

SUSTAINABILITY

2015 has been another busy and successful year for our business, and this is reflected in our sustainability work, which continues to go from strength-to-strength.



JOHN DAVIES
HEAD OF SUSTAINABILITY

PAUL WILLIAMS
EXECUTIVE DIRECTOR FOR SUSTAINABILITY

A key priority for 2015 has been to build on our refreshed sustainability approach, which we launched at the beginning of 2014. This saw us develop a new sustainability framework for our managed properties complemented with a new building sustainability plan process, designed to help us achieve our tough resource efficiency performance targets across our managed portfolio.

Another significant step forward in 2015 saw us decide to strengthen our overall sustainability reporting approach, and align our annual reporting to the requirements of the Global Reporting Initiative (GRI). As part of this move, we undertook another, broader materiality assessment of our business, highlighting the significant sustainability issues that pertain to our business. A summary of this is presented in our annual sustainability report.

As with previous years, our hard work has yet again been recognised externally, garnering recognition in a number of indices and awards. We received a gold award for our annual sustainability report in the EPRA Reporting Awards – our third successive year. Likewise, we retained our Green Star status for the fourth year in a row in the Global Real Estate Sustainability Benchmark (GRESB). In addition, we improved our CDP disclosure rating by four points to 92, also winning an award for the biggest relative reduction in carbon emissions at the 2015 UK CDP awards.

Our community fund continues to support organisations across Fitzrovia with over £66,000 shared amongst five projects during 2015. Now in its third year, the fund has supported 17 projects with well over £200,000 invested so far. We are continuing to provide funding in the Fitzrovia area, with a further £150,000 added to the fund to be invested over a three year period. In addition, we also announced that the focus of the fund would expand to cover our Tech Belt portfolio. Like the Fitzrovia extension, we will be making £150,000 available for this area to support a range of projects and initiatives.

We hope the summary presented here gives you a sense of our progress and achievements made during 2015. However, please do take a look our 2015 annual sustainability report at www.derwentlondon.com/sustainability, where we set out a comprehensive review of our work, together with our full suite of sustainability datasets and measurement indicators.

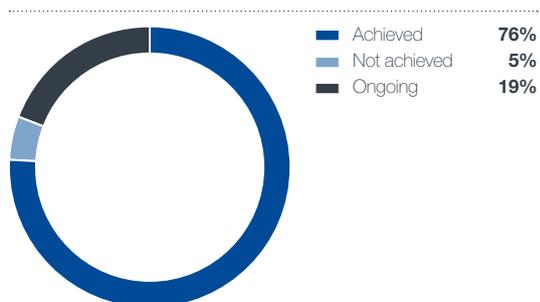
“2015 has seen us again make significant steps in developing our sustainability agenda.”

Our performance

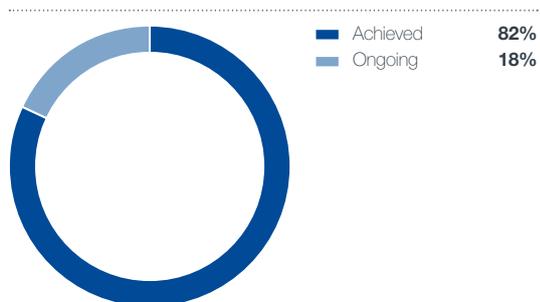
For 2015, we re-focused our approach to setting our performance targets. We introduced a number of longer-term stretch targets, which are simultaneously challenging us whilst helping to demonstrate continuous improvement to our stakeholders. Moreover, we also created a set of internal KPI's based on some of our previous year's targets, which are designed to ensure we maintain our high standards and performance on a day-to-day basis.

As mentioned in our report last year we wanted to show performance against both these sets of measures to give a greater sense of perspective and understanding of our performance. Therefore, we have set out a breakdown of our performance in each set of targets below.

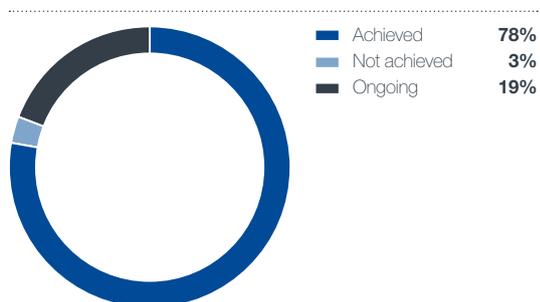
Looking at our external facing targets, we achieved 78% of our 2015 targets compared to 97% in 2014. This represents a small decrease compared to 2014, which is due to us introducing a number of stretch targets at the beginning of 2015, which will be measured in the coming years.



Moreover, we achieved 82% of our internal KPIs.



Combining both these sets of measures, we achieved 78% of our performance measures, which demonstrates the commitment and hard work of our teams.



2015 PERFORMANCE HIGHLIGHTS

Resource efficiency

10.5%

reduction in carbon in our like-for-like portfolio

6%

increase in our recycling rate from 62% to 68%

3.2%

reduction in energy use (electricity, gas, oil and biomass) in our like-for-like portfolio

Communities

£245,000

awarded to date to projects in Fitzrovia from the Community Fund

£2.2m

community contributions via planning

AWARDS AND RECOGNITION

EPRA Sustainability Reporting Awards 2015

- Gold Award for our 2014 Annual Sustainability Report



GRESB (Global Real Estate Sustainability Benchmark) 2015

- Green Star status retained for the fourth year in succession – with top quartile performances



CDP 2015

- Disclosure Rating score of 92
- Award for the biggest relative reduction in emissions for our carbon management work at the 2015 UK CDP Awards

