

OUR PEOPLE

Derwent London's culture has allowed us to recruit and retain some of the most talented people in the industry.



KATY LEVINE,
HEAD OF HUMAN RESOURCES

114

Employees

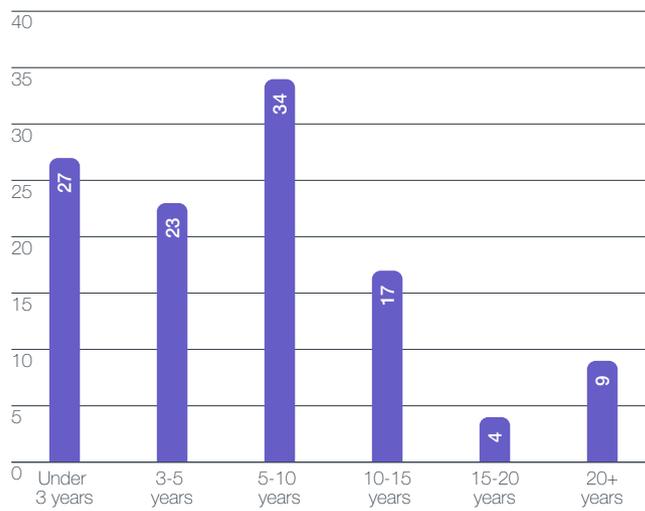
92%

Employee retention

9th

Overall in the Management
Today awards for Britain's
Most Admired Companies
(up from 10th place in 2013)

Length of service (number of staff at 31 December 2014)



Culture

We have a culture of creativity, innovation, collaboration and empowerment which stems from shared values. These, coupled with professionalism, integrity and commerciality are key factors in our success and define what we stand for and how we behave with our stakeholders. This approach has allowed us to recruit and retain some of the most talented people in the industry while providing above average returns for our shareholders. We operate with a flat organisational structure, and are committed to ensuring regular and open internal face-to-face communication, and a consultative leadership style. This leads to a motivated and highly engaged workforce and a high staff retention rate of 92%.

We believe that we have a duty to take appropriate measures to identify and remedy any malpractice within the Group or affecting us. We conduct our business with honesty and integrity but have a whistleblowing policy should the need arise. We engender an environment where employees are able to highlight anything that falls short of our standards.

As we continue to grow, we adapt to the changing conditions and focus on retaining our culture.

OUR PEOPLE CONTINUED

Our structure

There are five core teams within our business that are supported by a number of other corporate departments. We draw skills from across the business functions and our teams work flexibly and collaboratively to deliver our strategy. This structure gives us the ability to handle complex challenges and deliver effectively.

As we continue to grow, we feel that we have a healthy balance of fresh talent coming into the business with 44% of our employees joining us over the last five years. This ensures that we have continuity whilst also bringing new ideas and skill sets into the business.

We regularly review our organisational structure as opportunities arise and in 2014 we were able to fill a number of important management positions by internal promotions.

Diversity

We are an inclusive employer which allows us to be more creative and provide a balanced environment for our employees. The Group has a strong commitment to ensuring equality and diversity.

Our policies, practices and procedures for recruitment, training and career opportunities are purely based on merit.

For these reasons, we have a relatively balanced workforce of 58% male and 42% female. Within our senior manager roles 28% are female.

Training and development

We hold six-monthly reviews and regular open discussions to highlight any training requirements and future potential. We invest in supporting employees and managers by sourcing a range of internal and external personal development opportunities which increase our management capability. Last year £84,000 was invested in staff training. We also ran induction programmes for our joiners and seven internal technical workshops with the aim of continuing our commitment to ensuring employees are aware of the Group's activities. These have been extremely well received and each workshop was attended by at least 65% of the staff.

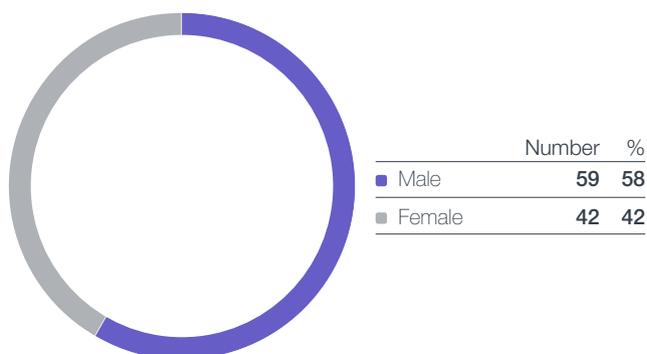
Organisational structure



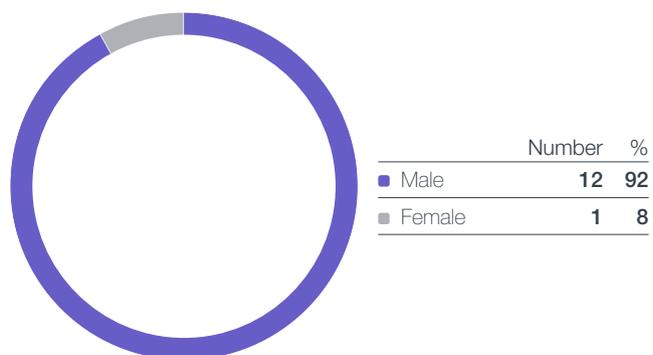
“We draw skills from across the business functions and our teams work flexibly and collaboratively to deliver our strategy.”

Gender split at 31 December 2014

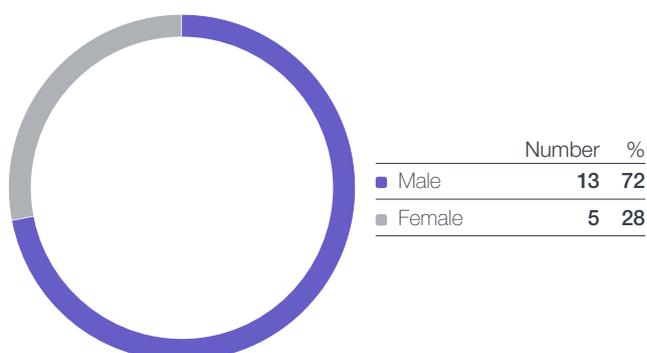
All employees



Board



Senior management (excluding Directors)



Community and volunteering

Last year we launched an employee volunteering programme where every employee has the opportunity to take one day per year to work with a charity they feel passionate about or get involved in an initiative arising from our Fitzrovia Community Investment Fund. 35% of employees were involved across a number of projects such as painting a community centre, playing in a charity football tournament or running a careers workshop for young people. This equated to 225 hours up from 59 hours in 2013.

We were very pleased when Maruf Miah, our first apprentice, won the 'Outstanding Achievement by an Apprentice' in the 2015 City Gateway Awards. In addition, we recruited a second apprentice to work alongside our experienced building managers. For more information on our community initiatives please refer to our annual sustainability report.

Reward and recognition

We recognise that, to be able to meet our expectations, we need to attract, nurture and retain our talent. Our approach is to reward people based on individual performance, and contribution to the overall company performance. During 2014 our mid-year and annual performance appraisal process and supporting tools were refreshed to reflect and emphasise our core competencies. Annual salary increases and bonuses are linked to an overall performance rating which is allocated through our appraisal system. In addition, we have a range of benefits which can include a non-contributory pension scheme, share options, maternity and paternity provision, life insurance cover, private healthcare, season ticket loans, cycle-to-work scheme and childcare vouchers. We monitor the industry to ensure we are competitive and fair.

Over the last year we have built a relationship with an external occupational health provider to provide information, advice and support on general health and wellbeing matters. This is supplemented by the introduction of an Employee Assistance Cash Plan to help our employees cover the costs of their everyday healthcare needs. In addition, there is a helpline which offers counselling and advice to employees and their families.

The strategic report on pages 16 to 75 has been approved by the Board and signed on its behalf by:

JOHN D. BURNS
CHIEF EXECUTIVE OFFICER

DAMIAN M.A. WISNIEWSKI
FINANCE DIRECTOR

26 FEBRUARY 2015