ISSUE 1

SPRING 2014

WELCOME

Welcome to the first issue of Sustainable — Derwent London's new sustainability newsletter.

Rest assured this is not about blinding you with science or indecipherable numbers. We want to share with you some of the exciting things we're doing on the sustainability front and to let you know what's in it for you and how you can join in too.

We have lots of stories to tell on all kinds of subjects ranging from smart meters to fit-outs.

In this issue:

- Our sustainability journey
- How to lower your running costs with a 'Ska' rated fit-out
- Getting smart with smart meters
- Win a fabulous iPod Nano in our sustainability competition

Your feedback and comments are welcome by contacting John Davies, Head of Sustainability, at john.davies@derwentlondon.com

OUR SUSTAINABILITY JOURNEY



Long before sustainability became a buzz word in big business, Derwent London's way of developing property has been different.

Our approach has been to regenerate, redevelop and refurbish first and foremost rather than to build from scratch. We've made a name for ourselves by taking old, unloved buildings and making them into great buildings through contemporary design and the latest technologies and know-how.

We have found this strategy to be good for the environment and beneficial for our shareholders – and our tenants seem attracted to the idea too. Head of Sustainability, John Davies, was appointed in 2013 to move our journey on.

"My arrival has cemented Derwent London's desire to be as good as it possibly can be in the sustainability arena and improve what it does."

In recent months, John has taken a long, hard look at our sustainability approach. The upshot is a new Sustainability Policy and Strategy with a vision to be recognised as one of the property industry's leaders in sustainability.

As you'd expect, our commitments are clearly set out and, for the first time, we spell out what our tenants, suppliers, employees and local communities can expect of us.

We're not just talking a good game. We really want to make a measurable difference which is why we've set ourselves targets and developed ways to keep track of how well we're doing.

We're serious about keeping everyone affected by our business up to date with our sustainability efforts and how others can get involved too. This newsletter is one such move.

To view our latest sustainability work please go to: www.derwentlondon.com/sustainability

CUT RUNNING COSTS WITH A 'SKA' RATED FIT-OUT

Just to be clear we're not talking about Ska, the early form of Reggae music. We are in fact referring to Ska, the sustainability assessment tool that's been designed specifically for office and retail fit-outs.

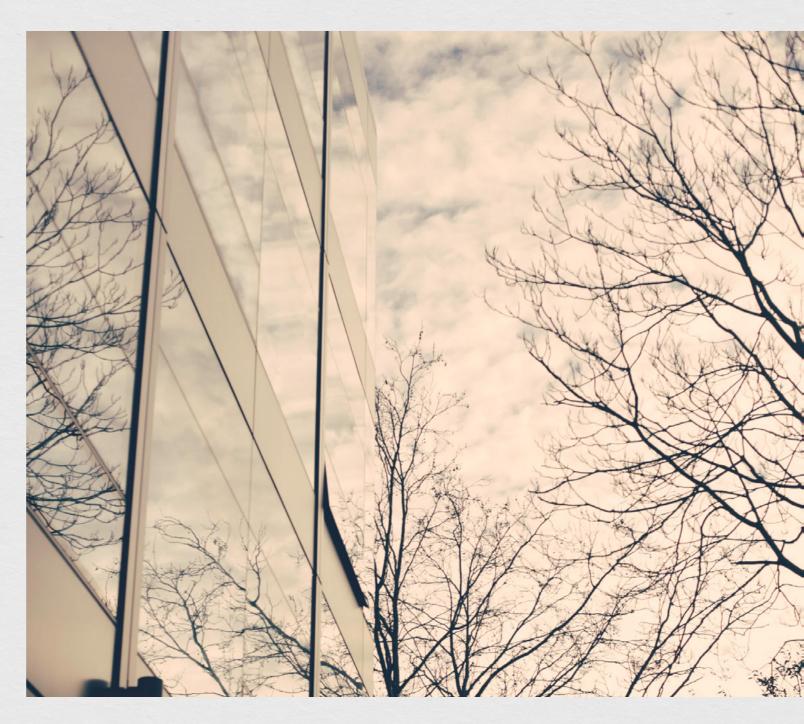
The good news is that it is free to access, easy to use and takes place mostly online – it can also help save you money!

Its origins go back to 2005, when specialist fit out contractor Skansen set up a research project with the Royal Institution of Chartered Surveyors (RICS) and consultant AECOM to measure the environmental impacts of an office fit-out.

Ska's simple percentage scoring system gives Bronze, Silver or Gold awards with scores based on compliance against a series of 'good practice measures' or GPMs. These GPMs cover a range of issues including energy and water efficiency, waste, recycling, transport, choice of materials and occupant well-being, allowing users to assess informally how any outline options would perform in terms of a Ska rating.

Ska assessments are growing rapidly with users, including some of the biggest national and international companies in the world, e.g. Google, H&M, Bank of China, Sainsbury's, Sky and Rio Tinto. Likewise a number of our tenants have already undertaken Ska assessments to improve the quality of their workspaces.

If you're interested in adding your company's name to this illustrious list, visit www.rics.org/uk/knowledge/more-services/professional-services/ska-rating or contact John Davies, Head of Sustainability, at john.davies@derwentlondon.com



GETTING SMART WITH

AUTOMATIC METER READING TECHNOLOGY

Contractors are busy replacing our landlord utility meters with more than 170 'smart meters' at all 49 of our managed buildings. Electricity meters have been the first to go in, with water and gas meters to follow throughout 2014/15.

AMR is the technology of automatically collecting consumption data from water, gas and electric meters and transferring that data to central database for billing, problem-solving and analytical purposes.

Detailed usage graphs are updated every half an hour 24/7 and broken down into ten minute slots enabling us to view via a dedicated website where and how much water, gas and electricity is being consumed across our portfolio.

For example, we will be able to tell at a glance where lights have been left on, whether plant equipment is operating when it shouldn't be and to identify the location of any leaks. Essentially, smart meters will enable us to spot wastage and, once fully operational, help us to reduce utility consumption by a hefty 15-20%, savings which we'll be able to pass on to you.



Smart meters

This is phase 1 of our move over to AMR technology. In phase 2 we will be inviting you to install AMR electricity sub-meters, enabling you to join our website and monitor your electricity consumption 24/7 also. Other advantages include an end to estimated meter readings and the ability to spot wastage and take steps to reduce it, saving you money.

You should receive a letter from us on sub meters in spring 2014. If it's something you're interested in, we will come and see you and put together a cost proposal. In the majority of cases installing these meters is a simple job that can be carried out at weekends without disruption.

We already have two buildings fully operational with sub meters, The Johnson Building and Oliver's Yard, whereby tenants settle bills with us rather than the main electricity supplier. We believe this is the way forward, as it will enable us to purchase power with the benefit of economies of scale.



Knowing Derwent London tenants to be a creative and competitive bunch, we are offering an iPod Nano for the best green/sustainability idea at your building.

Entries must:

- be original i.e. something that has not been implemented before in the building;
- benefit all tenants (where the building is multi-tenanted)
 not just your own organisation exclusively;
- be achievable and commercially realistic i.e. either it must be cost-neutral or supported by a sensible business case which demonstrates payback.

Entries should be submitted by email to John Davies: john.davies@derwentlondon.com, no later than 14 March 2014. Entries will be judged by John Davies, Bob Harper (Head of FM) and Simon Taylor (Head of Asset Management). The winner will be informed within 4 weeks of the closing date.

