

Creating better experiences

Sustainability brief




A document outlining our sustainability ambitions for developments and the role you can play in creating the best experiences.

| | |
|---|----|
| Welcome | 03 |
| 1 Introducing Landsec | 06 |
| 1.1 How we work | 07 |
| 1.2 Who's who at Landsec | 10 |
| 1.3 Innovation at the heart of every development | 13 |
| 2 Sustainability ambitions and commitments | 15 |
| 2.1 Creating jobs and opportunities | 18 |
| 2.2 Efficient use of natural resources | 21 |
| 2.3 Sustainable design and innovation | 25 |
| 3 Our sustainability process | 28 |



Everything is experience





We're Landsec. We believe great places are for people to experience and are made with the experience of great people.

The places and experiences we create aren't just innovative, efficient and resilient. They also have the potential to deliver a positive impact for the communities they're part of, the customers they serve, the people we invest in, and those who invest in us.

From the impact of climate change on the built environment, to high levels of unemployment and disadvantage in some local communities, to a lack of diversity within our industry, the challenges we face are numerous and complex.

So how can we continue to create the best possible experiences? We need big ideas and new thinking. We need to be open to new ways of doing things and challenge the status quo. We need to constantly look for ways to deliver better results.

That's where this brief can help.

Here you'll find everything you need to know about our sustainability ambitions for our developments. This brief describes what we want to achieve and how we'll measure success. Because sustainability is our way of making sure that the experiences we create are the best that they can be – for people, for communities and the environment.



When to use this brief

This brief applies to all of our developments. You should use it whenever you're planning a development – from the start to launch and beyond.

The brief is supported by our sustainability preliminaries. This is a simple document which sets out our requirements, like paying the Foundation Living Wage and ensuring energy efficiency.

It also applies to joint ventures where we're the active development partner. When we're only investing in a development, we'll agree with our joint venture partner which elements of the brief apply, and carry out due-diligence where we need to.

Using this brief as a guide, each development will create a tailored sustainability plan. The plan is a document which everyone will contribute to, showing the outcomes and project-specific targets which the team will work towards. We'll agree this before planning, and finalise it once we've completed the post-occupancy evaluation.

We plan to update this brief regularly to make sure it's always relevant – so let us know what's working, what isn't and what could be improved.





Introducing Landsec



1.1

How we work

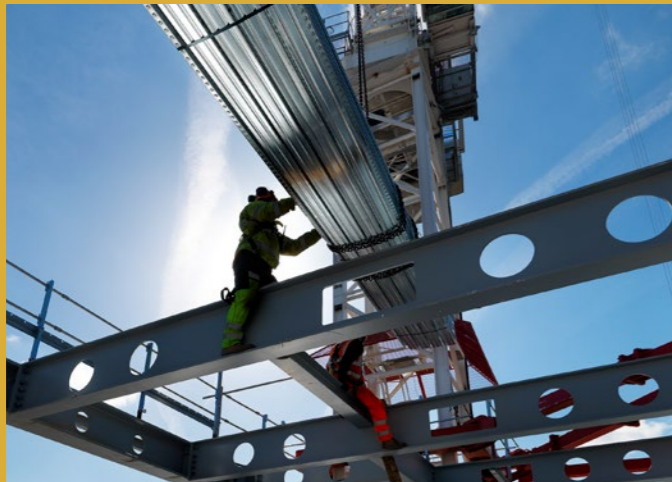




Our purpose is to provide the right space for our customers and communities – helping businesses to succeed, the economy to grow and people to thrive. That's why we're here and it drives everything we do. Our vision is to be the UK listed real estate sector leader in sustainability.



Experience tells us that thinking well ahead enables us to make much smarter decisions today. Get it right and we strengthen our reputation and deepen our relationships with the people who matter most to us: our customers, employees, partners and communities. Working in this way ensures that we can remain healthy and successful for years to come.



Supporting our customers

Creating great places to work, shop and visit means working closely with our customers. We support our customers through the leasing process to achieve the right sustainability outcomes for each development, from energy efficiency and health and wellbeing, to design support, fit-out and occupation.

Training and incentivising our employees

Creating great experiences and being a responsible business demands practical action and leadership. Through our Sustainability Matters training programme, we give our employees the tools they need to deliver. And we incentivise sustainability performance through our annual key performance indicators, which are linked to executive and senior management remuneration.



Delivering with our supply partners

The two most important ingredients for a truly sustainable development are a concise, compelling brief, and collaboration to deliver it. To create this, we work in close collaboration with our partners to define sustainability outcomes and track success through our sustainability plan.

Creating with our communities

Our activities have a significant impact on local communities and the wider UK economy. To better understand our impact, we now measure the socio-economic and environmental contribution of every development. Assessing our impact helps us identify where we're already adding value, but it also highlights how we can maximise the benefits we generate.



1.2

Who's who at Landsec



To deliver our sustainability vision and create great experiences, everyone in every department, from conception to completion and beyond, has a role to play.



Development

Development managers have overall responsibility for delivering our developments. They work closely with our customers, liaise with planning authorities and manage development costs.

They're responsible for the section 106 application, and usually manage relationships with community groups. They also make sure the sustainability plan is compiled pre-planning, and that the objectives of the plan are delivered by the end of the first year of occupation.

Project

Project managers have overall control of construction costs and delivery. They're responsible for ensuring that green and healthy building certifications like LEED, BREEAM, Ska and WELL are undertaken and completed, and that compliance to our environmental management system is achieved.

Engineering and Technology

Engineers make sure that the design of the development meets our requirements. They focus on sustainable design and energy efficiency and make sure that our aspirations for our energy management system are achieved. Our technology solutions team work hand-in-hand with the engineers to design building systems and security. The engineers stay involved in every project throughout the soft landings phase.

Leasing

Leasing work with customers to agree sustainability objectives through the leasing process. Leasing managers also help our customers with their sustainability challenges. They draw upon the expertise of the engineering and sustainability teams to do this.

Operations

Our operations teams take over the site at completion. The team go through training and familiarisation with the main contractors, which is facilitated by our engineers. This includes training the technical services manager who's responsible for the upkeep of the building services.

Sustainability

The sustainability team guide and advise our development and operations teams. They're involved in our developments in creating the sustainability plan, then working with our team and our partners to deliver it.

Health, Safety and Security

Our health, safety and security managers make sure projects are delivered safely, with the health of the workforce in mind. They also ensure our developments are designed for safe operation and that we are resilient to security threats.





1.3

Innovation at the heart of every development





We think every development should be a learning opportunity, so we encourage our teams and you to try something new, every time.

It could be a new product, a revolutionary type of material or an innovative service solution. And we think the best innovations are the ones that can be replicated for other developments. Or better still, those that can be retrofitted or used in other parts of our portfolio. We know that some innovations are liable to fail – but that's an important part of the innovation process.

We'll always track and measure the success of innovations through the sustainability plan.



Sustainability ambitions and commitments

We believe sustainability is an opportunity to make experiences even better. Over the following pages, you'll find a comprehensive guide to our sustainability ambitions and commitments, and the opportunities they bring.



Our sustainability ambitions and commitments are divided into two categories.

01 Foundations

The actions that can build our credibility – things like diversity and health & safety. They're typically not visible to end customers, but they're vitally important to achieve our sustainability ambitions.

02 Features

The actions that are visible to the end customer – things like community employment and wellbeing. These bring clear benefits to end customers and the wider community. And because they're so tangible, they make our developments even more desirable.



Our sustainability strategy focuses on these areas:

Creating jobs and opportunities

Efficient use of natural resources

Sustainable design and innovation



2.1

Creating jobs and opportunities

Building a strong workforce for the future

Without the right people in the right roles, developments can be delayed, construction prices can rise, and business can slow down. That's why we're helping people from all backgrounds to build long and rewarding careers in property-related industries.

When we develop new space, we recognise that we're becoming part of a community. So, right from the start, every development needs to embody our values, our vision and our aspirations.

Creating jobs and opportunities is an integral part of the sustainability plan for every development. The plan should include planning conditions and Section 106 requirements, ensuring that everyone is clear about what will be delivered.



2.1

Creating jobs and opportunities

Feature

Community Employment

Our commitment: Help 1,200 disadvantaged people to secure jobs by 2020

Through the planning application process for each development, we'll use our sustainability plan to define and agree support for our community employment programmes. This includes procurement of goods and services from social enterprise and community interest companies, where we know our spending can create social value, as well as profits for our suppliers.

Every development has to contribute to our community employment target.

We decide on the number of people we plan to help into work on a case-by-case basis. And that's usually agreed between the project team and the local authority. For a job to count towards our target, it needs to be full-time with Landsec, our customers or a partner organisation, and it needs to be held for a minimum of 26 weeks.

How we'll measure success:

- Establishing and achieving a project-specific community employment target
- Providing support for existing, or creating new education partnerships that focus on enterprise
- Providing support for nominated national and local charities that create jobs and opportunities
- The percentage of project value spent with social enterprise and community interest companies



2.1

Creating jobs and opportunities

Feature

Foundation

Fairness

Our commitment: Ensure the working environments we control are fair and that everyone who is working on our behalf – within an environment we control – is paid at least the Foundation Living Wage

We want everyone working on our developments to be paid fairly. This includes labour, management and anyone else working on our construction sites.

What that means for you: main contractors must check this on our behalf and provide appropriate evidence. This can be in the form of payslips or other records of pay which demonstrate that the current Foundation Living Wage is being paid.

How we'll measure success:

- Measure and report the percentage of direct and subcontracted employees who are paid the Foundation Living Wage

Diversity

Our commitment: Make measurable improvements to the profile – in terms of gender, ethnicity and disability – of our employee mix

Diversity in our project teams helps us avoid “group think” in our decision-making. It also fosters creativity and enhances the way we consider and manage risk. By making our teams more representative of the diverse customers and communities we support, we're more likely to be able to anticipate and respond to people's needs. We want our development work to support this approach by encouraging diversity.

Diversity is also about design. Creating destinations that are easy to navigate for all ages and abilities will help us appeal to a more diverse customer base. So, whether it's a commercial office building or a shopping centre, we need to make sure the public realm and common parts are accessible and intuitive.

How we'll measure success:

- Diversity in the profile of construction management and operative roles, including gender, ethnicity and disability
- Design for inclusivity, considering all ages and abilities

Health, Safety and Security

Businesses know that accidents delay projects, damage reputations and make it hard to attract skilled people. But few understand the long-term impact of unhealthy practices like inhaling diesel fumes. Fewer still know that poor mental health costs employers billions every year.

By setting outstanding health and safety standards, providing the right environment for people to thrive, we can help build a healthier, happier and more productive workforce. And by focusing on security, we can help protect people, information and business value.

Our objectives in health, safety and security are to:

- Set the tone and push the boundaries as an informed and intelligent client and landlord
- Inspire visible leadership in health, safety and security
- Provide a vision for behavioural change for our employees and supply chain
- Deliver safe, healthy and secure developments without incident
- Provide safe, healthy and secure places for our people work and our customers to shop and relax
- Treat health like safety across all our activities, with both physical and mental health in mind



2.2

Efficient Use of Natural Resources

When we buy, use and re-use resources efficiently, we see big benefits

In 2016, we set a science based target for reducing our emissions. This target was developed and assessed by the Science Based Targets initiative, and is designed to prevent the worst impacts of climate change by keeping us within a two degrees of warming scenario. When it comes to natural resources, everything we do needs to support meeting our carbon reduction target. This means designing buildings to use less energy, including creating on-site generation and procuring renewable energy. We also require developments to follow BREEAM best practice guidance on water efficiency.



2.2

Efficient Use of Natural Resources

Feature

Renewable Energy

Our commitment: Procure 100% renewable electricity across our portfolio and achieve 3 MW of on-site renewable electricity capacity by 2030



We're committed to increasing the amount of renewable electricity generated on our sites and pioneering low carbon technologies to improve the efficiency of our assets. That means on-site generation should be designed in, and we should avoid dependence on gas. We're not interested in box-ticking or tokenism, so low-carbon and renewable solutions should always be assessed to check whether they create value within the lifetime of the building.

As of 1 April 2016, all the sites we manage are supplied by SmartestEnergy, the UK's first officially certified 100% renewable electricity producer. And we're proud to have been the first property company to join RE100, a group of influential businesses committed to renewable energy. We want to move towards renewable energy tariffs during construction too, so the power we use comes from certifiable renewable sources throughout the property lifecycle. Tariffs should be backed by a Renewable Energy Guarantees of Origin (REGO).

How we'll measure success:

- The percentage of operational energy provided through low carbon and renewable solutions, and annual cost savings from investment
- Using a renewable energy tariff for temporary construction supply and commissioning



2.2 Efficient Use of Natural Resources

Feature

Foundation

Carbon

Our commitment: Reduce carbon intensity (kgCO₂/m²) by 40% by 2030 – compared to a 2013/14 baseline – for property under our management for at least 2 years, with a longer-term ambition of an 80% reduction by 2050

Our carbon target is approved by the Science Based Targets initiative, which confirms that we’re reducing emissions by the amount needed to keep the world within two degrees of warming. But the system only works if other companies and industries get on board too. That’s why we’ve committed to encourage our partners to reduce their emissions through our development programme.

Our science based target isn’t just for our operational emissions. In a busy development year, supply chain emissions make up over 90% of our carbon footprint. We’re determined to change this. Reducing these emissions isn’t about elaborate analysis, it’s about making sensible decisions about what we buy and where we buy it from. Simple specification and procurement decisions on our Westgate, Oxford development avoided 30,000 tonnes of emissions.

To reduce supply chain emissions, we’ll need to select low carbon materials and use efficient construction and transport methods. To encourage this we’ll use two targets. First, we’ll set an intensity benchmark, based on previous developments. Teams should try to beat this from the outset of the project.

We’re aiming to achieve supply chain emissions intensity of 900kgCO₂/m² for commercial buildings and 500kgCO₂/m² for retail. Then we’ll try to reduce the volume of emissions by 15%, measured from a baseline at RIBA stage three through to the total volume of emissions at completion.

To do this we’ll need to specify materials with recycled content, concrete with cement replacement, metals with low carbon emissions from their manufacturing process, and source heavy materials like stone locally. Other factors like cost, availability and lead in time are equally important, but we need carbon to be considered for every material choice if we want to reduce our supply chain emissions.

Here are some of the ways we can do this:

| We prefer | We want to avoid |
|---|---|
| High recycled content and post-consumer reclaimed materials | Virgin aggregates |
| Cement replacement products, like GGBS and PFA | Anodised metals |
| Rapidly renewable materials like timber | Crude-oil derived products |
| Steel produced in electric arc furnace | Steel produced in traditional furnaces |
| Regional materials, sourced within a 300-mile radius | Stone and heavy materials manufactured outside the EU |

Where we do measure supply chain carbon emissions, we’ll use the RICS Professional Statement ‘Whole Life Carbon assessment for the built environment’. By following the ‘Product’ and ‘Construction Process’ stages (A1:A3) we can be sure that the supply chain emissions created through construction are quantified and reduced in an accurate way.

How we’ll measure success:

- The intensity of supply chain emissions from stages (A1:A5), measured against our benchmarks of 900kgCO₂/m² of GIA for commercial buildings and 500kgCO₂/m² of GIA for retail
- Achieving a 15% reduction in the total volume of stages (A1:A5) emissions, measured against a RIBA stage three baseline



2.2

Efficient Use of Natural Resources

Feature

Foundation

Energy

Our commitment: A 40% reduction in energy intensity (kWh/m²) by 2030 compared to a 2013/14 baseline, for property under our management for at least 2 years

Our developments should be our most efficient assets. We're a member of the EP 100 and have committed to doubling our energy productivity in the next two decades from 2017. To produce efficient buildings, we'll need to undertake performance in use modelling, then compare the results to our existing portfolio. This will allow our team to set and work towards a performance in use target. Using the soft landings framework will help our project teams meet the target through fit-out, occupation and operation. We also target 35% performance above Part L (2016) for offices and 10% for retail because all our projects should meet or exceed planning policy. Developments should always have LED lighting throughout and an appropriate amount of electric vehicle charging points.

How we'll measure success:

- Setting and working towards performance in use targets using comparable building benchmarks, and using the soft landings framework to optimise performance against design intent
- Using post-occupancy evaluations to inform our design process, and carrying out new evaluations after one year of operation or following 95% occupancy

Waste

Our commitment: Send zero waste to landfill with at least 75% recycled across all our activities, and reduce construction waste to 6.5 tonnes/100m²

Design teams should specify materials that can be easily replaced without creating waste, and avoid materials that can't be recycled. Main contractors should remove construction waste from the site by returning it to the manufacturer or sending it to a location where it can be remanufactured or directly recycled into new material. Working in this way makes our teams and manufacturers work in a more circular way.

All of our developments should be designed with adequate waste compaction and storage facilities. And developments with prospective food and beverage occupants should consider anaerobic digestion technology.

How we'll measure success:

- The percentage of construction waste directly recycled, and the volume of waste created (measured in tonnes/100m²)
- The percentage of surplus and waste materials removed from site by the original manufacturer



2.3

Sustainable design and innovation

Great design creates the best experience for our customers.

Sustainable design increases efficiency and encourages people to spend time in our spaces. This is good for our customers, communities and partners. The right design also means buildings are flexible across their lifespan, so they can be adapted to meet changing customer needs.

Sustainable design and innovation sit at the heart of our building philosophy. Making our spaces more efficient, developing in a sustainable way, and always looking for new and better ways of doing things help us deliver the very best experiences for our customers.



2.3

Sustainable design and innovation

Feature

Biodiversity

Our commitment: Maximise the biodiversity potential of all our development and operational sites. Achieve a 25% biodiversity net gain across the five sites offering the greatest potential by 2030

Including green spaces in and around buildings has proven physical and mental benefits for people. Biodiversity should be a core part of the customer experience, whether it's on a spectacular roof terrace or the car park of a shopping centre. Improving the quality and volume of green space can also offer benefits to the local community, where green assets can be used for educational and leisure purposes.

Sometimes through developments, we remove green space or habitats to make way for new buildings. But we're committed to net gain principles. This means providing the right plants and species for the local area, and improving the quality of biodiversity reinstated. And where we create new green infrastructure, we're committed to good maintenance. This means ensuring that our operational teams receive a habitat management plan and the right training. Keeping to these ideals means that we will design and deliver our developments following net gain principles.

How we'll

measure success:

- The percentage gain in biodiversity quality from pre-development to post-development
- Production and adoption of a habitat management plan

Wellbeing

Our commitment: Ensure our buildings are designed and managed to maximise wellbeing and productivity

Our assets should be great places to work and visit. For an office, this means designing spaces to encourage physical and mental wellbeing, whether it's through providing exercise space, places for quiet relaxation or high-quality cycle facilities. Where we build offices this will be specified to meet health and wellbeing criteria under BREEAM and Ska rating tools. We also need to ensure that shell and core office construction specifications allow our customers to achieve WELL certification.

In retail, surveys tell us atmosphere is one of the most important factors in why our customers choose to visit. Creating the right conditions with the right mix of spaces is essential for creating an exciting and welcoming experience. We'll need to focus on lighting, indoor air quality, thermal comfort and acoustics, creating the right conditions for comfort. Designing for wellbeing is also about creating a great place to work, as well as to visit. This means designing comfortable space and amenities for retail staff as well as shoppers.

How we'll

measure success:

- Meeting optimum air quality, daylight, lighting and noise conditions in line with BREEAM, CIBSE and other professional guidance
- Receiving feedback on levels of satisfaction with air quality, daylight, lighting and noise conditions from our customers



2.3

Sustainable design and innovation

Feature

Foundation

Resilience

Our commitment: Assess and mitigate site-specific climate change adaptation risks which are material across our portfolio

Business continuity is essential to all our customers. Whether this is retailers or office customers, disruption through flooding or building damage can be devastating. Climate change affects certain climatic factors like wind speeds, the volume of rain and snow, and extreme temperatures. And it's expected to become more severe in the future. Buildings have got to be designed to withstand the conditions within their lifetime.

To get this right, our design teams have to be aware of climate change risks to make sure their designs make the appropriate allowances within the given lifetime of the building or tenancy period. Flood risks should be assessed at an asset and local level to ensure the design of drainage and SUDS systems contributes to a resilient local system. This should be explored in the Environmental Impact Assessment (EIA), and discussed by the design team in the pre-planning workshop.

How we'll measure success:

- Climate change adaptation risk review undertaken and design measures implemented, where appropriate and feasible, which address structural and fabric resilience

Materials

Our commitment: Source core construction products and materials from ethical and sustainable sources

Who we work with and who we purchase from is important at every level. From the design team and main contractor to the operatives on site and producing materials across the UK and abroad. But supply chains in construction are often fragmented and transient. That's why we've got to work to clear guidelines.

Core construction materials including steel, concrete, hard landscaping and facades should always come with responsible sourcing certification. Where certification isn't available, we'll need evidence of basic health, safety and environmental management. There's plenty of guidance out there already and we'll use the LEED or BREEAM responsible sourcing measurement schemes to gauge our success. Banned materials are noted in our sustainability preliminaries and in the RICS deleterious materials list.

We are committed to zero tolerance on modern slavery and to tackle it, we need our partners to support us in making our supply chains more transparent. The Global Slavery Index shows that certain countries have substantial risk of slavery in manufacturing. So, when our designers specify materials or our contractors buy materials from outside the EU, we will engage with the supplier

to ensure our expectations are met. Sometimes this will be in the form of an assessment, where we'll check suppliers against fair pay and labour standards using tools like SEDEX, EcoVardis and SA8000.

How we'll measure success:

- Percentage of core construction materials supplied with responsible sourcing certification or other proof of sustainable and ethical production
- Achieving FSC Project Certification



Our sustainability process

All our developments have to address sustainability at every stage – it's a process that's part of our environment and energy management system.

Here you can see how this sustainability brief fits into our wider sustainability process.



Sustainability policy

This policy sets out our sustainability approach for the entire business. It explains the sustainability issues that are most important to our business and outlines our strategy for addressing them.

Supplier sustainability charter

The supplier sustainability charter sets out what we expect of our partners, and is typically issued to design teams and contractors before they're invited to tender. Where we're already working with supply partners, we use the charter at review meetings.

Pre-qualification

We use a supplier information management system to ensure that suppliers meet our requirements. When suppliers register to work for us they need to give information on their company which is reviewed by Landsec.

Sustainability brief

We use the brief at the start of design and procurement for our developments. Working with our design, planning and construction teams, we use it to formulate the development's sustainability plan. The brief explains what we want to achieve and how we'll measure our performance.

Our soft landings process should be adopted early in the development and must involve setting performance expectations for the asset and the delivery process. This will always include using previous post-occupancy data and insights to inform our design.



Sustainability plan

The sustainability plan brings together the requirements of this brief, planning commitments and green building certification. It's a simple document that tracks requirements through to completion. As projects progress, we'll work closely with our suppliers to ensure that we're all working towards our goals and commitment. This means we'll have monthly engagement with our team and our partners to make sure that all twelve areas of our framework are progressing.

Building certification

We are usually required to undertake green building certifications by local authorities or by our customers. This is usually BREEAM, and our minimum standard is Excellent, with some retail projects required to achieve Very Good.

Fit-out guide or handbook

The fit-out guide or handbook tells our customers what our fit-out requirements are for each development. Any project-specific design requirements that our customers need to deliver are also in the agreement for lease.

Soft landings

We are committed to ensuring our buildings perform in the way they were designed to. That's why every development follows the soft landings process – from the outset until after completion. We set our aspirations for building performance and provide training and guidance on the building's design and systems. Later, the focus is on ensuring operational teams have a smooth transition as the building becomes occupied and managed. Our design and construction teams need to be aware of this process and provide training, guidance and specialist support at the right times.



Post-occupancy evaluation

Post-occupancy evaluations (POE) are an important part of our design process. They're made up of three key elements: a post-construction review, including lessons learned during design and construction; a customer survey and an interview with the building's operations staff; and a review of energy performance against design after one year or 95% occupancy. The POE results are shared internally to inform future designs, and externally on our website where the results aren't commercially sensitive.

**For more information
please contact:**

Caroline Hill
Head of Sustainability

Landsec
100 Victoria Street
London SW1E 5JL

+44 (0)20 7024 5462
caroline.hill@landsec.com
landsec.com

