



RESPONSIBLE
ASSET
FRAMEWORK

NET ZERO

DERWENT
LONDON

CONTENTS

OUR APPROACH TO SUSTAINABILITY AND NET ZERO CARBON PATHWAY 2030	3
RESPONSIBILITY MAP	4
FRAMEWORK APPROACH	5
NET ZERO ACTION PLAN MANAGEMENT APPROACH	6
HANDOVER OF NEW AQUISITIONS / PRACTICAL COMPLETION AND DISPOSALS	7
ENERGY AND WATER MANAGEMENT AND REDUCTION	8
WASTE MANAGEMENT	9
OCCUPIER ENGAGEMENT	10
SINGLE LET AND FRI PROPERTIES	12
SUSTAINABILITY REPORTING AND STRUCTURE	13
SUPPORTING DOCUMENTATION	13



OUR APPROACH TO SUSTAINABILITY AND NET ZERO CARBON PATHWAY 2030

In July 2020, we made the commitment to become a net zero carbon business by 2030. To achieve this, we will look to reduce energy demand across our portfolio, invest in renewable energy, reduce embodied carbon in development projects and offset the residual emissions we cannot eliminate.

We have set specific objectives and targets to reduce our energy consumption and subsequent emissions in line with our commitment and these include targets for existing buildings as well as new developments. Read more in section Framework Approach. The aim is to achieve a 43% energy intensity reduction from a 2019 baseline by 2030 across our managed portfolio and all our sustainability targets are outlined in the [Responsibility Report](#). These targets have been developed to ensure our assets are operated responsibly and in a way that contributes to the achievement of our net zero carbon ambition. We are engaging with teams at each property to implement a made-to-measure Net Zero Carbon Action Plan (NZAP), breaking down the comprehensive targets of net zero carbon into manageable, actionable items.



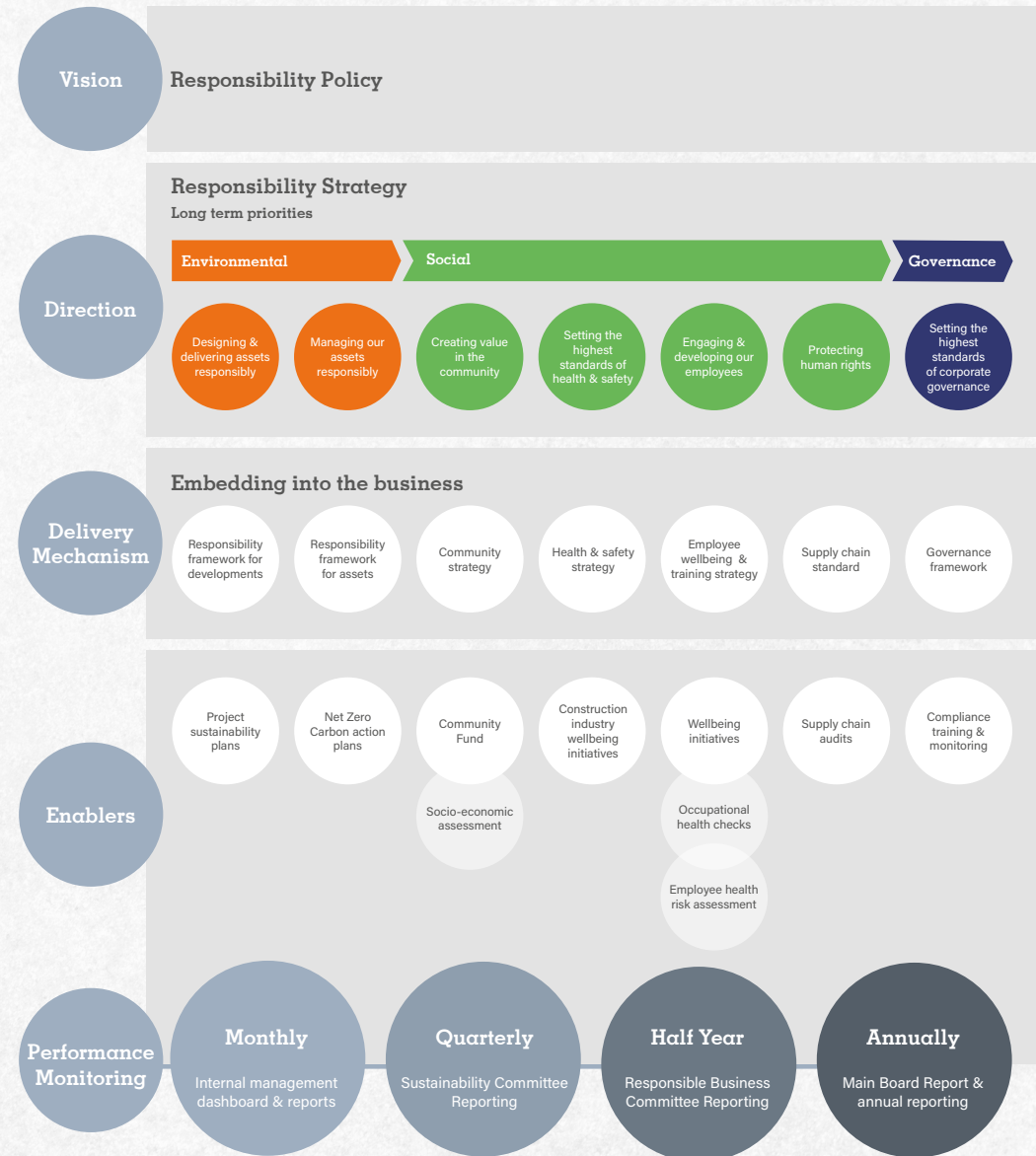
RESPONSIBILITY MAP

This framework is supported by the Responsibility Roadmap as one of our business long term priorities. The structure of our Responsibility Roadmap sets out the process for us to deliver on our commitment and long-term priorities. It also ensures that we have the correct processes in place across our business functions, including our development pipeline, to meet the requirements of our strategy and policies.

To effectively cascade our long-term priorities and business objective of net zero carbon into our asset and property management activities, we have reshaped this Responsible Asset Framework, designed to help create sustainable assets across our portfolio.

It builds on previous iterations and sets out key activities and processes required to manage the sustainability performance of our individual managed properties, whilst allowing us to:

- Take a robust, consistent management approach across our managed portfolio.
- Ensure our legal compliance and ESG assessments.
- Capture lessons learned and innovations to inform future work and activities.
- Ensure our buildings provide a sustainable future for our occupier businesses.
- Monitor and report sustainability performance effectively.



FRAMEWORK APPROACH

The Framework has been developed to demonstrate the actions and responsibilities required to manage sustainability effectively in our managed portfolio and sets out the reporting requirement in line with our corporate targets. It does not set out an exhaustive list of activity, rather it outlines key activities designed to guide our asset, property, facilities and building management teams in ensuring sustainability is effectively considered.

A key part of our approach to net zero carbon is to ensure our properties are highly energy-efficient and where possible outperforming industry benchmarks.

Each managed property is required to have a NZAP (formerly Building Sustainability Plan) which supports and captures key activities and provides building energy usage trends and performance against the targets. This tool is designed to identify and implement the actions Derwent London will need to take to meet its ambition of net zero carbon.

The plan also performs a number of other key functions:

- Provides understanding of the building characteristics and building performance against the set targets
- Analyses energy and water consumption as well as waste generation to identify further actions to improve building performance
- Estimates the carbon savings, costs and payback associated with implementing energy conservation measures.

The NZAP looks to address several other wider sustainability aspects as well and these include:

- Biodiversity
- Transport (travel plans, cycling facilities)
- Behaviour change and occupier engagement

The above list is not exhaustive and other aspects may arise or become applicable to a building and can be added into the NZAP as required. NZAPs are managed by Building Managers and supported by the Property Managers, Technical Services, Asset Managers, Facilities Management and Sustainability Team.

IN SCOPE

All new and existing managed properties

The framework applies to all new and existing managed properties which are part of the Derwent London managed portfolio i.e. properties where we have operational control and procure utilities. Its application is building wide, and it focuses on maintenance and facilities management-based activities and works.

Single-let or FRI properties

Applicable to those lease arrangements where the management responsibility sits solely with the occupier. For these buildings, framework application focuses on utility and waste consumption data gathering.

OUT OF SCOPE

Major development works

Projects that might significantly change the fabric of a building e.g. a façade upgrade or other significant upgrades e.g. overhaul to the heating/cooling plant are dealt with by the Responsibility Framework for Developments and the according Project Sustainability Plan process in conjunction with Asset Management, Property Management and Leasing teams. Reducing carbon intensity of our development pipeline remains one of our key focus, through design, adapting to technological progress as defined in the Responsibility Framework for Development.

NET ZERO ACTION PLAN MANAGEMENT PROCESS

01.

DEVELOP NET ZERO ACTION PLAN

Together with Portfolio Manager and Asset Manager, Sustainability team to set up NZAP.

02.

UPDATE & ANALYSE

Building Manager with support of M&E engineer provide monthly building performance analysis and develop actions to improve.

03.

REVIEW

NZAP is reviewed monthly by Building Manager, Portfolio Manager and Sustainability Manager.

04.

ACTION

Implement actions arising from the plans.

HANDOVER OF NEW ACQUISITIONS / PRACTICAL COMPLETION AND DISPOSALS

Action	Implementation	Review	Report
<p>Sustainability Manager to set up NZAP</p> <p>Plan to include energy targets, building information (e.g. EPC, BREEAM, Asset management strategy, actions from M&E report)</p> <p>The following is provided to Sustainability Manager to complete a NZAP for new assets:</p> <p>New acquisition Support documentation received from Investment team</p> <p>Project handover Support documentation received from Development team</p>	<p>Sustainability Manager to meet with Building Manager, Portfolio Manager and Asset Manager to familiarise themselves with the property and agree appropriate measures to be incorporated within the NZAP</p>	<p>Review the plan monthly with the building management team. Sustainability Team, Portfolio Manager and building management team to assess implemented measures and progress against initial energy reduction targets and address any changes needed</p> <p>Undertake an annual review to update and refresh the plan at the beginning of the new service charge planning period</p>	<p>No report required – assessed by live NZAP and support documentation received by internal teams</p>
<p>For asset sales, final meter readings received from Building Manager</p>	<p>Building Manager to send final meter reads to Sustainability Team</p>		

ENERGY AND WATER MANAGEMENT AND REDUCTION – IN USE

Action	Implementation	Review	Report
Building Manager to provide complete review of building energy and water usage performance through NZAP	Building Manager, with support from the M&E contractor and Technical Services Manager, to periodically review energy and water consumption performance (e.g. meters operating correctly, analytics platforms fully operational, identification of consumption increase, any system faults) and provide summary of corrective action(s) to be taken wherever necessary	Sustainability Manager to meet monthly with Building Manager to review energy performance	Utilising the analysis section of the live NZAP, Sustainability team to report against corporate targets at quarterly sustainability committees and end of year reporting Building Manager to provide feedback for improvement to Portfolio Manager
Building Manager, and Technical Services Manager to take part in monthly technical M&E meetings, review reports and assess opportunities to undertake any proposed energy and water reduction initiatives	Building and Technical Services Manager to take part in monthly M&E meetings and approved proposals to be incorporated in the NZAP	Building Manager and Technical Services team to review M&E performance during their quarterly review sessions	Portfolio Manager to document progress monthly in the Property Management monthly building report
Portfolio Manager to assist Building Manager with energy and water management by aligning the Property Management strategy accordingly. This is to include the incorporation of all identified agreed actions either through the service charge or, with the Asset Manager’s agreement, through the Capex planning process. All actions are to be outlined clearly within the NZAP	Portfolio Manager to assess resourcing and funding towards actions with the greatest positive impact	Portfolio Manager to monitor building energy and water performance through the NZAP and support Building Managers with any issues/actions arising from analysis	

WASTE MANAGEMENT – IN USE

Action	Implementation	Review	Report
Building Manager to oversee waste management to improve waste minimisation and recycling	Building Manager to provide analysis through the NZAP for improvements	Sustainability Manager to meet monthly with Building Manager to review waste management performance through the NZAPs	Sustainability Manager to meet monthly with Building Manager to review recycling performance
Building Managers with support from the Facilities Manager and Sustainability Manager to source waste audits and develop improvement plans through the waste management company	Sustainability champion to support Building Managers to improve recycling, awareness and communications with occupiers		
Facilities Manager to oversee waste management contracts through waste management specification and ensure occupier-oriented waste management strategy has been successfully communicated with any new occupiers	Facilities Manager to support Building Manager with any proposed initiatives that will lead to increased recycling performance (e.g. new recycling streams, awareness days)	Facilities Manager to review waste management performance across the portfolio and work with Building Manager to improve service or recycling practices	Portfolio Manager to document progress monthly in the Property Management monthly building report and Sustainability Manager to report against corporate targets at quarterly sustainability committees and for end of year reporting

OCCUPIER ENGAGEMENT

On-boarding actions	Implementation	Review	Report
Tenant fit-out guide and licence to alter process to include sustainability requirements	Sustainability Manager to include sustainability requirements in tenant fit-out guide and licence to alter process	Sustainability Manager review tenant fit-out guide and licence to alter process annually	Sustainability Manager report target performance on number of occupiers engaged relating to sustainability through quarterly Sustainability committee and biannual responsible business committee.
Portfolio Manager to share new occupier sustainability contact details or introduction meeting proposals and Sustainability Manager to meet with the occupier for an introduction meeting	Sustainability Manager to provide Portfolio Manager with 'Intro NZAP' for occupiers to introduce occupiers to the building sustainability objectives	Sustainability Manager to review occupier detailed database and update where necessary	
Asset and Portfolio Managers to share Responsibility Charter to new occupiers	Sustainability Manager to use Responsibility Charter as a tool for conversations and engagement with occupiers	Review annually	

OCCUPIER ENGAGEMENT (CONT.)

Action	Implementation	Review	Report
Building Managers to develop frequent Green Forums, engage during occupier monthly meetings or help to coordinate 1:1 meetings together with Sustainability Manager and Portfolio Manager	Sustainability Manager to include sustainability requirements in tenant fit-out guide and licence to alter process	Sustainability Manager review tenant fit-out guide and licence to alter process annually	Sustainability Manager report target performance on number of occupiers engaged relating to sustainability through quarterly Sustainability committee and biannual responsible business committee
Sustainability Manager to engage with occupiers through above channels and in collaboration with Asset Managers and Portfolio Managers	Sustainability Manager to meet with occupiers and use Responsibility Charter and sustainability guides as tools for conversations on collaboration	Sustainability, Portfolio and Asset Manager to provide regular updates on occupiers met / actions agreed	
Sustainability Manager, with assistance from the Building Manager, to develop occupier guides on reducing energy, water and waste	Sustainability Manager to issue occupier guides to sustainability	Review annually	
Update Green Forum guide and templates	Sustainability Manager to review and refresh Green Forum guides and templates	Review annually	
Asset and Portfolio Managers to share Responsibility Charter to existing occupiers	Maintain regular communications with occupiers, gather feedback, review outcomes of any works taken and explore further opportunities for improvement		

SINGLE LET AND FRI PROPERTIES

Action

Environmental data collection

Implementation

Sustainability team to gather utility and waste data using Occupier Environmental Data survey and Scenario analysis tool

Review

Review quarterly data collection

Report

Report quarterly engagement with occupiers through NZC and sustainability committees, as well as for end of year reporting



SUSTAINABILITY REPORTING AND STRUCTURE

Like many organisations, we publicly report performance against our targets. Using the NZAP, we capture performance from our assets and feed this through to our sustainability management dashboard for review by the Head of Sustainability, Head of Property Management and Head of Asset Management.

This is then fed through to our Net Zero Carbon, Sustainability and Executive Board Committees who meet at least quarterly and then finally into our annual reporting processes.

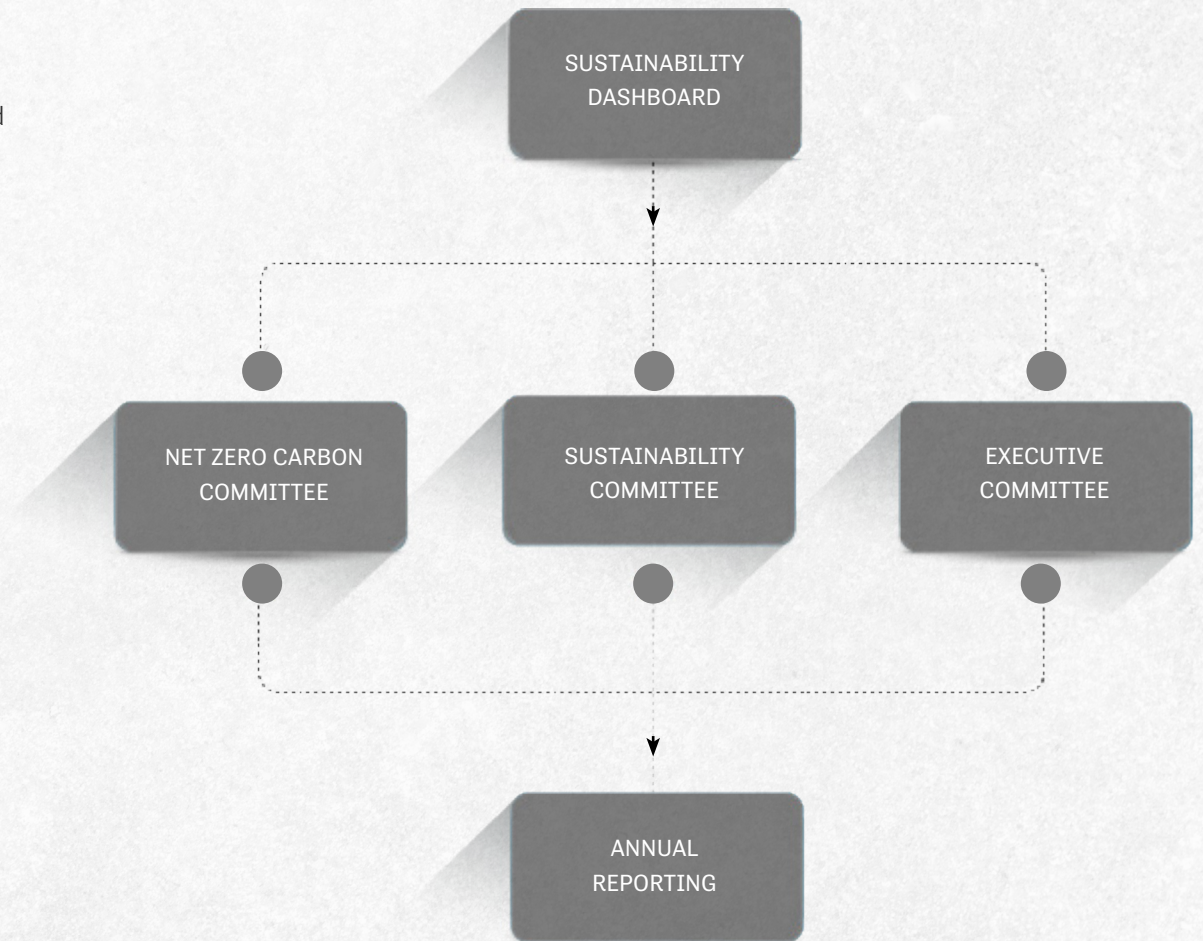
SUPPORTING DOCUMENTATION

[Derwent London Responsibility Policy](#)

[Derwent London Responsibility Strategy](#)

[Derwent London Net Zero Carbon Pathway](#)

[Annual Responsibility Reports](#)





DERWENT
LONDON