

ENGAGING WITH THE COMMUNITY AND EMPLOYEES

The continued strong performance of our business would not be possible without the commitment of our employees and a positive engagement with the communities in which we operate.

Community

We are committed to supporting the communities in which we operate. We seek to engage positively with community stakeholders and work in partnership with them in order to enhance the areas around the properties. We look to support initiatives and charities where there is either a local perspective or where Derwent London has a particular interest.

A good example of this is our ongoing work in Fitzrovia. During 2012 we undertook an extensive piece of community research called "Understanding Fitzrovia" which was an evidence-based research programme working with the London Borough of Camden and designed to help us understand in more detail the issues of most importance to local residents. The outcomes from this research have enabled us to develop a robust community investment strategy, which will be implemented in 2013. We plan to invest a total of £250,000 in the strategy over the next five years.

We also support a number of charitable organisations and good causes, through both financial donation and the investment of our time. One charity we have worked with for many years is the Teenage Cancer Trust and this year we arranged a fund raising lunch for the Trust, which raised £205,000.

Our community contributions via planning have also increased significantly this year from £20,069 in 2011 to £2,950,695 – a result of our increased development activity.

Looking ahead

In 2013 we will be taking part in the London Evening Standard's "Ladder for London" campaign, by providing a long-term apprenticeship opportunity for a trainee building manager at the Angel Building.

Donations to charities and good causes

£144k

2011: £104k

Invested in community initiatives

£327k

2011: £262k

Community contributions via planning

£2,951k

2011: £20k

Employees

The continued strong performance of our business would not be possible without our employees. We provide a stimulating, challenging and rewarding environment in which our people can work and be supported in developing their career paths and skill sets. We employ a small, focused in-house team of just over 100 people who are experts in their chosen fields. This allows us to create an environment which engenders a strong sense of teamwork, pride and passion in all areas of the business. As a result we have a low staff turnover rate of 8.6% – the national average being 12.7%.

We recognise and appreciate that our success stems from the commitment, hard work and loyalty of our employees. This has been externally recognised in Management Today's 2012 Most Admired Companies awards. We were ranked 9th for "Retaining Top Talent" as well as being ranked 7th overall looking at all categories assessed by the awards.

In addition, we also provide a working environment which proactively encourages equality and opportunities for all. As such there is a well-balanced gender ratio at Derwent London.

c£50,000

invested in formal staff training

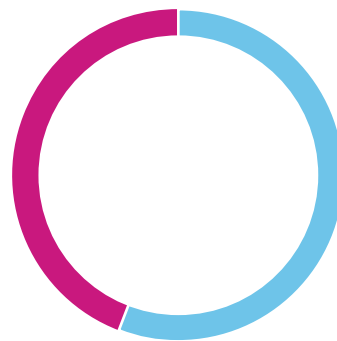
Enhanced training for all employees through knowledge share workshops from four Directors and a development team project presentation programme

Overhaul and improvement of our recruitment process

Piloted our first employee survey

No near misses or RIDDORs involving Derwent London employees

Gender



■ Male
■ Female

56
44

Awards and recognition

Management Today – Britain's Most Admired Companies 2012 – seventh overall. First in the property category for the third year in succession.

Once again for 2012 we have received recognition for the quality of our sustainability reporting.

EPRA Sustainability Awards – Silver Award for our 2011 Sustainability Report.

Carbon Disclosure Project – Disclosure Rating score of 78 – up two points from 2011.

GRESB 2012 – Green Star status and sector leader in the listed European office sector.

New Energy & Cleantech Awards – Developer of the year.

ENGAGING WITH THE COMMUNITY AND EMPLOYEES CONTINUED

Customers

We are a customer-focused business and are always striving to deliver best-in-class customer service in order to maintain high standards of customer care. As well as an ongoing series of tenant feedback exercises to understand how we can improve our service, we are also interested in understanding our tenants' views on sustainability – its impact on them and the buildings they occupy, and how they think we could improve our approach. As a result, during 2012 we surveyed a number of our tenants with a specifically designed sustainability survey, which sought to understand this important issue amongst our tenant community.

The results from the survey, which received a high response rate, have given us a clear indication on the relative importance of sustainability to our tenants, and shows how well we are doing in terms of our sustainability efforts. Some of the feedback included:

- 42% of tenants said that our sustainability activities make their experience as a tenant better than average whilst 53% ranked their experience as average.
- 42% of our tenants thought it was very important to them that we managed our sustainability agenda properly and 58% thought it was important or quite important.
- 47% of our tenants thought we were doing well in improving the sustainability performance of the buildings they occupy whilst nearly 30% thought our performance was average. A further 23% thought we could do more.

We are currently assessing the results of the survey to help us identify areas of further improvement.

Suppliers

Working proactively with all levels of our supply chain enables us to generate value, develop great spaces to a high standard, protect our reputation and deliver our customers' expectations. We have undertaken studies to understand where the risks in our supply chains might lie and are working to address these in a collaborative fashion. Last year we undertook a project to understand the sustainability impacts of our operational supply chains and identify where our suppliers could support us with achieving our sustainability goals. This generated a series of recommendations which we have taken forward with those identified suppliers.

It is incumbent on us as a responsible company to ensure we uphold our financial commitments to all our suppliers – this means honouring our invoice payment period of 28 days. In 2012 we continued to better our payment period of 28 days, with our average this year being 24 days.

Looking ahead

To complement and add to the supply chain work undertaken in the last year we will be undertaking a comprehensive sustainability risk analysis using a "flexible framework". This will allow us to assess exactly what issues and risks there may be within our supply chains and how we might seek to address those in collaboration with our suppliers.

24 days

average invoice payment period

47%

of tenants thought we were doing well in improving the performance of our buildings
