Landsec - Climate Change 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Landsec is one of the leading real estate companies in the UK. We buy, develop, and manage high-quality retail, leisure, workspace and residential spaces in London and vibrant regional locations.

We strive to connect communities, realise potential and deliver sustainable places. We create places that make a lasting positive contribution to our communities and our planet. We bring people together, forming connections with each other and the spaces we create. And we provide our customers, partners and people with a platform to realise their full potential.

Our £10.2 billion portfolio comprises over 100 properties and spans 24.6 million sq ft of well-connected retail, leisure, workspace and residential hubs. From the iconic Piccadilly Lights in the West End and the regeneration of London's Victoria, to the creation of retail destinations at Westgate Oxford and Trinity Leeds, as well as more recently acquired mixed-use projects in London, Manchester and Cambridge, we own and manage some of the most successful and memorable real estate in the UK. Landsec has 590 direct employees, and our diverse mix of people, skills and thought means that we continually challenge established ways of working and strive to ensure that everyone's career experience with us is enjoyable, inspiring and exciting.

We act early in response to changes and trends in our markets, actively managing our assets and adjusting key investment and development activities to maximise return with the appropriate level of risk. We aim to lead our industry in critical long-term issues – from diversity and community employment, to carbon reduction and climate resilience. Ensuring that we remain a sustainable business is critical to our future, so we embed sustainability in every part of the business, ensuring that we will remain healthy and successful for years to come. ESG leadership is a key enabler of our business strategy, where in 2022 we comprehensively reviewed and updated our sustainability strategy and associated commitments, in consultation with various stakeholders, to ensure that we are consistently delivering on this - and over the last year have continued to focus on embedding our Build well, Live well, Act well framework across the business.

Our drive and commitment to ESG will ensure our portfolio meets the needs of today's customers while satisfying increasingly demanding environmental standards over time. To us, this is simply the right way to run our business. It means providing the right space and environments for our customers, communities and employees, maintaining the long-term sustainability of our business, achieving above-market returns, and contributing to successfully managing the long-term health of our shared planet. This is articulated through our aforementioned purpose: sustainable places, connecting communities, realising potential, which encompasses a set of principles by which we live in our business decisions, as well as our desire to create great experiences for our various stakeholders, both now and in the future.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
March 1 2022

End date
February 28 2023

Indicate if you are providing emissions data for past reporting years
No

Select the number of past reporting years you will be providing Scope 1 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for
<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.
United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

GBP

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-CN0.7/C-RE0.7

(C-CN0.7/C-RE0.7) Which real estate and/or construction activities does your organization engage in?

New construction or major renovation of buildings

Buildings management

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	GB00BYW0PQ60
Yes, a Ticker symbol	LAND
Yes, a SEDOL code	BYW0PQ6

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	Our CEO is the board member with overall responsibility for climate-related risks and opportunities, as climate change is considered a principal risk to our business, which is linked to our strategic objectives. By overseeing climate-related issues, the CEO ensures that climate-related decisions are aligned with the overall group strategy. The CEO chairs the Executive Leadership Team (ELT), which is comprised of our CFO and Managing Directors. The ELT is responsible for developing the sustainability strategy to ensure it addresses our relevant environmental, social and governance (ESG) risks and opportunities, agreeing sustainability commitments and reviewing progress against targets, including our science-based target. Sustainability and climate risks are discussed quarterly or more often if required. At the ELT meetings, climate-related risks and opportunities are reviewed, mitigation plans are discussed and ultimately approved by the CEO. As part of our net zero strategy, in November 2021, the CEO and ELT approved our ambitious £135m Net Zero Transition Investment Plan that will help us achieve our 2030 science-based target and move towards net zero. The fund is being used to finance a series of initiatives up to 2030 to reduce our carbon footprint across our portfolio and drive innovation and best practice across the wider industry. Initiatives being supported as part of the fund include: moving to cleaner sources of energy by replacing gas-fired boilers with electric systems such as air-source heat pumps; optimising our building management systems (BMS) ensuring they operate in accordance with the way the building is occupied; increasing the capacity of onsite renewable energy and collaborating with customers to identify opportunities for energy efficiency. To ensure we are also reducing carbon emissions across our new developments, the CEO and ELT have also approved a new target to reduce embodied carbon across our developments by 50% compared with a typical building by 2030 by prioritising asset retention where possible, smart design and using sustainable materials.
Board-level committee	The Audit Committee, a sub-committee of our Board, has oversight of the Group's risk assessment and management, internal controls, reporting process and financial management. The Audit Committee supports the Board in the management of risk and is responsible for reviewing our principal risk register at least twice a year, the effectiveness of our risk management and internal control processes. Our principal risks, which include climate change, are reviewed by the Audit Committee before being presented to the Board. In addition, an in-depth risk session is held with the Board every year, with the last session having taken place in December 2022. An example of a key decision is that climate change is reviewed and approved by the Audit Committee as one of our principal risks annually. This year we provided the Audit Committee with an overview of the regulation and climate disclosure landscape and an introduction to Climate Transition Plans, which supported them in their review and approval of our TCFD statement, which we have aligned with the recommendations of the UK Government's Transition Plan Taskforce.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Monitoring progress towards corporate targets Reviewing and guiding the risk management process	<Not Applicable>	The Board is responsible for the oversight of our approach to sustainability and of climate-related risks and opportunities impacting the business. The Board is updated on our sustainability and climate-related performance twice a year. This includes discussing the impact of climate risks and opportunities on our strategy, revising our approach to sustainability and setting targets to ensure they are still relevant, and monitoring performance against our science-based target. As climate change is considered a principal risk, the Board considers the impact of climate risks when discussing Landsec strategy and long-term success, including significant investment decisions. Climate-related business and investment plans are initially discussed at other forums and committees operating below the level of the Board including Sustainability Forum and Executive Leadership Team. Climate-related issues are included on the agenda of each of those committees quarterly. When sustainability and climate-related issues are deemed sufficiently material in relation to those business plans, they may be referred to the Board. Decision-making on investments, commercial agreements, including the acquisition, disposal and development of assets, is delegated according to financial values. The Board is responsible for investment and commercial decisions above £150m. This approach is also applied to climate-related investments and capital expenditure decisions, as significant investment to improve energy efficiency, decarbonise heat and increase the amount of on-site renewable generation across our portfolio is required to achieve net zero by 2030. An example of how climate-related issues are reviewed and discussed by the Board is the Net Zero Transition Investment Plan. The Executive Leadership Team, which is chaired by the CEO and includes the CFO and Managing Directors approved our ambitious £135m net zero transition investment plan that will help ensure we achieve our 2030 science-based target and move towards net zero. Following the approval, this plan was reviewed and discussed with the Board to ensure alignment with overall business strategy.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	As climate change has been considered a principal risk since 2019/20, the Board has increased its understanding of the climate risks over the years. The Board considers the impact of climate risks when discussing Landsec strategy and long-term success, including significant investment decisions. Even before 2019/20, climate change was considered an emergent risk and it was already discussed and reviewed by the Board. In addition, the Board is updated on climate risks and our climate-related performance twice a year, including briefing notes and sessions delivered by the sustainability team. This year has focused on the progress of our transition plans, embedding our new sustainability framework across the business and monitoring performance of our science-based target and embodied carbon commitments. The Audit Committee supports the Board in the management of risk and is responsible for reviewing our principal risk register at least twice a year, the effectiveness of our risk management and internal control processes. In May 2023, the Committee were provided with an overview of the regulation and climate-disclosures landscape and an introduction to Climate Transition Plans, which supported them in their review of our TCFD statement, which we have aligned with the recommendations of the UK Government's Transition Plan Taskforce. Based on these sessions and discussions with the Board, we consider that the Board has relevant expertise on climate-related issues, which is considered a principal risk. Furthermore, our new Chairman, who was appointed to the Board in March 2023 and assumed the role of Chair in May 2023 was previously Chairman of the Prince of Wales Corporate Leaders Group on Climate Change and was knighted in 2014 for services to Business, Sustainability and Environment. In addition, one Board member, the Senior Independent Director, is also the Director of Stewardship and Corporate Responsibility at another company, supporting the work of the CIO and the Sustainability team.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Other, please specify (Chairman)

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
Our CEO is the board member with overall responsibility for climate-related risks and opportunities, as climate change is considered a principal risk to our business, which is linked to our strategic objectives. By overseeing climate-related issues, the CEO ensures that climate-related decisions are aligned with the overall group strategy.

The CEO chairs the Executive Leadership Team (ELT), which is comprised of our CFO and Managing Directors. The ELT is responsible for developing the sustainability strategy to ensure it addresses our relevant environmental, social and governance (ESG) risks and opportunities, agreeing sustainability commitments and reviewing progress against targets, including our science-based target. Sustainability and climate risks are discussed quarterly or more often if required. At the ELT meetings, climate-related risks and opportunities are reviewed, mitigation plans are discussed and ultimately approved by the CEO.

Position or committee
Other committee, please specify (Executive Leadership Team)

Climate-related responsibilities of this position
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
The CEO chairs the Executive Leadership Team (ELT), which is comprised of our CFO and Managing Directors. The ELT is responsible for developing the sustainability strategy (within the parameters set by the Board) to ensure it addresses our relevant environmental, social and governance (ESG) risks and opportunities, agreeing sustainability commitments, ensuring resource and budget are in place to deliver and reviewing progress against targets, including our science-based target. Sustainability and climate risks are discussed quarterly or more often if required. At the ELT meetings, climate-related risks and opportunities are reviewed, mitigation plans are discussed and ultimately approved by the CEO.

Position or committee
Sustainability committee

Climate-related responsibilities of this position
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
Our Sustainability Forum is responsible for executing sustainability strategy, delivering programmes of work to meet corporate ESG commitments and embedding sustainability into everything we do.

Position or committee
Business unit manager

Climate-related responsibilities of this position
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
Our Managing Director of Corporate Affairs and Sustainability and Head of ESG and Sustainability recommend the approach to sustainability, deliver company-wide programmes, guide and support the business to embed sustainability and monitor and report progress.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Chief Executive Officer (CEO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Increased share of low-carbon energy in total energy consumption
Increased share of renewable energy in total energy consumption
Reduction in total energy consumption
Increased engagement with customers on climate-related issues

Incentive plan(s) this incentive is linked to
Long-Term Incentive Plan

Further details of incentive(s)

The CEO has the potential to receive a maximum annual bonus of up to 150% of basic salary. Of this, 120% is dependent on meeting Group targets and 30% dependent on meeting personal targets. In 2022/23, the Group targets included five relating to energy (energy reduction, EPC compliance, progress with Air Source Heat Pump installation programme, engagement with customers on energy audits and approval of our net zero commitment by the Science Based Targets initiative) representing 10% of annual bonus and five relating to sustainability in developments (embodied carbon reduction, NABERS UK performance, all electric buildings, undertaking whole life carbon assessments for refurbishments and BREEAM / WELL certification) representing a further 10%.

We achieved the highest level of performance for energy with all five outcomes being realised, leading to maximum outrun of 10% and for sustainability in developments four out of the five outcomes were realised, leading to outrun of 5% (50% of maximum). The outcome that we did not achieve was in relation to new developments having an embodied carbon of 40% lower than typical buildings - this has been largely caused by the limited availability of low carbon steel.

From 2021, reduction of carbon emissions over the three year performance period were included as a performance measure for the LTIP which vests in 2024 - representing 20% of the LTIP. The LTIP provides a maximum opportunity of up to 300% of basic salary.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Both the energy and sustainability in developments targets that form part of the annual bonus and the carbon reduction metric that forms part of the LTIP are totally aligned to the implementation of our climate commitments and climate transition plan. The bonus incentivises the achievement of specific goals during a one year period, whereas the LTIP rewards execution of our strategy.

Entitled to incentive
Chief Financial Officer (CFO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Progress towards a climate-related target
Achievement of a climate-related target
Reduction in absolute emissions
Reduction in emissions intensity

Incentive plan(s) this incentive is linked to
Long-Term Incentive Plan

Further details of incentive(s)
The CFO has the potential to receive a maximum annual bonus of up to 150% of basic salary. Of this, 120% is dependent on meeting Group targets and 30% dependent on meeting personal targets. In 2022/23, the Group targets included five relating to energy (energy reduction, EPC compliance, progress with Air Source Heat Pump installation programme, engagement with customers on energy audits and approval of our net zero commitment by the Science Based Targets initiative) representing 10% of annual bonus and five relating to sustainability in developments (embodied carbon reduction, NABERS UK performance, all electric buildings, undertaking whole life carbon assessments for refurbishments and BREEAM / WELL certification) representing a further 10%.

We achieved the highest level of performance for energy with all five outcomes being realised, leading to maximum outrun of 10% and for sustainability in developments four out of the five outcomes were realised, leading to outrun of 5% (50% of maximum). The outcome that we did not achieve was in relation to new developments having an embodied carbon of 40% lower than typical buildings - this has been largely caused by the limited availability of low carbon steel.

From 2021, reduction of carbon emissions over the three year performance period was included as a performance measure for the LTIP which vests in 2024 - representing 20% of the LTIP. The LTIP provides a maximum opportunity of up to 300% of basic salary. In addition, the 2021 buyout award granted to the CFO included reduction of carbon emissions as a performance measure, albeit it over two years which vested in 2023. As the reduction in carbon emissions was above the maximum over the two years this element of the LTIP vested at 20% (100% of the maximum).

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Both the energy and sustainability in developments targets that form part of the annual bonus and the carbon reduction metric that forms part of the LTIP are totally aligned to the implementation of our climate commitments and climate transition plan. The bonus incentivises the achievement of specific goals during a one year period, whereas the LTIP rewards execution of our strategy.

Entitled to incentive
Business unit manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Reduction in total energy consumption
Increased engagement with customers on climate-related issues
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
This position does not have an incentive plan

Further details of incentive(s)
All employees have performance related pay (PRP) based on two performance criteria: individual and organisational performance.

Organisational performance accounts for 60% of the PRP, based on Group targets. In 2022/23, the Group targets included five relating to energy (energy reduction, EPC compliance, progress with Air Source Heat Pump installation programme, engagement with customers on energy audits and approval of our net zero commitment by the Science Based Targets initiative) representing 10% of annual bonus and five relating to sustainability in developments (embodied carbon reduction, NABERS UK

performance, all electric buildings, undertaking whole life carbon assessments for refurbishments and BREEAM / WELL certification) representing a further 10%.

Individual performance accounts for 40% of the PRP, based on achievement of individual targets for the year. The Head of ESG and Sustainability and all members of sustainability team have a number of sustainability and climate-related targets for the year, including the delivery of strategy and relevant projects that will lead to energy and carbon reduction; company performance against ESG and climate-related benchmarks, such as CDP; stakeholder and supply chain engagement; and behaviour change targets.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The energy and sustainability in developments targets that form part of the annual bonus are totally aligned to the implementation of our climate commitments and climate transition plan. Further each colleague sets at least one individual objective each year to contribute to achieving our sustainability commitments, which contributes towards the individual element of their PRP.

Entitled to incentive
Chief Procurement Officer (CPO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Reduction in total energy consumption
Increased engagement with suppliers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)

Incentive plan(s) this incentive is linked to
Long-Term Incentive Plan

Further details of incentive(s)
All employees have performance related pay (PRP) based on two performance criteria: individual and organisational performance.

Organisational performance accounts for 60% of the PRP, based on Group targets. In 2022/23, the Group targets included five relating to energy (energy reduction, EPC compliance, progress with Air Source Heat Pump installation programme, engagement with customers on energy audits and approval of our net zero commitment by the Science Based Targets initiative) representing 10% of annual bonus and five relating to sustainability in developments (embodied carbon reduction, NABERS UK performance, all electric buildings, undertaking whole life carbon assessments for refurbishments and BREEAM / WELL certification) representing a further 10%.

Individual performance accounts for 40% of the PRP, based on achievement of individual targets for the year. We work with our colleagues from all departments to incentivise them to set the most impactful individual objectives related to sustainability and climate change. For our Group Procurement Director and the procurement team, individual objectives relate to sustainability and environmental criteria included in purchases and supply chain engagement.

From 2021, reduction of carbon emissions over the three year performance period was included as a performance measure for the LTIP which vests in 2024 - representing 20% of the LTIP. The LTIP provides a maximum opportunity of up to 300% of basic salary.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Both the energy and sustainability in developments targets that form part of the annual bonus and the carbon reduction metric that forms part of the LTIP are totally aligned to the implementation of our climate commitments and climate transition plan. The bonus incentivises the achievement of specific goals during a one year period, whereas the LTIP rewards execution of our strategy. Further each colleague sets at least one individual objective each year to contribute to achieving our sustainability commitments, which contributes towards the individual element of their PRP.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Our immediate business planning and budgeting exercises for the year ahead include consideration of climate-related risks and opportunities at an asset level, including energy reduction planning and ensuring readiness in response to climate-related acute, and physical risks. This short-term planning takes places at an asset level and considers group risks where applicable.
Medium-term	1	7	We are taking action now until 2030 to meet our near-term science-based carbon reduction target through our £135m Net Zero Transition Investment Plan recognising the need for planned investment and operational actions during this period, ready for delivery to mitigate risks identified.
Long-term	7	80	Many of our assets have a design lifespan of over 60 years – therefore, identifying long-term risks beyond 2030 is important for our investment and development decisions, to ensure our portfolio remains resilient in the long term. Beyond 2030, many of our climate-related risks and opportunities are classed as emerging, meaning the impacts may change (relative to how we understand them today). This is due to the volatility and intensification of the effects of climate change. Accordingly, we will need to be flexible in our mitigation approach, incorporating precautionary mitigation measures in development decisions as many of our assets have a designed lifespan over 60 years (i.e. requiring end-of-life intervention within this timeframe).

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Following our group risk management framework and methodology, we use a risk scoring matrix to ensure risks are assessed consistently where we consider likelihood (1 being very unlikely; 5 being very likely) and potential financial impact (1 being insignificant (< £75m); 5 being very significant (> £500m)) across all areas of our business including investments, divestments, developments and operations to determine both inherent risk (before mitigating actions) and residual risk (after mitigating actions). We also take into account potential reputational impact.

We consider risks to have a substantive impact if they present a risk rating of greater than or equal 15 (significant) up to 25 (which is classified as major).

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Identifying and quantifying risks is a continual process. Our Risk Management function works with teams across the organisation, senior management, external agencies and stakeholders to identify the strategic, operational and legal and compliance risks facing our business. These are included on our Group Risk Register, which is challenged and validated by the Executive Leadership Team. Our principal risks, which are a sub-set of our Group risks, are reviewed by the Audit Committee before being presented to the Board. Our principal risks consist of the ten most significant Group risks and includes seven strategic and three operational risks. The strategic risks relate to the macro-economic environment; our key markets – office and retail; our capital allocation; our development strategy; our climate change transition; and people and skills.
The business considers both external and internal risks identified at asset level through to company level, including risks across our entire value chain. We use a risk scoring matrix to ensure risks are evaluated consistently. Our matrix considers likelihood, financial impact to income and capital values and reputational impact. When we evaluate risk, we consider the inherent risk (before any mitigating action) and the residual risk (the risk that remains after mitigating actions and controls). From this, we identify principal risks (current risks with relatively high impact and certainty) and emerging risks (risks where the extent and implications are not yet fully understood).
Specifically concerning climate-related risks, we identify and assess climate risks through scenario analysis, considering short (< 1 year), medium (until 2030) and long-term (beyond 2030) time horizons. Our analysis focuses on two distinct scenarios: a scenario where global average temperature increases by less than two degrees, and a scenario where temperatures increase by greater than four degrees. We have identified and assessed physical risks by conducting research and modelling at asset level. The modelling enabled us to determine the likelihood of potential future weather patterns and natural hazards and the exposure of our portfolio to these risks. We have also undertaken a process to identify and assess transition risks through quantitative and qualitative scenario analysis, using the TCFD recommendations as a guide. Risks and opportunities were assessed against impact and likelihood criteria, with potential impacts across our value chain considered. Identification of climate risks is carried out at Landsec in tandem with our company-wide risk identification process. This is due to the specific nature of climate risks, which are quantifiable but affect many parts of our business. Accordingly, this process is initially led by the sustainability team and external partners, with the results assessed and ratified against other risks and then included in the risk register. Following this process, climate change features as one of our principal risks.
The Board undertakes a bi-annual assessment of the principal risks, taking account of those risks that would threaten our business model, future performance, solvency or liquidity as well as the Group's strategic objectives. Scenario modelling, including the climate scenario analysis, is used to better understand the impact of these risks on our business model when placed under varying degrees of stress, enabling interdependencies to be considered and plausible mitigation plans to be tested.
Ownership and management of all risks is assigned to members of the Executive Leadership Team (ELT), who are responsible for ensuring the operating effectiveness of the internal control systems and for implementing key risk mitigation plans. The ELT reviews the Group Risk Register in detail at least twice per year and undertakes deep dives into specific risks throughout the year to evaluate the current risk level, consider risk appetite and agree any further actions needed. Each of the principal risks has a number of KRIs. For instance, climate-related risk indicators include energy intensity and carbon emissions, portfolio natural disaster risks (i.e. exposure to flooding, windstorms). KRIs and required mitigation actions are discussed and agreed by the ELT and the relevant business units.
Following our scenario analysis and risk assessment process, we identified that the transition risk associated with change in legislation and with shifting consumer preferences and expectations toward low carbon assets may present a financial and reputational risk for Landsec if our assets are not considered highly energy efficient and aligned with net zero carbon definitions, as it become more difficult to let our spaces. In line with our risk management framework, this risk was discussed with the ELT, and it was agreed that additional mitigation actions were required to improve the energy performance of our portfolio towards net zero. To meet our science-based target and stay ahead of impending 2030 Minimum Energy Efficiency Standards (MEES) requirements of minimum EPC B, we're continuing to implement our £135m Net Zero Transition Investment Plan to fund the following initiatives:
- Optimising building management systems across our portfolio, deploying innovative technologies such as artificial intelligence to reduce operational energy consumption;
- Reducing our reliance on fossil fuels replacing gas-fired boilers with electric systems such as Air-Source Heat Pumps (ASHP);
- Increasing on-site renewable electricity generation by installing solar panels across our retail assets; and
- Engaging and collaborating with our customers on energy efficiency to drive down consumption within their spaces
Regarding physical risks, based on our risk assessment, we identified that the impacts of physical risks to our portfolio will be more relevant in the long-term, particularly under the greater than four degree scenario. For instance, hotter, drier summers and warmer, wetter winters with more frequent severe weather events would be expected . This change will likely impact our operational costs and the resilience of our assets. As our developments are typically designed to last over 60 years, we need to ensure that we are designing buildings to be resilient and able to withstand future weather patterns. For instance, The Forge, which is our first net zero carbon development, has been designed to have facades and windows designed for efficient shading to avoid overheating and will have spare capacity in the cooling equipment to cater for increased cooling demand due to increasing temperatures.
Based on our mitigation actions, we're confident that the residual risk of physical and transition climate-related risks remains within our accepted tolerance range.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current environmental regulation is identified and assessed by the sustainability team, utilising journals and updates from consultants and industry groups to identify relevant legislation, and their expertise in this field to identify the business impacts. For example, the first phase of the UK Minimum Energy Efficiency Standards (MEES) came into force in April 2018. Under these regulations, it is illegal to lease new space or re-lease existing space which has an Energy Performance Certificate (EPC) rating lower than E, in an effort to reduce the carbon emissions from the UK built environment. As part of this legislation, the requirements evolved to include all leases, new and existing from April 2023 onwards. This means that Landsec can no longer legally lease any space to tenants which has an EPC rating lower than an E. Landsec currently owns nearly 3,000 spaces covered by the MEES regulation so this piece of legislation not only brings administrative burden but also potentially high risk because it won't be possible to lease spaces without a valid EPC rating, resulting in direct financial impacts from lost income, asset devaluation and costs for remedial works to improve energy efficiency. This risk is assessed for assets under ownership and also for potential acquisitions as part of the investment due diligence process. To manage this risk, we have been undertaking EPC assessments for all spaces that require a valid EPC certificate. Our inherent risk rating is currently considered 3 (minor) for this risk, which we have reduced to a residual risk rating of 1 (minor) through mitigating actions.
Emerging regulation	Relevant, always included	Emerging environmental regulation is identified and assessed by the sustainability team, utilising journals and updates from consultants and industry groups to identify new legislation, and their expertise in this field to identify the potential business impacts. In 2019 the UK Government committed to become Net Zero Carbon by 2050. Reaching net-zero carbon will require extensive changes across the economy, led by strong regulation and major infrastructure decisions, particularly around energy consumption, carbon taxes and emissions offsetting. As a key example of emerging regulation, the Government has proposed changes to the Minimum Energy Efficiency Standards (MEES) regulations in the commercial sector, increasing the minimum requirement to an Energy Performance Certificate (EPC) B by 2030. Although the Government hasn't confirmed details of the implementation plan for this enhancement, we have already developed a strategy to mitigate this risk. We have approved a £135m Net Zero Transition Investment Plan , which we continue to implement to improve energy efficiency and decarbonise our portfolio, enabling us to stay ahead of the future non-domestic MEES regulations, which may require all properties to achieve an EPC rating of B by 2030. Our inherent risk rating is currently considered 15 (significant) for this risk, which we have reduced to a residual risk rating of 6 (minor) through mitigating actions.
Technology	Relevant, always included	Technology risk is identified and assessed through our principal climate change risk, which is described as risk of failure to properly identify and mitigate both physical and transition risks from climate change, leading to a negative impact on our reputation, disruption in our operations and stranded assets. The transition to a more sustainable, low carbon economy is driving a multitude of technological advances, requiring investments to avoid stranded assets in our portfolio. Particularly within the transportation system, electric and plug-in hybrid vehicles are fast developing, and many businesses and individuals are choosing them over traditional, internal combustion engine vehicles. It is likely that electric vehicle (EV) numbers will grow significantly over the next few years with forecasts suggesting that there will be ~1 million in the UK by 2025. As EV sales grow there will be an increased demand for charge points across the UK. Research from the Committee on Climate Change suggests that by 2030 there would need to be ten times as many public chargers as there are at present. This poses a technological risk for us as if we don't provide the required charging infrastructure at our public car parks for our EV-driving customers, they may go elsewhere and stop visiting our assets. We recognise this shift in technology and behaviour and are therefore working to ensure that every Landsec asset with public parking has EV charging facilities available. We are an EV100 member and we continue to invest in EV charging point across our portfolio but we recognise that many of our retail assets offer no charging facilities. Our inherent risk rating is currently considered 12 (moderate) for this risk in the short term, which we have assessed as likely to increase in the medium term, however have reduced to a residual risk rating of 4 (minor) through mitigating actions.
Legal	Relevant, always included	The risk of civil penalties is considered by the sustainability team and risk champions, alongside other legislative and regulatory risks associated with climate change as part of our integrated risk management framework. Climate-related litigation poses both financial and reputational risk to our business and are relevant due to the Minimum Energy Efficiency Standards (MEES). From 1 April 2018, landlords of buildings within the scope of the MEES regulations must not renew existing tenancies or grant new tenancies if the building has less than the minimum Energy Performance Certificate (EPC) rating of E, unless the landlord registers an exemption. In light of this regulation, occupiers of our assets who are approaching a break in their lease must be in receipt of a valid EPC for our properties before commencing signing of a new lease. Accordingly, there is a risk of those EPCs not being completed, rendering the property not eligible for lease and exposing our business to civil penalties, which are set by reference to the property's rateable value. This could also manifest in litigation claims from customers if the obligations of our lease are not upheld, which includes provision of an appropriate and valid EPC. Our inherent risk rating is currently considered 3 (minor) for this risk, which we have reduced to a residual risk rating of 1 (minor) through mitigating actions.
Market	Relevant, always included	Market risk, in respect of climate change, is derived from shifting consumer preferences toward greener assets and associated services and is especially relevant for our business. It appears as a principal risk on our company-wide risk register as follows: 'Structural changes in customer and consumer expectations leading to a change in demand for space and the consequent impact on income and asset values'. As this is a principal risk appearing on the company risk register, the risk is monitored on a quarterly basis. This risk can be significantly affected by our sustainable design strategies for new assets, and continuous improvement of the sustainability performance of existing assets, as customer preferences shift towards greener buildings as a result of increasing awareness of climate change. This risk is particularly relevant during the leasing process, when customers are assessing the space and all relevant information to make their decision on a lease. This means that portfolio management and leasing teams must be capable of providing the right information to customers at the right time to support the decision-making process. With customers preferences shifting toward green assets, customers are asking for more information about the sustainability credentials of buildings during the leasing process. Where we are unable to provide substantiation of energy performance, green building rating or other relevant sustainability credentials for the asset, there is a risk that the customer decides not to lease our assets, negatively impacting our income. Our inherent risk rating is currently considered 12 (moderate) for this risk in the short term, which we have assessed as likely to increase in the medium term, however have reduced to a residual risk rating of 4 (minor) through mitigating actions.
Reputation	Relevant, always included	Reputational risk in the eyes of our customers and communities is explored in our climate change risk as follows: 'Our commitment to reducing Landsec's carbon footprint through our near-term and long-term carbon reduction targets by 2030 and 2040 is not met in time or achieved at a significantly higher cost than expected leading to regulatory, reputational and commercial impact.' As this is a principal risk appearing on the company risk register, the risk is monitored on a quarterly basis. This risk is especially relevant in relation to our customers and investors, from whom we are seeing an increasing volume of requests for information on our environmental and socio-economic governance. Should investors begin to lose confidence in Landsec in this area, and begin to withdraw funding, this sends a message to the market that Landsec is unable to fulfil investor requirements, which could result in a lack of funds, and confidence in our brand, reducing our ability to operate. Our inherent risk rating is currently considered 15 (significant) for this risk, which we have reduced to a residual risk rating of 6 (minor) through mitigating actions.
Acute physical	Relevant, always included	Acute physical climate change risks are always included in the company-wide risk assessment process through our principal climate change risk, which is described as risk of failure to mitigate physical impact on Landsec assets from climate change. Specifically, this risk is monitored through the portfolio climate Value at Risk (VaR) based on aggregated physical risks. As our portfolio changes, we assess our exposure to physical risks annually. Currently only a small proportion of our portfolio (2.5% VaR) is exposed to acute physical risk - the most significant being from coastal flooding (1.8% VaR). Our inherent risk rating is currently considered 3 (minor) for this risk, which we have reduced to a residual risk rating of 1 (minor) through mitigating actions.
Chronic physical	Relevant, always included	Chronic physical risks of climate change are always included in our company-wide risk assessment through our principal climate change risk, which is described as risk of failure to properly identify and mitigate both physical and transition risks from climate change, leading to a negative impact on our reputation, disruption in our operations and stranded assets. As our portfolio changes, we assess our exposure to physical risks annually. Our analysis confirmed sea level and average temperature increases to be relevant to Landsec portfolio. Under the worst-case scenario (RCP8.5), London could see a sea level rise of between 0.53m to 1.15m by the end of the century. The risk in London is considered mitigated by the Thames Barrier as the design levels of protections considered have been sufficiently conservative. However, as the projected rise in sea levels for the UK is the dominant driver of future coastal flooding changes, it could pose a material risk to Landsec, as our portfolio includes some coastal retail properties such as Gunwharf Quays in Portsmouth. The effects of flooding on our assets could include damage to materials and building structure, as well as disruption to services. As a management method, this risk is included in our investment risk assessment process and broader discussions on risks of certain properties in our portfolio. Regarding average temperature, our analysis showed that under the worst-case scenario, average temperature could increase between 0.7°C and 4.2°C in winter, and between 0.9°C to and 5.4°C in summer, by 2070. Since our energy consumption, used for heating and cooling purposes, is correlated with external temperature, the estimated annual impact of temperature increase in terms of consumption for the RCP 8.5 scenario is an additional 7% of electricity and cooling (11 million kWh) and 18% less gas and heating (12.7 million kWh) per year in 2100. Our inherent risk rating is currently considered 9 (moderate) for this risk, which we have reduced to a residual risk rating of 4 (minor) through mitigating actions.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact
Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Under the less than two degree scenario, our analysis shows that predicted changes in the UK climate are for marginally higher year-round temperatures and lower precipitation in summer. The risk to our business under this scenario from flooding and windstorm remains within the current and natural variability. This means there will be no material change to insurance, repair or other capital and operational costs arising due to the physical impacts of climate change.
However, higher physical risks are seen under the worst-case greater than four degree scenario. In this scenario, it is likely the UK will experience an increase in flash flooding, river floods, coastal flooding and storm surges. The impact of those hazards will become more relevant towards the middle/end of the century i.e. 2050 and beyond, resulting in an increased negative impact on the current Landsec portfolio due to more frequent and severe events like flooding and storm surges. Higher levels of precipitation are predicted in winter at up to +35%, and lower levels of summer precipitation are predicted at down to -47%. If defence measures stay the same as they are now, forecasted damage and consequent monetary losses from inland flooding are projected to increase by the 2050s. Although the impacts of these weather events are applicable to a small proportion of assets in our portfolio, with only 5.4% of Landsec's portfolio Value at Risk based on aggregated physical risks, this risk is considered to carry substantive financial and strategic implications for Landsec. This is because the potential damage to assets in the case of severe flooding could have a high financial impact to our balance sheet based on the current value of these assets. In addition, a flood event in any of our assets would cause a significant reputational damage, as visitors would be concerned about visiting our assets in the future and customers wouldn't want to lease our spaces. Therefore, these assets are classified as High Risk for climate change, which can be considered a low probability level for most risks but it is considered high for natural hazards, such as flooding due to its financial and strategic impact.

Time horizon
Long-term

Likelihood
Unlikely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
436152182

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
This potential financial impact figure is total value of assets located in areas at risk, a probability level that is considered high for natural hazards. This figure is based on the assumption of a complete destruction of these assets in case of a severe flooding event without considering any insurance coverage we already have in place and existing local flooding protection or mitigation actions in place.

Cost of response to risk
40000

Description of response and explanation of cost calculation
Based on our risks assessment, 5.4% of our portfolio value is at risk based on aggregated physical risk. By identifying which properties are located in areas highly exposed to physical risks, we are able to review the current level of local protection in place, such as coastal defences and flood barriers, which minimise exposure to these risks. We also ensure that insurance policies and mitigation plans are in place, including water attenuation tanks, flood alert systems and business continuity plans. By undertaking these actions, we mitigate the financial impact of flood risk.

Our analysis also showed us that impacts of acute physical risks to our current portfolio will become more relevant in the long-term. This means that although no significant changes in infrastructure are required yet, this is something we closely monitor and consider these risks in our investment decisions. As our analysis helped us to identify which properties in our portfolio are located in areas exposed to acute physical risks, we consider these risks in our divestment decisions, further reducing the exposure of our portfolio. For example, every divestment discussion is supported by climate risks analysis, including exposure to flooding risks.

To ensure we always consider acute physical risks in investment decisions we use our sustainability appraisal template and responsible investment policy to assess sustainability risks and opportunities against our BWLWAW framework; which include the physical and transitional climate risk. This is always used in the very early stages of acquisition by using location, size and value data within the MSCI climate module to calculate the value at risk in addition to flood risk assessment maps to guide our teams on any risks. The value at risk is also combined with our current standing profile to show how an acquisition could affect our total portfolio at risk of physical climate effects. From this estimates for climate adaptation are included within financial modelling for this asset or if acquisition should even proceed.

As identifying which assets are located in areas exposed to physical risks is the key action that allows us to manage this risk, reducing exposure of our portfolio and mitigating the financial impact, the cost of response to this risk is calculated by the cost of performing the climate risk analysis required, which is approximately £40,000 per year in fees paid to MSCI to provide us with this information for our portfolio.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Temperature variability

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
The energy used within the Landsec portfolio is typically in the form of electricity and gas, accounting for 95% of total energy. The remaining 5% is associated with district heating and cooling. The predominant use is electricity, 66% of total energy consumption, for powering building and tenant operations, lighting and cooling.
Based on regression analysis of Landsec's entire portfolio and energy consumption for period between 2018 and 2020, we identified that the energy consumption of the Landsec portfolio correlates with seasonal trends in external temperature. In our office buildings, there is a strong correlation with electricity consumption and high summer temperatures to deliver cooling. Historical data shows an upward trend in average temperatures, especially from the 1950s until now, and published climate change projections show continued increase in the future. Therefore, the expected increase in mean temperatures represents a risk for Landsec, as the projected increase in electricity and cooling consumption by 2100, based on the scenario RCP 8.5, is 11 million kWh, representing a 7% increase compared with 2019/20 consumption. This could increase our operational costs associated with energy consumption. In addition to impact in costs, the expected increase in cooling demand would make it more difficult to reduce our electricity consumption, compromising our progress against our corporate commitments, such as our science-based carbon reduction target to reduce our carbon emissions by 47% by 2030 and 90% by 2040 from a 2020 baseline. This could potentially have a significant negative impact upon our reputation.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
616000

Potential financial impact figure – maximum (currency)
3080000

Explanation of financial impact figure
With a changing climate, our analysis shows that Landsec's electricity consumption and cooling costs will likely increase. Based on current portfolio characteristics, the annual impact in terms of consumption for the worst case greater than four degree scenario is an additional +7% of electricity and cooling (11 million kWh) by the end of 2100. The cumulative monetary impact based on current prices would be in the range of an additional cost of £3,080,000 per annum. This figure was calculated by multiplying the current electricity price of £0.28 per kWh by the expected increase in electricity consumption of 11 million kWh. Under the less than two degree scenario, the impact is significantly lower with approximately +1% increase in electricity (2.2 million kWh), resulting in additional £616,000 per year, using the same calculation method.

Cost of response to risk
2300000

Description of response and explanation of cost calculation
Based on our risk assessment, our energy consumption and associated costs will likely increase due to higher demand for cooling across our assets to cope with expected higher temperatures. To minimise the impact of this risk, we are working to maximise the energy efficiency of our assets, particularly the heating, ventilation, and air conditioning (HVAC) systems. This includes investing in our HVAC equipment such as installing new fans, pumps and valves, and improving how we control current equipment by analysing and rewriting Building Management System (BMS) strategies to ensure assets operate efficiently. For instance, we're using smart technology to gather data from our BMSs in several of our offices, and having this detailed data helps us decide how we control energy-intensive service equipment in our buildings. We have been able to undertake various actions to improve the BMSs at our London assets, such as improving the efficiency and lifecycle of our cooling systems, as they now react more optimally to external temperatures. In 2022/23, we invested £2.3m in 13 energy efficiency improvement projects across our operational assets - including BMS optimisation (£125k), lighting upgrades (£1m) and through our customer engagement programme (£135k). These actions help us to reduce the energy consumption and associated costs across our portfolio, compensating the expected increase in energy demand and costs due to higher temperature and mitigating the impact of this physical risk.
Another method of response concerns development, ensuring assets which are being designed now are able to perform efficiently once they become operational. We are using the Design for Performance approach to set energy intensity targets for our base building performance, in line with achieving our 2030 targets. This tool aims to close the performance gap by ensuring that new office developments operate as efficiently as they were designed to. An example of a current development that has been designed using this approach is The Forge, our first net zero carbon building. We're also scaling back fossil fuel-dependent boilers in favour of all-electric solutions based on highly efficient air-source heat pumps with heat recovery, powered with renewable electricity. We don't consider any additional costs associated with this response strategy, as all these features are included as part of the design approach for all our new developments and considered in our life cycle assessment (LCA).

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
As a major landlord, we are affected by the UK Government Minimum Energy Efficiency Standard (MEES) regulations, which came into effect on the 1st April 2018. Under this regulation, from 2023, we are no longer able to let properties / units which either don't have a valid Energy Performance Certificate (EPC) or have an EPC rating lower than an E. In line with the UK Government commitment to achieve net zero carbon by 2030, the Government has proposed changes to the MEES regulations in the commercial sector, increasing the minimum requirement to EPC B by 2030. Although the Government hasn't confirmed details on implementation plan for this enhanced MEES regulation, we have assessed the financial and strategic impact driven by this risk.
Currently, 64% of our portfolio has an EPC rating below B. Although our portfolio is already performing better than the wider market, which is estimated to be around 85% below B, we understand that this risk can have a significant financial and strategic impact to Landsec.
This 64% rated below B represents an annual rental income of nearly £400,000,000. In addition, as this is a requirement for 2030, there is an expectation that the EPC rating of our portfolio will continuously improve year on year. Therefore, in addition to the financial impact, there could be a reputational risk if we are not seen as improving the EPC rating of our portfolio ahead of 2030. To mitigate this risk, we have developed and approved our £135m Net Zero Transition Investment Plan which we are implementing to improve energy efficiency and decarbonise our portfolio, enabling us to stay ahead of the future non-domestic MEES regulations, which may require all properties to achieve an EPC rating of B or above by 2030.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
400000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Currently, 64% of our portfolio has an EPC rating below B, representing an annual rental income of nearly £400,000,000. If we don't improve the energy ratings of our assets, this is the potential financial impact to our portfolio.

Cost of response to risk
135000000

Description of response and explanation of cost calculation
To mitigate this emerging risk and stay ahead of 2030 Minimum Energy Efficiency Standards (MEES) requirements of minimum EPC B, we've developed our £135m Net Zero Transition Investment Plan which we are implementing to fund the following initiatives:
- Optimising Building Management Systems (BMS) across our portfolio, deploying innovative technologies such as artificial intelligence to reduce operational energy consumption;
- Reducing our reliance on fossil fuels replacing gas-fired boilers with electric systems such as Air-Source Heat Pumps (ASHP);
- Increasing on-site renewable electricity generation by installing solar panels across our retail assets; and
- Engaging and collaborating with our customers on energy efficiency to drive down consumption within their spaces
This cost was calculated based on the investment required to implement each of these initiatives across our assets over 8 years until 2030, where we have undertaken a detailed analysis and aligned this plan with the reductions we need to achieve to meet our 2030 science-based target.
Over the last year we've made excellent progress, spending over £2m to deliver the below results:
- Completed the optimisation of BMSs for 11 offices - which we predict will contribute to energy reductions of up to 10%
- Completed ASHP feasibility studies for six offices, with four progressing to concept design and two to detailed design
- Completed seven renewable energy feasibility studies to install solar panels at our retail assets
- Expanded our energy audits from 15 to 28 of our largest customers, which identified potential annual carbon and cost savings at least 10% per customer.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of new technologies

Primary potential financial impact
Reduced direct costs

Company-specific description
We can harness new technologies, created and developed in response to the challenges of climate change, to improve our assets and reduce our operational costs. One such technology is solar power. In recent years, international investment in solar power has improved product efficiency and lowered in cost, significantly reducing the pay-back period, making it a viable solution for Landsec. We have installed 1.4 MW of solar power across our assets including 0.8 MW at one shopping centre, White Rose in Leeds - one of the largest PV arrays on a UK shopping centre. These systems reduce the amount of energy we need to purchase from the grid and in turn the operational costs of our assets. These benefits are either received by Landsec directly or passed through to customers who occupy one of our assets with these technologies, leading to other business benefits, including asset value enhancement and reputational benefit for Landsec.
Based on these benefits, we continue to explore opportunities for installing more solar panels across our assets, increasing our on-site renewable energy generation. This year we have progressed with the enabling stage for two of our retail assets where we plan to commence installation in early 2024. Based on the opportunities identified through various feasibility rooftop PV reviews across our retail assets, we have included investment required to increase solar PV capacity to 3.1 MW in our Net Zero Transition Investment Plan which will be implemented over the next 7 years, until 2030. The total cost to realise this opportunity is approximately £3.8m.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
4200000

Potential financial impact figure – maximum (currency)
10500000

Explanation of financial impact figure
Landsec's current 1.4 MW of solar power currently in operation produce approximately 1,200,000 kWh of electricity each year. The systems in place have an expected life span of 25 years. The financial benefit of these systems producing 1,200,000 kWh each year for 25 years is calculated as £4,200,000, based on an average electricity price of £0.14. If we are able to increase our capacity to 3.1 MW as indicated by our initial feasibility studies, we would be able to generate nearly 3,000,000 kWh, equating to £10,500,000. This financial benefit will either be realised by Landsec directly or by our customers through service charge reduction. Both scenarios lead to obvious business benefits to the company.

Cost to realize opportunity
3800000

Strategy to realize opportunity and explanation of cost calculation
Our current solar power capacity is 1.4MW which generates approximately 1,200,000 kWh of electricity per year. As part of our strategy to meet our science-based target and transition to net zero, we have undertaken solar power feasibility studies to increase our on-site renewable energy generation capacity. Based on the opportunities identified through solar power feasibility studies we have included the investment required to increase solar power capacity to 3.1MW in our Net Zero Transition Investment Plan which will be implemented over the next 7 years, until 2030. The total cost to realise this opportunity is approximately £3,800,000. This figure has been based on the feasibility studies and it is aligned with the actual cost we have incurred to install our current 1.4M solar PV capacity of £1,400,000 as a proxy for future costs, totalling £3,800,000.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resilience

Primary climate-related opportunity driver
Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact
Reduced direct costs

Company-specific description
The energy used within the Landsec portfolio is typically in the form of electricity and gas, accounting for 95% of total energy. Approximately 80% of total gas consumption is used for heating. Based on regression analysis of Landsec's entire portfolio and energy consumption for period between 2018 and 2020, we identified that the energy consumption of the Landsec portfolio correlates with seasonal trends in external temperature. There is a strong correlation with gas consumption and colder, winter temperatures for heating provision.
Historical data shows an upward trend in average temperatures, especially from the 1950s until now, and published climate change projections show continued increase in the future. Therefore, the expected increase in mean temperatures represents an opportunity for Landsec, as the projected reduction in gas and heating consumption at year 2100 based on the worst-case scenario RCP 8.5 is 12.7 million kWh (-18% gas and heating consumed) and based on the best-case scenario RCP 2.6 is 3.8 million

kWh (-5% gas consumed).
This could reduce our operational costs associated with energy consumption. In addition to impact in costs, the expected reduction in heating demand would facilitate the reduction in our gas consumption, supporting our progress against our corporate commitments, such as our science-based carbon reduction targets to reduce our carbon emissions by 47% by 2030 and 90% by 2040.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
304000

Potential financial impact figure – maximum (currency)
1016000

Explanation of financial impact figure
With a changing climate, our analysis shows that Landsec's gas consumption and heating costs will likely decrease. Based on current portfolio characteristics, the annual impact in terms of consumption for the worst-case greater than four degree scenario, is 18% less gas (12.7 million kWh) by the end of 2100. The cumulative monetary impact based on current prices would be in the range of a reduced cost of £1,016,000 per annum. This figure was calculated by multiplying current gas prices of £0.08 per kWh by expected reduction in gas consumption of 12.7 million kWh. Under the less than two degree scenario the impact is significantly lower with approximately 5% reduction in gas consumption (3.8 million kWh), resulting in reduced cost of £304,000 per year, using the same calculation method.

Cost to realize opportunity
2300000

Strategy to realize opportunity and explanation of cost calculation
We can only take advantage of this opportunity by ensuring our buildings respond to external temperatures to deliver the required internal environments as economically and energy efficiently as possible. We use Business Focused Maintenance to keep our buildings operating efficiently and to report on how well they are responding to external temperatures, by using analytics to identify inefficiencies. We also invest in new HVAC plant which is able to respond to temperature better using technologies such as variable speed drives. These can module the speed of pumps better than traditional systems and so heating systems only deliver the amount of heat required. These efficiency improvements are constantly under review with investment taking place each year, as part of the action plan for each of our assets. Energy efficiency opportunities are identified, assessed and prioritised based on investment required and expected reduction in energy and costs, and a business case is developed and discussed with relevant stakeholders/committees for approval. Once approved, the project is included in the asset budget for implementation. In 2022/23, we invested £2.3m in energy efficiency improvement projects across our existing operational assets which are expected to deliver 4,200,000 kWh, leading to over £0.7m annual savings in energy costs. To maximise building efficiency, we use smart technology to gather data from our Building Management Systems in several of our offices, and having this detailed data helps us decide how we control energy-intensive service equipment in our buildings, and the services that we provide in our buildings are now running in line with occupancy.
In our new developments, we're also scaling back fossil fuel-dependent boilers in favour of all electric solution based on highly efficient air-source heat pumps with heat recovery powered with renewable electricity electric. We don't consider any additional costs associated with this strategy, as all these features are included as part of the design of our new developments, whereas our £135m Net Zero Transition Investment Plan relates to our standing assets.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Move to more efficient buildings

Primary potential financial impact
Reduced direct costs

Company-specific description
Energy Savings Opportunity Scheme (ESOS) is a mandatory scheme for organisations in the UK. Because Landsec employs over 250 people, we qualify for ESOS. Companies who qualify for ESOS are required to either undertake a comprehensive assessment of energy efficiency opportunities at least once every four years or have a certified ISO50001 Energy Management System. In 2014-15, we evaluated these two compliance routes and decided that having a certified ISO50001 Energy Management System was more valuable as it drives continuous improvement of our energy use whereas the energy audit route does not require any actual improvements to be made, just the identification of potential improvements. Therefore, complying with ESOS provided the opportunity for us to make a compelling case to implement an ISO50001 Energy Management System across Landsec, as the best alternative for complying with regulations whilst additionally promoting continuous energy efficiency improvement. We now have an active framework for identifying, evaluating, controlling and improving energy performance. In addition, key elements of the ISO50001 Energy Management System include leadership and governance, risks and opportunities identification, objectives and target-setting, performance monitoring and internal audit. As part of our Energy Management System, we have Energy Reduction Plans (ERPs) for all our assets, which outline how we will reduce the energy use and carbon emissions of the asset in order to meet our energy and carbon targets. This framework promotes continual improvement, as we are required to keep monitoring our performance, identifying and assessing our opportunities to reduce operational costs and carbon emissions which is the goal of the ESOS, whilst supporting the achievement of our energy and carbon targets.

Time horizon
Short-term

Likelihood

Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
8500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Since 2013-14, we've reduced our energy intensity by 33% (kWh/m2). The energy intensity in 2013-14 was 163 kWh/m2 and the energy intensity for 2022-23 was 109 kWh/m2. These reductions have been driven by energy savings initiatives identified and delivered through our ISO50001 certified energy management system.
In addition, in 2013-14 the total energy consumption was 220,200,348 kWh and floor area was 1,350,305 m2, while in 2022-23 the total energy consumption was 185,530,886, kWh and floor area was 1,704,306 m2. As energy intensity is calculated by dividing energy consumption by floor area, the cost savings are estimated by calculating the total energy consumption in 2022-23 if the floor area was the same as in 2013-14, taking into account the 33% reduction in energy intensity. Current average electricity and gas unit cost rate is then multiplied to the total energy consumption for both years (2013-14 and 2022-23). The total energy cost for 2013-14 would be approximately ~£48.3 million and the cost for 2022-23 would be ~£39.7 million, based on energy intensity. By comparing these two total costs, it is possible to estimate costs savings of £8.5 million.

Cost to realize opportunity
2300000

Strategy to realize opportunity and explanation of cost calculation
We maintain an active energy management programme focused on reducing energy use, which is supported by a Group KPI linked to executive remuneration. In 2022/23, we implemented 13 energy efficiency projects across our properties, with a total energy saving potential of 4,200,000 kWh and total cost of £2,300,000. These include Building Management Systems optimisation (£125k) and LED lighting upgrade projects (£1m) such as a large LED lighting upgrade at Bluewater shopping centre.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan
We have a different feedback mechanism in place

Description of feedback mechanism
We regularly provide updates on our transition plans to our investors through annual results presentation and annual report. We also organise investor roadshows and meetings when we have the opportunity to further discuss these plans and investors can ask questions and provide feedback.
For instance, in our half year results in November 2022, our CEO and CFO provided an update on progress with our £135m Net Zero Transition Investment Plan and embodied carbon reduction to investors, which will help us to achieve our science-based target and ensure our portfolio meets the Minimum Energy Efficiency Standards (MEES) regulations by 2030. As part of our annual results we provided further updates and announced our new science-based targets aligned to the SBTi Net Zero Standard, to reduce absolute emissions by 47% by 2030 vs 2020 and reach net-zero by 2040. In both presentations, investors and analysts had the chance to ask questions and provide feedback on our plans. In addition, our plans were further discussed with investors in investor roadshow and meetings, when investors can provide feedback.
We also include details of our Net Zero Transition Investment Plan and performance progress against targets, including our science-based target in our Annual Report.

Frequency of feedback collection
More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)
Results for the year ended 31 March 2023.pdf
Half year results presentation 2022.pdf
Landsec Annual Report 2023 Interactive_0.pdf

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios: IEA SDS	Company-wide	<Not Applicable>	Analysis of this scenario was applied to the entire entire organisation and its activities including investment, development, operations and divestment. This scenario was also aligned with the Intergovernmental Panel on Climate Change's (IPCC) RCP 2.6 and Shared Socioeconomic Pathways (SSPs) SSP1-2.6, in which global temperatures will not exceed more than two degrees over preindustrial levels by the end of the century. The scenario was selected as it is a widely used and reputable scenario. The scenario assumes proactive and sustained action to reduce carbon emissions over the next 10-30 years to build a low carbon economy. In this period, global efforts to mitigate climate change intensify immediately, led and supported by strong policy and regulatory responses. This time horizon is relevant to Landsec due to the long-term nature of decision making in real estate, i.e. issues which are relevant in a ten-year period may require decisions to be made now in order to deal with them effectively. Therefore, it is appropriate to consider the possible outcomes in the scenario in all development and significant maintenance decisions.
Physical climate scenarios: RCP 8.5	Company-wide	<Not Applicable>	Analysis of this scenario was applied to the entire organisation and its activities including investment, development, operations and divestment. The scenario was selected as it is widely used and reputable scenario. This scenario is aligned with the IPCC's RCP 8.5 and SSP5-8.5, where climate change will increase by more than four degrees by 2100. In the period between 2030 and 2100, the physical effects of climate change begin to intensify rapidly, and government, business and society will need to adapt to the effects. This timeframe is relevant to Landsec as the design life of our assets is typically 50 to 60 years, which means new buildings must be designed now to be capable of dealing with the projected temperatures and weather conditions which may unfold as a result of this scenario. In this scenario, it is likely we will experience an increase in flash flooding, river floods, coastal flooding and storm surges. Increases in year-round temperature are predicted, with summer temperatures at 5.4°C higher and winter temperatures at 4.2°C higher than the current climate. Higher levels of precipitation are predicted in winter at up to +35%, and lower levels of summer precipitation are predicted at down to -47%.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

As part of our company-wide risk management and control framework, we undertake scenario analysis to better understand the impact of principal risks, which include climate change, on our business model when placed under varying degrees of stress, enabling interdependencies to be considered and plausible mitigation plans to be tested.

As Landsec develops and manages a portfolio of real estate assets, we need to understand how climate change will impact our portfolio in the short, medium and long-term, helping us to consider appropriate mitigation plans to ensure our portfolio and business remains resilient for the future.

Key focal questions that we seek to address when undertaking climate-related scenario analysis are:

- What climate-related changes and drivers will impact our business more significantly in the short, medium and long term?
- What type of investment will be required to make our existing assets climate resilient?
- How will we need to change our approach to new developments?
- How is our current strategy and targets helping us to mitigate climate-related risks?

Results of the climate-related scenario analysis with respect to the focal questions

The scenario showed us that our current portfolio is not highly exposed to physical risks given the location of our assets and the impact of physical risks to our portfolio will only become more relevant in the long term, under RCP8.5 / SSP5-8.5 scenario. Conversely, transition risks are relevant in short term, particularly under IEA SDS scenario, as increasing mitigating actions to drive emissions reduction are expected, such as policy and regulation changes, as well as change in customer preference.

Specific results from each scenario include:

- Under IEA SDS scenario, the results indicate significant transition risks: zero carbon legislation, stringent planning regulation and carbon tax are all likely to be introduced for the real estate sector in the UK, leading to higher costs to improving energy efficiency and reducing carbon emissions across our portfolio. Investment in low-carbon materials and solutions and reducing the carbon impact of real estate developments are already becoming mandatory through the planning system and building regulations. These changes are likely to increase our capital expenditure, as we currently have a growing development pipeline, including four developments in progress and two proposed developments. Despite our existing approach of investing in renewable energy and designing our new assets to exceed current and emerging regulations, we appreciate that under this scenario, many of our activities will be considered business as usual by 2030 so to continue to derive both reputational and competitive advantage, further innovation and investment is required. For that reason, the risks identified in this scenario analysis, including changes in regulation and market requirements, have driven the development of our £135m Net Zero Transition Investment Plan to ensure we manage transition risks and to maintain our leadership approach in addressing climate change.
- Under RCP 8.5 / SSP5-8.5 scenario, physical risks to our portfolio could pose several market challenges, including potential lower asset values, higher operational costs, higher costs of insurance premiums, and reduced attractiveness to our customers and consumers. This is particularly relevant for our assets located in areas highly exposed to flooding. Due to these extreme temperature and weather patterns, it is likely that older, poorly designed, operated and maintained assets will experience more frequent building system and envelope failures, leading to higher operational costs. The potential temperature effects in this scenario will affect our façade systems, which will be subject to periods of intense heat affecting the integrity of sealing materials. In this scenario, our analysis demonstrates that changes to our strategy and financial planning will be required. This will include potential divestment of assets which are less resilient to extreme heat and rainfall, or investment into infrastructure to limit the impact of flooding and coastal surge.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Although our climate resilience assessment suggests that the impact of physical risks will become more relevant to our portfolio in the long term, whilst transition risks are already happening in the short term, both physical and transition risks have already influenced our strategy in relation to how we develop our assets, which are our 'products'. As our buildings are typically designed to last over 60 years, we need to ensure that they're designed to be resilient, considering future weather patterns. Through our Sustainability Brief for developments, we manage the impact of physical risks such as higher cooling costs and lower heating demand, by adapting building services design, reducing heating capacity and maintaining cooling capacity to address expected increase in temperatures. The facades and fabric materials we specify are also designed for the expected higher temperatures and to minimise energy demand, as well as to withstand extreme temperatures and increased wind speeds to avoid maintenance issues or damage to buildings in future. To address transition risks in our developments, we're scaling back fossil fuel-dependent boilers in favour of electric heating and cooling across our operations. We are using the Design for Performance approach to set energy intensity targets for our base building performance to ensure new developments operate as efficiently as they were designed to. In addition, we set ambitious embodied carbon targets for each development. The most substantial decision that has been influenced by climate risks was the decision to develop The Forge as our first net zero carbon commercial development. The building is the world's first large scale office building designed and constructed using a 'kit of parts' solution built on a Platform for Design, Manufacture and Assembly (P-DfMA) structural frame, leading to 19% reduction in embodied carbon emissions compared to traditional construction methods. Embodied carbon has been further minimised by careful specification of materials such as high recycled content in key construction materials and cement replacement. It is also all electric using highly efficient air-source heat pumps, meaning no energy will be generated from fossil fuels. Finally, all remaining emissions are offset via procurement of high quality carbon credits. This has set the standard for our future developments.
Supply chain and/or value chain	Yes	Our strategy in relation to our supply chain has been influenced by climate-related transition risks both in the short and long term. As part of our net zero strategy, we're committed to reduce the embodied carbon emissions of our new developments. These are emissions from our supply chain, arising from the extraction of natural resources, manufacturing, transport and construction. To reduce embodied carbon, we focus on the materials we procure to adopt low-carbon alternatives wherever possible. This means careful analysis and selection of every material we use. Our aim is to avoid materials with a high-carbon intensity such as traditional steel and concrete, replacing them with materials that have a high recycled content, and inherently low-carbon profile, such as engineered timber, and that are sourced locally. Through our Sustainability Charter, we encourage our partners to to consider climate risks helping them to become more resilient whilst reducing the risks of supply chain disruption. We have included these criteria in the selection for partners and work with them to assess and encourage progress. Procuring sustainable materials is a complex process, posing a risk of carbon intensive materials being selected. With our growing development pipeline, we've taken a closer look at our procurement policies to equip ourselves and our partners with the right tools for materials procurement. To support this process, we have decided to develop and launch our Materials Brief, describing the requirements for common materials used on Landsec development and portfolio projects. The brief was launched in 2021 to clearly set out the materials we prohibit use of in our construction activities based on responsible sourcing, embodied impact and resource efficiency considerations. The document also stipulates the types of materials that we prefer, providing guidance for our designers and construction delivery partners to select low carbon materials locally sourced to reduce emissions, including from transportation. We circulate and discuss this guidance with our partners at the start of any project and work with them on the best approach to materials selection and alternatives. We're monitoring the materials used across all our developments, where they source 100% of core construction materials responsibly.
Investment in R&D	Yes	As part of our approach to address climate-related transition risks we've committed to become a net zero carbon business by 2040 and updated our science-based target to reduce our carbon emissions by 47% by 2030 vs 2020. Since 2013/14, we have reduced our carbon emissions by 52%. However, we recognise that most of quick wins and simple solutions to reduce energy consumption and carbon emissions have already been implemented across our portfolio. Therefore, we will need to invest in innovative solutions in the short and medium term, to deliver the remaining required reduction in energy and carbon. We're are currently undertaking feasibility studies and assessing different technologies to be deployed in our assets, from all-electric solutions based on highly efficient air-source heat pumps with heat recovery powered with renewable electricity to artificial intelligence technology to optimise HVAC systems. Our strategy around investment in R&D for new developments is also aligned with our net zero strategy, focused on reducing the embodied carbon emissions in our new developments both in the short and medium term. Embodied carbon emissions represent around half of the total emissions associated with the building over its entire life. For that reason, reducing the emissions arising from our construction activity including; extraction of natural resources, manufacturing, transport and construction is crucial. In order to reduce the emissions associated with the construction process, we've trialled an innovative platform-led approach to construction, known as P-DfMA (Platform for Design, Manufacture and Assembly), which consists of a set of components that can be efficiently combined to produce highly customised structures. The platform system is based on repeatable processes and standardised connections, enabling different kinds of spaces to be built with just a single 'kit of parts'. The new approach has been identified by the government as essential to the transformation of the construction sector, as this approach significantly reduces the construction time, waste and cost. By using less material, this approach creates less waste and consequently has lower carbon impact. This innovation has been deployed at our first net zero carbon building, The Forge, leading to a 19% reduction in embodied carbon emissions compared to traditional construction methods.
Operations	Yes	Climate-related risks and opportunities have already impacted how we operate our buildings. We are developing and operating our buildings to make them more energy efficient and resilient to a changing climate. Energy efficiency is a priority area of our operational strategy, as it helps to reduce our operational costs and costs for our customers whilst building resilience in our portfolio. We operate our buildings in accordance with our company-wide Environmental and Energy Management Systems, which are certified to ISO 14001 and ISO 50001 respectively, having Energy Reduction Plans (ERPs) and action plans for all our assets, which outline how we will reduce the energy use and carbon emissions of the asset effectively. Through these plans, we will continue to plan and deliver improved controls and efficient energy systems. The ERPs form part of the operational financial planning for each asset. To meet our science-based target and stay ahead of impending 2030 Minimum Energy Efficiency Standards (MEES) requirements of minimum EPC B, helping us to manage climate-related transition risks, we've developed, approved and are implementing our £135m Net Zero Transition Investment Plan that is funding the following initiatives over the next 7 years: - Optimising building management systems across our portfolio, deploying innovative technologies such as artificial intelligence to reduce operational energy consumption; - Reducing our reliance on fossil fuels replacing gas-fired boilers with electric systems such as Air-Source Heat Pumps (ASHPs); - Increasing on-site renewable electricity generation by installing solar panels across our retail assets; and - Engaging and collaborating with our customers on energy efficiency to drive down consumption within their spaces. In addition, for all assets located in areas highly exposed to physical risks, we have developed plans to ensure that adequate protection and mitigation is in place, including Business Continuity and Emergency Response Plans.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets	Our financial planning process comprises a budget for two financial years and a strategic plan for five financial years. Generally, the budget has a greater level of certainty and is used to set near-term targets across the Group. The five-year strategic plan is less certain than the budget, but provides a longer-term outlook against which strategic decisions can be made. The financial planning process considers the Group's profitability, capital values, gearing, cash flows and other key financial metrics over the plan period. Climate-related risks and opportunities have already influenced most elements of our financial planning, with potential implications beyond our five-year projection. Direct costs, particularly around energy costs, represent an area that have been influenced by climate-related risks and opportunities. For us, energy costs are considered as direct costs, as energy is used directly by our customers in their spaces as part of the service provided in the building. We have an annual budgeting process to calculate the service charge costs for the year ahead. A significant cost line in the service charge budgets is associated with energy costs. Since 2013-14, we've reduced energy intensity by 33% with estimated costs savings of £3.5 million. In addition, in 2022/23, we implemented 13 energy efficiency projects across our properties, with a total energy saving potential of 3,800,000 kWh and estimated cost savings of £600,000 at a total investment cost of £1,300,000. These savings are considered in the budgeting process. Furthermore, when we look beyond our five-year projection for direct costs associated with energy, we also consider the likely increase in temperatures, which will impact both our cooling and heating costs. Capital expenditure on energy efficiency and low-carbon solutions is a core component of our capital expenditure for new assets, as we design and deliver assets to be climate resilient, and also for existing assets to ensure that they remain resilient. We have invested in responsive and adaptive buildings with efficient heating systems and natural methods of ventilation and heat preservation, for example, the use of air-source heat pumps at Westgate, Oxford, which are efficient in milder winter conditions. In addition, we continue to allocate capital to energy efficiency measures which will improve our existing assets and also reduce our direct costs, as outlined above. For instance, we have approved a £135m net zero transition investment plan for the next 8 years, which was integrated in our long-term financial planning. We have factored key actions such as the installation of air source heat pumps and refurbishment costs to increase EPC ratings into the asset valuations of relevant assets. We also have an internal price of carbon to reveal the carbon implications in our projects and operations and to assist investment decision making process. By considering the price of carbon in investment decisions, we're aligning capital allocation strategy to support the transition to a low carbon economy. In line with our Responsible Investment Policy, we consider climate-risks during due-diligence of assets prior to acquisition to understand energy performance and costs, to minimise the effects of inherited inefficiencies and to gain advantage and leverage in negotiations. We avoid acquisition of properties with unadaptable, inefficient cooling systems or oversized heating systems which may struggle to adapt to future temperature conditions efficiently, with proximity to the coast and dated coastal defences as sea level rise is expected to impact the coastal regions of the UK and could increase the likelihood of storm surge flooding. In the medium term, we will also consider divesting properties at risk from natural hazards, such as coastal and inland floods as the impacts will gradually worsen in the long term. Finally, to support our business strategy and how we manage climate-related risks and opportunities, we have a Green Bond Framework, enabling future green bond issuance, impacting our access to capital. The framework outlines how we propose to use the proceeds of Green Bonds to fund eligible green projects that support our business strategy, in line with the Climate Bond Initiative Standards and the International Capital Market Association (ICMA) Green Bond Principles.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with our climate transition plan	<Not Applicable>

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
CAPEX

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
2300000

Percentage share of selected financial metric aligned in the reporting year (%)
100

Percentage share of selected financial metric planned to align in 2025 (%)
100

Percentage share of selected financial metric planned to align in 2030 (%)
100

Describe the methodology used to identify spending/revenue that is aligned
We have set ourselves ambitious science-based targets which have evolved over time - we've committed to achieving net-zero by 2040 and extended our targets to cover scope 3 emissions from our developments, supply chain and customers - to align with the net-zero standard and to achieve our climate transition in line with a 1.5°C world. It was recognised that in order to achieve these targets and our transition that having a robust plan with the necessary investment would be key. To form this plan, we took into account what we were already spending on carbon reduction projects across the business and what we needed to spend to achieve our long-term goals. This included expensive retrofits and cost effective early design choices for our developments. By mapping out how we needed to change the way we operate our buildings, we developed our Net Zero Transition Investment Plan which was announced in 2021 detailing clear projects to be delivered through to 2030 and ringfencing £135m of capital investment to be able to deliver this. Our plan details the anticipated spend on projects for each year to 2030, where in this reporting year we have invested £2.3m which is 100% aligned with our plan. In having a clearly costed plan, we have seen that this has been able to focus activity and drive behaviour and engagement across our business. And in establishing our plan it was important to bring together the right people - operations teams, finance and in turn ensuring that actions are built into asset plans.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2019

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2
Scope 3

Scope 2 accounting method
Location-based

Scope 3 category(ies)
Category 13: Downstream leased assets

Base year
2014

Base year Scope 1 emissions covered by target (metric tons CO2e)
11178

Base year Scope 2 emissions covered by target (metric tons CO2e)
39062

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
29373

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
29373

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
79614

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
100

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
41.8

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
77

Target year
2030

Targeted reduction from base year (%)
70

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
5212

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
16116

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
14172

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
14172

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
35499

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
In 2019 we achieved our original 2030 SBT 11 years early, reducing our carbon intensity by 48% since 2014. In line with our aim to lead our sector, in 2019 we became the first UK REIT to increase the ambition level of our science-based carbon reduction target, aligning it to a 1.5-degree scenario (1.5DS). This commitment is the foundation of our transition to net zero.

Our science-based target, aligned with the 1.5DS, is to reduce our absolute carbon emissions (tCO2e) by 70% by 2030 compared to a 2013/14 baseline, for property under our management for at least two years, excluding those properties which are acquired, sold or included in the development pipeline at any time within the last two years. We understand that this two-year period reflects the amount of time needed to undertake sustainability assessments and start implementing changes to the assets; once properties complete the minimum required time under our operational control, they will be included into the commitment portfolio at the start of the following reporting year. This target includes scope 1 and 2 emissions, and scope 3 emissions associated with downstream leased assets (gas and electricity procured by us and used by our occupiers) but excludes scope 1 emissions associated with refrigerant gas.

To develop this target, the Absolute Contraction Approach was adopted, which applies the annual emission reduction pathway aligned to a 1.5DS to the baseline emissions of the company, and the pathway is defined by a 4.2% annual linear reduction, which has been derived by the Science Based Targets initiative (SBTi). We worked with the Carbon Trust in order to calculate the emissions pathway for our SBT; the annual reduction aligned to the 1.5DS was applied to our baseline footprint, resulting in the absolute emissions pathway and reduction targets.

Plan for achieving target, and progress made to the end of the reporting year
Since 2013/14, we've reduced our carbon emissions by 55% and we're on track to achieve our target by 2030. We've decreased our carbon emissions by 7% compared to last year (2021/22). Despite increases in occupancy and footfall which lead to an estimated 2,728 tCO2 increase in emissions, we have seen reductions in emissions due to the continued implementation of energy efficiency measures including Building Management System optimisation across multiple office assets, LED upgrades and several customers implementing reduction measures identified from our customer engagement programme. The two largest contributors to emissions reduction are from continued implementation of energy efficiency measures and changes in carbon emission factors due to grid decarbonisation, accounting for an estimated 1,593 tCO2e and 2,349 tCO2e decrease in emissions respectively.

To meet our science-based target, we continue to progress the implementation of our £135m Net Zero Transition Investment Plan to fund the following initiatives:
- Optimising Building Management Systems across our portfolio, deploying innovative technologies such as artificial intelligence to reduce operational energy consumption;
- Reducing our reliance on fossil fuels replacing gas-fired boilers with electric systems such as Air-Source Heat Pumps (ASHP);
- Increasing on-site renewable electricity generation by installing solar panels across our retail assets; and
- Engaging and collaborating with our customers on energy efficiency to drive down consumption within their spaces

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2
Scope 3

Scope 2 accounting method
Location-based

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 13: Downstream leased assets

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
9158

Base year Scope 2 emissions covered by target (metric tons CO2e)
25382

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
48787

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
99891

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
6919

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
770

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
270

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
166

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
108995

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
265798

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
300338

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
100

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
47

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
8322

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
19507

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
46272

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
81987

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
5839

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
770

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
270

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
156

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
89329

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

224623

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
252452

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
New

Please explain target coverage and identify any exclusions
Responding to the scale and urgency of the climate crisis, the SBTi published their Net-Zero Standard (NZS) last year, setting out new criteria for validating science-based net-zero targets, and increasing expectations on businesses to make rapid emission cuts across their value chain. The new framework creates a common understanding of net zero in a corporate context, providing clarity on business climate action to a wide range of stakeholders.

In line with this approach, we've increased the ambition of our carbon reduction target to align with the SBTi Net-Zero Standard and have continued to progress our £135m Net Zero Transition Investment Plan (NZTIP). The Net-Zero Standard sets out a consistent definition of net zero and the science-based requirements of achieving it. Our updated targets now cover our scope 1,2 and all scope 3 emissions that apply to us - including purchased goods and services, capital goods, fuel and energy related activities, waste generation from operations, business travel, employee commuting and downstream leased assets. This means we have expanded our coverage of emissions from all sources - including from our development pipeline, supply chain and customers.

Our baseline has been updated from 2013/14 to 2020 and we've committed to reach net zero by 2040, ensuring that we will meet the requirements set out by the SBTi.

Plan for achieving target, and progress made to the end of the reporting year
To achieve our near-term target, we must continue to follow our Net Zero Transition Investment Plan where we are investing £135m until 2030 on the following initiatives:

- Replacing gas-fired boilers with electric systems such as Air-Source Heat Pumps
- Optimising our Building Management Systems, and trialling predictive and self-adaptive AI technology to optimise heating, ventilation and air conditioning systems
- Increasing the capacity of onsite renewable energy, by implementing and extending our solar photo-voltaic (PV) arrays
- Engaging with our customers to identify and implement energy efficiency projects in our occupied spaces
- Replacing all fluorescent lighting with LED

We've also set ambitious targets to reduce the average embodied carbon of a typical building by 50% by 2030, aiming for 500kgCO2e /m2 for offices and 400kgCO2e /m2 for residential. Achieving this will require us to rethink the way we design and develop our buildings prioritising asset retention where possible, adopting new ways of design and using sustainable materials.

Our near term and net zero targets were updated and submitted to SBTi for validation on 1 July 2022, and were subsequently approved by SBTi on 3 February 2023. As the cut-off date for the current reporting year was on 28 February 2023, we have not yet commenced reporting performance against on our updated SBTs, however will start as part of our new reporting year. The data that has been included is therefore forecast values determined by our carbon consultant who have aligned the scope with our updated SBTs – a GHG performance forecast based on our current investment plan and planned initiatives to be implemented to 2030 for our near-term target, and 2040 for our net zero target.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 3

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2
Scope 3

Scope 2 accounting method
Location-based

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 13: Downstream leased assets

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
9158

Base year Scope 2 emissions covered by target (metric tons CO2e)

25382

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
48787

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
99891

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
6919

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
770

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
270

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
166

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
108995

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
265798

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
300338

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
100

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2040

Targeted reduction from base year (%)
90

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
8332

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
19507

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
46272

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
81987

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
5839

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
770

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
270

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
153

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
89329

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
224623

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
252452

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
New

Please explain target coverage and identify any exclusions
Responding to the scale and urgency of the climate crisis, the SBTi published their Net-Zero Standard (NZS) last year, setting out new criteria for validating science-based net-zero targets, and increasing expectations on businesses to make rapid emission cuts across their value chain. The new framework creates a common understanding of net zero in a corporate context, providing clarity on business climate action to a wide range of stakeholders.

In line with this approach, we've increased the ambition of our carbon reduction target to align with the SBTi Net-Zero Standard and have continued to progress our £135m Net Zero Transition Investment Plan (NZTIP). The Net-Zero Standard sets out a consistent definition of net zero and the science-based requirements of achieving it. Our updated targets now cover our scope 1,2 and all scope 3 emissions that applies to us - including purchased goods and services, capital goods, fuel and energy related activities, waste generation from operations, business travel, employee commuting and downstream leased assets. This means we have expanded our coverage of emissions from all sources - including from our development pipeline, supply chain and customers.

Our baseline has been updated from 2013/14 to 2020 and we've committed to reach net zero by 2040, ensuring that we will meet the requirements set out by the SBTi.

Plan for achieving target, and progress made to the end of the reporting year
To achieve our near-term target, we must continue to follow our Net Zero Transition Investment Plan where we are investing £135m until 2030 on the following initiatives:

- Replacing gas-fired boilers with electric systems such as Air-Source Heat Pumps
- Optimising our Building Management Systems, and trialling predictive and self-adaptive AI technology to optimise heating, ventilation and air conditioning systems
- Increasing the capacity of onsite renewable energy, by implementing and extending our solar photo-voltaic (PV) arrays
- Engaging with our customers to identify and implement energy efficiency projects in our occupied spaces
- Replacing all fluorescent lighting with LED

We've also set ambitious targets to reduce the average embodied carbon of a typical building by 50% by 2030, aiming for 500kgCO2e /m2 for offices and 400kgCO2e /m2 for residential. Achieving this will require us to rethink the way we design and develop our buildings prioritising asset retention where possible, adopting new ways of design and using sustainable materials.

To achieve our long-term target by 2040, we must continue to reduce carbon emissions from our operational and construction activities. This will require us to focus on: targeting suppliers with lower carbon impacts, investing in and demanding low-carbon construction materials, removing fossil fuels from our operations, investing in on-site renewable-electricity capacity, and working with occupiers to promote sustainable working practices.

Our near term and net zero targets were updated and submitted to SBTi for validation on 1 July 2022, and were subsequently approved by SBTi on 3 February 2023. As the cut-off date for the current reporting year was on 28 February 2023, we have not yet commenced reporting performance against on our updated SBTs, however will start as part of our new reporting year. The data that has been included is therefore forecast values determined by our carbon consultant who have aligned the scope with our updated SBTs – a GHG performance forecast based on our current investment plan and planned initiatives to be implemented to 2030 for our near-term target, and 2040 for our net zero target.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2016

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2016

Consumption or production of selected energy carrier in base year (MWh)
193484

% share of low-carbon or renewable energy in base year
0

Target year
2023

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
100

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Achieved

Is this target part of an emissions target?
Yes, this target supports Abs1, Abs2, and Abs3.

Is this target part of an overarching initiative?
RE100

Please explain target coverage and identify any exclusions
Since 2016, all electricity purchased within our corporate contract with SmartestEnergy has been certified as originating from 100% REGO-backed renewable sources. The certification has been third-party assured by the Carbon Trust – the first product of its kind in the UK. This means that we've already met our target to 'Procure 100% renewable electricity across our portfolio'. As we are a significant energy consumer, we understand that it is extremely important that we keep our commitment to 'Continue to procure 100% renewable electricity across our portfolio'. However, when we acquire a new asset, we inherit electricity supplies that must be transferred to our contract with SmartestEnergy, impacting our renewable consumption figure. In line with our BBP Climate Commitment to disclose annually our progress towards our net zero pathway, this year we have published those relevant metrics for the second consecutive year, including our commitment in relation to renewables. We continue to undertake feasibility studies to increase on-site renewable electricity capacity and to reduce our exposure to the wholesale markets by buying into longer-term, fixed-rate renewable contracts. We will be aiming to introduce Corporate Power Purchasing Agreements into Landsec's fuel mix by 2025.

This is a rolling maintenance target, which we ensure we achieve each year under our RE100 commitment.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
Moving all electricity supplies to our REGO-backed supplier, SmartestEnergy, as outlined above.

Target reference number
Low 2

Year target was set
2021

Target coverage
Company-wide

Target type: energy carrier
All energy carriers

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2021

Consumption or production of selected energy carrier in base year (MWh)
191558

% share of low-carbon or renewable energy in base year
66

Target year
2030

% share of low-carbon or renewable energy in target year
85

% share of low-carbon or renewable energy in reporting year
68

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Is this target part of an emissions target?
Yes, this target supports Abs1, Abs2, and Abs3.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
This target covers all sites and total energy consumption (electricity, gas, heating and cooling) and also supports our science-based target.

Plan for achieving target, and progress made to the end of the reporting year
We already procure 100% renewable electricity as part of our RE100 commitment and in support of our SBT, and we also have sizable onsite renewable regeneration capacity, which we are looking to expand further. We are currently progressing various feasibility studies for on-site renewable technologies, and assessing the value that they would deliver to Landsec and our customers and how they could be incorporated as part of future redevelopment works. This move to increase our onsite renewable energy capacity is supported by our ambitious £135m net zero transition investment fund. The fund will also help us to move to cleaner sources of energy by replacing gas-fired boilers with electric systems such as air-source heat pumps, which we anticipate will enable further inroads towards achieving this ambitious 2030 renewables target, and in turn feed into our net zero and science-based target.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2021

Target coverage
Company-wide

Target type: absolute or intensity
Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	kWh

Target denominator (intensity targets only)
square meter

Base year
2014

Figure or percentage in base year
163

Target year
2030

Figure or percentage in target year
90

Figure or percentage in reporting year
109

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Is this target part of an emissions target?
Yes, this target supports Abs1, Abs2, and Abs3.

Is this target part of an overarching initiative?
EP100

Science Based targets initiative - other

Please explain target coverage and identify any exclusions
Our updated energy intensity target is to reduce energy intensity (kWh/m2) by 45% by 2030 compared with a 2013/14 baseline, for property under our management for at least two years. We understand that this period reflects the amount of time needed to undertake sustainability assessments and start implementing changes to assets. Once properties complete the minimum required time under our operational control, they are included in the commitment portfolio at the start of the following reporting year.

This target feeds into our EP100 commitment and also underpins our SBT commitment to reduce our absolute carbon emissions by 70% by 2030 compared with a 2013/14 baseline., and our refreshed SBT approved by SBTi in 2022 -
1) Overall net-zero target: We've committed to reaching net zero greenhouse gas (GHG) emissions across the value chain by 2040 from a 2020 base year.
2) Near-term target: We've committed to reducing absolute scope 1, 2 and 3 greenhouse gas emissions 47% by 2030 from a 2020 base year.
3) Long-term target: We've committed to reducing absolute scope 1, 2 and 3 GHG emissions 90% by 2040 from a 2020 base year.

In the current year, we have reduced portfolio energy intensity by 33% compared to our 2013/14 baseline. The reduction in our energy intensity and carbon emissions so far have been largely due to energy efficiencies achieved from our active energy management programme and Net Zero Transition Investment Plan. Initiatives have included for example, lighting upgrades, further software modifications in our Building Management Systems (BMS) to optimise the operation of our central plant services and a targeted customer engagement programme with our office occupiers. Please see C6.10 for further information.

Plan for achieving target, and progress made to the end of the reporting year
In the current year, we have reduced portfolio energy intensity by 33% compared to our 2013/14 baseline. While occupancy and footfall have increased, levels are still below those seen before the start of the pandemic. There has been a marginal increase in energy intensity compared to last year largely due to this increase in occupancy and footfall however, this has been kept at a minimum due to several energy efficiency measures being implemented as part of our £135m Net Zero Transition Investment Plan.

Furthermore, action was taken to extend the run time of heating, ventilation, and air-conditioning (HVAC) services to minimise the risk of viral proliferation, leading to higher energy performance. Therefore, energy performance still does not reflect normal building operation before the pandemic. Our £135m Net Zero Transition Investment Plan will help us to achieve this target by funding the following initiatives:
- Optimising building management systems across our portfolio, deploying innovative technologies such as artificial intelligence to reduce operational energy consumption
- Reducing our reliance on fossil fuels, replacing gas-fired boilers with electric systems such as air source heat pumps (ASHP)
- Increasing on-site renewable electricity generation by installing solar panels across our retail assets
- Engaging and collaborating with our customers on energy efficiency to reduce consumption within their spaces.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Oth 2

Year target was set
2018

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency	Other, please specify (Percentage of core construction products and materials from ethical and sustainable sources)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2018

Figure or percentage in base year
86

Target year
2023

Figure or percentage in target year
100

Figure or percentage in reporting year
100

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Achieved

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
Landsec is committed to sourcing core construction products and materials from ethical and sustainable sources, as set out in our Sustainability Brief for developments and our Sustainable Development Toolkit. To use more sustainable materials and to use these resources efficiently, we encourage reuse and recycling where possible, promoting the principles of a circular economy.

An example of this is that we only procure 100% FSC-certified timber. We require other core construction materials including steel, concrete, hard landscaping and facades

to come with responsible sourcing certification; where certification isn't available, we require evidence of health, safety and environmental management. We use the LEED or BREEAM responsible sourcing measurement schemes to gauge our success. Additionally, our Materials Brief sets out the requirements for common materials used across our schemes, considering health impacts, responsible sourcing, carbon and resource efficiency. We make this clear to our design teams and incorporate the list of prohibited materials into contractors' contracts at the earliest stage of development design. Our developments continue to make good progress against this sourcing target. All our live developments are targeting 100% of core construction materials to be manufactured within UK and Europe, to reduce emissions from transportation and reduce risk of ethical issues in manufacture and extraction. 100% of key construction materials at our onsite projects are responsibly sourced. We plan to extend this commitment across our full supply chain in due course.

This is a rolling maintenance target.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
Communicating expectations clearly to all stakeholders from the outset and ongoing supplier engagement.

Apart from communications, we're investing in low-carbon construction materials such as cross-laminated timber and Concretene, which we hope will build confidence in these products and pave the way for the industry to accelerate the transition to net zero. To further increase industry demand for low-carbon steel and concrete, we're signatory members of SteelZero and ConcreteZero.

Target reference number
Oth 3

Year target was set
2019

Target coverage
Product level

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon buildings	Percentage of net zero carbon buildings

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
0

Target year
2030

Figure or percentage in target year
100

Figure or percentage in reporting year
50

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
We are committed to designing and building net zero buildings in accordance with the UKGBC framework definition and have set a target to reduce upfront embodied carbon by 50% compared with a typical building by 2020, seeking to achieve below 500kgCO2e/m2 for office developments and 400kgCO2e/m2 for residential ones. This applies to all our new developments designed after 2019.

A credible net zero claim for a building must address both upfront embodied carbon and operational carbon, and align with industry best practice – currently this is the UK Green Building Council (UKGBC) framework definition of net zero. The framework requires embodied carbon to be minimised and offset at practical completion, and reductions in energy demand and consumption to be prioritised over all other measures. There should be no reliance on fossil fuels and on-site renewables should be prioritised, and any remaining carbon should be offset using a recognised offsetting framework.

Plan for achieving target, and progress made to the end of the reporting year
40% of our total emissions come from capital goods which include our construction activities. We expect this proportion to increase as we decarbonise our buildings, the grid decarbonises, our development pipeline expands and our occupiers employ more sustainable working practices. To address this, we've set ambitious targets to reduce emissions from our construction activities, targeting a 50% reduction in average upfront embodied carbon compared with a typical building by 2030.

Our commitment to creating net zero carbon buildings forms a key part of our Sustainable Development Toolkit, launched in 2022 – a comprehensive guide for our development teams and external partners to ensure that sustainability is considered throughout the life-cycle of our schemes. Each of the successive sections in the toolkit link to the development stages which are analogous to RIBA stages 0-7.

We engage carbon consultants on each of our developments. These become part of our design team from the very onset of the process. Alongside the guidance from our internal teams, their role is to guide decision making towards the most carbon-efficient solution, balancing upfront carbon with whole-life carbon, to ensure our design

decisions do not affect the longer-term carbon impacts of our assets negatively. All whole-life carbon models align with the RICS guidance Whole life carbon assessment for the built environment first edition, November 2017.

To reduce upfront embodied carbon, we look at a number of different interventions:
- Structural retention and material reuse to avoid using virgin material
- Building as lean as possible to use less material and put less pressure on the foundations beneath the building
- Using low-carbon materials like timber or concrete with high cement replacement
- Prioritising local procurement to minimise transport emissions

We track embodied carbon throughout the design evolution of a building and during construction, and we receive twice-yearly updates to the model based on actual material quantities brought to site and emissions from site. At the end of a project, we receive an 'as-built' model, which represents the actual upfront carbon emissions of the project. We then purchase high-quality carbon offsets that comply with the UKGBC's eight principles of offsetting.

Among our development pipeline in the reporting year, The Forge is our first completed net zero carbon office development.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Oth 4

Year target was set
2021

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon buildings	Other, please specify (Upfront embodied carbon)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
0

Target year
2030

Figure or percentage in target year
50

Figure or percentage in reporting year
36

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Is this target part of an emissions target?
Yes, this target supports Abs2, and Abs3.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
A credible net zero claim for a building must address both upfront embodied carbon and operational carbon, and align with industry best practice – currently this is the UK Green Building Council (UKGBC) framework definition of net zero. The framework requires embodied carbon to be minimised and offset at practical completion, and reductions in energy demand and consumption to be prioritised over all other measures. There should be no reliance on fossil fuels and on-site renewables should be prioritised, and any remaining carbon should be offset using a recognised offsetting framework.

We are committed to designing and building net zero buildings in accordance with the UKGBC framework definition and have set a target to reduce upfront embodied carbon by 50% compared with a typical building by 2020, seeking to achieve below 500kgCO2e/m2 for office developments and 400kgCO2e/m2 for residential ones. This applies to all our new developments designed after 2019.

Plan for achieving target, and progress made to the end of the reporting year
Our commitment to creating net zero carbon buildings forms a key part of our Sustainable Development Toolkit, launched in 2022 – a comprehensive guide for our development teams and external partners to ensure that sustainability is considered throughout the life-cycle of our schemes.

We engage carbon consultants on each of our developments. These become part of our design team from the very onset of the process. Alongside the guidance from our internal teams, their role is to guide decision making towards the most carbon-efficient solution, balancing upfront carbon with whole-life carbon, to ensure our design decisions do not affect the longer-term carbon impacts of our assets negatively. All whole-life carbon models align with the RICS guidance Whole life carbon assessment for the built environment first edition, November 2017.

To reduce upfront embodied carbon, we look at a number of different interventions:
- Structural retention and material reuse to avoid using virgin material
- Building as lean as possible to use less material and put less pressure on the foundations beneath the building
- Using low-carbon materials like timber or concrete with high cement replacement

- Prioritising local procurement to minimise transport emissions

We track embodied carbon throughout the design evolution of a building and during construction, and we receive twice-yearly updates to the model based on actual material quantities brought to site and emissions from site. At the end of a project, we receive an 'as-built' model, which represents the actual upfront carbon emissions of the project. We then purchase high-quality carbon offsets that comply with the UKGBC's eight principles of offsetting.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1
Abs2
Abs3

Target year for achieving net zero
2040

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Please explain target coverage and identify any exclusions
In 2019, we announced our commitment to becoming a net zero carbon business and we set out our strategy to support the world to limit global warming to 1.5ºC, which covers all our operations. Our current science-based carbon reduction target (Abs 1) is to reduce our operational carbon emissions by 70% by 2030, from a 2013/14 baseline year.

Responding to the scale and urgency of the climate crisis, the Science Based Target initiative (SBTi) published the Net-Zero Standard in October 2021, which provides the world's first credible, independent assessment of corporate net zero targets. We've therefore increased our ambition this year in response to this standard, updating our science-based targets, to cover emissions from all sources, including all of our reported scope 3 emissions such as emissions from our development pipeline, supply chain and customers. We have updated our baseline from 2013/14 to 2020 and have committed to reach net zero by 2040, ensuring we will meet the requirements set out by the SBTi.

- Overall net-zero target: We've committed to reaching net zero greenhouse gas (GHG) emissions across the value chain by 2040 from a 2020 base year.
- Near-term target: We've committed to reducing absolute scope 1, 2 and 3 greenhouse gas emissions 47% by 2030 from a 2020 base year.
- Long-term target: We've committed to reducing absolute scope 1, 2 and 3 GHG emissions 90% by 2040 from a 2020 base year.

SBTi has approved the above targets to be in line with their Net-Zero Standard. We have also committed to all new developments being net zero carbon both in construction and operation, aligning with the UKGBC definition.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Yes

Planned milestones and/or near-term investments for neutralization at target year
To achieve our near-term target, we must continue to follow our Net Zero Transition Investment Plan where we are investing £135m until 2030 on the following initiatives:

- Replacing gas-fired boilers with electric systems such as Air-Source Heat Pumps
- Optimising our Building Management Systems, and trialling predictive and self-adaptive AI technology to optimise heating, ventilation and air conditioning systems
- Increasing the capacity of onsite renewable energy, by implementing and extending our solar photo-voltaic (PV) arrays
- Engaging with our customers to identify and implement energy efficiency projects in our occupied spaces
- Replacing all fluorescent lighting with LED

We've also set ambitious targets to reduce the average embodied carbon of a typical building by 50% by 2030, aiming for 500kgCO2e /m2 for offices and 400kgCO2e /m2 for residential. Achieving this will require us to rethink the way we design and develop our buildings prioritising asset retention where possible, adopting new ways of design and using sustainable materials.

To achieve our long-term target, we must continue to reduce carbon emissions from our operational and construction activities. This will require us to focus on: targeting suppliers with lower carbon impacts, investing in and demanding low-carbon construction materials, removing fossil fuels from our operations, investing in on-site renewable-electricity capacity, and working with occupiers to promote sustainable working practices.

We recognise that despite our plans to transition to net zero, we will need to offset some unavoidable remaining emissions from our development activity. We are focused on ensuring each credit is independently verified, transparent and traceable meeting UKGBC and SBTi principles. As such, we've joined The Lowering of Emissions by Accelerating Forest Finance (LEAF), a public-private coalition, supported by governments (UK, US and Norway), that seeks to mobilise finance to protect tropical forests at huge scale. LEAF carbon offsets are verified by Architecture for REDD+ Transactions (ART). Our development projects now make an allowance in their budgets for the cost of offsetting related to the project activities. We are also developing our carbon offsetting strategy which will be released next year.

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	17	937
To be implemented*	14	2209
Implementation commenced*	10	394
Implemented*	20	2212
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
1607

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)
Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Scope 3 category 13: Downstream leased assets

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
449860

Investment required (unit currency – as specified in C0.4)
39000

Payback period
1-3 years

Estimated lifetime of the initiative
Ongoing

Comment
As part of our Net Zero Transition Investment Plan we have reviewed and optimised HVAC equipment to improve energy efficiency, reducing energy consumption required to heat, cool and ventilate our assets. In the reporting year, projects implemented included HVAC control optimisation at 13 of our office assets.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
605

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
427287

Investment required (unit currency – as specified in C0.4)
911800

Payback period
4-10 years

Estimated lifetime of the initiative
Ongoing

Comment
Across our portfolio, a number of lighting upgrades have been completed mostly at our retail sites to replace lamps with LEDs in back-of-house areas, car parks, external areas, lavatories, office floors and public malls. These have been funded from a mix of sources as part of each asset's Energy Reduction Plan. These projects contribute to our energy reduction initiatives but also help to improve the environment for our customers and guests. LED upgrades completed in 2021-22 cover a few office sites and numerous retail assets. These are expected to save 360 tCO2e annually over their estimated 7-10 year lifespans, which will also lead to a sizable reduction in energy intensity, particularly at our retail sites. There are also further LED projects underway which were active during the reporting year, including a large LED project at Bluewater which is expected to deliver carbon savings of 522 tCO2e per annum.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	As a method of driving energy efficiency and reducing carbon emissions from our buildings, we have seen ESOS as a key opportunity to improve our environmental performance and support our sustainability strategy objectives. In 2015, we achieved ISO50001 certification, embedding energy management and the identification of energy saving opportunities across the portfolio as a 'business as usual' activity. 2016 saw the full implementation of our combined Environmental & Energy Management System (EEnMS) with a concerted effort to complete audits to identify energy reduction measures at our highest consuming properties. These energy assessments were completed in the form of site-specific Energy Reduction Plans which are in place for all our managed assets. A key requirement of ISO50001 is demonstrating continuous improvement and we do this by continually investing in and implementing energy reduction measures. Since 2016, our EEnMS has led to the identification and delivery of over several energy reduction measures across our largest consuming buildings, cutting costs and carbon emissions. We successfully renewed our ISO50001 and ISO14001 certifications, which are valid for a period of 3 years, in December 2019.
Employee engagement	Our Sustainability training programme forms part of staff induction for all new employees and has been retrospectively completed by current employees as a compulsory training module. This includes various modules covering i) why sustainability matters, with a specific focus on climate change and its effects ii) what this means for our industry iii) how we are addressing it through our sustainability strategy and iv) how Landsec is leveraging its leadership position to produce positive change, by engaging in advocacy and collaboration, e.g. working together with government, NGOs, our real estate peers and customers to deliver maximum positive impact. The training engages employees on our net zero carbon commitment and accompanying strategy. In addition to this training, climate tends to be at the forefront of the narrative of many of our internal events, given that it is one of our principal risks, affects every part of our business and is central to our purpose: Sustainable Places, Connecting Communities, Realising Potential. For instance, in May 2021 our Head of ESG and Sustainability featured on a high-level internal panel discussion on the topic of Strategy, Research and Innovation, outlining our sustainability-related governance structures and advice and support available internally, as well as ways in which employees can contribute in their roles to ensure we meet our ambitious climate-related targets - the event was well attended and a recording available on demand on our intranet site (alongside a number of other climate-focussed resources). Our Sustainability Team also works closely with our internal Communications Team to deliver regular climate-related stories and news in our weekly news round-up and articles on our intranet site. Such events and internal communications in addition to employee training ensure a continuous level of employee engagement throughout the whole company. This employee engagement, along with linking ESG targets to the remuneration of all staff and the requirement for all employees to have an ESG-related objective, achieves high levels of engagement with and commitment to reducing carbon emissions and increasing our emissions reduction activities.
Dedicated budget for energy efficiency	In 2021, a dedicated fund was agreed by the ELT and Board members to improve the immediate and short-term operational energy performance of our office portfolio in order to keep us on track with net zero carbon commitment and ESG market expectations. A three-pronged approach was identified to address the energy efficiency of our assets in a cost effective manner. 0. Preliminary necessary step: gain a deeper understanding of the inefficiencies of our assets by undertaking in depth energy reports for our assets. Armed with this: 1. Undertake optimisation of systems through a comprehensive review of building management system's strategies; 2. Customer engagement programme: Proactively engage with our customers to address underlying efficiencies in use; 3. In parallel, develop a plan for long term decarbonisation plan for our assets with the retrofit of heat pump technology replacing gas systems. This fund thus supports the following key actions to drive energy efficiency: 1. Reviewing and optimising the BMS controls strategy for our Central London office portfolio; 2. Implementation and commissioning of BMS controls strategy for Central London office portfolio; 3. Implementation of energy efficiency-focussed customer engagement programme across Central London office portfolio; 4. Undertaking an investment grade feasibility review of ASHP at London sites; 5. Clean technology landscape mapping. By facilitating the necessary short-term energy reductions in our London office portfolio, this fund should help us make significant inroads towards our net zero carbon commitment, and has already been successfully deployed across a number of our projects, e.g. our customer engagement programme (see C12.1 for further details). We expect the initiatives undertaken as a result of this dedicated fund to remove 24,000 tonnes of carbon emissions from our operations.
Internal incentives/recognition programs	The CEO and CFO have the potential to receive a maximum annual bonus of up to 150% of basic salary. Of this, 120% is dependent on meeting Group targets and 30% dependent on meeting personal targets. In 2021/22, the Group targets included 2 climate-related KPIs, one related to embodied carbon and the other relating to energy reduction, representing 20% of annual bonus. The targets were: energy intensity reduction in all assets, and embodied carbon reduction in assets under development. The company achieved the highest level of performance for the embodied carbon target, 20.7% reduction across our developments, leading to maximum outturn of 10%. For the energy reduction target, although we delivered an energy reduction above maximum performance, the Remuneration Committee agreed to exercise its discretion in respect of the ESG Energy Intensity metric to remove the flattering impact of Covid-19-related low occupancy. On that basis, the company achieved the target level for the energy target, leading to outturn of 5% (50% of maximum). All employees have performance related pay (PRP) based on two performance criteria: individual and organisational performance. Organisational performance accounts for 60% of the PRP, based on Group targets. In 2021/22, the Group targets included 2 climate-related KPIs, one related to embodied carbon and the other relating to energy reduction. The targets were: energy intensity reduction in all assets, and embodied carbon reduction in assets under development. Individual performance accounts for 40% of the PRP, based on achievement of individual targets for the year. The Head of ESG and Sustainability and all members of sustainability team have a number of sustainability and climate-related targets for the year, including the delivery of strategy and relevant projects that will lead to energy and carbon reduction; company performance against ESG and climate-related benchmarks, such as CDP; stakeholder and supply chain engagement; and behaviour change targets. Furthermore, as part of our sustainability strategy, all employees are required to have an ESG-related personal objective, which incentivises further engagement with our ambitious emissions reduction activities.
Other (Customer engagement)	We actively engage with our customers on all aspects of sustainability. We see this as particularly important as energy used by our customers, and procured by us, is within the scope of our energy and carbon intensity reduction targets, and because they consume around half of our buildings' total energy. We support customers with energy assessments and ESOS surveys and provide updates at customer meetings on sustainability and the environmental performance of our properties. Over the last few years, we have stepped up our commitment to engaging with customers, and understanding their ever-evolving needs and areas of interest particularly in relation to climate. Our 2021 office customer survey showed that sustainability is a top 3 priority for our office customers, who would like to receive support on how to be more sustainable and achieve their company sustainability goals, particularly in relation to emissions reduction. Armed with this research, we have made a number of further engagements as part of our energy efficiency focused customer engagement programme: for instance, we held a customer event to explore innovative behavioural approaches to developing and operating less energy intensive offices, and conducted various targeted energy deep dives with our highest emitting customers. We also regularly share energy-related performance data with our customers to facilitate their ongoing monitoring and performance reviews in relation to their energy and carbon targets. As a result we have increased our customer engagement further as a matter of priority and ensured consistent and ongoing engagement, and thereby also driving investment in customer-related emissions reduction activities. This engagement is being facilitated by a portion of the dedicated fund agreed by the ELT and Board members to improve the immediate and short-term operational energy performance of our office portfolio in order to keep us on track with our net zero carbon commitment and ESG market expectations. This portion is dedicated specifically to energy-related customer engagement, and is being used to implement our energy efficiency focused customer engagement programme across Central London office portfolio.
Internal price on carbon	To support us in assessing climate-related risks and opportunities as we transition to net zero carbon, we're using an internal shadow price of carbon. This internal metric gives an investment's carbon risks and opportunities a monetary value, so that we have a standard metric to assist investment decision making. We've set our internal carbon price at £80/tonne CO2. This was calculated by estimating how much we're spending on carbon reduction projects currently and how much more would be needed long-term to achieve our goals. This balances out expensive retrofit projects with cost-effective early design choices in our development pipeline. £80/tonne CO2 is in line with recommendation from the Commission on Carbon Pricing for a carbon price level consistent with the Paris agreement and aligned with guidance from the United Nations Global Compact (UNGC) on carbon pricing. Importantly, it is in line with BEIS's forecast of carbon prices through to 2030. In our investment decisions, this shadow carbon price helps our business quantify the medium-term transition risk associated with the UK shifting to a low-carbon economy. It helps us capture the financial risk of continued carbon emissions in the likely future event of a carbon tax being imposed on our industry, as is currently the case with heavy industries such as steel and cement. It's also in place to support the business case for transitioning to low-carbon solutions in our own operations. Our Sustainability Team works with our Investment, Development and Asset Management colleagues across the business to align our capital allocation strategies to our net zero carbon pledge and factor transition risk into our decision-making process.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation
Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon
Other, please specify (UK Green Building Council (UKGBC) Net Zero Framework)

Type of product(s) or service(s)

Buildings construction and renovation	Other, please specify (Net zero carbon buildings)

Description of product(s) or service(s)
Approximately a third of carbon emissions from commercial buildings are produced before a building is even occupied. As part of our net zero transition commitment, we design and build net zero carbon buildings, and continue to work on driving down upfront embodied carbon. The Forge is the first building in the UK to be designed, constructed and aspiring to operate in line with the UKGBC framework definition of a net zero carbon building. We are also building Timber Square with the same ambition.

Understanding that a substantial amount of material often sits below the ground in basements and structural foundations, our starting point is to consider repurposing existing buildings rather than demolishing and replacing them, to reduce the upfront embodied carbon of a scheme. If we conclude that a retention scheme would result in a significantly sub-optimal product for our customers or communities by limiting the public benefits we can provide, we will look into a replacement scheme that maintains a focus on positive environmental outcomes, for example, by reusing and upcycling demolition waste.

For instance, at The Forge, we used pioneering construction methods and created the world's first office building designed and constructed using the 'kit of parts' solution built on a Design for Manufacture and Assembly structural frame. By adopting this approach we have reduced approximately 38% in overall upfront embodied carbon compared to traditional construction methods.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
Yes

Methodology used to calculate avoided emissions
Other, please specify (RICS guidance document 'Whole life carbon assessment for the built environment' 1st Edition and BS EN 15978)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
Cradle-to-gate

Functional unit used
Embodied carbon

Reference product/service or baseline scenario used
The Forge and Timber Square, our two net zero carbon developments, embodied carbon is calculated at design stage baseline (RIBA stage 3), assuming that design won't be optimised to reduce embodied carbon and only traditional materials are used in the development process: 54,190 tCO2e

Life cycle stage(s) covered for the reference product/service or baseline scenario
Cradle-to-gate

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
9635

Explain your calculation of avoided emissions, including any assumptions
As projects progress, we work with our partners to further reduce embodied carbon by optimising design and selecting alternative low-carbon and high-recycled content materials. We then compare the actual embodied carbon emissions against the design stage baseline calculation.

The Forge and Timber Square, our two net zero carbon developments, are achieving an embodied carbon of 44,555 tCO2e, avoiding 9,635tCO2e compared with baseline 54,190 tCO2e.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
0

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
March 1 2013

Base year end
February 28 2014

Base year emissions (metric tons CO2e)
11178

Comment
These figures include our absolute scope 1 emissions reported in 2013-14. This baseline will be updated next year to align with our refreshed SBTs which align with the SBTi Net Zero Standard.

Scope 2 (location-based)

Base year start
March 1 2013

Base year end
February 28 2014

Base year emissions (metric tons CO2e)
39062

Comment
These figures include our absolute scope 2 emissions reported in 2013-14. This baseline will be updated next year to align with our refreshed SBTs which align with the SBTi Net Zero Standard.

Scope 2 (market-based)

Base year start
March 1 2015

Base year end
February 28 2016

Base year emissions (metric tons CO2e)
34259

Comment
2015-16 was the first year we calculated our scope 2 market-based emissions.

Scope 3 category 1: Purchased goods and services

Base year start
March 1 2016

Base year end
February 28 2017

Base year emissions (metric tons CO2e)
61647

Comment
2016-17 was the first year we calculated our scope 3 emissions. This baseline will be updated next year to align with our refreshed SBTs which align with the SBTi Net Zero Standard.

Scope 3 category 2: Capital goods

Base year start
March 1 2016

Base year end
February 28 2017

Base year emissions (metric tons CO2e)
283570

Comment
2016-17 was the first year we calculated our scope 3 emissions. This baseline will be updated next year to align with our refreshed SBTs which align with the SBTi Net Zero Standard.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
March 1 2016

Base year end
February 28 2017

Base year emissions (metric tons CO2e)
13982

Comment
2016-17 was the first year we calculated our scope 3 emissions. This baseline will be updated next year to align with our refreshed SBTs which align with the SBTi Net Zero Standard.

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Reported and grouped under Purchased Goods & Services. Emissions in this category are calculated by multiplying procurement spend by a supplier emission factors, derived through primary supplier energy and/or emissions data alongside annual turnover. Where primary supplier data is not present or cannot be used, emissions are calculated by multiplying procurement spend by environmentally extended input output (EEIO) emission factors for each relevant economic sector of spend. These emissions have not been split out and are instead grouped under the Purchased Goods and Services category.

Scope 3 category 5: Waste generated in operations

Base year start
March 1 2016

Base year end
February 28 2017

Base year emissions (metric tons CO2e)
740

Comment
2016-17 was the first year we calculated our scope 3 emissions. This baseline will be updated next year to align with our refreshed SBTs which align with the SBTi Net Zero Standard.

Scope 3 category 6: Business travel

Base year start
March 1 2016

Base year end
February 28 2017

Base year emissions (metric tons CO2e)
740

Comment
2016-17 was the first year we calculated our scope 3 emissions. This baseline will be updated next year to align with our refreshed SBTs which align with the SBTi Net Zero Standard.

Scope 3 category 7: Employee commuting

Base year start
March 1 2016

Base year end
February 28 2017

Base year emissions (metric tons CO2e)
740

Comment
2016-17 was the first year we calculated our scope 3 emissions. This baseline will be updated next year to align with our refreshed SBTs which align with the SBTi Net Zero Standard.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Landsec is a Real Estate Investment Trust which develops and manages properties which are leased to customers. The emissions of upstream leased assets are covered in our scope 1 and 2 emissions.

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Landsec is a Real Estate Investment Trust which develops and manages property assets, which we lease to our customers. We do not manufacture and deliver products and therefore this category is not applicable to us. There are no emissions to report under this category.

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Landsec is a Real Estate Investment Trust which develops and manages property assets, which we lease to our customers. We do not manufacture products and therefore this category is not applicable to us. There are no emissions to report under this category.

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Landsec is a Real Estate Investment Trust which develops and manages property assets, which we lease to our customers. We do not manufacture products and therefore this category is not applicable to us. There are no emissions to report under this category.

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Landsec is a Real Estate Investment Trust which develops and manages property assets, which we lease to our customers. We do not manufacture products and therefore this category is not applicable to us. There are no emissions to report under this category.

Scope 3 category 13: Downstream leased assets

Base year start

March 1 2016

Base year end

February 28 2017

Base year emissions (metric tons CO2e)

258428

Comment

2016-17 was the first year we calculated our scope 3 emissions. This baseline will be updated next year to align with our refreshed SBTs which align with the SBTi Net Zero Standard.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Landsec is a Real Estate Investment Trust which develops and manages property assets, which we lease to our customers. We do not manufacture products and therefore there are no emissions to report under this category.

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Landsec is a Real Estate Investment Trust which develops and manages property assets, which we lease to our customers. There are no investments in addition to the investment in our own property portfolio and there are therefore no emissions to report under this category. Any scope 3 emissions associated with our portfolio are reported under the appropriate emissions categories.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
EPRA (European Public Real Estate Association) Sustainability Best Practice recommendations Guidelines, 2017
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
Other, please specify (UK GHG conversion factors 2022)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

6682

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
At Landsec, scope 2 emissions are from electricity, heating and cooling purchased for common areas and shared services.
Scope 2 location-based emissions are reported using UK Government greenhouse gas reporting: conversion factors 2022.
Scope 2 market-based emissions are reported using the conversion factor associated with each individual electricity, heating and cooling supply. The conversion factors are taken from each supplier's fuel mix disclosure for 2022.

Our targets and progress are always based on the location-based figure, for two reasons:
1. As we procure 100% renewable electricity, our market-based emissions are zero for all supplies in our corporate contract. This runs contrary to the legislative environment which levies cost on carbon irrespective of the agreed tariff (i.e. CCL), based on location-based emissions factors. As we therefore have a monetarised location-based carbon value, we consider it appropriate to use location-based emissions factors in business cases for investment in energy and carbon management, as the cost saving associated with carbon is tangible and forms part of the return on investment. To ensure continuity between our carbon reduction activities and targets, it is appropriate that we should report using location-based emissions factors.
2. Should prices for REGOs significantly increase or supply run out, and we are unable to procure a 100% renewable tariff, our market-based emissions will drastically increase, and we would have no control over this change.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
16798

Scope 2, market-based (if applicable)
2954

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
27516

Emissions calculation methodology
Supplier-specific method
Hybrid method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
10.23

Please explain
Emissions in this category are calculated by multiplying supplier procurement spend by a supplier-specific emission factor, derived through primary supplier energy and/or emissions data alongside annual turnover. Where primary supplier data is not present or cannot be used, emissions are calculated by multiplying procurement spend by DEFRA environmentally extended input output (EEIO) emission factors for each relevant economic sector of spend.

During the reporting year, 2,816 tCO2 are calculated based on primary supplier data. Thus, 10.23% of Purchased Goods & Services emissions are calculated using data obtained from suppliers or value chain partners.

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
97069

Emissions calculation methodology
Supplier-specific method
Hybrid method
Spend-based method
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
60.78

Please explain
Includes emissions associated with the manufacture and transport of materials used for the development of new buildings, as well as portfolio projects, such as refurbishment and maintenance of existing buildings.
Landsec works with a consultant to calculate the total embodied carbon emissions for each of our developments until completion. Every year, emissions associated with the reporting year are calculated and reported.
For smaller refurbishment projects, emissions are calculated by multiplying supplier procurement spend by a supplier-specific emission factor, derived through primary supplier energy and/or emissions data alongside annual turnover. Where primary supplier data is not present or cannot be used, emissions are calculated by multiplying procurement spend by DEFRA environmentally extended input output (EEIO) emission factors for each relevant economic sector of spend.

During the reporting year, 59,003 tCO2 are calculated based on embodied carbon emissions and primary supplier data. Thus, 60.78% of capital goods emissions are calculated using data obtained from suppliers or value chain partners.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
6792

Emissions calculation methodology
Methodology for direct use phase emissions, please specify (see below)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Calculation based on the location-based method of calculating scope 1 and scope 2 emissions, using primary energy data from areas managed by Landsec and the UK Government Greenhouse gas reporting - conversion factors 2022.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions in this category are calculated by multiplying procurement spend by a supplier emission factor, derived through primary supplier energy and/or emissions data alongside annual turnover. Where primary supplier data is not present or cannot be used, emissions are calculated by multiplying procurement spend by environmentally extended input output (EEIO) emission factors for each relevant economic sector of spend.

These emissions have not been split out and are instead grouped under the Purchased Goods & Services category.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
625

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Calculated by multiplying weight of waste and treatment method by UK Government Greenhouse gas reporting - conversion factors 2022.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
135

Emissions calculation methodology
Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Calculated by multiplying distance and type of travel by UK Government Greenhouse gas reporting - conversion factors 2022. Data is obtained from the supplier who manages our company travel.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
104

Emissions calculation methodology
Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Number of FTEs multiplied by average commuting distances and distribution across transportation modes. These distances were multiplied by transport emission factors published by UK Department for Business, Energy and Industrial Strategy (BEIS). Emissions were calculated by UK Government - National Travel Survey (NTS0409b) 2021 and UK Government Greenhouse gas reporting - conversion factors 2022.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Landsec is a Real Estate Investment Trust (REIT) and we acquire, develop and manage our retail, leisure, workspace and residential assets. Upstream leased assets includes emissions from the operation of assets the reporting organisation leases. As a property owner, the only upstream leased asset is our headquarter office. Therefore, carbon emissions are already reported as scope 1 and 2 emissions.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Landsec is a Real Estate Investment Trust (REIT) and we acquire, develop and manage our retail, leisure, workspace and residential assets, which we lease them to our customers. We do not manufacture , distribute and transport products to customers' product disposal. Therefore, this category does not apply to us and there are no emissions to report under this category.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Landsec is a Real Estate Investment Trust (REIT) and we acquire, develop and manage our retail, leisure, workspace and residential assets, which we lease them to our customers. We do not manufacture, process and sell any any intermediate products by third parties subsequent to sale by us. Therefore, this category does not apply to us and there are no emissions to report under this category.

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Landsec is a Real Estate Investment Trust (REIT) and we acquire, develop and manage our retail, leisure, workspace and residential assets, which we lease them to our customers. Emissions from the use of our buildings by our occupiers and customers are reported under Downstream Leased Assets. We don't develop buildings with purpose of selling following completion. Therefore, there are no emissions to report under this category. This approach to scope 3 reporting is aligned with UKGBC Scope 3 Guidance.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Landsec is a Real Estate Investment Trust (REIT) and we acquire, develop and manage our retail, leisure, workspace and residential assets, which we lease them to our customers. Emissions from the use of our buildings by our occupiers and customers are reported under Downstream Leased Assets. We don't develop buildings with purpose of selling following completion. Therefore, there are no emissions to report under this category. This approach to scope 3 reporting is aligned with UKGBC Scope 3 Guidance.

Downstream leased assets

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
87551

Emissions calculation methodology
Supplier-specific method
Hybrid method
Average product method
Methodology for direct use phase emissions, please specify (see below)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
63

Please explain
Tenants for whom Landsec procures energy and recharges: Calculated by multiplying metered energy consumption from tenants by UK location-based emission factors refercening from UK Government greenhouse gas reporting – conversion factors 2022.

Tenants who procure their own energy: Actual energy consumption data is requested from tenants who occupy large floorspaces, particularly FRIs. When there is no actual data received from tenants, emissions are calculated by multiplying the Net Lettable Area (NLA) of let space Landsec owns but does not have operational control over, by an energy benchmark. This benchmark is drawn from '2020 Real Estate Environmental Benchmarks', published by BBP in August 2021, relating to 2020 data. The benchmark used is the typical practice electricity and gas intensity for offices and enclosed shopping centres.

During the reporting year, we continue engaging our customers/brand partners to increase the share of primary tenant energy usage data. (63% of emissions data are calculated from primary tenant energy usage data – a 6% increase compared with last year).

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Landsec is a Real Estate Investment Trust (REIT) and we acquire, develop and manage our retail, leisure, workspace and residential assets, which we lease them to our customers. We do not have or operate any franchises during the reporting year. Therefore, this category does not apply to us and there are no emissions to report under this category.

Investments

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Landsec is a Real Estate Investment Trust (REIT) and we acquire, develop and manage our retail, leisure, workspace and residential assets, which we lease them to our customers. There are no investments in addition to the investment in our own property portfolio and therefore there are no emissions to report under this category. Any scope 3 emissions associated with our portfolio are reported under the appropriate emissions categories.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C-CN6.6/C-RE6.6

(C-CN6.6/C-RE6.6) Does your organization assess the life cycle emissions of new construction or major renovation projects?

	Assessment of life cycle emissions	Comment
Row 1	Yes, both qualitative and quantitative assessment	We undertake lifecycle assessments on all of our development projects, following the RICS guidance document 'Whole life carbon assessment for the built environment' 1st Edition and BS EN 15978. We will follow the latest RICS guidance document once adopted. The assessment considers both the upfront embodied carbon emissions from our supply chain and construction activities (stages A1 to A5), as well as anticipated emissions from a building's operations and embodied carbon associated with maintenance and repairs over the lifetime of the building (stages B1 to C4). To minimise our construction impacts, we set targets on the upfront embodied carbon emissions from supply chain (A1-A5) on a project-by-project basis and track these through to the completion of our buildings. [see C4.2b for details] We also track the carbon emissions from Modules B and C to ensure that the decisions we make for upfront embodied carbon do not lead to negative consequences in the long run, for example higher replacement rates.

C-CN6.6a/C-RE6.6a

(C-CN6.6a/C-RE6.6a) Provide details of how your organization assesses the life cycle emissions of new construction or major renovation projects.

	Projects assessed	Earliest project phase that most commonly includes an assessment	Life cycle stage(s) most commonly covered	Methodologies/standards/tools applied	Comment
Row 1	All new construction and major renovation projects	Design phase	Whole life	EN 15978	As the lifecycle emissions of our buildings a represent a significant proportion of our total carbon footprint, we are committed to understanding their impacts as much as we can to ensure that we build and run them as efficiently as possible. We therefore undertake lifecycle assessments on all of our development projects, following the RICS guidance document 'Whole life carbon assessment for the built environment' 1st Edition and BS EN 15978. We will follow the latest RICS guidance document once adopted. The assessment considers both the upfront embodied carbon emissions from our supply chain and construction activities (stages A1 to A5), as well as anticipated emissions from a building's operations and embodied carbon associated with maintenance and repairs over the lifetime of the building (stages B1 to C4). To minimise our construction impacts, we set targets on the upfront embodied carbon emissions from supply chain (A1-A5) on a project-by-project basis and track these through to the completion of our buildings. [see C4.2b for details] We also track the carbon emissions from Modules B and C to ensure that the decisions we make for upfront embodied carbon do not lead to negative consequences in the long run, for example higher replacement rates.

C-CN6.6b/C-RE6.6b

(C-CN6.6b/C-RE6.6b) Can you provide embodied carbon emissions data for any of your organization's new construction or major renovation projects completed in the last three years?

	Ability to disclose embodied carbon emissions	Comment
Row 1	Yes	To minimise our construction impacts, we set targets on the upfront embodied carbon emissions from supply chain (A1-A5) on a project-by-project basis and track these through to the completion of our buildings. [see C4.2b for details]. Our development pipeline runs in cycles. Over the last three years, we only had one project complete - The Forge, our first net zero carbon office development constructed and to be operated in line with the UK Green Building Council's (UKGBC) framework definition of net zero carbon buildings. We also have an additional project which achieved practical completion recently (n2) and another project due to be complete in the second half of 2023 (Lucent). All of our developments, including new construction and major refurbishment, embodied carbon emissions are being measured against a baseline and tracked rigorously throughout construction for each project. We are thus able to disclose as built embodied carbon emissions for all developments and currently in construction, and continue to publicly disclose our embodied carbon figures.

C-CN6.6c/C-RE6.6c

(C-CN6.6c/C-RE6.6c) Provide details of the embodied carbon emissions of new construction or major renovation projects completed in the last three years.

Year of completion
2022

Property sector
Office

Type of project
New construction

Project name/ID (optional)
The Forge

Life cycle stage(s) covered
Cradle-to-practical completion/handover

Normalization factor (denominator)
IPMS 3 – Office

Denominator unit
square meter

Embodied carbon (kg/CO2e per the denominator unit)
834

% of new construction/major renovation projects in the last three years covered by this metric (by floor area)
100

Methodologies/standards/tools applied
EN 15978

Comment
We recently completed our development called The Forge (105 Sumner Street) in Southwark. From the start of the project , we worked closely with our consultant to steer the design team with respect to embodied and whole-life carbon reductions, as well as increasing recycled content of materials throughout design and construction. The methodology used was in line with EN 15978 and included the emissions associated with Stages A1-A5 (Cradle to Gate).

Embodied carbon savings were made using the P-DFMA (Platform Design for Manufacture and Assembly) method for construction which reduced the amount of material needed and amount of waste generated. At project completion, we had achieved a saving of approximately 9,365 tCO2e against a Stage 3 baseline, which is an equivalent of a 38% improvement. Key reductions in embodied carbon also came from a high level of cement replacement used in the substructure (50%) and floors (40%), a higher level of recycled content within the structural steel (26%), high recycled content in the blockwork and internal wall partitions. We also used reclaimed raised access floor tiles (RMF) which saved circa 626 tCO2e.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.00003

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
23480

Metric denominator
unit total revenue

Metric denominator: Unit total
791000000

Scope 2 figure used
Location-based

% change from previous year
20.9

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities
Divestment
Change in revenue
Other, please specify (Emission factors due to grid decarbonisation)

Please explain
In 2022/23 our absolute location-based scope 1 and 2 emissions decreased by 7.9%, whilst our revenues increased by 16.5% - which contributes to the 20.9% intensity reduction compared with the previous reporting year.

Our absolute scope 1 and 2 emissions using location-based emission factors have decreased by 7.9% compared with the previous reporting year, despite an increase in occupancy levels. The decrease has been largely due to changes in portfolio changes (divestment), actions taken to drive energy efficiency across our assets, and emission factors due to grid decarbonisation.

With the recovery from the pandemic, occupancy and footfall have both recorded an increase compared with the previous reporting year. This leads to an increase in our emissions (1,790 tCO2e) and external temperature has also led to a small increase (297 tCO2e).

Despite the two contributing factors to the increase of our emissions, contradictorily, there're factors which contribute to the reduction of our emissions. We have seen 1,593 tCO2e reductions in emissions due to the continued implementation of energy efficiency measures including Building Management System optimisation across multiple office assets, LED upgrades and several customers implementing reduction measures identified from our customer engagement programme. For more information on our energy efficiency projects, please see C4.3b.

We have disposed two assets during the reporting period which contribute to a small reduction of 554 tCO2e of emissions. The largest contributor to emission reduction is from changes in carbon emission factors due to the continued effort of grid decarbonisation in the United Kingdom - which has contributed to a 1,949 tCO2e of emission reduction.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	5696	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	986	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	6682

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Office	4202
Retail	2219
Other	260

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	16798	2954

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Office	8658	2954
Retail	6903	0
Other	1238	0

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	We use the location-based approach to report on scope 2, meaning that any change in renewable electricity consumption doesn't affect our scope 2 figure. Moreover, we haven't changed the proportion of renewable energy purchased across our portfolio.
Other emissions reduction activities	1593	Decreased	6.25	Energy saving activities implemented across the portfolio led to a calculated emission reduction of 1,593 tCO2e in 2022/23. Our total of scope 1 and scope 2 emissions in the previous year was 25,489 tCO2e, therefore there was a 6.25% reduction. Calculation: 1,593 / 25,489 = 6.25%.
Divestment	554	Decreased	2.2	The divestment of assets during the reporting period has led to a decrease in carbon emissions of 554 tCO2e. This was calculated by comparing the total scope 1 and 2 emissions related to these two sites in the current year and the previous year, using the same emissions factors. Our total of scope 1 and scope 2 emissions in the previous year were 25,489 tCO2e, therefore there was a 2.2% decrease. Calculation: 554/ 25,489 = 2.2%.
Acquisitions	0	No change	0	N/A
Mergers	0	No change	0	N/A
Change in output	1790	Increased	7	*related to occupancy changes This year saw an increase in emissions due to increases in occupancy and footfall across our assets. These conditions led to an estimated increase of 1,790 tCO2e, based on expected consumption for the year, incorporating heating and cooling degree days. Calculation: 1,790 / 25,489 = 7%.
Change in methodology	1949	Decreased	7.6	*related to emission factor We use the recommended DEFRA conversion factors to calculate our carbon emissions which are updated on an annual basis. In 2022/23, the decreased emissions factors due to continued grid decarbonisation in the United Kingdom led to a calculated reduction of 1,949 tCO2e. Our total of scope 1 and scope 2 emissions in the previous year were 25,489 tCO2e, therefore there was a 7.6% reduction. Calculation: 1,949 / 25,489 = 7.6%.
Change in boundary	0	No change	0	N/A
Change in physical operating conditions	297	Increased	1.16	*related to external temperature Energy consumption is significantly correlated to weather temperature. Based on the regions where we operate, the number of heating degree-days was higher, increasing the amount of gas required for heating. Meanwhile, the number of cooling degree-days was lower, which has particular impact in London, where we have a large proportion of our office portfolio, demanding less electricity for cooling. These conditions led to an estimated overall increase of 297 tCO2e. Our total of scope 1 and scope 2 emissions in the previous year was 25,489 tCO2e, therefore the increase is related to change in these conditions. Calculation: 297 / 25,489 = 1.16%.
Unidentified	0	No change	0	N/A
Other	0	No change	0	N/A

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	50728.61	50728.61
Consumption of purchased or acquired electricity	<Not Applicable>	129189.87	3250.96	132440.83
Consumption of purchased or acquired heat	<Not Applicable>	0	4641.76	4641.76
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	0	4595.49	4595.49
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	955.19	<Not Applicable>	955.19
Total energy consumption	<Not Applicable>	130145.06	63216.82	193361.88

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment

Other biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment

Coal

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment

Oil

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment

Gas

Heating value
LHV

Total fuel MWh consumed by the organization
50728.61

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
50728.61

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment

Total fuel

Heating value
LHV

Total fuel MWh consumed by the organization
50728.61

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
50728.61

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1039.89	955.19	1039.89	955.19
Heat	40517.32	40517.32	0	0
Steam	0	0	0	0
Cooling	29062.06	29062.06	29062.06	29062.06

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)
129189.87

Consumption of self-generated electricity (MWh)
955.19

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
9237.25

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

C8.2h

(C8.2h) Provide details of your organization's renewable electricity purchases in the reporting year by country/area.

Country/area of consumption of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
129189.87

Tracking instrument used
Contract

Country/area of origin (generation) of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
Other, please specify (Renewable Energy Guarantees of Origin (REGO) Certificate)

Comment
As we are a significant energy consumer, we understand that it is extremely important that we keep our commitment to 'Continue to procure 100% renewable electricity across our portfolio', and we have set a target to source 85% of total energy (electricity, gas, heating and cooling) consumption from renewable sources by 2030. Since 2016, we've procured 100% REGO (Renewable Energy Guarantees of Origin) backed electricity. This means that we are increasing the demand for renewable electricity in the market as a significant energy consumer in the UK. In the current reporting year, we have again procured 100% renewable electricity as part of our ongoing commitment to RE100.

Furthermore, as part of our £135m Net Zero Transition Investment Plan, we will increase the capacity of onsite renewable energy, installing solar panels across our retail assets. This reporting year we carried out seven renewable energy feasibility studies.

We continue to reduce our exposure to the wholesale energy markets by buying into longer-term, fixed-rate renewable contracts. We are also working to move part of our procurement from REGO-backed contracts to direct purchasing from renewable projects through Power Purchase Agreements (PPA). Through PPAs, we will ensure direct traceability and as PPAs also imply longer term contracts, this will guarantee that the new renewable capacity will remain on the grid and thereby help to reduce prices and market volatility, which should ultimately improve access to renewable electricity across the market. We will be aiming to introduce Corporate Power Purchasing Agreements into Landsec's fuel mix by 2025.

C8.2i

(C8.2i) Provide details of your organization's low-carbon heat, steam, and cooling purchases in the reporting year by country/area..

Sourcing method
Heat/steam/cooling supply agreement

Country/area of consumption of low-carbon heat, steam or cooling
United Kingdom of Great Britain and Northern Ireland

Energy carrier
Cooling

Low-carbon technology type
Renewable energy mix

Low-carbon heat, steam, or cooling consumed (MWh)
29062.06

Comment
Under 8.2d, we reported generation of cooling which is generated and consumed during the reporting year. This consumption refers to cooling generated by 100% procured REGO-backed renewable electricity in our office portfolio. Thus we consider as low-carbon cooling consumption.

C8.2j

(C8.2j) Provide details of your organization's renewable electricity generation by country/area in the reporting year.

Country/area of generation
United Kingdom of Great Britain and Northern Ireland

Renewable electricity technology type
Solar

Facility capacity (MW)
1.4

Total renewable electricity generated by this facility in the reporting year (MWh)
1039.89

Renewable electricity consumed by your organization from this facility in the reporting year (MWh)
955.19

Energy attribute certificates issued for this generation
No

Type of energy attribute certificate
<Not Applicable>

Comment

C8.2k

(C8.2k) Describe how your organization's renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.

As we are a significant energy consumer, we understand that it is extremely important that we keep our commitment to 'Continue to procure 100% renewable electricity across our portfolio', and we have set a target to source 85% of total energy (electricity, gas, heating and cooling) consumption from renewable sources by 2030. Since 2016, we've procured 100% REGO (Renewable Energy Guarantees of Origin) backed electricity. This means that we are increasing the demand for renewable electricity in the market as a significant energy consumer in the UK. In the current reporting year, we have again procured 100% renewable electricity as part of our ongoing commitment to RE100.

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C8.2l

(C8.2l) In the reporting year, has your organization faced any challenges to sourcing renewable electricity?

	Challenges to sourcing renewable electricity	Challenges faced by your organization which were not country/area-specific
Row 1	No	<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
105

Metric numerator
Total energy consumption: 193,361,879 kWh

Metric denominator (intensity metric only)
Total floor area: 1,849,148 m2

% change from previous year
0.94

Direction of change
Decreased

Please explain
Our total portfolio floor area has increased by 2.5% and our total energy consumption has increased by 0.94% compared with last year. This has led to a reduction of less than 1% of our energy intensity compared with last year.

Specifically, our energy consumption for landlord shared services has reduced by 2.6% compared with last year. This is largely due to energy efficiencies achieved from our active energy management programme and Net Zero Transition Investment Plan. Initiatives have included for example, lighting upgrades, further software modifications in our Building Management Systems (BMS) to optimise the operation of our central plant services and a targeted customer engagement programme with our office occupiers.

Description
Other, please specify (Embodied carbon)

Metric value
27185

Metric numerator
tCO2

Metric denominator (intensity metric only)

% change from previous year
25

Direction of change
Decreased

Please explain
We are committed to understanding the impacts of our buildings as much as we can to ensure that we build and run them as efficiently as possible. We therefore undertake lifecycle assessments on all of our development projects, following the RICS guidance document 'Whole life carbon assessment for the built environment' 1st Edition and BS EN 15978. We will follow the latest RICS guidance document once adopted. The assessment considers both the upfront embodied carbon emissions from our supply chain and construction activities (stages A1 to A5), as well as anticipated emissions from a building's operations and embodied carbon associated with maintenance and repairs over the lifetime of the building (stages B1 to C4).

To minimise our construction impacts, we set targets on the upfront embodied carbon emissions from supply chain (A1-A5) on a project-by-project basis and track these through to the completion of our buildings. We also track the carbon emissions from Modules B and C to ensure that the decisions we make for upfront embodied carbon do not lead to negative consequences in the long run, for example higher replacement rates. Once all reduction opportunities have been achieved, we offset the remainder of the upfront carbon emissions of our buildings at practical completion, in alignment with the UK Green Building Council guidelines. We also carefully design our buildings to minimise the energy demand of our operations and meet the remaining demand through renewable electricity contracts.

The emissions from our development activities have decreased by 25% due to the fact that the four projects on-site are nearing completion and the materials delivered during this phase are much less carbon intensive than in the earlier phases of structural works. We disclosed the amount of embodied carbon emissions reported for each development in our Annual Report and Sustainability Report 2022/23.

Description
Waste

Metric value
0

Metric numerator
tonnes

Metric denominator (intensity metric only)

% change from previous year
0

Direction of change
No change

Please explain
Since 2017/18 we have sent zero waste to landfill.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CN9.6a/C-RE9.6a

(C-CN9.6a/C-RE9.6a) Provide details of your organization's investments in low-carbon R&D for real estate and construction activities over the last three years.

Technology area
Other, please specify (Construction methods)

Stage of development in the reporting year
Large scale commercial deployment

Average % of total R&D investment over the last 3 years
20

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years
20

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
The platform system, known as P-DfMA (Platform for Design, Manufacture and Assembly), consists of a set of components that can be efficiently combined to produce highly customised structures. The system is based on repeatable processes and standardised connections, enabling different kinds of spaces to be built with just a single 'kit of parts'. The new approach has been identified by the government as essential to the transformation of the construction sector.

In partnership with Bryden Wood and Easi-Space, in the previous year we completed a research and development project. The trial proved:
- Construction accuracy levels can be improved dramatically while using multi-skilled labour teams and automated assembly processes
- Construction productivity improved by 55%
- Delivery time reduced by 30%
- Cost savings are expected to reach 33% when compared to traditional construction techniques

The result is a structure that uses less material, creates less waste, and has a 19.4% reduction in carbon impact.
We've put this into practice at our new development, The Forge (105 Sumner Street). The development, set behind Tate Modern, is the world's first large scale office building designed and constructed using the 'kit of parts' solution, and has been built on a P-DfMA structural frame. We saved 178 tonnes in steel by using the platform approach, and using these techniques has contributed to an embodied carbon reduction of over 25% from the initial design stage, ahead of our 16.5% target.

Technology area
Other, please specify (Low-carbon construction material)

Stage of development in the reporting year
Applied research and development

Average % of total R&D investment over the last 3 years
10

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years
10

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Cement is the source of about 8% of the world's carbon dioxide emissions so it's essential that we drive this down by using less concrete and reducing the cement content in the concrete mixes we use. Concretene uses graphene, the world's strongest known material discovered by the University of Manchester in 2004, to significantly improve the mechanical performance of concrete. By adding graphene to the mix, concrete becomes stronger meaning that less cement needs to be used, up to 30% less concrete is used overall and less reinforced steel is required. In 2021, our development at Mayfield poured the world's first commercial slab of Concretene as part of the research and development of the product. The slab poured was a suspended slab to test Concretene's ability to be used in high rise construction. Through the one slab alone, 4,265kg of carbon was saved compared to a regular concrete slab. We were the first developer to employ Concretene on a commercial scheme and have used it to create a 54x14m mezzanine floor.

Technology area
Direct current buildings system

Stage of development in the reporting year
Pilot demonstration

Average % of total R&D investment over the last 3 years
5

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years
5

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
To help ensure we achieve our 2030 science-based target and move towards net zero, in November 2021 we established an ambitious £135m net zero transition investment plan. We are using this fund to finance a series of initiatives over the coming seven years, to reduce our carbon footprint and improve innovation and best practice across the wider industry.

Recognising that optimising our existing heating, cooling and ventilation equipment is key to drive energy and carbon reductions, in 2021, we've trialled predictive and self-adaptive Artificial Intelligence (AI) commercial-building technology at 80-100 Victoria Street. Using deep learning and cloud-based computing, the technology optimises the building's existing heating, ventilation and air conditioning (HVAC) system, which can result in up to a 40% decrease in carbon footprint as well as a reduction in HVAC energy costs of up to 25%. The technology would also support improving comfort for the people within our buildings.
Early results indicated that the system is on pace to generate significant energy savings and carbon reductions. In 2022, we have seen a preliminary result of 5% energy savings, which we predict this will contribute to energy reductions of up to 10%.

C-RE9.9

(C-RE9.9) Does your organization manage net zero carbon buildings?
Yes

C-RE9.9a

(C-RE9.9a) Provide details of the net zero carbon buildings under your organization's management in the reporting year.

Property sector
Office

Definition(s) of net zero carbon applied
National/local green building council standard(s), please specify (UK Green Building Council's (UKGBC) framework definition of net zero carbon buildings)

% of net zero carbon buildings in the total portfolio (by floor area)
1

Have any of the buildings been certified as net zero carbon?
No

% of buildings certified as net zero carbon in the total portfolio (by floor area)
<Not Applicable>

Certification scheme(s)
<Not Applicable>

Comment
A credible net zero claim for a building must address both upfront embodied carbon and operational carbon, and align with industry best practice – currently this is the UK Green Building Council (UKGBC) framework definition of net zero. The framework requires embodied carbon to be minimised and offset at practical completion, and reductions in energy demand and consumption to be prioritised over all other measures. There should be no reliance on fossil fuels and on-site renewables should be prioritised, and any remaining carbon should be offset using a recognised offsetting framework.

During the reporting year, we completed our first net zero carbon office development, The Forge. It is also our latest completed development project as we have not had any new construction projects complete in the last three years. The Forge was completed during the reporting year and it was immediately handed over to Landsec for managing the building.

In addition to its net zero credentials, The Forge has the following sustainability features:

- Approximately 36% reduction in overall upfront embodied carbon compared to traditional construction methods
- It is an all-electric building that uses heat pumps to provide heating, cooling and hot water
- Powered by 100% renewable electricity
- 5-star NABERS UK design-stage rating
- Roof top solar PV panels, green roof areas and rainwater harvesting – all contributing to an Excellent BREEAM rating
- 18.4% reduction in primary steelworks compared to traditional steel frame
- 13% less concrete compared with traditional benchmarks
- 50% ground granulated blast-furnace slag (GGBS) content in substructure concrete and 40% GGBS content in Platform Design for Manufacture and Assembly (P-DfMA) floor slabs
- All remaining upfront embodied carbon has been offset using Gold Standard carbon credits.

C-CN9.10/C-RE9.10

(C-CN9.10/C-RE9.10) Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?
Yes

C-CN9.10a/C-RE9.10a

(C-CN9.10a/C-RE9.10a) Provide details of new construction or major renovations projects completed in the last 3 years that were designed as net zero carbon.

Property sector
Office

Definition(s) of net zero carbon applied
National/local green building council standard, please specify (UK Green Building Council's (UKGBC) framework definition of net zero carbon buildings)

% of net zero carbon buildings in the total number of buildings completed in the last 3 years
100

Have any of the buildings been certified as net zero carbon?
No

% of buildings certified as net zero carbon in the total number of buildings completed in the last 3 years
<Not Applicable>

Certification scheme(s)
<Not Applicable>

Comment
A credible net zero claim for a building must address both upfront embodied carbon and operational carbon, and align with industry best practice – currently this is the UK Green Building Council (UKGBC) framework definition of net zero. The framework requires embodied carbon to be minimised and offset at practical completion, and reductions in energy demand and consumption to be prioritised over all other measures. There should be no reliance on fossil fuels and on-site renewables should be prioritised, and any remaining carbon should be offset using a recognised offsetting framework.

At Landsec, we have committed all new developments being net zero carbon both in construction and operation - starting from our development, The Forge. We are committed to designing and building net zero buildings in accordance with the UKGBC framework definition and have set a target to reduce upfront embodied carbon by 50% compared with a typical building by 2020, seeking to achieve <500kgCO2e/m2 for office developments and <400kgCO2e/m2 for residential ones.

During the reporting year, we completed our first net zero carbon office development, The Forge. It is also our latest completed development project as we have not had any new construction projects complete in the last three years.

In addition to its net zero credentials, The Forge has the following sustainability features:

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- 18.4% reduction in primary steelworks compared to traditional steel frame
- 13% less concrete compared with traditional benchmarks
- 50% ground granulated blast-furnace slag (GGBS) content in substructure concrete and 40% GGBS content in Platform Design for Manufacture and Assembly (P-DfMA) floor slabs
- All remaining upfront embodied carbon has been offset using Gold Standard carbon credits.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
EY Assurance Statement 2023 final.pdf

Page/ section reference
Whole document

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
EY Assurance Statement 2023 final.pdf

Page/ section reference
Whole document

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Downstream leased assets

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
EY Assurance Statement 2023 final.pdf

Page/section reference
Whole document

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C2. Risks and opportunities	Other, please specify (Task Force on Climate-related Financial Disclosures (TCFD) Statement)	ISAE3000	Our third-party assurance provider assured on selected content disclosures relating to TCFD metrics (Energy/Fuel and GHG emissions categories). EY Assurance Statement 2023 final.pdf
C4. Targets and performance	Progress against emissions reduction target	ISAE3000	Our third-party assurance provider assured on our progress against our carbon and energy intensity corporate targets, assessing our energy and carbon figures. EY Assurance Statement 2023 final.pdf
C6. Emissions data	Renewable energy products	ISAE3000	All electricity purchased within our corporate contract with SmartestEnergy has been certified as originating from 100% REGO backed renewable sources. The certification has been third party assured by the Carbon Trust – the first product of its kind in the UK. Our third-party assurance provider also assured our disclosed data on proportion of electricity from renewable sources (which can be found on page 1 of the statement). Land Securities Properties Limited.pdf EY Assurance Statement 2023 final.pdf
C8. Energy	Energy consumption	ISAE3000	Our third-party assurance provider assured on our disclosure of energy consumption, includes the review of energy from landlord-obtained fuels, energy from landlord-obtained electricity, and energy from landlord-obtained heating & cooling, proportion of electricity from renewable sources and energy intensity.
C9. Additional metrics	Waste data	ISAE3000	Our third-party assurance provider assured on our disclosure of waste data, including Operational waste diverted from landfill (tonnes), and percentage of operational waste recycled, Construction waste (tonnes), and Percentage of construction waste recycled and diverted from landfill.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Compliance with the UK ETS is managed through the scope of our company wide environmental and energy management system (EEnMS) which is subject to audit under ISO 14001 & 50001 certifications. Both external and internal audits are completed annually, with the internal audit of Nova testing for compliance against the requirements of UK ETS. Specifically, the site's compliance is managed through the UK ETS procedure, which sets out responsibilities, a monitoring plan, data controls and documentation processes as well as procedures for monitoring emissions sources and the data collection and evidence process. This procedure is regularly reviewed and updated as required.

Under UK ETS, our Nova building is classified as an "ultra-small emitter" and therefore had its permit revoked on 1st January 2021. Under the ultra-small emitter opt out scheme Nova is no longer required to verify and report GHG emissions to the regulator or purchase and surrender carbon, as long as emissions remain under 2,500 tCO2 per year (in 2021, total emissions from Nova's combustion plant were 130 tCO2; 2022: 176 tCO2). Although many of the previous requirements no longer apply, the regulations still require Nova to monitor annual fuel use and emissions to demonstrate the site still qualifies as an ultra-small emitter.

Third-party sustainability consultants are employed to provide compliance support and to provide independent checks on data and emissions by helping in identifying trends and inconsistencies on a periodic basis.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Project type
Agroforestry

Type of mitigation activity
Emissions reduction

Project description
Southern Cardamom REDD+ Project is an initiative designed to promote climate change mitigation and adaptation, maintain biodiversity and create alternative livelihoods under the United Nations scheme of Reducing Emissions from Deforestation and forest Degradation (REDD+). The project encompasses parts of Southern Cardamom National Park and Tatai Wildlife Sanctuary and will protect a critical part of the Cardamom Mountains Rainforest Ecoregion – one of the 200 most important locations for biodiversity conservation on the planet. The Project's climate benefits include the avoided emission of approximately 12 million t CO2e during this first monitoring period and over 115,000 million t CO2e over the lifetime of the Project. The Project will generate substantial community and biodiversity co-benefits.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
20000

Purpose of cancellation
Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?
Yes

Vintage of credits at cancellation
2015

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
REDD+

Method(s) the program uses to assess additionality for this project
Not assessed

Approach(es) by which the selected program requires this project to address reversal risk
No risk of reversal

Potential sources of leakage the selected program requires this project to have assessed
Not assessed

Provide details of other issues the selected program requires projects to address
Apart from the carbon benefits, the project will directly support the livelihoods of 21 villages in nine communes around the perimeter of the project area. Eight additional villages in four communes are eligible to receive educational scholarships. These communities represent approximately 3,957 families and 16,495 individuals.

The project will generate substantial community and biodiversity co-benefits. New and sustainable livelihood opportunities, such as direct employment, alternative income generating activities (IGAs) and initiatives to stimulate investment in businesses will be designed to reduce pressure on the environment while significantly increasing community well-being. Additional programs will address food security, improve health and education facilities, as well as raise environmental awareness. Biodiversity co-benefits will be achieved through greater protection of the ecosystem predominantly by means of increased security and improved monitoring. The project will also be protecting critical habitat for significant populations of many IUCN listed species, including the Asian elephant, Asiatic black bear, sun bear, large spotted civet, clouded leopard, and dhole, as well as the critically endangered reptiles Siamese crocodile and Southern river terrapin.

Comment

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price
Shadow price

How the price is determined
Cost of required measures to achieve emissions reduction targets
Other, please specify (align with recommendation from the Commission on Carbon Pricing, guidance from the United Nations Global Compact on carbon pricing, BEIS' forecast of carbon prices through to 2030)

Objective(s) for implementing this internal carbon price
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities
Navigate GHG regulations
Stakeholder expectations
Stress test investments
Reduce supply chain emissions

Scope(s) covered
Scope 1
Scope 2
Scope 3 (upstream)
Scope 3 (downstream)

Pricing approach used – spatial variance
Uniform

Pricing approach used – temporal variance
Static

Indicate how you expect the price to change over time
<Not Applicable>

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)
80

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)
80

Business decision-making processes this internal carbon price is applied to
Capital expenditure
Operations
Procurement
Product and R&D
Remuneration
Risk management
Opportunity management
Value chain engagement

Mandatory enforcement of this internal carbon price within these business decision-making processes
Yes, for all decision-making processes

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan
Our internal carbon price is applied to all investment decisions across the business, impacting both operational and new developments. The shadow price £80 tonne/CO2e was calculated by estimating how much we're spending on carbon reduction projects currently and how much more would be needed long-term to achieve our goals. This balances out expensive retrofit projects with cost-effective early design choices in our development pipeline.

We're using an internal carbon shadow price in assessing climate-related risks and opportunities as we transition to net zero carbon. This internal metric gives an investment's carbon risks and opportunities a monetary value, so that we have a standard metric to assist investment decision making.

In our investment decisions, this shadow price helps our business quantify the medium-term transition risk associated with the UK shifting to a low-carbon economy. It helps us capture the financial risk of continued carbon emissions in the likely future event of a carbon tax being imposed in our industry, as is currently the case with heavy industries such as steel and cement. It's also here to support the business case for transitioning to low-carbon solutions in our own operations. Our Sustainability Team works with our Investment, Development and Asset Management colleagues across the business to align our capital allocation strategies to our net zero carbon pledge and factor transition risk into our decision-making process.

Since the approval of our the shadow price in 2019, we've been working with teams across the business to support the process of introducing the carbon price into our investment decisions, leading to a change in internal behaviour. For instance, for our new developments, we've been using the internal carbon price when comparing different alternatives for construction materials and associated carbon emissions. By introducing the carbon cost when comparing high carbon intensity materials, such as traditional steel and concrete, against low carbon materials with high recycled content, such as engineered timber, the business case for low-carbon materials becomes even stronger, further driving decisions towards low-carbon alternatives.

For instance at The Forge, the recycled content within the aluminium façade was increased to 40% and the percentage of recycled steel was also increased, from 18% to 22% for the steel plate and from 18% to 57% recycled content for the bolts and fasteners.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

12.5

Rationale for the coverage of your engagement

51% of our emissions emanate from our supply chain, therefore it is important we work with suppliers that share our values and help us achieve the highest standards in our supply chain.

Since 2020, all suppliers must complete a sustainability questionnaire as part of the onboarding process, including suppliers who were already fully onboarded. We aim to engage all suppliers in order to demonstrate to them that this is a topic which is pivotal for Landsec and that it must in turn also be a priority for them. This also enables us to embed our purpose of "sustainable places, connecting communities, realising potential" in both our direct and indirect operations, including our value chain.

Our Supply Chain Commitment which we launched in 2022 builds on the questionnaire informing suppliers of our ambitious climate-related targets and goals, and outlining how their positive climate-related action and collaboration with us is vital if we are to achieve them together, as well as setting out various expectations of our suppliers in relation to their sustainability governance and performance. The questionnaire also helps us to monitor their compliance with our Supplier Code of Conduct. Furthermore, it requests suppliers disclose information on a range of sustainability topics, including their climate-related policies and governance, climate-related targets and performance, energy and carbon reporting, including requesting third party verification of their emissions data.

To support our supply chain in meeting our Supply Chain Commitment, we partner with the Supply Chain Sustainability School who provide an online platform that shares knowledge and resources to build the skills required to achieve a sustainable built environment.

Building on this work, we are working closely to refine our supplier risk mapping and to deliver an additional annual sustainability questionnaire, targeted at operational and higher impact suppliers. Such an approach helps us to check that we are partnering with suppliers who are managing climate-related risks and opportunities appropriately, enables us to track their progress, and provides primary data for more accurate scope 3 emissions calculations, which will help us take a more informed and effective approach to climate-related action in our supply chain.

Impact of engagement, including measures of success

Our Supply Chain Commitment which we launched in 2022 builds on the questionnaire informing suppliers of our ambitious climate-related targets and goals, and outlining how their positive climate-related action and collaboration with us is vital if we are to achieve them together, as well as setting out various expectations of our suppliers in relation to their sustainability governance and performance. The questionnaire also helps us monitor their compliance with our Supplier Code of Conduct. Furthermore, it requests suppliers disclose information on a range of sustainability topics, including their climate-related policies and governance, climate-related targets and performance, whether they have an approved SBT, and energy and carbon reporting. A key measure of success is the proportion of suppliers responding to the questionnaire and signing up to our Supply Chain Commitment. In 2022/23, 100% of our strategic partners align with our sustainability requirements, with 93% signing up to our commitment to date.

Complementing our Supply Chain Commitment, we've also published our Sustainable Procurement Guide – a document that provides us with the knowledge to make the right decisions when buying consumables or business services, and to spend money wisely and effectively while supporting our corporate and sustainability commitments.

This year, the proportion of primary data we were able to include in our Purchased Goods and Services reporting was 10.2% (details in C6.5), a 2% increase compared to last year. This means we have been able to gain a more accurate understanding of our scope 3 impacts, risks and opportunities. We are also gathering information on which suppliers would be prepared to collaborate to reduce our joint impact together, and all responses and data gathered will be used as a springboard for further collaboration and for driving positive climate-related impact. In carrying out this work, we are leveraging our procurement power to drive positive action within our suppliers' organisations, promoting collaborative action and aiming to cascade this climate-related action beyond our tier 1 suppliers through for example engaging them on their sustainable procurement policies.

Comment

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change
Directly work with suppliers on exploring corporate renewable energy sourcing mechanisms
Climate change performance is featured in supplier awards scheme
Offer financial incentives for suppliers who reduce your downstream emissions (Scopes 3)
Offer financial incentives for suppliers who increase the share of renewable energy in their total energy mix

% of suppliers by number

11

% total procurement spend (direct and indirect)

14

% of supplier-related Scope 3 emissions as reported in C6.5

62

Rationale for the coverage of your engagement
This engagement covers our supplier selection and management process for operational suppliers - also known as our service partners. These suppliers provide soft and hard facilities management services including energy management, logistics, health and safety, marketing and event decoration as well as maintenance. They make up 14% of our procurement spend and over 60% of our supplier-related scope 3 emissions, making them a significant element of our supply chain.

Contracts in this part of our supply chain are typically long term and with a small number of suppliers providing the majority of the services within our buildings, so selection of the right suppliers, early engagement and ongoing management of those suppliers is critical. To carry out this engagement and to ensure compliance, we use our contract reporting and KPI reporting process (aligned with our Supply Chain Commitment), first to assess supplier performance at the point of onboarding then on a quarterly basis to assess ongoing performance. Partners are then challenged to improve where performance is deemed to be insufficient or where the partner may not be exploiting opportunities available to them. This applies only to service partners where we have an ongoing relationship which can lead to improvements over time. The scope of this engagement does not apply to suppliers of goods or services where there are few opportunities for improving sustainability performance, e.g. legal services or supply or stationery products.

In addition, we have been working with our service partners on innovation and incentivising them to suggest innovative ideas and discuss potential investment opportunities to address environmental issues across operations. In 2022, we invited all of our service partners to share their ideas to minimise environmental impacts and plans to support on our net zero journey as part of our future facilities tendering process.

Impact of engagement, including measures of success
Measures of success stipulated in the Contract Reporting and KPI Requirements document relate to our Supply Chain Commitment. Impact of engagement is an increase in suppliers signed up to our commitment and more accurate data - with high levels of willingness to engage from our service partners - helping to build capacity in and develop a more sustainable supply chain. Our threshold for success is to ensure that service partners meet the minimum standard for each element of our Supply Chain Commitment and where there is a short fall or an opportunity to further improve our emphasis is on working with them to help meet the required standards and / or put in place plans to allow further improvements to be realised.

These include: 1) Statement and evidence of company's current plans, polices or programs to reduce carbon emissions and any focus on reducing diesel and petrol engine vehicles in the fleet particularly those employed in city centres. 2) Statement and evidence of company's current plans, polices or programs to procure renewable energy or plans to switch to Renewable Energy Guarantees (REGO) backed renewable tariffs. 3) Statement and evidence of the company's measurement and management of energy consumption including how this aligns with Landsec ISO 50001 standards, environmental, energy and metering polices, including energy consumption and energy reduction plans for the company's properties. 4) Statement and evidence of the company's commitment to addressing climate change and plans for its effects on their operations including but not limited to flooding, storms or overheating. 5) Statement and evidence of the company procuring materials in a safe and healthy manner and that the materials purchased minimise environmental impacts, pollution or carbon emissions, by way of the manufacturing or transportation. Supplier KPI requirements are assessed on a monthly basis in our office portfolio, and can result in performance pay which may include sustainability-related performance. This performance pay is a 5% increase in the contracted sum paid in excess of normal pay for the period – this bonus goes directly to staff on site to encourage action on the ground. This approach ensures that our supplier engagement in relation to climate-related impacts goes beyond compliance and continues after onboarding, forming part of our ongoing engagement with them.

Comment

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number
14

% total procurement spend (direct and indirect)
23

% of supplier-related Scope 3 emissions as reported in C6.5
50

Rationale for the coverage of your engagement
The coverage of this engagement concerns current and possible future partners for our development pipeline, including architects and designers who we engage with in the early stages of design development, through to construction contractors when schemes are ready to be constructed. As such, although the proportion of our total procurement spend is currently at 23%, it may increase in future as our pipeline of development schemes expands.

A significant proportion of our future scope 3 emissions can be found in this element of our value chain, that we must engage with year-on-year to reduce future emissions. We work closely with our supply
chain, including carbon consultants in the design team from the very start to guide decisions on the most carbon-efficient solutions. We do this by encouraging innovation and collaboration in the material specification process using both the BREEAM framework for responsible sourcing and low carbon materials, and also our own Sustainable Development Toolkit and Supply Chain Commitment. We set the following targets for both of our commercial and residential development projects:
- 100% compliance with Landsec prohibited materials brief unless specifically agreed otherwise - which is included in all contractors' contracts and supported by our Materials Brief for design teams - these ensure the reduction of climate impacts in our buildings by prohibiting use of certain materials in our construction activities.
- 100% of core construction materials are responsibly sourced
- Source materials with Environmental Product Declarations (EPD) wherever possible
- Achieving FSC Project Certification for all schemes other than those using structural timber
- Source all core construction materials from UK and Europe unless approved by Landsec

In addition, concrete must have BES 6001 Very Good/Excellent certification, which requires us to engage closely with suppliers to reduce our embodied carbon. We have also conducted a relationship building process with future suppliers to ensure they understand and are comfortable with delivering against these measures of success, as in some cases they may need to improve procurement, specification and reporting processes.

Impact of engagement, including measures of success
Specific measures of success include:
1)The intensity of supply chain emissions from stages (A1:A5, this is every stage of the extraction, manufacturing, transportation and construction process)
2) Embodied carbon must be tracked throughout the scheme lifecycle and further reduction opportunities should be identified throughout detailed design, procurement and construction
3) An internal target will be set to further reduce embodied carbon from a RIBA Stage 3 baseline, which will be included in the contractor Employer's Requirements
4) 50% reduction in average upfront embodied carbon compared with a typical building by 2030 by prioritising asset retention where possible, smart design and using sustainable materials.

5) For every development, source 100% of core construction materials from ethical and sustainable sources.

The measures of success are included in our design guidance, tender process and Sustainability Plan process. Each of these intervention points are designed to promote collaboration with designers and delivery partners for each development. The impact of this engagement is the selection and procurement of low carbon materials and construction techniques for our developments. This includes specification of cement replacement products and selection of local suppliers which keep logistics mileage low.

During the year we signed up to the ConcreteZero Initiative where we commit to using 100% net zero concrete by 2050 with ambitious interim targets. This complements our existing membership of the SteelZero
Initiative and sends a clear signal of our commitment to net zero to our supply chain.

We measure our upfront embodied carbon performance on every development project using the RICS Methodology 'Whole Life Carbon Assessment for the Built Environment, 1st edition', and BS EN15978. For example, at our near-term office development, Timber Square, our plans show upfront embodied carbon intensity of 535kgCO2e/m2 (equivalent to 47% reduction from a typical office building at 1,000kgCO2e/m2), reflecting the work undertaken to retain part of the existing structure, a highly optimised design and the use of low carbon cross-laminated timber.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number
45

% of customer - related Scope 3 emissions as reported in C6.5
41

Please explain the rationale for selecting this group of customers and scope of engagement
Our office portfolio represents over 50% of our business where we hold regular meetings with our customers. Our sustainability team holds annual meetings with every building to provide updates on the asset's energy and environmental performance, and discuss progress against targets and on specific projects and initiatives. This helps our site teams to engage customers on how they can reduce their individual energy usage and contribute to the wider building's improved energy performance.

We also support our customers with energy assessments and ESOS survey. We're proactively engaging with our highest consuming customers individually, organising one-on-one meetings to collaborate and share our expertise relating to energy reduction, as well as energy data. In 2022/23, we expanded our engagement in breadth and scope with our highest consuming customers across 7 key assets. By undertaking workshops, interviews and a site energy audit, we've been providing customers with energy deep-dive analysis, in-depth insights and accompanying recommendations. In 2021/22 we have delivered 15 audits for our customers and in 2022/23 we have engaged with a further 13 so that they can better understand and significantly reduce their consumption. As part of the energy audits, we have been performing data analysis and site visits to understand data trends anomalies and opportunities.

We've also been using energy efficiency questionnaires for customers' employees to capture their opinions, attitudes and ideas on reducing energy. Furthermore, we have participated in the CUBE initiative for three of our office assets, the first UK-wide competition bringing together landlords and occupiers to deliver energy savings. The competition's aim is to create a catalyst to engage with occupiers and to team up to drive energy reductions - in 2023 we won their 'Most Creative' award for our work on engaging customers on energy use.

It is especially important to engage with our office customers as we supply energy to the vast majority via our utility supplies, so their energy usage is included within our corporate carbon and energy reduction targets. In 2022/23, 41% of all reported energy was directly used by customers - engaging with them to understand and reduce their impacts is therefore crucial to reduce our energy consumption and achieve our corporate targets, including net zero.

Impact of engagement, including measures of success
This year we have engaged with 28 customers across 7 assets as part of our customer engagement programme to help them identify technological, procedural and behavioural opportunities for energy savings. Of these, they represent 42% of total office tenant consumption. 13 are included in our top 20 consuming office customers. As part of this engagement, we have conducted numerous one-on-one meetings providing detailed energy usage analysis, using engineering expertise as well as behavioural change knowledge to foster a culture of awareness and promote positive action. The impact of engagement is estimated to realise savings of between 20-30% per customer - with measures of success including customer commitment to participate in programme, implementation of recommendations and realisation of expected savings - where we targeted and engaged 28 customers. The threshold for success is customer commitment to participate and to consider the implementation of the recommendations.

For the customers we have completed energy audits for last year, we have also held peer workshops to enable an open-knowledge sharing session to have an open discussion to understand successes and barriers from the identified interventions. Of the customers we have engaged with in 2021/22, through our follow up workshops undertaken this year we have uncovered so far that as much as 43% of all the recommended energy saving initiatives have been implemented.

Like-for-like tenant energy consumption in 2022/23 has increased by 5% and emissions associated with overall office tenant energy consumption increased by 8%. These overall increases have been largely driven by increased occupancy levels however, our focus on customer engagement over the past two years will have prevented a higher yearly increases in carbon emissions overall.

Whilst we do not specifically have an energy reduction target for tenants, their energy usage is included within portfolio-wide corporate targets for energy and carbon intensity reduction (where we supply them with energy). Performance against these targets in terms of tenant energy usage is reviewed and discussed in quarterly meetings. This ensures ongoing engagement and resultant action. Our proactive customer engagement on energy reduction is reducing costs for our customers as well as helping us to meet our ambitious energy and carbon targets.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?
Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement
Complying with regulatory requirements

Description of this climate related requirement
All suppliers are required to comply with our Materials Brief, which contains the material requirements for common materials used on Landsec development and portfolio projects. It also sets out the materials we prohibit use of in our construction activities based on health impacts, responsible sourcing, embodied impact and resource efficiency considerations.

This is supported by our target to source 100% of core construction materials from ethical and sustainable sources for every development, and in 2022/23 we continued to source 100% of core construction materials with a responsible sourcing certification. We make this clear to our design teams and incorporate the list of prohibited materials into contractors' contracts at the earliest stage of development design. All suppliers must comply with this requirement and we check certification for materials coming on to site.

As part of our transition to net zero, we're focusing on lean design, using innovative construction methods and low-carbon materials. We are a signatory to SteelZero, committing to purchasing 50% of our steel as low carbon by 2030, and 100% by 2050. In 2022/23, we signed up to ConcreteZero where we commit to using 100% net zero concrete by 2050 with ambitious interim targets.

This will influence collective purchasing power across our industry as it sends a strong signal about demand, to shift global markets and policies towards responsible production and sourcing of low-carbon steel and concrete.

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement
100

Mechanisms for monitoring compliance with this climate-related requirement
Certification
First-party verification

Response to supplier non-compliance with this climate-related requirement
Retain and engage

Climate-related requirement
Climate-related disclosure through a non-public platform

Description of this climate related requirement
All suppliers must complete a sustainability questionnaire as part of the onboarding process; this questionnaire has also been distributed amongst all suppliers who were already fully onboarded. We have purposefully aimed to engage all suppliers in order to demonstrate to them that this is a topic which is absolutely pivotal for Landsec and that it thus must in turn also be a priority for them. This also enables us to embed our purpose of "sustainable places, connecting communities, realising potential" in both our direct and indirect operations, including our value chain.

Our Supply Chain Commitment builds on the questionnaire informing suppliers of our ambitious climate-related targets and goals, and outlines how their positive climate-related action and collaboration with us is vital if we are to achieve them together, as well as setting out various expectations of our suppliers in relation to their sustainability governance and performance. The questionnaire also helps us monitor their compliance with our Supplier Code of Conduct. Furthermore, the questionnaire requests suppliers disclose information on a range of sustainability topics, including their climate-related policies and governance, climate-related targets and performance, energy and carbon reporting, including requesting 3rd party verification of their emissions data.

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement
60

Mechanisms for monitoring compliance with this climate-related requirement
Supplier self-assessment
Off-site third-party verification

Response to supplier non-compliance with this climate-related requirement
Retain and engage

Climate-related requirement
Other, please specify (Supply Chain Committments - Climate and sustainability)

Description of this climate related requirement
In addition to our onboarding sustainability questionnaire, we launched our Supply Chain Commitment in 2022. This sets out how we do business, the commitments we've set ourselves, and the minimum requirements we expect of all those we work with. In terms of climate commitment, we ask our suppliers to:

– Set ambitious targets to reduce their carbon footprint, aligning with climate science and encourage them to set science based targets
– Procure renewable energy or explain the reason for not doing so
– Deliver goods and services with the lowest whole-life carbon, where practicable, considering embodied carbon, operational carbon, and end of life carbon
– Work with us to provide sustainable and low-carbon alternatives, where practicable
– Consider the impact of climate change on goods and services provided. Where possible make adaptations to ensure resilience against the physical impact of climate change.

We are adopting a phased approach to embedding our Supply Chain Commitment ensuring that everyone involved has the opportunity to understand it, adapt to its principles and support both the intent and purpose. All strategic and new suppliers are invited to sign up to our commitment before commencing work while existing and renewing suppliers are invited based on a prioritisation of industry and products & services provided.

In 2022/23, 100% of our strategic partners align with our sustainability requirements, with 93% signing up to our commitment to date.

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement
93

Mechanisms for monitoring compliance with this climate-related requirement
Supplier self-assessment
Off-site third-party verification

Response to supplier non-compliance with this climate-related requirement
Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
We have been committed to actively support public policy and regulation in line with the goals of the Paris Agreement for a number of years. For instance, in our Annual Report 2021 (p.64), we have provided further engagement actions undertaken, following the IPCC report and Committee on Climate Change. One of these actions was signing the Better Building Partnership (BBP) Climate Change Commitment, which calls upon Government to deliver a supportive legislative agenda with a clear long-term trajectory to achieve net zero carbon buildings.

During the reporting year, we launched our Carbon Manifesto. This shows how we can lead the way to a lower carbon economy, with reductions across our portfolio and new development pipeline. We will also build new stakeholder relationships and reiterate our commitment as a partner for Government. Our Carbon Manifesto outlines the tangible next steps we'll take towards our net zero goals, and those the Government can take to support and accelerate our transition to net zero. It also shows how we'll lead the building and construction industry in this area. We'll focus on building sustainable places, looking at the whole process from design through to operation in order to reduce the environmental impact of our buildings. And working closely with our customers in helping them to operate sustainably within our buildings. We are driving our Carbon Manifesto because we desire to be leaders in this area and simply setting targets is not enough: without actual, real-world results that are sustainable, it won't just be our industry that is jeopardy. Carbon emissions are a threat for the whole world.

In 2022, we became signatories of Westminster City Council's Sustainable City Charter - a voluntary business and public sector partnership that sets out a framework for climate and sustainability action in buildings across Westminster - where many of our commercial buildings including our head office are located. As signatories, we're making a public commitment to continue to deliver sustainable improvements across our buildings and we support the effort to progress towards a net zero carbon city by 2040 by taking an active approach in decarbonising our portfolio. Furthermore, we are members of both their Steering and Technical Working Groups to assist others in being able to deliver against the charter.

Complementing our Carbon Manifesto, we also launched our Cities Manifesto - which shows our role in shaping places and enabling communities to grow, thrive and evolve. On page 9 of the Manifesto, we have set out measures that Government can take to support cleaner and greener communities.
BBP Climate Commitment _ Better Buildings Partnership.pdf
Cities Manifesto FINAL.pdf
LandsecAR2021final.pdf
Our Carbon Manifesto.pdf
Current participants _ Westminster City Council - website.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Engagement activities and the interaction with Government on key climate-related legislation and policy decisions which affect our business are reviewed and discussed by the Sustainability Team and Corporate Affairs Team on an ongoing basis. Based on the issue under discussion, we also involve relevant people from across the business to provide further insights and expertise to the conversation. This ensures that any engagement activity on climate change is consistent with our business strategy and is also consistent with our sustainability and climate change strategy.

In addition, our Head of ESG and Sustainability and Sustainability Director report the status of current engagement activities relating to climate change at our Sustainability Forum, which consists of senior representatives, responsible for executing the strategy and delivering programmes of work needed to meet our sustainability targets and ambitions which reports to the Executive Leadership Team, chaired by our Chief Executive (our Board 'Sustainability Executive'). This approach ensures that the organisation is constantly up to date with any policy developments and that Landsec responds effectively, maintaining a consistent position with our overall climate change strategy.

For instance, following the UK commitment to become net zero by 2050 and the release of the Energy White Paper by the Department for Business, Energy & Industrial Strategy (BEIS) in December 2020, the Government released several public consultations on topics related to climate change, including mandatory climate-related financial disclosures by large companies, the development of a performance-based approach framework for rating energy and carbon performance of large commercial and industrial buildings, and a framework to increase minimum EPC requirements to EPC B by 2030 for non-domestic buildings. The Corporate Affairs Team monitors all these relevant upcoming consultations and discusses with the Sustainability Team. The Sustainability Team drafted a response for each consultation, incorporating comments from relevant teams across Landsec and shared the responses and our overall position with Corporate Affairs Team for further comments. The response and overall position was then submitted to the Government. This process ensures that our position is consistent with our business and climate change strategy, as well as it keeping relevant teams aware of and prepared for future climate-related regulation changes.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers
BEIS Net Zero Review - including Minimum Energy Efficiency Standards (MEES) regulation

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate-related reporting
Climate-related targets
Climate transition plans

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
We have engaged with policy makers in a number of ways over the last year in relation to climate change - a prime example being through our response to the BEIS Net Zero Review consultation in October 2022 in addition to providing input to industry groups such as the Better Buildings Partnership, British Property Federation and UKGBC to work with members to accelerate change. As part of this , we stated our view that the UK's net zero target was based on overwhelming scientific evidence that demonstrates the need to achieve substantial emissions reductions across the economy to avoid and manage the consequences of climate change. We stated that it was vital to retain this target to continue to provide much needed certainty that the market can then plan, prepare and deliver against. We believe that net zero carbon is consistent with economic growth and competitiveness and presents a significant opportunity to contribute to both - at a company and national level.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
We believe that Government needs to provide clarity and consistency, long-term policy and targeted interventions to support market leaders, encourage innovation, develop the UK skills base and focus on performance outcomes. We launched our Carbon Manifesto in October 2022, which sets out what we are doing as a business and with our supply chain - but also our asks of Government to support and accelerate the transition towards net zero. Our asks of Government include: (1) providing a clear, consistent and stable policy environment, retaining a net zero target and publishing responses to the consultation on Minimum Energy Efficiency Standard (MEES) regulation, (2) aligning with industry best practice and timelines for implementation, (3) introducing a fit for purpose regulatory framework to enable sustainable building materials, (4) regulating embodied carbon by requiring whole life carbon assessments and (5) developing a performance-based rating system to sit alongside current EPC ratings. We believe this will enable property owners to capitalise on the growth opportunities by providing them with the confidence to invest in improving their buildings in line with net zero, innovations and technologies that will contribute to decarbonisation of buildings and developing the skills needed to deliver the transition.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Whilst we have committed to being net zero by 2040, as we operate solely within the UK, the UK Government's continued commitment to net zero and associated regulation to enable it to be delivered is central to the achievement of our climate transition plan to ensure that the regulatory framework within which we operate is aligned with our approach and to assist with bringing our stakeholders such as our customers and suppliers on the same journey.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Engagement to help shape the recommendations of the UK Government's Transition Plan Taskforce.

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate transition plans

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
From November 2022 to March 2023 we participated in the UK Government's Transition Plan Taskforce Sandbox Exercise to apply the framework to our disclosures and provide feedback on how to improve the finalised outputs through a series of meetings focused on each element of the disclosure framework.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
We believe that the recommendations of the UK Government's Transition Plan Taskforce through the framework and guidance are important in providing consistency on what is required to develop a gold standard climate transition plan, for which we have used 'best endeavours' to align our disclosures with prior to this becoming a requirement.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (British Property Federation)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
The BPF is the membership organisation for, and the voice of, the UK real estate industry. It represents and promotes the interests of all those with a stake in real estate in the UK. It works with government and regulatory bodies to help the real estate industry grow and thrive. The BPF operates a Sustainability Committee, which focusses on improving sustainability in the built environment. Currently, this committee is working on advocating for zero carbon building standards, encouraging better understanding and assessment of climate risk and resilience in real estate decision making, and understanding and promoting the impact of circular design and efficient building processes. Landsec is an active member in the BPF, where we chair and sit on several committees, including Policy Committee, Planning Committee, Construction Committee, Development Committee, Communications Committee, among others. In July 2023. our Chief Executive became President of the BPF and our Head of ESG and Sustainability sits on the BPF's Sustainability Committee. For each sustainability topic considered by the BPF Sustainability Committee, representations are sought from each member. This ensures that we are able promote our climate change policy position, first to the BPF to influence the sector, and through them to government, where the collective voice of the UK real estate industry carries significant weight. We use our platform to advocate ambitious climate-related positions and solutions consistent with the BPF's position, as they are encouraging members to adopt net zero real estate portfolios by 2050, in line with UK Government's target. In May 2023, we provided an overview of our approach to net zero as part of a webinar organised by the BPF for members on developing net zero carbon plans.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
52160

Describe the aim of your organization's funding
This is an annual membership fee paid to contribute to BPF operating and achieving it's objectives.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Better Buildings Partnership)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock. It supports maximising efficiency and sustainability of property assets which aligns with our core objectives as the landlord of choice and our purpose (Sustainable places. Connecting communities. Realising potential.), and indirectly supports our policy on energy and climate change. Landsec is a founder member and our Head of Design, Innovation and Property Solutions sits on the BBP's Board of Directors. We also have members participating in strategic projects and working groups, such as the Net Zero Working Group, which is developing a net zero framework to be used by members to disclose their net zero strategies - in June 2023 we presented on our approach to the Working Group; Landsec continued to support and advance this work in the reporting year in accordance with the BBP's Climate Commitment and published an annual update of our performance in relation to net zero in alignment with the BBP's Net Zero Carbon Framework. Furthermore, we are active participants in the Sustainability Benchmarking Working Group in which industry benchmarks are discussed and reviewed to improve the Real Estate Environmental Benchmark (REEB). Through these engagement activities, we have direct influence within BBP discussions and work streams. As part of our wider support of the BBP we actively contributed to the development of their Design for Performance initiative. This is an industry-funded and backed project established to tackle the 'performance gap' between how new office buildings perform and how they were designed. It provides an approach, based on measurable performance outcomes, to ensure new office developments deliver on their design intent. Landsec is a Design for Performance "pioneer" and is applying the approach across our development pipeline, including Timber Square and Portland House. As "pioneers" we actively feedback our experience in using the Design for Performance approach to the BBP in order to help develop it for future use.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
14000

Describe the aim of your organization's funding
This is an annual membership fee paid to contribute to BBP operating and achieving it's objectives.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (UK Green Building Council)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
The UKGBC seeks to influence government on green building policy issues. Its policy work focuses on reducing carbon emissions in buildings, which includes new build standards and retrofit initiatives. Landsec is a Gold Leaf member, which demonstrates our alignment with the UKGBC. In the past year, we participated in several roundtables, and masterclasses, contributing and influencing discussions on energy efficiency and wellbeing. In 2018/19, we were invited to join the steering group for the UKGBC's Advancing Net Zero programme aimed at agreeing a net zero definition for the buildings and construction industry. This definition could then be used to further support government policy and to help companies in setting and delivering against net-zero emission targets. The wider task group consisted of representatives from 37 businesses from across the property sector value chain and from 13 trade associations, professional institutions and non-profit organisations. Landsec not only sat within the task group but also sat on the elevated steering group, which had responsibility for defining the task group's work and outputs. We also contributed comments to the final Advancing Net Zero report released by UKGBC and attended the launch of the research at the UK Government Houses of Parliament. In April 2019, the definition was agreed and was presented to the wider industry and UK government via a report released by the UKGBC. Over the last three years, Landsec has continued to support UKGBC's net zero work, for instance partaking alongside 31 other leading organisation and industry bodies in the UKGBC's Renewable Energy Procurement and Carbon Offset Guidelines Task Group and helping to develop accompanying guidelines, including the UKGBC's Renewable Energy Procurement and Carbon Offsetting Guidance, published in March 2021. We continue to support the Advancing Net Zero working group, attending workshops, contributing to research and supporting the development of

papers, and sharing best practice around critical themes, such as renewable energy procurement.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
21000

Describe the aim of your organization's funding
This is an annual membership fee paid to contribute to UKGBC operating and achieving it's objectives.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (European Public Real Estate Association (EPRA))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
EPRA, the European Public Real Estate Association, is the voice of Europe's listed real estate – stock exchange quoted property companies, investors and their suppliers. EPRA's mission is to promote, develop and represent the European public real estate sector. They achieve this through the provision of better information to investors and stakeholders, active involvement in the public and political debate, promotion of best practices and the cohesion and strengthening of the industry. Landsec is an active EPRA member. Our Head of ESG and Sustainability sits on EPRA's Sustainability Committee. The Committee promotes the highest standards of transparency and reporting of sustainability metrics across the sector, shares sustainability best practice initiatives, outcomes and insight with the wider EPRA community and beyond, contributes to international sustainability policy development as it relates to investment in and asset management of real estate, and collaborates with sector-leading organisations to develop and promote initiatives that drive sustainable outcomes for the sector. Through our participation in EPRA'a Sustainability Committee, we are able to influence discussions on climate-related policy and standards for Europe. This year we have participated in their advisory group to help shape the content for their ESG Summit to be held in London in November 2023, which has allowed us to influence key topics for discussion.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
8000

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
Landsec Annual Report 2023 Interactive_0.pdf

Page/Section reference
Our approach to sustainability (including - decarbonising our portfolio and transitioning to net zero, reducing emissions from our construction activities, energy procurement and our updated science-based net zero targets) - pages 40-46; TCFD disclosure and manging risk (including climate change transition as one of our principal risks) - pages 47-59; Sustainability Performance (including full breakdown of GHG emissions and upfront embodied carbon) - pages 195-198.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
Details of our sustainability strategy, corporate commitments, performance progress against our sustainability framework - Build well, Live well, Act well, and the employee/Board remuneration linkage with our carbon and energy targets can be found in our Annual Report 2023.

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Landsec Sustainability Performance And Data Report 2023 FINAL.pdf

Page/Section reference
All - full document
Our corporate commitments and performance progress against our sustainability framework - Build well, Live well, Act well - pages 2-5; full breakdown of GHG, energy and other resource consumption in absolute and like-for-like basis - pages 11-25; our disclosure to Better Buildings Partnership (BBP) Climate Commitment - page 40.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
Details of our corporate commitments and performance progress against our sustainability framework - Build well, Live well, Act well, and the detailed resource consumption and emissions breakdown can be found in our Sustainability Performance and Data Report 2023.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	RE100 Task Force on Climate-related Financial Disclosures (TCFD) The Climate Pledge UN Global Compact Other, please specify (Transition Plan Taskforce - Sandbox Exercise; Better Buildings Partnership - Climate Commitment)	UN Global Compact: Through our sustainability framework Build well, Act well, Live well, we are demonstrating our ongoing commitment to the United Nations Global Compact's (UNGC's) Ten Principles in the areas of human rights, labour, environment and anti-corruption, and continue substantially advancing our vital work towards meeting the Sustainable Development Goals. We are a signatory of the UN Global Compact and we publish our Communication on Progress every year. RE100: Since 2016, all electricity purchased within our corporate contract with SmartestEnergy has been certified as originating from 100% REGO-backed renewable sources. The certification has been third-party assured by the Carbon Trust – the first product of its kind in the UK. This means that we've already met our target to 'Procure 100% renewable electricity across our portfolio'. As we are a significant energy consumer, we understand that it is extremely important that we keep our commitment to 'Continue to procure 100% renewable electricity across our portfolio'. However, when we acquire a new asset, we inherit electricity supplies that must be transferred to our contract with SmartestEnergy, impacting our renewable consumption figure. In line with our BBP Climate Commitment to disclose annually our progress towards our net zero pathway, this year we have published those relevant metrics for the second consecutive year, including our commitment in relation to renewables. We continue to undertake feasibility studies to increase on-site renewable electricity capacity and to reduce our exposure to the wholesale markets by buying into longer-term, fixed-rate renewable contracts. We will be aiming to introduce Corporate Power Purchasing Agreements into Landsec's fuel mix by 2025. All of the above ensure we achieve our RE100 commitment every year. The Climate Pledge: We are proud to be a signatory of the Climate Pledge since July 2021. We commit to the following three areas of action, 1) Measure and report greenhouse gas emissions on a regular basis; 2) Implement decarbonisation strategies in line with the Paris Agreement through real business changes and innovations, including efficiency improvements, renewable energy, materials reductions, and other carbon emission elimination strategies; 3) Neutralise any remaining emissions with additional, quantifiable, real, permanent, and socially-beneficial offsets to achieve net zero annual carbon emissions by 2040. TCFD: In 2017, we were one of the first companies to report our approach to the recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD) and we introduced climate change as a principal risk in 2020. Transition Plan Taskforce - Sandbox Exercise: During the reporting period, we have continued to evolve our approach to identifying and assessing the risks of climate change, by forming a Climate Transition Disclosure Working Group and aligning our TCFD statement with the recommendations of the UK Government's Transition Plan Taskforce. BBP Climate Commitment: In 2019 we signed the BBP Climate Commitment, to publish our net zero carbon pathway and annually disclose our progress towards this through selected reporting metrics. We published our net zero carbon pathway in 2020 and this is our second year to disclose our annual performance against reporting metrics in our sustainability performance and data report.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	The Board is responsible for the oversight of our approach to sustainability and climate-related risks and opportunities impacting the business. The Board is updated on our sustainability and climate-related performance twice a year. This includes discussing the impact of climate risks and opportunities on our strategy, revising our approach to sustainability to ensure it is still relevant and monitoring performance against our targets, which include biodiversity targets. Our CEO is the board member executive with overall responsibility for sustainability. By overseeing sustainability issues, the CEO ensures that sustainability decisions are aligned with the overall group strategy. The CEO chairs the Executive Leadership Team (ELT), which is comprised of our CFO and Managing Directors. The ELT is responsible for developing the sustainability strategy to ensure it addresses our relevant environmental, social and governance (ESG) risks and opportunities, agreeing sustainability commitments and reviewing progress against targets, including our biodiversity targets. Sustainability and climate risks are discussed quarterly or more often if required. Under our sustainability framework Build well, Live well, Act well, we have a suite of targets to demonstrate the actions we are taking to address our key material issues. As biodiversity has been identified as a material issue, we aim to enhance nature and green spaces and have two ambitious targets to address biodiversity both in our new developments and across our existing portfolio: - Achieve a 25% biodiversity net gain by 2030 across our operational sites currently offering the greatest potential (2016/17 baseline) - Achieve a 15% uplift in biodiversity for all new developments by 2030 This year we've already achieved an average 13% uplift in biodiversity net gain from a 2016/17 baseline. Across our retail sites we have replaced hedgerows with native species at White Rose, Leeds, planted trees as part of the Queen's Green Canopy at Gunwharf Quays, and introduced a bee hive with 35,000 honey bees at Lewisham Shopping Centre. These targets have been approved by the CEO and Board and performance are monitored and discussed regularly as explained above.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to Net Positive Gain	SDG

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
Yes

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
BNGC – Biodiversity Net Gain Calculator

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
We utilise net gain calculations on our operational sites based on a 2016/17 baseline to measure net gain delivered from biodiversity action plans impended by our service partners. In development, a qualified ecologist must be appointed pre-planning to establish an existing baseline, identify any risks and inform the landscaping design. The ecologist would utilise the net gain metric to ensure design of developments achieves net gain from an established baseline. The design team are required to follow the Landsec Biodiversity Brief to enhance biodiversity, access to nature and ensure climate-resilient planting and improve air quality.

Under our sustainability framework Build well, Live well, Act well, we have a suite of targets to demonstrate the actions we are taking to address our key material issues. As biodiversity has been identified as a material issue, we aim to enhance nature and green spaces and have two ambitious targets to address biodiversity both in our new developments and across our existing portfolio:
- Achieve a 25% biodiversity net gain by 2030 across our operational sites currently offering the greatest potential (2016/17 baseline)
- Achieve a 15% uplift in biodiversity for all new developments by 2030

This year we've already achieved an average 13% uplift in biodiversity net gain from a 2016/17 baseline. Across our retail sites we have replaced hedgerows with native species at White Rose, Leeds, planted trees as part of the Queen's Green Canopy at Gunwharf Quays, and introduced a bee hive with 35,000 honey bees at Lewisham Shopping Centre. We are also on track to achieve 15% uplift in our current development pipeline.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
Yes

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
BNGC – Biodiversity Net Gain Calculator

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
We utilise net gain calculations on our operational sites based on a 2016/17 to measure net gain delivered from biodiversity action plans impended by our service partners. In development, a qualified ecologist must be appointed pre-planning to establish an existing baseline, identify any risks and inform the landscaping design. The ecologist would utilise the net gain metric to ensure design of developments achieves net gain from an established baseline. The design team are required to follow the Landsec Biodiversity Brief to enhance biodiversity, access to nature and ensure climate-resilient planting and improve air quality.

Under our sustainability framework Build well, Live well, Act well, we have a suite of targets to demonstrate the actions we are taking to address our key material issues. As biodiversity has been identified as a material issue, we aim to enhance nature and green spaces and have two ambitious targets to address biodiversity both in our new developments and across our existing portfolio:
- Achieve a 25% biodiversity net gain by 2030 across our operational sites currently offering the greatest potential (2016/17 baseline)
- Achieve a 15% uplift in biodiversity for all new developments by 2030

This year we've already achieved an average 13% uplift in biodiversity net gain from a 2016/17 baseline. Across our retail sites we have replaced hedgerows with native species at White Rose, Leeds, planted trees as part of the Queen's Green Canopy at Gunwharf Quays, and introduced a bee hive with 35,000 honey bees at Lewisham Shopping Centre. We are also on track to achieve 15% uplift in our current development pipeline.

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness Law & policy Livelihood, economic & other incentives

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	State and benefit indicators Response indicators

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Details on biodiversity indicators	Relevant information on our approach to sustainability and biodiversity is available on pages 40-46. Landsec Annual Report 2023 Interactive_0.pdf
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Details on biodiversity indicators	Relevant information on our corporate committments and performance related to enhancing nature and green space is detailed on page 2. Landsec Sustainability Performance And Data Report 2023 FINAL.pdf
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Impacts on biodiversity Details on biodiversity indicators Risks and opportunities Biodiversity strategy	Biodiversity brief that outlines our biodiversity ambitions and guides our partners on our biodiversity requirements across our portfolio and developments. Landsec Biodiversity Brief_0.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

n/a

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

We are committed to leading the way to a lower-carbon economy and aim to redefine what it is to be a modern landlord. We recognise that we don't have all the answers, but are ready and willing to engage with others to address the emissions challenge.

Recognising that approximately 40% of all energy consumption comes from our occupiers' use of our buildings, we launched a customer engagement programme to raise awareness, change behaviour and identify opportunities for collaborating on energy and cost savings.

Working with these customers and energy specialists we have been:
- running energy audits with data analysis and site visits to understand data trends, anomalies and opportunities
- using energy-efficiency questionnaires for customers' employees to capture their opinions, attitudes and ideas on reducing energy
- running interactive workshops to raise awareness of net zero carbon and discuss energy use
- making recommendations to improve efficiency

Over the last year, we have continued to engage across the value chain, from our customer engagement programme to reduce energy consumption within their spaces, to launching our new Supply Chain Commitment and becoming members of the Supply Chain Sustainability School.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	791000000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
Deutsche Bank AG

Scope of emissions
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 13: Downstream leased assets

Allocation level
Facility

Allocation level detail
We procure energy and recharge tenants for occupied floor space energy consumption - the carbon emissions were calculated by multiplying metered energy consumption from tenants by UK location-based emission factors.

Emissions in metric tonnes of CO2e
312

Uncertainty (±%)
90

Major sources of emissions
Electricity and natural gas usage

Verified
Yes

Allocation method
Allocation based on the number of units purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Energy consumption from the building
Scope 1: natural gas usage
Scope 2: electricity usage - location-based
Scope 3: energy transmission and distribution

Requesting member
EQUINIX, INC.

Scope of emissions
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 13: Downstream leased assets

Allocation level
Please select

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions
We hold no emissions data for Harbour Exchange as we sold it in November 2021 and prior to that it was not within our operational control boundary.

Verified
Please select

Allocation method
Please select

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

---

Requesting member
Experian Group

Scope of emissions
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 13: Downstream leased assets

Allocation level
Facility

Allocation level detail
We procure energy and recharge tenants for occupied floor space energy consumption - the carbon emissions were calculated by multiplying metered energy consumption from tenants by UK location-based emission factors.

Emissions in metric tonnes of CO2e
236.8

Uncertainty (±%)
90

Major sources of emissions
Whole building produced 4,104 tCO2e in 2021/22. Experian Group occupies 5.77% of the building by floor area (4460.83/77,255 m2), so the tCO2e figure provided indicates that proportion of the building's overall emissions.

Verified
Yes

Allocation method
Allocation based on area

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Energy consumption from the building
Scope 1: natural gas usage
Scope 2: electricity usage - location-based
Scope 3: energy transmission and distribution

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Please refer to Landsec Sustainability Performance and Data Report 2023

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	The challenge in this respect is to collect energy data from customers who procure their own energy - we already receive data from some of our largest occupiers, as indicated in C6.5, but we are always looking to increase this proportion.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

We plan to further engage with our customers to collect actual and increasing accurate energy and carbon data.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

Requesting member
EQUINIX, INC.

Group type of project
Please select

Type of project
Please select

Emissions targeted
Please select

Estimated timeframe for carbon reductions to be realized
Please select

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
We are always open to collaborative opportunities, however we no longer own the building which you occupy, Harbour Exchange, as it was sold in November 2021.

Requesting member
Deutsche Bank AG

Group type of project
Change to supplier operations

Type of project
Implementation of energy reduction projects

Emissions targeted
Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized
0-1 year

Estimated lifetime CO2e savings

Estimated payback
0-1 year

Details of proposal
We are always open to collaboration on energy reduction initiatives. Please contact sustainability@landsec.com and we can set up a call/meeting to discuss with relevant parties.

Requesting member
Experian Group

Group type of project
Change to supplier operations

Type of project
Implementation of energy reduction projects

Emissions targeted
Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized
0-1 year

Estimated lifetime CO2e savings

Estimated payback
0-1 year

Details of proposal
We are always open to collaboration on energy reduction initiatives. Please contact sustainability@landsec.com and we can set up a call/meeting to discuss with relevant parties.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms