

# SUSTAINABILITY

As with previous years, we have continued to make strong progress with our sustainability agenda, and we are pleased to say that 2014 has seen us achieve a great deal.



**PAUL WILLIAMS**  
EXECUTIVE DIRECTOR

**JOHN DAVIES**  
HEAD OF SUSTAINABILITY

At the start of the year, we introduced our newly revised sustainability policy and strategy, which set out a clear direction and framework. It introduced four new strategic priorities fundamental to our business, designed to capture the requirements of our six key stakeholder groups – occupiers, employees, investors, funders, communities and suppliers. Moreover we were proud to launch our new look sustainability website pages, giving access to all our key documents and data, as well as providing all the latest news and updates. Details can be found at [www.derwentlondon.com/sustainability](http://www.derwentlondon.com/sustainability).

In addition to launching our refreshed sustainability agenda, we also set in place our clearest and toughest set of performance targets to date which are aligned to new strategic priorities. Our achievements demonstrate the hard work and commitment from our teams.

This performance has been recognised externally through a number of awards. We retained our 'Green Star' status in the Global Real Estate Sustainability Benchmark (GRESB) with top quartile performances for the European and International portfolio categories. Likewise, we were recognised in the EPRA sustainability reporting awards, receiving a gold award for the second year in a row for our annual sustainability report.

Our community work is also going from strength to strength with £75,000 invested via our Fitzrovia Community Investment Fund during 2014 with seven projects receiving funding. In total £145,000 has been invested by the fund to date across Fitzrovia, with 12 projects having benefitted already. Year three of the fund was launched earlier this year with £65,000 being made available for projects and initiatives in the area.

Whilst we present a summary of our performance during 2014 in the following pages, a comprehensive review is set out in our annual sustainability report, which can be found at [www.derwentlondon.com/sustainability](http://www.derwentlondon.com/sustainability). This details all our work and achievements during the year, together with our datasets and measurement indicators.

"The targets for 2015 are our clearest and toughest to date and are aligned to new strategic priorities."

**PAUL WILLIAMS**  
EXECUTIVE DIRECTOR

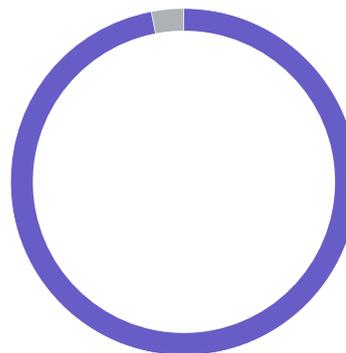
## Our performance

We have worked hard to embed our four strategic sustainability priorities introduced at the beginning of the year across our business and have made significant progress against our range of targets.

Our 2014 targets have been our most stretching and detailed to date and presented us with some positive challenges. Moreover, they were specifically aligned to our strategic priorities, which allowed us to show a clear link between our refreshed strategy and performance. This enabled us to improve transparency for our stakeholders and create greater engagement across business departments.

For 2014 97% of our targets were achieved, a 9% improvement over 2013 when we achieved 88% of our targets.

## Our performance



## 2014 PERFORMANCE HIGHLIGHTS

### Resource efficiency

19%

reduction in carbon generation (all scopes) in our like-for-like portfolio

22%

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

6%

increase in our waste recycling from 56% to 62%

### Communities

£145,000

awarded to projects to date from the Fitzrovia Community Investment Fund

£2,832,500

community contributions via planning

## AWARDS AND RECOGNITION

### Management Today

- Britain's Most Admired Companies 2014. 1st in the property category for the fifth year in succession and 9th in the overall awards. 4th in the property Community and Environmental Responsibility category.



### EPRA Reporting Awards 2014

- Gold Award for our 2013 annual report.
- Gold Award for our 2013 annual sustainability report.



### GRESB (Global Real Estate Sustainability Benchmark) 2014

- Green Star status retained with top quartile performances in the European and international rankings.



### CDP 2014

- Disclosure Rating score of 86.



### BREEAM Awards 2015

- Morelands rooftop scheme won the office and refurbishment fit-out category.



# SUSTAINABILITY CONTINUED

## Our 2015 targets

Following a comprehensive review of our performance measures, and drawing on feedback from our stakeholders, we have refocused our approach to setting targets. They now include a number of new longer-term measures designed to stretch and challenge us further. In addition, we have created a number of new internal performance measures, based on previous targets, which have been put in place to ensure we continue to perform well.

We intend to report our progress against both these sets of measures in order to give stakeholders a greater perspective and understanding of our performance. We set out below our new targets for 2015.

## Designing and delivering buildings responsibly

Aspect	Metric	Target
Future office space	Designing new spaces	Using lessons learnt and elements from our White Collar Factory concept, develop at least one new development and gain planning permission during 2015
BREEAM/EcoHomes/Code for Sustainable Homes/LEED	Rating achieved	Achieve a minimum of BREEAM Excellent for all new build projects Achieve a minimum of BREEAM Very Good for all major refurbishment projects Achieve a minimum of LEED Silver for all new build and major refurbishment projects Achieve a minimum of Code Level 4 or EcoHomes Very Good for residential projects
Energy and carbon	Predicting whole building energy use	All new build and refurbishment projects >5,000m <sup>2</sup> to undertake a design energy assessment based on CIBSE TM54
	Energy performance certificates (EPCs)	Minimum of a 'B' rating for new build projects. Minimum of a 'C' for all major refurbishments

## Managing our assets responsibly

Aspect	Metric	Target
Building sustainability plans	Implementation	All managed properties to create a Building Sustainability Plan by the end of 2015
Energy and carbon	AMR installation (SMART metering)	Complete Phase 2 (landlord and tenant sub metering) of our AMR programme by the end of 2016 and identify participants for Phase 3 (tenant managed supplies)
	% reduction	Achieve a 5% reduction in landlord influenced energy consumption across our like-for-like managed portfolio by 2017
	% recycled	Increase recycling rate to 70% for managed waste in all properties for which Derwent London has management control of waste by 2017
Water	Management	Maintain portfolio mains water consumption in the like-for-like managed portfolio below 0.45m <sup>3</sup> /m <sup>2</sup>
Customers	Engagement	Produce at least two editions of the tenant sustainability newsletter during 2015
Suppliers	Measurement	Monitor the progress of sustainability performance measures in the new building engineering maintenance contracts

## Creating value in the community

Aspect	Metric	Target
Community strategy	Strategy development	Develop an appropriate community engagement strategy and activity programme in our Tech Belt portfolio by the end of 2015
Community engagement	Fitzrovia Community Investment Fund delivery	Develop and successfully deliver year 3 of the Fitzrovia Community Investment Fund
Skills	Opportunities provided	Provide at least two work experience and/or mentoring placements

## Engaging and developing our employees

Aspect	Metric	Target
Employee volunteering	Engagement	Develop and stage a young persons' careers workshop
Management systems	Process efficiency	Develop and implement a new electronic absence and holiday tracking system
Knowledge	Knowledge dissemination	Undertake at least four technical/knowledge share presentations during 2015
Employee development	Engagement	Update and refine the Employee Handbook and supporting policies by the end of 2015