RESPONSIBILITY

Derwent London is committed to high standards of integrity, transparency and safety, whilst ensuring our buildings are designed, delivered and operated responsibly to manage our carbon footprint and ensure climate resilience.

Our Responsibility Policy and Strategy set out what operating responsibly means to us

Our seven Environmental, Social & Governance priorities

Environmental

1 Designing & delivering buildings responsibly

2 Managing our assets responsibly

See page 44

Social

3 Creating value in the community

4 Engaging & developing our employees

5 Ensuring the highest standards of health and safety

6 Protecting human rights

See page 48

Governance

7 Setting the highest standards of corporate governance

See page 54

Why	How
Well-designed, thoughtfully delivered real estate can positively impact the environment. Our energy reduction targets are aligned with a 1.5°C climate scenario.	• Energy intensity down 17% since 2019 on our journey to **net zero carbon** • **Collaborating with stakeholders**, including occupiers and supply chain • Developing solar park in Scotland as part of **electricity self-generation** initiative • Purchasing **renewable energy** on REGO/RGGO-backed tariffs • Stretching **embodied carbon** targets for regeneration projects • £650m of **green finance** facilities; £437.0m has been drawn for green capex • High quality carbon credits used to **offset residual** • Fully costed £90m **EPC upgrade programme** to maintain compliance • **Partnering** with like-minded organisations to amplify impact
As a long-term investor, the success of our buildings and our collaborative approach has a positive social impact.	• **Supporting local communities** through community funds and donations • **Social value creation** measured through new Social Value Strategic Framework • **Local authority engagement** and monitoring of post-completion social impact
Our employees are key to our successful performance and will provide the next generation of leadership talent. High employee retention ensures continuity.	• Ongoing vocational and compliance **training & mentoring** • **Internship opportunities** for people from diverse backgrounds • Proactive mental and physical **wellbeing** programme • Regularly measuring and addressing **employee satisfaction** levels
We seek to minimise risks and promote a safe working environment collaborating with our supply chain and industry peers, supported by our Responsible Business Committee.	• Collaborating with peers on **benchmarking and best practice** • **Empowering** employees and contractors to speak up
Acting in a fair and responsible manner is a core element of our business which runs through all levels, starting with the Board.	• **Accountability** throughout our organisation • **Proactively adopting** new and emerging legislation • **Remuneration** clearly linked to sustainability outcomes • Respect for **human rights** across our supply chain • Obtaining **third party assurance** on our actions and outcomes • Providing staff with access to an independently operated **whistleblowing** system

Double materiality assessment

We recognise the role of materiality assessment in determining the relative importance of key ESG issues to ourselves and our stakeholders.

Introduction

Materiality assessments provide a framework for prioritising issues and ensuring our Responsibility Strategy and management action are appropriately focused and targeted. Our previous materiality approach was based on the traditional single perspective format, which combines financial risk impact with wider market intelligence.

In 2024 we revisited our approach, aligned to ongoing evolution in legislation, and undertook a double materiality assessment, with support from a third party consultant.

As well as confirming the key material topics from our single materiality assessment, a number of additional topics were identified by a range of stakeholders. This has given us greater insight into our material topics and will support us in prioritising future actions more clearly.

Approach

A double materiality assessment, which is both an 'outside-in' and 'inside-out' review, uses two perspectives.

- The financial impacts of ESG issues on a business e.g. the impact of climate change on a company's balance sheet or income statement.
- The impact of the business on the environment and society from its day-to-day activities e.g. the impact of a company's activities which contribute to climate change.

Like in a traditional materiality assessment, the topics which are identified are rated and ranked according to their significance. However, a double materiality assessment then integrates them from both the 'outside-in' and 'inside-out' perspectives. This can result in particular topics having different levels of significance depending upon the points of view of different stakeholders. Consequently, a broader output is achieved.

Outcome

The assessment results brought forward a wide range of topics. This included the four identified as part of our initial preparatory works and four resulting from stakeholder engagement which exceeded the materiality threshold, taking the number of material topics to 17.

We present the results on the following page as a 'Butterly Matrix' with the material topics listed in combined score rank order. All of the issues were already known and captured through our various strategies and management procedures.

The scores for each materiality perspective are derived from our stakeholder engagement. This simplifies the dual perspective outcome and clearly shows the significant issues and which perspective, or how much of each perspective, is driving the significance.

Our double materiality assessment is aligned with our process for identifying and assessing the principal risks we report in the Managing Risks section (see pages 90 to 101).

We intend to monitor materiality scores every second year to ensure changes are captured on a timely basis, and aligned to the timing of updates to the independent climate risk assessment and scenario analysis which forms part of our TCFD disclosure (see pages 102 to 115).

Our double materiality process

Step #1

Defined the relevant issues (Preparatory)

A detailed review of the Group's business model, internal documentation, external regulatory landscape and peers was performed to identify and define the relevant issues. As well as the nine material topics from our previous single materiality assessment, an additional four were identified at this stage. A workshop with senior leadership provided clear definitions for each topic and confirmed scoring methodologies.

Step #2

Engaged with stakeholders (Research)

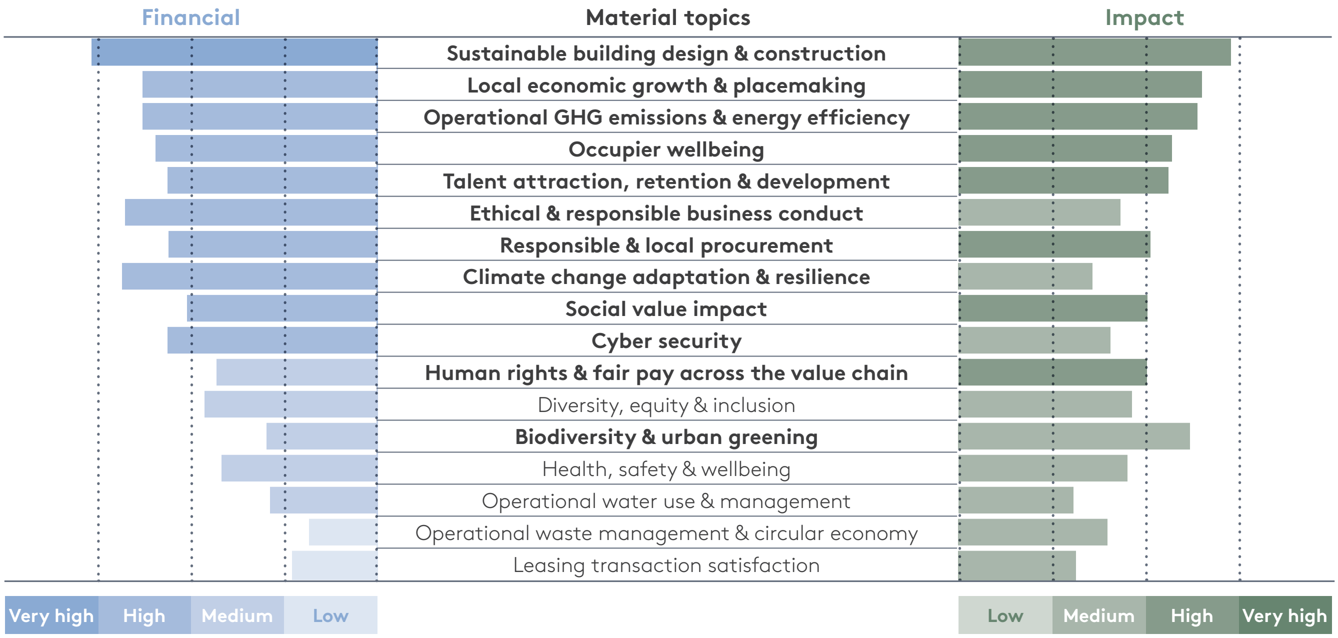
A wide range of internal and external stakeholders, aligned with our six key stakeholder groups (see pages 38 to 39) were asked to respond to a ranking questionnaire to provide a base of quantitative evidence. This was followed up with a series of interviews again comprising a range of individuals across all stakeholder groups.

Step #3

Analysed & defined results (Outcomes)

The quantitative and qualitative data was analysed to identify any additional material topics (where either the Financial or Impact score was Medium or higher) raised by stakeholders as well as to provide a 'score' from which our 'materiality matrix' was developed. The outputs were reviewed and validated by senior management, including the Chief Executive and Chief Financial Officer.

Butterfly materiality matrix



Most material topics – high or very high scores for either financial or impact materiality.

The table below provides further detail of where our material issues can be located within our risk management and other reporting.

Most material topics		Page
Sustainable building design & construction	Principal risk, 'Our resilience to climate change'	98
	Emerging risk, 'Nature of office occupation'	100
	TCFD transition risk, 'Planning requirements'	108
Local economic growth & placemaking	Our Communities	48
Operational GHG emissions & energy efficiency	Principal risk, 'Our resilience to climate change'	98
	Emerging risk, 'Climate-related risks'	100
	Our pathway to net zero	44 to 47
Occupier wellbeing	Principal risk, 'Health and safety'	98
	Emerging risk, 'Nature of office occupation'	100
	Health and safety	52 and 53
Talent attraction, retention & development	Responsible Business Committee report	166 to 173
	Our people	50 and 51
Ethical & responsible business conduct	Principal risk, 'Non-compliance with law and regulations'	99
	Responsible Business Committee report	166 to 173
Responsible & local procurement	Responsible Business Committee report	166 to 173
Climate change adaptation & resilience	Principal risk, 'Our resilience to climate change'	98
	Task Force on Climate-related Financial Disclosures (TCFD)	102 to 115
Social value impact	Our Communities	48
	Social Value Strategic Framework	48
Cyber security	Principal risk, 'Cyber attack on our IT systems'	97
	Principal risk, 'Cyber attack on our buildings'	97
	Emerging risk, 'Technological change'	100
	Risk Committee report	158 and 162
Human rights & fair pay across the value chain	Principal risk, 'Non-compliance with law and regulations'	99
	Responsible Business Committee report	166 to 173
Biodiversity & urban greening	https://www.derwentlondon.com/responsibility/publications	

1 These risks are monitored via the Group's Risk Register which is not disclosed in the annual Report & Accounts. Refer to pages 90 to 101 for the Group's Principal and Emerging risks.

Our journey to net zero

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 involves driving down our energy consumption significantly, upgrading and retrofitting our properties to improve efficiency and remove gas use where feasible, as well as closely collaborating with our occupiers.

Actions and outcomes

Upgraded data environment

Following the extensive upgrade work to our data environment in 2023, our new in-house database was fully rolled out in 2024. This has delivered greater efficiency and lower risk through increased automation within the data collection and analysis phases. The new system has also facilitated enhanced data usage across the business. Combined with ongoing operationalisation of our Intelligent Buildings initiative, our Building Operations Managers have improved access to data on a timely basis, allowing earlier detection and remediation of excess consumption, as well as supporting greater data sharing with occupiers.

Operational efficiency

Several trials have been run across our own office, including shorter plant run-times and reduced temperature set points, in line with new BCO guidance. The data from these trials have enhanced our ongoing programme of occupier engagement, which we have refined to focus on buildings with the highest consumption. Recognising that we should not use a one-size-fits-all approach, we adapt our engagement to maximise the impact.

Progress on removing gas

In 2024, we continued to remove gas from our buildings as part of our portfolio decarbonisation efforts, including at 1-2 Stephen Street W1 where air source heat pumps were installed. The knowledge we gain from this will be used to support further decarbonisation initiatives.

Where gas cannot be removed from a building, where appropriate we are retrofitting specialist equipment to boilers to enhance efficiency.

Procuring and investing in renewable energy

Our commitment

The Group is committed to ensuring that the energy we procure – electricity and gas – is from renewable sources. 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.

Actions and outcomes

Energy on renewable tariffs in 2024

- Electricity (REGO-backed): 99% (2023: 99%)
- Gas (RGGO-backed): 100% (2023: 99%)
- As at 31 December 2024, 100% of our electricity and gas contracts were on renewable tariffs backed by REGOs/RGGOs

All electricity is procured from within the UK and is from solar, wind or hydro projects which are less than 15 years old.

Self-generation in Scotland and London

At our Lochfaulds site in Scotland, planning consent was secured in 2023 for a c.100-acre, 18.4 MW solar park which we forecast will provide c.40% of the electricity used across our London managed portfolio (compared to a 2019 baseline). Delivery commenced in 2024 with site preparation and infrastructure works underway. We aim to procure the panels in a responsible manner and tender responses have been received from solar panel manufacturers. Completion is anticipated in 2026.

Where feasible, we install solar photovoltaic (PV) panels on our buildings. In 2024, six buildings had PV arrays. In addition, we have a small PV array at our Easter Cadder site in Scotland which will provide all the power required for our new Scottish office.

We will continue to review the strategic options available to self-generate the remaining electricity needs across the London managed portfolio.

Climate change is a material issue for society, our sector and our business. Having a robust transition plan, which incorporates the right environmental and climate change measures, enables us to operate responsibly across our portfolio and within the community.

Reducing the embodied carbon of development projects

Our commitment

Under our net zero pathway, new developments and major refurbishments will be net zero carbon on completion. In 2024, we updated our reporting methodology to more closely match the timing of emissions and offsetting. Forecast project emissions are now recognised on a phased basis over the construction period, with emissions offset over the same profile.

Defining embodied carbon and setting stretching targets

Whole life cycle 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**.

We work collaboratively with our development supply chain to assess and reduce a scheme's embodied carbon footprint. At each stage of design, we hold detailed workshops with our design 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 46 for details.

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

- From 2025: ≤600 $kgCO_2e$/sqm
- From 2030: ≤500 $kgCO_2e$/sqm

Our two on-site projects are being delivered to align with our 2025 target:

- 25 Baker Street W1: c.600 $kgCO_2e$/sqm
- Network W1: c.530 $kgCO_2e$/sqm

Our next phase of projects at Holden House W1 and 50 Baker Street W1 are also expected to be delivered in line with these targets.

Actions and outcomes

Early in 2024 we launched an updated version of our Responsible Development Brief. This places an enhanced focus on climate resilience, reducing 'whole life' carbon emissions and energy consumption, and promotes circularity, biodiversity and social value.

Offsetting residual carbon emissions we cannot eliminate

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, whilst we have set 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 expected to remain favourable and as such we expect to commence work on 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. In 2024, we forward-purchased, on a phased basis, a portfolio of carbon offset credits equivalent to c.114,000 tCO_2e for a total consideration of £3.9m or an average of £34/tCO_2e. This follows our procurement of c.81,600 credits in 2020 for £1.0m which have been used to offset the embodied carbon at a series of completed schemes.

Working with our offset partner, Climate Impact Partners, we carried out significant due diligence to ensure the environmental projects meet our quality standards and have been validated under a robust, credible scheme e.g. 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).

Further tree planting on Scottish land

The Group submitted two planning applications in 2024 for tree planting covering a total of c.30ha on our Scottish land. Subject to receipt of planning consent, planting is expected to commence in H2 2025. We have identified in excess of 200ha of additional land as potentially suitable for planting, subject to further appraisals.

A focus on embodied carbon

Our regeneration activity means embodied carbon (Scope 3, Category 2) makes a significant contribution to our annual carbon footprint. Decarbonising our regeneration activity is therefore a key priority. In 2024, we made significant progress in two key areas:

Circular economy

Our intention is to accelerate our shift towards the circular economy where greater value is extracted from materials through innovative re-use. Our efforts in 2024 were focused on both our regeneration activity and our day-to-day asset management.

A cross-business working group was established to facilitate an audit of our forthcoming projects to identify materials and parts that can be reused either on site, within the portfolio, or through a new third party partner.

Examples of circular economy in action in our portfolio

- Refurbishment and re-use of raised access flooring: Network W1, 1-2 Stephen Street W1, Holden House W1, 50 Baker Street W1
- Steel re-use: 1-2 Stephen Street, Greencoat & Gordon House SE1
- Use of low carbon cement replacements (e.g. industrial waste products) in concrete: 25 Baker Street W1, Network, 50 Baker Street
- Retention and re-use of MEP components and recycling of light fittings and other components: 1-2 Stephen Street, Greencoat & Gordon House
- Re-use of glass: Holden House, 50 Baker Street

The circular economy is about rethinking how we make, use and treat materials, such that the material's life is extended, re-used or re-purposed.

Accelerating Concrete-Decarbonisation Group (AC-DG)

The sub and super-structure elements of a development represent c.55% of the embodied carbon footprint, of which the primary contributor is the cement within the concrete. A lower cement content can lead to substantial carbon reductions.

In addition to exploring new and innovative structural solutions, we are also investigating the viability of emerging cement replacements. We recognise that to make this a reality, we need to work collaboratively with our peer and the wider supply chain from the concrete suppliers to the structural engineers and main contractors.

In 2024, we created the first cross-industry supply chain-wide working group called the 'Accelerating Concrete-Decarbonisation Group'. The aim is to facilitate collaboration and information sharing, and to accelerate delivery of lower carbon alternatives to market, while acknowledging the significant work which has already taken place.

The AC-DG gives each stakeholder group within the supply chain an opportunity to present their perspective on the challenges, barriers and opportunities, in a series of workshops. Three have already been held in 2024 with more planned for 2025. The next phase of workshops will look to identify appropriate concretes for piloting to better understand the commercialisation potential.

2024 highlights

- Energy intensity reduced by 8% to 137 kWh/sqm
- Engaged with 76% of occupiers by ERV
- Upgraded data control environment and launched new database
- Formation of industry-wide AC-DG
- Set SBTi-verified long-term target aligned to 1.5°C scenario (90% reduction in Scope 1, 2 & 3 by 2040 from 2022 baseline)
- Completed double materiality assessment

2025 priorities

- Progress the work of AC-DG to address key barriers for bringing low carbon concrete to the market
- Implement circular economy partnership
- Continue occupier engagement to further reduce energy consumption
- Gain additional visibility over occupier energy we do not procure (Scope 3, Category 13 emissions)
- Extend data capture within Scope 3, Category 1 (Purchased goods and services)
- Further progress initiatives to remove gas from portfolio

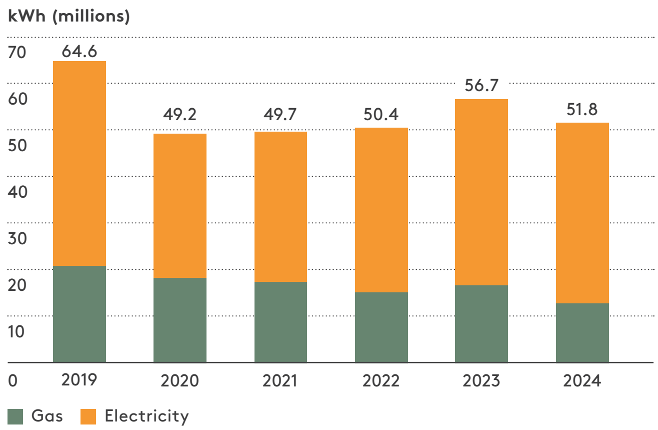
Water and waste

Water consumption rose 7% in 2024 compared to 2023. The majority of the increase relates to higher occupation levels at Soho Place W1 and The Featherstone Building EC1 following completion of works part-way through 2023.

The managed portfolio waste recycling rate reduced marginally to 69% in 2024 from 71% in 2023. We maintained an active programme of engagement, particularly targeting new occupiers.

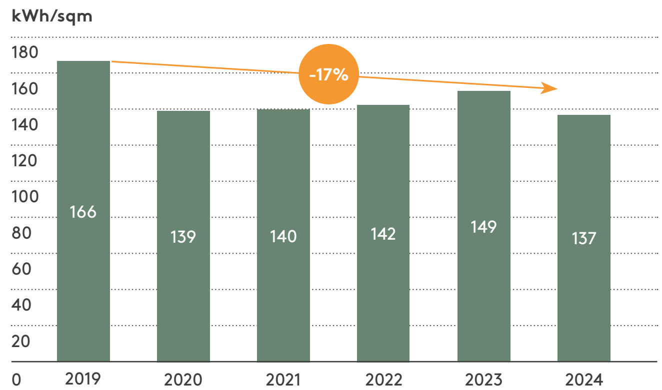
Our performance in 2024

Energy usage – electricity and gas



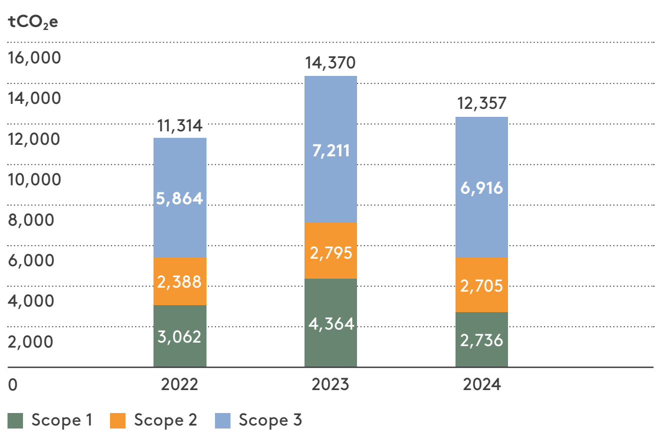
- Energy consumption of 51.8m kWh down 9% versus 2023
- Gas usage down 21% to 13.0m kWh
- Gas removed at one building and specialist boiler efficiency software installed at six buildings; shorter plant run times and relaxed temperature set points
- Electricity down 3% to 38.8m kWh
- Ongoing occupier engagement with greater data sharing; partly offset by higher occupancy at The Featherstone Building EC1 and The White Chapel Building E1

Energy intensity



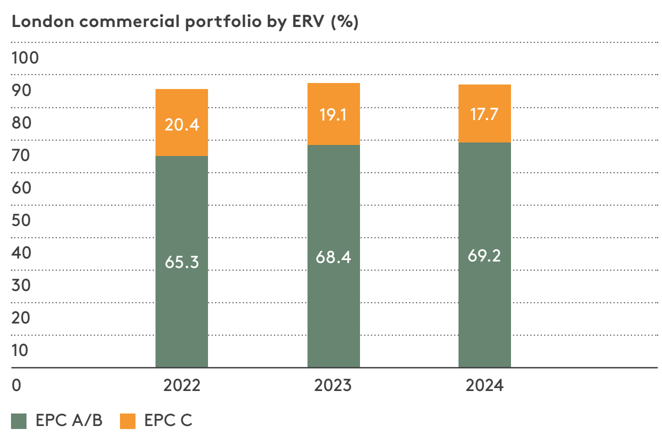
- Managed portfolio energy intensity (EUI) reduced to 137 kWh/sqm, 8% lower than 2023 (149 kWh/sqm)
- 2024 EUI 17% below 2019 baseline (166 kWh/sqm)
- Good progress towards 2030 target of 90kWh/sqm
- Ongoing collaboration between Property Management, Asset Management and Sustainability teams
- Refreshed occupier engagement strategy to launch in H1 2025

'Operational' carbon footprint – Scopes 1, 2 & 3



- Operational carbon footprint 14% lower at 12,357 tCO_2e compared to 2023 (14,370 tCO_2e)
- Carbon conversion factors largely unchanged in 2024
- Scope 1 down 37% due to 34% lower emissions from fuel usage and a 74% reduction in fugitive emissions
- Scope 2 (location-based) down 3% and Scope 3 (excluding embodied carbon) down 4%

EPC ratings



- EPC 'A' and 'B' (including on-site projects) increased to 69.2%, significantly ahead of the wider London market which is estimated at sub-30%
- Acquiring full control of 50 Baker Street W1 ahead of redevelopment caused a slight reduction in EPC 'C'-rated units to 17.7%
- EPC upgrade works are factored into all refurbishment projects to ensure ongoing compliance with evolving legislation

Our social contribution

We recognise that our buildings should have a positive impact on the communities in which they operate, and strive to create value where possible for our stakeholders.

2024 highlights

- Embedded new Social Value Strategic Framework
- Community fund provided £112,000 of funding across 16 projects
- Sponsorship and Donations Committee approved £339,000; specific focus in 2024 on homelessness
- Funded Islington schools participation in the Green Schools Project programme

2025 priorities

- £450,000 (up from £360,000) committed to our community funds for 2025-2027
- Launch multi-year funding approach
- Utilise DL/Lounges for the charities and community groups we support
- Continue to prioritise homelessness as a key focus of the Sponsorship and Donations Committee

£4.2m
Sponsorship and Donations Committee funding over 10 years

£1.2m
Community funds provided since inception

Our approach to social value

Our commitment to delivering social value has been a core part of our business for many years. This work takes a variety of forms to maximise the positive impact we have on local communities. Financial support through our Sponsorship and Donations Committee and community funds is an important part of our strategy to deliver social value. We place equal value on being part of each community to ensure we remain alert to their concerns and aspirations and can have a meaningful impact. Employee volunteering, work experience opportunities and building open-days have all contributed to establishing and maintaining effective connections with these communities.

Progress against our Social Value Strategic Framework

In December 2023, we published our Social Value Strategic Framework, outlining three key themes through which we will make a meaningful and positive difference to the communities in which we operate. In 2024 we made good progress against each theme:

- **Theme 1 'Part of the neighbourhood':** Timber from our worksites was identified as suitable for repurposing. We partnered with 'Yes Make' to repurpose the timber for several playground projects in London.
- **Theme 2 'Great places to work':** White Collar Factory EC1 hosted its first charity abseiling event in aid of UCLH Charity which encouraged occupier connection and participation from across the portfolio.
- **Theme 3 'A thriving local economy':** Our supply chain has actively taken steps to offer employment opportunities and participated in career sessions, including women in construction events, green skills induction and work experience sessions.

Disruptor London

Space for Change

As part of our 40-year anniversary celebrations, we held our Space for Change competition, offering three organisations complimentary DL/ Membership for one year, including access to our lounges.

Small businesses, community initiatives and charities were invited to apply, with the winners selected based on their vision, values, business objectives, brand identity and growth potential:

- Foundation for Change, a charity which provides courses for those with a history of addiction, exploring psychology, feminism and social inequality;
- Disruptor London, who is seeking to revolutionise the haircare market through tackling overconsumption and plastic waste with responsible solutions; and
- Materials Assemble, a leading destination for materials sourcing, bespoke manufacturing and consultancy services, tailored to the design and architecture industries.

Further information on the winning businesses and their journeys can be found on our **LinkedIn** profile.

Celebrating some of our enduring partnerships

The Soup Kitchen launches Home Kitchen restaurant

In 2024 the founders of The Soup Kitchen paired with a Michelin-star chef to open Home Kitchen restaurant in Primrose Hill – a world-first fine dining establishment run by, and for the benefit of, the homeless community. We contributed towards a recruit's salary in 2024 and 2025 as part of our ongoing prioritisation of homelessness.

> "Soup Kitchen London is incredibly proud of our relationship with Derwent London, which began in 2016 through the Fitzrovia and West End Community Fund. The ongoing monthly volunteer support from employees, which started in 2018, has been an absolute lifeline, helping us provide for the 200-plus people we serve each morning.
>
> **Alexander Brown**
> Soup Kitchen London – Community fund recipient

Teenage Cancer Trust (TCT)

Our longest-standing charity partner is Teenage Cancer Trust (TCT). In over 20 years of continued support we have raised £1.8m in donations. Our regular 'Big Lunch' event, which started in 2002, is central to our fundraising efforts. The last one held in 2022 raised £245,000 and the next will be in 2025.

Chickenshed

Our partnership with the inclusive theatre group, Chickenshed, began in 2007. They welcome people from all social and economic backgrounds, cultures and abilities to create theatre productions. Throughout our partnership, we have raised over £200,000 for this special social enterprise.

Continued to support our community funds

We operate two community funds: Fitzrovia and West End (founded in 2013) and the Tech Belt (founded in 2016). The key priority of these funds is to support and create value in the community by providing funding for a variety of grassroots projects with a focus on community events, environmental improvements, health and wellbeing activities, music and culture, and ongoing help for marginalised groups. The funds also act as a springboard for further engagement with local neighbourhoods, leading to corporate volunteering, school engagement and work experience opportunities. In addition, they enable us to anticipate further funding needs.

Following the launch in 2013, combined funding of over £1.2m has been provided to date across 180 different projects including:

- renewal of play equipment at a children's natural playground;
- running interactive music sessions at a care home; and
- funding lunch clubs for older people.

In 2025 we intend to introduce a multi-year funding approach so applicants will only need to apply once for the full three-year funding. This will provide charities with greater visibility and certainty, facilitating forward planning.

Other activities

In 2024, our Sponsorship and Donations Committee approved £339,000 of charitable donations to good causes. Some of the ways these funds were used to create value in the community during the year included:

Supporting UCLH Charity

We donated £30,000 to acquire essential equipment for breast cancer treatment. In addition, we helped raise £50,000 through a sponsored abseil, at our White Collar Factory building.

Prioritising homelessness

We donated c.£60,000 towards homelessness in 2024, of which £20,000 went to the first year of our new three-year funding agreement with Providence Row, a charity fighting poverty and homelessness. This donation will support their Welcome Area and Resource Hub, providing warm, safe spaces for their clients as well as a place to eat. They also provide access to specialist health services and support for substance misuse, employment programmes and outreach psychotherapy.

Empowering young people for employment

£10,000 was donated towards Resurgo's 'Spear Programme', a six-week coaching course focused on preparing young people for employment or further education. Participants also receive support for a further 12 months as they gain confidence and move into work or education.

Our people

We strive to attract a diverse workforce while continuously developing and upskilling our existing talent. Our employees are essential to our success and will help shape the next generation of leadership talent.

2024 highlights

- Hosted four individuals through the #10,000 Interns programme
- National Equality Standard (NES) re-accreditation, top 5%
- Conducted inclusive leadership training for senior management
- Continued focus on Disability and Accessibility
- Held focus groups to review 2023 employee survey results and prepared appropriate action plan
- Achieved the Silver Award for Britain's Most Admired Companies in the real estate category

2025 priorities

- Maintain focus on future succession planning and employee upskilling
- Take appropriate action identified following staff 'pulse survey'
- Prepare and launch biennial employee survey
- Analyse feedback from NES reassessment and refocus priorities
- Repeat Business Disability Forum self-assessment to identify progress areas

91%
Overall employee satisfaction

91%
Would recommend Derwent London as a good place to work

Members of the D&I Working Group with Simon Manterfield (NES lead assessor)

Attracting and optimising talent

Our employees are instrumental to the long-term success of the business. We aim to create a culture which enables our diverse workforce to thrive, have a voice and be their authentic selves.

We enjoyed high employee retention at 85% for 2024 (excluding contractors and retirees) and a long average tenure with 44% of our workforce having five or more years of service and 23% having 10+ years. We seek to balance continuity with fresh ideas, experience and skills, and in 2024 we recruited 36 people externally.

Ongoing development, career progression and succession planning is important to us, and we actively promote continuous personal development and upskilling opportunities. To facilitate this, we invest in our employees by offering comprehensive learning and development opportunities at all levels. These include core skills and technical workshops, management skills training, as well as one-to-one and team coaching.

In 2024, there were 15 internal promotions (ten women and five men), including two new Executive Committee appointments.

Investing in existing talent is not enough. For the real estate industry to appeal to a broader cross-section of society, creating opportunities for people from different backgrounds is also important. To facilitate this, in 2024:

- two employees completed their two-year apprenticeship and have taken on new roles as Building Operations Support;
- we hosted 13 work experience candidates;
- we ran a careers event at White Collar Factory EC1 for a local Islington school;
- we provided mock interview practice and career advice for students at a secondary school in Paddington; and
- we hosted four individuals through the six-week #10,000 Interns programme.

Employee engagement

Employee engagement and communication are important; our workforce should feel valued and empowered to contribute and speak up. Of our employees, 76% are based at our head office which enables effective, regular face-to-face interaction. This is further supported by our 'open-door' policy. Together with a range of formal and informal communication channels, including our regular town hall meetings, we have a highly engaged workforce.

We use anonymous annual employee surveys to obtain staff feedback and measure satisfaction levels. This consists of a short 'pulse survey' and a comprehensive independent survey in alternating years. In 2024, our Responsible Business Committee conducted a series of focus groups to dive deeper into the areas identified in the 2023 survey. Resulting actions, reviewed by the Executive Committee, included greater focus on cross-team collaboration, training for middle management and the redesign of our performance appraisal process.

We achieved an 85% response rate to our 2024 pulse survey, demonstrating strong engagement. The results indicate a high satisfaction rate of 91%.

Health and wellbeing

We know that people are most productive when they are physically and mentally thriving and socially connected.

In addition to a suite of generous employee benefits, we have trained mental health first aiders, an employee assistance programme and occupational health support. We encourage proactive self-care and run a series of 'lunch and learn' sessions. Topics in 2024 focused on neurodiversity, imposter syndrome and raising awareness of disabilities and long-term health conditions. We also introduced paid Carer's Leave and a stand-alone Sexual Harassment Policy to reinforce our zero-tolerance stance. Our intranet provides additional resources across a range of topics.

To continue building healthy, nurturing and supportive relationships, and foster a genuine community spirit, our social committee arranges regular inclusive events. Numerous volunteering opportunities are also open to everyone.

Diversity and inclusion (D&I)

Over the last 12 months we worked hard to continually build on our inclusive culture that attracts talented individuals and promotes, encourages and celebrates the diverse voices of all our employees. In our 2024 pulse survey, 90% of employees agreed that Derwent London is an inclusive place to work (2023: 80%).

Our D&I Working Group has been operational for several years and we are proud of our journey to date. A key focus area for 2024 was Inclusive Leadership Training for our senior management team. This aimed to educate and develop the skills and practices needed to ensure a supportive work environment where all employees feel valued and respected. Inclusive working sessions will be rolled out to all employees in 2025.

As part of our objective to increase awareness around religious festivals and cultural celebrations, we amended our Annual Leave Policy to offer employees the option of swapping a number of bank holidays for religious holidays or festivals.

A focus on disability

Since joining the Business Disability Forum (BDF) in 2023, we have focused on accessibility for our employees and occupiers. Our Health, Safety & Accessibility Working Group (together with the D&I Working Group) has partnered with a leading disability and diversity consultancy to review a number of our buildings. Existing barriers were assessed and identified, taking the requirements of all recognised disabilities into consideration. Building Accessibility Guides are being developed by Property Management which will be available to people accessing our buildings. The guides will be rolled out over the coming months in large print, Braille and digital.

We are dedicated to raising awareness and education within our organisation around long-term conditions and disabilities. A number of employees shared their lived experience in our D&I newsletters, helping colleagues better understand their challenges and how to support them.

National Equality Standard re-accreditation

In 2024, we achieved the National Equality Standard for the second time, with a score in the top 5% of accredited organisations in the UK. We were particularly praised for our ability to attract diverse talent, the breadth of our mental health and wellbeing offerings and our approach to community and social impact work. Since our initial accreditation in 2021, we have continued to raise the bar across our talent processes, diversity and inclusion initiatives, and behavioural-based competencies.

> **Derwent's decision to engage with NES for a second time is a testament to its commitment to D&I and its organisational appetite to grow and learn from industry-leading practice.**

Simon Manterfield
National Equality Standard,
Lead Assessor, EY

EY NES NATIONAL EQUALITY STANDARD

Health & safety

The health, safety and wellbeing of our people, occupiers, residents, service partners, contractors and the public is a high priority for us. This is achieved through robust and effective risk management.

2024 highlights

- Achieved Royal Society for Prevention of Accidents (RoSPA) Gold Award for the second consecutive year
- Rolled out Building Safety Act plans across in-scope properties and developments
- Launched Continuous Improvement Group (CIG) for our architects, principal designers and project managers
- Implemented 'Client audit and early design H&S risk review' for major development schemes
- Full review of CDM Duty Holder roles in line with fire and building safety legislation updates
- Property Management H&S Committee established

2025 priorities

- Launch H&S audit programme for managed portfolio service partners
- Further develop H&S processes for safe acquisition of new properties and development
- Extend Directors' H&S Leadership programme across Executive Committee
- Review and update contractor management controls and safe systems of work for construction projects
- On completion, safely mobilise and launch 25 Baker Street W1 and Network W1 projects

Our approach to health, safety and wellbeing

Our approach is centred around people, assets and developments. Our Health & Safety (H&S) team is integral in proactively developing our approach across our London and Scotland portfolios, at all levels.

- Our aim is to provide healthy, safe and secure environments for our people, customers and contractors to work, live, visit and relax.
- Our people are instrumental to the success of our business, which is why we invest in and train them to ensure healthy and safe work environments.
- Our integrated approach ensures that health, safety and wellbeing is considered at every stage of a building's life cycle.

We achieve this by:

- designing suitable health, safety and wellbeing systems which are proactively managed;
- establishing and maintaining formal policies and procedures which comply with latest legislation;
- ensuring work is assigned to competent individuals, monitored and audited;
- carrying out rigorous and ongoing training on relevant legal responsibilities and best practice;
- regularly reviewing our performance at Board, Executive and Committee levels; and
- ensuring we learn when accidents, incidents or near misses occur and make appropriate changes to prevent reoccurrence.

Providing a safe work environment for our people

We focus on both physical and mental wellbeing to enable our employees to thrive and enjoy a safe place to work.

This is achieved by ensuring our teams are well informed and trained on H&S requirements, standards and best practice. Collaboration across Derwent teams is intrinsic in engaging and developing levels of understanding and competence in the varying H&S risk aspects, including marketing, events, operations and construction.

During 2024, there were 198 person days of H&S training covering a range of topics. As well as formal training courses and qualifications, we also provided topical health and wellbeing webinars, toolbox talk safety sessions and site-specific H&S inductions for all new employees.

A H&S training matrix is used to identify training requirements by role. At the start of 2024, a comprehensive review of the matrix and programme was undertaken to gain feedback and engagement in developing appropriate competencies.

Our employee-led Health, Safety and Accessibility Working Group meets every two months. Key discussion points are fed into the Group H&S Committee alongside key outcomes from the Property Management H&S Sub-Committee.

Making our assets safe to occupy

Ensuring our occupiers, visitors and those who live and work in and around our buildings remain safe and healthy is our responsibility. This requires health and safety risk consideration in designing, constructing, maintaining and operating our buildings. We utilise a combination of early intervention techniques, adoption of published health and safety standards, as well as our own best practices and collaboration across the business.

Our in-house H&S team supports our Property Management team. Dedicated H&S Managers engage and advise building management teams, monitor and audit performance, and ensure our buildings are operated safely.

We use the RiskWise platform to monitor and report on asset H&S risk and compliance across the managed portfolio. Formal annual 'Property Health Check' inspections and Fire and Water Risk Assessments are undertaken; in 2024 we maintained 98% compliance.

High health and safety standards on construction sites

We maintain strong relationships with our principal and main contractors, endeavouring to lead by example as an informed and responsible construction client. In 2024, we worked with 25 principal contractors on our development and managed property portfolios.

Each year we seek to enhance the overall environment of our construction activities, through increased collaboration, client-input, consistent H&S standards, and a continued focus on key risks within the construction industry. H&S monitoring of our construction sites (through internal and external assessment), provides assurance of performance, and opportunities to learn and improve.

Our two on-site major projects accounted for the three construction-related RIDDORs reported to us in 2024 (2023: four), while the number of hours worked nearly doubled to 1.7m. As a result, our RIDDOR accident frequency rate (AFR) reduced significantly to 1.75 (2023: 4.38).

The H&S and Development teams work closely on all projects with a H&S Manager assigned to each project from design phase. This has enhanced the early identification of design elements with potential H&S risk implications, facilitating early stage risk elimination or mitigation.

Members of the Health & Safety, Property, Asset and Building teams

Health and safety data

Our key H&S statistics for 2024 have been subject to independent limited assurance by Deloitte LLP in accordance with the ISAE 3000 (Revised) Standard. Refer to the Health and Safety Basis of Reporting in the 2024 **Responsibility Report**.

	Employee		Managed Portfolio		Construction Projects		Totals	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Indicators								
Person hours worked(A)	**259,822***	266,513	**981,639***	920,142	**1,716,207**	913,843	**2,957,668**	2,100,498
Minor injuries(A)	**2**	0	**23**	27	**18**	10	**43**	37
Near miss(A)	**1**	1	**29**	20	**40**	37	**70**	58
Lost time injuries(A)	**1**	3	**2**	3	**4**	4	**7**	10
Lost time days	**2**	13	**5**	10	**10**	5	**17**	28
RIDDORs (TOTAL)(A)	**0**	1	**3**	3	**3**	4	**6**	8
RIDDORs (Direct)**(A)	**0**	n/a	**2**	n/a	**2**	n/a	**4**	n/a
Dangerous occurrences(A)	**0**	0	**0**	0	**0**	0	**0**	0
Fatalities(A)	**0**	0	**0**	0	**0**	0	**0**	0
Improvement notices(A)	**0**	0	**0**	0	**0**	0	**0**	0
Prohibition notices(A)	**0**	0	**0**	0	**0**	0	**0**	0
Rates								
Injury rate(A)	**7.70**	0	**23.43**	29.34	**10.49**	10.94	**14.54**	17.61
Lost day rate(A)	**7.70**	48.78	**5.09**	10.87	**5.83**	5.47	**5.75**	13.81
Severity rate(A)	**0.67**	3.25	**0.18**	0.30	**0.40**	0.28	**0.30**	0.51
RIDDOR AFR(A)	**0.00**	3.75	**3.06**	3.26	**1.75**	4.38	**2.03**	3.81
RIDDOR AFR (Direct)(A)	**0.00**	n/a	**2.04**	n/a	**1.17**	n/a	**1.35**	n/a

For the metrics denoted as (A) above, Deloitte LLP provides third party limited assurance in accordance with ISAE 3000 (Revised). For 'Employees,' Deloitte does not assure lost time injuries, injury rate, lost day rate, or severity rate. In addition, Deloitte does not assure the 'Totals' column displayed in the table above.

* Denotes that person hours worked for 'Employees' includes 'Derwent Lounges,' but does not include Building Manager's and 'Caledonian Properties' employees' working hours, which are subtracted from submitted internal 'Employees' data and added to 'Managed Portfolio' data.

** Direct RIDDORs reported (new indicator) are separated from TOTAL RIDDORs reported. Refer to Health and Safety Basis of Reporting in the 2024 **Responsibility Report** for further details.

Responsibility governance

Acting in a transparent and responsible manner is a core element of our business and underpins our key governance practices.

2024 highlights

- Publication of climate-related financial disclosures consistent with the TCFD Recommendations as required by the Listing Rule 6.6.6 (8)
- Published our latest Modern Slavery Statement, with key recommendations implemented from the independent gap analysis conducted by Unseen UK (see page 171)
- Continued mandatory compliance training for all employees (including the Board)
- Hosted a 'meet the Board' event for employees from across the workforce
- Implemented new environmental database with enhanced control environment

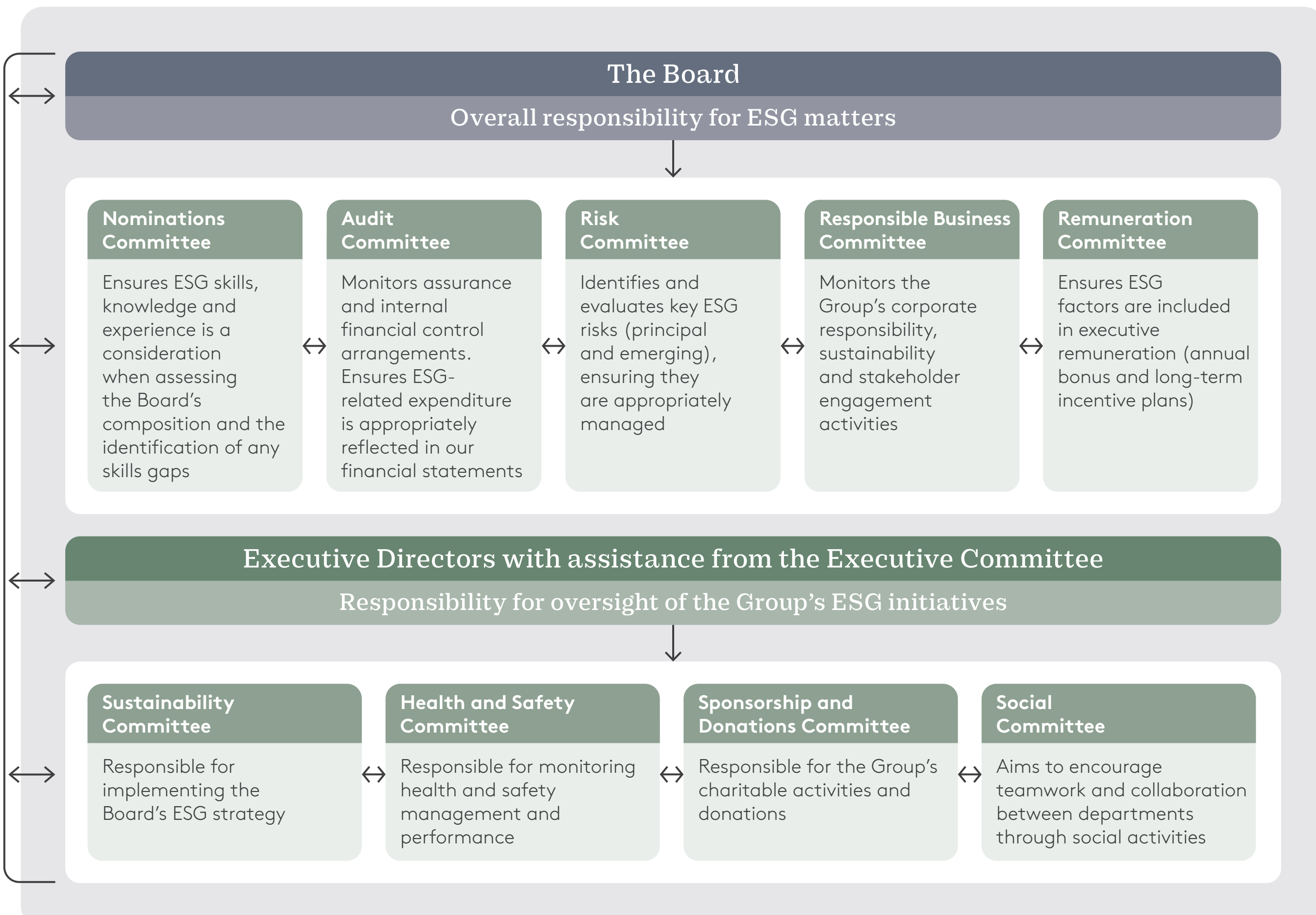
A responsible business

The oversight of ESG matters is critical. It not only allows the Board to appreciate the overall impact of its decisions on key stakeholders and the environment, but also ensures the Board is kept aware of any significant changes in the market. This includes the identification of emerging trends and risks, which in turn can be factored into its strategy discussions. We conduct business with integrity and work with stakeholders who share our values and ethical principles.

ESG is overseen principally by the Board, Responsible Business Committee and Sustainability Committee.

Governance framework / **See page 129**

Our Chief Executive, Paul Williams, is the designated Director with overall accountability for ESG matters. However, the responsibility for overseeing it is delegated to Nigel George (Executive Director). Paul Williams oversees the review and performance of our responsibility work as Chair of the Sustainability Committee and as a member of the Responsible Business Committee.



Protecting human rights

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

The Board's role in managing the Group's culture/ **See page 130**

Externally, we are active in ensuring our ESG standards are clearly communicated to our supply chain, principally via our Supply Chain Responsibility Standard. To ensure the human rights of our supply chain are respected, we are clear on our zero-tolerance position with regards to slavery and human trafficking as set out in our Modern Slavery Statement.

Based on our ongoing risk assessment, we continue to believe the residual risk of any slavery or human trafficking in respect of our employees is very low. Further information on our efforts to prevent modern slavery occurring in our supply chain is on page 171.

Modern Slavery Statement/ **www.derwentlondon.com/investors/governance/modern-slavery-act**

Supply chain governance

It is important to us that our suppliers and construction partners operate responsibly and share our ESG business principles.

Our supply chain governance procedures ensure our suppliers are aware of the standards we expect from them and the business practices which we will not tolerate. All suppliers with whom we spend more than £20,000 per annum are required to provide evidence of how they are complying with our Supply Chain Responsibility Standard.

Supply Chain Responsibility Standard/ **See page 171**

Derwent London continued to be a signatory of the Chartered Institute of Credit Management (CICM) Prompt Payment Code up until its cessation on 3 December 2024. Responsible payment practices remain an area of important focus for the Group as we are committed to being clear, fair and collaborative with our suppliers. We are currently in the process of applying for a Fair Payment Code Award, with the aim of achieving silver or higher, which has replaced the Prompt Payment Code (CICM).

Climate change governance

The governance of climate change risk and opportunities is ultimately the responsibility of the Board. However, responsibility is delegated to the Executive Committee and day-to-day management to the Sustainability team.

The Board monitors the Group's progress against our net zero carbon targets, specifically managed portfolio energy intensity and embodied carbon intensity on major projects. In addition, specific climate-related performance indicators are assured by Deloitte LLP and these can be found in their assurance statement which is available within the latest Responsibility Report.

Responsibility Report/ **www.derwentlondon.com/responsibility/publications**

Our strategy and targets for energy consumption and carbon emissions are approved and monitored by the Board. The Board, Responsible Business Committee and Executive Committee receive formal updates and presentations on performance against targets.

Green finance governance

Our Green Finance Framework allows us to clearly link our financing to the environmental benefits our activities generate. The Audit Committee receives annual updates on our green finance initiatives including in respect to our reporting disclosures.

Our Green Finance Framework received a Second Party Opinion (SPO) from DNV that it is aligned with the Loan Market Association's Extended Green Loan Principles 2021 and the International Capital Market Association's Green Bond Principles 2021. The SPO is available on our website **www.derwentlondon.com**.

This year, we changed our green finance assurance provider from Deloitte LLP to PwC. PwC have provided reasonable assurance over selected green finance KPI disclosures, and their assurance statement is available within the latest Responsibility Report.

Our Green Finance Framework/ **See page 84**

£878m

Cumulative Eligible Green Project (EGP) capex at 31 December 2024 across five eligible projects

Additional governance disclosures

The Section 172(1) Statement/ **See page 132**

Compliance training/ **See page 165**

Going concern and viability/ **See pages 86 to 89**

Anonymous reporting of concerns/ **See page 128**

Tax governance

We take our obligations as a taxpayer seriously and focus on ensuring that, across the wide range of taxes that we deal with, we have the governance and risk management processes in place to allow us to meet all our continuing tax obligations. The Board has overall responsibility for our tax strategy, risk assessment and tax compliance.

We have recently recruited an experienced Head of Tax to whom the Board has delegated responsibility for the management of the Group's tax affairs and for leading the relationship with HMRC.

Our Statement of Tax Principles, which is approved by the Board, is available on our website: **www.derwentlondon.com/investors/governance/tax-principles**

We have an open and transparent relationship with HMRC and seek to anticipate any tax risks at an early stage, including clarifying areas of uncertainty as they become evident.

We keep HMRC informed of how our business is structured and respond to all questions and requests promptly. The Head of Tax regularly engages with HMRC to support consultations or to seek legislative clarification in areas that could potentially impact our business.

Reporting frameworks and ESG data

Non-financial reporting

As we have fewer than 500 employees, the non-financial and sustainability information statement (NFSIS) requirements contained in the Companies Act 2006 do not apply to us. However, due to our commitment to promoting transparency in our reporting and business practices, we have elected to provide further information in the table below.

Category	Our key policies and standards	Additional Information	
Environmental matters	• Responsibility Policy • Net Zero Carbon Pathway • Science-based carbon targets • Task Force on Climate-related Financial Disclosures (TCFD) • Streamlined Energy and Carbon Reporting (SECR) disclosure	Responsibility Report **www.derwentlondon.com/responsibility/publications**	
		Our pathway to net zero carbon	Pages 44 and 45
		Climate change governance	Pages 55 and 111
		Risk management	Pages 161 and 90 to 101
		Executive Directors' LTIP 2024	Page 195
		UN SDGs	Page 57
		TCFD	Pages 102 to 115
		SECR	Pages 58 and 59
Social and employee aspects	• Volunteer Policy • Equal Opportunities and Diversity Policy • Professional development and training • Shared parental leave • Smart Working Policy	Community Fund	Pages 48 and 49
		Our people	Pages 50 and 51
		Executive Directors' annual bonus	Pages 192 and 193
		Diversity and inclusion	Pages 172 and 173
		Employees on a committee	Page 170
		The Section 172(1) Statement	Page 132
Respect for human rights	• Individual Rights Policy • Health and Safety Policy Statement • Supply Chain Responsibility Standard • Modern Slavery Statement & Policy • Code of Conduct and Business Ethics	Health and safety	Pages 52 and 53
		Human rights	Page 55
		Modern slavery	Page 171
		Supply Chain Responsibility Standard	Page 171
Anti-corruption and bribery issues	• Anti-bribery Policy • 'Speak up' Policy • Expenses Policy • Money Laundering and Terrorist Financing Policy • Preventing Facilitation of Tax Evasion Policy • Prevention of Fraud Policy	Audit Committee report	Pages 144 to 155
		Risk Committee report	Pages 156 to 165
		Anti-bribery and corruption	Page 165
		Our principal risks	Pages 94 to 99
		Our emerging risks	Pages 100 and 101
		Compliance training	Page 165

UN SDG disclosures

The United Nations Sustainable Development Goals (SDGs) are an international framework developed to support global change and sustainable growth.

We have reviewed the suite of 17 goals and have selected those which align most closely to our ESG priorities. We believe that we have a role in supporting the UK in responding to this standard and helping positively effect change. Set out in the table below is a summary of our progress against the selected goals.

Our ESG priority	UN Goal	Target	Indicator	Our progress
Creating value in the community and for our wider stakeholders	4 QUALITY EDUCATION	4.4	4.4.1	Our community fund enables us to invest in and support groups which work with and upskill young people from socially and economically challenged backgrounds. We work with Soapbox Islington, a charity providing young people with opportunities to build specialist and higher-level digital skills. They are developing an accredited online Mentoring, Coaching & Employability programme. Participants will develop specific STEAM-related skills, knowledge and understanding of networks supporting them in follow-on education, employment and training opportunities.
		4.a	4.a.1	Our Sponsorship and Donations Committee funded the participation of a group of young people in Resurgo's Spear programme to help them realise their potential regardless of the barriers to employment they face. Coaching is provided on the mindset and skills needed to get into, and then thrive, at work.
Protecting human rights, Engaging and developing our employees	5 GENDER EQUALITY	5.1	5.1.1	Beyond our legislative requirements we are active in ensuring meaningful gender equality across the business. In late-2021 we achieved National Equality Standard (NES) certification and were delighted to achieve re-accreditation in late-2024, scoring in the top 5% of assessed organisations. Our Diversity & Inclusion Committee continues to ensure progress is being made and best practice is implemented. Our training and development initiatives are available company-wide. We have adopted a smart working policy and offer enhanced parental leave. Feedback from our employee surveys helps us identify potential gender and ethnicity differentials.
		5.5	5.5.2	Our gender balance ratio is 49%:51% male/female, with women comprising 36% of our senior management team. In 2024, there were 15 internal promotions, 67% of which were women.
Designing and delivering buildings responsibly, Managing our assets responsibly	7 AFFORDABLE AND CLEAN ENERGY	7.2	7.2.1	We aim to purchase renewable energy across our managed portfolio. As at the end of 2024, all electricity contracts were on renewable tariffs backed by REGOs and gas contracts were RGGO-backed. As part of our net zero carbon programme, construction has started on our 100-acre 18.4 MW solar park on our Scottish land, which is due to complete in 2026.
		7.3	7.3.1	We have developed building specific energy intensity reduction targets, designed to help us measure and improve the energy efficiency of our managed properties, supporting progress towards net zero carbon.
Creating value in the community and for our wider stakeholders	11 SUSTAINABLE CITIES AND COMMUNITIES	11.7	11.7.1	We actively promote the inclusion of public spaces in and around our buildings and ensure they are fully accessible. In addition, we are signatories of the Westminster City Charter, the aim of which is to support Westminster City Council in its ambition to become a zero-carbon borough by 2040.
Managing our assets responsibly	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5	12.5.1	We have a portfolio-wide minimum recycling target of 75% and a no waste to landfill policy. In addition, we have developed a new circular economy strategy for both our managed properties and regeneration projects, which we will launch in H1 2025.
		12.6	12.6.1	We integrate comprehensive sustainability information into our company and public reporting cycles.
Designing and delivering buildings responsibly, Managing our assets responsibly	13 CLIMATE ACTION	13.2	13.2.2	Our science-based carbon targets are aligned to a 1.5°C scenario, verified by the Science Based Targets Initiative (SBTi). In addition, we have set embodied carbon and energy intensity reduction targets for our developments and managed properties respectively. We are committed to reducing our carbon emissions and ensuring our portfolio is climate resilient. In 2024, we updated our Responsible Development Brief which outlines our holistic approach to responsible design.

Streamlined Energy and Carbon Reporting (SECR) disclosure

In line with SECR regulations, the adjacent table shows the carbon emissions (tCO_2e) across Scopes 1, 2 and 3 together with appropriate intensity ratios ($kgCO_2e/sqm$) from our managed portfolio. We also show the global energy consumption (kWh) used to calculate our emissions. New in 2024, we show estimated consumption and emissions from our unmanaged buildings.

www.derwentlondon.com/responsibility/publications

In 2024, we updated our methodology for reporting embodied carbon emissions (included within Scope 3, Category 2) from major projects to more closely align the timing of emissions and offsetting. Full details are provided in Data notes below. Prior year data has not been restated.

Energy efficiency actions

The Group undertook a number of energy efficiency actions in 2024. These included:

- trials run across our own office, including shorter plant run-times and relaxed temperature set points, the results of which were used to support our ongoing programme of occupier engagement;
- out of hours assessments to identify actions for application across the portfolio, including external light assessments with findings reported to occupiers;
- air source heat pumps installed at 1-2 Stephen Street W1 as part of our work to decarbonise the portfolio and will use this model as a blueprint for future decarbonisation works;
- retrofitting specialist equipment to boilers at six buildings to enhance efficiency;
- completing and submitting our Phase 3 ESOS assessment and our annual reporting action plan template; and
- upgrades to building management systems (BMS) at several buildings to facilitate better control.

As the result of the actions and interventions noted above, year on year energy consumption reduced by 9% and energy intensity by 8% in 2024. Compared to our 2019 baseline, energy intensity has reduced by 17%.

See page 47

Data notes

Boundary (consolidation approach)	We use the 'operational control' approach. This incorporates properties where the Group has management control and influence over the operations, referred to as the 'managed' portfolio. This is located in central London (UK) and comprises 35 properties in total. Landlord emissions from our retail park in Glasgow are also included.
Alignment with financial reporting	The only variation to our financial reporting approach is that energy data and GHG emissions are excluded for buildings where the Group does not have control or influence. These are either single-let properties (also referred to as FRI) or areas for which we do not have management control (e.g. we do not procure utilities). We show our estimate of these emissions as a footnote to our SECR table. The rental income of these properties is included in the consolidated financial statements.
Reporting method	GHG emissions reporting is in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. Further details on our data calculation methodology can be found in the data section of our annual **Responsibility Report**.
Prior year restatements	No restatements have been made to 2023 data.
Emissions factor source (location-based)	UK Government emissions factors are used to convert energy usage into location-based carbon equivalents. These can be found at **www.gov.uk/government/collections/government-conversion-factors-for-company-reporting**.
Market-based emissions	The Scope 2 market-based factor is based on the provenance of energy supplies. In 2024, 99% of electricity was purchased on REGO-backed tariffs.
Embodied carbon	In 2024, we updated our reporting methodology for embodied carbon emissions (Scope 3, Category 2) from major projects (including refurbishments). We now report annually on a phased basis. Total estimated emissions from the RIBA Stage 4 report are spread equally over the construction period. Post practical completion, the as-built embodied carbon assessment will be reported, and any accruals will be captured in the final reporting year. The reported carbon tonnage is offset in the year of reporting. For our two major on-site projects, 25 Baker Street and Network, and Strathkelvin Retail Park, which are due to complete in 2025, the embodied carbon will be spread and reported over the remaining construction period (2024 and 2025). Prior year data has not been restated.
Independent assurance	Selected 2024 metrics were subject to independent limited assurance by Deloitte LLP in accordance with ISAE 3000 (Revised) and ISAE 3410 Standards. Their unqualified assurance opinion and our Environmental Basis of Reporting can be found in the 2024 **Responsibility Report**.

GHG emissions

	Location/ Market-based	tCO$_2$e 2024	2023	% change 2024 vs 2023
Scope 1				
Combustion of fuel[1]	Location	**2,378**	3,007	**(21)**
Fugitive emissions[2]	Location	**358**	1,357	**(74)**
Total Scope 1 emissions	Location	**2,736**(A)	4,364	**(37)**
Scope 2				
Purchased electricity, heat, steam and cooling for own use[3]	Location	**2,705**(A)	2,795	**(3)**
Purchased electricity, heat, steam and cooling for own use[3]	Market	**19**(A)	29	**(34)**
Total Scope 1 & 2 emissions	Location	**5,441**	7,159	**(24)**
Total Scope 1 & 2 emissions intensity (kgCO$_2$e/sqm)	Location	**13.6**	18.2	**(25)**
Proportion UK-based		**100%**	100%	**–**
Scope 3 emissions[4]				
Category				
1. Purchased goods and services (includes water)		**30**	36	**(17)**
2. Capital goods[5]		**19,136**(A)	799	**2,295**
3. Fuel and energy-related activities		**1,283**	1,411	**(9)**
5. Waste generated in operations		**52**	79	**(34)**
6. Business travel		**117**	58	**102**
7. Employee commuting		**110**	110	**0**
13. Downstream leased assets[6]		**5,324**	5,517	**(3)**
Total Scope 3		**26,052**(A)	8,010	**225**
Total Scope 1, 2 & 3 emissions	Location	**31,493**	15,169	**108**
Total Scope 1, 2 & 3 (excluding embodied carbon) emissions		**12,357**	14,370	**(14)**

1 Managed portfolio gas use and fuel use in Derwent London owned vehicles.
2 Managed portfolio refrigerant loss from air conditioning and chilling systems.
3 Managed portfolio electricity use for common parts and shared services (landlord-controlled areas); no heat, steam or cooling was/is purchased.
4 Categories 4, 8, 9, 10, 11, 12, 14 & 15 are currently identified as non-material to scope of business or not relevant.
5 Refer to Data notes on page 58 for changes to embodied carbon emissions recognition methodology; 2023 data has not been restated.
6 Emissions from tenant electricity consumption for the managed portfolio only. Where the Group does not exercise 'operational control', consumption and emissions are not reported within our managed portfolio disclosure (within Scope 3, Category 13). This relates to the FRI portfolio and those elements of the managed portfolio (principally residential and retail units) where occupiers procure their own utilities. For completeness, based on estimated energy consumption of c.38.6m kWh (2023: c.43.7m kWh), our best estimate of the carbon emissions for the FRI portfolio and those elements of the managed portfolio in 2024 is c.7,700 tCO$_2$e (2023: c.8,700 tCO$_2$e).

Metrics denoted with an (A) have been subject to independent limited assurance by Deloitte LLP in accordance with ISAE 3000 (Revised) and ISAE 3410 Standards – see Environmental Basis of Reporting in our latest **Responsibility Report**.

Global energy use

	kWh 2024	2023	% change 2024 vs 2023
Gas (combusted on a whole building basis)	**12,981,252**(A)	16,424,375	**(21)**
Electricity (consumption from landlord-controlled areas)	**13,150,182**(A)	13,596,037	**(3)**
Electricity (consumption from tenant-controlled areas)	**25,713,301**(A)	26,642,461	**(3)**
Total energy (consumption from landlord areas for electricity and gas)	**26,131,434**(A)	30,020,412	**(13)**
Total building energy (consumption from landlord and tenant-controlled areas and gas)	**51,844,735**(A)	56,662,872	**(9)**
Derwent London vehicles (fuel combustion)	**16,278**	11,245	**45**

For more analysis of our GHG emissions, energy consumption and renewable energy generation, use and procurement, visit the data section of our latest **Responsibility Report**.