

Our response to Covid-19

Since Covid-19 began impacting our business in March, we have responded quickly to ensure our stakeholders are supported and the resilience of the business is maintained.

Organising our response

- We responded quickly to establish teams to support our priorities during the pandemic ranging from employee and customer support, operations and corporate affairs through to internal functions including finance and tech.
- We have been working on plans for how Landsec and our markets will emerge from the current conditions based on a number of scenarios to ensure we are well placed to respond quickly for our customers and focus on strategic priorities.



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Our people

- The health and wellbeing of our people has always been our priority. All of our office-based staff were encouraged to work from home from 16 March.
- We have made changes to our policies, notably our holiday policy to ensure that staff don't miss vital family holiday time and that our business can manage the resourcing demands placed upon it.
- Our trained mental health first aiders have worked tirelessly to support all members of staff, using a range of external resources, toolkits and guides for remote working and those with caring responsibilities in the home.
- Our Senior Management have acted swiftly to provide extraordinary levels of communication via weekly videos, emails, internal intranet and regular telephone and video conferences ensuring that every staff member has some form of regular, daily contact with their line manager or team.
- For those staff whose work has been severely disrupted, we have created a skills hub for them to offer their time to teams with increased demand, thereby ensuring no one is unproductive or isolated during the lockdown.
- We are offering support to our people who continue to work in our assets.



Read more in Our stakeholders on pages 16-17



Our customers

- We understand that Covid-19 has made day-to-day operations difficult and complex for our customers, and we support the Government's view that no organisation should be left unable to survive as a result. We strongly believe that business has a role to play in delivering assistance.
- We have provided support for those customers who are in genuine and immediate financial distress, establishing a support fund to provide up to £80m of rent relief for customers who need our help most to survive.
- Around £15m of this fund will support our food & beverage customers, broadly equivalent to three months' rent free. The remaining £65m will be allocated on a case-by-case basis to small and medium sized businesses with a focus on helping those with limited access to other sources of financial assistance.
- Non-payment of rent has a serious impact on our business. In order for us to help those customers most in need, we expect those who can afford to pay their rent to do so. Where we are unable to offer assistance from our support fund, we will consider requests to defer rents or a move to monthly rents.
- We are responding to the changing environment and investment needs. We're committed to reducing service charge costs, not only in response to the current situation but also through the work started last year on how we run our sites in the most efficient way possible.



Read more in Our stakeholders on pages 16-17



Read more online at [landsec.com](https://www.landsec.com)



Our communities

- We're especially determined to help in the communities in which we operate. Our community employment and education programmes are continuing at this crucial time.
- In addition, in response to the immediate needs of the grass roots charities we support, we are providing financial relief for the charities we know well and who are supporting individuals and communities through these unprecedented times. In the coming months, we will give grants totalling £500,000 to our existing charity partners who are most in need. This will include homeless charities and a £100,000 donation to the property industry charity, LandAid.
- The Directors of the Company have waived 20% of their base salaries or fees for an initial period of three months and the money will be used to supplement the £500,000 of grants mentioned above.
- Our site teams are also providing practical assistance wherever they can. For example, linking our food retailers in London to local homeless charities we work with, for food donations. In Oxford, Leeds and Cardiff we're offering free parking to key workers to reduce the number of people who are travelling on public transport. In London, we're offering space for mobile blood banks and mobile blood transfusion units to reduce the number of visitors to hospitals.
- We're also offering our sites' car parks for NHS Covid-19 testing facilities and we've offered Public Health England free space on Piccadilly Lights to share public health information. And we're establishing virtual volunteering so that our own employees can offer their time and skills to organisations who would like our help.



Read more in our Social review on page 43



Our partners

- We continue to focus on maintaining momentum across our development pipeline, whilst ensuring we preserve flexibility around timing of delivery and levels of capital commitment. With the exception of our pre-let to Deutsche Bank at 21 Moorfields, EC2, all of our on-site speculative schemes have flexibility built into their delivery programmes.
- Our on-site developments are controlled and operated by our contractors and we remain in constant communication with each team, ensuring they can strike the right balance between safety and progressing with ongoing construction works. We are focused on supporting this vital part of our supply chain through these challenging times.
- Within our broader pipeline, developments in the design and planning phase are much less disrupted and easily progressed via remote working. Our internal teams continue to work in close, now virtual, partnership with our external professional teams of architects, designers, cost consultants and others.
- Within our non-development assets, efforts are now focused on preparing them for a gradual return to business as usual, with plans developed in line with the Government lifting restrictions.



Read more in Our stakeholders on pages 16-17



Our financial position

- Landsec has a strong balance sheet and remains well placed to deal with the unprecedented challenges Covid-19 presents. Nevertheless, we have taken prudent steps to ensure we are doing all we can to maintain the strength of our business.
- Our development programme has a large amount of flexibility in it. With the exception of 21 Moorfields, we have the ability to progress in a timeframe that works for us. At 31 March 2020, we only had around £340m of committed development capex in our £1.1bn development programme.
- We are financially robust with an LTV of 30.7% at 31 March 2020.
- At 31 March 2020, we had £1.2bn of cash and available facilities, net of repayments due under our commercial paper programme.
- The Board took a prudent decision to cancel our third interim dividend and is not proposing to pay a final dividend. It will regularly review the position on future dividend payments, reinstating them as soon as it is appropriate to do so.



Read more in our Financial review on pages 30-37