 we provided further detail with the release of our pathway document. The pathway sets out the scope of our net zero programme, together with the necessary actions and the ways we will measure our progress.

**What net zero means to us**

Our net zero ambition and programme enable us to clearly demonstrate our commitment to ensuring our business is resilient to the effects of climate change. In addition, ensuring our investment portfolio and development pipeline are appropriately futureproofed so they enable us to generate long term returns for our stakeholders. To support our net zero work, we use the Task Force for Climate-related Financial Disclosures (TCFD) recommendations and reporting framework to disclose our approach to identifying and managing climate risk.

**Our commitment**

We are a signatory of the BBP’s climate change commitment and as such are required to annually report on our progress towards net zero carbon and the steps we are taking along this pathway to achieve our ambition. We have set out below our pathway, approach to identifying and managing climate risk.

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Actions</th>
<th>Metrics</th>
<th>Outcomes</th>
<th>2020 progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operational energy and carbon</strong></td>
<td>Robust current science-based targets to align with a 1.5°C climate warming scenario and verify with the Science Based Target initiative (SBTi).</td>
<td>Operational energy intensity rating kWh/m²</td>
<td>Avoid onsite combustion of gas and reduce the carbon intensity of new developments</td>
<td>We have introduced new all electrification requirements for our new developments and major refurbishments going forward.</td>
</tr>
<tr>
<td>Specify all electric heating and cooling systems for new developments and major refurbishment projects.</td>
<td>Percentage of new developments and major refurbishments with all electric systems</td>
<td>Operational energy intensity rating kWh/m²</td>
<td>Reduce the performance gap and the operational energy intensity of new developments</td>
<td>We have introduced a minimum NABERS UK (previously known as Design for Performance) 4-star requirement for new developments and major refurbishments going forward.</td>
</tr>
<tr>
<td>Identify properties in the investment portfolio for retrofit to all-electric heating and cooling systems</td>
<td>Percentage of buildings with all-electric retrofit programmes</td>
<td>Operational energy intensity rating kWh/m²</td>
<td>Avoid onsite combustion of gas and reduce the carbon intensity of the investment portfolio</td>
<td>All electric retrofitting has already begun with two refurbishment schemes – Francis House and 8–18 Greencross Place SW1 and 90 Tottenham Court Road W1, see page 39 for further details. Work will continue to identify properties where all electrification will be possible.</td>
</tr>
<tr>
<td>Set out energy efficiency measures in the five-year asset management plans and maintenance programmes for all properties including new acquisitions</td>
<td>Percentage of buildings with energy efficiency measures included in the five-year plans</td>
<td>Operational energy intensity rating kWh/m²</td>
<td>Reduce the overall energy demand of the investment portfolio</td>
<td>We have been working to develop the appropriate net zero measures within our asset management strategies. Work will continue to develop and embed them within our plans.</td>
</tr>
<tr>
<td>Increase the granularity of energy and water consumption data laundered and occupied by ensuring the accuracy of existing meters and the installation of additional metering/ sub-metering</td>
<td>Percentage of buildings with metered and occupier electricity / gas / water sub-metering linked to BMS</td>
<td>Use enhanced data to inform occupier engagement projects and building management plans to reduce energy demand across the investment portfolio</td>
<td>We have started further investigations to see where we can update building metering to make it more granular and where possible enhance building BMS controls.</td>
<td></td>
</tr>
<tr>
<td>Monitor the energy demand of occupied buildings, set operational energy intensity targets and monitor ongoing performance</td>
<td>Monitoring electricity and gas consumption and intensity on a monthly basis kWh / tCO₂e</td>
<td>Promote the efficient operation of the investment portfolio</td>
<td>Work is currently being undertaken to refine an appropriate set of energy-use intensity targets. We are looking to have targets in place by the end of 2023.</td>
<td></td>
</tr>
<tr>
<td>Monitor water consumption and intensity on a monthly basis m³/m²</td>
<td>Promote the efficient operation of the investment portfolio</td>
<td>These targets will be created in line with our other targeting work.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aspect</td>
<td>Actions</td>
<td>Metrics</td>
<td>Outcomes</td>
<td>2020 progress</td>
</tr>
<tr>
<td>--------</td>
<td>---------</td>
<td>---------</td>
<td>----------</td>
<td>--------------</td>
</tr>
<tr>
<td><strong>Operational energy and carbon</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Reduce the waste production and recycling figures of managed buildings; set reduction and recycling targets and monitor ongoing performance.</td>
<td>- Monitor building waste and recycling figures on a monthly basis; tonnages produced and percentage recycled.</td>
<td>- Reduce the carbon emissions associated with the production and management of waste.</td>
<td>As above</td>
</tr>
<tr>
<td></td>
<td>- Develop an approach to understanding the carbon impact of the unmanaged portfolio which includes a methodology for estimating energy consumption where actual data is not readily available.</td>
<td>- Operational carbon impact of unmanaged buildings kWh/m² tCO₂e/ICO₂h (intensity).</td>
<td>- Gain a better understanding of the carbon impact of our unmanaged portfolio to inform occupier engagement projects.</td>
<td>As above</td>
</tr>
<tr>
<td></td>
<td>- Develop a programme for occupier engagement to improve building performance, including energy and water consumption and waste production.</td>
<td>- Percentage of buildings with occupier sustainability engagement plans.</td>
<td>- Raise awareness of building performance and encourage behaviour change to reduce carbon emissions from operational activities.</td>
<td>We have started to develop a range of tenant engagement materials which will be rolled out during 2021.</td>
</tr>
<tr>
<td></td>
<td>- Explore energy storage and heat recovery technologies that could be incorporated in new developments and the investment portfolio.</td>
<td>- Number of technologies reviewed, and buildings installed in.</td>
<td>- Support the transition to all-electric buildings and balance grid demand.</td>
<td>As part of our net zero requirements for developments each project is required to review the opportunities to include onsite renewable energy generation.</td>
</tr>
<tr>
<td><strong>Renewable energy procurement and investment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Specify onsite renewables for new developments and assess their viability for major refurbishments.</td>
<td>- Generation of onsite renewable energy supplies across the portfolio as a percentage of building demand kWh.</td>
<td>- Reduce grid energy demand of new developments and associated carbon demand.</td>
<td>As part of our net zero requirements for developments each project is required to review the opportunities to include onsite renewable energy generation.</td>
</tr>
<tr>
<td></td>
<td>- Procure 100% of gas and electricity from Green Gas Certificated and REGO-backed sources for the managed portfolio.</td>
<td>- Percentage of electricity and gas supplies from renewable sources.</td>
<td>- Support additively of renewable energy to the UK grid and reduce the carbon intensity of the portfolio.</td>
<td>Currently all our electricity supplies are on REGO-backed tariffs and 10% of our gas supplies are Green Gas Certificated. During 2021 we will be investigating how we can increase our use of green gas.</td>
</tr>
<tr>
<td></td>
<td>- Explore opportunities for self-generated renewable energy on our Scottish sites and elsewhere in the UK.</td>
<td>- Number of direct investments in renewable energy generators.</td>
<td>- Support additively of renewable energy to the UK grid, reduce the carbon intensity of the portfolio and increase reliance on self generated energy.</td>
<td>Investigations continued during 2020 on renewable energy opportunities and these will continue during 2021.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Actions</th>
<th>Metrics</th>
<th>Outcomes</th>
<th>2020 progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Zero Carbon</strong></td>
<td>Develop a process for including carbon cost in the investment appraisal process, including an appropriate price per tonne of carbon.</td>
<td>- Embedded carbon for proposed schemes: tCO₂e/tCO₂h.</td>
<td>Inform decision-making to support schemes with lower embedded carbon.</td>
<td>We have developed an embedded carbon appraisal tool which allows us to map embedded carbon through both our acquisition and development appraisal processes. This allows us to develop a scoping cost for a given asset or project which can be used to generate an offset cost or shadow price of carbon.</td>
</tr>
<tr>
<td></td>
<td>- Set appropriate embedded carbon reduction targets for new developments and major refurbishments and include in the Derwent London Embedded Carbon Assessment Brief.</td>
<td>- Monitor embedded carbon intensity during design and construction: tCO₂e/m².</td>
<td>- Reduce the embodied carbon of new developments and refurbishments.</td>
<td>Work to be started in 2022.</td>
</tr>
<tr>
<td></td>
<td>- Explore new low embodied carbon materials and building methods that could be utilized for future developments.</td>
<td>- Number of technologies investigated and installed in buildings.</td>
<td>- Reduce the embodied carbon of new developments and refurbishments.</td>
<td>As part of our net zero requirements for developments each project is required to review the opportunities to reduce embodied carbon including the use of low carbon materials and build methodologies.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Carbon offsetting</strong></td>
<td>Appoint an appropriate provider to support the implementation of a Derwent London carbon offsetting strategy for emissions that cannot be eliminated.</td>
<td>- Number of carbon offsets procured: tCO₂e.</td>
<td>Ensure carbon offsets procured achieve the carbon removal benefit expected along with creating additional value where possible.</td>
<td>During 2020 we reviewed the offsetting market and appointed Natural Capital Partners – specialists in climate finance and carbon neutrality – as our provider.</td>
</tr>
<tr>
<td></td>
<td>- Develop a carbon cost for a development appraisal process.</td>
<td>- Number and type of offsetting schemes invested in.</td>
<td></td>
<td>We offset the embodied carbon anguish from our 80 Charlotte Street W1 development. See below for further details.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Climate resilience</strong></td>
<td>Complete climate resilience assessments for new developments and the investment portfolio.</td>
<td>- Percentages of new developments and investment portfolio where assessments have been undertaken.</td>
<td>Understand the potential risks and opportunities of climate change at an asset level to improve adaptation measures.</td>
<td>Whilst we have undertaken a climate risk analysis of our portfolio, we will now start to look at individual buildings and the specific adaptation measures required for climate resilience.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net Zero Carbon

Derwent London plc | 15
Reducing energy demand

The first, and perhaps most critical part of our net zero approach, is energy reduction which is something we have been working hard on for many years. However, as part of our programme we recognise that we need to go further to achieve our ambition, which means closing the energy performance gap of our developments and introducing effective, yet challenging, energy intensity targets to help us reduce our consumption.

Operational energy certification

During 2019, we supported the BBP in developing its innovative Design for Performance (DfP) initiative. We were one of the pioneer organisations to fund and trial the initiative, which aims to help close the energy performance gap currently experienced by most new developments. We have been trialling its use on our 19–35 Baker Street W1 scheme and over the past year the initiative has developed significantly. The scheme has now been successfully launched into the market as NABERS UK.

In line with our pathway commitments, we have mandated that all our new developments and major refurbishments must meet a minimum NABERS rating of 4 stars, please see our new targets section on page 13. As a result, we continue to embed NABERS within our Baker Street development and have started to introduce it within our development pipeline.

Energy use intensity targets

Alongside our work in closing the performance gap, we are now developing a series of energy use intensity targets to cover our managed portfolio. These will be individual to each property to ensure each contributes effectively to our overall ambition, align with our science-based targets, and demonstrate leadership. We will publish further details about our progress in our next annual report.

Electricity & gas

All our electricity supplies come from REGO-backed sources. Likewise, we are investigating how we can increase the amount of renewable gas utilised in our managed portfolio, as currently only 1% of our gas supplies come from certified renewable suppliers.

Looking ahead, we recognise the need to invest in additional renewable energy generation and that REGO-backed tariffs do not always allow us to show this effectively. Therefore, we will look to work with our energy brokers and suppliers to see how we can derive our supplies from nominated sources, while recognising this is an emerging area.

To supplement our market sources, we are also investigating how we can generate our own renewable energy, off-site on our Scottish Estate. We hope to provide an update on our efforts later in the year.

We will continue to include on-site renewable provision within our development schemes, for example by installing photovoltaics (PVs) or solar thermal.

Renewable energy

In east Africa.

The project was validated under both the VCS (Verified Carbon Standard) and CCB (Climate, Community and Biodiversity) standards. We will report on any further offsetting activities during 2021 in our next annual report.

For further information, visit https://www.naturalcapitalpartners.com/projects/project/community-reforestation-east-africa

Carbon offsetting

The project organises community-based tree planting initiatives with over 12,000 small groups involving 90,000 farmers in Kenya and Uganda. Under traditional practices, farmers clear trees to increase available agricultural land, which reduces quality by removing nutrients from the soil. Forestry projects such as this combine carbon sequestration with sustainable development, helping to improve community livelihoods through education, training and the creation of additional sources of income beyond smallholder farming. In addition, carbon finance is paid to farmers for surviving trees. Over 15 million trees have been planted and are alive, growing and being monitored because the project.

In addition to delivering approximately 42,000 tonnes of emissions reductions annually to help take urgent action to combat climate change (SDG 13), the project also delivers numerous other sustainable benefits, including no poverty, zero hunger and gender equality.

The project was validated under both the VCS (Verified Carbon Standard) and CCB (Climate, Community and Biodiversity) standards. We will report on any further offsetting activities during 2021 in our next annual report.

For further information, visit https://www.naturalcapitalpartners.com/projects/project/community-reforestation-east-africa
Green finance

Our Green Finance Framework is an important tool in our move towards becoming a net zero carbon business, as it demonstrates the clear link between our development and refurbishment financing and our net zero objectives. It sets out how we enter green financing transactions (GFTs) to fund projects that will deliver environmental benefits alongside supporting our business strategy and purpose.

In line with the reporting requirements of the Framework, we set out below our annual disclosure of the qualifying expenditure against our current eligible projects, their impact to date, and the independent assurance statement from our non-financial auditors, Deloitte LLP.

### Green Finance

#### Eligible Green Project selection & approval

Prior to approval a project is fully appraised to identify the financial returns together with a full risk assessment to analyse the benefits and impacts on our stakeholders. In addition, new projects are assessed to see whether they are eligible for green finance and, in turn, which eligibility criteria within the Framework they align with. The capital expenditure budget is approved through three main committees, each with their own tiered approval authority level. These are:

1. **Cost Committee**
2. **Executive Committee**
3. **The Board**

As part of the approval process each project then undergoes a final review by the Head of Sustainability and the Group Treasurer, via the completion of the Green Finance Eligibility form, to determine correct alignment with the Framework criteria and whether the project can be elected as an EGP.

#### Impact performance reporting

To monitor the ongoing progress of each EGP, each project is required to have a Project Sustainability Plan in place, which is a requirement of our Sustainable Development Framework. Each plan contains a series of performance criteria which are thematically aligned to the eligibility criteria set out in section 3.1 of the Green Finance Framework. The performance of the plans is monitored by both the Development and Sustainability teams with formal reporting through to the Sustainability Committee via the Committee reporting dashboard.

Where the impact reporting has yet to be fully achieved, for instance where a scheme is still to receive its final assessment methodology certificate, we will continue to track progress via regular monthly and quarterly reporting which is mandatory for our development projects. This ensures we can provide a meaningful update on our progress and that we are tracking funding correctly.

### Reporting period

Our reporting period is aligned to our financial year, which is set to the calendar year – 1 January to 31 December 2020.

### Reporting scope

We report and measure the progress of our Eligible Green Projects (EGPs) across eight areas:

- **Project name** – Identification of the scheme/asset(s)
- **Description** – A description of the scheme/asset(s)
- **Expected completion date** – Estimated scheme/asset(s) completion date
- **Size** – Scheme/asset(s) floor area
- **Total cost** – Projected total project cost
- **Category for eligibility** – The criteria used to determine whether the scheme/asset(s) will qualify as an eligible green project as set out in section 3.1 – Use of Proceeds in the Green Finance Framework
- **Impact reporting indicators** – The reporting indicator(s) used to demonstrate the impact of the eligible green project
- **Impact performance reporting** – Performance against the impact reporting indicators

### Framework criteria for eligibility

Within the Framework is an extensive list of eligibility criteria set out in section 3.1 of the Framework. The criteria are used to clearly establish the sustainability credentials of a project and ensure alignment with our overall strategic priorities and the UN Sustainable Development Goals. To be considered for election each project must meet at least one of the criteria.

The borrowings under the Framework must also align with the Loan Market Association (LMA)/Green Loan Principles.
Current Eligible Green Projects

The Green Projects benefiting from the green funding element (£300m) of the £450 million RCF as at 31 December 2020 are: 80 Charlotte Street W1 (excluding Asta House and Charlotte Apartments), Soho Place W1 (excluding Site B – theatre) and The Featherstone Building EC1.

Soho Place W1

This 285,000 sq ft mixed-use scheme on the corner of Oxford Street and Charing Cross Road, directly above Tottenham Court Road station, is now on site. It will comprise 209,000 sq ft of offices, 36,000 sq ft of retail, a 40,000 sq ft theatre and new public realm.

The project will have 115m² of photovoltaics (solar panels) installed which will generate approximately 18 MWh of electricity per annum. 40% of the total roof area will be covered with brown roof which will be designed to attract a wide variety of biodiversity.

Due to unique nature of the theatre at Site B it does not meet the green project eligibility criteria and is therefore not financed with green funding.

Completed June 2020
Size: 285,000 sq ft

Impact reporting indicators:
Building certification achieved (system & rating)

Site A
Achieved: BREEAM – Excellent (design stage)
Expected: BREEAM – Excellent (post construction), on target
LEED target – Gold, on target
EPC – B, on target

Site B – Offices (excluding theatre)
Achieved: BREEAM – Excellent (design stage)
Expected: BREEAM – Excellent (post-construction), on target
EPC – B, on target

The Featherstone Building EC1

Planning permission was obtained in February 2016 for a 125,000 sq ft office development – an 81% floor area uplift. Demolition of the existing two buildings finished in September 2019 and construction is under way, with completion in 2022.

The project will utilise concrete core cooling which is a highly efficient cooling solution integrated into the ceiling slabs which removes the need for traditional air conditioning. It will also be powered using combined heat and power (CHP).

Completed June 2020
Size: 125,000 sq ft

Impact reporting indicators:
Building certification achieved (system & rating)

Achieved: BREEAM – Outstanding (design stage)
Expected: BREEAM – Outstanding (post construction), on track
LEED – Platinum, on target
EPC – A, on target

80 Charlotte Street W1

This mixed-use scheme completed in June 2020 comprises 322,000 sq ft of offices, 43,000 sq ft of residential (10,000 sq ft affordable housing), 12,000 sq ft of retail and a new public realm park.

The project includes Asta House and Charlotte Apartments which are not financed with green funding as they do not meet the green project eligibility criteria.

Completed June 2020
Size: 322,000 sq ft

Impact reporting indicators:
Building certification achieved (system & rating)

Site A
Achieved: BREEAM – Excellent (design stage)
Expected: BREEAM – Excellent (post construction), on target
LEED – Gold, on target
EPC – B, on target

Site B – Offices (excluding theatre)
Achieved: BREEAM – Outstanding (design stage)
Expected: BREEAM – Outstanding (post construction), on track
LEED – Platinum, on target
EPC – A, on target

Expected completion date: 2022
Size: 377,000 sq ft

Categories for eligibility:
Green building, criteria 1

Impact reporting indicators:
Building certification achieved (system & rating)

Achieved: BREEAM – Excellent (design stage)
Expected: BREEAM – Excellent (post construction), on target
LEED – Gold, on target
EPC – B, on target
Cumulative spend on each EGP as at the reporting date

<table>
<thead>
<tr>
<th>EGP</th>
<th>Start of look back period</th>
<th>Look back spend £m</th>
<th>Subsequent spend £m</th>
<th>Cumulative spend £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 Charlotte Street W1</td>
<td>H1 2014</td>
<td>185.6</td>
<td>66.3</td>
<td>251.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18.9</td>
<td>66.3</td>
<td>251.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>281.0</td>
<td>5.2</td>
<td>286.2</td>
</tr>
<tr>
<td>Soho Place W1</td>
<td>H2 2015</td>
<td>13.4</td>
<td>13.4</td>
<td>26.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13.4</td>
<td>61.5</td>
<td>74.9</td>
</tr>
<tr>
<td>The Featherstone Building EC1</td>
<td>H1 2019</td>
<td>24.9</td>
<td>5.2</td>
<td>30.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24.9</td>
<td>24.8</td>
<td>55.7</td>
</tr>
</tbody>
</table>

1. Look back spend is for the period 1 January 2014 to 30 September 2019, rather than 30 October 2019 (refinancing date). This is to align with the Group’s quarter end reporting period.
2. Subsequent spend prior is for the period 1 October 2019 – 31 December 2019. Subsequent spend 2020 is for the period 1 January 2020 to 31 December 2020.

Financial monitoring
Qualifying expenditure on each EGP is tracked and reviewed against the budget and reported internally on a quarterly basis. External reporting and monitoring requirements to be met are set out in section 3.5 of the Framework.

Qualifying ‘green’ expenditure and green funding
The qualifying ‘green’ expenditure as at 31 December 2020 for each project is set out in the table below. This includes an element of ‘look back’ capital expenditure on live projects which had already been incurred as at the refinancing date (October 2019), including the 80 Charlotte Street scheme which commenced in 2015. Soho Place and The Featherstone Building both commenced on site in 2019. There have been no new EGPs elected in 2020.

The cumulative qualifying expenditure on EGPs was £419.7m, with £103.2m of this being incurred in 2020.

The drawn borrowings from Green Financing Transactions (GFTs) as at 31 December 2020 were £80m; therefore, there was £220m of available unallocated headroom within the £300m green tranche of the Group’s £450m revolving credit facility as at 31 December 2020.

A requirement under the Framework and the facility agreement is for there to be an excess of qualifying spend on EGPs, which are still owned by the Group, over the amount of drawn borrowings from GFTs which, as shown above, has been met.

Soho Place W1
Soho Place will have 115m² of photovoltaics (solar panels) installed which will generate approximately 18 MWh of electricity per annum. 40% of the total roof area will be covered with brown roof which will be designed to attract a wide variety of biodiversity. The project will complete in 2022.
Independent assurance statement by Deloitte LLP to Derwent London plc on the application of the Green Finance Framework (the ‘Framework’) in the financing of eligible green projects and in calculating qualifying green finance expenditure and selected environmental impact performance indicators disclosed within the Responsibility Report and the Annual Report and Accounts, respectively, (‘the Reports’), for the year ended 31 December 2020 in accordance with the LMA’s Extended GLPs (December 2018).

What we looked at: scope of our work
Derwent London plc engaged us to perform reasonable assurance procedures for the year ended 31 December 2020 on the following subject matters:

- The application of the Framework (February 2020) in accordance with the LMA’s Extended GLPs (December 2018) in the financing of Derwent London’s eligible green projects (80 Charlotte St (including Asta House and Charlotte Apartments), Soho Place Site A and Site B (excluding Site B Soho Place theatre), and the Featherstone Building), in calculating qualifying green finance expenditure and reporting on selected environmental impact performance indicators within the Reports;

- Eligible green project listing (80 Charlotte St, Soho Place, and the Featherstone Building);
- Green funds allocated in aggregate to the eligible green projects (£830m as at 31 December 2020); and
- Remaining balance of unallocated funds within the green element of the RFC (£225m as at 31 December 2020).

Using the evaluation criteria – the Company’s Green Finance Basis of Reporting.

What we found: our unqualified assurance opinion
Based on the scope of our work and the assurance procedures we have performed, we conclude that the selected qualifying green finance expenditure and environmental impact performance data for the Company’s eligible green projects, are in all material respects, fairly stated in accordance with the applicable criteria, and that in all material respects the Framework (February 2020) has been applied in the financing of eligible green projects in accordance with the LMA’s Extended GLPs (December 2018).

What standards we used: basis of our work and level of assurance
We carried out reasonable assurance on the selected key performance indicators specified above in accordance with the International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000 (Revised)). To achieve assurance, ISAE 3000 (Revised) requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. Considering the risk of material error, we planned and performed our work to obtain all of the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion. The evaluation criterion used for our assurance are the Company’s definitions as described by Derwent London plc in its:

- Green Finance Framework (February 2020) available at: https://www.derwentlondon.com/investors/governance/green-finance

What we did: our key assurance procedures
Our work was planned to mirror Derwent London’s own project approval, green financing, and compilation processes, tracing how data for each indicator within our assurance scope was collected, collated and validated by corporate head office and included in the Reports.
To form our conclusions, our procedures comprised:

- holding interviews with management including the Sustainability team, Treasury and Finance function and those with operational responsibility for project evaluation and selection, management of proceeds, and reporting;
- reviewing and evaluating the criteria for assessing green project eligibility and management of proceeds as set out in the Framework, in accordance with the LMA’s Extended GLPs (December 2018) and in comparison, to the green finance and EGP green credentials disclosed within the Green Finance Basis of Reporting;
- virtually verifying the existence of Derwent London’s eligible green projects financed under the Framework;
- reviewing and evaluating the measurement and reporting criteria for the qualifying green expenditure of Derwent London’s allocation of drawn funds from the green finance proceeds under the Framework and comparing this to qualifying expenditure disclosures within the Green Finance Basis of Reporting;
- reviewing and evaluating the criteria for the measurement and reporting of each eligible green project impact performance indicator as set out in the Green Finance Basis of Reporting by inspecting: external green accreditations achieved; and third party contractor reports for anticipated project outcomes, against green accreditation requirements to support Derwent London’s best estimate of the status of targeted credentials, where relevant;
- inspecting Board minutes to confirm that for each EGP its project development plan and eligibility as a green project had been considered and approved and inspecting the latest Executive Committee meeting minutes to evidence ongoing monitoring of EGP capex, actual and expected costs and available headroom on the green finance facility on a quarterly basis;
- inspecting a sample of eligible green project sustainability plans and quarterly contractor reports to confirm that the use of proceeds of eligible green projects were consistent with the categories in the ‘Use of proceeds’ section 31 of the Framework;
- inspecting the internal monitoring of the EGP criteria, the capital expenditure to date and the headroom on the Green Finance Facility;
- inspecting the status of EGP indicators within the Sustainability Dashboards reported to the Sustainability Committee and Responsibility Committee;
- inspecting records maintained in Derwent London’s financial reporting systems and property management system to confirm the existence and ownership of eligible green projects, and to confirm that qualifying green expenditure was recorded in the green finance listing, including reviewing the green expenditure capex reconciliation to the audited group financials and management report;
- performing substantive testing on a sample basis on EGP qualifying green finance expenditure to validate it had been allocated in line with the Framework and had been appropriately measured, recorded and reported, including inspecting capex invoices, payment instructions, bank statements and records maintained in Derwent London’s financial reporting systems;
- performing testing procedures on the drawdown of green finance proceeds to validate if funding had been used for qualifying green finance expenditure on the EGP’s in line with the Framework, if drawdowns had been
The Directors are responsible for the preparation of the provider Derwent London plc's responsibilities

Responsibilities of directors and independent assurance

Inherent limitations

The project will complete in 2022. It will be powered using combined heat and power. The project will complete in 2022.
80 Charlotte Street W1
80 Charlotte Street is our first net zero carbon, all-electric scheme which completed in June 2020, with all the central heating and cooling provided from air source heat pumps, significantly reducing carbon emissions.
By designing and delivering our buildings responsibly we ensure that we set the highest standards, which in turn help our occupiers achieve their own sustainability ambitions and objectives. In addition, it forms one of our five strategic business objectives. Our business model looks to take older buildings and regenerate them to produce more efficient, flexible and desirable spaces. This approach provides us with an opportunity to raise the environmental performance of our portfolio and likewise London’s commercial building stock.

One of our latest developments, The Featherstone Building, which will complete in 2022, will provide:

— Concrete core cooling that lowers the operational carbon of the property, gives excellent thermal mass and extends the operational life of the building
— On-site solar PVs which will provide at least 2% of the electricity for the building, supplemented with market purchased renewable energy; the residual embodied carbon associated with the scheme will be offset using certified nature-based removal projects to complete the net zero picture
— Enhanced ventilation and fresh air through openable windows which contribute to occupier comfort and productivity, in line with many of our other schemes
— Biodiverse green roofs on site which will encourage a net gain in biodiversity and we are supporting London Wildlife Trust to help restore reedbed habitat and increase the diversity of wildflowers at Woodberry Wetlands in Hackney

We recognise the importance of climate-resilient design and as part of our net zero carbon ambitions we want to ensure our buildings remain adaptable and desirable places for our occupiers both now and in the future. Therefore, we approach the design of our future buildings and spaces differently: by introducing lower carbon materials which rely less on, and which will ultimately eliminate, fossil fuel heating, we are making our buildings digitally smart. So what will net zero carbon buildings look like? See overleaf.
How to make buildings net zero carbon

Our existing assets undergo a regular programme of rolling refurbishment and upgrades to systems to maximise their environmental performance. All operational electricity is supplied by 100% REGO-certified tariffs. Where we are unable to reduce our emissions further we have partnered with Natural Capital Partners to offset remaining embodied carbon emissions.

Existing buildings – upgrades
Our existing assets undergo a regular programme of rolling refurbishment and upgrades to systems to maximise their environmental performance.

- Discourage car use
  Underground car parks to be replaced with bicycle spaces and recycling facilities

- Upgrade M&E
  M&E plant on roof to be replaced for improved efficiency and to allow amenity space for occupants.

- Energy supply & efficiency
  Inefficient boilers to be replaced with all electric systems and potential for solar PVs for onsite renewable generation.

- Rework workspace layout
  Space layouts to maximise natural light and better working environment with active working and low-emitting materials.

- Upgrade facade
  Building envelope to be upgraded with insulation and double glazing to maximise thermal efficiency.

- Retained structure
  Reduces embodied carbon & use of finite resources

- Upgrade lighting
  Inefficient fluorescent lighting to be replaced with LEDs and smart lighting controls.

- Water saving
  Retrofit water saving devices.

New developments – net zero carbon ready
Our new developments are modelled on the ‘long-life, loose-fit’ principle with carbon reduction, flexibility, circular economy and active lifestyle at the core.

- Daylight
  Atrium to introduce natural daylight

- Biodiversity
  Rainwater harvesting

- Energy supply & efficiency
  Solar PV panels on roof; no gas boilers, all electric, heat recovery

- Smart lighting
  Efficient and smart lighting on floors with PIR and daylight linking

- Lean structure and materials efficiency
  Hybrid construction with low embodied carbon materials

- Facade design & thermal efficiency
  Well insulated building envelope with low embodied carbon materials

- Active working
  Active workstations with flexible heights, break-out areas, finishes and furniture with low-emitting materials

- Active working
  Active staircases to encourage active working day

- Amenity space
  Accessible outside space – amenity for occupiers and local communities

- Water saving
  Water saving toilets with leak detection

- Recycling
  Separated bins & facilities

- Cycling & changing
  Bicycle access, store, showers and changing facilities

- Accessible public transport
To ensure we reduce carbon emissions from our developments, not only do we look to target operational carbon, but we also extensively assess the embodied carbon impact. We have done this since 2013 when we released our Embodied Carbon Assessment brief which sets out our measurement approach across our development pipeline. Since then, we have further refined our brief and have also developed a tool to help us understand the embodied carbon footprint of a potential acquisition and its footprint during the early stages of our appraisals. Previously, we have not been able to track a property’s footprint from purchase to redevelopment. However, with this new insight we are confident we can further reduce the embodied carbon of our portfolio.

During 2021 we will commence working on a set of appropriately challenging reduction targets which will allow us to further drive down our carbon footprint.

We set out below and opposite the carbon footprints of our recently completed and onsite schemes against a range of industry benchmarks.
Performance against our targets

### Designing and delivering buildings responsibly

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Commentary</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum of an ‘A’ EPC rating for new build Minimum of a ‘B’ EPC rating for all major refurbishments</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Achieve a minimum of BREEAM Excellent for all new build projects and major refurbishments</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Trial the use of Design for Performance (DfP) on our next major scheme</td>
<td>Achieved</td>
<td>Ongoing</td>
</tr>
<tr>
<td>All new build projects at RIBA Stage 2 through to RIBA Stage 4 to undertake an embodied carbon assessment in line with the Derwent London embodied carbon brief for developments, and contractors to map and monitor the footprint during the delivery phases.</td>
<td>Partially achieved</td>
<td>Partially achieved</td>
</tr>
<tr>
<td>All new build projects to achieve a net gain in biodiversity as measured through BREEAM</td>
<td>Partially achieved</td>
<td>Partially achieved</td>
</tr>
<tr>
<td>All new build and major refurbishment projects to undertake a full Post Occupation Evaluation 12 months after full occupation and where we still retain control of the building.</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>100% of timber procured to be from FSC or PEFC sources</td>
<td>Compliant on all ongoing projects.</td>
<td>Achieved</td>
</tr>
<tr>
<td>All applicable projects have undertaken TM54-compliant studies, with the results fed back into the design process.</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>All new build and major refurbishment projects to undertake a design in use energy assessment based on CIBSE TM54</td>
<td>Achieved</td>
<td>Ongoing</td>
</tr>
<tr>
<td>All new build and major refurbishment projects to have 100% of meters AMR capable and BMS linked and installed on all main incoming feeds (electricity/water/gas), landlord lighting and small power, tenant lighting and small power, all major energy producing/consuming equipment e.g. heating and cooling plant, and renewable &amp; low carbon energy generation sources e.g. PV, CHP plant etc</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Achieve a minimum of LEED Gold for all major new build projects</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>All applicable projects have these requirements incorporated into their design strategies and contractual documents. The target will be complete once installation and commissioning confirmation is gained.</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>All new build and major refurbishment projects to have 100% of meters AMR capable and BMS linked and installed on all main incoming feeds (electricity/water/gas), landlord lighting and small power, tenant lighting and small power, all major energy producing/consuming equipment e.g. heating and cooling plant, and renewable &amp; low carbon energy generation sources e.g. PV, CHP plant etc</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>All new build and major refurbishment projects to achieve a net gain in biodiversity as measured through BREEAM</td>
<td>Partially achieved</td>
<td>Partially achieved</td>
</tr>
<tr>
<td>All new build and major refurbishment projects to undertake a full Post Occupation Evaluation 12 months after full occupation and where we still retain control of the building.</td>
<td>Partially achieved</td>
<td>Partially achieved</td>
</tr>
<tr>
<td>All new build and major refurbishment projects to achieve a net gain in biodiversity as measured through BREEAM</td>
<td>Partially achieved</td>
<td>Partially achieved</td>
</tr>
<tr>
<td>All new build and major refurbishment projects to undertake a full Post Occupation Evaluation 12 months after full occupation and where we still retain control of the building.</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

### Environmental

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Commentary</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>All applicable projects have these requirements incorporated into their design strategies and contractual documents. The target will be complete once installation and commissioning confirmation is gained.</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>All applicable projects have completed their assessments to Stages 3 &amp; 4 respectively, and those on site are starting to report on embodied carbon on a quarterly basis.</td>
<td>Partially achieved</td>
<td>Partially achieved</td>
</tr>
<tr>
<td>Divert at minimum 95% of total construction and demolition waste tonnage from landfill</td>
<td>Compliant on all live projects.</td>
<td>Achieved</td>
</tr>
<tr>
<td>100% of timber procured to be from FSC or PEFC sources</td>
<td>Compliant on all ongoing projects.</td>
<td>Achieved</td>
</tr>
<tr>
<td>All applicable projects have achieved a net gain in biodiversity.</td>
<td>Compliant on all ongoing projects.</td>
<td>Achieved</td>
</tr>
<tr>
<td>All new build and major refurbishment projects to undertake a full Post Occupation Evaluation 12 months after full occupation and where we still retain control of the building.</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>There is no BREEAM requirement for post-occupancy evaluation (POE). LEED requirement for review and interviews 10 months after occupation. The next building to undertake a POE will be our Brunel Building W2 and details for DfP to be discussed in 2021.</td>
<td>Ongoing</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
Managing our assets responsibly

Managing our buildings responsibly means we must monitor and track utility consumption, for a variety of reasons, not least to ensure we meet our science-based target requirements and our net zero carbon ambitions. However, during 2020 we were challenged by the continued impacts of the Covid-19 pandemic which meant we had to introduce different operating procedures for the ventilation and air conditioning in our buildings. To ensure a safe working environment for our occupiers and building staff we increased the amount of fresh air intake to 100% with no recirculated air and enhanced the air filtration to provide an added layer of protection. Whilst in some circumstances these approaches might have had a negative impact on our consumption figures, during the year we were able to collaborate with our occupiers to deploy localised strategies using our BMS systems to divert services to only active/occupied zones. As a result, we saw a significant reduction in energy consumption: 23% in the period.

As part of our net zero programme, we are looking at our managed portfolio and how we can improve their carbon footprint. During 2020 we began retrofitting two properties and started on a third in 2021. We give two examples here.

90 Tottenham Court Road W1
Work has recently completed at 90 Tottenham Court Road which is an older multi-let office building occupied by University College London. In parallel with UCL’s own sustainability agenda, we have upgraded the gas-fired boilers, replacing them with electric heat pumps. Although an electric system has a higher operating cost than gas boilers, the CO₂ emissions from these boilers are cut by 90%, saving c. 14 tonnes of CO₂ pa.

Francis House SW1
The refurbishment process for this property started in 2021 and will remove the old gas boilers and replace them with an all-electric heating system. In addition, high efficiency heat recovery air conditioning with state-of-the-art energy monitoring systems will be installed to optimise energy efficiency and encourage occupier engagement and ownership. Further improvements include installing operable double-glazed windows and a large cycle store with showers served by a low energy air source heat pump. High efficiency LED lighting and controls will also be installed.

90 Tottenham Court Road W1
As part of the refurbishment the gas-fired boilers have been replaced with electric heat pumps, ensuring the transition to being all electric. The removal of combustion on site also has air quality benefits for the local area. Similar to Francis House, high efficiency LED lighting and controls have been installed to allow for even more efficient operation.

Highlights

32% reduction in total managed portfolio carbon emissions
23% reduction in total managed portfolio energy consumption
18% reduction in gas consumption
During 2020 we engaged Willis Towers Watson to support us with investigating the climate-related transitional and physical risks which might impact our business so as to ensure we are focusing our management efforts in the right areas so that we remain resilient. The analysis looked at the transitional risk based on a 2°C scenario to reflect our corporate ambition to be net zero by 2030. The physical risk was reviewed within both a 2°C and 4°C scenario, that is, the best case and worst case respectively to ensure we were stress-testing our business appropriately. The scenarios used were:

1. Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 2.6 – this assumes a high likelihood that global temperatures will not generally exceed 2°C above pre-industrial levels by the end of this century; and
2. IPCC RCP 8.5 – this assumes that the climate will increase in temperature by up to 4°C by 2100.

Through a series of risk workshops with members of the Sustainability and Executive Committees and extensive modelling, the results of the assessments showed the following:

### Transition risk

The scenario used for the transition analysis aligns with projections to keep global warming below +2°C above pre-industrial temperatures, the Paris Agreement, and it also assumes mitigation strategies to reduce energy consumption to reach net zero carbon by 2030. The transition risks identified across three principal transition areas were:

- **Policy & legal**
  - Pricing of GHG emissions
  - Energy Performance Certificate rating requirements
  - Emissions offsets
  - Planning approval changes
  - Climate change litigation
  - Enhanced emissions reporting obligations
- **Market**
  - Change in customer demands
  - Cost of debt
  - Increased cost of raw materials
- **Reputation**
  - Investment risk

The financial impacts for each risk were estimated using a structured template to capture any impacts to the profit and loss (revenue and expenditures) and impacts to the balance sheet (assets and liabilities and capital/financing). High and low impact estimates were given to applicable cost components depending on the success of planned mitigating actions, and risks given a 1 to 5 impact rating according to a defined rating criterion.

Working through the assessment process, and applying mitigation measures already captured within the scope of our Net Zero Carbon Pathway and those within our existing business processes, demonstrated that few of these risks showed residual impact. Those which did show were:

- **Energy Performance Certificate rating requirements** — tougher minimum energy efficiency standards are likely to be introduced in 2030 which could demand additional investment requirements in our portfolio to ensure compliance.
- **Cost of raw materials** — climate change could affect the input costs to produce traditional development-related materials or building services e.g. energy or water. Utilising more innovative low carbon materials could allow us to mitigate some of the potential impacts this risk might pose.
- **Emissions offsets** — the cost of high quality carbon offsetting is likely to continue to rise due to supply constraints. However, the energy/carbon reduction effort and investment into our portfolio should enable us to reduce our reliance on offsetting and subsequent exposure to adverse cost movements.

### Physical risk

As mentioned earlier, the physical risk assessment was undertaken through two plausible climate scenarios (IPCC RCP 2.6 and 8.5), within which the analysis focused on three time horizons:

1. **Current climate (2020 to 2030)**
2. **Medium term climate change impact (2050)**
3. **Longer term impact (2080 to end of century)** where models were available for key perils and where a clear climate change signal warranted modelling of the time horizon or scenario

The assessment also included a review of current climate exposures, climate change implications for those exposures, indicative loss modelling and analysis and forecasts of the likely electricity and gas usage for selected properties.

The physical risks were identified across two types:

- **Chronic**
  - Heat stress
  - Subsidence
  - Coastal flooding & sea level rise
- **Acute**
  - Flooding
  - Storms
  - Infrastructure

#### Physical climate risk scenarios

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Current climate</th>
<th>+2°C 2030 – 2050</th>
<th>4°C 2030 – 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe</td>
<td>Heat stress</td>
<td>Heat stress</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Storm</td>
<td>Storm</td>
<td>Storm Subsidence Infrastructure</td>
</tr>
<tr>
<td>Moderate</td>
<td>Heat stress</td>
<td>Heat stress</td>
<td>Flooding Coastal flood and sea level rise</td>
</tr>
<tr>
<td>Low</td>
<td>Heat stress</td>
<td>Flooding Coastal flood and sea level rise</td>
<td></td>
</tr>
</tbody>
</table>

**Environmental**

Derwent London plc 41
2°C scenario
Assessing these risks within a 2°C scenario showed that our physical climate risk was not significant. However, in this scenario one risk was assessed as still having some residual significance:
— Storms — many of our buildings could be exposed to windstorm damage especially during the winter season. This will mean we need to ensure we have the right protection features in place to protect our building facades.

Whilst storms showed the most risk, heat stress, subsidence and infrastructure also had a level of ‘possible risk’ within this scenario but were restricted due to the lower temperature increases forecast under this scenario.

4°C scenario
Looking at the same risks in a 4°C scenario the risk profile changed with one risk in particular presenting itself as high:
— Heat stress — hotter summers in a 4°C world, i.e., 10–20 days of London being in a heatwave, impact our business by increasing cooling demands which increases energy consumption in our buildings and leads to additional maintenance stress and costs.

Although heat stress stood out as the most significant risk, storms, flooding, subsidence and infrastructure became more significant but not to the same extent.

Whilst it is not hard to imagine that a warmer climate will have a greater impact on our business, we believe that our net zero carbon ambition will ensure we are framing and acting on these appropriately and working towards becoming resilient to their effects.

So what next?
We will include the findings from these assessments into our corporate risk management processes to ensure we are capturing them appropriately. In addition, we will look to embed the relevant recommendations into our asset management strategies for our managed portfolio to complement our net zero work.

For wider insights into our holistic approach to climate-related risk please see our TCFD disclosure on pages 81–85.

Francis House SW1
The refurbishment process will remove the old gas boilers replacing them with an all electric heating system. A high efficiency heat recovery air conditioning system with state-of-the-art energy monitoring systems will be installed to optimise energy efficiency and encourage occupier engagement and ownership. Further improvements include installing openable double-glazed windows, high efficiency LED lighting and controls and a large cycle store with showers served by a low energy air source heat pump.

2100 Warming projections — as projected by the Intergovernmental Panel on Climate Change (IPCC)
Emissions and expected warming based on pledges and current policies
Ensuring we operate our buildings as designed is vital if we are to meet our net zero ambitions. To help us on that journey we use a variety of tools and techniques to track and assess our energy intensity. For example, we ask for TM54 energy modelling to be undertaken during the design stage of our developments and have recently committed to mandating NABERS UK on our new developments and major refurbishments. Further to this we also look to benchmark the performance of our existing portfolio, to help us track and assess our progress. We have set out below a snapshot of the energy intensity performance (both landlord and tenant) of our managed portfolio during 2020 and 2019 to aid comparison, together with a series of industry benchmarks.

### Total building energy performance (landlord and tenant) (kWh/m²)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total building energy intensity (kWh/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
</tr>
</tbody>
</table>

---

#### Chart: Total building energy performance (landlord and tenant) (kWh/m²)

- **REEB (2019/2020) – Typical practice**
- **REEB (2019/2020) – Good practice**
- **CIBSE (2013)**
Energy performance of selected buildings

To add further detail to our portfolio analysis we have selected four buildings to show the breakdown of their performance of energy use types. The lower performance in 2020 can be attributed to reduced occupation throughout the year.

<table>
<thead>
<tr>
<th>Building</th>
<th>Energy Performance</th>
<th>EPC Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephen Street W1</td>
<td>195 kWh/m²</td>
<td>EPC C</td>
</tr>
<tr>
<td>25 Savile Row W1</td>
<td>140 kWh/m²</td>
<td>EPC B</td>
</tr>
<tr>
<td>White Collar Factory EC1</td>
<td>116 kWh/m²</td>
<td>EPC A</td>
</tr>
<tr>
<td>Tea Building E1</td>
<td>81 kWh/m²</td>
<td>EPC C</td>
</tr>
</tbody>
</table>

To add further detail to our portfolio analysis we have selected four buildings to show the breakdown of their performance of energy use types. The lower performance in 2020 can be attributed to reduced occupation throughout the year.
## Performance against our targets

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Commentary</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Managing our assets responsibly</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieve a reduction in carbon intensity of 55% by 2027 in our like-for-like managed portfolio compared to our 2013 baseline</td>
<td>On target – achieved 57% reduction against our 2013 baseline.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Achieve a reduction in energy intensity of 16% by 2027 in our like-for-like managed portfolio compared to our 2013 baseline</td>
<td>On target – achieved 34% reduction against our 2013 baseline.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Continue to purchase 100% renewable, REGO-backed electricity for our managed properties</td>
<td>Currently all our electricity supplies are on REGO-backed tariffs.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Set in place a green gas procurement strategy which will support our move towards becoming a net zero carbon business</td>
<td>Green gas procurement was explored with our energy brokers and it is our preferred option when utility contracts are re-tendered or renewed.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Ensure our managed portfolio achieves a minimum recycling rate of 75%</td>
<td>66% recycling across the whole portfolio, 66% on like-for-like portfolio (impact due to reduced occupancy)</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Send zero waste to landfill from properties for which Derwent London has waste management control</td>
<td>All waste continues to be diverted from landfill.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Continue to investigate and implement policies and programmes to phase out single-use plastics at our head office and managed properties</td>
<td>Options are being investigated.</td>
<td>Partially achieved</td>
</tr>
<tr>
<td>Set in place a water management strategy for our managed portfolio which will set out how we intend to reduce our consumption and how we will measure our performance</td>
<td>Water management to be set during 2021.</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Maintain portfolio mains water consumption intensity in the like-for-like managed portfolio below 0.51 m³/m²</td>
<td>Our current consumption intensity is 0.32 m³/m².</td>
<td>Achieved</td>
</tr>
<tr>
<td>Produce one edition of the tenant sustainability newsletter</td>
<td>An edition of ‘Sustainable’ was produced in the autumn.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Ensure our contracted operational supply chain operators within our managed portfolio are receiving the London Living Wage</td>
<td>We have received confirmation from our operational suppliers that operators are receiving the London Living Wage.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Develop and monitor appropriate sustainability KPIs within our property management engineering and services contracts</td>
<td>A new series of sustainability KPIs are being developed for our latest set of contracts. We will report as they become operational.</td>
<td>Partially achieved</td>
</tr>
</tbody>
</table>
Great British September Clean with the Paddington Partnership

The Paddington Partnership galvanised themselves early in the pandemic to address the urgent needs of the community and worked tirelessly to match donations of food, clothing and toiletries from businesses to their community partners. Our employees were able to provide their time to assist with video-conference training for a school in Paddington, marketing and website advice for a community centre, phone calls to the elderly to reduce isolation and virtual career talks to sixth form students. As part of the Great British September Clean, some employees took to the waterways by paddleboard to help keep Paddington Basin free from plastic pollution.
Creating value in the community

Highlights

Over £97,000 awarded to 18 projects during 2020 through our Community Fund

£540,000 in charitable donations and sponsorships made during 2020

Established the first Derwent London architectural scholarship at The Bartlett, University College London

To successfully engage with local communities, we know that we need to adopt a range of approaches e.g. charitable giving, our Community Fund, volunteering events, pro bono work, work experience opportunities as well as using our buildings to facilitate and participate in community interaction and cohesion. This approach means we can establish and maintain effective connections, deliver real impact and remain proactive to the current issues that communities may be facing.

Our Community Fund continues with its goal of creating value in the community through supporting grass roots projects and all of the 18 projects we funded during 2020 have, at their core, the desire to offer positive benefits to their communities. In recognition of the financial hardship charities were facing we considered not just applications for projects, but also for core funding. This has now been extended into 2021 to help organisations cope with the ongoing impact of the pandemic. This was also reflected in our corporate giving which significantly increased during the year to £540,000. It included £50,000 solely for groups that were helping the most vulnerable, for example soup kitchens, homeless outreach centres and support groups for the elderly. Our support also extended to our Scottish portfolio with several donations made to organisations supporting their communities.

We may not have been able to volunteer in person as much in 2020, due to social distancing restrictions; however, we still offered our skills remotely to groups who wanted to continue running their services. We took part in virtual career insight sessions for young people, a befriending service for the elderly and provided digital skills advice to school staff at the onset of remote learning.

Our recent acquisition of Blue Star House in Brixton means we find ourselves at the start of a new community engagement journey and getting to know an even broader group of stakeholders. During 2020 we engaged with groups such as The Brixton Soup Kitchen, Black Thrive, Juvenis and Slade Adventure Playground. In 2021 we will build on these to become more familiar with the area and to enter into new relationships with local groups.

Literacy Pirates – Book project

“Literacy Pirates coaches children aged 9–12 who are falling behind at school. The Young Pirates write a poem and a story about a topic that is related to them and we coach them through volunteers and trained teachers. This is published as an anthology with a special book launch. It’s a really special project for them, because it’s the first time they’ll ever be published authors.”

Carmen Nasr, Literacy Pirates
We extend our scope of support. This map shows the projects that would also consider applications for core funding in order to increase employment opportunities for disadvantaged local people, health and wellbeing, small public space improvements, and tackling poverty as well as providing a sense of belonging.

Our dedicated voluntary Community Fund is a central part of our sustainability programme. Originally launched in 2013 its purpose is to support projects that matter most to local groups and that can demonstrate benefits to the local community in the areas in which they operate. The Fund welcomes projects that focus on increasing employment opportunities for disadvantaged local people, health and wellbeing, small public space improvements, arts, culture and educational projects.

Around £100,000 is available annually and divided between Fitzrovia & West End and the Tech Belt area. To date approximately £750,000 has been invested in over 110 projects across the two areas. In response to the Covid-19 pandemic and the added pressures this has put on charities, it was decided that the Fund would also consider applications for core funding in order to extend our scope of support. This map shows the projects that were supported by the Fund during 2020.

### Community Fund map

**Fitzrovia & West End Community Fund**
- **Foodcycle Marylebone**
  - Provides essential support to reduce social isolation and tackle poverty.
- **Holcroft Court Greening Carburton Street**
  - A lovely community-led greening project in the heart of Westminster.
- **Kunstraum**
  - Young people short film
  - This project provides creative workshops to mentor young BIPOC and LGBTQ+ communities to produce new film works.
- **KIDS**
  - Bringing light to Hayward playground
  - To increase illumination to enable disabled children to play and learn during challenging times, and to allow breaks for family carers.
- **The Soup Kitchen**
  - An organisation that is committed to looking after the health of the most vulnerable as well as providing a sense of belonging.
- **Soapbox Soundscapes**
  - Multi-media project co-produced by local young people.
- **The Spitz**
  - Music and deep healing at Bridgeside Lodge care home
  - A wonderful project harnessing the power of music to heal and enhance well-being.
- **Mission Remission**
  - Mission Connection
  - A vital project championing the health and happiness of cancer survivors.
- **Rich Mix Cultural Foundation**
  - Pic 'n' Mix: Rich Mix Schools Film Education Programme
  - Pic 'n' Mix aims to improve learning, confidence and aspiration through engagement with film.
- **Soapbox Soundscapes**
  - Multi-media project co-produced by local young people.
- **The Spitz**
  - Music and deep healing at Bridgeside Lodge care home
  - A wonderful project harnessing the power of music to heal and enhance well-being.
- **Foundation for Change**
  - Feminism for change
  - A multi-themed project to support women to improve their lives and realise their self-worth.
- **The Spitz**
  - Music and deep healing at Bridgeside Lodge care home
  - A wonderful project harnessing the power of music to heal and enhance well-being.
- **KIDS**
  - Bringing light to Hayward playground
  - To increase illumination to enable disabled children to play and learn during challenging times, and to allow breaks for family carers.
- **The Soup Kitchen**
  - An organisation that is committed to looking after the health of the most vulnerable as well as providing a sense of belonging.
- **Mission Remission**
  - Mission Connection
  - A vital project championing the health and happiness of cancer survivors.
- **Rich Mix Cultural Foundation**
  - Pic 'n' Mix: Rich Mix Schools Film Education Programme
  - Pic 'n' Mix aims to improve learning, confidence and aspiration through engagement with film.
- **Soapbox Soundscapes**
  - Multi-media project co-produced by local young people.
- **The Spitz**
  - Music and deep healing at Bridgeside Lodge care home
  - A wonderful project harnessing the power of music to heal and enhance well-being.
- **KIDS**
  - Bringing light to Hayward playground
  - To increase illumination to enable disabled children to play and learn during challenging times, and to allow breaks for family carers.
- **The Soup Kitchen**
  - An organisation that is committed to looking after the health of the most vulnerable as well as providing a sense of belonging.
- **Mission Remission**
  - Mission Connection
  - A vital project championing the health and happiness of cancer survivors.
- **Rich Mix Cultural Foundation**
  - Pic 'n' Mix: Rich Mix Schools Film Education Programme
  - Pic 'n' Mix aims to improve learning, confidence and aspiration through engagement with film.
- **Soapbox Soundscapes**
  - Multi-media project co-produced by local young people.
- **The Spitz**
  - Music and deep healing at Bridgeside Lodge care home
  - A wonderful project harnessing the power of music to heal and enhance well-being.
- **KIDS**
  - Bringing light to Hayward playground
  - To increase illumination to enable disabled children to play and learn during challenging times, and to allow breaks for family carers.
- **The Soup Kitchen**
  - An organisation that is committed to looking after the health of the most vulnerable as well as providing a sense of belonging.
- **Mission Remission**
  - Mission Connection
  - A vital project championing the health and happiness of cancer survivors.
- **Rich Mix Cultural Foundation**
  - Pic 'n' Mix: Rich Mix Schools Film Education Programme
  - Pic 'n' Mix aims to improve learning, confidence and aspiration through engagement with film.
- **Soapbox Soundscapes**
  - Multi-media project co-produced by local young people.
- **The Spitz**
  - Music and deep healing at Bridgeside Lodge care home
  - A wonderful project harnessing the power of music to heal and enhance well-being.
- **KIDS**
  - Bringing light to Hayward playground
  - To increase illumination to enable disabled children to play and learn during challenging times, and to allow breaks for family carers.
- **The Soup Kitchen**
  - An organisation that is committed to looking after the health of the most vulnerable as well as providing a sense of belonging.
- **Mission Remission**
  - Mission Connection
  - A vital project championing the health and happiness of cancer survivors.
- **Rich Mix Cultural Foundation**
  - Pic 'n' Mix: Rich Mix Schools Film Education Programme
  - Pic 'n' Mix aims to improve learning, confidence and aspiration through engagement with film.
- **Soapbox Soundscapes**
  - Multi-media project co-produced by local young people.
- **The Spitz**
  - Music and deep healing at Bridgeside Lodge care home
  - A wonderful project harnessing the power of music to heal and enhance well-being.
- **KIDS**
  - Bringing light to Hayward playground
  - To increase illumination to enable disabled children to play and learn during challenging times, and to allow breaks for family carers.
- **The Soup Kitchen**
  - An organisation that is committed to looking after the health of the most vulnerable as well as providing a sense of belonging.
- **Mission Remission**
  - Mission Connection
  - A vital project championing the health and happiness of cancer survivors.
- **Rich Mix Cultural Foundation**
  - Pic 'n' Mix: Rich Mix Schools Film Education Programme
  - Pic 'n' Mix aims to improve learning, confidence and aspiration through engagement with film.
- **Soapbox Soundscapes**
  - Multi-media project co-produced by local young people.
- **The Spitz**
  - Music and deep healing at Bridgeside Lodge care home
  - A wonderful project harnessing the power of music to heal and enhance well-being.
With a full year of tenant occupation under its belt we undertook a socio-economic impact assessment of our White Collar Factory campus in line with our sustainability targets. These assessments are a key part of our community strategy and include stakeholder questionnaires, local business/economic impacts and community group feedback; all of which, when combined, allow us to assess whether our initial ambitions for a development’s contribution to its surroundings have been achieved.

We believe that our developments must contribute positively to the area’s local economy and the assessment showed the development brought a 7% increase in footfall for local businesses, and that occupier spend is also contributing to the area’s prosperity.

It is important that our community strategy remains relevant and in the case of a socio-economic impact assessment it means we need to ensure we are asking the right questions. Therefore, not only did we consider the development’s impact on local stakeholders, but we also explored occupier wellbeing as we fully recognise how important the subject of wellbeing is in all aspects of our lives at home and at work. We were pleased to discover that the development has a positive impact on people, particularly its green space which scored well in terms of its quality and inclusivity. In addition, positive comments were made about the development’s modern and airy feeling, as well as its rooftop space, running track and cycle/shower storage facilities.

We also considered new and alternative ways of measuring how people interact with their environment. Neuroscience is demonstrating the links between place and health and wellbeing. This work could help us explore and understand further how people benefit from a place and to provide the best possible working environments.

Accessibility – the development has been designed to create an inclusive space for occupiers, visitors and for others who may want to use the publicly accessible spaces.

Noise – noise proofing and testing were an integral part of the planning process.

Physical commuting – cycling provisions on site help occupiers to choose an alternative to tube and train journeys.

Saliency – the development aims to create an environment in which occupiers can be productive, creative and focused on work.

Green space – the scheme has been designed with wellbeing at its heart and includes new green space and outdoor areas for people to enjoy and share.

These assessments are also another opportunity to discover ways in which our developments can improve on their engagement and performance within the local area and, to this end, the assessment is a valuable tool for guiding a building’s strategy for the coming years.

“Derwent London engage the local community and understand the needs better than any other developer we work with. Hopefully they can effect positive change”

Local authority interview

7% increase in footfall for local businesses

£6,636,800 occupier spend per annum with local businesses

65% of local businesses believe the area has changed positively since Old Street Yard opened
Hive Cleaning

“We place great importance on ensuring that we align with our supply chain on issues such as governance, employment and labour practices, health and safety, environmental standards and of course community. As a result, we require all our suppliers to read, acknowledge and comply with our Supply Chain Sustainability Standard. It is essential to us that we and our suppliers share the same core values so that we can continue to have successful working relationships.

One such company is Hive Cleaning who have worked with Derwent London for over two years, and are equally committed to being a responsible business. Hive commits to using 100% non-toxic eco-friendly cleaning products, an all-electric fleet 100% powered by renewable energy, a zero waste to landfill policy and the adoption of a single-use plastic reduction strategy. One of their more unusual ideas is the adoption of beehives with every contract signed. This innovative idea stems not just from its name, but from a desire to start conversations about sustainability with their customers and the wider community. The charity Bee Urban, a social enterprise that aims to work with communities to improve the environment for the benefit of everyone, has been able to turn Hive’s idea into reality. They became a perfect partner for Hive to work with.

Bees are well-loved and are recognised as a crucial part of our fragile ecosystem. As Einstein once said, “if the bee disappears from the surface of the earth, man would have no more than four years to live.” We are really pleased to be supporting this scheme and look forward to being kept up to date with our 360,000 Derwent London bees and their delicious honey.

“It is wonderful to see how our clients have embraced our initiative of adopting a beehive with every new contract. Helping to raise awareness, protect millions of urban bees and grow their population is something we are very proud of.”

Louis Beaumont, Managing Director, Hive Cleaning

We place great importance on ensuring that we align with our supply chain on issues such as governance, employment and labour practices, health and safety, environmental standards and of course community. As a result, we require all our suppliers to read, acknowledge and comply with our Supply Chain Sustainability Standard. It is essential to us that we and our suppliers share the same core values so that we can continue to have successful working relationships.

One such company is Hive Cleaning who have worked with Derwent London for over two years, and are equally committed to being a responsible business. Hive commits to using 100% non-toxic eco-friendly cleaning products, an all-electric fleet 100% powered by renewable energy, a zero waste to landfill policy and the adoption of a single-use plastic reduction strategy. One of their more unusual ideas is the adoption of beehives with every contract signed. This innovative idea stems not just from its name, but from a desire to start conversations about sustainability with their customers and the wider community. The charity Bee Urban, a social enterprise that aims to work with communities to improve the environment for the benefit of everyone, has been able to turn Hive’s idea into reality. They became a perfect partner for Hive to work with.

Bees are well-loved and are recognised as a crucial part of our fragile ecosystem. As Einstein once said, “if the bee disappears from the surface of the earth, man would have no more than four years to live.” We are really pleased to be supporting this scheme and look forward to being kept up to date with our 360,000 Derwent London bees and their delicious honey.

“It is wonderful to see how our clients have embraced our initiative of adopting a beehive with every new contract. Helping to raise awareness, protect millions of urban bees and grow their population is something we are very proud of.”

Louis Beaumont, Managing Director, Hive Cleaning
Community projects

In addition to our Community Fund, we support numerous other charities and organisations working in our local areas. During the pandemic, our priority to support disadvantaged communities and individuals has never been more relevant. Our main themes focus around homelessness, mental health and access to education and opportunity. Events that bring our occupiers together are also important. They enable our building teams and the companies within a building to mix and foster a sense of community within our buildings.

Fitzrovia Youth in Action – Warren Centre Youth Social Action
The Warren Centre is a space for young leaders, activists and volunteers to develop skills and plan their community projects. The programme focuses on empowering young people with lived experience to help others identify how they can avoid negative, unsafe influences and where to access the help and support they need, and to give them access to peers and decision-makers to influence future initiatives.

Chickenshed – Day One Big School
Day One Big School, supports the transition from year 6 primary to year 7 secondary, especially amongst young people at risk of exclusion and gang ‘grooming’. During 2020 the project was provided via online sessions.

“I feel more connected to everyone – solidarity between us all and through our shared experiences and concerns. We are actually able to connect in ways we never have before.”
Student

Time to Talk days at The White Chapel Building E1
Such events offer a range of physical and wellbeing-focused activities for our occupiers at the White Chapel Building, ranging from a ‘food disco’, yoga, consultations on pain and injury to an introduction on mental health awareness.

Note – all photos were taken prior to the March 2020 lockdown before social distancing was required.
Successfully deliver the next year of the Derwent London Community Fund
Establish a system of wider support to community groups and projects utilising our Community Fund and corporate giving programme
Carry out a socio-economic assessment on our Brunel Building
Investigate providing an energy audit and energy/carbon advice and support to another local community group

Both spring and autumn rounds of the Community Fund were successfully delivered. The guidelines were expanded in order to consider core funding applications.

The community group email continues to be a source for circulating news, advice and even offers of furniture and equipment for recipients.

Deferred until 2021 due to access restrictions as a result of Covid-19
Deferred until 2021 due to access restrictions as a result of Covid-19

Achieved
Achieved
Partially achieved
Partially achieved

Royal Academy of Music scholarship
2020 sees the end of a 4-year partnership with the Royal Academy of Music to support renowned cellist Sheku Kanneh-Mason. Originally studying at the Junior Academy, the scholarship enabled Sheku to continue his studies after school at the Academy. Inspired by this successful relationship with RAM, we will enter into a new 4-year agreement in 2021 to support another student to ensure that such a prestigious opportunity is open to all, regardless of background.

LandAid – Sleep-out
Derwent London staff members took part in the sleep-out, braving the cold of February to help raise awareness of young people facing the same prospect, raising over £3,300.

UCL Bartlett School scholarship
One of our major sponsorships starting in 2020 was a bursary for a new MSci Architecture course at UCL’s Bartlett School of Architecture, condensing the usual seven years course into five. The Bartlett Promise scheme is aimed at under-represented students and those from disadvantaged backgrounds, which perfectly matches our desire to see greater diversity and inclusion in the built environment professions. UCL believe that it is the only initiative of its kind at an architecture school in the UK. Derwent London’s contribution provides one student with a full fees and living costs scholarship. This ensures that the lack of access to funds is not an obstacle to accessing a university education.

UCL believe that it is the only initiative of its kind at an architecture school in the UK. Derwent London’s contribution provides one student with a full fees and living costs scholarship. This ensures that the lack of access to funds is not an obstacle to accessing a university education.

To the right is a still from ‘Business as Usual’ a short film about climate change by Samuel Jackson, beneficiary of the scholarship.

Royal Academy of Music scholarship
2020 sees the end of a 4-year partnership with the Royal Academy of Music to support renowned cellist Sheku Kanneh-Mason. Originally studying at the Junior Academy, the scholarship enabled Sheku to continue his studies after school at the Academy. Inspired by this successful relationship with RAM, we will enter into a new 4-year agreement in 2021 to support another student to ensure that such a prestigious opportunity is open to all, regardless of background.

LandAid – Sleep-out
Derwent London staff members took part in the sleep-out, braving the cold of February to help raise awareness of young people facing the same prospect, raising over £3,300.

UCL Bartlett School scholarship
One of our major sponsorships starting in 2020 was a bursary for a new MSci Architecture course at UCL’s Bartlett School of Architecture, condensing the usual seven years course into five. The Bartlett Promise scheme is aimed at under-represented students and those from disadvantaged backgrounds, which perfectly matches our desire to see greater diversity and inclusion in the built environment professions. UCL believe that it is the only initiative of its kind at an architecture school in the UK. Derwent London’s contribution provides one student with a full fees and living costs scholarship. This ensures that the lack of access to funds is not an obstacle to accessing a university education.

UCL believe that it is the only initiative of its kind at an architecture school in the UK. Derwent London’s contribution provides one student with a full fees and living costs scholarship. This ensures that the lack of access to funds is not an obstacle to accessing a university education.

To the right is a still from ‘Business as Usual’ a short film about climate change by Samuel Jackson, beneficiary of the scholarship.

Performance against our targets

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Commentary</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating value in the community</td>
<td>Both spring and autumn rounds of the Community Fund were successfully delivered. The guidelines were expanded in order to consider core funding applications.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Establish a system of wider support to community groups and projects utilising our Community Fund and corporate giving programme</td>
<td>The community group email continues to be a source for circulating news, advice and even offers of furniture and equipment for recipients.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Carry out a socio-economic assessment on our Brunel Building</td>
<td>Deferred until 2021 due to access restrictions as a result of Covid-19</td>
<td>Partially achieved</td>
</tr>
<tr>
<td>Investigate providing an energy audit and energy/carbon advice and support to another local community group</td>
<td>Deferred until 2021 due to access restrictions as a result of Covid-19</td>
<td>Partially achieved</td>
</tr>
</tbody>
</table>
Engaging and developing our employees

Highlights
Management Today’s ‘Britain’s Most Admired Companies’ awards 2020 – 1st in the Property Sector and 10th overall in the awards.

Pulse survey in November 2020: 95% of respondents said they are proud to work for Derwent London, 96% of employees would recommend Derwent London as a great place to work.

A year like no other
Following the pandemic, we were very pleased that the transition to homeworking was extremely successful and smooth, especially as it coincided with one of the busiest periods for our business – our annual reporting cycle. To help with this, we set up an internal Covid-19 working group who continue to work closely with our occupational health provider and monitor the latest Government advice.

We have not furloughed any of our employees and our priority has been, and continues to be, to support our employees’ health and wellbeing, as we appreciate that for some, a period of self-isolation or prolonged working from home can be challenging. We are committed to ensuring that our employees know that there continues to be a solid network in place to enable them to stay positive, connected and productive, whilst feeling valued and supported.

Communication
Our employees thrive in our open, collaborative culture so, for us, it was important that our communication channels continued during lockdowns. All employees have ‘virtually’ attended fortnightly updates via our online town hall meetings, run by our CEO and supported by our Directors. We have had interactive Q&A sessions, team and development updates, guest speakers and a special session to ‘meet the non-executives’. These were put in place to ensure lines of communication remained open, knowledge sharing continued and to alleviate any concerns.

We have launched a monthly internal newsletter which has been driven by the employees who sit on our Responsible Business Committee and our intranet hosts a wealth of information and a dedicated ‘lockdown hub’.

Wellbeing
During the year, our line managers received mental health training and have been working hard to support their teams remotely, encouraging regular breaks and interaction with colleagues. In addition, we have appointed mental health first aiders and encouraged employees to take breaks and stay active, as well as promoting healthy eating and a balanced lifestyle. In September, we have also signed up to working towards achieving the National WELL Standard.

We have highlighted all the health benefits we have in place in the event an individual (or a family member) needs some additional support or advice.

Following the initial lockdown, we offered all employees the opportunity to receive an online 1 to 1 health check. 80% of our employees signed up and received a same day health report with the aim of helping each person identify areas of their health which need improvement and make proactive positive lifestyle changes.

Training & development
We made the decision to continue with our Fit for the Future management and leadership programme on a ‘virtual’ basis, which has allowed for regular cross-team communication alongside group and 1 to 1 coaching, in addition to our core skills and technical workshops and new joiner inductions.

Our office
When Government guidance allowed, we reconfigured our head office layout to allow socially distanced working. In addition, we developed a booking system to ensure that our office provided a safe working environment well within the guided requirements. Personal protective equipment is provided and a suite of protocols are in place to alleviate any concerns or anxiety employees may have about returning to the office. These measures are regularly reviewed and updated.

Staff satisfaction & engagement
We recognise that our employees are essential to the successful delivery of our business strategy and to sustain our long-term performance. 51% of our employees have more than five years’ service, and 36% have joined us over the past three years. We have continued to recruit during 2020 and induct new joiners remotely.

During June 2020, we conducted a short Covid-19 survey to gather feedback on our initiatives, to ensure that the senior management team had been sufficiently visible and accessible, our IT systems were working well and to check that the guidance in relation to our Covid-19 response was clear. We received a 93% response. Overall it was reassuringly positive but also provided an array of feedback on homeworking challenges and suggestions for improvements.

In November 2020, we rolled out a ‘pulse check’ survey to gather feedback regarding levels of engagement and satisfaction. We were delighted to receive a response rate of 100%. Compared to previous surveys, year-on-year, our overall engagement score remains very high, with 98% of respondents saying they are proud to work for Derwent London. Moreover, 96% said they would recommend Derwent London as a great place to work and 95% feel that they can make a valid contribution to the success of the Group. Overall employee satisfaction, which is one of the company’s key performance indicators, remains exceptionally high at 96%.

Our fourth full company-wide employee survey is scheduled to take place during October 2021 focusing on leadership, teamwork, day-to-day experience, personal development, health and wellbeing, and diversity and inclusivity.

Diversity & inclusion
We welcome diversity and promote equality. It is very important to us that we create a workplace in which our people can bring their whole selves to work, feel valued and are able to make an impact. To enable us to achieve our overarching aim of becoming a truly inclusive company, we appointed a third employee to our Responsible Business Committee and established a new Diversity and Inclusion Working Group, chaired by our CEO. We have also signed up to working towards achieving the National Equality Standards.

We have a suite of activities and initiatives to advance diversity and inclusivity going forward, including continuing with our unconscious bias training programme alongside the charity Chickenshed, reviewing our family friendly policies, welcoming guest speakers and attracting women into our industry through work experience and mentoring opportunities. In addition, we continue to work towards achieving the recommendations of the Hampton-Alexander Review.
Being a responsible business is embedded in Derwent London – it is visible in our culture, approach to risk and in the design and management of our buildings. Central to the success of this approach is the linkage of ESG matters to our strategy.

Our Responsible Business Committee (RBC) is dedicated to overseeing our societal and environmental issues as well as monitoring our corporate responsibility, sustainability and stakeholder engagement activities. This Committee is chaired by Dame Cilla Snowball as the dedicated Non-Executive Director for gathering the views of our workforce. During 2019, two employees were nominated by the workforce to become members of the RBC (Ally Clements and Jonathan Theobald) and in 2020 an additional employee (Davina Stewart) was appointed. Together, with comprehensive knowledge of day-to-day operations, they ensure that there is a voice that represents all employees around the Boardroom table. Equally they are heavily involved in the design, analysis and follow-up on our employee satisfaction and engagement surveys.

“*In a year where there has been relative isolation for many and new challenges for all, providing a listening ear and voice for employees has been focal to our role within the RBC.*”

Employee representatives on the RBC – Ally Clements, Davina Stewart and Jonathan Theobald

### Performance against our targets

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Commentary</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliver at least two technical/knowledge sharing workshops</td>
<td>Virtual workshops focusing on our Net Zero pathway and our latest developments have been delivered throughout the year.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Establish regular ‘virtual’ town halls, emails and advice on the intranet to all employees to ensure communication is ongoing during the period of homeworking</td>
<td>Regular town halls, hosted by our CEO, have taken place through the year on a fortnightly basis. The intranet hosted regular informative features as well as virtual social events such as quizzes.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Undertake a ‘pulse check’ in December 2020/January 2021 to measure employee satisfaction</td>
<td>An employee satisfaction survey was conducted in November 2020 with 100% response rate.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Establish a working group to analyse and discuss the feedback from the previous employee survey results, with ideas and recommendations to be presented back to the Executive Committee before the year end if practicable</td>
<td>Working group was set up successfully. Discussions took place ‘virtually’ to explore some of the lowest scoring areas in addition to looking at agile working and any further support needed. Recommendations and action points were presented to the Executive Committee.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Roll-out of mental health training for all line managers and appoint mental health champions across the business</td>
<td>Mental health training was given to 16 line managers and a mental health first aider network set up within our internal health &amp; safety team.</td>
<td>Achieved</td>
</tr>
<tr>
<td>To enable employees to proactively manage their health and wellbeing, develop and offer onsite health screening</td>
<td>80% of employees undertook assessments by a professional health assessor.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Continue to support and measure through the transition to effective home working via the provision of effective IT equipment and remote wellbeing support</td>
<td>Laptops with VPN connections back to the corporate network were issued to all employees to enable full access to all IT resources from home. Additional screens, wireless mice and keyboards and printers were supplied on an ad hoc basis upon request. Microsoft Teams and Zoom video conferencing was also made available to everyone to enhance remote collaboration and communication between colleagues and external contacts.</td>
<td>Achieved</td>
</tr>
<tr>
<td>Following the success of the 2019 unconscious bias training, aim to roll this out across the rest of the business during H2 2020</td>
<td>One session took place prior to lockdown with the remaining sessions having to be rescheduled to late 2021, due to Covid19.</td>
<td>Partially achieved</td>
</tr>
</tbody>
</table>
As a responsible developer we have set high standards for health and safety. Under the banner of the ‘Derwent Way’, we provide a suite of best practice standards for our contractors which covers topics such as working at height, asbestos, lead, fire, health and wellbeing and design. The relevant standards now form part of our contractual requirements.

Setting the highest standards of health and safety

Our integrated approach to health, safety and wellbeing ensures that it is considered at every stage during the life cycle of our properties – from acquisition, through to development, management, leasing and disposal. This requires working collaboratively with our internal and external stakeholders to design, build, maintain and operate our buildings using robust working practices to ensure they are safe and healthy environments.

The principles of ensuring safe and healthy buildings and working practices are achieved by specifying the appropriate materials and design approach during the development of our new schemes through to ensuring that maintenance and management activities can be carried out without undue risk. Ultimately our approach is centred around three pillars – people, assets and developments.

People – safety, health and wellbeing of our employees

Our employees are fundamental to the continued success of our business, which is why we invest in ensuring safe, healthy and secure environments for them to work in. Over the past year our ongoing training has continued to ensure that we maintain the highest level of health and safety standards and that awareness is raised throughout the organisation. With Covid-19 restrictions in place during 2020, we had to change the format of our health and safety training and communication. Working with an external consultant we developed a suite of online training modules relevant to our sector which proved very popular and effective. We also developed a new compliance-focused health and safety training matrix which has been rolled out to our Property Management and Development teams. In addition, we have continued to enrol our people on external courses, such as NEBOSH, IOSH and mental health first aid courses.

Collectively, 162 work days of training were completed during 2020. As a result, there has been an improvement in skills and general knowledge, positively impacting the day-to-day running of our building operations and developments. The training was conducted at all levels of the business from the Board downwards. For 2021 we will continue our programme by rolling out several further initiatives with a greater emphasis on wellbeing, together with mental health and resilience training, which we believe are integral not only to the health and safety agenda but to our business future.

Assets – safeguarding our occupiers, visitors and those who work and live in our managed portfolio

Ensuring our occupiers, visitors and those who live and work in and around our buildings are safe, secure and healthy is critical. After commissioning external risk reviews on all our buildings, we were able to focus our resources onto specific issues and look for improvements across our health and safety management system. Subsequently we tendered for a new compliance system to improve our monitoring and reporting. The new system will be introduced in 2021.

We have continued to develop our buildings’ fire risk assessments and life safety arrangements. Every property for which we are responsible had a health and safety inspection, and for the coming year we will be implementing a Fire Safety...
Management System (FSMS) to meet the new requirements of BS 5997 – Fire Risk Management Systems and the two new Fire Safety Bills expected for publication late 2021 early 2022.

In addition, we will continue to focus on the physical wellbeing factors of our buildings with reviews on lighting, air and water quality and where necessary instigate improvements. This ensures we are taking a much more holistic approach to risk as well as improving employer and occupier wellbeing.

**Developments – designing and delivering our projects safely and without risk to health**

We continue to strive to ensure our development projects maintain an excellent health and safety record and 2020 was no different. With over 1m sq ft of projects either in concept design, planning or construction, our pipeline is extremely busy and made even more challenging by the impacts of the Covid-19 pandemic. Our internal teams have been working across the supply chain in conjunction with our main contractors to ensure our sites continue to operate effectively but, above all, safely.

During the year, the Construction Leadership Council (CLC) was quick to respond to the first lockdown and set up a Covid-19 Task Force, a panel of industry experts, including our Head of Health and Safety. The panel published a set of Covid-19 site operating procedures, which we have implemented across all our construction sites, providing safe and healthy environments for our contractors.

From a design point of view one of our key sustainability targets is that all the shell and core aspects of our schemes are addressing key health and wellbeing metrics, using the principles behind the latest version of the WELL Building Standard as the guideline.

**Health and safety statistics**

Set out below are our 2020 health and safety statistics together with our 2019 data for comparison.

<table>
<thead>
<tr>
<th>Employees</th>
<th>Managed portfolio</th>
<th>Developments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person hours worked</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Minor accidents</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>RIDDORs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dangerous occurrences</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fatalities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Improvement notices</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Prohibition notices</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>RIDDOR (AFR)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Data notes:
- All minor accident, RIDDOR, fatality and improvement notice data are audited to the reasonable level by Deloitte LLP.
- A copy of their audit assurance statement can be found on pages 90–91.
What governance means to us
At Derwent London, we do not view corporate governance as an exercise in compliance, but as an evolving and core discipline which generates value for our stakeholders and underpins our success. Full details of how we manage corporate governance are on pages 101–175 of our 2020 Report and Accounts.

The oversight of environmental, social and governance (ESG) matters is critical. It not only allows the Board to understand more holistically the impact of its decisions on key stakeholders and the environment, but also ensures it is kept aware of any significant changes in the market. This includes the identification of emerging trends and risks, which in turn can be factored into its strategy discussions. ESG is overseen principally by the Board, Responsible Business Committee (RBC) and Sustainability Committee.

ESG governance framework

**The Board**
- Overall responsibility for ESG matters

**Responsible Business Committee**
- Identifies and evaluates key ESG risks (principal and emerging) ensuring they are appropriately managed
- Monitors the Group’s corporate responsibility, sustainability and stakeholder engagement activities

**Audit Committee**
- Monitors assurance and internal financial control arrangements

**Remuneration Committee**
- Ensures ESG factors are included in the executive remuneration framework

**Executive Committee**
- Responsible for overseeing the Group’s ESG initiatives

**Sustainability Committee**
- Responsible for implementing the Board’s ESG strategy
- Responsible for the Group’s charitable activities and donations

**Health & Safety Committee**
- Responsible for monitoring health and safety management and performance

**Sponsorship & Donations Committee**
- Aims to encourage team working and collaboration between departments through social activities

**Social Committee**
- Identifies and evaluates key ESG risks (principal and emerging) ensuring they are appropriately managed

ESG governance

Our Chief Executive, Paul Williams, is the designated Director with overall accountability for ESG matters. He oversees the review and performance of our responsibility work as chair of the Sustainability Committee and as a member of the RBC.

Climate change

The governance of climate change risk and opportunities is ultimately the responsibility of the Board. However, day-to-day management is delegated to the Executive Committee and senior management. In July 2020, the Board published its pathway to becoming net zero carbon by 2030.

Our strategy and targets for energy consumption and carbon emissions are set and monitored by the Board. The Board and Executive Committee receive regular updates and presentations on environmental and sustainability performance from the Head of Sustainability.

The Board monitors the Group’s progress through our science-based targets which were independently validated and approved by the Science Based Target initiative (SBTi) in 2019. In addition, performance is externally assured by Deloitte LLP and our 2020 Scope 1, 2 and 3 GHG emissions data, intensity ratio and energy data received ‘Public Reasonable Assurance’.

Climate change risks are identified and included within our risk register and monitored as part of our wider risk management procedures and are overseen by the Board and Responsible Business Committee. When assessing climate change, the Board considers both the direct and indirect risks they pose, please see page 86 of our 2020 Report and Accounts for further detail.

Human rights and modern slavery

The protection of human rights and fundamental freedoms is one of our key ESG priorities which we manage from an internal (within our business) and external perspective (within our supply chain and our relationships with contractors). Internally, the Board monitors our culture to ensure we maintain our values and high standards of transparency and integrity. Our Human Resources team ensures that we have the right systems and processes in place to strengthen and sustain our culture.

Externally, we are active in ensuring our ESG standards are clearly communicated to our supply chains, principally via our Supply Chain Sustainability Standard. In addition, we are clear on our zero-tolerance position regarding slavery and human trafficking as set out in our Modern Slavery Statement, which can be found on the UK Government’s new modern slavery statement registry and at www.derwentlondon.com/investors/governance/modern-slavery-act.
Based on our ongoing risk assessment, we continue to believe the risk of any slavery or human trafficking in respect of our employees is low. The risk assessment of our supply chain found the greatest potential risk existed in the use of building contractors for our development schemes, and their use of subcontractors. This risk also exists in some of the companies that provide Derwent London with services such as cleaning and security. We ensure all these suppliers are aware of the Modern Slavery Act 2015 and we require them to formally confirm they comply with the legislation.

During 2020, we continued to identify and implement ways to strengthen our policies and procedures in respect of the protection of human rights and prevention of modern slavery.

These included the following:

— More detailed and targeted staff training
— Updates on progress from our designated modern slavery ‘champion’
— Following the supplier audit performed in 2019 on the Supply Chain Sustainability Standard, the RBC reviewed in detail the answers provided by suppliers in respect of modern slavery
— Continued to monitor and cross-check our supply chain, from procurement to delivery

Supply chain

It is important to us that our suppliers and construction partners operate ethically and share our ESG business principles. Our development projects can span several years and impact upon numerous stakeholders and the environment. It is therefore critical that we carefully choose and manage our development relationships.

Our supply chain governance procedures ensure our suppliers are aware of the standards we expect from them and the business practices which we will not tolerate. All suppliers with whom we spend more than £20,000 per annum are required to provide evidence of how they are complying with our Supply Chain Sustainability Standard, which includes a minimum requirement that any form of corruption, bribery or anti-competitive behaviour or actions are not tolerated within our supply chain.

Ensuring our payment practices are ethical is a key requirement in governing our supply chain. This was of particular importance during 2020 due to the Covid-19 pandemic and its impact on businesses.

We take our obligations as a taxpayer seriously and focus on ensuring that, across the wide range of taxes that we deal with, we have the governance and risk management processes in place to allow us to meet all our continuing tax obligations. The Board has overall responsibility for our tax strategy, risk assessment and tax compliance. Our statement of tax principles, which is approved by the Board, is available on our website at www.derwentlondon.com/investors/governance/tax-principles.

The Board’s Senior Accounting Officer is our Chief Financial Officer, Damian Wisniewski, and we employ an experienced Head of Tax, David Westgate, who has dealt with our tax and REIT compliance since 2006. Together, they report to the Board, Audit and Risk Committee on the implementation of the Group’s tax strategy and compliance. They also report on key changes in relevant tax legislation and practice. When appropriate, the tax consequences of all significant commercial transactions are reviewed by the Board as part of its ‘due diligence’ considerations.

To maintain our REIT status, we are required to comply with the REIT regulations. The Board receives frequent reports on our compliance with the regulations, and the Audit Committee meets with the Head of Tax at least annually. Regular oversight of tax governance is provided by the Audit Committee and, where appropriate, the Risk Committee. Day-to-day tax administration is delegated to suitably trained members of the finance team, with the input of qualified external tax advisers where necessary.

An overview of our internal controls for taxation, including how we seek external assurance from third parties, is on page 134 of the 2020 Report and Accounts.

We have an open and transparent relationship with HMRC and seek to anticipate any tax risks at an early stage, including clarifying areas of uncertainty with HMRC as they become evident. We keep HMRC informed of how our business is structured and respond to all questions or requests promptly. Our Group Head of Tax also regularly engages with HMRC via his roles with the Chartered Institute of Tax and the British Property Federation to support consultations or to seek legislative clarification in areas that could potentially impact our business. We were delighted that HMRC reaffirmed our ‘low-risk’ tax status until 2022.
Science-based carbon targets performance

During 2017 we joined over 1,000 pioneering companies taking action to reduce global temperature rises to well below 2°C above pre-industrial levels by setting ambitious GHG emissions reduction targets, verified by the Science Based Targets initiative (SBTi).

We have pledged to reduce our scope 1 and 2 GHG emissions by 55% by 2027 and, six years ahead of the target, we have reduced these scopes by 57%. To align with our net zero strategy, we are looking to update our target to be consistent with the 1.5°C scenario, which will allow us to set new reduction milestones and look forward to presenting these in our future reporting.

Audit assurance
As part of our non-financial audit assurance programme our progress against these targets is reviewed and tested by our auditors Deloitte LLP. Their opinion of our performance can be found in their statement on pages 90–91.

Science-based carbon targets performance

Audit assurance
As part of our non-financial audit assurance programme our progress against these targets is reviewed and tested by our auditors Deloitte LLP. Their opinion of our performance can be found in their statement on pages 90–91.
Renewable energy

As members of RE100 we are committed to procuring renewable electricity. All the electricity we purchase for our properties comes from 100% Renewable Energy Guarantees of Origin (REGO) backed tariffs. However, we recognise the need to demonstrate investment into additional renewable energy generation and that REGO-backed tariffs do not always allow us to show this effectively. Therefore, we will look to work with our energy brokers and suppliers to see how we can derive our supplies from nominated sources, recognising this is an emerging area.

To complement our renewable electricity supplies we are investigating how we can increase the amount of renewable gas utilised in our managed portfolio: currently only 1% of our gas supplies come from certified renewable supplies.

For our onsite renewable energy generation, we generated 70,930 kWh of electricity from photovoltaic (PV) panels installed across our buildings. This represents 0.23% of our total electricity consumption.

TCFD disclosure

Set out below is our latest disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition to this below please refer to our GRI Index on pages 97–107 for complementary disclosures on climate-related aspects.

Governance

The Board has overall responsibility for ESG matters, in which climate-related aspects are included. The Responsible Business Committee is a principal committee of the Board and its remit amongst other things is to oversee and guide our approach to climate-related risks and opportunities. This committee is comprised of two Non-Executive Directors – Dame Cilla Snowball (Chair) and Claudia Arney, the Chief Executive, Paul Williams and three employee representatives. The committee meets twice a year and receives reports from the Sustainability Committee and other committees as necessary. The outputs from this committee are fed through to the Board where they are used to inform decision making and planning.

Day-to-day oversight of climate-related issues is undertaken by the Sustainability Committee, which is chaired by Paul Williams. This group meets quarterly and comprises key department members – John Davies (Head of Sustainability), David Lawler (Company Secretary), Richard Baldwin (Director of Development), Emily Priskou (appointed as Executive Director in March 2021), Katy Levine (Head of HR), Victoria Stevenon (Head of Property Management) and Vasiliki Arvaniti (Head of Asset Management). The department leaders then take the conclusions from the committee meetings and feed them into their respective teams and processes and then report back on progress. This in turn is communicated back to the Executive Committee and Responsible Business Committee.

A performance and data dashboard (inclusive of climate-related targets/metrics) is produced for discussion during the Committee meetings.

Describe management’s role in assessing and managing climate-related risks and opportunities.

Paul Williams, Chief Executive, is the Sustainability Committee Chairman and is the Board Director with overall accountability for sustainability. Carbon and energy management, which is directly linked to climate change, forms a distinct part of our sustainability agenda, and so is included within Paul’s accountability. Therefore, Paul can update the Board and the Responsible Business Committee on our outlook and activities.

Both the Responsible Business and Sustainability Committees review company performance, in terms of climate-related activities, which include our science-based carbon targets, energy efficiency and greenhouse gas emissions linked to climate change.

A performance and data dashboard (inclusive of climate-related targets/metrics) is produced and discussed during these committee meetings.

Solar PV generation

Solar PV generation/consumption (kWh) Total hours of sunlight p/year in the UK

<table>
<thead>
<tr>
<th>Year</th>
<th>Solar PV generation</th>
<th>Total hours of sunlight</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>61,942</td>
<td>1,676</td>
</tr>
<tr>
<td>2014</td>
<td>68,145</td>
<td>1,656</td>
</tr>
<tr>
<td>2015</td>
<td>81,932</td>
<td>1,467</td>
</tr>
<tr>
<td>2016</td>
<td>42,137</td>
<td>1,421</td>
</tr>
<tr>
<td>2017</td>
<td>42,437</td>
<td>1,495</td>
</tr>
<tr>
<td>2018</td>
<td>65,925</td>
<td>1,564</td>
</tr>
<tr>
<td>2019</td>
<td>70,930</td>
<td>1,451</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

We consider short, medium and long-term time horizons to be 0–5, 5–15 and 15+ years respectively, recognising that climate-related issues are often linked to the medium to long-term, and our properties have a service life of many decades.

Short-term—we have seen a greater shift in terms of legislation, firstly with the introduction in the UK of the Minimum Energy Efficiency Standards (MEEES) for commercial and domestic property and, more recently, the UK Government’s legislation to make the UK net zero carbon by 2050. Likewise, occupier demand continues to drive the requirement for ever more efficient and sustainable buildings, which are cost-effective to occupy and promote high levels of health and wellbeing.

Medium-term—issues are a direct consequence of what we see in the short term i.e. we must continually invest in and develop our new and existing properties to ever higher standards and levels of efficiency to ensure we continue to attract occupiers.

Long-term—we will have to continue to invest in our existing portfolio and our development pipeline to ensure they are climate-resilient such that our central London buildings remain occupiable.

The processes used to determine the risks which are material to our business are set out in the risk management section below.

Strategy

As a Central London-focused real estate investment trust (PREIT) we invest in, develop and manage property in central London and, as such, climate-related issues affect the way we develop new buildings, how we manage existing ones, and the kinds of suppliers we use to support us in these activities. Therefore, we take a proactive approach to managing these issues. Our Responsibility Strategy drives our corporate approach and is supported by our Framework documents for our development and asset management activities. These documents can be found at www.derwentlondon.com/responsibility. They set out how we manage these risks within our developments and property management activities and the necessary performance standards so that climate-related risks do not adversely affect our work. For example, in our framework for developments there are requirements to attain high EPC and BREEAM/LEED ratings which, in turn, help to make our new buildings more efficient. Likewise, in the frameworks for assets, performance measures are set out which require the constant monitoring of energy, carbon, water and waste together with plans to reduce consumption.

Recognising that climate change has an impact on our business and subsequently our stakeholders has led us to develop our Net Zero Carbon Pathway and announce our target to be a net zero carbon business by 2030 (aligned to a 1.5°C climate scenario) — to find out more please see here https://www.derwentlondon.com/media/publications/responsibility-policies and refer to pages 12–15 for an update on progress. Our Pathway covers the breadth of our business activities to ensure we are reducing our carbon footprint and exposure to risk, examples include:

- Developments – our Sustainable Development Framework ensures we design buildings to be resilient to physical risks, such as changes in future weather patterns, by making them long-life, flexible and less reliant on mechanical cooling and free from fossil fuel use (all electric heating and cooling).
- Financial planning (capital expenditure & allocation) – we are looking to develop our approach to carbon accounting such that we are including the cost of carbon in our financial appraisals and forecasting, so we understand and capture the cost of carbon in our new schemes and business activities.
- Managing assets – our Responsible Framework for Assets ensures we have Building Sustainability Plans in place for each asset which set out how we will reduce energy consumption/carbon emissions effectively.
- Acquisitions – our business model is based on acquiring older buildings and improving them to add value. We now look to undertake carbon appraisals during the acquisition process to reflect the true carbon cost of a potential purchase and how we can transition it onto a Net Zero Carbon Pathway.

Risk management

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.

The responsibility for managing our corporate risk process rests with the Executive Committee. Board-related managers have ownership of our Risk Committee. Each year senior managers from across our business functions calibrate their key risks (which include sustainability/climate change-related risks) and feed them through to the Executive Committee. The risks are then assessed by the committee to understand their severity, likelihood and the optimal controls and/or mitigation required. This approach allows the effects of any mitigating procedures to be considered properly, recognising that risk cannot be eliminated in every circumstance. The register is then passed to the Board and Risk Committee for consideration and adoption. Climate-related risks and opportunities are highlighted and reviewed by the Responsible Business and Sustainability Committee. These risks include regulatory risk, reputational risk, and physical environmental risk.

During 2020 we engaged Willis Towers Watson to support us with a deep dive analysis of climate-related risk set across different climate scenarios – namely both a 2°C scenario for transition risk and a 2°C and 4°C scenario for physical risk. Set out below is a summary of their findings:

2°C scenario – aligned with the IPCC’s RCP 2.6
- 2°C transition risk & opportunities
  - Stricter carbon legislation – tougher minimum energy efficiency standards are likely to be introduced which could lead to additional investment requirements in our portfolio to ensure compliance.
Change in occupier demands — by adopting our net zero carbon pathway we can demonstrate good competitive advantage and be able to capitalise on the demand for lower carbon assets.

Pricing of GHG emissions — the cost of carbon is likely to continue to rise and, without investment into our portfolio, this could result in higher costs.

Cost of raw materials — climate change could affect the input costs to produce traditional development materials, but utilising more innovative low carbon materials could allow us to mitigate some of the potential impacts this risk might pose.

Physical risks

— Storms — many of our buildings could be exposed to windstorm damage especially during the winter season. This was the most significant risk in this scenario and will mean we need to ensure we have the right protection features in place to protect our building facades.

— Heat stress — whilst within this climate scenario and coupled with our management approach this is not a high risk to our business, we remain vigilant to any increase in temperature and the effect it could have e.g. increased cooling demands and subsequent increases in energy consumption.

— Subsidence — although not a significant risk to our business in this scenario temperature increases in different climate scenarios coupled with increased rainfall or flooding could affect some of our older properties.

4°C scenario — aligned with the IPCC’s RCP 8.5

Physical risks

— Heat stress — hotter summers (10-20 days of London in a heatwave) will have an impact on our business, by increasing cooling demands and subsequent increases in energy consumption in our buildings and maintenance costs.

— Flooding — in this climate scenario flood defences such as the Thames Barrier could be placed under increased stress which could lead to failures, albeit this would only possibly affect four of our properties. In addition, flash flood risk could increase.

— Subsidence/critical infrastructure — in this climate scenario instances of subsidence and critical infrastructure disruption are likely to be more probable than in the 2°C scenario.

For more details refer to pages 40–42

To enable our stakeholders to understand our climate-related impact and subsequent performance our data report includes an extensive range of consumption and intensity metrics for energy, carbon, waste and water, and reflect those highlighted in the buildings and materials groups, namely:

— Total energy consumed, broken down by source (e.g. purchased electricity and renewable sources) — see page 127
— Total fuel consumed percentage from coal, natural gas, oil, and renewable sources — see page 127
— Building energy intensity (by area) — see page 123
— Building water intensity (by area) — see page 130
— GHG emissions intensity from buildings (square area) and from new construction and redevelopment — see page 121
— For each property type, the percentage certified as sustainable — see page 133

All the above metrics are presented in our data report with at least the previous year’s data to allow for comparison and historical trending.

As identified in our materiality review, which can be found on pages 10–11, resource efficiency (which includes energy efficiency, greenhouse gases, climate change and water) is a material issue for our business and, as such, forms a principal risk in our corporate risk register, which can be found in our 2020 Report and Accounts on pages 106–76. Further to this, performance against our science-based carbon targets form a part of our Executive Directors’ remuneration — details of which can be found on page 161 of our 2020 Report and Accounts.

In addition to the above metrics, we also use our science-based carbon targets and a specific scenario analysis tool to support us in the strategic planning of our portfolio and undertake future projections of carbon intensity reduction set against recognised 2°C transition scenarios namely the IEA ETP 2DS and the nationally determined UK climate change commitments modelling trajectory.

Describe the targets used by the organisation to manage climate-related risks and opportunities in line with its strategy and risk management process.

We publish a detailed data report which sets out our environmental data performance. As part of this we publish extensive carbon reporting across all scopes: Scopes 1, 2 and 3 using the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. Likewise, we provide trend analysis across several years to show progress and historical performance.

Please refer to the data report section on pages 117–136 for our carbon reporting which also includes full details of the aggregation and calculation methodology. Moreover, we publish a summary of our corporate carbon footprint in our 2020 Report and Accounts on page 62.

We publish the latest progress against these targets please see the science-based carbon target performance section on pages 78–79 for more details.

Following our review of the Paris International Climate Change Agreement in 2016, we developed a set of science-based carbon targets to ensure we align our carbon reduction programme to its objectives, as well as minimising our risk exposure to climate change on our managed portfolio.

In 2019 we worked with the Science-Based Target initiative (SBTi) to verify our targets with their methodology and we are pleased to confirm the validation is now complete, with the addition of a new Scope 3 emissions target. As a result, our targets are:

“‘We commit to reduce scope 1 and 2 GHG emissions 55% per square metre by 2027 from a 2013 base year. Derwent London also commits to reduce scope 3 GHG emissions 20% per square metre by 2027 from a 2017 base year.”

As part of our new net zero ambition, we will be reviewing these targets again to align them with a 1.5°C climate warming scenario and we will provide further updates in future reporting.

Metrics and Targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

To describe the metrics used, the organisation to manage climate-related risks and opportunities in line with its strategy and risk management process.

Describe the targets used by the organisation to manage climate-related risks and opportunities in line with its strategy and risk management process.

Gas (GHG) Protocol Corporate Accounting and Reporting Standard. Likewise, we provide trend analysis across several years to show progress and historical performance.

We publish the science-based carbon targets to ensure we align our carbon reduction programme to its objectives, as well as minimising our risk exposure to climate change on our managed portfolio.

In 2019 we worked with the Science-Based Target initiative (SBTi) to verify our targets with their methodology and we are pleased to confirm the validation is now complete, with the addition of a new Scope 3 emissions target. As a result, our targets are:

"We commit to reduce scope 1 and 2 GHG emissions 55% per square metre by 2027 from a 2013 base year. Derwent London also commits to reduce scope 3 GHG emissions 20% per square metre by 2027 from a 2017 base year."

As part of our new net zero ambition, we will be reviewing these targets again to align them with a 1.5°C climate warming scenario and we will provide further updates in future reporting.

To see the latest progress against these targets please see the science-based carbon target performance section on pages 78–79 for more details.
Derwent London is part of the London Business Climate Leaders group, organised by the Greater London Authority (GLA). It was created to help accelerate agreed targets and goals, by combining resources, influence and innovation to deliver climate change strategies to support the Mayor’s ambition for London to become a net zero carbon city.

At launch in 2018, its target for net zero was by 2050 and a set of baseline commitments were agreed, however the group selected ‘further faster’ actions according to their specific operations and expertise and so in 2020 the Mayor revised its target for London to become net zero by 2030. Below we set out our latest progress against the baseline commitments.

The leadership group consists of nine influential London based companies leading the transition towards a low carbon economy, and its objectives are to:

- Engage in a constructive dialogue with Greater London Authority (GLA) policy makers
- Make measurable and significant impacts through concrete London based actions and commitments
- Reach their own global corporate climate targets and GLA ones faster via this collaborative mechanism
- Help to accelerate progress towards the Paris Agreement goals and the UK Nationally Determined Contributions
- Identify synergies and building more cohesive and coordinated engagement with the GLA
- Foster collaborations between members

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Commitment</th>
<th>Our Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>Set energy efficiency targets for 2020, 2030 and 2050 that demonstrates a trajectory towards zero carbon buildings by 2050 in London.</td>
<td>Setting our science-based carbon targets was the first step in demonstrating our journey towards zero carbon buildings. In July 2020 we released our Net Zero Carbon Pathway and launched our first net zero carbon building – 80 Charlotte Street W1.</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>100% renewable electricity and mapping onsite renewable potential by 2025.</td>
<td>All our electricity supplies are renewable and REGO backed and as part of our new net zero carbon programme we have started the process of procuring green gas.</td>
</tr>
<tr>
<td>Transport/fleet</td>
<td>Switch to zero emission capable vehicles and/or support the development of electric vehicle (EV) charging by 2025.</td>
<td>We ensure that EV charging points are installed in all new developments. We communicate the importance of electric vehicles and EV points being available to our supply chain.</td>
</tr>
<tr>
<td>Circular Economy and waste</td>
<td>Reduce waste generated by 50% by 2030, 75% recycling rate and zero waste to landfill by 2025.</td>
<td>Recycling rates across our properties are high and none of our waste goes to landfill. We are working on increasing levels of our engagement with tenants, improving training to our cleaning teams, and increasing the number of waste audits we provide to our tenants.</td>
</tr>
</tbody>
</table>
Data performance summary

The changes to our working model in response to Covid-19 have helped us decrease our energy emissions. Following the government guidance ensuring that our properties are Covid-secure we have increased the amount of fresh air intake to 100% with no recirculated air and we enhanced air filtration systems to provide an added layer of protection. Overall, we saw a significant reduction in energy consumption.

During 2020 we:
— Reduced our managed portfolio carbon generation in all scopes by 32%
— Reduced our like-for-like portfolio carbon generation in all scopes by 28%
— Reduced our managed portfolio energy intensity by 14%
— Reduced our like-for-like portfolio energy intensity by 23%
— Dropped our recycling rate to 66%

Whilst we set and drive many of the energy and waste improvement initiatives, we are also supported by a network of suppliers who we collaborate with to help us deliver many of the results we show here.

Energy
We undertake monthly mechanical and electrical (M&E) reviews across all managed properties. One of the areas we discuss is a building’s energy efficiency and any innovations that have been implemented by the contractor to drive the emissions down. Having the expertise and insight of how buildings are operated helps us focus on inefficiencies.

This year we have focused on innovations and optimisation measures including:
— BMS health checks and resetting time clocks
— Ongoing LED/PIR roll out
— Reducing plant run time to correlate with building occupancy
— AC filters replaced by AAA more efficient ones

Waste
During early 2020 we have prioritised introducing more segregations across our properties focusing on the most impactful streams like food waste, coffee cups, paper and coffee grounds. We have also focused on reducing contamination by rebranding posters and providing training to our onsite teams.

During the pandemic we have noticed that glass, food and cardboard streams dropped due to reduced occupancy, as a result our recycling rate reduced from 76% in 2019 to 66% in 2020.

Gas consumption
This year, the portfolio’s gas consumption has decreased by 18% compared to 2019. Reduced occupation across our properties and adjusting the operation of our plant contributed to reduction in our consumption.

For detailed performance data, please refer to the appendix on 117–135.
Environmental & Health & Safety assurance statement

Independent assurance statement by Deloitte LLP to Derwent London plc on key environmental and health and safety indicators (within the Responsibility Report 2020 (“the Report”))

What we did: our key environmental assurance procedures

What we did: our key health and safety assurance procedures

Inherent limitations

We express our conclusions based on data sourced from selected key performance indicators specified above, in accordance with the International Standard on Assurance Engagements 3000 (Revised), to achieve assurances, IAE 3000 (Revised) requires that we review the procedures and systems used to collect the data we have available. Considering all the material, errors, we planned and performed our work to obtain all of the information and explanations we need to perform our assurance work.

We have carried out reasonable assurance on the selected key performance indicators specified above, in accordance with the International Standard on Assurance Engagements 3000 (Revised), to achieve assurances, IAE 3000 (Revised) requires that we review the procedures and systems used to collect the data we have available.

We have carried out reasonable assurance on the selected key performance indicators specified above, in accordance with the International Standard on Assurance Engagements 3000 (Revised), to achieve assurances, IAE 3000 (Revised) requires that we review the procedures and systems used to collect the data we have available.

We have carried out reasonable assurance on the selected key performance indicators specified above, in accordance with the International Standard on Assurance Engagements 3000 (Revised), to achieve assurances, IAE 3000 (Revised) requires that we review the procedures and systems used to collect the data we have available.

We have carried out reasonable assurance on the selected key performance indicators specified above, in accordance with the International Standard on Assurance Engagements 3000 (Revised), to achieve assurances, IAE 3000 (Revised) requires that we review the procedures and systems used to collect the data we have available.

We have carried out reasonable assurance on the selected key performance indicators specified above, in accordance with the International Standard on Assurance Engagements 3000 (Revised), to achieve assurances, IAE 3000 (Revised) requires that we review the procedures and systems used to collect the data we have available.
Set out below is a comprehensive breakdown of our full alignment with the EPRA best practice recommendations on sustainability reporting. We have also listed our performance measures data in our 2020 Report & Accounts on page 243.

Environmental sustainability performance measures

Elec-Abs (total electricity consumption) (annual kWh)
8,398,662 – shown in Table 5 – Energy use across our total managed portfolio (landlord-controlled areas), page 127

Elec-LfL (like-for-like total electricity consumption) (annual kWh)
8,021,003 – shown in Table 6 – Energy use across our like-for-like portfolio (landlord-controlled areas), page 127

DH&C-Abs (total district heating and cooling consumption) (annual kWh)
None of our properties are connected to or benefit from district heating and cooling.

DH&C-LfL (like-for-like total district heating and cooling consumption (annual kWh)
None of our properties are connected to or benefit from district heating and cooling.

Fuels-Abs (total fuel consumption) (annual kWh)
18,069,846 – shown in Table 5 – Energy use across our total managed portfolio (landlord-controlled areas) (a total of gas and biomass consumption), page 127

Fuels-LfL (like-for-like total fuel consumption) (annual kWh)
15,335,365 – shown in Table 6 – Energy use across our total managed portfolio (landlord-controlled areas) (a total of gas and biomass consumption), page 127

Energy-Int (building energy intensity) (kWh per m²)
72.47 – shown in the energy intensity performance against 2013 baseline (landlord areas) graph, page 122

GHG-Dir-Abs (total direct greenhouse gas emissions) (annual metric tonnes CO₂e)
3,326 – shown in Tables 3 and 3a – Total managed portfolio emissions (landlord influenced portfolio emissions) (a total of Scope 1 emissions), pages 123–124

GHG-Dir-LfL (like-for-like direct greenhouse gas emissions) (annual metric tonnes CO₂e)
2,783 – shown in Tables 4 and 4a – Like-for-like emissions (landlord influenced portfolio emissions, building related only) (Scope 1 energy use), page 125–126

GHG-Indir-Abs (total indirect greenhouse gas emissions) (annual metric tonnes CO₂e)
1,947 – shown in Tables 3 and 3a – Total managed portfolio emissions (landlord influenced portfolio emissions) (a total of Scope 2 energy-use), pages 125–126

GHG-Indir-LfL (like-for-like indirect greenhouse gas emissions) (annual metric tonnes CO₂e)
1,853 – shown in Tables 4 and 4a – Like-for-like emissions (landlord influenced portfolio emissions, building related only) (Scope 2 energy-use), pages 125–126

Water-Abs (total water consumption) (annual m³)
95,719 – shown in Table 8 – Water use across our total managed portfolio (excluding retail consumption), page 130

Water-LfL (like-for-like total water consumption) (annual m³)
85,852 – shown in Table 9 – Water use across our like-for-like portfolio (excluding retail consumption), page 130

Waste-Abs (total weight of waste by disposal route) (annual metric tonnes and proportion by disposal route)
1,162 total weight, 762 recycled (66%), 401 incinerated (34%) (with energy recovery), 0 to landfill (0%) (all non-hazardous) – shown in Table 10 – Waste generated across our total managed portfolio, page 132
Waste-LIL (like-for-like total weight of waste by disposal route) (annual metric tonnes and proportion by disposal route)
874 total weight, 578 recycled (66%), 295 incinerated (34%) (with energy recovery), 0 to landfill (0%)
(all non-hazardous) – shown in Table 11 – Waste generated across our like-for-like portfolio, page 132

Cert-Tot (type and number of sustainability certified assets) (total number by certification/rating/labelling scheme)
– shown on page 133

Social Performance Measures

Diversity-Emp Employee gender diversity (% of employees)
– please see our 2020 Report & Accounts page 129

Diversity-Pay Gender pay ratio – as we have fewer than 250 employees, we are not obliged by The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 to disclose our gender pay information.

Emp-Training Employees training and development (average hours) – please see our 2020 Report & Accounts page 50 and 141.

Emp-Dec Employee performance appraisals (% of employees)
– please see page 65.

Emp-Turnover New hires and turnover (total number and rate)

H&S-Emp Employee H&S (injury rate, absentee rate and no. of work-related fatalities)

H&S-Asset Asset health and safety assessments (% of assets)

H&S-Comp Asset health and safety compliance (no. of incidents)

Comty-Eng Community engagement, impact assessments and development programmes (% of assets) – please see pages 52–63 (community section)

Governance Performance Measures

Gov-Board Composition of the highest governance body (total no.) – please see our 2020 Report & Accounts pages 100–102, 100, 104, 126–127 and 129.

Gov-Selec Process for nominating and selecting the highest governance body (narrative on process) – please see our 2020 Report & Accounts pages 120–121 and 124–125.

Gov-CoI Process for managing conflicts of interest (narrative on process) – please see our 2020 Report & Accounts page 119.

Overarching recommendations

5.1 Organisational boundaries
This is explained in the Reporting boundary section, see page 117

5.2 Coverage
Please see our reporting scope on page 117 for a full breakdown of our various reporting scopes and subsequent coverage.

5.3 Estimation of landlord-obtained utility consumption
None of our data presented above is estimated, except where a property exited or came into the portfolio during the year, where we pro-rata the data to annualise the consumption as part of our intensity portfolio reporting to ensure fair representation. We have stated which properties this affects and against which utility type.

Please see our reporting scope sections on pages 117, 129 and 131 for our approach to data pro-rating.

5.4 Third Party Assurance
We undertake assurance on our resource efficiency data in accordance with ISAE3000 to a reasonable level. A public assurance statement from our auditors Deloitte LLP can be found in the ‘Assurance’ section of this report on pages 88–89.

Likewise, we provide commentary on the shifts in our carbon footprint in our carbon footprint section, see pages 79–79.

5.10 Location of EPRA sustainability performance measures in companies’ reports
We provide a dedicated section in our 2020 Report & Accounts on sustainability (page 244), which also includes a full summary of our carbon footprint and headline performance and data results. This annual responsibility report then provides a detailed review of our sustainability work, performance and resource efficiency data. Moreover, we have developed this section of the report to enable our stakeholders to easily access the best practice aspects set out in the EPRA recommendations document.

Other issues to consider

6.1 Materiality
The results of our materiality assessment/review are shown in the ‘Materiality’ section of this report on pages 10–11.

6.2 Emerging indicator – return on carbon emissions (ROCE)
We report two sets of financially orientated carbon intensity measures – tCO₂e/£m turnover and tCO₂e/fair market value. These are presented in Table 1 on page 123.

6.3 Socio-economic indicators related to sustainability performance
We have released a performance measure to undertake socio-economic assessments of our new developments 12 months after full occupation. Moreover, we are the only UK based REIT that operates its own self-funded Community Fund – details are provided in the community section of this report, please see pages 52–63.

Likewise, we report on the community contributions via planning – this can be seen on pages 54.
Our business is focused on central London commercial office space, together with our Strathkelvin retail park (the only property of this type we own) which is located in the suburbs of Glasgow, Scotland.

Employee figures not broken down by contract type.

Employee figures not broken down by gender.
<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102: General Disclosures 2018</td>
<td>102-10 Report any significant changes during the reporting period regarding the organisation's size, structure, ownership or supply chain</td>
<td>R&amp;A – pages 14–15</td>
<td>Paul Williams was appointed as CEO in May 2019</td>
</tr>
<tr>
<td>GRI 102: General Disclosures 2018</td>
<td>102-11 Report whether and how the precautionary approach or principle is addressed by the organisation</td>
<td>R&amp;A – pages 28–29</td>
<td></td>
</tr>
<tr>
<td>GRI 102: General Disclosures 2018</td>
<td>102-12 List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses</td>
<td>Page 5</td>
<td></td>
</tr>
<tr>
<td>GRI 102: General Disclosures 2018</td>
<td>102-13 List memberships of associations (such as industry associations)</td>
<td>R&amp;A – back page</td>
<td></td>
</tr>
</tbody>
</table>

**Strategy**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102: General Disclosures 2018</td>
<td>102-14 Statement from the most senior decision-maker in the organisation</td>
<td>R&amp;A – Chairman’s statement, page 14</td>
<td>R&amp;A – CEO statement page 16</td>
</tr>
</tbody>
</table>

**Ethics and integrity**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102: General Disclosures 2018</td>
<td>102-16 Describe the organisation’s values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics</td>
<td>R&amp;A – page 30</td>
<td></td>
</tr>
</tbody>
</table>

**Governance**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102: General Disclosures 2018</td>
<td>102-18 Governance structure of the organisation, including: commitment of the highest governance body responsible for declaring making an economic, environmental and social topics</td>
<td>R&amp;A – page 33</td>
<td></td>
</tr>
</tbody>
</table>

### Stakeholder engagement

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102: General Disclosures 2018</td>
<td>102-20 Approaches to stakeholder engagement, including: frequency of engagement by type and by stakeholder group</td>
<td>R&amp;A – pages 11–13, 51–53</td>
<td>WEB</td>
</tr>
</tbody>
</table>

**Comments**

- Our key stakeholder groups: Occupiers: Employees: Local communities: Suppliers: Central and local government: Debt providers: Shareholders:

Via our latest materiality assessment, we were able to ascertain those core issues pertinent to our business and those of our stakeholders.

- There are no collective bargaining agreements within our business; however employees are free to join a trade union should they wish.

- Our key stakeholder groups:
  - Occupiers
  - Employees
  - Local communities
  - Suppliers
  - Central and local government
  - Debt providers
  - Shareholders

- There are no collective bargaining agreements within our business; however, employees are free to join a trade union should they wish.

- We were able to ascertain these core issues pertinent to our business and those of our stakeholders.
## GRI Indicator | Location | Omission | Comments
--- | --- | --- | ---
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 102-49 List of entities included in the organization's consolidated financial statements or equivalent documents | Pages 246–247 |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 102-47 List of material topics identified in the process for defining report content | Pages 10–11 (trials) |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 103-1 Explanation of the material topic and its boundaries | See Specific Standards Disclosure table below |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 103-1(b, c) Explanation of the material topic and its boundaries | See Specific Standards Disclosure table below |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 102-45 Reporting in the Scope and Aspect Boundaries | Pages 107–118 |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 105-50 Reporting period | Page 9 |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 102-51 Date of most recent previous report | 1 January – 31 December 2020 |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 102-52 Reporting cycle | Front cover |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 102-53 Provide the contact point for questions regarding the report or its contents | John Davies, Head of Sustainability | +44 (0)20 7659 3000 sustainability@derwentlondon.com |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 102-54 Claims of reporting in accordance with the GRI standards | Page 9 |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 102-55 GRI content index | Page 97 |
GRI 102: General Disclosures 2018 | GRI GRI 102: General Disclosures 2018 | | 102-56 External assurance report, statements or engagements | Pages 24–26 and 96–97 |

## Specific Standards Disclosure
### Energy

**DMA**

**Why is it material?**
Energy consumption and efficiency is fundamental to organisations like ours, with energy consumption from the built environment accounting for nearly half of the UK’s CO₂ emissions. As such our stakeholders expect us to take proactive steps to minimise our consumption, reduce costs and ensure our buildings are operating efficiently.

**What we do**
We have put into place a series of management tools and interventions across our development pipeline and managed portfolio as part of our energy management programmes. This has seen us significantly reduce our energy consumption, underpinned by performance reduction targets.

#### Aspect boundaries

**Internal (within):**
- Sustainability Team
- Property Management Teams
- Development Team

**External (outside):**
- UK Government and policy makers
- Our tenants (customers)
- Our design and engineering/FM supply chains

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>302-1 Energy consumption within the organisation</td>
<td>Page 120</td>
<td></td>
</tr>
<tr>
<td>302-3 Energy intensity</td>
<td>Page 122</td>
<td></td>
</tr>
<tr>
<td>302-4 Reduction of energy consumption</td>
<td>Page 121</td>
<td></td>
</tr>
</tbody>
</table>

### Greenhouse gas emissions

**DMA**

**Why is it material?**
Like energy efficiency, GHG emissions are a significant issue for the built environment and property companies like us, not least for the regulatory requirements from mechanisms such as SECR and ESOS. Our stakeholders therefore place a similar, if not near identical, level of importance on this issue.

**What we do**
Our energy and carbon management (GHG emissions reduction) work go hand-in-hand, and our energy management programme addresses both issues simultaneously and has seen us significantly reduce our footprints.

#### Aspect boundaries

**Internal (within):**
- Sustainability Team
- Property Management Teams
- Development Team

**External (outside):**
- UK Government and policy makers
- Our tenants (customers)
- Our design and engineering/FM maintenance supply chains

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>305-1 Direct greenhouse gas (GHG) emissions (Scope 1)</td>
<td>Pages 123–124</td>
<td></td>
</tr>
<tr>
<td>305-2 Energy indirect greenhouse gas (GHG) emissions (Scope 2)</td>
<td>Pages 123–124</td>
<td></td>
</tr>
<tr>
<td>305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)</td>
<td>Pages 123–124</td>
<td></td>
</tr>
</tbody>
</table>
**Water**

**DMA**

**Why is it material?**
Water scarcity is becoming an increasingly important issue in many parts of the UK, with areas such as London coming under increased stress. As a result, it is absolute work with our tenants and suppliers to reduce consumption and wastage.

**What we do:**
Water management forms a key part of our building sustainability plans and we have an active management programme in place. We have an ongoing water intensity reduction target to help focus our efforts even more.

**Aspect boundaries**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>303-1 Total water withdrawn by source</td>
<td>Page 130</td>
<td></td>
</tr>
</tbody>
</table>
Employees’ engagement

**Why is it material?**
In addition to the various regulatory instruments e.g. Companies Act 2006, the development and engagement of our employees is key to our culture as it enables us to attract and retain a diverse range of the most talented people in the property industry. This in turn helps to ensure the long term growth and success of our business, an element that is important for us.

**What we do**
We ensure our employees are supported to develop and grow within their roles and respective disciplines. We have a biannual review process in place with tailored personal development and training identified as part of the process. Moreover, we have a comprehensive reward and recognition structure which ensures employees are recognised for their efforts.

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>401-1</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation</td>
<td>R&amp;A – pages 50–51</td>
</tr>
</tbody>
</table>

Training and education

**GRI Indicator**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>404-3</td>
<td>Percentage of employees receiving regular performance and career development reviews, by gender and by employee category</td>
<td>Page 65</td>
</tr>
</tbody>
</table>

Diversity and equal opportunity

**GRI Indicator**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>405-1</td>
<td>Composition of governance bodies and breakdown of employees per employee category, according to gender, age group, minority group membership, and other indicators of diversity</td>
<td>R&amp;A – pages 50 and 127–129</td>
</tr>
</tbody>
</table>

Anti-corruption

**Why is it material?**
Compliance with legislation and our own internal safeguarding procedures is a basic requirement for our employees. Failure to do this could result in financial risks and reputational damage, and so affect our commercial performance. Therefore, this is seen as a significant issue.

**What we do**
To ensure we meet the highest standards of regulatory compliance we set clear standards for our own employees and our supply chains via legal, policy and voluntary standards and tools – covering issues such as anti-corruption, ethical standards and health and safety practices.

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>205-2</td>
<td>Communication and training on anti-corruption policies and procedures</td>
<td>R&amp;A – pages 49–49</td>
</tr>
</tbody>
</table>

Customer satisfaction

**Why is it material?**
The success of our business is underpinned by our close relationships with our occupiers. Only by understanding their needs, using flexible and understanding the kind of spaces they wish to occupy can our business continue to thrive.

**What we do**
The relationship we have with our occupiers is one of the key factors for the strong demand for our space and resultant low void rates. Frequent communication is key to ensure we meet all their expectations and understand their current and future needs.

Marketing and labelling

**Why is it material?**
Natural resources are finite, and the construction of new buildings and spaces is a resource-intensive activity. Therefore, it is essential we are prudent with their use, which is not only environmentally sound but also cost efficient.

**What we do**
Our business model favours the re-use and regeneration of buildings which is inherently resource-efficient. Likewise our design approach advocates lean specification. Where we do introduce new materials and systems, we ensure, through our Project Sustainability Plans, that recycled content and embodied carbon are measured, reduced and monitored. Likewise, where we are specifying materials, we ensure that they are responsibly sourced from timber.

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-2</td>
<td>Results of surveys measuring customer satisfaction</td>
<td>R&amp;A – page 11</td>
</tr>
</tbody>
</table>

**Aspect boundaries**

Internal (within): Company Secretariat
Executive Committee
External (outside): UK Government
Our occupiers (customers)
Our investors

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
</table>
| DMA | Why is it material? | Internal (within): Sustainability Team
Development Team
Property Management Teams
External (outside): Our design and construction supply chains
Our occupiers (customers)
Our investors | R&A – pages 60–61 |

| DMA | Why is it material? | Internal (within): Human Resource Team
Executive Committee
External (outside): Local community stakeholders
Our occupiers (customers)
Our investors | Communication and training on anti-corruption policies and procedures |

| DMA | Why is it material? | Internal (within): Leasing Team
Property Management Teams
External (outside): Our occupiers (customers)
Our investors | Customer satisfaction |

| DMA | Why is it material? | Internal (within): Sustainability Team
Development Team
Property Management Teams
External (outside): Our design and construction supply chains
Our occupiers (customers)
Our investors | Marketing and labelling |
Non-discrimination

**DMA**

**Why is it material?**

Human rights are a fundamental issue for any business, and whilst there is legislation in place to tackle some of these issues e.g. the Modern Slavery Act 2015 and the Companies Act 2006, we, like our stakeholders, want to ensure that we are not having any negative impacts on the human rights of our employees, customers or supply chains.

**What we do:**

We closely monitor our activities and those of our supply chains to ensure our activities are neither impacting on human rights nor discriminatory. We use our Supply Chain Sustainability Standard to communicate our position on human rights and to monitor compliance against it.

### Aspect boundaries

**Internal (within):** The Sustainability Team, Company Secretarial Team, Executive Committee.

**External (outside):** Our investors.

---

**Note on aspect boundaries:**

All of our material issues have both internal and external impacts; however, we have attempted to provide clarity and context to identify which entities and/or stakeholders these might impact on or be relevant to. As such, we have provided a list of the key internal and external stakeholders and entities for each issue which is by no means exhaustive. For our internal stakeholders we have indicated the teams or departments which have a direct responsibility to deal with or manage the impact of the issue(s). We believe this is appropriate given the relatively small size and geographically focused nature of our business.

In terms of where the impacts from these issues occur, our business operations (including our subsidiaries) are entirely focused in the UK, more specifically central London (save for our third-party managed shopping centre in Strathkelvin, Scotland). However, we recognise that we do have impacts beyond the UK in our supply chains; our construction supply chains, for example, have an international reach e.g. sourcing products and systems globally, such as façade systems to construct our buildings.

### Abbreviations

R&A – Report & Accounts
DMA – Disclosure on Management Approach
WEB – Derwent London website (www.derwentlondon.com)

---

**GRI Indicator** 406-1  
**Total number of incidents of discrimination and corrective actions taken**

<table>
<thead>
<tr>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;A, pages 145, 147–148</td>
<td>There are no incidents to report</td>
</tr>
</tbody>
</table>

---

**GRI Indicator** 417-1  
**Supplier engagement**

We actively target the procurement of responsibly sourced timber, stipulating our timber must come from either FSC or PEFC sources. Our latest progress against this target is published in this report in our summary of our performance against our targets on page 37.

### Custom Indicator

<table>
<thead>
<tr>
<th>Location</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pages 36–37 and 48</td>
<td>We believe it is more important to evaluate actual supplier performance than to simply screen suppliers’ compliance against a given parameter during the tendering process e.g. having an environmental policy in place. We have set ourselves a target to create and implement a series of sustainability KPIs for our engineering maintenance contracts. These KPIs focus on mapping our service providers to track utility performance and efficiency and identify new and innovative practices to help run our properties as efficiently as possible. Performance against these is tracked by our in-house Property Management Team who review our contractors’ performance on a six-monthly basis. By creating this custom indicator, it allows us to demonstrate more effectively how we manage and incentivise our engineering maintenance contractors from a sustainability perspective.</td>
</tr>
</tbody>
</table>

---

**Supplier engagement**

**DMA**

**Why is it material?**

We are a relatively small organisation which operates on an outsourced business model for its design, delivery and maintenance of its buildings and spaces. As a result, we work very closely with our supply chains to ensure we achieve the standards we expect e.g. meeting the Living Wage Standard on procuring materials responsibly. If we did not do this, it would impact on our ability to deliver the levels of service our tenants expect from us and therefore our reputation and returns to investors.

**What we do:**

Our close relationship with our various supply chains enables us to deliver market leading spaces.

To ensure we communicate effectively our standards and aspirations – be they environmental, ethical or financial – we use a range of tools such as contract clauses, briefings, sustainability plans, and our Supply Chain Sustainability Standard to ensure we are clear on our expectations with our supply chains.

---

**Non-discrimination**

**DMA**

**Why is it material?**

Human rights are a fundamental issue for any business, and whilst there is legislation in place to tackle some of these issues e.g. the Modern Slavery Act 2015 and the Companies Act 2006, we, like our stakeholders, want to ensure that we are not having any negative impacts on the human rights of our employees, customers or supply chains.

**What we do:**

We closely monitor our activities and those of our supply chains to ensure our activities are neither impacting on human rights nor discriminatory. We use our Supply Chain Sustainability Standard to communicate our position on human rights and to monitor compliance against it.

---

**Aspect boundaries**

**Internal (within):** The Sustainability Team, Property Management Teams.

**External (outside):** Our design and construction supply chains, Our customers (tenants), Our investors.

---

**Note on aspect boundaries:**

All of our material issues have both internal and external impacts; however, we have attempted to provide clarity and context to identify which entities and/or stakeholders these might impact on or be relevant to. As such, we have provided a list of the key internal and external stakeholders and entities for each issue which is by no means exhaustive. For our internal stakeholders we have indicated the teams or departments which have a direct responsibility to deal with or manage the impact of the issue(s). We believe this is appropriate given the relatively small size and geographically focused nature of our business.

In terms of where the impacts from these issues occur, our business operations (including our subsidiaries) are entirely focused in the UK, more specifically central London (save for our third-party managed shopping centre in Strathkelvin, Scotland). However, we recognise that we do have impacts beyond the UK in our supply chains; our construction supply chains, for example, have an international reach e.g. sourcing products and systems globally, such as façade systems to construct our buildings.

### Abbreviations

R&A – Report & Accounts
DMA – Disclosure on Management Approach
WEB – Derwent London website (www.derwentlondon.com)
The United Nations’ 17 Sustainable Development Goals (SDGs) are an international standard aimed at addressing global challenges, including inequality, climate change and environmental degradation. As a responsible business, we recognise our role in supporting the UK in its response to this standard and helping to effect change in the areas in which we operate. Although our business is geographically concentrated, London is a major international hub where many global organisations are headquartered, and where many of the world’s key commercial sectors are based and standards set. Therefore, we think we have an excellent opportunity to set an example of how local action can create positive outcomes on a wider scale.

We have reviewed the suite of 17 goals and have selected those goals which align most closely to our ESG priorities, these are:

- Goal 4 – quality education
- Goal 5 – gender equality
- Goal 7 – affordable and clean energy
- Goal 11 – sustainable cities and communities
- Goal 12 – responsible consumption and production
- Goal 13 – climate action

Set out in the table below is a summary of our progress against the goals which are particularly significant to our business.

<table>
<thead>
<tr>
<th>Our ESG priority</th>
<th>UN Goal</th>
<th>Applicable target</th>
<th>Applicable indicator</th>
<th>Our efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating value in the community and for our wider stakeholders</td>
<td>Goal 4 – quality education</td>
<td>4.4</td>
<td>4.4.1</td>
<td>Through our Community Fund we invest in and support youth and adult ICT education and skills training – both technical and vocational. Examples of this include working with The Young Coneys’ School for Grown Ups and their project upskilling 7 to 15-year-olds in interdisciplinary digital and creative skills. Likewise, our work with Soapbox Online and their Soundscapes project which is a multimedia project co-produced by socially excluded young people, producing audio visual representations of young people’s experiences and impact of Covid-19.</td>
</tr>
<tr>
<td>Protecting human rights &amp; Engaging and developing our employees</td>
<td>Goal 5 – gender equality</td>
<td>5.1</td>
<td>5.1.1</td>
<td>Beyond any legislative requirement we are active in ensuring meaningful gender equality in our business. Whether that is making sure our business structure is representative or making sure our suppliers have the same policies and approaches in their businesses. Some of our recent work internally includes the formation of a new Diversity &amp; Inclusion Working Group, unconscious bias training and starting our journey towards achieving the National Equality Standard.</td>
</tr>
</tbody>
</table>

33% of the women within our business are in managerial roles.
<table>
<thead>
<tr>
<th>Our ESG priority</th>
<th>UN Goal</th>
<th>Applicable target</th>
<th>Applicable indicator</th>
<th>Our efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designing and delivering buildings responsibly &amp; Managing our assets responsibly</td>
<td>7. Affordable &amp; clean energy</td>
<td>7.2</td>
<td>7.2.1</td>
<td>We purchase 100% REGO-backed electricity which supplies our buildings and, as part of our net zero carbon programme, we are looking at how we procure renewable gas supplies and incorporate higher levels of onsite renewable energy generation.</td>
</tr>
<tr>
<td></td>
<td>7.3</td>
<td>7.3.1</td>
<td></td>
<td>As part of our science-based targets we have a specific energy intensity target (see pages 78–79 in our latest Responsibility Report) designed to help us improve our energy intensity.</td>
</tr>
<tr>
<td>Creating value in the community and for our wider stakeholders</td>
<td>11. Sustainable cities &amp; communities</td>
<td>11.7</td>
<td>11.7.1</td>
<td>We actively promote the inclusion of public spaces in and around our buildings and ensure they are fully accessible to those with disabilities. In addition, we are part of the Mayor’s London Business Climate Leaders group which was set up to help London become a zero carbon city.</td>
</tr>
<tr>
<td>Managing our assets responsibly</td>
<td>12. Responsible consumption &amp; production</td>
<td>12.5</td>
<td>12.5.1</td>
<td>We have established a portfolio-wide minimum recycling target of 75% and a zero waste to landfill policy.</td>
</tr>
<tr>
<td></td>
<td>12.6</td>
<td>12.6.1</td>
<td></td>
<td>We integrate comprehensive sustainability reporting information into our company reporting cycles and public reporting.</td>
</tr>
</tbody>
</table>
| Designing and delivering buildings responsibly & Managing our assets responsibly  | 13. Climate action                                                     | 13.2             | 13.2.2              | We have independently verified science-based carbon targets which are set to a 2°C reduction scenario. This means we are committed to reducing our carbon emissions and making sure our portfolio is climate resilient. We are continuing to investigate suitable 1.5°C scenarios to which to base our current targets.
19–35 Baker Street W1
We expect to start this mixed-use 297,000 sq ft development in 2021 and it will utilise NABERS UK. It will have all electric heating and cooling, air source heat pumps, operable windows, sensors to allow energy monitoring and greywater harvesting to reduce water wastage. There will be a significant number of cycle racks and shower facilities, as well as biodiverse roofs and an expansive courtyard area for public use.

Whilst we continue to work against the backdrop of the pandemic, we remain confident that we are in a good position to maintain our high levels of service as well as deliver our new projects, ensure the health and wellbeing of our employees and stakeholders and support our communities. We remain committed to mitigating the long-term issues that affect our business, most notably climate change, and will continue to promote the wider ESG agenda in a responsible and transparent way.

Our 2021 targets continue to be relevant and aligned with our strategy and material issues but they also reflect the impact of the pandemic on our day-to-day activities.

2021 Targets

Development

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building assessment methods</td>
<td>Rating achieved</td>
<td>Minimum of an A EPC rating for new builds. Minimum of a B EPC rating for all refurbishments, and where feasible uplift to an A EPC rating for major refurbishments.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Achieve a minimum 4 star NABERS UK rating for new build projects and major refurbishments.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Achieve a minimum of BREEAM Excellent for all new build projects and major refurbishments.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Achieve a minimum of LEED Gold for all major new build projects.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Achieve a minimum of Home Quality Mark 4 stars on all new residential development.</td>
</tr>
<tr>
<td>Project Sustainability Plan</td>
<td>Implementation</td>
<td>All applicable projects to create and maintain a Project Sustainability Plan (PSP).</td>
</tr>
<tr>
<td>Energy &amp; carbon</td>
<td>Installed metering</td>
<td>On all new build and major refurbishment projects 100% of meters to be AMR capable and BMS linked and installed on all main incoming feeds (electricity/water/gas), landlord lighting and small power, tenant lighting and small power, all major energy producing/consuming equipment e.g. heating and cooling plant; and renewable &amp; low carbon energy generation sources e.g. PV, CHP plant etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All new build and major refurbishment projects to undertake a full Post Occupation Evaluation 12 months after full occupation where we still retain control of the building.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All refurbishment projects to undertake a design in-use energy assessment based on CIBSE TM54 and ensure it is updated regularly in line with design progress/changes.</td>
</tr>
<tr>
<td>Embodied carbon assessment</td>
<td></td>
<td>All new build and major refurbishment projects at RIBA Stages 2, 3 and 4 to undertake embodied carbon assessments in line with the Derwent London embodied carbon brief and certification standards such as BREEAM. In addition, contractors are to map and measure embodied carbon during the delivery phases using the same assessment approach used during design.</td>
</tr>
<tr>
<td>Implementation</td>
<td></td>
<td>All new building and major refurbishment projects to undertake a full Post Occupation Evaluation 12 months after full occupation where we still retain control of the building.</td>
</tr>
<tr>
<td>Predicting whole building energy use</td>
<td></td>
<td>All refurbishment projects to undertake a design in-use energy assessment based on CIBSE TM54 and ensure it is updated regularly in line with design progress/changes.</td>
</tr>
<tr>
<td>Designed usage (m³/ m²)</td>
<td></td>
<td>All new build and major refurbishment projects to be designed and delivered to achieve mains water usage of 0.40 m³/m² or better.</td>
</tr>
<tr>
<td>Waste</td>
<td>% diversion from landfill</td>
<td>Direct at minimum 85% of total construction and demolition waste tonnes from landfill.</td>
</tr>
<tr>
<td>Materials</td>
<td>% of certified sustainable timber procured</td>
<td>100% of timber procured to be from FSC or PEFC sources.</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>Net gain</td>
<td>All new build and major refurbishment projects to achieve a net gain in biodiversity as measured through BREEAM.</td>
</tr>
</tbody>
</table>

2021 Targets for 19–35 Baker Street W1
We expect to start this mixed-use 297,000 sq ft development in 2021 and it will utilise NABERS UK. It will have all electric heating and cooling, air source heat pumps, operable windows, sensors to allow energy monitoring and greywater harvesting to reduce water wastage. There will be a significant number of cycle racks and shower facilities, as well as biodiverse roofs and an expansive courtyard area for public use.
### Property Management

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
</table>
| Climate change   | % reduction  | 1. Achieve a reduction in carbon intensity of 55% by 2027 in our like-for-like managed portfolio compared to our 2013 baseline  
2. Achieve a reduction in energy intensity of 8% by 2027 in our like-for-like managed portfolio compared to our 2013 baseline |
| Energy & carbon  | Management   | 1. Continue to purchase 100% renewable, REGO-backed electricity for our managed properties  
2. Develop a green gas procurement strategy which will support our move towards becoming a net zero carbon business |
| Waste            | % recycled   | Ensure our managed portfolio achieves a minimum recycling rate of 75% |
|                  | % diversion from landfill | Send zero waste to landfill from properties for which Derwent London has waste management control |
| Water            | Management   | 1. Undertake water audits and set in place water management strategies for our managed portfolio which will set out how we intend to reduce our consumption and how we will measure our performance  
2. Maintain portfolio mains water consumption intensity in the like-for-like managed portfolio below 0.51 m³/m² |
| Occupiers/Suppliers | Measurement | Develop and monitor appropriate sustainability KPIs within our property management engineering and services contracts  
2. Ensure our contracted operational and supply chain operatives in our managed portfolio are receiving the London Living Wage |

### Community

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>Community Fund delivery</td>
<td>Successfully deliver the next year of the Derwent London Community Fund</td>
</tr>
<tr>
<td>Community</td>
<td>Covid-19 response</td>
<td>Maintain wider support to community groups and projects utilising our Community Fund and corporate giving programme</td>
</tr>
</tbody>
</table>

### Employees

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge</td>
<td>Knowledge dissemination</td>
<td>Deliver at least two technical/knowledge sharing workshops during 2021</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Covid-19 response</td>
<td>Continue regular virtual town halls, emails and advice on the intranet to all employees to ensure clear communication is ongoing during the period of homeworking</td>
</tr>
<tr>
<td>Employee development</td>
<td>Engagement</td>
<td>Undertake our 4th in-depth employee survey in October 2021 to measure employee satisfaction and engagement and establish trends year-on-year</td>
</tr>
<tr>
<td>Health &amp; wellbeing</td>
<td>Health &amp; wellbeing</td>
<td>Continue to appoint and train mental health champions across the business</td>
</tr>
<tr>
<td>Health &amp; wellbeing</td>
<td>Health &amp; wellbeing</td>
<td>To continue to support and encourage employees to proactively manage their health and wellbeing through occupational health talks, wellbeing classes/workshops, virtual social events</td>
</tr>
<tr>
<td>Skills</td>
<td>Diversity &amp; Inclusion</td>
<td>Continue working towards achieving the National Equality Standard</td>
</tr>
</tbody>
</table>

### Targets

- Ensure our managed portfolio achieves a minimum recycling rate of 75%.
- Send zero waste to landfill from properties for which Derwent London has waste management control.
- Continue to purchase 100% renewable, REGO-backed electricity for our managed properties.
- Develop and monitor appropriate sustainability KPIs within our property management engineering and services contracts.
- Undertake water audits and set in place water management strategies for our managed portfolio which will set out how we intend to reduce our consumption and how we will measure our performance.
- Maintain portfolio mains water consumption intensity in the like-for-like managed portfolio below 0.51 m³/m².
- Successfully deliver the next year of the Derwent London Community Fund.
- Maintain wider support to community groups and projects utilising our Community Fund and corporate giving programme.
Appendix – Data performance

Base data methodology
Our reporting period is aligned to our financial year, which is set to the calendar year – 1 January to 31 December 2020.

For 2020 our reporting scope consists of the following portfolios:

Whole portfolio (84 properties, 518,957 m²)
Managed portfolio (47 properties, 403,858 m²)
Like-for-Like portfolio (39 properties, 343,369 m²)
Single-let portfolio (37 properties, 113,099 m²)

We measure and report utility usage and waste generated from our managed and like-for-like portfolios. We do not report data from single-let properties as we do not have any management control or influence over these properties, and therefore report on the following basis:

<table>
<thead>
<tr>
<th>Managed portfolio</th>
<th>Electricity</th>
<th>Water</th>
<th>Gas and biomass</th>
<th>Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes</td>
<td>Landlord common areas consumption and tenant consumption</td>
<td>Whole building consumption</td>
<td>Whole building consumption</td>
<td>Properties under the Derwent London waste management contract</td>
</tr>
<tr>
<td>Excludes</td>
<td>Retail consumption</td>
<td>Refurbishment/development projects</td>
<td>Single-let properties with no management control and access to utilities data</td>
<td></td>
</tr>
</tbody>
</table>

Our data is collected monthly via smart meters (AMR), manual meter readings taken by our Building Management teams, and from utility invoices. These are recorded and consolidated by us and our third-party utility brokers for each managed property. The AMR data is used as the primary source for our reporting, which is validated against utility invoices. To ensure the robust accounting of our data, internal audits are undertaken by our in-house finance team. During an audit, the team randomly selects at least a 15% property sample from our managed portfolio and examine meter readings, utility invoices and AMR data to validate the reported/recorded consumption amounts.

Managed portfolio methodology
We report consumption from areas controlled by landlord (common areas). To establish these areas, we deduct the net lettable floor areas (NLA) from the gross internal areas (GIA) for each property. Where the GIA figure is unknown, we take the gross external areas (GEA) from our fire insurance valuations and reduce this by 2% in line with standard industry practice. To calculate the common area usage (kWh/m²) we divide total building consumption by the total building area, and then multiply the figure by the total common area. We also report our tenant’s consumption (kWh/m²) by deducting the common area use from the total building use. This approach does result in a minor misalignment in our landlord energy and landlord carbon intensity calculations because gas and water use a denominator of floor area based on GIA, whereas electricity uses common areas only.

To balance this misalignment, we include figures for common areas (landlord usage) and total building (landlord and tenant usage).

In 2020, the measured floor areas within the fire insurance valuations were based on measured GIA as opposed to GEA which was used previously. The variation in floor areas between the calculated GIA from GEA and the measured GIA has been assessed as immaterial, therefore we have kept the existing calculated floor areas for consistency.

Base data methodology
Our reporting period is aligned to our financial year, which is set to the calendar year – 1 January to 31 December 2020.

For 2020 our reporting scope consists of the following portfolios:

Whole portfolio (84 properties, 518,957 m²)
Managed portfolio (47 properties, 403,858 m²)
Like-for-Like portfolio (39 properties, 343,369 m²)
Single-let portfolio (37 properties, 113,099 m²)

We measure and report utility usage and waste generated from our managed and like-for-like portfolios. We do not report data from single-let properties as we do not have any management control or influence over these properties, and therefore report on the following basis:

<table>
<thead>
<tr>
<th>Managed portfolio</th>
<th>Electricity</th>
<th>Water</th>
<th>Gas and biomass</th>
<th>Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes</td>
<td>Landlord common areas consumption and tenant consumption</td>
<td>Whole building consumption</td>
<td>Whole building consumption</td>
<td>Properties under the Derwent London waste management contract</td>
</tr>
<tr>
<td>Excludes</td>
<td>Retail consumption</td>
<td>Refurbishment/development projects</td>
<td>Single-let properties with no management control and access to utilities data</td>
<td></td>
</tr>
</tbody>
</table>

Our data is collected monthly via smart meters (AMR), manual meter readings taken by our Building Management teams, and from utility invoices. These are recorded and consolidated by us and our third-party utility brokers for each managed property. The AMR data is used as the primary source for our reporting, which is validated against utility invoices. To ensure the robust accounting of our data, internal audits are undertaken by our in-house finance team. During an audit, the team randomly selects at least a 15% property sample from our managed portfolio and examine meter readings, utility invoices and AMR data to validate the reported/recorded consumption amounts.

Managed portfolio methodology
We report consumption from areas controlled by landlord (common areas). To establish these areas, we deduct the net lettable floor areas (NLA) from the gross internal areas (GIA) for each property. Where the GIA figure is unknown, we take the gross external areas (GEA) from our fire insurance valuations and reduce this by 2% in line with standard industry practice. To calculate the common area usage (kWh/m²) we divide total building consumption by the total building area, and then multiply the figure by the total common area. We also report our tenant’s consumption (kWh/m²) by deducting the common area use from the total building use. This approach does result in a minor misalignment in our landlord energy and landlord carbon intensity calculations because gas and water use a denominator of floor area based on GIA, whereas electricity uses common areas only.

To balance this misalignment, we include figures for common areas (landlord usage) and total building (landlord and tenant usage).

In 2020, the measured floor areas within the fire insurance valuations were based on measured GIA as opposed to GEA which was used previously. The variation in floor areas between the calculated GIA from GEA and the measured GIA has been assessed as immaterial, therefore we have kept the existing calculated floor areas for consistency.
Recycling and general waste figures are provided for properties where we have waste management control. We exclude retail and development waste from our total figures due to no management control or influence over these waste streams. All waste is either recycled or sent to a waste-to-energy plant, with none sent to landfill.

**Like-for-like methodology**

Our like-for-like portfolio includes properties that have been with the portfolio for the entirety of the current and prior reporting year. Each year we will restate the prior year’s data to align with the updated like-for-like portfolio.

### Carbon methodology

We report our emissions in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard with emissions reported under the following categories:

**Scope 1** – direct emissions
**Scope 2** – indirect emissions (location and market based)
**Scope 3** – other indirect emissions (breakdown of categories below)

To identify Scope 1 fugitive emissions, we calculate refrigerant losses using equipment service records stating the refrigerant recharge amounts (top-ups). Those figures are included in our managed portfolio carbon intensity emissions. This year we have reported 0 emissions.

Air travel emissions are calculated using the distance between the start and end destinations, using an online distance calculator (www.mapcrow.info). Defra carbon conversion factors for air travel were applied which include the uplift for radiative forcing. The emissions from company cars are calculated using data for distance travelled per car. Different carbon conversion factors were applied to each car according to its type e.g. luxury, 4×4 etc. and fuel type.

To calculate the financial intensities, we use a total turnover figure and fair market value figure. The turnover figure stated in the 2020 Report and Accounts is £204,652,968. Likewise, the fair market value figure was stated at £5,355,506,000.

During 2020 we have secured green (renewable) gas contracts for two properties (which is reflected in our Scope 1 reporting). All our purchased electricity supplies are REGO-backed.

### Total buildings carbon emissions

<table>
<thead>
<tr>
<th>Scope</th>
<th>Assured</th>
<th>Source</th>
<th>Unit</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 GHG emissions (location-based)</td>
<td>Y</td>
<td>Combustion of fuel and operation of buildings and business travel</td>
<td>Metric tonnes of CO₂e</td>
<td>3,326</td>
</tr>
<tr>
<td>Scope 1 GHG emissions (market-based)</td>
<td>Y</td>
<td>Combustion of fuel and operation of buildings</td>
<td>Metric tonnes of CO₂e</td>
<td>3,259</td>
</tr>
<tr>
<td>Scope 2 GHG emissions (location-based)</td>
<td>Y</td>
<td>Purchased electricity</td>
<td>Metric tonnes of CO₂e</td>
<td>147</td>
</tr>
<tr>
<td>Scope 2 GHG emissions (market-based)</td>
<td>Y</td>
<td>Purchased electricity</td>
<td>Metric tonnes of CO₂e</td>
<td>0</td>
</tr>
<tr>
<td>Scope 3 GHG emissions</td>
<td>Y</td>
<td>Tenant and landlord related activities</td>
<td>Metric tonnes of CO₂e</td>
<td>749</td>
</tr>
</tbody>
</table>

**Scope 3 – categories**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Purchased goods and services</td>
<td>Not relevant</td>
<td></td>
</tr>
<tr>
<td>2. Capital goods</td>
<td>Measured but not yet reported within our Scope 3 footprint*</td>
<td>27%</td>
</tr>
<tr>
<td>3. Fuel and energy related activities (landlord and tenant emissions)</td>
<td>2.118</td>
<td></td>
</tr>
<tr>
<td>4. Upstream transportation &amp; distribution</td>
<td>Not relevant</td>
<td></td>
</tr>
<tr>
<td>5. Waste generated in operations (landlord and tenant)</td>
<td>25</td>
<td>0.32%</td>
</tr>
<tr>
<td>6. Business travel (corporate emissions)</td>
<td>14</td>
<td>0.18%</td>
</tr>
<tr>
<td>7. Employee commuting</td>
<td>-0.5%</td>
<td></td>
</tr>
<tr>
<td>8. Upstream leased assets</td>
<td>Not relevant</td>
<td></td>
</tr>
<tr>
<td>9. Downstream transportation &amp; distribution</td>
<td>Not relevant</td>
<td></td>
</tr>
<tr>
<td>10. Processing of sold products</td>
<td>Not relevant</td>
<td></td>
</tr>
<tr>
<td>11. Use of sold products</td>
<td>Not relevant</td>
<td></td>
</tr>
<tr>
<td>12. End-of-life treatment of sold products</td>
<td>Not relevant</td>
<td></td>
</tr>
<tr>
<td>13. Downstream leased assets (tenant electricity consumption)</td>
<td>5,555</td>
<td>72%</td>
</tr>
<tr>
<td>14. Franchising</td>
<td>Not relevant</td>
<td></td>
</tr>
<tr>
<td>15. Investments</td>
<td>Not relevant</td>
<td></td>
</tr>
<tr>
<td>16. Water generated (total building)</td>
<td>Not relevant</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*We measure the embodied carbon footprint of all our development schemes which is relevant for inclusion in the capital goods category. However, there are as yet no agreed, property-specific accounting principles in place to capture the footprint of these emissions appropriately which avoids the possible under or over inflation of the Scope 3 figures on an annual basis. We will continue to work with our sector to develop appropriate measures overtime. Until there are appropriate measures in place, we will report our embodied emissions separately so our stakeholders can gain an understanding of the emissions from our development pipeline.

For further information and data tables on embodied carbon, please see pages 34–35.
Carbon conversion factors
In order to report our greenhouse gas emissions, we must convert our energy, travel and waste generation into carbon emissions.

A new set of conversion factors is released every year by Defra (Greenhouse gas reporting: conversion factors 2020) and the graph below reflects the changes.

Scope 2 factors are the most significant, dropping by 49% comparing to our 2013 baseline.
**Energy intensity performance against 2013 baseline (landlord areas)**

Managed portfolio intensity (kWh/m²)

<table>
<thead>
<tr>
<th>Year</th>
<th>Intensity (kWh/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>172.97</td>
</tr>
<tr>
<td>2020</td>
<td>135.35</td>
</tr>
</tbody>
</table>

**Managed portfolio intensity (kWh/m²)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Intensity (kWh/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>172.97</td>
</tr>
<tr>
<td>2020</td>
<td>135.35</td>
</tr>
</tbody>
</table>

**Total building portfolio intensity (kWh/m²)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Intensity (kWh/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>172.97</td>
</tr>
<tr>
<td>2020</td>
<td>135.35</td>
</tr>
</tbody>
</table>

**Like-for-like portfolio intensity (kWh/m²)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Intensity (kWh/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>172.97</td>
</tr>
<tr>
<td>2020</td>
<td>135.35</td>
</tr>
</tbody>
</table>

**Carbon**

Table 1: Intensity metrics (managed portfolio Scope 1 + 2)

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020</th>
<th>% change</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>tCO₂e/£m turnover</td>
<td>25.74</td>
<td>-30%</td>
<td>44.30</td>
</tr>
<tr>
<td>tCO₂e/£m (Scopes 1 + 2 only, including Scope 1 fugitive emissions)</td>
<td>0.015</td>
<td>-22%</td>
<td>0.018</td>
</tr>
<tr>
<td>Property portfolio at fair value (tCO₂e/£m)</td>
<td>1.02</td>
<td>41%</td>
<td>0.72</td>
</tr>
</tbody>
</table>

Table 2: Intensity metrics (like-for-like portfolio Scope 1 + 2)

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020</th>
<th>% change</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total carbon emissions</td>
<td>4,636</td>
<td>-26%</td>
<td>6,288</td>
</tr>
<tr>
<td>Total floor area m²</td>
<td>343,369</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intensity (tCO₂e/m²)</td>
<td>0.013</td>
<td>-26%</td>
<td>0.018</td>
</tr>
</tbody>
</table>

Table 3: Managed portfolio GHG emissions (total building and landlord emissions) tCO₂e (A)

<table>
<thead>
<tr>
<th>Scope</th>
<th>Metric</th>
<th>2020</th>
<th>% change 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Energy use - Gas (total building)</td>
<td>3,323</td>
<td>-18%</td>
</tr>
<tr>
<td>Scope 2</td>
<td>Travel - Fuel use in Derwent London company cars for business travel</td>
<td>3</td>
<td>-81%</td>
</tr>
<tr>
<td>Scope 2</td>
<td>Fugitive emissions - Refrigerant emissions (total building)</td>
<td>4,067</td>
<td>0%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Energy use - Electricity use – generation (landlord-controlled areas and Derwent London occupied floor area)</td>
<td>1,547</td>
<td>-36%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Energy use - Electricity use – WTT Generated Scope 3 Indirect GHG (landlord-controlled areas and Derwent London occupied floor area)</td>
<td>209</td>
<td>-51%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Energy use - TNO Direct &amp; WTT T&amp;D in Direct (landlord-controlled areas and Derwent London occupied floor area)</td>
<td>191</td>
<td>-34%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Energy use - Gas (total building)</td>
<td>4,067</td>
<td>-36%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Travel - Fuel use in Derwent London company cars for business travel</td>
<td>1</td>
<td>-50%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Business at travel (landlord emissions)</td>
<td>1</td>
<td>-50%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Business at travel (landlord emissions)</td>
<td>12</td>
<td>-50%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Water - Water use (total building)</td>
<td>37</td>
<td>-50%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Waste - Waste (total building)</td>
<td>25</td>
<td>-50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>6,240</td>
<td>-32%</td>
</tr>
</tbody>
</table>

Note: This data has been independently assured by Deloitte LLP.

(A) This data has been independently assured by Deloitte LLP.
### Greenhouse Gas Emissions (GHGs)

#### Table 3a
Managed portfolio GHG emissions (landlord and tenant emissions) tCO₂e (A)  

<table>
<thead>
<tr>
<th>Scope</th>
<th>Energy use</th>
<th>Waste</th>
<th>Travel</th>
<th>Fugitive emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope 1</strong></td>
<td><strong>Energy use</strong></td>
<td><strong>Waste</strong></td>
<td><strong>Total</strong></td>
<td><strong>Fugitive emissions</strong></td>
</tr>
<tr>
<td><strong>Energy use</strong></td>
<td><strong>Gas (total building)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,223</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-18%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>4,062</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Travel</strong></td>
<td><strong>Fuel use in Derwent London company cars for business travel</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-81%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>18</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fugitive emissions</strong></td>
<td><strong>Refrigerant emissions (total building)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-100%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>564</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Scope 2</strong></td>
<td><strong>Energy use – generation (total building)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,847</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-33%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>2,925</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Scope 3</strong></td>
<td><strong>Energy use – WTT Generated Scope 3 Indirect GHG (total building)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>987</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-53%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>2,112</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Electricity use – T&amp;D Direct &amp; WTT T&amp;D In Direct (total building)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>700</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-56%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>1,069</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Gas (total building)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>492</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-18%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>529</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Downstream leased assets (tenant electricity consumption)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,525</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-33%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>7,925</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Fuel use in Derwent London company cars for business travel</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-79%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>4</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Business air travel (landlord emissions)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-57%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Business air travel (landlord emissions)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-56%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>25</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Water (total building)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>37</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-46%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>72</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Waste (total building)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-54%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>61</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13,022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-33%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>19,386</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(A) This data has been independently assured by Deloitte LLP.

#### Table 3b
Managed portfolio GHG emissions tCO₂e

| Total building and landlord emissions (Scope 1–3) | 6,243 |
| Tenant emissions (Scope 3) | 6,757 |
| Total landlord and tenant emissions (Scope 1–3) | 13,022 |
### Greenhouse Gas Emissions (GHGs)

#### Table 4a
Like-for-like portfolio GHG emissions (tenant and landlord emissions) tCO₂e (A)  

<table>
<thead>
<tr>
<th>Scope</th>
<th>2020</th>
<th>% change</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy use</td>
<td>2,783</td>
<td>-24%</td>
<td>3,655</td>
</tr>
<tr>
<td>Fugitive emissions</td>
<td></td>
<td>-100%</td>
<td>39</td>
</tr>
<tr>
<td><strong>Scope 2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy use</td>
<td>1,853</td>
<td>-29%</td>
<td>2,595</td>
</tr>
<tr>
<td>Electric energy use – generation (total building)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Scope 3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy use</td>
<td>811</td>
<td>-57%</td>
<td>1,899</td>
</tr>
<tr>
<td>Electric energy use – WTT Generated Scope 3 Indirect GHG (total building)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric energy use – T&amp;D Direct &amp; WTT T&amp;D Indirect (total building)</td>
<td>576</td>
<td>-40%</td>
<td>962</td>
</tr>
<tr>
<td>Energy use – gas (total building)</td>
<td>362</td>
<td>-24%</td>
<td>475</td>
</tr>
<tr>
<td>Downstream leased assets (tenant electricity emissions)</td>
<td>4,026</td>
<td>-44%</td>
<td>7,162</td>
</tr>
<tr>
<td>Water</td>
<td>34</td>
<td>-45%</td>
<td>62</td>
</tr>
<tr>
<td>Waste</td>
<td>25</td>
<td>-50%</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,469</td>
<td>-38%</td>
<td>16,899</td>
</tr>
</tbody>
</table>

(A) This data has been independently assured by Deloitte LLP. 2019 dataset has been restated in line with the new methodology.

#### Table 4b
Like-for-like portfolio GHG emissions tCO₂e (A)  

| Total building and landlord emissions (Scope 1–3) | 5,405 |
| Tenant emissions (Scope 3) | 4,573 |
| **Total landlord and tenant emissions (Scope 1–3)** | 10,969 |

(A) This data has been independently assured by Deloitte LLP. 2019 dataset has been restated in line with the new methodology.

#### Table 5
Total building energy use (landlord and tenant) Managed portfolio (A)  

<table>
<thead>
<tr>
<th>2020</th>
<th>% change</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor Area (m²)</td>
<td>92,822</td>
<td>-10%</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>6,398,662</td>
<td>-27%</td>
</tr>
<tr>
<td><strong>Electricity (landlord controlled areas)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor Area (m²)</td>
<td>285,794</td>
<td>-11%</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>22,155,697</td>
<td>-28%</td>
</tr>
<tr>
<td><strong>Electricity (tenant controlled areas)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor Area (m²)</td>
<td>378,599</td>
<td>-11%</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>34,194,690</td>
<td>-25%</td>
</tr>
<tr>
<td><strong>Gas (total building)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor Area (m²)</td>
<td>88,839</td>
<td>0%</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>8,021,024</td>
<td>-21%</td>
</tr>
<tr>
<td><strong>Gas (total building)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor Area (m²)</td>
<td>344,879</td>
<td>0%</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>15,135,365</td>
<td>-24%</td>
</tr>
<tr>
<td><strong>Biomass (total building)</strong> (out of landlord control during 2020)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor Area (m²)</td>
<td>34,180</td>
<td>-27%</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>30,084,257</td>
<td>-28%</td>
</tr>
<tr>
<td><strong>Total landlord energy (electricity and gas)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>65,198,706</td>
<td>-27%</td>
</tr>
<tr>
<td><strong>Total building energy (landlord and tenant controlled areas)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>82,393,548</td>
<td>-28%</td>
</tr>
</tbody>
</table>

(A) This data has been independently assured by Deloitte LLP. 2019 dataset has been restated in line with the new methodology.

#### Table 6
Total building energy use (landlord and tenant) – Like-for-like portfolio (A)  

<table>
<thead>
<tr>
<th>2020</th>
<th>% change</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor Area (m²)</td>
<td>88,839</td>
<td>0%</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>8,021,024</td>
<td>-21%</td>
</tr>
<tr>
<td><strong>Electricity (landlord controlled areas)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor Area (m²)</td>
<td>254,530</td>
<td>0%</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>17,195,477</td>
<td>-29%</td>
</tr>
<tr>
<td><strong>Electricity (tenant controlled areas)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor Area (m²)</td>
<td>344,879</td>
<td>0%</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>15,135,365</td>
<td>-24%</td>
</tr>
<tr>
<td><strong>Gas (total building)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor Area (m²)</td>
<td>344,879</td>
<td>0%</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>15,135,365</td>
<td>-24%</td>
</tr>
<tr>
<td><strong>Total landlord energy (electricity and gas)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>23,156,368</td>
<td>-23%</td>
</tr>
<tr>
<td><strong>Total building energy (landlord and tenant controlled areas)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>46,784,295</td>
<td>-25%</td>
</tr>
</tbody>
</table>

(A) This data has been independently assured by Deloitte LLP. 2019 dataset has been restated in line with the new methodology.
### Energy

#### Table 7

Energy and water use — Head office buildings (A)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>% change</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electricity (Derwent London occupied areas)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor area (m²)</td>
<td>2,152</td>
<td>0%</td>
<td>2,152</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>74,636</td>
<td>-10%</td>
<td>82,318</td>
</tr>
<tr>
<td><strong>Gas (Derwent London occupied areas)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor area (m²)</td>
<td>2,152</td>
<td>0%</td>
<td>2,152</td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>46,135</td>
<td>4%</td>
<td>47,280</td>
</tr>
<tr>
<td><strong>Water (Derwent London occupied areas)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor area (m²)</td>
<td>2,152</td>
<td>0%</td>
<td>2,152</td>
</tr>
<tr>
<td>Use (m³)</td>
<td>404.49</td>
<td>-37%</td>
<td>645.15</td>
</tr>
<tr>
<td><strong>Carbon (Derwent London occupied areas)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total indirect emissions (tCO₂e)</td>
<td>0.23</td>
<td>3%</td>
<td>8.98</td>
</tr>
<tr>
<td>Total emissions (tCO₂e)</td>
<td>3.4</td>
<td>2%</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use (kWh)</td>
<td>123,564</td>
<td>5%</td>
<td>120,091</td>
</tr>
<tr>
<td>Intensity (kWh/m²)</td>
<td>57</td>
<td>5%</td>
<td>60</td>
</tr>
</tbody>
</table>

(A) This data has been independently assured by Deloitte LLP.

Consumption was calculated using comprehensive checks and sub-metering.

#### Energy

### Electricity

<table>
<thead>
<tr>
<th>Properties with retail/development consumption excluded from portfolio figures</th>
<th>Properties where meter readings were used in December 2020</th>
<th>Photovoltaics (properties with solar panels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 Savile Row W1</td>
<td>Welby House SW1</td>
<td>1 Oliver’s Yard EC1</td>
</tr>
<tr>
<td>161 Rosebery Avenue EC1 (basement)</td>
<td>1 Oliver’s Yard W1</td>
<td>90 Whitfield Street W1</td>
</tr>
<tr>
<td>1–2 Stephen Street W1 (retail)</td>
<td>25 Savile Row W1 (Derwent London areas)</td>
<td>White Collar Factory EC1</td>
</tr>
<tr>
<td>Tea Building E1 (retail)</td>
<td>19–35 Baker St W1</td>
<td></td>
</tr>
<tr>
<td>Greencourt House SW1 (retail)</td>
<td>1 Oliver’s Yard EC1</td>
<td></td>
</tr>
<tr>
<td>20 Farringdon Rd EC1 (retail)</td>
<td>90 Tottenham Court W1</td>
<td></td>
</tr>
<tr>
<td>Holborn House W1 (retail)</td>
<td>Brunel Building W2</td>
<td></td>
</tr>
<tr>
<td>The White Chapel Building E1 (retail)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White Collar Factory EC1 (retail)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Consumption was calculated using comprehensive checks and sub-metering.
### Table 8
**Total building water use — Managed portfolio (A)**

<table>
<thead>
<tr>
<th>Water</th>
<th>2020</th>
<th>% change</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mains water use (m³)</td>
<td>95,719</td>
<td>-53%</td>
<td>205,780</td>
</tr>
<tr>
<td>Rainwater use (m³)</td>
<td>0.26</td>
<td>-79%</td>
<td>1.26</td>
</tr>
<tr>
<td>Total (m³) (excluding retail)</td>
<td>95,719</td>
<td>-53%</td>
<td>205,781</td>
</tr>
<tr>
<td>% mains water use</td>
<td>100%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>% rainwater use</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Intensity (m³/m²)</td>
<td>0.29</td>
<td>-43%</td>
<td>0.50</td>
</tr>
<tr>
<td>Total (m³) (including retail consumption)</td>
<td>107,711</td>
<td>-52%</td>
<td>223,710</td>
</tr>
<tr>
<td>Intensity (m³/m²)</td>
<td>0.29</td>
<td>-46%</td>
<td>0.51</td>
</tr>
</tbody>
</table>

(A) This data has been independently assured by Deloitte LLP (excluding retail water usage).

2019 dataset has been restated in line with the new methodology.

---

### Table 9
**Total building water use — Like-for-like portfolio (A)**

<table>
<thead>
<tr>
<th>Water</th>
<th>2020</th>
<th>% change</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mains water use (m³)</td>
<td>85,852</td>
<td>-52%</td>
<td>179,169</td>
</tr>
<tr>
<td>Rainwater use (m³)</td>
<td>0.26</td>
<td>-79%</td>
<td>1.25</td>
</tr>
<tr>
<td>Total (m³) (excluding retail)</td>
<td>85,852</td>
<td>-52%</td>
<td>179,169</td>
</tr>
<tr>
<td>% mains water use</td>
<td>100%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>% rainwater use</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Intensity (m³/m²)</td>
<td>0.26</td>
<td>-55%</td>
<td>0.56</td>
</tr>
<tr>
<td>Total (m³) (including retail consumption)</td>
<td>97,804</td>
<td>-45%</td>
<td>179,169</td>
</tr>
<tr>
<td>Intensity (m³/m²)</td>
<td>0.29</td>
<td>-49%</td>
<td>0.55</td>
</tr>
</tbody>
</table>

(A) This data has been independently assured by Deloitte LLP (excluding retail water usage).

2019 dataset has been restated in line with the new methodology.

Consumption was calculated using comprehensive checks and sub-metering.
### Waste

#### Table 10
Waste generated — Managed portfolio (A)

<table>
<thead>
<tr>
<th>Waste generated (%)</th>
<th>2020</th>
<th>% change</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>34%</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>Card</td>
<td>12%</td>
<td>-1%</td>
<td>1%</td>
</tr>
<tr>
<td>Coffee/Waste</td>
<td>10%</td>
<td>-6%</td>
<td>6%</td>
</tr>
<tr>
<td>Paper</td>
<td>34%</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>Cans + Plastic</td>
<td>8%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>IT/WEEE/Batteries/Toners</td>
<td>7%</td>
<td>-1%</td>
<td>1%</td>
</tr>
<tr>
<td>Paper (All)</td>
<td>1%</td>
<td>-1%</td>
<td>1%</td>
</tr>
<tr>
<td>Card</td>
<td>72%</td>
<td>76%</td>
<td>88%</td>
</tr>
<tr>
<td>Wood/Furniture/Metal/Textile</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

(A) This data has been independently assured by Deloitte LLP.

#### Table 11
Waste generated — Like-for-like portfolio (A)

<table>
<thead>
<tr>
<th>Waste generated (%)</th>
<th>2020</th>
<th>% change</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>19%</td>
<td>-1%</td>
<td>17%</td>
</tr>
<tr>
<td>Card</td>
<td>10%</td>
<td>-1%</td>
<td>10%</td>
</tr>
<tr>
<td>Coffee/Waste</td>
<td>1%</td>
<td>-1%</td>
<td>1%</td>
</tr>
<tr>
<td>Paper</td>
<td>34%</td>
<td>-3%</td>
<td>34%</td>
</tr>
<tr>
<td>Cans + Plastic</td>
<td>6%</td>
<td>-1%</td>
<td>6%</td>
</tr>
<tr>
<td>IT/WEEE/Batteries/Toners</td>
<td>7%</td>
<td>-1%</td>
<td>7%</td>
</tr>
<tr>
<td>Paper (All)</td>
<td>1%</td>
<td>-1%</td>
<td>1%</td>
</tr>
<tr>
<td>Card</td>
<td>72%</td>
<td>76%</td>
<td>88%</td>
</tr>
<tr>
<td>Wood/Furniture/Metal/Textile</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

(A) This data has been independently assured by Deloitte LLP. 2019 dataset has been restated in line with the new methodology.

### Certifications and labelling

#### Table 12

<table>
<thead>
<tr>
<th>Certification</th>
<th>Outstanding</th>
<th>Excellent</th>
<th>Very Good</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>BREEAM</td>
<td>Projects delivered</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of the ERV value</td>
<td>15%</td>
<td>35%</td>
<td>45%</td>
<td>25%</td>
</tr>
<tr>
<td>% of the managed portfolio</td>
<td></td>
<td>32%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Table 13
EPC – Counts

<table>
<thead>
<tr>
<th>EPC – Counts</th>
<th>Total A</th>
<th>Total B</th>
<th>Total C</th>
<th>Total D</th>
<th>Total E</th>
<th>Total F</th>
<th>Total G</th>
<th>No EPC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 Whole portfolio</td>
<td>2</td>
<td>64</td>
<td>15%</td>
<td>58</td>
<td>38</td>
<td>23</td>
<td>16</td>
<td>25</td>
<td>38</td>
</tr>
<tr>
<td>2020 Managed portfolio</td>
<td>7</td>
<td>30</td>
<td>15%</td>
<td>24</td>
<td>11</td>
<td>9</td>
<td>3</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>2020 Unmanaged portfolio</td>
<td>0</td>
<td>34</td>
<td>15%</td>
<td>34</td>
<td>27</td>
<td>21</td>
<td>21</td>
<td>25</td>
<td>241</td>
</tr>
</tbody>
</table>

#### Table 14
EPC – ERV

<table>
<thead>
<tr>
<th>EPC – ERV</th>
<th>Total A</th>
<th>Total B</th>
<th>Total C</th>
<th>Total D</th>
<th>Total E</th>
<th>Total F</th>
<th>Total G</th>
<th>No EPC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 Whole portfolio</td>
<td>6%</td>
<td>31%</td>
<td>24%</td>
<td>24%</td>
<td>9%</td>
<td>1%</td>
<td>0%</td>
<td>8%</td>
<td>100%</td>
</tr>
<tr>
<td>2020 Managed portfolio</td>
<td>6%</td>
<td>31%</td>
<td>17%</td>
<td>18%</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>75%</td>
</tr>
<tr>
<td>2020 Unmanaged portfolio</td>
<td>0%</td>
<td>4%</td>
<td>8%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>8%</td>
<td>20%</td>
</tr>
</tbody>
</table>

The No EPC buildings are accounted separately to give a clear separation between the EPC rated and un-rated EPC properties.
### Number of EPC ratings

<table>
<thead>
<tr>
<th>Whole Portfolio</th>
<th>Managed Portfolio</th>
<th>Unmanaged Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

### EPC – ERV

Fiscal Distribution of EPC rating by Estimated Rental Value, ERV

<table>
<thead>
<tr>
<th>Whole Portfolio</th>
<th>Managed Portfolio</th>
<th>Unmanaged Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
</tbody>
</table>

### Health and Safety

We measure and report our health and safety data across three primary areas:

1. **Our managed portfolio** – ensuring the safe, healthy and secure operation and maintenance of our buildings.
2. **People** – ensuring the safety, health and wellbeing of our employees, occupiers, visitors and those who work in our buildings.
3. **Developments** – ensuring our projects are designed and delivered safely and without risk to health.

#### Reporting period

Our reporting period is aligned to our financial year, which is set to the calendar year – 1 January to 31 December 2020.

#### Reporting boundary

Our reporting boundary focuses on work related incidents only and the scope is as follows:

<table>
<thead>
<tr>
<th>Managed portfolio*</th>
<th>People</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S2 office properties (192,236m²)</td>
<td>Durwent London employees</td>
<td>Our large development projects and refurbishments, which are notifiable to the Health and Safety Executive (HSE).</td>
</tr>
<tr>
<td>S2 residential properties (3000m²)</td>
<td>Occupiers, visitors and those working in our buildings in landlord areas only</td>
<td>Data reported relates to 3 sites: 90 Charlotte Street W1, Soho Place W1 and The Featherstone Building EC1.</td>
</tr>
<tr>
<td>Incidents occurring in landlord areas</td>
<td></td>
<td>Incidents from our smaller refurbishment works, which require notification to the HSE are captured under our managed portfolio reporting.</td>
</tr>
<tr>
<td>Excludes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incidents occurring within single let properties, occupier spaces and retail spaces which we do not have management control over</td>
<td>Incidents occurring in occupier spaces</td>
<td>Small refurbishment works. Any incidents from these are captured under our managed portfolio reporting.</td>
</tr>
</tbody>
</table>

*Note – the managed portfolio building count for our health and safety data differs from that of our environmental data because we maintain health and safety responsibility for buildings or parts of buildings where we do not control or have influence over utility consumption.*
We report our health and safety data across five key performance indicators for both our managed portfolio (including people) and developments, these are:

**RIDDORs** — any reportable incident under the RIDDOR regulations, including fatalities, 7-day lost time incidents and applicable dangerous occurrences.

**Minor accidents** — a work-related incident, which is not a RIDDOR, but resulted in harm to an individual e.g. a slip, trip or fall

**Dangerous occurrences** — as defined by RIDDOR. These include incidents involving, lifting equipment, pressure systems, overhead electric lines, electrical incidents causing explosion or fire, explosions, biological agents, radiation generators and radiography, breathing apparatus, diving operations, collapse of scaffolding, train collisions, wells and pipelines or pipeline works

**Prohibition / Improvement notices** — a notice issued by either a Local Authority or the HSE should they find an immediately dangerous issue during a site inspection.

**Fatalities** — occupational activities resulting in death

### Managed portfolio and people

**Scope**
The reporting scope for our managed portfolio and people covers our managed properties, our employees, occupiers, all those that work in and around our buildings and members of the public. Likewise, it covers incidents occurring in landlord areas only.

**Methodology**
For our managed portfolio we use a specific health and safety data management system — QUOODA. Each property is required to submit all incident data into QUOODA. The incident data is captured by this system with the Building Manager responsible for ensuring it is populated with data at the required intervals. This system automatically collates and trends the data and allows for the collation of statutory documentation. Our Health and Safety Team then review the output from QUOODA on a bi-monthly basis and then report this through to the Health and Safety Committee and the Risk and Audit Committees on a monthly and quarterly basis respectively.

Accident frequency rates (AFR) are calculated as (the number of accidents and/or RIDDORS × 100,000) / (number of person hours worked)

### Developments

**Scope**
The reporting scope for our developments covers our large development projects, refurbishments and small projects, which are notifiable to the Health and Safety Executive (HSE).

**Methodology**
Our principal contractors are required to collate all the required health and safety data and return it to our Health and Safety Team monthly. This information is then compiled into a report, reviewed and the data trended. This report is then sent through to the Health and Safety Committee and the Risk and Audit Committees on a bi-monthly and quarterly basis respectively.

The AFR is calculated as above.
Glossary

Automatic Meter Reading (AMR)
AMRs are low-powered communication devices that automatically collect consumption, diagnostic, and status data from water or energy meters, devices and transmit that data to a central database for billing, troubleshooting, or analysis purposes.

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.

BS EN 937/2011 Sustainability of construction works: Assessment of environmental performance of buildings – calculation method. This standard provides the calculation rules/method for the assessment of the environmental performance of new and existing buildings, based on life cycle assessment (LCA). It also provides guidance on applicable system boundaries and assumptions for inventory analysis.

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 such as, lighting, heating, cooling and security systems.

Building Research Establishment Environmental Assessment Method (BREEAM)
BREEAM is an environmental impact assessment method for non-domestic buildings. Performance is measured across a series of ratings – Good, Excellent, Very Good, Excellent and Outstanding.

Businesses provide financial disclosures on greenhouse gas (GHG) emissions in a number of ways e.g. they release substances that trigger the generation of aerosol particles or lead to changes in natural clouds e.g. contrails. In turn, this would enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system’s exposure to climate-related risks.

Carbon dioxide equivalent (CO₂eq)
CO₂eq is a standard unit for measuring carbon footprints. It expresses the impact of each different greenhouse gas in terms of the amount of CO₂ that would cause the same amount of warming impact of that gas. As a result, the total impact of all these gases can be expressed as a single number in a common unit.

CDF
The CDF is an organisation which works with shareholders and listed companies to facilitate the disclosure and reporting of climate change data and information.

CIBSE TM54
CIBSE Technical Memorandum 54 (TM54) provides building designers and owners with clear guidance on how to evaluate operational energy use fully, 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 an industry-led 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.

Energy Performance Certificate (EPC)
An EPC is an asset rating detailing how energy efficient a building is, calculated using carbon dioxide emissions on a scale of A to G, where an ‘A’ rating is the most energy efficient. They are legally required for any building that is to be put on the market for sale or rent.

European Public Real Estate Association – EPRA
EPRA is an association of Europe’s leading property companies, investors and consultants which strives to establish best practices in accounting, reporting and corporate governance.

Fugitive emissions
Fugitive emissions are emissions of gases or vapours from pressurised equipment e.g. air conditioning units due to leaks and other unintended releases/fosses.

Global Real Estate Sustainability Benchmark (GRESB)
The Global Real Estate Sustainability Benchmark is an initiative set up to assess the environmental and social performance of public and private real estate investments and allow investors to understand their performance.

Global Reporting Initiative (GRI)
The Global Reporting Initiative is an internationally recognised sustainability reporting framework which provides metrics and methods for measuring and reporting sustainability related impacts and performance.

Greenhouse Gas (GHG) Protocol
Protocol of Corporate Accounting Standard
This internationally-recognised standard sets out methodologies for businesses to calculate, calculate and report all the GHG emissions they produce.

Home Quality Mark (HQM)
HQM is an assessment standard for new homes. Performance is measured across a series of star ratings 1-5.

Institution of Occupational Safety and Health (IOSH)
IOSH is the chartered body for safety and health professionals. It is a UK-based organisation offering professional qualifications in order to raise standards of health and safety in the workplace.

Leadership in Energy and Environmental Design (LEED)
LEED is a US-based environmental impact assessment method for buildings. Performance is measured across a series of ratings – Certified, Silver, Gold and Platinum.

London Energy Transformation Initiative (LETI)
LETI is a network of over 1000 built environment professionals that are working together to put London on the path to a zero-carbon future. The voluntary group is made up of developers, engineers, housing associations, architects, planners, academics, sustainability professionals, contractors and facilities managers.

Loan Market Association (LMA) Green Loan Principles
The green loan principles aim to create a higher level of market standards and guidelines, providing a consistent methodology for use across the green loan market.

London Energy Transformation Initiative (LETI)
LETI is a network of over 1000 built environment professionals that are working together to put London on the path to a zero-carbon future. The voluntary group is made up of developers, engineers, housing associations, architects, planners, academics, sustainability professionals, contractors and facilities managers.

London Energy Transformation Initiative (LETI)
LETI is a network of over 1000 built environment professionals that are working together to put London on the path to a zero-carbon future. The voluntary group is made up of developers, engineers, housing associations, architects, planners, academics, sustainability professionals, contractors and facilities managers.

London Energy Transformation Initiative (LETI)
LETI is a network of over 1000 built environment professionals that are working together to put London on the path to a zero-carbon future. The voluntary group is made up of developers, engineers, housing associations, architects, planners, academics, sustainability professionals, contractors and facilities managers.

Low Carbon-High Performance (LCHP)
LCHP is a term used to describe the emissions associated with the transmission and distribution losses in the grid from the transportation of electricity from its generation source.

Management and distribution (M&D)
Transmission and distribution (T&D) is the term used to describe the emissions associated with the transmission and distribution losses in the grid from the transportation of electricity from its generation source.

National Australian Built Environment Rating System (NABERS)
NABERS is a framework of market standards and principles, developed to measure objectively the performance of commercial building stock.

National Well being Emissions Reduction Strategy (NABERS)
NABERS is a framework of market standards and principles, developed to measure objectively the performance of commercial building stock.

Principles
Principles
Science-Based Target Initiative (SBTI)
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.

Streamlined energy and carbon reporting (SECR)
The SECR regulations were introduced in April 2019 and require companies incorporated in the UK to undertake enhanced disclosures of their energy and carbon emissions in their financial reporting. Companies are required to comply with SECR if they have two of the three qualifying conditions: at least 250 employees, an annual turnover greater than £36m and an annual balance sheet total over £18m.

Task Force on Climate-related Financial Disclosures (TCFD)
Set up by the Financial Stability Board (FSB) in response to the G20 Finance Ministers and Central Bank Governors request for greater levels of decision-useful, climate-related information the TCFD was asked to develop climate-related disclosures that could promote more informed investment, credit and lending, and insurance underwriting decisions.

Radiative Forcing
Radiative forcing is the change in the energy balance in the lower atmosphere by a climate change mechanism. In this case, the change mechanism we reference in this report is aircraft emissions. Aircraft emissions contribute to the energy change in a number of ways e.g. they release substances that trigger the generation of aerosol particles or lead to changes in natural clouds e.g. contrails.

Renewable Energy Guarantees of Origin (REGO)
The REGO scheme administered by Ofgem provides transparency to consumers about the proportion of electricity that the retailer’s source provides from renewable generation.

Reporting of Injuries, Disease & Dangerous Occurrences Regulations, 2013 (RIDDOR)
RIDDOR requires employers and those in control of premises by law to report specified workplace incidents such as work-related fatalities, major injuries, seven day injuries (those causing more than seven days inability to carry out normal duties), work-related diseases, and dangerous occurrences (near-miss accidents).

Science Based Target initiative (SBTI)
The Science Based Target initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide 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.

Well-to-tank (WTT)
Well-to-tank (WTT) is the term used to describe the emissions associated with extracting, refining, and transporting low-carbon fuel to the vehicle, asset or process under scrutiny.

Very Good, Excellent and Outstanding.

Very Good, Excellent and Outstanding.

Very Good, Excellent and Outstanding.

Very Good, Excellent and Outstanding.

Very Good, Excellent and Outstanding.
Art direction, design and typefaces by A2/SW/HK
Photography and visuals by Matt Chisnall, Cityscape, Martina Ferrera/Make Architects, Philip Gatward, Jack Holt, Jonathan Reid, Soar, Simon Taylor and Jake Turney