DERWENT
LONDON

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SUSTAINABILITY

ANNUAL REPORT 2014

DERWENT
LONDON

Design: Niten Patel

Contents

A DERWENT LONDON REPORT

Highlights

Resource efficiency

29%

Reduction in our energy use (electricity, gas, oil and biomass) across our total managed portfolio (landlord influenced) portfolio

25%

25% reduction in our total managed portfolio carbon footprint

6%

Increase in our waste recycling rate from 56% to 62%

Communities

£75,000

Awarded to projects in the second year of the Fitzrovia Community Investment Fund

£2,832,500

Community contributions via planning

225

Hours of employee voluntary work undertaken

External indices

EPRA gold award for our sustainability reporting

GRESB Green Star status retained

Britain’s Most Admired Companies 2014 awards – 1st in the property sector

Foreword

Welcome to the Derwent London 2014 annual sustainability report. It has been another busy year for our business, not least of all in terms of our sustainability agenda. During the year we started to work with our refreshed strategy and new strategic sustainability priorities which have helped us focus our efforts, and deliver even more value for our stakeholders.

Our good work has not gone unnoticed. As we reported last year our Morelands rooftop scheme EC1 achieved a BREEAM Outstanding rating, the highest available, and now it has recently won the best office refurbishment and fit-out at the BREEAM Awards 2015. Likewise we have again achieved another top ten placement in the prestigious peer review-based Management Today Awards for Britain's Most Admired Companies 2014, and topped the property category for the fifth year in succession.

I am pleased to introduce this year's report which highlights in finer detail our work in this ever important area, together with our achievements during 2014, and what we have in store for 2015.

John Burns
Chief Executive Officer

Introduction

We have continued to make very good progress, embedding sustainability across our business and improving our performance.

Working with our new strategic priorities has proved a positive challenge, and has seen us achieve some great results against our latest set of performance measures – details of which we set out later in this report. However, we strive to make further improvements and, as such, we have further refined our next set of targets which include longer term aims which will stretch us and allow us to progress even further. In addition to this, we have also created a new suite of internal KPIs designed to ensure we continue to perform well across a broad range of measures. We intend to report our progress against both sets of measures to help our stakeholders get a better understanding of our wider performance.

2014 saw us achieve significant reductions in our carbon and energy footprints – 25% and 29% respectively in our total managed portfolio. Moreover, a 6% increase in our waste recycling rate in our managed properties, taking our rate from 56% to 62%, has ensured we met our long standing recycling target of 60%. These improvements reflect the hard work and dedication of our building/property management teams in ensuring our buildings operate as efficiently as possible.

Our excellent year has been recognised with a number of awards. As well as our Morelands rooftop scheme winning the office refurbishment and fit-out category at the recent BREEAM Awards 2015, we are very pleased to retain our Green Star status in the Global Real Estate Sustainability Benchmark (GRESB) with top quartile performances across their European and international portfolios. In addition, we are also pleased to be again recognised in the European Public Real Estate Association (EPRA) sustainability reporting awards, receiving a gold award for the second year in a row.

Looking more widely, our community work continues to go from strength to strength as we develop and forge links with the communities in which we operate. We are now into the third year of our Fitzrovia Community Investment Fund with over £145,000 invested so far, and another £65,000 being made available for 2015. Complementing our fund and engagement work, we have also made great progress with our volunteering programme with our employees committing over 200 hours to various projects and good causes during 2014. This has enabled us to make an even greater impact and contribution.

This report sets out in more detail our work over the past year, together with a review of our performance and successes and our ever-growing resource efficiency datasets. We hope it gives you a sense of our achievements this year and the steps we have taken.

John Davies
Head of Sustainability

Paul Williams
Executive Director
for Sustainability

Recognition

We have consistently sought to improve the quality of our disclosure and the breadth of our reporting, and this has been recognised by a number of industry benchmarks and external rating indices. This allows our stakeholders to monitor and assess the quality of our performance and disclosure provision more easily.

GRESB Green Star 2014

Global Real Estate Sustainability Benchmark (GRESB)
This year we are again awarded the highest rating possible – Green Star. Moreover, we have improved our score by 7% and again achieved either top or upper quartile performances across all the ranking categories.

BREEAM AWARDS 2015 WINNER

BREEAM Awards 2015
Our Morelands rooftop scheme topped the office refurbishment and fit-out category at the BREEAM 2015 Awards, whilst achieving one of the highest Outstanding rating scores in London.

EPRA SBPR GOLD SUSTAINABILITY REPORTING

European Public Real Estate Association (EPRA) – Sustainability Reporting Awards 2014
For the second year in succession we were awarded Gold in the EPRA Sustainability Reporting Awards.

BRITAIN'S MOST ADMIRED COMPANIES 2014/15 WINNER MT

Management Today Awards – Britain's Most Admired Companies 2014
In 2014 we again featured in these prestigious peer review based awards, where we were placed first in the property category for the fifth year in succession, and ninth overall out of all the 236 companies listed.

FTSE4Good

FTSE 4 Good
We are listed in the newly revised FTSE 4 Good Index and achieve a new super-sector score of 76.

CDP DRIVING SUSTAINABLE ECONOMIES

Carbon Disclosure Project (CDP)
We continue to report our data to the CDP and maintain our disclosure rating band C and a score of 86.

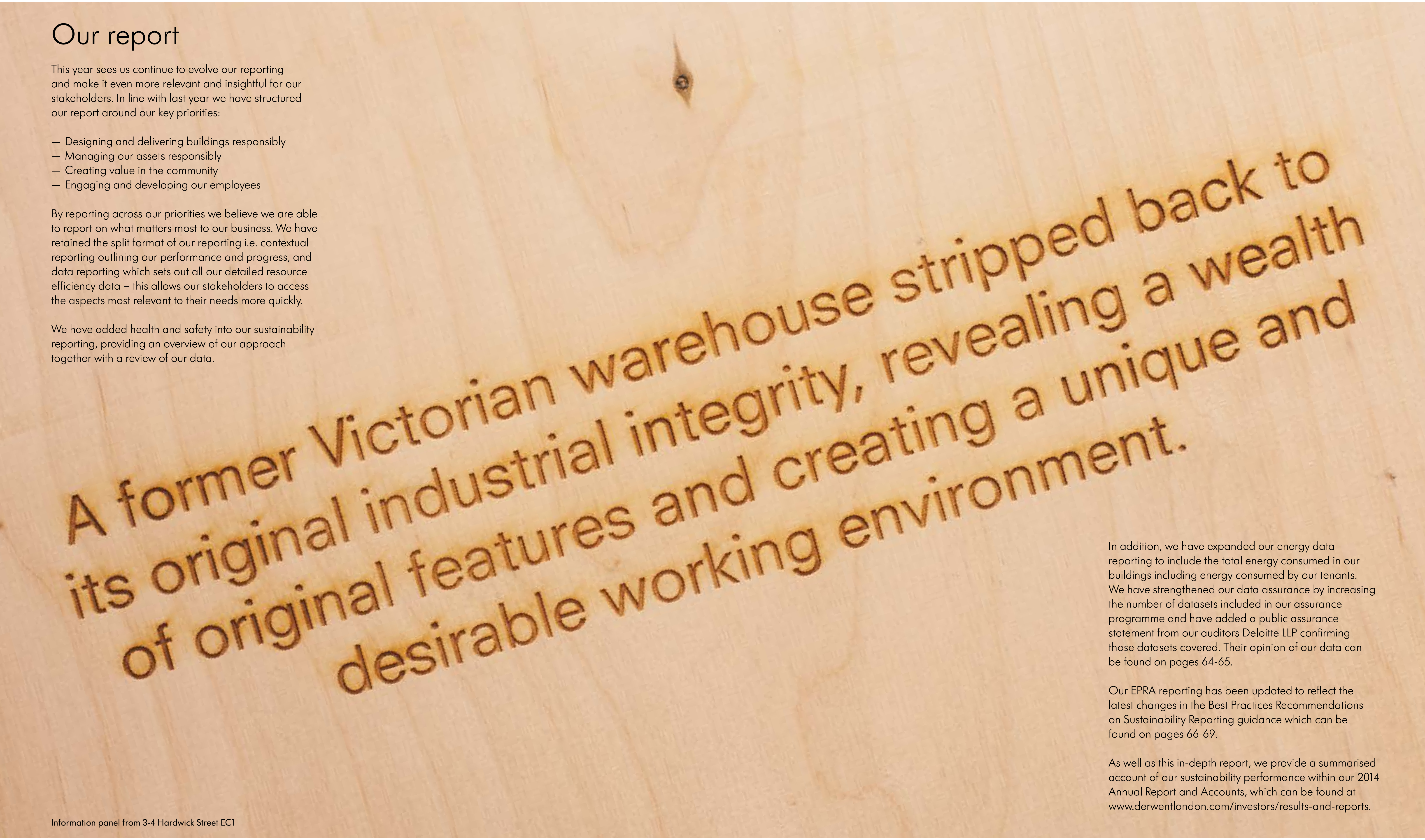
Our report

This year sees us continue to evolve our reporting and make it even more relevant and insightful for our stakeholders. In line with last year we have structured our report around our key priorities:

— Designing and delivering buildings responsibly
— Managing our assets responsibly
— Creating value in the community
— Engaging and developing our employees

By reporting across our priorities we believe we are able to report on what matters most to our business. We have retained the split format of our reporting i.e. contextual reporting outlining our performance and progress, and data reporting which sets out all our detailed resource efficiency data – this allows our stakeholders to access the aspects most relevant to their needs more quickly.

We have added health and safety into our sustainability reporting, providing an overview of our approach together with a review of our data.



Information panel from 3-4 Hardwick Street EC1

In addition, we have expanded our energy data reporting to include the total energy consumed in our buildings including energy consumed by our tenants. We have strengthened our data assurance by increasing the number of datasets included in our assurance programme and have added a public assurance statement from our auditors Deloitte LLP confirming those datasets covered. Their opinion of our data can be found on pages 64-65.

Our EPRA reporting has been updated to reflect the latest changes in the Best Practices Recommendations on Sustainability Reporting guidance which can be found on pages 66-69.

As well as this in-depth report, we provide a summarised account of our sustainability performance within our 2014 Annual Report and Accounts, which can be found at www.derwentlondon.com/investors/results-and-reports.

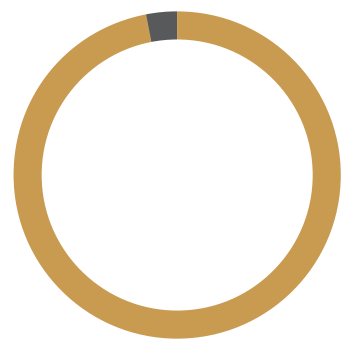
Our performance

We have worked hard to embed our four strategic sustainability priorities introduced at the beginning of 2014 across our business, and have made significant progress against our range of targets.

Our 2014 targets have been our most stretching and detailed to date, and presented us with some positive challenges. Moreover, they were specifically aligned to our strategic priorities, which allowed us to show a clear link between our refreshed strategy and performance. This has enabled us to improve transparency for our stakeholders and create greater engagement across business departments.

For 2014, 97% of our targets were achieved, a 9% improvement over 2013 when we achieved 88% of our targets, with no targets unachieved.

Performance %



	2014	2013	Improvement
Achieved	97%	88%	9%
Partially achieved	3%	6%	(3%)
Not achieved	0%	3%	(3%)
Not applicable	0%	3%	(3%)

Key statistics

0.45m³/m² — $0.45m^3/m^2$
Mains water consumption intensity across our like-for-like portfolio

225
Hours of employee voluntary work undertaken

19%
Reduction in our greenhouse gas emissions (tCO_2e) across our like-for-like portfolio

22%
Reduction in our energy use (electricity, gas, oil and biomass) across our like-for-like portfolio

6%
Increase in our operational waste recycling rate across our total managed portfolio

Zero
Operational waste from managed properties sent to landfill

Looking at our performance in more detail:

Engaging & Developing our Employees

	Target	Comment
	Achieve a 15% increase in the number of hours undertaken in the employee volunteering programme	We exceeded this targeted significantly, with 225 volunteering hours recorded versus 60 hours recorded in 2013.
	Refresh and revamp our annual and mid-year employee performance review process	Achieved.
	Undertake three further technical/knowledge share presentations	Seven technical/knowledge share presentations took place throughout the year.

Designing & Delivering Buildings Responsibly

	Target	Comment
	All new projects to create and maintain a Project Sustainability Plan	All applicable projects have created their plans and are reporting on them at the requisite intervals.
	Achieve a minimum of BREEAM Excellent for all new build projects	Of the five applicable projects, two have confirmed their Excellent rating at design. The three remaining are on track to achieve their Excellent ratings.
	Achieve a minimum of BREEAM Very Good for all major refurbishment projects	Both of the projects this applies to are on track to achieve a Very Good rating.
	Achieve a minimum of EcoHomes Very Good for residential or Code Level 4	Of the three applicable residential projects one has confirmed its Code for Sustainable Homes Level 4 rating, whilst the other two are on track for their Level 4 and EcoHomes Excellent ratings respectively.
	Minimum of a 'B' rating for new build. Minimum of a 'C' for all major refurbishments	All the applicable projects have either achieved or are on track to achieve a minimum rating of a 'B'.
	All new build and refurbishment projects (>5,000m²) 100% of meters to be AMR capable and installed on: all main incoming feeds (electricity/water/gas); landlord lighting and small power; tenants lighting and small power; all major energy using equipment e.g. heating and cooling plant; and renewable & low carbon energy generation sources e.g. PV, CHP plant	All our projects have confirmed that they meet our new metering standard and have included the requirements into their design proposals.
	All new build and major refurbishment projects at RIBA Stage C to undertake an embodied carbon assessment in line with the Derwent London embodied carbon brief for developments	The three applicable projects have undertaken an embodied carbon assessment in line with our new brief.
	All new build and refurbishment projects >5,000m² to be designed to achieve mains water usage of better than $0.50m^3/m^2$ or less	Our Berners Street project is on track to achieve this target; however final confirmation is to be provided in its final design stage documentation.
	Divert 90% of total construction and demolition waste tonnage from landfill	We achieved over 95% diversion rate across our live development sites.

	Target	Comment
○	All new build and major refurbishment projects to ensure that a minimum of 15% of the total value of materials used contain recycled and/or reused content, measured using the WRAP Net Waste Tool	All applicable projects have undertaken an assessment and have confirmed their alignment with the target.
○	100% of timber procured to be from FSC or PEFC sources	All the applicable projects have included this requirement into their design documentation and specifications; likewise it is captured in our standard sustainability contract requirements.
○	All new build and major refurbishment projects to achieve a net gain in biodiversity as measured through BREEAM or change of ecological value through EcoHomes	All the applicable projects show a net gain in biodiversity.

Managing our Assets Responsibly

	Target	Comment
○	Phase 1 AMR metering programme to be complete by mid-2014. Phase 2 - tenant sub metering engagement programme to begin mid-2014 and uptake to be monitored and reported	Achieved.
○	Establish a portfolio energy usage baseline during 2014 from which an appropriate reduction target can be set for 2015 onward	Achieved.
○	Each managed property to develop an energy management plan to support the delivery of a portfolio reduction target	Energy management plans have been completed for each identified property.
○	Carry out a post occupancy energy performance evaluation on all new build and major refurbishment projects once occupied for more than 12 months	We completed performance evaluations on three buildings, and fed the conclusions into the energy management plans for the buildings.
○	Carry out at least two energy performance evaluations on existing multi-let buildings in the managed portfolio	Achieved. The findings have been fed into the respective properties energy management plans.
○	Send zero waste to landfill from properties for which Derwent London has waste management control	Achieved.
○	Achieve a 60% recycling rate for managed waste in all properties for which Derwent London has control over waste management	We exceeded this target and achieved a 62% recycling rate, a 6% improvement over our rate last year.
○	Maintain portfolio mains water consumption below 0.50 m^3/m^2	We have bettered this target – both our total managed portfolio and like-for-like achieved 0.45 m^3/m^2 (excluding retail consumption)
○	Establish a portfolio water usage baseline during 2014 from which appropriate reduction targets can be set for 2015 and beyond	Achieved.

	Target	Comment
○	Each managed property to develop a water management plan to support the delivery of a portfolio reduction target	Water management plans have been completed for each identified property.
○	Implement the recommendations from the biodiversity action plan on five buildings in the managed portfolio	All of the five buildings identified have now implemented the recommendations set out in the portfolio wide biodiversity action plan.
○	Produce at least two editions of the newly proposed tenant sustainability newsletter during 2014	The first edition was released in February 2014, and the second edition was released on the 4 December.
○	Review the tenant fit out sign off and alterations process to introduce robust sustainability sign off procedures	Our standard licence to alter was reviewed and revised to make our sustainability requirements even more explicit.
○	Develop and deliver one tenant awareness campaign across our managed portfolio	During 2014 we carried out a portfolio wide awareness campaign on waste and recycling. Our waste management contractors – Paper Round visited tenants individually to undertake mini-audits and provide recommendations to enable them to improve their recycling rates.

Creating Value in the Community

	Target	Comment
○	Investigate and develop an appropriate company-wide community strategy during 2014	Our community strategy was approved by the board in October 2014, and our strategy released
○	Develop and successfully deliver the year 2 programme of the Fitzrovia Community Investment fund	Year 2 was successfully launched with seven projects receiving a share of the £75,000 allotment of the fund.
○	Provide at least two work experience/mentoring placements	Two mentoring placements were provided, together with a new apprenticeship position at our 1-2 Stephen Street property.
○	Carry out a socio-economic assessment on all major projects once occupied for more than 12 months to establish net impact/benefit of the development	Only one building qualified this year – The Buckley Building (49 Clerkenwell Green). Please see pages 22-23 for the outcomes of the study.

Our new performance targets are set out in the 'Looking ahead' section on pages 46-48.

Our carbon footprint

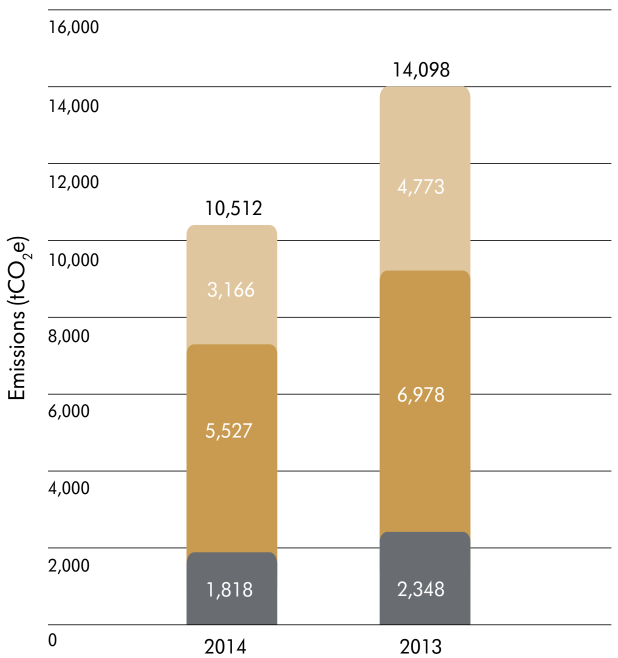
We have been measuring and reporting the carbon emissions from our portfolio for many years, and have always sought to improve the quality, depth and transparency of our reporting. 2014 is no exception. We present below our carbon footprint set out in line with Greenhouse Gas (GHG) Corporate Accounting Standard. We also set out this footprint within our Annual Report and Accounts on page 90.

Unlike 2013 which saw a number of new legislative requirements and changes to best practice, we have not changed the format of our reporting. However, we have restated our 2013 baseline figures in light of small changes made by DEFRA to the UK carbon emissions factors - www.ukconversionfactorscarbonsmart.co.uk.

New for this year we have also included a new reporting perspective with the inclusion of enhanced Scope 2 (indirect, controlled) emissions figures which capture the carbon produced by our tenants. We believe this provides a greater sense of context to our reporting and those emissions of which we have control over, and those we do not.

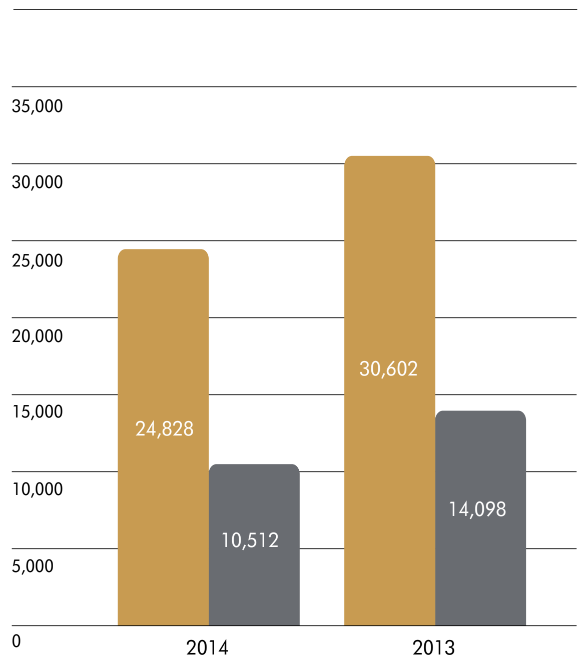
During 2014 we saw significant reductions in the carbon emissions both in our full corporate footprint and our like-for-like footprint – 25% and 19% respectively. The primary reasons for this is a reduction in energy consumption as a result of a combination of new efficiency and management measures, warmer seasonal conditions and nine buildings leaving our portfolio.

2014 full corporate carbon footprint



- Scope 1 Energy use (total building gas & oil), Travel (fuel use in company cars), Fugitive emissions (refrigerant emissions)
- Scope 2 Energy use (electricity use from landlord controlled areas and Derwent London occupied floor areas)
- Scope 3 Energy use (electricity generation well-to-tank (WTT) and transmission & distribution (T&D) from landlord controlled areas and Derwent London occupied floor areas), Gas & oil (total building), Travel (fuel use in company cars WTT, air travel WTT and radiative forcing), Water (total building)

2014 full corporate carbon footprint including tenant based emissions



- Total building including tenant based emissions
- Landlord only

Performance

25%
Reduction in our full corporate footprint (total managed portfolio)

19%
Reduction in our like-for-like footprint (building related only)

Carbon Reduction Commitment (CRC)

In our last report we noted our 2012-13 CRC carbon burden to be 26,788 tonnes of CO_2 and purchased allowances to the value of £321,456. For 2013-14 we have reported a carbon burden of 23,296 tonnes of CO_2 and purchased allowances to the value of £279,552 – a 15% reduction over the previous year. This reduction is in line with our overall carbon reduction as detailed above.

As mentioned in our report last year there will be an increase in the price of carbon, which is due to come into force in April 2015. This increase will see the price per tonne of carbon move from the current rate of £12/tCO_2 to either £15.60/tCO_2 if allowances are forecasted and bought in the advance purchase period, or £16.40/tCO_2 at year end.

It should be noted, our corporate carbon reporting time period differs from the CRC reporting period, as our reporting period operates on the calendar year and the CRC period follows the fiscal year. As a result, the reported tonnages will not align. Moreover, the CRC only requires companies to report in terms of CO_2 (carbon dioxide) and not CO_2e (carbon dioxide equivalent) and is focused only on specific energy supplies, some of which we do not have operational control over.

Energy Savings Opportunity Scheme (ESOS)

The Energy Savings Opportunity Scheme (ESOS) is a new mandatory energy assessment and saving identification scheme introduced by Government for major organisations in the UK, which came into force during 2014. Organisations will be required to review the total energy use from their operations including building energy use, transport energy use and any industrial processes. Moreover, identify via specific audits potential energy saving measures. These initial audits must be completed by 5 December 2015, and formal notification made to the Environment Agency.

As an organisation we are required to take part in the scheme as our balance sheet exceeds the €43m financial threshold. Consequently, we have already started our work and have appointed our Lead Assessor who has started to undertake audits across our portfolio. Work is due for completion in early Q3 2015 well ahead of the December deadline. We will report next year on the outcomes from the auditing work and the value it has derived.

Designing and delivering buildings responsibly

Performance

Over 95% of construction and demolition waste diverted from landfill

All relevant projects set to achieve their projected BREEAM ratings

Achieved our first Code for Sustainable Homes Level 4 rating at our Queens development

During 2014 we introduced our refreshed approach to sustainability in our development portfolio. This saw us revise our Sustainability Framework for Developments – the foundation document used to set out the standards for our projects teams. The framework allows us to streamline and introduce our sustainability requirements from project inception onwards which ensures we develop a clear strategy for each project. To complement this we also introduced a new system to deliver the framework – our Project Sustainability Plans, which we now use on all our projects.

For 2015 we have introduced a number of new performance measures designed to help us drive our sustainability agenda even further during the design and delivery of our buildings and spaces. Two notable inclusions are the requirements to undertake a LEED (Leadership in Energy and Environmental Design) assessment (with the requirement to achieve a minimum of a silver rating) and an operational energy performance assessment. The first requirement we have introduced in order to provide customers who are based outside the UK and mainland Europe a clearer understanding of the environmental credentials of a given building by using another internationally recognised assessment methodology. The second requirement has been introduced such that we are able to gain a better understanding of the likely energy/carbon impact a given building will make, and the likely performance we could expect when fully operational/occupied.

Set out opposite are a number of highlights focusing on some of the interesting work we have been doing.

Focus: Project sustainability plans

Why?

Our Project Sustainability Plan (PSP) format has been developed to be the mechanism by which projects in the Derwent London development portfolio apply the process set out in the Sustainability Framework for Developments. They are intended to support the effective delivery of the Framework, drive performance and monitor progress.

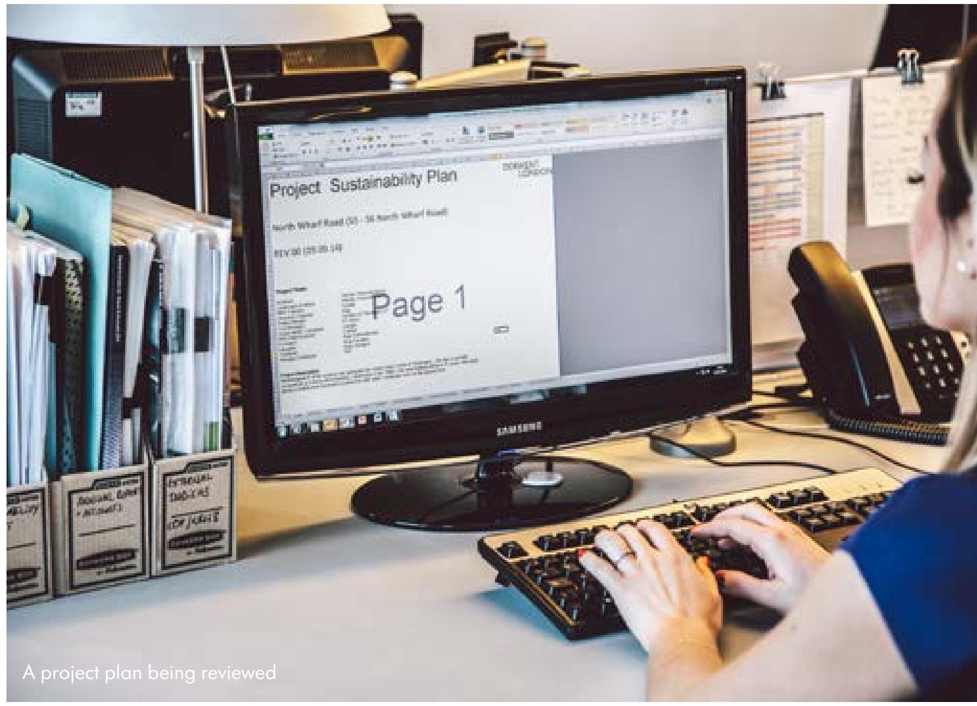
How does it work?

The PSP is split into six sections which reflect/coincide with the six overarching Derwent London project stages set out in the Framework, which are:

Viability	(PSP Section 1)
Feasibility	(PSP Section 2)
Scheme Design	(PSP Section 3)
Detail Design	(PSP Section 4)
Delivery	(PSP Section 5)
Handover	(PSP Section 6)

Each stage/section builds on the last and charts the progress of the project and enables interval reporting against our development sustainability targets.

To cater for our smaller projects we have developed a smaller condensed plan format, designed to reflect the quicker nature of our smaller projects, whilst still ensuring our high standards are met.



A project plan being reviewed

Focus: Re-thinking space cooling

For many years we have championed ever more efficient, design sensitive methods of cooling for our buildings and spaces. This has seen us develop some unique approaches. For two of our latest developments – White Collar Factory and 80 Charlotte Street, we are utilising innovative chilled ceiling solutions which are designed to provide stable comfort conditions for occupants, yet use significantly less energy than traditional approaches.

White Collar Factory EC1

The solution being utilised at our White Collar Factory development is a concrete core cooling system which, like the capillary mat system, passes chilled water through embedded pipework. However, the difference with this system is that the pipes are embedded in the exposed concrete slabs which make up the ceiling. Like the capillary mat system we do not need the same level of equipment installed, and the cooling plant is being operated with more consistent loading and so operates more efficiently. As with our 80 Charlotte Street design the windows will be openable across all floors, thereby providing an efficient yet simple mix-mode cooling strategy.

80 Charlotte Street W1

The system designed for our 80 Charlotte Street project is a 'capillary mat' system, which works by passing chilled water through small pipes incorporated into the ceiling boards which in turn provides consistent radiant coolth to the space. As a result of this, the chilling plant has to 'work' less which is more energy/carbon efficient when compared to a more conventional air conditioning strategy. Likewise, we are able to install less equipment when compared to a conventional air conditioning system, which is more resource efficient. Moreover, to supplement the cooling, the windows in the main office areas will be openable, allowing users to control comfort in their immediate areas.

Focus: Socio-economic impact at The Buckley Building, 49 Clerkenwell Green

Since undertaking our first socio-economic assessment in 2012 of the Angel Building EC1 we have seen the value that such exercises bring to our business. They assist us in understanding the wider benefits our developments can bring to an area and the social value they create. As a result, from 2014 onwards, we made it a requirement to undertake an assessment for all our major developments 12 months after full occupation, such that we can track and analyse the net social value our development portfolio is having across the areas in which we operate.

The first building to qualify for this and our second study undertaken is on The Buckley Building (49 Clerkenwell Green) EC1, and we are pleased to set out some of the highlights of the study and positive value creation the building has had in the local area.

Key findings

£2,016
Average spend per annum by each building occupier in the local area

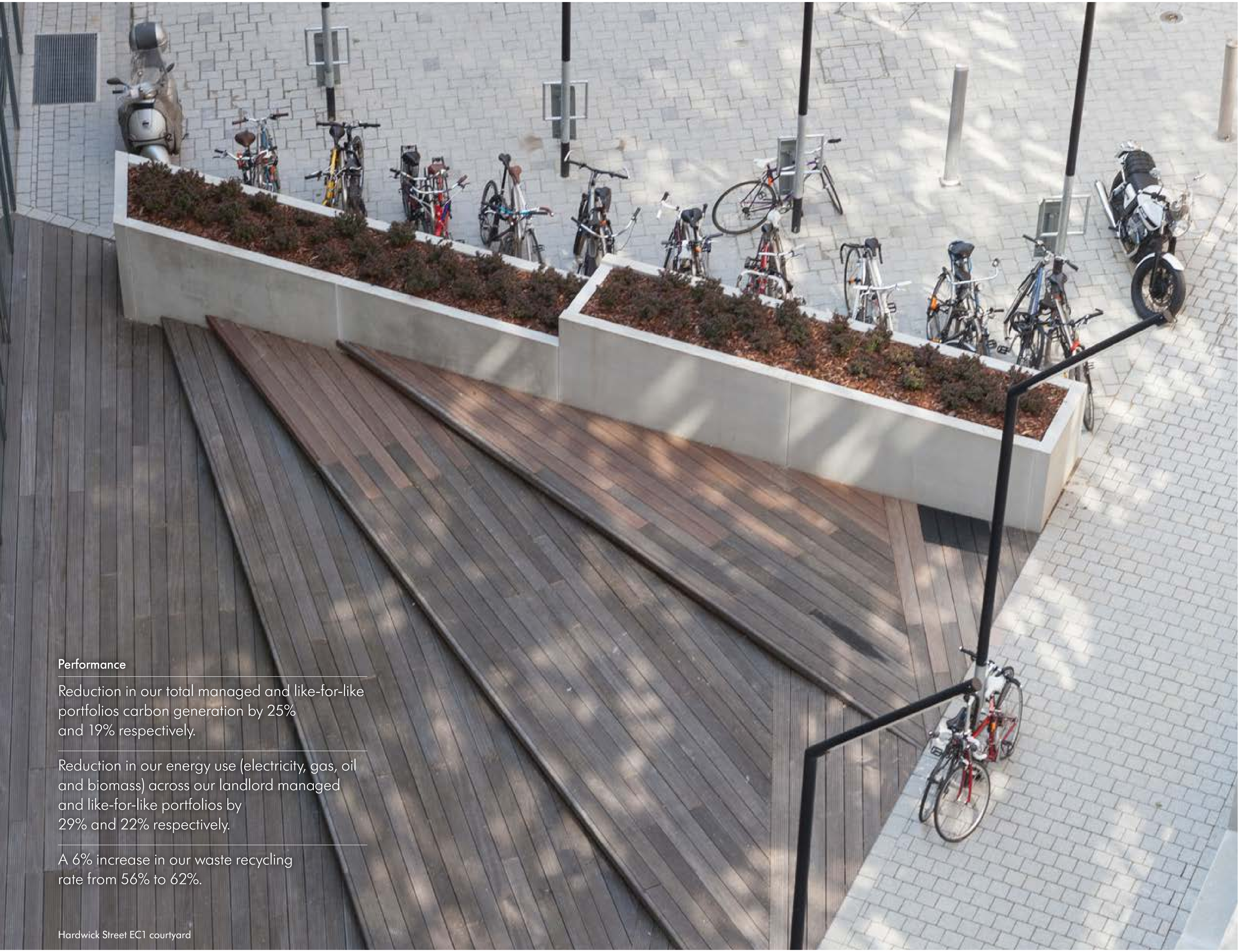
£1.1m
Annual spend in the local area by building occupiers

10%
Increase in footfall reported by local businesses

6%
Increase in revenues following the redevelopment of the building

47%
Of local spending supports independent retail in the area

View from Turnmill EC1 looking north towards Clerkenwell Green and Old Sessions House



Performance

Reduction in our total managed and like-for-like portfolios carbon generation by 25% and 19% respectively.

Reduction in our energy use (electricity, gas, oil and biomass) across our landlord managed and like-for-like portfolios by 29% and 22% respectively.

A 6% increase in our waste recycling rate from 56% to 62%.

Hardwick Street EC1 courtyard

Managing our assets responsibly

We maintain a rigorous and responsible approach to the management and maintenance of our assets. 2014 has seen us achieve a great deal in terms of our asset management activities not least of all in terms of our energy and waste management work, which have been notable. In addition, we have continued our tenant engagement work with further editions of our sustainability newsletter produced and introducing environmental forums in more of our multi-tenanted buildings. However, we believe we can go further and achieve more.

Moving into 2015 we have developed a new suite of performance targets for our managed assets, in which we have set our first portfolio-wide energy reduction target – a 5% reduction by 2017 in our like-for-like portfolio compared to our 2013 baseline. Moreover, we are looking to further improve our waste recycling performance and have set an ambitious target to increase our recycling rate to 70% by 2017.

Set out in the following pages are a number of highlights focusing on some of the interesting work we have been doing.

Focus: Energy management

As reported last year we embarked on a comprehensive installation programme of automatic meter reading (AMR) technology across our managed portfolio, which saw our entire landlord metering provision (electricity, gas and water) equipped and connected to our energy monitoring software – this has allowed us to understand our energy baselines in more detail and spot wastage quickly and easily.

However, this has only been the first step. During 2014 we undertook a market review to identify an appropriate energy management and analytics service provider who would be able to assist us in taking our work further. Following this review we appointed EP&T to trial their EDGE platform at three of our large multi-let properties – Angel Building, The Buckley Building and Qube. Working with our building management and engineering teams on a monthly basis the EP&T analysts identify usage trends and issues to help the teams optimise building performance. Following the trial we intend to assess further properties where this system will prove beneficial and help drive further efficiencies, and we look forward to reporting our progress.

Underpinning our use of technological solutions we have also put in place energy management plans for a number of our managed properties which enable us to monitor/measure and report the impact of various efficiency measures and activities.

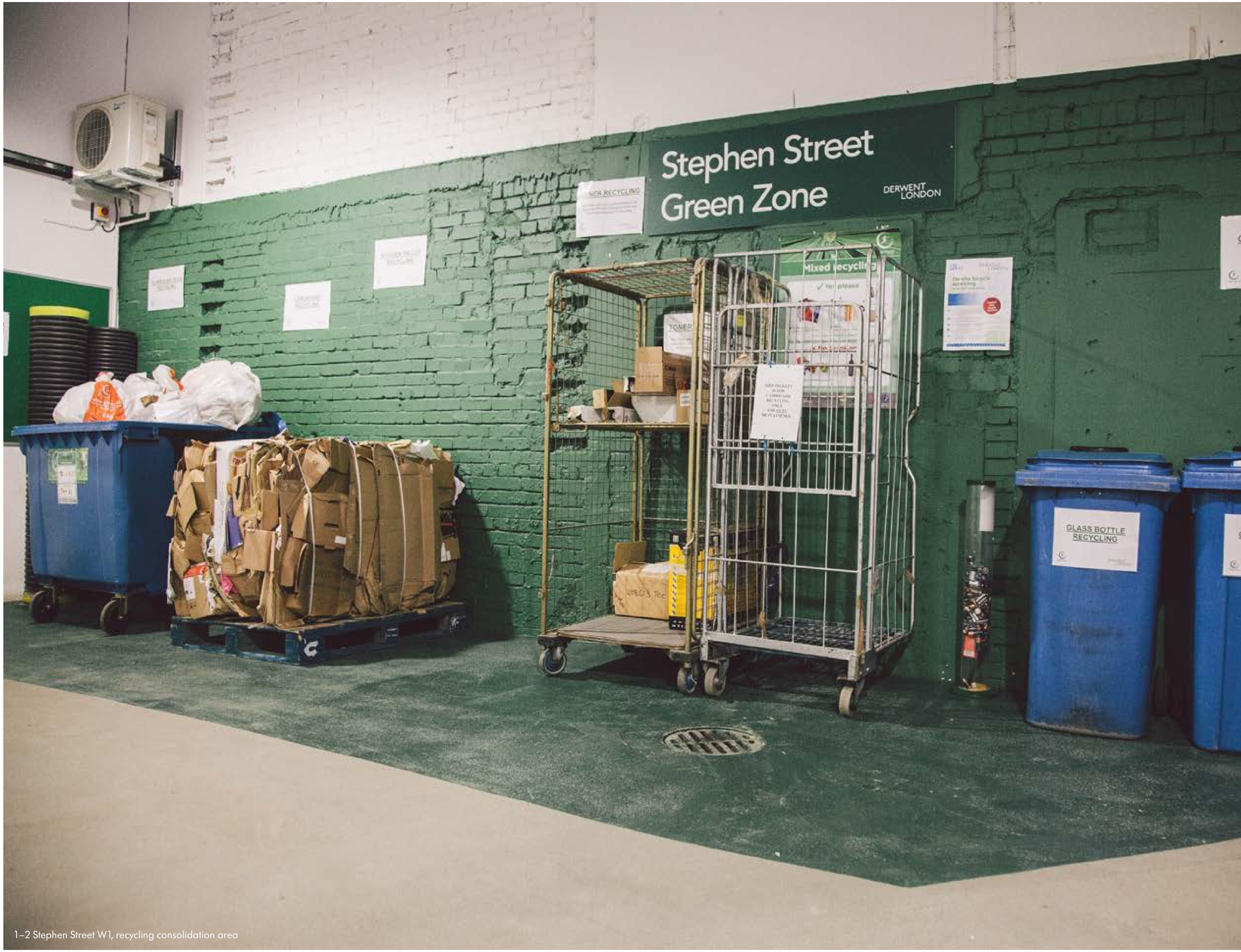
Focus: Waste management

For many years we have performed well in terms of our waste recycling rates from our managed properties; however we believed we could achieve more and, since 2013, have set ambitious targets to push our performance. The first target set was to achieve a rate of 60%, which initially proved very challenging, and in the first year we missed this target. However, by adjusting our strategy and bringing in new waste management contractors we were able to set a firm trajectory to meeting this target.

Working alongside our waste management contractor, detailed waste audits were undertaken across all our managed properties to determine where improvements could be made. Following on from each of the audits, a waste management system was introduced, which set out the bin and waste stream segregation protocol for each building taking into account the individual circumstances of each property.

This new approach has been in place now for over 12 months and has already seen us exceed our target with the average recycling rate now at 62% – an increase of 6% over the previous year's performance. Our best performing building (Angel Building) achieved a rate of 83%, demonstrating what is possible with the right management strategy in place.

We are very pleased that we have been able to achieve our target; however we believe we can do more and improve further. As a result and, as mentioned previously, we have decided to set a new target to achieve a 70% average recycling rate across the portfolio. This will be challenging, however we believe it is the right thing to do.



1–2 Stephen Street W1, recycling consolidation area

Performance

£75,000
Awarded to projects in the second year of the Fitzrovia Community Investment Fund

£2,832,500
Community contributions via planning

225 hours
Of voluntary work undertaken

Creating value in the community

Creating value in the communities in which we operate is very important to us, and 2014 saw us achieve a great deal in terms of our community work. In particular, our volunteering programme has been exceptional with our employees undertaking 225 hours of work across various projects and initiatives. Moreover, our community investment fund continues to deliver support to even more projects and organisations in Fitzrovia.

For 2015 we are looking to expand our community work and are developing an engagement strategy for our 'Tech Belt' portfolio, which will set out a comprehensive activity programme for this significant portfolio. We look forward to providing greater detail on this strategy in our 2015 report.

Set out in the following pages are a number of highlights showcasing some of our community work.

All Souls Clubhouse
David Kennett (General Manager), Wilf Parsons and Su-Ann Foulds (Children's Project Minister)

Focus: Fitzrovia community investment fund

Our community investment fund continues to go from strength to strength and is now into its third year, with over £145,000 invested to date and 12 organisations and projects supported in the area. Year two of the fund has now concluded, and saw us invest £75,000 across the following seven projects and initiatives:

Fitzrovia Noir – 140 Characters or less, an art project portraying street-life in Fitzrovia. www.fitzrovianoir.com

Fitzrovia Neighbourhood Association — Positive Health, an exercise and massage project for Bangladeshi and elderly women in Fitzrovia. www.fitzrovia.org.uk

Upbeat Music — Songs inspired by Dylan Thomas, a music project for people with mental health issues. www.upbeatmusic.org

All Souls Clubhouse — Supporting their projects for the elderly, and providing new kitchen facilities for the clubhouse. www.clubhousew1.org

All Souls Primary School — Learning together through technology, a photography and ICT project for children. www.allsoulsprimary.co.uk

Women Like Us — From Playground to Payslip, a project supporting Fitzrovia parents to combine work and family life. www.womenlikeus.org.uk

ARTfitzrovia — Taking the next steps, expanding this project which provides a safe place for homeless and vulnerably housed people to meet and develop their art. www.artfitzrovia.org

Applications for the third year of the fund are now complete, and the successful projects will be selected shortly. We look forward to reporting back on the projects selected and their progress in our next report.


The new Fitzrovia Community Centre garden


Playtime!


All Souls Clubhouse — Wednesday lunch club

Focus: Volunteering projects – All Souls Clubhouse

As part of their annual maintenance programme and in preparation for the new autumn term the All Souls Clubhouse approached us for support in helping to decorate parts of the clubhouse during the school summer holiday. Following a survey with the Clubhouse team we developed a comprehensive work plan and arranged a team of Derwent London staff and a number of suppliers to help deliver it.

Over the period of a week we helped the Clubhouse:

— Clean and repaint the entire sports hall, entrance hall and seating/lounge area;
— Replace the lounge carpet tiles; and
— Replace the youth zone sofas.

Our thanks go to the following whose support made the project possible.

Bob Harper (Head of Facilities Management, Derwent London) who juggled his busy schedule to organise and project manage the works

Chamberlaine Cleaning Services for the deep cleaning and sports hall floor polishing

Ital Décor for the high rise painting aspects in the sports hall, window refurbishment/painting and sports hall line painting/detailing and entrance/seating areas

The Thornton Partnership for installing the carpet tiles

Contrakt Ltd for supplying the paint and materials

Feel Good Drinks Company for supplying drinks for the workforce.


All Souls Clubhouse sports hall – before


All Souls Clubhouse sports hall – after

Focus: Skills and training – apprenticeships

Following on from the successful placement of Maruf Miah at Angel Building in 2013, we again worked with the City Gateway team to offer another apprenticeship opportunity at one of our recently developed buildings; this time 1-2 Stephen Street. Using the same robust assessment process, we selected Luke Sherrell to work alongside experienced building manager, Andy Young.

In an interview with Head of Sustainability, John Davies, Luke talks below about his journey so far six months into his apprenticeship, and what he thinks of his work with the team at 1-2 Stephen Street.

Luke Sherrell

What was your experience at school like?

I enjoyed school, not every class, but I really enjoyed studying sports science, and I decided to go on to college and study it at Level 3 NVQ. However, in the second year the enjoyment went and I started to lose interest, so I dropped out and decided to do something new before it was too late.

How did you hear about City Gateway?

After I dropped out of college I spent four months looking for jobs and having interviews through different recruitment agencies and organisations that provide apprenticeships, but wasn't getting anywhere. I came across City Gateway whilst searching on Google so decided to give it a try. They invited me to a day class where they decide if you would fit the course. I was accepted and I started on a 6 week employability course two days a week which was about getting me prepared for the working world. I really enjoyed it – it was a good six weeks.

What appealed to you about City Gateway?

With other places I wasn't getting interviews very quickly and I was waiting sometimes 3-4 weeks to find out whether I had an interview or to get feedback – sometimes they wouldn't even respond. With City Gateway I was lucky enough to get an interview with Derwent almost straight after the course, but if that hadn't worked out I would still have had faith that they would be able to help me find another opportunity.

Did you consider going into higher education?

No not at all. I have some older friends who have gone to university but, talking to them, they were struggling and also getting into lots of debt, so I thought it wasn't for me – what was the point?

Did you have any idea of what you wanted to do for a career?

Yes, I always wanted to be a professional footballer. I played semi-pro for a while, and the college I was studying at was a football development college – I was playing football every day. Although, there was a lot of travel involved to away matches and it was costing me quite a lot of money, so I had to leave it behind, which was hard. I'm now playing again this season, at Sunday league level, which I'm really enjoying and I hope to play semi-pro again at some point in the future.

How did the role at Derwent London come about?

I found out about Derwent almost straight after finishing my course as I was offered the chance of an interview. Before the interview I had never heard of a building manager and didn't know what one did. When I saw the job description I found it a bit confusing to be honest. But I thought it seemed like a good opportunity and my mentor Mark said it was a really good opportunity, and they had successfully placed another apprentice at a Derwent building and it was going really well. So, before the interview I went to meet the building manager [Andy] to try and understand what the role was about and learn a bit more about what he does. This really helped as it made me more confident for the interview. I was so pleased that I was picked.

What aspects of the role do you enjoy the most?

I really enjoy it. There is no specific area I enjoy the most – I like it all. When I first started, Andy made me spend time with each team – reception, security and engineering – so I could get to know their roles, how they do their work, and gain a good level of understanding. It's really important to know every aspect. I look forward to coming into work and haven't had a bad day yet. I like the flexibility and range of activities. Andy trusts me to get on with things and to get the job done to a high standard which I really like; he treats me like an adult. The team here are really friendly, and they make me feel like part of the team and support me.

What impact has this all had on your life in general?

It's helped me mature, it's an important role, you have to be focused, disciplined, and be able to react to things – it's helped me grow up definitely. The way I address people now is completely different. Dealing with lots of different people can sometimes be challenging and you have to remain focused and composed, but it's great learning from Andy, seeing how he deals with people. I've learnt a lot.

CITY GATEWAY

Engaging and developing our employees

Performance

Management Today Awards for Britain's Most Admired Companies 2014 – 1st in the property sector for our ability to attract, develop and retain top talent

Updated and refreshed of our employee performance measurement process

Hosted our first careers workshop for young people

Our culture enables us to attract and retain some of the most talented people in industry, which has been a key factor in our success as a business. This has been externally recognised in Management Today's 2014 Britain's Most Admired Companies awards. We were ranked 1st overall in the property sector and were noted for our "ability to attract, develop and retain top talent", and were placed 9th in the awards overall.

We are always seeking to provide opportunities for employees to expand their skill sets outside their professional work/roles. One example of this is mentoring. Similar to previous years we have worked with Fitzrovia Youth in Action to provide mentoring opportunities. We set out a case study below and, new for this year, we staged our first careers workshop for young people.

Set out below are a number of highlights showcasing some of the successful projects and initiatives co-ordinated by our HR Team.

Focus: Updating our performance management process

Our line managers are pivotal in the process of supporting, valuing, engaging and encouraging their respective teams – ensuring we retain, develop and challenge our employees.

During 2014 our mid-year and annual performance appraisal process and supporting tools were refreshed to reflect and emphasise the core competencies we feel are essential for every employee to possess within our business. During this time we also made some other key additions designed to encourage broader discussion during the appraisal process which enables robust personal development plans to be formulated.

All line managers were involved in a series of in-depth training workshops at the start of the review process which was supported by a new reference and guidance booklet for managers.

We continue to encourage regular team and 1:1 meetings as an opportunity for employees to receive feedback throughout the year and to discuss personal development or any other work issues. This way, the performance appraisal becomes a more natural continuation of an on-going review process.

Focus: Careers workshop

In October 2014 we held a careers workshop with groups of young people from City Gateway (www.citygateway.org.uk) and Fitzrovia Youth in Action (www.fya.org.uk). The aim of the workshop was to provide attendees real-life insights from 16 Derwent London employees into the various career options available in the property industry, and the journeys they have been through to get them to where they are today. The session was delivered in a 'speed-dating' format where each young person spent ten minutes with each group asking questions, exploring what they did and how they arrived to be working at Derwent London before moving round the room.

Following these quick fire Q&A sessions we then ran a general careers session covering a range of topics including: tips on how to prepare for and conduct themselves at interviews, CV writing, good practice on social media and how to make themselves stand out from other applicants. Feedback from attendees was extremely positive – with many commenting that they had never been presented with an opportunity to meet with a company in this way, a true first. As a result, we are looking to stage another workshop during 2015.

Careers workshop at Fitzrovia Community Centre

Focus: Mentoring

Following on from our first mentoring placements back in 2013, with the hugely successfully In-Sight Project run by Fitzrovia Youth in Action, we have continued to offer placements for young people within our business. During 2014 our Head of Tax, David Westgate, became a mentor to Shanice Lewis-Spencer who undertook a week's placement with David. Below is a summary of how they got on.

David Westgate (Head of Tax, Derwent London) and Shanice Lewis-Spencer

David and Shanice

Shanice is a student at Westminster Kingsway College studying A-Level maths, politics, philosophy and economics. She joined the In-Sight project to gain valuable experience before embarking on her university career and was matched to David. She spent a week shadowing David and his team, as well as receiving one-to-one mentor support. Moreover, she was able to spend time with other teams to gain a wider perspective on the variety of professional skillsets.

Below is a summary by Shanice of her time spent at the company:

"I have long thought of work experience as being simply one more thing to add to my CV (and I'm sure I am not alone in that respect); very rarely have I ever thought of it as a useful experience, despite my teacher's insistence that it was. Derwent changed my opinion of work experience and though that may seem like an overly exaggerated statement, it is no less valid.

While at Derwent I was treated as one of the staff. I find that in work experiences you often get an artificial experience of the working environment; yet while at Derwent I was expected to conduct myself the same as other staff (of course within reason as the area of work was quite new to me).

I was given the opportunity to make valuable connections, which thus gave me a foothold into the 'world of work'. I was regularly moved around the different areas within the company, so that I could get a taste of different aspects of the careers that I had previously no knowledge of.

I was constantly made to use my mental faculties, rather than doing inconsequential, menial tasks; and the people I spoke to were insightful, which allowed me to thoroughly consider my career options.

I had also come to the company with pre-formed ideas about what the people in tax were like and what the career offered; so that I found myself completely surprised by the daily tasks which were quite interesting and the various paths within the company itself.

Overall my experience was exceptional. The people coordinating the work experience were just as superb (David and Dupe [Odunsi]); they made sure I gained the most from the week and always made me feel comfortable. Most importantly they provided me with the resources to make better, informed decisions about my future."

David also commented from his perspective:

"When preparing for the mentoring programme I tried to put myself in the mentee's shoes, asking what would I want to get out of this? Apart from exposure to office life, I'd like an in-depth experience of what makes a company tick, drill down into certain areas of interest, meet potential contacts and be treated like one of the team. There was a lot of ground to cover in a week which ranged from site inspections for the purpose of preparing for capital allowance claims, tax presentations, meeting advisors and meeting A level and degree graduates to discuss their experiences of working life.

I found the experience incredibly fulfilling and I'm really pleased Shanice's expectations were met. I look forward to keeping in touch with Shanice and following her educational and career progression."

Health and safety

Having a clear and robust approach to health and safety is very important to us. Our policy and manual set a clear direction for our business; moreover they clearly detail how we manage our legal obligations and responsibilities.

Our approach to health and safety centres around three key themes:

People – safeguarding our employees, tenants, visitors and those who work in our buildings.

Assets – managing the safe operation and maintenance of our buildings.

Developments – designing and delivering our projects safely.

To ensure we deliver effectively, our health and safety team monitors compliance across all our business activities together with our CDM advisors on our development projects. A comprehensive review report is submitted to the Executive Committee every month highlighting the outcomes from audits and inspections and other notable activities, as well as the monthly statistics on incidents and events. In addition, the team collates and reports the outcomes from our Responsible Workplace Group which captures the health and safety (and environmental matters) management work for our own offices and workspaces.

Safety management systems

In order to capture the broad range of activities we undertake across our business, our in-house health and safety team uses a real time electronic data management system – QUOODA, from Ark Workplace Risk Ltd. This enables our building managers and CDM advisors to collate statutory documentation, carry out safety checks, set KPIs, collect accident statistics, monitor trends and assist with the auditing of a building or project. Another advantage to using this system is that we are able to integrate our policies and procedures into the software, allowing even greater uniformity to our audits and inspections.

40 Chancery Lane WC2

Our data

We are pleased to set out below a summary of our health and safety statistics for the past three years.

People (employees)	2014	2013	2012
Minor accidents	1	1	0
Over seven day accidents (RIDDORS)	0	0	0
Dangerous occurrences	0	0	0
Fatalities	0	0	0
Improvement notices	0	0	0
Prohibition notices	0	0	0

Assets (managed properties)	2014	2013	2012
Minor accidents	29	25	22
Over seven day accidents (RIDDORS)	0	0	0
Dangerous occurrences	0	0	0
Fatalities	0	0	0
Improvement notices	0	0	0
Prohibition notices	0	0	0

All accidents within the managed portfolio are initially investigated by our onsite building managers who are supported by the property management and health and safety teams who, in turn, also lead on the investigation of any serious accidents. All recommendations arising from any investigations are implemented and any rectifications made to ensure they do not re-occur.

Developments (construction projects)	2014	2013	2012
Man hours worked	1,311,514	986,248	558,266
Over seven day accidents (RIDDORS)	3	3	3
Dangerous occurrences	0	0	0
Fatalities	0	0	0
Improvement notices	0	0	0
Prohibition notices	0	0	0
Accident frequency rate[1]	4.65111	1.62231	1.07476
RIDDOR frequency rate	0.22874	0.30418	0.53738

Since late 2013 we have required our principal contractors to report all minor accidents onsite; whereas previously they only reported accidents where individuals had to attend hospital, received first aid treatment or which were classified as RIDDORS. As a result this raised our minor accident reporting from 16 minor accidents in 2013 to 61 in 2014. Coupled to this, our development programme has seen significant growth over the last few years which has led to our highest level of active construction sites to date.

Despite the growth of our development programme our RIDDOR accident rate has remained low, with only three RIDDORS occurring in 2013 and 2014. Set against an increase in man hours worked of 325,266 from 2013 to 2014, we see our frequency rate improve by 0.07544 and also remaining considerably lower than the construction industry national average of 0.38100.

[1] Accident/RIDDOR frequency rate is calculated as: (number of accidents x 100,000) / (number of person hours worked)

Looking ahead

Performance targets

Following a comprehensive review of our performance measures, and drawing on feedback from our stakeholders, we have re-focused our approach to setting targets. They now include a number of new longer-term measures designed to stretch and challenge us further. In addition, we have created a number of new internal KPIs, based on previous targets, which have been put in place to ensure we continue to perform well across a range of measures.

We intend to report our progress against both these sets of measures in order to give stakeholders a greater perspective and understanding of our performance. We set out below our new suite of targets for 2015 going forward.

View from Turnmill EC1 looking south

Designing & delivering buildings responsibly

Aspect	Metric	Target
Future office space	Designing new spaces	Using lessons learnt and elements from our White Collar Factory concept, develop at least one new development proposal and gain planning permission by 2015
BREEAM/EcoHomes/Code for Sustainable Homes/LEED	Rating achieved	Achieve a minimum of BREEAM Excellent for all new build projects Achieve a minimum of BREEAM Very Good for all major refurbishment projects Achieve a minimum of LEED Silver for all major new build and major refurbishment projects Achieve a minimum of Code Level 4 or EcoHomes Very Good for residential projects
Energy & Carbon	Predicting whole building energy use	All new build and refurbishment projects >5,000m² to undertake a design energy assessment based on CIBSE TM54
	Energy performance certificates (EPCs)	Minimum of a 'B' rating for new build. Minimum of a 'C' for all major refurbishments

Managing our assets responsibly

Aspect	Metric	Target
Building Sustainability Plans	Implementation	All managed properties to create a Building Sustainability Plan by the end of 2015
Energy & Carbon	AMR installation (SMART metering)	Complete Phase 2 (landlord and tenant sub metering) of our AMR programme by the end of 2016 and identify participants for Phase 3 (tenant managed supplies)
	% reduction	Achieve a 5% reduction in landlord influenced energy consumption across our like-for-like managed portfolio by 2017 compared to our 2013 baseline
	% recycled	Increase recycling rate to 70% for managed waste in all properties for which Derwent London has management control of waste by 2017
Water	Management	Maintain portfolio mains water consumption in the like-for-like managed portfolio below 0.45 m³/m²
Customers	Engagement	Produce at least 2 editions of the tenant sustainability newsletter during 2015
Suppliers	Measurement	Monitor the progress of sustainability KPI's in the new building engineering maintenance contracts

Creating value in the community

Aspect	Metric	Target
Community strategy	Strategy development	Develop an appropriate community engagement strategy and activity programme in our Tech Belt portfolio by the end of 2015
Community engagement	Fitzrovia community fund delivery	Develop and successfully deliver year 3 of the Fitzrovia Community Investment fund
Skills	Opportunities provided	Provide at least 2 work experience and/or mentoring placements

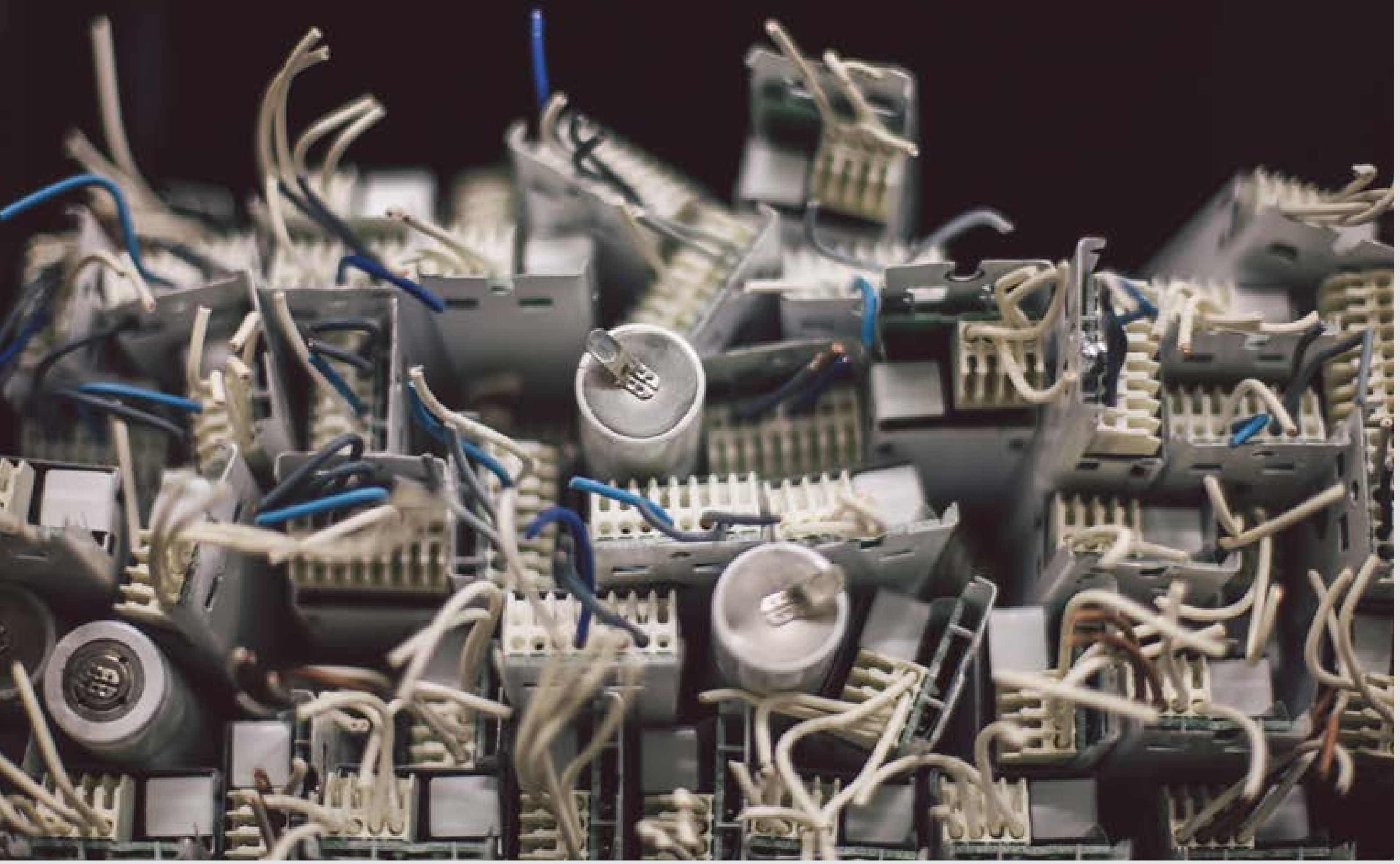
Engaging & developing our employees

Aspect	Metric	Target
Employee volunteering	Engagement	Develop and stage a young persons careers workshop
Management systems	Process efficiency	Develop and implement a new electronic absence and holiday tracking system
Knowledge	Knowledge dissemination	Undertake at least 4 technical/knowledge share presentations during 2015
Employee development	Engagement	Update and refine the Employee Handbook and supporting policies by the end of 2015

Our data

Our approach to data reporting is to set out a clear year on year picture of the changes across our resource efficiency data (energy, carbon, water and waste). This section of the report outlines our data and its methodology, together with summaries reflecting the latest EPRA 'Best Practices Recommendations on Sustainability Reporting', which enables the effective comparison of our data.

We have strengthened our data assurance this year by increasing the number of datasets included in our assurance programme. Moreover, we have added a public assurance statement from our auditors Deloitte LLP confirming those datasets covered. These have been marked in the data tables with an * symbol for easy identification. The Deloitte LLP Assurance Statement can be found on pages 64-65.



Performance Summary

We have seen a reduction in energy consumption and carbon emissions during 2014. We are consuming significantly less energy as a result of a combination of a new efficiency measures and management approaches, warmer seasonal conditions and nine buildings leaving our portfolio.

This has led to a:
— Reduction of our total building portfolio carbon generation in all scopes by 25%
— Reduction of our like-for-like portfolio carbon generation in all scopes by 19%.
— Reduction in our energy use (electricity, gas, oil and biomass) across our landlord managed portfolio by 29%
— Reduction in our energy use (electricity, gas, oil and biomass) across our like-for-like portfolio by 22%

There was an increase in water consumption during 2014. This was caused by warmer seasonal conditions and an increase in tenancy rates.

This has led to:
— An increase in total building water consumption portfolio by 1.7%
— An increase in like-for-like water consumption portfolio by 4.8%

Our recycling rate increased by 6% during 2014. This was due to appointing a new waste management contractor and improving data analysis, moreover improving the waste management practices at each property.

This has led to:
— Our recycling rate increasing from 56% to 62%

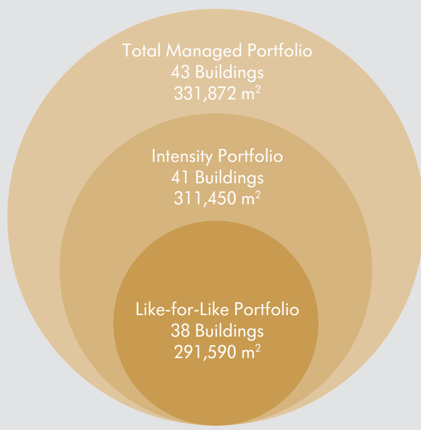
Reporting Boundary
We use an operational control approach for our data boundary. This means we do not report data for our single-let properties or properties where we have no management control. We have chosen this reporting boundary as it allows us to measure and manage the impacts we can directly control and on which we can report transparently.

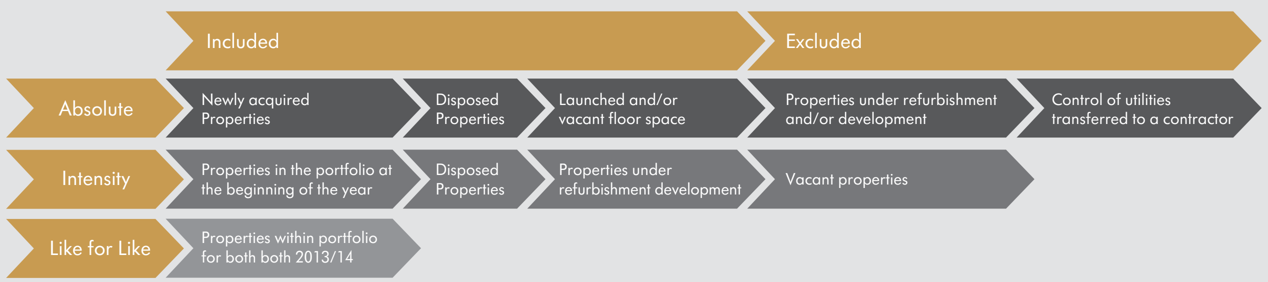
We measure and report our utility usage on the following basis:
— **Electricity** – to increase the clarity and breadth of our data for 2014 onwards we have decided to report usage for both our common (landlord) areas and the total building performance including tenant usage.
— **Water** — previously we have included consumption data for retail units in three of our buildings; however for 2014 onwards we will be omitting this consumption as we do not have management control over it. Likewise consumption from one of our refurbishment projects has been excluded from our 2014 data report as we do not include consumption from developments in our figures. As a result we have restated our 2013 figures.
— **Gas, oil, and biomass** – we report usage for the total building as we control and/or influence the use of these utilities in a given building.

Reporting Period
Our reporting period is aligned to our financial year, which is set to the calendar year. Therefore, the data provided is from the period 1 January to 31 December 2014.

Scope

For 2014 our reporting scope consists of the following





Any building which exited the portfolio during the year had its respective electricity, gas and water pro-rated (we have calculated this by taking monthly averages and multiplying them by 12) up to the full year. The only buildings where this proved necessary were 186 City Road EC1, Suncourt House (18-26 Essex Road) N1 and 45-51 Whitfield Street W1.

Method

Our utility data is collected monthly via smart meters (AMR), in addition to meter readings taken by our building management teams. These are then recorded and consolidated by our third party utility broker for each property. The metered data is used as the primary source for our reporting, which is then used to validate utility invoices where necessary, with the final metered consumption amounts used as the source for our reporting. To ensure the robust accounting of our data, quarterly internal audits are undertaken by our in-house finance team. During an audit, the team randomly select at least 15% of buildings from the managed portfolio and examine all meter readings and utility invoices to validate the consumption amounts being reported.

Where appropriate and materially significant, we restate data for previous years to improve the accuracy of our reporting. Likewise, we restate pro-rated data if there are gaps. Where there has been a restatement, estimation or pro-rating, this is clearly set out in the according sections below.

To date we have reported electricity usage relating to the common (landlord) areas in our managed properties only. 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 then take the gross external area (GEA) figure from our fire insurance valuations and reduce this by 2% in line with standard industry practice. To establish the common area usage we divide total building consumption by the total building area, and then multiply the figure (kWh/m²) by the total common area to obtain the according usage. This approach does result in a minor mis-alignment in our total energy and total carbon intensity calculations, because gas, oil and water all use a denominator of floor area based on GIA, whereas electricity uses common areas only. This year we have reviewed our current approach to calculating energy and emissions intensity, and have expanded our reporting in 2014 to include figures for common areas (landlord usage only) and total building (including tenant usage) to balance this mis-alignment.

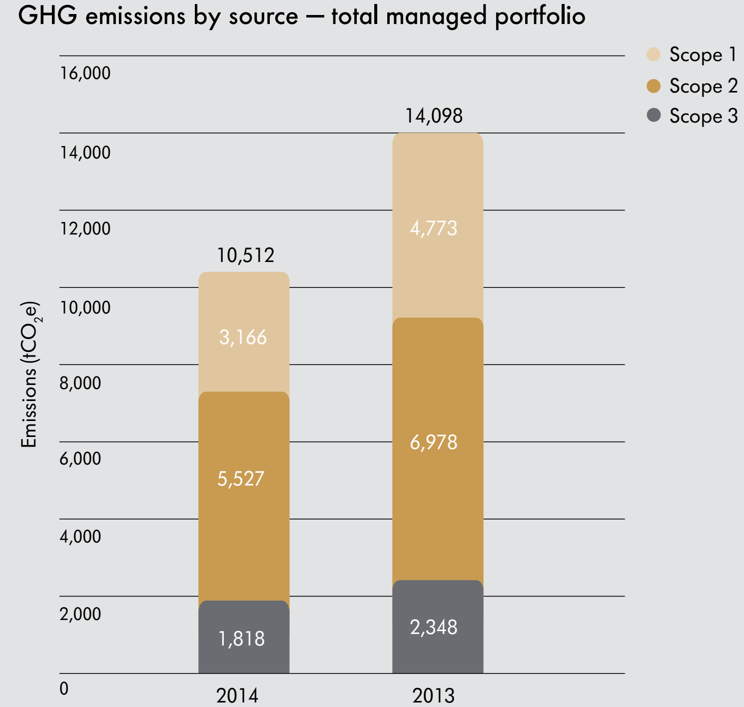
Greenhouse Gas Emissions (GHGs) – our carbon footprint

Table 1 — Total managed portfolio emissions (landlord influenced portfolio emissions)

			2014	% change 2013 to 2014	2013
Scope 1	Energy-use	Gas (total building)	2,295*	-37.8%	3,691
		Oil (total building)	77*	25.0%	62
	Travel	Fuel use in Derwent London company cars for business travel	19*	-2.5%	19
	Fugitive emissions	Refrigerant emissions	774*	-22.6%	1,000
Scope 2	Energy-use	Electricity use - generation (landlord-controlled areas and Derwent London occupied floor area)	5,527*	-20.8%	6,978
Scope 3	Energy-use	Electricity use - WTT Generated Scope 3 Indirect GHG (landlord-controlled areas and Derwent London occupied floor area)	842	-20.8%	1,063
		Electricity use - T&D Direct & WTT T&D In Direct (landlord-controlled areas and Derwent London occupied floor area)	557	-20.8%	703
		Gas (total building)	308	-37.8%	496
		Oil (total building)	16	25.0%	12
	Travel	Fuel use in Derwent London company cars for business travel WTT	4	0.0%	4
		Business air travel WTT	5	80.7%	3
		Business air travel	41	73.1%	24
	Water	Water use (total building)	46	5.1%	44
Total	All	All	10,512	-25.4%	14,098
Out of scope	Energy-use	Biomass use (total building)	26	16.3%	22

*This data has been independently assured by Deloitte LLP

GHG emissions by source — total managed portfolio



Total managed portfolio emissions (including tenant based emissions)

			2014	% change 2013 to 2014	2013
Scope 2	Energy-use	Electricity use - generation (total building)	16,953	-15.9%	20,148
Total	All	All	24,828	-18.87%	30,602

By including our tenant emissions, carbon emissions increased by 14,316 tonnes.

Total GHG emissions — total managed portfolio (including tenant based emissions)

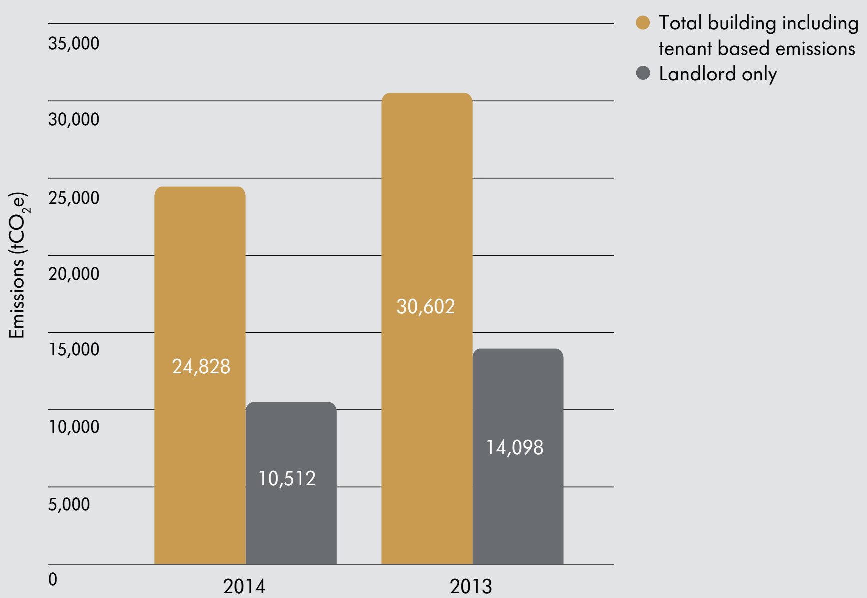
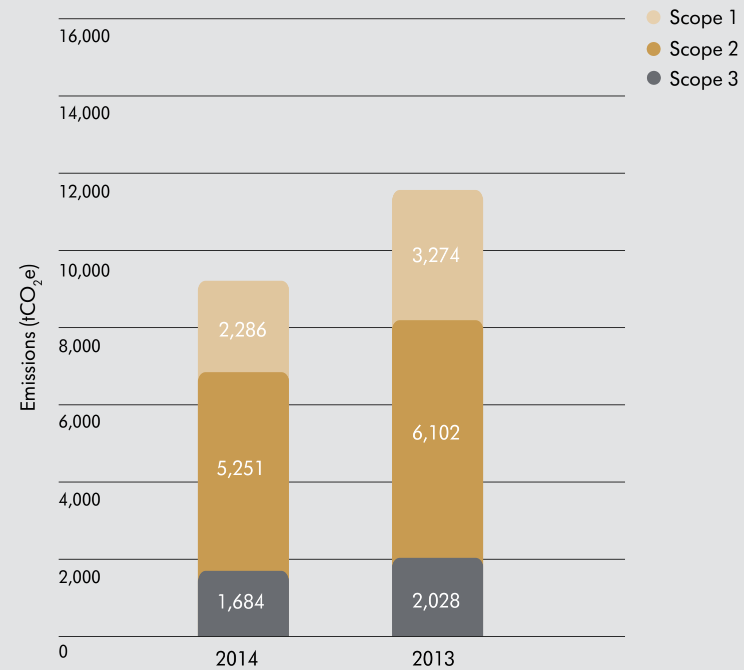


Table 2 — Like-for-like emissions (building related only)

			2014	% change 2013 to 2014	2013
Scope 1	Energy-use	Gas (total building)	2,208*	-31.2%	3,211
		Oil (total building)	78*	25.0%	62
Scope 2	Energy-use	Electricity use - WTT Generated Scope 3 Indirect GHG (landlord-controlled areas and Derwent London occupied floor area)	5,251*	-13.9%	6,102
Scope 3	Energy-use	Electricity use - WTT Generated Scope 3 Indirect GHG (landlord-controlled areas and Derwent London occupied floor area)	800	-13.9%	929
		Electricity use - T&D Direct & WTT T&D In Direct (landlord-controlled areas and Derwent London occupied floor area)	529	-13.9%	615
		Gas (total building)	296	-31.2%	431
		Oil (total building)	16	25.0%	12
	Water	Water use (total building)	43	7.8%	40
Total	All	All	9,221	-19.1%	11,403
Out of scope	Energy-use	Biomass use (total building)	26	16.7%	22

*This data has been independently assured by Deloitte LLP

GHG emissions by source — like-for-like portfolio (building related only)



Like-for-like emissions (including tenant based emissions)

			2014	% change 2013 to 2014	2013
Scope 2	Energy-use	Electricity use - generation (total building)	15,895	-13.0%	18,274
Total	All	All	22,559	-15.4%	26,656

By including our tenant emissions, carbon emissions increased by 13,338 tonnes.

Total GHG emissions — like-for-like portfolio (including tenant based emissions)

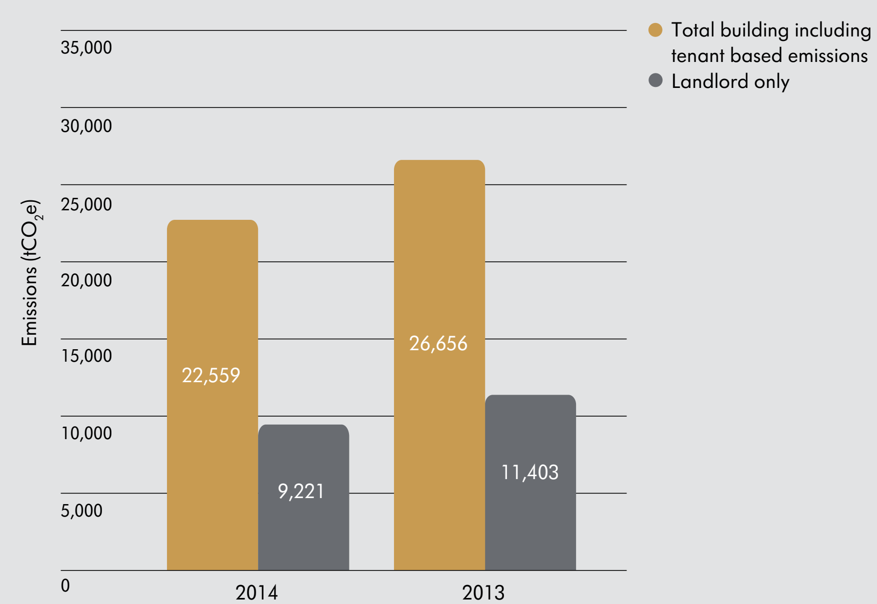


Table 3 — Intensity (Scopes 1 & 2) £m turnover/per m²/fair market value

	2014	% change 2013 to 2014	2013
tCO_2e/£m turnover (Scopes 1 and 2 only, including Scope 1 fugitive emissions)	62.81	-29.6%	89.29
tCO_2e/m^2 (Scopes 1 and 2 only, including Scope 1 fugitive emissions)	0.028*	-7.8%	0.031
Property portfolio at fair value (tCO_2/£m)	0.479	47.9%	0.285

*This data has been independently assured by Deloitte LLP

Notes

We have restated our 2013 carbon baseline (both absolute and intensity) to align with DEFRA's new 2014 emission factors (www.ukconversionfactorscarbonsmart.co.uk), which introduced several changes to the suite of UK conversion factors. The result of the restatement is an increase of 7% in the 2013 baseline figures. We have taken this approach as it allows for a better comparability and is a fairer treatment of the data. We report our emissions in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard, with emissions being reported under the following categories:

Scope 1 – direct emissions;
Scope 2 – indirect emissions; and
Scope 3 – other indirect emissions.

To summarise our fugitive emissions we have again used equipment service records to provide the refrigerant charge/recharge amounts (top-ups) to identify losses. Our new reporting approach includes those figures in our intensity and like-for-like calculations. We have restated our 2013 refrigerant figures to reflect the changes, which have increased by 7% accordingly.

To align better with our financial reporting we are now using turnover (gross property income) and fair market value to calculate our financial intensity. The turnover figure stated in the 2014 Annual Report and Accounts is £138.4m; likewise fair market value was stated at £4.1bn. The turnover figure of £131.6m and fair market value of £3.4bn was used to calculate the 2013 carbon financial intensity – as stated in the 2013 Annual Report and Accounts.

The emissions from company cars were calculated using data for distance travelled per car. Different carbon conversion factors were applied to each car according to its type e.g. luxury, 4x4 etc and fuel type.

Air travel is reported as journeys undertaken with emissions calculated using the distance between the start and end destinations, using an online distance calculator (www.mapcrow.info). When the start destination was not stated London was used as the default. DEFRA carbon conversion factors for air travel were applied which included the uplift for radiative forcing.

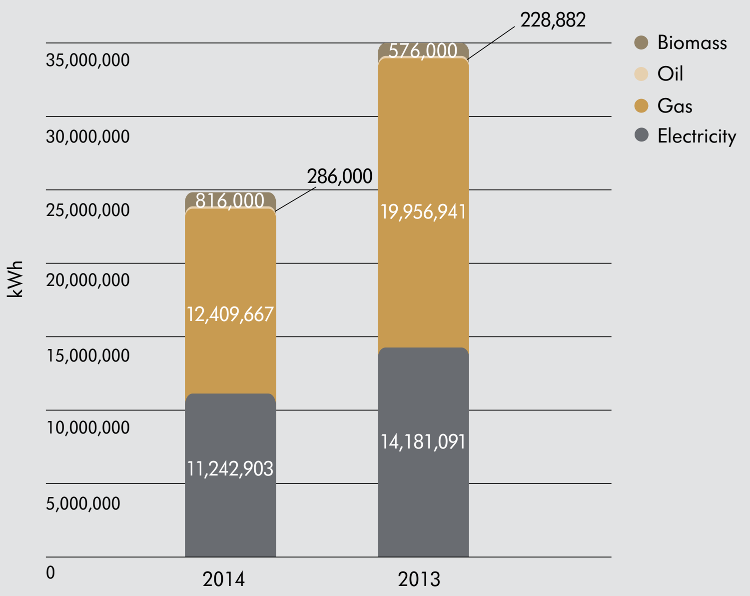
Energy

Table 4 — Energy use across our total managed portfolio (landlord/common areas)

	2014	% change 2013 to 2014	2013
Electricity (landlord controlled areas)			
Number of buildings	41	-18.0%	50
Floor area (m²)	91,424	-13.9%	106,238
Use (kWh)	11,242,903*	-20.7%	14,181,091
Floor area (m²) for consumption intensity analysis	91,424	-6.3%	97,581
Use (kWh) for consumption intensity analysis	11,367,925	-22.3%	14,635,148
Intensity (kWh/m²)	124.34*	-17.1%	149.98
Gas (total building)			
Number of buildings	31	-13.9%	36
Floor area (m²)	287,036	-16.8%	344,976
Use (kWh)	12,409,667*	-37.8%	19,956,941
Floor area (m²) for consumption intensity analysis	287,036	-5.1%	302,495
Intensity (kWh/m²)	43.63*	-32.2%	64.34
Oil (total building)			
Use (kWh) for consumption intensity analysis	286,000	25.0%	228,822
Intensity (kWh/m²)	69.75	25.0%	55.80
Biomass (total building)			
Use (kWh) for consumption intensity analysis	816,000	41.7%	576,000
Intensity (kWh/m²)	25.12	41.7%	17.73
Total			
Use (kWh)	24,754,571	-29.2%	34,942,854
Intensity (kWh/m²)	80.25	-18.1%	98.02

*This data has been independently assured by Deloitte LLP

Energy usage — total managed portfolio



Energy use across our total managed portfolio (including tenant based usage)

	2014	% change 2013 to 2014	2013
Use (kWh)	34,358,629	-15.8%	40,828,808
Intensity (kWh/m²)	107.74	2.9%	104.67

By including our tenant usage, electricity consumption increased by 23,115,726 kWh

Total energy usage — total managed portfolio (including tenant based usage)

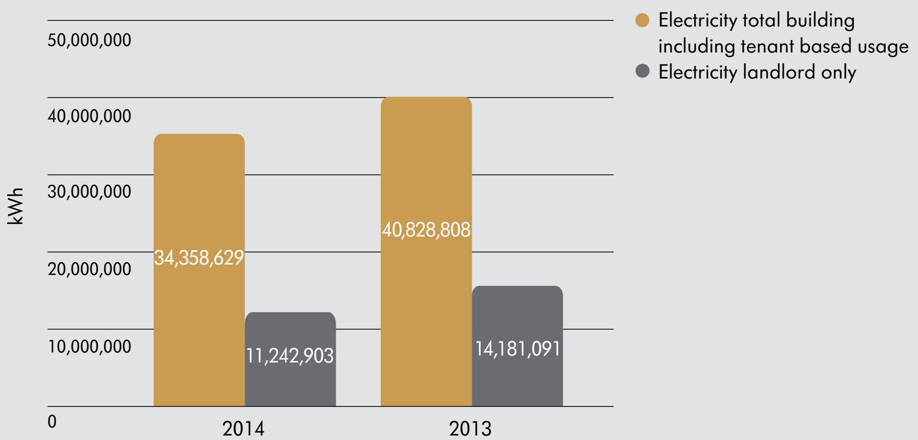
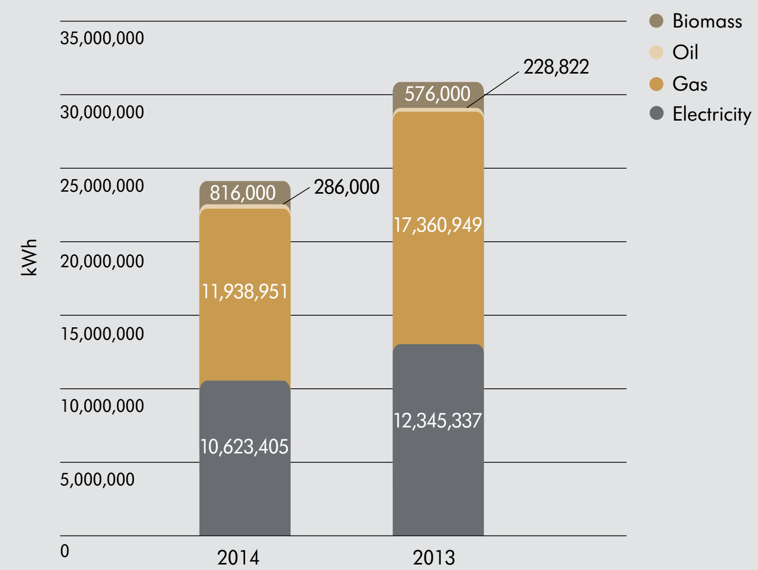


Table 5 — Energy use across our like-for-like portfolio (landlord/common areas)

	2014	% change 2013 to 2014	2013
Electricity (landlord controlled areas)			
Number of buildings	36	-5.3%	38
Floor area (m²)	86,940	-1.8%	88,516
Use (kWh)	10,623,405*	-13.9%	12,345,337
Intensity (kWh/m²)	122.19*	-12.4%	139.47
Gas (total building)			
Number of buildings	28	0.0%	28
Floor area (m²)	270,593	-1.3%	274,098
Use (kWh)	11,938,951*	-31.2%	17,360,949
Intensity (kWh/m²)	44.12*	-30.3%	63.34
Oil (total building)			
Use (kWh)	286,000	25.0%	228,822
Intensity (kWh/m²)	69.75	25.0%	55.80
Biomass (total building)			
Use (kWh)	816,000	41.7%	576,000
Intensity (kWh/m²)	25.12	41.7%	17.73
Total			
Use (kWh)	23,664,356	-22.4%	30,511,108
Intensity (kWh/m²)	81.16	-20.4%	102.02

*This data has been independently assured by Deloitte LLP

Energy usage — like-for-like porfolio (landlord/common areas)



Energy use across our like-for-like portfolio (including tenant based usage)

	2014	% change 2013 to 2014	2013
Use (kWh)	32,159,311	-13.5%	37,162,483
Intensity (kWh/m²)	110.29	-11.2%	124.26

By including our tenant usage, electricity consumption increased by 21,535,906 kWh

Total energy usage — like-for-like portfolio (including tenant based usage)

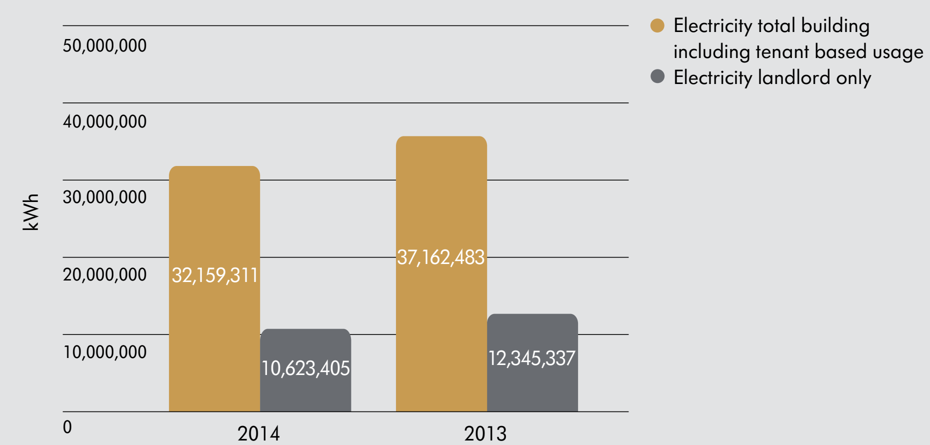
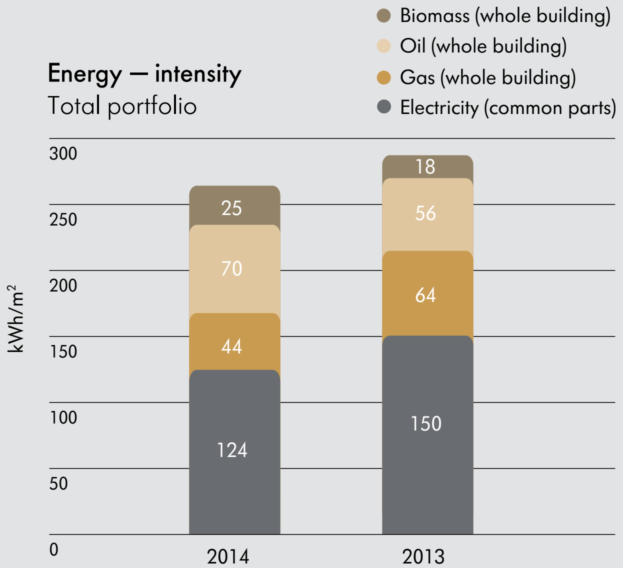


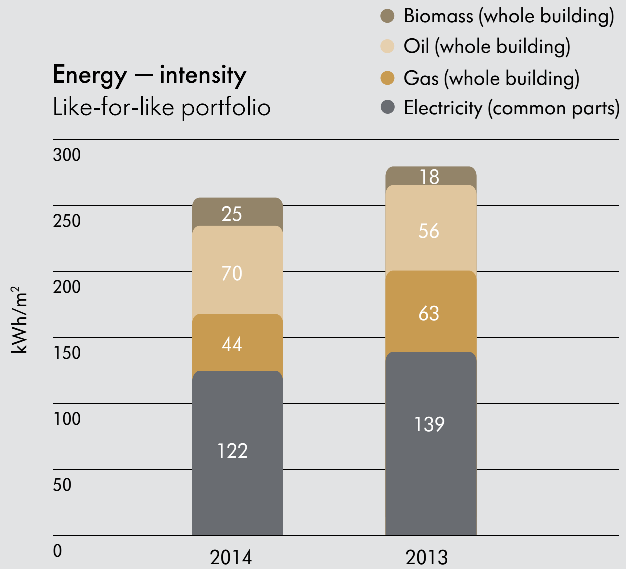
Table 6 — Energy use at our head office buildings

	2014	% change 2013 to 2014	2013
Electricity (Derwent London occupied areas)			
Use (kWh)	177,815	-16.9%	213,971
Intensity (kWh/m²)	152.81	-16.9%	183.88
Gas (Derwent London occupied areas)			
Use (kWh)	125,272	-6.2%	133,584
Intensity (kWh/m²)	120.79	-6.2%	128.81
Total			
Use (kWh)	303,087	-12.8%	347,556
Intensity (kWh/m²)	260.46	-12.8%	298.68

Energy — intensity
Total portfolio



Energy — intensity
Like-for-like portfolio



Electricity
Head Office buildings refer to occupied areas in 25 Savile Row W1, Goldsmith House W1 and the basement of 161 Rosebery Avenue EC1.

Our total managed portfolio consumption figure includes consumption data generated from photovoltaics (solar panels) installed on our properties. This year we again included data on renewable energy generation from three properties: 1 Oliver's Yard EC1, Angel Building EC1 and Qube W1.

For December 2014, meter readings were used for the following buildings to calculate our final consumption figures: 14 Charlotte Mews W1; 65 Whitfield Street W1; 1 Oliver's Yard EC1 and 55 North Wharf Road W2.
Properties with pro-rated data: 186 City Road EC1, Suncourt House (18-26 Essex Road) N1 and 45-51 Whitfield Street W1.

Gas
Head Office buildings refer to occupied areas in 25 Savile Row W1 only.
For December 2014, meter readings were used for the following buildings to calculate our final consumption figures: 65 Whitfield Street W1; 1-2 Stephen Street W1; Charlotte Building (17 Gresse Street) W1; Middlesex House W1; Network Building W1; 10-4 Pentonville Road N1 and 151 Roseberry Avenue EC1.
Properties with pro-rated data: 186 City Road EC1 and 45-51 Whitfield Street W1.

Biomass
Biomass data relates to one property: Angel Building EC1. It is reported based on the tonnes of wood pellets purchased and the date of purchase, not on consumption. This is then converted from tonnes to kWh using a conversion factor of 4.8kWh/kg, which then allows us to establish a carbon output.

Water

Table 7 — Water use across our total managed portfolio

	2014	% change 2012 to 2013	2013
Water (total building)			
Number of buildings	33	-17.5%	40
Floor area (m²)	301,290	-19.0%	371,848
Mains water use (m³)	135,105*	1.7%	132,825
Rainwater use (m³)	1.08	2.8%	1.05
Total (m³)	135,106	1.7%	132,825
Intensity (m³/m²)	0.45 *	10.6%	0.41

*This data has been independently assured by Deloitte LLP

Water Use across our total managed portfolio (including retail consumption)
Whole portfolio water consumption & intensity

	2014	% change 2013 to 2014	2013
Total (m³)	146,097	2.1%	143,100
Intensity (m³/m²)	0.49	9.9%	0.44

By including retail usage, water consumption increased by 10,991 m³

Table 8 — Water use across our like-for-like portfolio (excluding retail consumption)

	2014	% change 2013 to 2014	2013
Water (total building)			
Number of buildings	29	-6.5%	31
Floor area (m^2)	282,702	-2.9%	291,070
Mains water use (m^3)	127,110*	4.8%	121,319
Rainwater use (m^3)	1.08	2.8%	1.05
Total (m^3)	127,112	4.8%	121,320
Intensity (m^3/m^2)	0.45*	7.9%	0.42

*This data has been independently assured by Deloitte LLP

Water use across our like-for-like portfolio (including retail consumption)

Like-For-Like portfolio water consumption & intensity

	2014	% change 2013 to 2014	2013
Total (m^3)	147,454	12.1%	131,595
Intensity (m^3/m^2)	0.52	15.2%	0.45

By including retail usage, water consumption increased by 20,342 m^3

Notes

We have decided not to add our retail consumption to our overall figures because we have no control over their usage. 1 Oliver's Yard EC1, Angel Building EC1 and Tea Building E1 all have retail units which are connected to the main building supply, but are separately sub-metered. We have measured their consumption from this sub-metering.

Likewise we have excluded the water consumption arising from our refurbishment works at 1-2 Stephen Street W1, as with retail consumption we have no management control over its usage.

The above changes resulted in us restating our 2013 consumption figures which led to reduction of 10,275m^3 across our whole and like-for-like portfolio and change in our intensity from 0.44m^3/m^2 to 0.41m^3/m^2 (a 7% decrease).

Our total consumption figures include consumption data from rainwater harvesting which applies to one property – Angel Building EC1.

For December 2014, meter readings were used for the following buildings to calculate our final consumption figures: The Buckley Building EC1; 1-2 Stephen Street W1; 5-8 Hardwick Street EC1; Henry Wood House W1; 55-65 North Wharf Road W2; Qube W1; Portobello Dock W10; 10-4 Pentonville Road N1; 161 Rosebery Avenue EC1 and 43 Whitfield Street W1.

Properties with pro-rated data: 186 City Road EC1, Suncourt House (18-26 Essex Road) N1 and 45-51 Whitfield Street W1.

Waste

Table 9 — Waste generated across our total managed portfolio

	2014	% change 2013 to 2014	2013
Total Waste (tonnes)			
Incineration (with energy recovery) (tonnes)	673	-35.1%	1,037
Recycling (tonnes)	1,094	-17.8%	1,331
Total (tonnes)	1,767	-25.4%	2,368
Incineration (with energy recovery) (%)	38%	-	44%
Recycling (%)	62%*	-	56%

Table 10 — Waste generated across our like-for-like portfolio

	2014	% change 2013 to 2014	2013
Total Waste (tonnes)			
Number of buildings	24	20.0%	20
Incineration (with energy recovery) (tonnes)	643	-29.7%	915
Recycling (tonnes)	1,039	-11.9%	1,178
Total (tonnes)	1,682	-19.7%	2,093
Incineration (with energy recovery) (%)	38%	-	44%
Recycling (%)	62%*	-	56%

*This data has been independently assured by Deloitte LLP

Notes

We only report waste data for properties where we have waste management control. Recycling and general waste figures are provided by our waste management contractors each month. All waste was either recycled or sent to a waste-to-energy plant, with none sent to landfill*.

Tenant's confidential waste recycling figures are not included in the calculations, as they do not fall under Derwent London's management control.

*This data has been independently assured by Deloitte LLP

Data assurance statement

Deloitte.

Independent assurance statement by Deloitte LLP to Derwent London plc on their Annual Sustainability Report 2014 ("the Report")

What we looked at: scope of our work

Derwent London plc engaged us to perform limited assurance procedures for the year ended 31 December 2014 on the following subject matters:

- Scope 1 and 2 greenhouse gas emissions per square metre across managed portfolio (tCO_2e/m^2)
- Scope 1 and 2 greenhouse gas emissions per square metre across like-for-like managed portfolio (tCO_2e/m^2)
- Total Scope 1 and 2 greenhouse gas emissions (in tCO2e) across managed portfolio
- Total Scope 1 and 2 greenhouse gas emissions (in tCO2e) across like-for-like managed portfolio

- Water use per square metre across managed portfolio (m^3/m^2)
- Water use per square metre across like-for-like managed portfolio (m^3/m^2)
- Water use across managed portfolio
- Water use across like-for-like managed portfolio

- Electricity per square metre across managed portfolio (kWh/m^2)
- Electricity per square metre across like-for-like managed portfolio (kWh/m^2)
- Electricity use across managed portfolio
- Electricity use across like-for-like managed portfolio

- Gas use per square metre across managed portfolio (kWh/m^2)
- Gas use per square metre across like-for-like managed portfolio (kWh/m^2)
- Gas use across managed portfolio
- Gas use across like-for-like managed portfolio

- Tonnes of waste to landfill across managed portfolio
- Tonnes of waste to landfill across like-for-like managed portfolio

- Recycling rate (%) across managed portfolio
- Recycling rate (%) across like-for-like managed portfolio

What we found: our unqualified assurance opinion

Based on the assurance work performed we have concluded that for the indicators described in the scope of our work, nothing has come to our attention to suggest that the data are materially misstated.

What standards we used: basis of our work and level of assurance

We carried out limited assurance in accordance with the International Standards on Assurance Engagements 3000 (ISAE 3000). To achieve limited assurance ISAE 3000 requires that we review the processes and systems used to compile the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls. This provides less assurance and is substantially less in scope than a reasonable assurance engagement.

The evaluation criteria used for our assurance are the definitions as described by Derwent London plc which can be found at http://www.derwentlondon.com/sustainability/performance/reports.

Deloitte.

What we did: our key assurance procedures

Our work was planned to mirror Derwent London plc's own group level 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 Report.

To form our conclusions, we undertook the following procedures:

- Gaining an understanding of Derwent London plc's systems through interview with management responsible for sustainability management and reporting systems at head office;
- Understanding, testing and analysing on a non-statistical sample basis the collation, validation and reporting of performance data included in the Report; and
- Reviewing the content of the Report against the findings of our work and making recommendations for improvement where necessary.

Responsibilities of directors and independent assurance provider

Derwent London plc's responsibilities

The Directors are responsible for the preparation of the Report and for the information and statements contained within it. They are responsible for determining the sustainability objectives and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte's responsibilities

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants in their role as independent auditors and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality and from any involvement in the preparation of the Report. We have confirmed to Derwent London plc that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

Our team consisted of a combination of sustainability and assurance professionals with environmental expertise, including many years' experience in providing sustainability report assurance.

Our responsibility is to independently express a conclusion on the Report as defined within the scope of work above to Derwent London plc in accordance with our letter of engagement. Our work has been undertaken so that we might state to Derwent London plc those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Derwent London plc for our work, for this statement, or for the conclusions we have formed.

Deloitte LLP

Deloitte LLP
London, United Kingdom
13 February 2015

EPRA reporting

In our report last year we set out an expanded and more comprehensive summary of our EPRA reporting, designed to provide our stakeholders with an easy access directory of our data. We have maintained this approach for 2014 but we have updated the various measures to reflect the changes made in the latest edition of the Best Practices Recommendations on Sustainability Reporting.

Turnmills EC1, reception area

Sustainability performance measures

Elec-Abs (total electricity consumption) (annual kWh)[2]

11,242,903 – shown in Table 4 – Energy use across our total managed portfolio (landlord/common areas), page 57

Elec-LfL (like-for-like total electricity consumption) (annual kWh)

10,623,405 – shown in Table 5 – Energy use across our like-for-like portfolio (landlord/common areas), page 58

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)

13,511,667 – shown in Table 4 – Energy use across our total managed portfolio (landlord/common areas) [a total of gas, oil and biomass consumption], page 57

Fuels-LfL (like-for-like total fuels consumption) (annual kWh)*

13,040,951 – shown in Table 5 – Energy use across our total managed portfolio (landlord/common areas) [a total of gas, oil and biomass consumption], page 58

Energy-Int (building energy intensity) (kWh per m^2)

80.25 – shown in Table 4 – Energy use across our total managed portfolio (landlord/common areas), page 57

GHG-Dir-Abs (total direct greenhouse gas emissions) (annual metric tonnes CO_2e)

3,165 – shown in Table 1 – Total managed portfolio emissions (landlord influenced portfolio emissions) [a total of Scope 1 emissions], page 53

GHG-Indir-Abs (total indirect greenhouse gas emissions) (annual metric tonnes CO_2e)

5,527 – shown in Table 1 – Total managed portfolio emissions (landlord influenced portfolio emissions) [Scope 2 energy-use], page 53

GHG-Dir-LfL (like-for-like direct greenhouse gas emissions) (annual metric tonnes CO_2e)

2,286 – shown in Table 2 – Like-for-like emissions (landlord influenced portfolio emissions, building related only) [Scope 1 energy-use], page 54

GHG-Indir-LfL (like-for-like indirect greenhouse gas emissions) (annual metric tonnes CO_2e)

5,251 – shown in Table 2 – Like-for-like emissions (landlord influenced portfolio emissions, building related only) (Scope 2 energy-use), page 54

GHG-Int (greenhouse gas intensity from building energy consumption) (kg CO_2e/m^2/year)

0.028 – shown in Table 3 – Intensity (Scopes 1 & 2) per m^2/£m turnover/fair market value (reported in tCO_2e/m^2), page 56

Water-Abs (total water consumption) (annual m^3)

135,105 – shown in Table 7 – Water use across our total managed portfolio (excluding retail consumption), page 61

Water-LfL (like-for-like total water consumption) (annual m^3)

127,112 – shown in Table 8 – Water use across our like-for-like portfolio (excluding retail consumption), page 62

Water-Int (building water intensity) (m^3/m^2/year)

0.45 – shown in Table 7 – Water use across our total managed portfolio (excluding retail consumption), page 61

Waste-Abs (total weight of waste by disposal route) (annual metric tonnes and proportion by disposal route)

1,767 total weight. 1,094 recycled (62%), 673 incinerated (38%) (with energy recovery), 0 to landfill (0%) (all non-hazardous) – shown in Table 9 – Waste generated across our total managed portfolio, page 63

Waste-LfL (like-for-like total weight of waste by disposal route) (annual metric tonnes and proportion by disposal route)

1,682 total weight. 1,039 recycled (62%), **643 incinerated** (38%) (with energy recovery), **0 to landfill** (0%) (all non-hazardous) – shown in Table 10 – Waste generated across our like-for-like portfolio, page 63

Cert-Tot (type and number of sustainability certified assets) (total number by certification/rating/labelling scheme)

Commercial offices
15 projects were delivered in the last 5 years. **100%** were certified using **BREEAM**. Ratings achieved: **9** Very Good ratings; **5** Excellent ratings and **1** Outstanding rating. It should be noted that 5 of these certified projects are single-let properties under FRI leases. As a result we do not have management control over these buildings, and therefore do not report on them.

Residential
1 project was delivered in the last **5** years; each unit contained in the project achieved a Level 4 **Code for Sustainable Homes rating**. We do not report data for our residential properties as we do not retain management control.

Development pipeline
Our corporate requirement is that any new build or major refurbishment is formally required to achieve as a minimum a BREEAM Excellent and Very Good rating respectively. Likewise both are required to achieve a minimum of LEED Silver. Our residential projects are required to achieve at least a Level 4 Code for Sustainable Homes rating. 100% of our confirmed development projects are on track to meet or exceed these requirements.

Overall context

Our total managed portfolio (which excludes FRI properties) consists of **43** buildings, of which **10** buildings or **23%** of the portfolio are BREEAM certified. To put this in context it should be noted that the majority of our managed properties are established/core income generating properties which have not been re-developed, thus have not had BREEAM assessments undertaken on them. **100%** of our managed let spaces have an according **EPC certificate**.

Overarching recommendations

5.1 Organisational boundaries

This is explained in the Reporting boundary section, see page 51

5.2 Coverage

We report on 100% of the buildings within our managed portfolio (43 buildings). Please see our reporting scope on page 52 for a full breakdown of our various reporting scopes.

5.3 Estimation of landlord-obtained utility consumption

None of our data presented above is estimated. Where a property exited the portfolio during the year we do pro-rata the data to annualise the consumption as part of our intensity portfolio reporting – to ensure fair representation.
We have stated for which properties this affects (186 City Road EC1, 18-26 Essex Road N1 [Suncourt House] and 45-51 Whitfield Street W1) and against which utility type. Please see our reporting scope sections on page 52 for our approach to data pro-rating.

5.4 Third Party Assurance

We undertake assurance on our resource efficiency data in accordance with ISAE3000. A public assurance statement from our auditors Deloitte LLP can be found on pages 64-65.

5.5 Boundaries – reporting on landlord and tenant consumption

We report both landlord and tenant derived consumption for electricity and carbon, which is clearly set out. We report gas and water on a whole building basis. Please see our reporting boundary section on page 51.

5.6 Normalisation

Intensity indicators based on floor area (m^2) are provided for energy, water and carbon. Please refer to the respective data sections for the according intensity indicator. We also add a financial intensity indicator of tCO_2e/£m turnover and tCO_2e/fair market value to our carbon reporting, see page 56.

5.7 Analysis – Segmental analysis (by property type, geography)

All our reporting portfolios (total managed, like-for-like and intensity) report on the one typology of commercial office space, which is all located in central London. As a result it is not possible to compare location and typology (segmentation) within our portfolio to establish geo-spatial differences across varying property types. Please see the Scope section on page 52 for confirmation of the basis of our reporting.

5.8 Disclosure on own offices

Please see Table 6 on page 60 for a breakdown of the energy use at our head office buildings.

5.9 Narrative on performance

Please see our performance summary on page 51. Likewise we provide commentary on the shifts in our carbon footprint in our carbon footprint section, see pages 14 and 51.

5.10 Location of EPRA sustainability performance measures in companies' reports

We provide a dedicated section in our corporate Annual Reports and Accounts on sustainability, which also includes a full summary of our carbon footprint and headline performance and data results. This is complemented by this Annual Sustainability Report, which provides a detailed review our sustainability work, performance and resource efficiency data. Moreover, we have developed this section of the report to enable our stakeholders to access quickly the best practice aspects set out in the EPRA recommendations document, whilst we continue to review more integrated forms of reporting.

Other issues to consider

6.1 Materiality

Our sustainability strategy sets out the materially significant issues related to our business which we in turn report and measure ourselves against.

6.2 Emerging indicator – return on carbon emissions (ROCE)

We report two sets of financially orientated carbon intensity measures, please see table 3 on page 56.

6.3 Socio-economic indicators related to sustainability performance

As part of our sustainability strategy we seek to measure the socio-economic impact of our assets. Please see our latest case study on our Buckley Building (49 Clerkenwell Green) property which can be found on pages 22-23.

6.4 Transport

Although we do not yet measure and report the emissions associated with tenants travelling to and from our properties, likewise our own employees, we have undertaken surveys to understand the distances people travel to and from our buildings and the modes of transport used – the overwhelming majority of travel in London is by public transport. We are reviewing how we might in future include such transport emissions in our reporting.

6.5 Refrigerant gases

We report fugitive emissions from our managed air conditioning and chilling equipment as part of our Scope 1 carbon figures, which is also a requirement of the Companies Act 2006 (Strategic and Directors' Report Regulations 2013) for GHG reporting. Please see table 1 on page 53 for an overview.

[2] This data covers utilities procured by Derwent London only.
[3] Although this EPRA recommendation seeks to report in $kgCO_2e/m^2$, for consistency purposes we have reported this in terms of tCO_2e/m^2 to align with the rest of our carbon reporting.

Glossary

Automatic Meter Reading (AMR)
AMR is the technology of automatically collecting consumption, diagnostic, and status data from water or energy metering devices and transferring that data to a central database for billing, troubleshooting, or analysis purposes.

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 – Pass, Good, Very Good, Excellent and Outstanding.

Carbon Disclosure Project (CDP)
The CDP is an organisation, which works with shareholders and listed companies to facilitate the disclosure and reporting of climate change data and information.

Carbon Reduction Commitment Energy Efficiency Scheme (CRC)
This is the UK Government's mandatory scheme for carbon emissions reporting and allowance purchasing.

Construction (Design and Management) Regulations 2007 (CDM)
CDM defines the legal duties for the safe operation of UK construction sites. The regulations place specific duties on clients, designers and contractors, to plan their approach to health and safety. They apply throughout construction projects, from inception to final demolition and removal.

Code for Sustainable Homes (CfSH)
CfSH is an environmental assessment method for rating and certifying the performance of new homes. Performance is measured across a series of levels from 1-6.

Energy Performance Certificate (EPC)
An EPC is an asset rating that tells you how energy efficient a building is rated by Carbon Dioxide emission ratings on a scale of A-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.

Energy Savings Obligation Scheme (ESOS)
The Energy Savings Opportunity Scheme (ESOS) is a new mandatory energy assessment and saving identification scheme introduced by Government for major organisations in the UK, which came into force during 2014. Organisations will be required to review the total energy use from their operations including building energy use, transport energy use and any industrial processes. Moreover, identify via specific audits potential energy saving measures

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.

FTSE 4 Good Index
The FTSE4Good is an index that has been developed to measure objectively the performance of companies that meet globally recognised corporate responsibility standards, such that organisations can make effective decisions when assessing or creating responsible investment products.

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

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.

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

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.

Radiative Forcing
In simple terms, 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 this 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.

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 day's inability to carry out normal duties), work related diseases, and dangerous occurrences (near miss accidents).

Transmission and distribution (T&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.

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