

# Independent Assurance Statement to the Management of Land Securities Group PLC

We have performed a limited assurance engagement on selected performance data and qualitative statements in the Physical and Social sections of the Strategic Report, the sustainability content in the 'Additional Information' section of the Land Securities Group PLC ("the Group") 2020 Annual Report and Accounts and the online Landsec Performance Data Report 2020 (collectively referred to as "the Report").

## Respective responsibilities

The Group's management are responsible for the collection and presentation of the information within the Report. Management are also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

Our responsibility, in accordance with management's instructions, is to carry out a 'limited level' assurance engagement on selected performance data and performance claims in the Report (the 'Subject Matter Information') set out below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

## What we did to form our conclusions

Our assurance engagement has been planned and performed in accordance with ISAE3000 (Revised)<sup>1</sup>. Landsec's *Sustainability Reporting Methodology* has been used as the Criteria against which to evaluate the 'Subject Matter Information' defined below. The 'Subject Matter Information' comprises the following data sets and selected statements and assertions in the Report regarding the sustainability performance of the Group:

- **Greenhouse gas emissions:** Direct GHG emissions (MtCO<sub>2</sub>e), Indirect GHG emissions (MtCO<sub>2</sub>e), and GHG intensity (tCO<sub>2</sub>e/m<sup>2</sup>/year)
- **Energy:** Energy consumption (kWh) and energy intensity (kWh/m<sup>2</sup>/year)
- **Waste:** Waste diverted from landfill (tonnes) and percentage of waste recycled
- **Safety:** Number of RIDDOR incidents for Landsec's managed portfolio and development assets
- **Social value:** Social value created during the year (£)
- **EPRA, TCFD and UN Global Compact:** Selected content disclosures relating to EPRA guidelines, UN Global Compact and TCFD metrics (Energy/Fuel and GHG emissions categories) that are aligned to the 'Subject Matter Information' identified above

The procedures we performed were based on our professional judgement and included the steps outlined below:

1. **Interviewed a selection of the Group's management** to understand the progress made in the area of sustainability during the reporting period and to test the coverage of topics within the Report.
2. **Conducted a site visit at 21 Moorfields and interviews with Westgate Oxford management** to understand how the sustainability agenda is being managed at development and site level.

3. **Reviewed the coverage of key issues within the Report** against the topics discussed in our management interviews and site visits.
4. **Interviewed staff responsible for data reporting and carried out the following activities to review the 'Subject Matter Information':**
  - i. Reviewed the guidance on data reporting, key processes and quality assurance performed.
  - ii. Selected a sample of data points from across the business and sought documentary evidence to support the data.
  - iii. Conducted a walk-through of data reported from a sample of sites to test consolidation.
  - iv. Reviewed any explanations provided for significant variances.
  - v. Reviewed the Report for the appropriate presentation of the data including limitations and assumptions.
5. **Reviewed information or explanation about selected statements and assertions** regarding the sustainability performance of the Group.

## The limitations of our review

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ISAE3000 Revised) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and, therefore, a lower level of assurance is provided.

Completion of our testing activities has involved placing reliance on the Group's controls for managing and reporting sustainability information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at the Group level beyond those used for the 'Subject Matter Information' (as presented above).

We have only sought evidence to support the 2019/2020 performance data. We do not provide conclusions on any other data from prior years.

## Our conclusions

Based on the scope of our review our conclusions are outlined below:

### Completeness and accuracy of performance information

**How complete and accurate is the 'Subject Matter Information' presented in the Report?**

- With the exception of the limitations identified in the report, we are not aware of any material reporting units that have been omitted from the selected performance data relating to the topics above.
- Nothing has come to our attention that causes us to believe that the 'Subject Matter Information' was not prepared, in all material respects, in accordance with the Criteria, which were applied by management.

### How plausible are the statements and claims within the Report?

- We have reviewed information or explanation on selected statements regarding the Group's sustainability activities presented in the Report and we are not aware of any misstatements in the assertions made.

## Observations and areas for improvement

Our observations and areas for improvement will be raised in a report to the Group's management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out above.

- **Social Value:** This is the first year that Landsec has sought assurance over its total social value (£). While there are clear processes and controls that support this KPI, there is an opportunity for Landsec to provide greater transparency on the calculation methodology and disclose the underlying assumptions and proxy values used by its third-party data provider. As this is an evolving field, Landsec may consider expanding its measurement efforts to include additional aspects of social value in the future.
- **Safety:** Landsec continues to streamline incident reporting through the use of an online compliance system, RiskWise. While this has helped to enhance the accuracy of reporting, Landsec should consider reviewing its internal quality review process to ensure that incidents that may qualify as RIDDOR incidents are thoroughly investigated by local site personnel in a timely manner to improve Landsec's safety reporting processes.

## Our independence

We have implemented measures to comply with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC1.<sup>2</sup> Ernst & Young's independence policies apply to the firm, partners and professional staff. These policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

We confirm annually to the Group whether there have been any events including the provision of prohibited services that could impair our independence or objectivity. There were no such events or services in 2019/20. Our assurance team has been drawn from our global Climate Change and Sustainability Services Practice, which undertakes engagements similar to this with a number of significant UK and international businesses.

### Ernst & Young LLP,

London

8 June 2020

1. International Federation of the Accountants' International Standard for Assurance Engagements (ISAE3000) Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.
2. Parts A and B of the IESBA Code; and the International Standard on Quality Control 1 (ISQC1)