

Responsibility – Environmental

Our Net Zero Carbon Pathway

01 Reducing operational energy and carbon emissions

Our commitment

We are committed to operating our investment portfolio on a net zero carbon basis by 2030. This requires a sustained and significant reduction in our energy consumption, upgrading and retrofitting our properties to improve efficiency and removal of gas use where feasible, as well as close collaboration with our occupiers.

Actions and outcomes

Portfolio decarbonisation

In 2025, we continued to invest in decarbonisation works across the portfolio. Following the installation of air source heat pumps (ASHP) at 1-2 Stephen Street W1 in 2024, an ASHP was installed at Charlotte Building W1 alongside a broader mechanical, engineering and plant (MEP) upgrade. We are also installing point of use electric hot water supplies for WCs to decarbonise hot water supplies. 40% of buildings in our managed portfolio are now all-electric. To enable effective monitoring of mains water use across the managed portfolio, a Smart Flow monitoring system was rolled out across 70% of the portfolio.

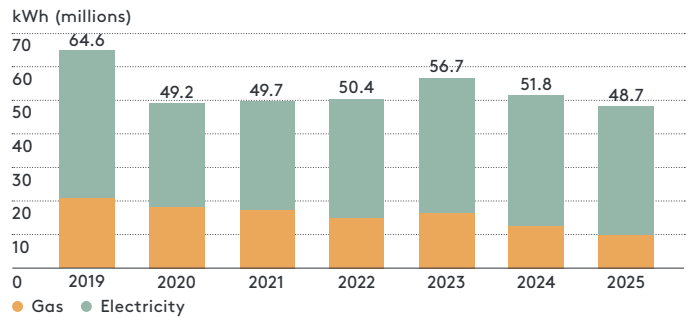
Occupier engagement

Our recent 'You Hold the Power to Save' campaign (launched in Q4) was well-received by occupiers across the managed portfolio. To maximise impact, engagement was focused on our 10 highest energy consuming buildings, which represent 78% of managed portfolio energy. In total, we engaged with 77% of occupiers in 2025.

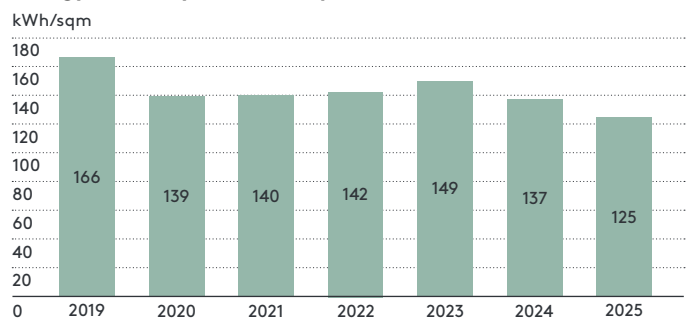
Further energy reduction

Building on the significant 20% reduction in energy consumption across our managed portfolio between 2019 and 2024, 2025 saw a further 6% decrease to 48.7m kWh. Energy intensity of 125 kWh/sqm is down 9% compared to 2024 (137 kWh/sqm) and 25% below our 2019 baseline (166 kWh/sqm). This compares well to our 2030 target of 123 kWh/sqm. When combined with ongoing decarbonisation of the UK's energy grid, our location-based operational carbon footprint reduced 16% in 2025 to 10,434 tCO₂e (2024: 12,357 tCO₂e).

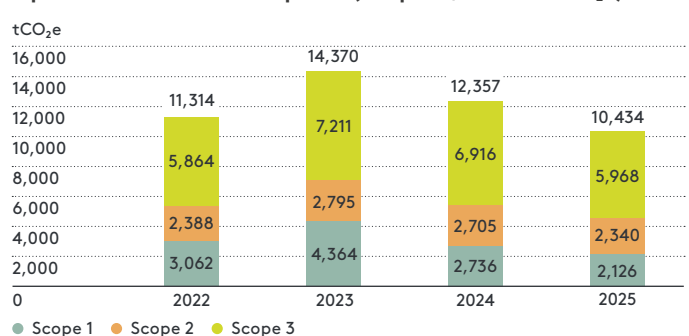
Energy usage¹ (electricity and gas split in kWh)



Energy intensity¹ (in kWh/sqm)



Operational carbon footprint¹ (Scopes 1, 2 & 3 in tCO₂e)



Water and waste

Water consumption reduced 2% in 2025 compared to 2024. The majority of the decrease is related to installation of Smart Flow monitoring technology during 2025.

The managed portfolio waste recycling rate improved in 2025 to 72% from 69% in 2024. We maintained an active programme of engagement, particularly targeting new occupiers.

¹ Data relates to the Group's managed portfolio only.

Responsibility – Environmental continued

02 Procuring and investing in renewable energy

Our commitment

The Group is committed to ensuring that the energy we consume is from renewable sources. For procurement, this means contracting electricity on renewable tariffs backed by Renewable Energy Guarantees of Origin (REGO) certificates and gas contracts backed by Renewable Gas Guarantees of Origin (RGGO) certificates. Our Scottish land also provides several self-generation opportunities which we are progressing.

Actions and outcomes

Energy on renewable tariffs in 2025

- Electricity (REGO-backed): 100% (2024: 99%)
- Gas (RGGO-backed): 100% (2024: 100%)
- As at 31 December 2025, 100% of our electricity and gas contracts were on renewable tariffs backed by REGOs/ RGGOs

All REGO-backed electricity is procured from UK-based solar, wind or hydro projects.

Investing in self-generation

Lochfauld Solar Park in Scotland

Following receipt of planning consent in 2023 for a c.100-acre, 18.4 MW solar park at our Lochfauld site in Scotland, significant progress on site has been made. Installation of the frames and photovoltaic (PV) panels, alongside supporting site infrastructure has completed and panel connection and inverter works are currently underway. Testing, commissioning and grid connections are expected to complete in mid-2026, followed by energisation thereafter. We expect the solar park to generate c.40% of our London managed portfolio's electricity requirements (based on 2019 baseline energy consumption).

London portfolio

Where feasible, we install PV panels on our buildings, six of which now have PV arrays. In addition, we have a small PV array at our Easter Cadder central hub in Scotland, covering the electricity consumption of our Scottish office.

As part of our Section 106 agreement for 50 Baker Street W1, we agreed with Westminster City Council to carry out a carbon saving project at St Mary's Bryanston Square Primary School. We installed an 83 PV panel array, equivalent to 36 kW. The first year of performance generated 24,400 kWh, in excess of 50% of the school's electricity consumption, saving approximately 5 tCO₂e.



Lochfauld Solar Park

03 Reducing the embodied carbon of development projects

Our commitment

Under our Net Zero Carbon Pathway, new developments and major refurbishments will be net zero carbon on completion. In 2024, we updated our reporting methodology to better align the timing of emissions and offsetting. Forecast emissions from major projects are recognised on a phased basis over the construction period, with emissions offset over the same profile.

Defining embodied carbon targets

Whole life carbon assessments are performed on our projects to inform design decisions and report on the ‘Cradle to Completed Development’ (A1-A5) aspects. Refer to our Whole Life Carbon Assessment Brief at www.derwentlondon.com/news/publications/responsibility-policies

Our phased targets for commercial office new build developments align with the Greater London Authority (GLA) and LETI targets (under RICS v1, which excludes demolition):

- From 2025: ≤ 600 kgCO₂e/sqm
- From 2030: ≤ 500 kgCO₂e/sqm

For our next major redevelopment projects, Holden House W1 and 50 Baker Street, we intend to report embodied carbon intensity under both RICS v1 and RICS v2, the latter of which accounts for demolition and enabling works.

For major refurbishments, our target is ≤ 350 kgCO₂e/sqm.

Actions and outcomes

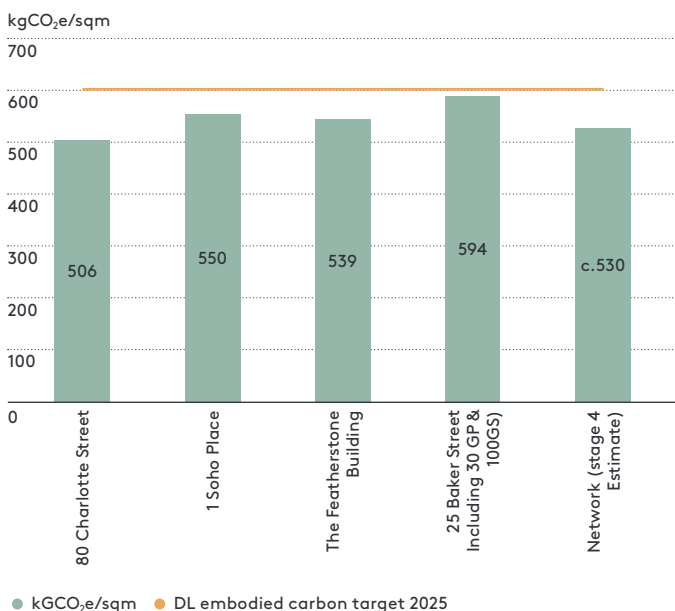
We work collaboratively with our development supply chain to assess and reduce a scheme’s embodied carbon footprint. At each design stage, we hold detailed workshops with our teams and ensure early engagement on procurement of low carbon materials. The wider industry needs to adapt and work together for us to fully achieve our aims and we are active in this endeavour – see page 72 for details on our works to accelerate the use of low carbon concrete and the circular economy.

Our three major projects which were on site during 2025 are being delivered to align with our 2025 target:

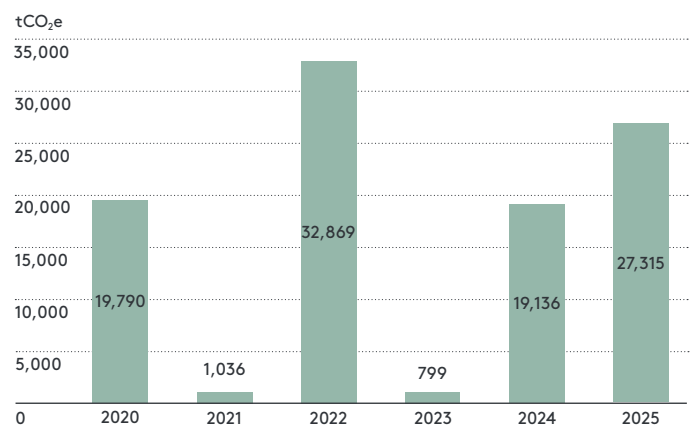
- 25 Baker Street W1 (completed Aug 2025): 594 kgCO₂e/sqm (a c.13% reduction compared to the Stage 4 estimate)
- Network W1: c.530 kgCO₂e/sqm
- Holden House W1: c.590 kgCO₂e/sqm

The current forecast for 50 Baker Street is c.530 kgCO₂e/sqm.

Embodied carbon intensity of major projects



Embodied carbon (S3, C2) emissions recognised in year



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Accelerating Concrete-Decarbonisation Group

Aiming to bridge the gap between supply of low carbon concrete, specification needs and market demand

- Derwent London established the Accelerating Concrete-Decarbonisation Group (AC-DG) in June 2024 and has continued to lead the initiative. It is a UK developer-led, industry-wide initiative to accelerate the adoption and use of market-ready, technically viable low carbon concrete mixes in construction projects.
- The aim is to reduce the barriers for use of lower carbon concrete, prototype testing and knowledge sharing, ultimately reducing embodied carbon.
- The lack of specific empirical test data is a key barrier, preventing engineers and clients from specifying low carbon concrete without adding technical, programme and cost risks into projects.
- By supporting more rapid collection and distribution of critical data for these innovative concrete mixes, AC-DG seeks to enable a faster route to market, facilitating specification for construction projects.
- The seven AC-DG workshops to date have been informative, circulating knowledge more quickly across the sector on low carbon concrete available for use in the UK today, as well as the emerging suppliers.
- Through the AC-DG, Derwent London and 30 other key organisations have signed a collaboration agreement enabling prototyping works and testing to commence in H1 2026 on three low carbon mixes. These have the potential to reduce concrete carbon emissions by up to 70%.
- Derwent London is also a founding signatory of the Advanced Market Commitment (AMC), a government funded initiative aligned with the AC-DG. The aim of the AMC is to signal to the supply chain that low carbon concrete is a priority for industry.



Network W1

Our circular economy approach

Optimising reuse across our portfolio and reducing embodied carbon without compromising on quality

- Our circular economy approach goes hand in hand with reducing embodied carbon.
- In 2025, Derwent London strengthened its leadership in circular economy practices, embedding resource efficiency and material reuse across its development pipeline and operational portfolio, alongside our partner Material Index.
- Since we formalised our circular economy strategy, c.500 tonnes of material have been donated or brokered.
- At our smaller refurbishment projects, retention and on-site reuse has averaged 44%. Examples include the sale or donation of kitchenette units from Oliver's Yard EC1, and timber panelling from 1-2 Stephen Street W1.
- The circular economy is also being incorporated across our major projects:
 - Network W1 is our first whole building redevelopment to use refurbished raised access flooring.
 - At Holden House W1, 64% of the temporary work steel to retain the façade is reused, chimney stacks are being reused and 95% of the glass has been recovered for reprocessing. This is in addition to internal fittings, finishes and lighting being donated. The bricks are currently being tested for off-site reuse.
 - At 50 Baker Street W1, we are pioneering the piece-wise reuse of the existing concrete structure in what is the largest scale project of this type in the UK.
 - Greencoat & Gordon House SW1 is setting the blueprint for retention and reuse across our refurbishment projects.



Holden House W1

04 Offsetting residual carbon emissions

Our commitment

The Group's business model of office regeneration and operation will, by its nature, result in the emission of embodied and operational carbon across Scopes 1, 2 and 3. For this reason, we will prioritise achieving our ambitious targets to reduce our carbon footprint as far as possible. We have committed to offset any residual carbon that we are unable to either manage out or eliminate.

Actions and outcomes

We have a phased pipeline of regeneration schemes over the coming years. Occupational market dynamics are forecast to remain favourable and we expect to commence the next phase of our pipeline over the coming year. Beyond this, we have a longer term pipeline which is expected to commence from 2027 onwards.

Forward purchase of carbon offsets

This project visibility allows us to forecast our embodied carbon emissions and plan accordingly. The Group has forward-purchased carbon offset credits equivalent to c.195,600 tCO₂e since 2020 for a combined consideration of c.£4.9m or an average of c.£25/tCO₂e. In 2020, we began offsetting the embodied carbon associated with our regeneration activity, through retirement of our carbon credits, and have offset a cumulative c.100,945 tCO₂e, of which 27,315 were retired in relation to 2025. The remaining offsets cover our forecast embodied carbon emissions to 2030.

Working with our offset partner, Climate Impact Partners, we carried out significant pre-acquisition due diligence to ensure the environmental projects meet our quality standards. This includes being validated under a robust, credible scheme such as the Verified Carbon Standard (VCS) or the American Carbon Registry (ACR). We acknowledge this is a changing landscape and refer to latest guidance from the UKGBC (Carbon Offsetting & Pricing Guidance).

Tree planting

The Group continues to progress tree planting opportunities across its Scottish land. Additional land has been identified as potentially suitable for planting, subject to further appraisals and planning consent.

05 Nature and resilience

Our commitment

Nature and resilience was added as a fifth pillar of our Net Zero Carbon Pathway in 2025. We are committed to enhancing biodiversity across our portfolio, including at both standing investments and regeneration projects. To support this, as well as ensuring our business resilience to a changing climate, we will carry out climate risk and opportunity assessments every three years as part of the WTW risk assessment, to proactively manage our climate risk, which includes biodiversity-related aspects.

Actions and outcomes

Biodiversity net gains at major projects

Each of our new build pipeline projects received planning approval prior to the Biodiversity Net Gain (BNG) legislation coming into effect. However, many boroughs already required a minimum BNG of 10%. Consequently, all our recently completed schemes and next phase of projects have achieved, or intend to achieve, a BNG significantly greater than 10%.

- 25 Baker Street W1: 180%
- Network: 110%
- Holden House: 210%
- 50 Baker Street: 273%

For our schemes which are currently in design, we expect to achieve the agreed urban greening factor.

Scottish land

Part of our Scottish land at Bargenny Hill has been designated as a Site of Special Scientific Interest (SSSI). The site is one of the largest and best remaining examples of lowland neutral grassland, which supports a variety of rare plants, flowers and wildlife, in south-western Scotland. The SSSI designation at this site forms part of a wider Agri-Environment Climate Scheme (AECS). We have also transitioned to more sustainable farming practices, utilising green manure, creating grass strips and water margin in arable fields as well as creating new wetlands.



Bargenny Hill