

The Section 172(1) Statement

The Board of Directors confirm that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

Issues, factors and stakeholders

The Board has direct engagement principally with our employees and shareholders but is also kept fully informed of the material issues of other stakeholders through the Responsible Business Committee, Executive Directors, reports from senior management and external advisers.

We utilise various engagement channels to receive informative feedback from our key stakeholders which can be factored into our principal decisions and activities. On page 131, we outline the ways in which we have engaged with key stakeholders.

s.172 factor	Relevant disclosures
a) the likely consequences of any decision in the long-term	Company purpose (page 5) Central London office market (page 13) Our business model and strategy (page 28)
b) the interests of the Company's employees	Our people (page 52) Diversity and inclusion (page 53) Non-financial reporting (page 58) Employee engagement (page 131)
c) the need to foster the Company's business relationships with suppliers, customers and others	Social Value Strategic Framework (page 50) Responsible payment practices (page 169) Modern slavery (page 169) Supply Chain Responsibility Standard (page 169)
d) the impact of the Company's operations on the community and the environment	Environmental (page 46) Our pathway to net zero (page 48) Community Fund (page 51) Streamlined Energy and Carbon Reporting (SECR) disclosure (pages 60 to 61) Task Force on Climate-related Financial Disclosures (TCFD) (pages 104 to 117)
e) the desirability of the Company maintaining a reputation for high standards of business conduct	'Speak up' procedures (page 128) Purpose, values and culture (page 129) Internal financial controls (page 148) Risk management (page 157) Anti-bribery and corruption (page 165) Awards and recognition (see inside back cover)
f) the need to act fairly between members of the Company	Annual General Meeting (page 200) Voting (page 200) Rights attached to shares (page 201)

Principal methods used by the Board in 2023

The main methods used by the Directors to perform their duties include:

- strategy reviews which assess the long-term sustainable success of the Group and our impact on key stakeholders;
- the Responsible Business Committee monitors the Group's corporate responsibility, sustainability and stakeholder engagement activities and reports to the Board on its activities (see pages 166 to 171);
- assessing the potential impact of significant capital expenditure decisions on our stakeholders;
- identifying the risks and potential consequences of decisions in the short-, medium- and long-term so that mitigation plans can be put in place;
- direct and indirect stakeholder engagement (see page 131);
- external assurance is received from stakeholder surveys, brokers and advisers; and
- specific training for our Directors and senior managers, in addition to the mandatory compliance training programme (see pages 136 and 165).

Informed decision making

The Board's procedures require a stakeholder impact analysis to be completed for all material decisions requiring its approval that could impact on one or more of our stakeholder groups. The stakeholder impact analysis assists the Directors in performing their duties under s.172 of the Companies Act 2006 and provides the Board with assurance that the potential impacts on our stakeholders are being carefully considered by management when developing plans for Board approval. The key activities and principal decisions undertaken by the Board in 2023 are detailed on pages 138 and 139.

Public Interest Statement – 2023

We are aware of our wider obligations to be a responsible business partner to our occupiers and to the communities in which we operate. As our activities impact on multiple stakeholder groups, our Board ensures that stakeholder matters are central to its decision making alongside the long-term financial success of our business. We extend our obligations beyond the statutory requirements to add value and build long-term mutually beneficial relationships. Our obligations are incorporated into our purpose, which strongly influences our values (see page 129). We have detailed on pages 44 to 61 and 130 to 133 how we have acted in the public interest during 2023.

Stakeholder engagement

We recognise the importance of clear communication and proactive engagement with all of our stakeholders. Our Chairman aims to routinely meet with institutional investors and report their views to the Board. On an annual basis, Mark Breuer writes to all our major shareholders inviting them to meet with him to discuss any areas of concern or provide feedback. For our private investors, there is an opportunity to meet the entire Board (including the Non-Executive Directors) at our Annual General Meeting (AGM).

The Board appointed four employees to the Responsible Business Committee, who are fully involved in all aspects of the Committee's activities (see page 167). Employees at Board level enable our employees to have direct involvement in decision making and bring the voice of our employees directly to the boardroom. All stakeholder engagement programmes are kept under routine review by the Board.

Stakeholder	Engagement methods	Material concerns
Occupiers Strategic objectives: 2 4 5	<ul style="list-style-type: none"> Occupier 'pulse surveys' Constructive and collaborative discussions on sustainability initiatives and achieving net zero carbon Interaction and engagement through the DL/App Occupier-focused amenity with the development of DL/28 	<ul style="list-style-type: none"> Well-designed and sustainable buildings Suitable lease terms Exclusive access to available amenities Adaptable space to accommodate new and collaborative ways of working
Employees Strategic objectives: 3 4	<ul style="list-style-type: none"> Biennial employee survey Disability survey, approved by the Business Disability Forum Employee Working Groups, including the newly established Health, Safety and Accessibility Working Group Independent 'Speak up' system A dedicated Non-Executive Director for gathering the views of the workforce Employee members of the Responsible Business Committee 	<ul style="list-style-type: none"> Overall health and wellbeing A diverse and inclusive working environment Opportunities for training, development and progression Adoption of smart working principles
Local communities & others Strategic objectives: 3 4	<ul style="list-style-type: none"> Operation of our Community Fund Volunteering and charitable donations Provided employment and work experience opportunities Engagement throughout the planning and development process Engagement with Non-Governmental Organisations (NGOs), Business Improvement Districts and industry bodies 	<ul style="list-style-type: none"> Minimising local disruption Impact on the local economy Effective communication and engagement Being a responsible neighbour
Suppliers Strategic objectives: 4	<ul style="list-style-type: none"> Regular correspondence and updates at the Responsible Business Committee Supply Chain Questionnaire circulated to all major suppliers Signatories to the Prompt Payment Code 'Unseen', the independent charity, conducted a gap analysis on our modern slavery procedures 	<ul style="list-style-type: none"> Long-term partnerships Collaborative approach Open terms of business Fair payment practices
Central & local government Strategic objectives: 4	<ul style="list-style-type: none"> Maintain proactive relationships through regular dialogue and correspondence with government departments such as HMRC Continued our pledge to the Westminster City Council Sustainability City Charter Ongoing engagement with local authorities to ensure high quality planning applications are submitted 	<ul style="list-style-type: none"> Openness and transparency Proactive engagement with local authorities Support for local economic plans and strategies Compliance with legislation
Shareholders & debt providers Strategic objectives: 1 5	<ul style="list-style-type: none"> Annual General Meeting (AGM) Our annual Report & Accounts Regular announcements via the London Stock Exchange's regulatory news service (RNS) Annual Bondholders Meeting Investor meetings, presentations and property tours Shareholder consultations 	<ul style="list-style-type: none"> Financial performance Environmental, social and governance performance Openness and transparency Dividend

Key to strategic objectives

1

To optimise returns and create value from a balanced portfolio

2

To grow recurring earnings and cash flow

3

To attract, retain and develop talented employees

4

To design, deliver and operate our buildings responsibly

5

To maintain strong and flexible financing

The Section 172(1) Statement continued

Factoring our stakeholders into our decisions

The three case studies below are examples of how the Board has factored stakeholders into its decisions in 2023.



Strathkelvin Retail Park

Engagement and communication with our occupiers is integral in order to ensure all needs and demands are consistently considered and met.

The Strathkelvin Retail Park in Bishopbriggs, near Glasgow, totals over 313,000 sq ft and has near full occupancy. Occupier feedback was received that smaller retail units are more desirable in comparison to larger floor-plates and that there were opportunities to improve the wider public realm surrounding the retail park to improve the user experience and prioritise stakeholder needs.

In response, the Board approved capital expenditure of £20.2m to refurbish the retail park, including:

- the subdivision of a larger unit into three smaller units providing 129,643 sq ft of lettable space and preserving c.£1.33m pa of income and a highly valued occupier relationship; and
- public realm improvements to the car park, pathways and signage to improve congestion, wayfinding and ensure safety of pedestrians.

It is expected that the works will be completed during 2024.



Diversity and inclusion

Creating an inclusive and diverse environment is paramount to ensuring all employees feel supported. The 2022 employee 'pulse survey' showed that 84.1% of employees strongly agreed that Derwent London is an inclusive place to work. Whilst this is an excellent outcome, we continually seek opportunities to improve and provide an even more inclusive workspace for our employees.

During 2023, the Responsible Business Committee approved our membership of the Business Disability Forum and for us to complete stage one of the Disability Smart Audit, in the form of a Business Disability Self-Assessment. The results of the self-assessment were shared with the Committee and an action plan for implementing the recommendations was agreed. The Committee, and Board, will monitor our progress during 2024.

We also launched a range of wellbeing sessions on a variety of inclusivity topics including, but not limited to, neurodiversity and mental health awareness. All sessions were well attended and received positive feedback.

During 2024, the Group's wellbeing strategy will continue to be an area of focus with actions implemented by employee-led working groups.

Investor meetings

253

we engaged with 72% of our shareholder register during 2023

Conferences

12

during 2023, we attended 12 property conferences

Property tours

73

during the year we hosted 73 property tours

Occupiers

104

occupiers engaged with as part of our work to reduce energy usage (44% of ERV)



DL/Service at The White Chapel Building E1

DL/ Service

We recognise the important role that design-led, well-located and amenity-rich offices play in attracting and retaining talent. In response to feedback from occupiers, in 2023 we introduced DL/Service, a food and beverage offering, at four of our buildings – The Featherstone Building EC1, DL/28, The White Chapel Building E1 and White Collar Factory EC1.

DL/Service offers our occupiers a diverse all-day menu and preferential pricing for our community of Members. Operated in partnership with a third party service provider (at cost to Derwent London), we have flexibility to update the offering to suit evolving occupier requirements. Early feedback has been positive, with the additional amenity well received by occupiers.