Sustainability Performance and Data Report 2020

Landsec

Welcome to our Sustainability Performance and Data Report

We're committed to reporting our performance, methodology and data every year in a transparent way. In this report you'll find details of our sustainability performance against each of our 12 commitments, along with comprehensive disclosures aligned with SECR, EPRA, UN Global Compact and TCFD.

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Creating jobs and opportunities

Social value

Commitment

Create £25m of social value through our community programmes by 2025.

Performance: On track

This year we created a total of over £4.8m of social value through our community programmes, exceeding our in-year target to create £4m.

Our social value creation has included helping 180 people into jobs through our employment programme, engaging 298 students in our education programmes and donating nearly £2m to our charity partners. It also includes our volunteering activity with over 40% of our employees (more than 250 people) having volunteered this year, benefiting 3,400 people.

Fairness

Commitment

By 2020, ensure everyone working on our behalf, in an environment we control, is given equal opportunities, protected from discrimination and paid at least the Real Living Wage.

Performance: On track

Landsec continues to be an accredited Real Living Wage employer, both for our employees and those working on our behalf on our sites, including construction and service partners.

We are on track to meet our 2020 commitment to ensure everyone working on our behalf in an environment we control will be paid the Real Living Wage by the end of 2020.

Diversity

Commitment

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

Performance: On track

Across the whole organisation 52% of our employees are female, exceeding our 2025 target of 50%. In the representation of women at leader level, we increased to 24% this year (2019: 19.5%) but at senior-leader level, we moved backwards to 30% (2019: 38%).

Health and Safety

Commitment

Maintain an exceptional standard of health, safety and security in all the working environments we control.

Performance: On track

In February 2020, we successfully migrated from the British Standard OHSAS 18001 to the international H&S standard ISO 45001. We've also launched an ambitious programme of mandatory health, safety and security training for all our employees, including contingent workers.

In response to the Grenfell fire in 2017, we reviewed fire safety across our entire portfolio and invested over £7m rectifying approximately 125,000 firestopping defects in our buildings, and £4.3m in resolving cladding risks.

Efficient use of natural resources

Carbon

Commitment

Reduce carbon emissions (tCO_2e) by 70% by 2030 compared with a 2013/14 baseline, for property under our management for at least two years.

Performance: On track

This year we achieved our original target to reduce carbon intensity by 40% by 2030, 11 years early, having reduced our carbon intensity by 48% compared to 2013/14. We therefore updated our target in line with the Science Based Targets initiative's new methodology for 1.5°C targets. In line with our updated target, we have reduced our absolute carbon emissions by 42% compared to a 2013/14 baseline.

We also launched our new net zero carbon strategy for developments, setting out our five-stage plan to achieve this, including setting an internal price for carbon.

Renewable energy

Commitment

- Ensure 100% of our electricity supplies through our corporate contract are from REGO-backed renewable sources
- Achieve 3 MW of renewable electricity capacity by 2030.

Performance: Complete

We continue to procure 100% renewable electricity across our portfolio. We are looking to move our procurement towards direct purchasing from renewable projects through Power Purchase Agreements (PPAs).

Performance: On track

Our current on-site renewable electricity capacity is 1.5 MW. We are currently reviewing solar PV feasibility studies for Bluewater and Hatfield Galleria Outlet Centre, and progressing a feasibility study for on-site renewable technologies in our strategic land development pipeline.

Energy

Commitment

Reduce energy intensity (kWh/m^2) by 40% by 2030 compared with a 2013/14 baseline, for property under our management for at least two years.

Performance: On track

We have reduced energy intensity by 22% compared to 2013/14.

We continue to use our bespoke energy reduction plans to optimise our buildings to use less energy. This year at our Hatfield Galleria Outlet Centre, we installed corridor temperature sensors allowing closer monitoring of energy usage. This has achieved a 75.5% reduction in gas use and an overall reduction of 13% in energy use at the site. Within our commercial developments, 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.

Waste

Commitment

- Send zero waste to landfill
- At least 75% waste recycled across all our operational activities by 2020.

Performance: Complete

We continue to divert 100% from landfill across our operational activities.

Performance: On track

This year we recycled 73% of operational waste.

We continue to support our customers in reducing single use plastic by partnering with Ape2o and installing two of their filtered water dispensers within the public areas of our One New Change and New Street Square sites. The machines allow the public to refill their own water bottles with chilled still or sparkling water, and since September 2019 they have dispensed the equivalent of over 21,000 plastic bottles. As managing waste responsibly becomes an increasingly important issue, we have also expanded our waste management commitments to cover both operational and construction activities, with demanding targets for re-use and reduction.

Sustainable design and innovation

Resilience

Commitment

Assess and mitigate physical and financial climate change adaptation risks that are material across our portfolio.

Performance: On track

To continue aligning our disclosures with the TCFD recommendations, we have commissioned Willis Tower Watson to update the physical climate change impact research conducted in 2017 and 2019 and to undertake a quantitative assessment of climate-related transition risks during the summer 2020.

In our development pipeline we undertake climate change adaptation risk reviews, addressing structural and fabric resilience as well as building services.

Materials

Commitment

Source core construction products and materials from ethical and sustainable sources.

Performance: On track

Our developments continue to make good progress against this 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. Projects on site are sourcing 99.9% of core construction materials with responsible sourcing certification.

A new Prohibited Materials List has been developed with a clear focus on modern slavery and is now published on our website.

Biodiversity

Commitment

Maximise the biodiversity potential of all our development and operational sites and achieve a 25% biodiversity net gain across our five operational sites currently offering the greatest potential by 2030.

Performance: On track

We continue to partner with The Wildlife Trusts to enhance biodiversity net gain at five operational retail centres. Since 2016 we've implemented biodiversity enhancements including over half a square kilometre of wildflower planting. We're undertaking an ecological survey at each site to assess the effectiveness of these enhancements, and to measure progress toward our biodiversity net gain target of 25% by 2030.

Our developments embed ecological net gain as part of their brief and progressing designs. All developments are on target with significant net gain and we have published our new Biodiversity Brief for developments.

Wellbeing

Commitment

Ensure our buildings are designed and managed to maximise wellbeing and productivity.

Performance: On track

The WELL recertification process for our HQ is progressing and we're targeting a Platinum level. Where we provide HQ space for our customers, we're ensuring the quality of our design enables them to achieve certification to the WELL Building Standard for their operations.

Our benchmarking scores

Taking part in rigorous external benchmarking of our performance helps us to track and assess our progress. It also provides stakeholders with confidence that we're turning our commitments and targets into action and that we're delivering on our ambition to be a sustainability leader in our industry.

Benchmark	Performance
CDP	2019: A-list (top 2%). The only A-list UK REIT 2018: A-list (Leadership) 2017: A-list (Leadership)
GRESB	2019: Score 90%. Sector leader, ranking 1st in Europe and UK diversified office/retail (mixed) 2018: Score 90% 2017: Score 78%
Member of Dow Jones Sustainability Indices In collaboration with RobecoSAM	2019: Score 82/percentile ranking 98 2018: Score 73/percentile ranking 93 2017: Score 75/percentile ranking 92
FTSE4Good	Percentile ranking 89. We continue to retain our established position in the FTSE4Good Index
EPRA sBPR Gold	Received our sixth Gold Award from EPRA for best practice sustainability reporting
WDI	2019: Score 51% (average score for all companies: 40%) 2018: Score 73% (average score for all companies: 53%)
MSCI	ESG rating AA
SUSTAINALYTICS	Score 82/percentile ranking 97
ecoact	We've again been named a climate leader, ranking 5th for all FTSE 100 companies and 1st for our sector

Sustainability Reporting Methodology

We adopt the operational control approach for our sustainability reporting. This includes all properties within our portfolio managed directly by us or by appointed agents who manage the properties on our behalf.

All energy, carbon and waste data reported for the financial year is for the 12 months to the end of February, as March data is not available in advance of our reporting duties.

Following the changes in our financial reporting, Landsec's two previous segments, the Retail Portfolio and the London Portfolio, have been split between the three new segments: Office, Retail and Specialist. The Office segment includes all office space, substantially all of which is located in London. Retail includes all the Group's retail assets, incorporating the London suburban assets as well as the shopping centres outside London, outlets and retail parks. Piccadilly Lights, which have previously been included in the London Portfolio, are now reported as part of the Specialist segment, along with the leisure assets.

Based on these reporting boundaries, we report against three portfolio definitions:

- **Absolute portfolio:** this incorporates all properties under our operational control, including all properties within our portfolio managed directly by us or by appointed agents who manage the properties on our behalf.
- **Like-for-like portfolio:** this is aligned with our financial reporting like-for-like portfolio, based on the European Public Real Estate Association (EPRA) Financial Best Practices Recommendations (BPR) like-for-like definition for rental growth reporting. It includes all properties which have been in the portfolio under our operational control for at least two years, but excluding those which were acquired, sold, or included in the development pipeline at any time since.
- **Corporate commitments portfolios:** these include only properties within our portfolio which have been under our operational control for at least two years for energy and carbon commitments, and for at least one year for our waste commitment. We understand that these periods reflect 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 in the commitment portfolio at the start of the following reporting year.

With the exception of building certification data and TCFD disclosure, which is reported under the whole portfolio and includes assets that fall outside our operation control (e.g. FRIs), all our environmental data reporting is based on the above portfolio definitions.

The next pages detail the reporting methodology adopted by Landsec to report on:

- Performance against corporate commitments
- Streamlined energy and carbon reporting, including scope 1, 2 and 3 emissions
- EPRA Best Practice Recommendations for Sustainability reporting
- Social value

Corporate commitments performance

We provide an overview of the methodology used to calculate the performance for the following commitments:

- Reduce absolute carbon emissions (tCO_2e) by 70% by 2030 compared to a 2013/14 baseline, for property under our operational control for at least two years. This is our updated science-based target aligned with a 1.5°C scenario.
- Reduce energy intensity (kWh/m^2) by 40% by 2030 compared to a 2013/14 baseline, for property under our operational control for at least two years.
- Send zero waste to landfill with at least 75% recycled across all our operational activities by 2020.

Energy and carbon emissions

The boundaries of our energy and carbon commitments include only properties within our portfolio which have been under our management, or operational control, for at least two years. Once properties complete at least two years under our operational control, they will be included at the start of the following reporting year. We report on all energy procured by Landsec or appointed agents, including that consumed by our customers, and the emissions associated with this energy. Only gas or electricity which is supplied directly to units/demises by utility suppliers is excluded.

Energy consumption is normalised to account for changing conditions and to better communicate energy performance against our corporate commitment. Landsec uses three normalisation techniques:

kWh electricity equivalent: Natural gas consumption is adjusted so all energy consumption can be reported by one metric: kWh electricity equivalent. Following the Better Building Partnership's Real Estate Environmental Benchmark (REEB) methodology, the factor applied to 1 kWh of natural gas is 0.4, which accounts for the higher coefficient of production for natural gas.

Degree day correction: Degree day normalisation ensures that the demand for heating (gas) and cooling (electricity) is reported relative to our 2013/14 baseline year. If our baseline year happened to experience, for example, record-breaking temperatures, inevitably our performance in later years would appear unrealistically improved, as we would demand less heating/cooling compared with our baseline. The heating degree days (HDD) we use quantify the number of days and the length of time that temperatures have dropped below a base temperature of 15.5°C and our cooling degree days (CDD) quantify the number of days and the length of time that temperatures have exceeded 15.5°C.

We obtain our degree days from http://www.degreedaysforfree.co.uk and each asset is assigned to its local region. Local degree days have been sourced for our 2013/14 baseline year and current period degree days are used to calculate a correction factor (base year DD/current period DD = normalisation factor). This normalisation is calculated for both HDD and CDD.

The HDD normalisation factor is then applied to natural gas consumption used for space heating to all asset types. The CDD normalisation factor is only applied to office buildings as these are the primary assets where electricity is used for cooling. In these assets we have calculated that 22% of all office electricity consumption can be attributed to cooling. This has been calculated by detailed analysis of a selection of buildings with adequate landlord sub-metering. The CDD normalisation factor is therefore only applied to 22% of office total electricity usage.

Removal of cooking gas: It has been recognised that the quantity of natural gas used for cooking, where cooking is the tenants' primary business function, can be directly correlated to their trade. Due to this direct correlation, we remove any natural gas consumption which is used for commercial cooking to better reflect the consumption where we are able to drive reductions.

All normalisation techniques have been applied to our 2013/14 baseline year as well as the current reporting period.

Our energy intensity commitment is reported as kWh/m^2, where kWh electricity equivalent is used and the intensity is based on floor area (m^2); our carbon emissions commitment is reported as tCO_2e. CO_2 is calculated using the 'location-based' method as described by the World Resources Institute (WRI) Greenhouse Gas Protocol, utilising annually published UK Government conversion factors. The list of emission factors used in the current sustainability reporting is found at the end of this section.

The reported floor area corresponds to the area served by the energy procured and its associated carbon emissions. A breakdown of the methods used to calculate floor areas for different types of asset can be found below:

— **Offices:** Office floor areas are based on Gross Internal Area (GIA) but deducting any floor area where Landsec provides no utilities/heating and cooling. Floor area for restaurants where Landsec is supplying natural gas for cooking only is excluded (as the gas is also excluded).

— **Retail and leisure parks:** Retail and leisure park floor areas are calculated according to the number of car park spaces. We have calculated an average car parking space size of 11.8m^2; this assumes 5% are disabled bays. The number of spaces is multiplied by 11.8m^2 to calculate the base floor area. A further 20% is added to account for other landlord areas. Tenant floor area is included where Landsec supplies 100% of the energy to the demise.

*The exceptions to this rule are Xscape Yorkshire and Xscape Milton Keynes, which are treated as shopping centres due to their form and composition.

— **Shopping centres and outlets:** Shopping centre and outlets floor areas are calculated using the same methodology for retail and leisure parks described above, however instead of using the additional 20% allocation for landlord areas, the measured area of common parts is used instead. Tenant floor area is only included where Landsec supplies 100% of the energy feeding the demise.

To ensure consistency and comparability, these methods of calculating floor area have been utilised for both our 2013/14 baseline year as well as the current reporting period. They are used for all data reporting, including streamlined energy and carbon reporting and our EPRA reporting.

Waste

We report on sites where we have operational control, where we directly contract waste management services or appoint agents who control contracting of such services. Our commitment boundary includes all properties within our portfolio which are under our management, or operational control, for at least one year. Once properties complete at least one year under our operational control, they will be included at the start of the following reporting year. We include all waste services contracted by Landsec or appointed agents and the emissions associated with these; this includes services contracted on behalf of our customers.

Reported mixed recycling includes recyclable waste streams: glass, plastic, metals, paper, cardboard, and some hazardous waste (e.g. Waste Electrical and Electronic Equipment – WEEE – and fluorescent lamps). Landsec produces small amounts of hazardous waste from its operations, which is recorded at an individual site level and excluded from total waste reported due to its immateriality. We do, however, stringently manage our statutory obligations around hazardous waste from our combined Energy and Environment management system certified to ISO 14001:2015 and ISO 50001:2018 standards. Confidential paper waste is also reported for some locations where we hold the management contract; this includes our own head office.

We report on different properties and boundaries for waste and recycling compared to energy and carbon. This occurs as some waste is collated in shared loading bays for multiple buildings and because we do not manage the waste facilities and services for every tenant. We cross-reference and check the reported property list with that used for energy and carbon reporting.

Waste performance is not normalised. Waste is reported in tonnes and associated carbon emissions are reported as tCO_2e, utilising annually published UK Government conversion factors.

Landfill tax avoided is calculated by multiplying the relevant annual landfill tax rate by the total tonnes of waste diverted from landfill for the same year, through other processes including recycling, composting, anaerobic digestion and incineration.

Waste reporting for construction activities follows BREEAM Wst 01 reporting criteria, presenting the total volume of waste arising from the development, the recycling rates achieved and the diversion of waste from landfill. Data is compiled in this format by the nominated supply chain partner and submitted to Landsec on an annual basis. All construction waste from the commencement of the development until award of practical completion is included. Demolition and excavation waste are excluded.

Streamlined energy and carbon reporting

Our streamlined energy and carbon reporting figures include energy consumption and carbon emissions associated with all properties under our operational control (i.e. absolute portfolio). Energy consumption is reported as kWh and no normalisation technique is applied. Carbon emissions are reported as tonnes of carbon dioxide equivalent (tCO_2e). We report our full greenhouse gas (GHG) emissions annually in accordance with the WRI GHG Protocol.

GHG emissions are broken down into three scopes: scope 1, 2 and 3.

Scope 1 emissions are direct emissions from activities controlled by us that release emissions into the atmosphere, while scope 2 emissions are indirect emissions associated with our consumption of purchased energy.

At Landsec, scope 1 comprises emissions from natural gas and refrigerant gases. Scope 2 emissions are from electricity, heating and cooling purchased for common areas and shared services. All material sources of scope 1 and 2 emissions are reported. The remaining sources (e.g. diesel used in generator testing) represent such a small proportion of total emissions that we do not report them.

Scope 2 emissions are reported using both the 'location-based' and 'market-based' accounting methods. Location-based emissions are reported using the UK Government's 'Greenhouse gas reporting: conversion factors 2019'. Scope 2 market-based emissions are reported using the conversion factor associated with each individual electricity, heating and cooling supply, either obtained directly from the supplier or from their official company website.

Between April 2017 and March 2019, at least 15% of our gas purchases were from green sources (i.e. biogas). Scope 1 emissions for this period were also reported using both the 'location-based' and 'market-based' accounting methods. Our market-based emissions from biogas were reported as follows: the CH_4 or N_2O emissions from biogas were reported as scope 1, and the CO_2 portion of the biogas was reported outside of the scopes, as a memo line. Therefore, our scope 1 market-based emissions were based on the emissions from the remaining 85% of our gas purchases, as well as the CH_4 or N_2O conversion factors associated with biogas. As we didn't purchase biogas in the current reporting year, scope 1 emissions for 2019/20 are reported using only the 'location-based' method.

Scope 3 emissions are those that are a consequence of our business activities, but which occur at sources we do not own or control and which are not classified as scope 2 emissions. The GHG Protocol identifies 15 categories, of which eight are directly relevant for Landsec. The table on the following page describes how each scope 3 category is treated in our reporting.

European Public Real Estate Association (EPRA) Sustainability Performance Measures reporting

Landsec is committed to EPRA Best Practice Recommendations for Sustainability reporting. This common reporting standard is a framework developed by property companies to promote transparency in sustainability reporting. Landsec has won a gold award for EPRA disclosure every year since 2014.

There are 18 EPRA Sustainability impact areas covering energy consumption, GHG emissions, water usage, waste generation and treatment method and sustainability certificate attainment.

Each EPRA impact area is reported on in two portfolios: 'absolute' and 'like-for-like'.

— **Absolute portfolio:** The absolute portfolio includes all properties where Landsec has operational control, where we purchase energy or appoint agents who control the purchase of energy. In 2019/20, 82% of the total portfolio was within our reporting boundaries, and therefore included in the absolute portfolio disclosures.

— **Like-for-like portfolio:** The like-for-like portfolio is aligned with our financial reporting like-for-like portfolio, based on the EPRA Financial BPR like-for-like definition for rental growth reporting. It includes all properties which have been in the portfolio for at least 12 months prior to the reporting period, but excluding those which were acquired, sold, or included in the development pipeline at any time since. In 2019/20, 83% of the total like-for-like portfolio floor area was within our reporting boundaries, and therefore included in the like-for-like portfolio disclosures.

Scope 3 emissions reporting methodology

Scope 3 category	Scope 3 category	Applicability	Methodology/Justification for exclusion	Activity data source	Emission factor data source
1	Purchased goods and services	Yes	Emissions in this category are calculated by multiplying procurement spend by environmentally extended input output (EEIO) emission factors for each relevant economic sector of spend.	Primary procurement data from Landsec.	Carbon Trust, OPEN-IO Database
2	Capital goods	Yes	Landsec's capital assets can be classed into two major groups: 1. Developments – where the construction cost is >30% of the value of the asset 2. Portfolio projects – where the construction cost is <30% of the value of the asset Landsec works with a consultant to estimate the total embodied carbon emissions for each of our developments until completion. Emissions are then allocated to the reporting year based on a curve showing typical embodied emissions throughout the lifetime of a development project. Embodied carbon data is not available for portfolio projects. For these projects, emissions are calculated by multiplying procurement spend during the reporting year by environmentally extended input output (EEIO) emission factors.	**Developments** Primary data of construction materials applied in developments. **Portfolio projects** Primary procurement data from Landsec.	**Developments** RICS Whole Life Carbon Assessment for the Built Environment, 1st Edition **Portfolio projects** Carbon Trust, OPEN-IO Database
3	Fuel and energy related activities	Yes	Calculation based on the location-based method of calculating scope 1 and 2 emissions.	Primary energy data from areas managed by Landsec.	UK Government greenhouse gas reporting – Conversion factors 2019
4	Upstream transportation and distribution	Yes (but reported under Purchased goods and services)	Procurement spend associated with upstream transportation and distribution has been matched to EEIO emission factors and the carbon emissions thereby calculated. These emissions have not been split out and are instead grouped under the Purchased goods and services category.	Primary procurement data from Landsec.	Carbon Trust, OPEN-IO Database
5	Waste generated in operations	Yes	Calculated by multiplying weight of waste and treatment method by UK emission factor.	Waste data from waste contractors.	UK Government greenhouse gas reporting – Conversion factors 2019
6	Business travel	Yes	Calculated by multiplying distance and type of travel by UK emission factor.	Distance data provided by travel provider, combined with expenses data.	UK Government greenhouse gas reporting – Conversion factors 2019
7	Employee commuting	Yes	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).	FTE data from Landsec.	UK Government – National Travel Survey 2015 UK Government greenhouse gas reporting – Conversion factors 2019
8	Upstream leased assets	No (Covered in scope 1 and 2)	Reported as scope 1 and 2 emissions.	n/a	n/a

Scope 3 emissions reporting methodology continued

Scope 3 category	Scope 3 category	Applicability	Methodology/Justification for exclusion	Activity data source	Emission factor data source
9	Downstream transportation and distribution	No	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.	n/a	n/a
10	Processing of sold products	No	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.	n/a	n/a
11	Use of sold products	No	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.	n/a	n/a
12	End-of-life treatment of sold products	No	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.	n/a	n/a
13	Downstream leased assets	Yes	**Tenants for whom Landsec procures energy and recharges** Calculated by multiplying metered energy consumption from tenants by UK emission factors. **Tenants who procure their own energy** Actual energy consumption data is requested from tenants that occupy large spaces, 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 '2019 Real Estate Environmental Benchmarks', published by BBP in January 2020, relating to 2018/2019 data. The benchmark used is the typical practice electricity and gas intensity for offices and enclosed shopping centres.	**Landsec procured** Primary data from tenants. **Tenant procured** Primary data from tenants. Data on Net Lettable Areas (NLA) of let spaces.	**Landsec procured** UK Government greenhouse gas reporting – Conversion factors 2019 **Tenant procured** UK Government greenhouse gas reporting – Conversion factors 2019 '2019 Real Estate Environmental Benchmarks' (BBP REEB)
14	Franchises	No	Landsec is a Real Estate Investment Trust which develops and manages property assets, which we lease to our customers. There are no franchises within the business and therefore there are no emissions to report under this category.	n/a	n/a
15	Investments	No	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.	n/a	n/a

Carbon emission factors – location-based

The table below outlines the location-based emission factors used for 2019/20 and how they compare with previous year.

Table 1

Emission factor name	Unit	2018/19	2019/20	% change
Natural Gas	$kgCO_2e/kWh$	0.1840	0.1839	-0.1%
Natural Gas – WTT	$kgCO_2e/kWh$	0.0256	0.0239	-6.5%
Electricity generated	$kgCO_2e/kWh$	0.2831	0.2556	-9.7%
Electricity generated – WTT	$kgCO_2e/kWh$	0.0420	0.0357	-15.1%
Electricity Transmission and Distribution	$kgCO_2e/kWh$	0.0241	0.0217	-10.1%
Electricity Transmission and Distribution – WTT	$kgCO_2e/kWh$	0.0036	0.0030	-15.4%
District Heating	$kgCO_2e/kWh$	0.2300	0.2874	25.0%
District Cooling	$kgCO_2e/kWh$	0.1287	0.1137	-11.6%
Water Supply	$kgCO_2e/CUM$	0.3440	0.3440	0.0%
Water Treatment	$kgCO_2e/CUM$	0.7080	0.7080	0.0%
Commercial and industrial waste – Closed loop	$kgCO_2e/Tonnes$	21.3842	21.3538	-0.1%
Commercial and industrial waste – Combustion	$kgCO_2e/Tonnes$	21.3842	21.3538	-0.1%
Commercial and industrial waste – Landfill	$kgCO_2e/Tonnes$	99.7729	99.7592	0.0%
Refrigerant – FM200	$kgCO_2e/kg$	3,220	3,220	0.0%
Refrigerant – HCFC-22/R22	$kgCO_2e/kg$	1,810	1,810	0.0%
Refrigerant – HFC-134a	$kgCO_2e/kg$	1,430	1,430	0.0%
Refrigerant – R402A	$kgCO_2e/kg$	2,788	2,788	0.0%
Refrigerant – R404A	$kgCO_2e/kg$	3,922	3,922	0.0%
Refrigerant – R407C	$kgCO_2e/kg$	1,774	1,774	0.0%
Refrigerant – R410A	$kgCO_2e/kg$	2,088	2,088	0.0%
Refrigerant – R417A	$kgCO_2e/kg$	2,346	2,346	0.0%

Social value methodology

To understand the quantifiable difference we are making to people, communities and society as a whole, we partner with the Social Value Portal, a social enterprise that specialises in measuring and reporting social value.

The Social Value Portal has estimated the social value that Landsec has unlocked through our various initiatives by developing a social value measurement framework specifically for us. This is based on the widely used National Social Value Measurement Framework – launched by the National Social Value Taskforce in 2017 – and was built following extensive consultation with the Landsec Social Sustainability Team, our delivery partners and our employees.

The majority of the financial values in our social value reporting have their roots in the Unit Cost Database (UCD) that was developed for Government and follows the principles laid out by HM Treasury for monetising economic, environmental and social impact, with specific regard to potential savings for the public sector. Where the UCD does not provide a proxy value for a certain measure, then one has been developed following relevant governmental guidance, where it exists.

The Social Value Portal recognises that for some of the proxy values adopted, in particular the one for employing homeless people, there is a relatively limited availability of recent data and analysis. Their approach has been to design a conservative model to estimate the associated costs and benefits for those outcomes where relevant research and analysis exists. All proxies are high-level estimates and are based on secondary data and figures. They should not be interpreted as a precise measurement of the specific change experienced by the beneficiaries of an intervention, but as an estimate of the average benefits that could be generated. Where available, primary data has been used to address potential double counting.

For more information, please visit www.socialvalueportal.com.

Corporate commitments performance

Commitment – Reduce absolute carbon emissions by 70% by 2030 compared to a 2013/14 baseline, for property under our operational control for at least two years
Previous commitment – Reduce carbon intensity by 40% by 2030 compared to a 2013/14 baseline, for property under our operational control for at least two years

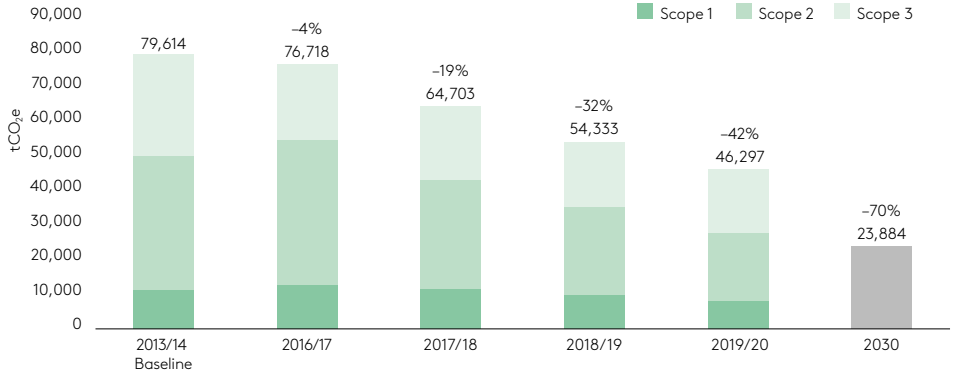
Table 2

	Unit		Landsec			Office			Retail			Specialist		
			2013/2014 Baseline	2019/20	% change	2013/2014 Baseline	2019/20	% change	2013/2014 Baseline	2019/20	% change	2013/2014 Baseline	2019/20	% change
Carbon Emissions	tCO_2e	Scope 1	11,178	7,878	–30%	7,112	5,524	–22%	3,765	2,090	–44%	302	264	–13%
		Scope 2	39,062	19,923	–49%	22,460	9,420	–58%	16,122	8,988	–44%	480	1,516	216%
		Scope 3	29,373	18,495	–37%	23,507	12,450	–47%	4,929	5,309	8%	938	737	–21%
		Absolute Carbon Emissions	79,614	46,297	–41.8%	53,079	27,394	–48%	24,815	16,386	–34%	1,719	2,517	46%
	tCO_2e /m²	Carbon intensity	0.059	0.030	–48.3%	0.110	0.061	–44%	0.030	0.020	–33%	0.048	0.010	–80%
	m²	Portfolio Area	1,350,305	1,520,227	13%	484,485	448,507	–7%	830,299	815,077	–2%	35,521	256,643	623%

The reporting methodology, including reporting boundaries and normalisation approach, is detailed on pages 6-7.

Landsec carbon reduction target performance

Chart 3



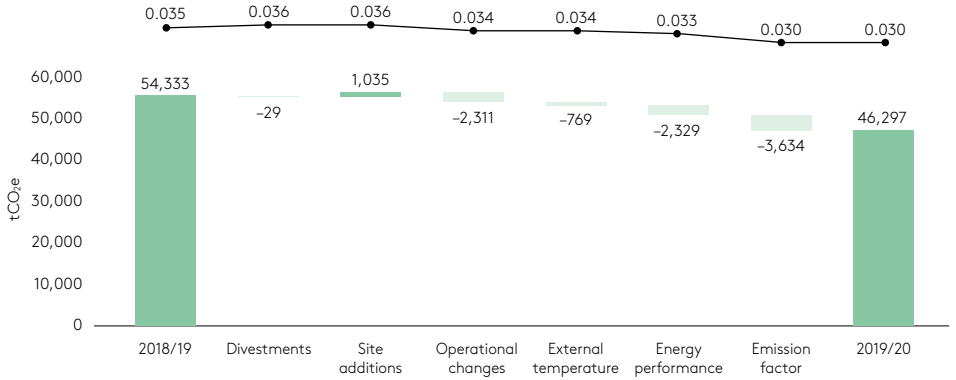
Since 2013/14 we have reduced portfolio carbon intensity by 48%, meeting our original science-based carbon reduction target 11 years early.

Following the Intergovernmental Panel on Climate Change (IPCC) report on the impacts of global warming of 1.5°C, we've increased the ambition level of our target. This target has already been approved by the Science Based Target initiative, making us the first UK REIT to have a science-based target aligned to a 1.5°C pathway.

We have reduced our carbon emissions by 42% compared to our 2013/14 baseline, indicating that we're on track to meet our updated 2030 commitment.

Carbon emissions performance – year on year driving factors

Chart 4



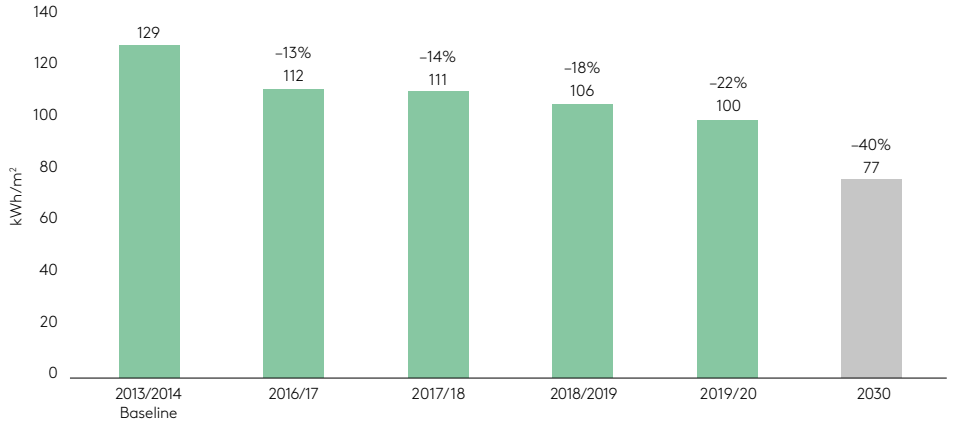
The reduction in our carbon emissions has been achieved through a combination of energy efficiency projects, changes in our portfolio and changes in the UK's emission factors. This waterfall diagram shows the main driving factors behind the changes in our carbon performance compared with previous year.

Commitment – Reduce energy intensity (kWh/m²) by 40% by 2030 compared to a 2013/14 baseline, for property under our operational control for at least two years Table 5

	Unit		Landsec			Office			Retail			Specialist		
			2013/2014 Baseline	2019/20	% change	2013/2014 Baseline	2019/20	% change	2013/2014 Baseline	2019/20	% change	2013/2014 Baseline	2019/20	% change
Energy	kWh	for landlord shared services	23,620,503	15,723,149	–33%	14,782,607	10,847,113	–27%	8,182,222	4,348,513	–47%	655,674	527,522	–20%
		(sub)metered to tenants	304,879	5,768,466	1792%	73,836	4,213,587	5607%	231,042	1,554,878	573%	0	0	0%
		Total landlord-obtained **fuels**	23,925,382	21,491,614	–10%	14,856,443	15,060,701	1%	8,413,265	5,903,391	–30%	655,674	527,522	–20%
		for landlord shared services	87,685,776	77,204,984	–12%	50,418,211	36,178,211	–28%	36,190,421	35,117,792	–3%	1,077,144	5,908,981	449%
		(sub)metered to tenants	62,262,337	53,281,477	–14%	52,691,875	39,838,367	–24%	7,465,915	10,559,527	41%	2,104,547	2,883,583	37%
		Total landlord-obtained **electricity**	149,948,113	130,486,461	–13%	103,110,086	76,016,578	–26%	43,656,336	45,677,319	5%	3,181,690	8,792,564	176%
		for landlord shared services	111,306,279	92,928,133	–17%	65,200,818	47,025,324	–28%	44,372,643	39,466,305	–11%	1,732,818	6,436,503	271%
		(sub)metered to tenants	62,567,215	59,049,943	–6%	52,765,711	44,051,954	–17%	7,696,958	12,114,405	57%	2,104,547	2,883,583	37%
		Total landlord-obtained **energy**	173,873,495	151,978,075	–13%	117,966,529	91,077,278	–23%	52,069,601	51,580,710	–1%	3,837,365	9,320,086	143%
	kWh/m²	Energy intensity	129	100	–22.4%	243	203	–16.6%	63	63	0.9%	108	36	–66.4%
	m²	Portfolio Area	1,350,305	1,520,227	13%	484,485	448,507	–7%	830,299	815,077	–2%	35,521	256,643	623%

The reporting methodology, including reporting boundaries and normalisation approach, is detailed on pages 6-7.

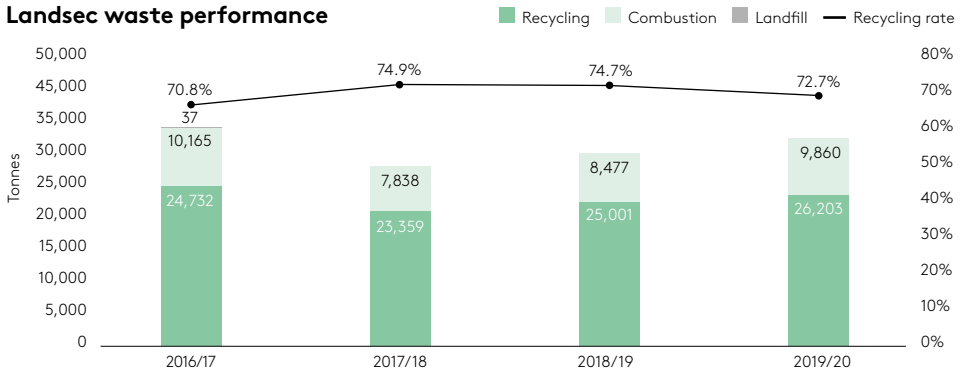
Landsec energy intensity target performance Chart 6



We have reduced portfolio energy intensity by 22% compared to our 2013/14 baseline, keeping us on track for our 2030 commitment. This chart shows the energy intensity improvements we have made since 2013/14 and the target energy intensity in 2030.

Commitment – Send zero waste to landfill and achieve at least 75% recycled across all our operational activities by 2020 Chart 7

Landsec waste performance



We continue to divert 100% of our waste from landfill throughout our operations and have achieved a recycling rate of 72.7% toward our target of 75%. This decrease in our recycling rate has been driven by two main factors: our work with our waste service providers to deliver more accurate and transparent data and the inclusion of new sites with lower recycling rates in our reporting figures.

Commitment – Create £25m of social value through our community programmes by 2025	Table 8
	2019/20
Total social value created through our community programmes	**£4,822,053**
Community employment	
Social value created	£2,594,380
Social value created by supporting offenders and ex-offenders into employment	£929,694
Social value created by supporting 18-24 NEETS (not in education, employment or training) into employment	£648,697
Social value created by helping people in supported accommodation into employment	£226,461
Total number of people helped into employment	180
Education	
Total number of students engaged	298
% female students	63%
% BAME students	32%
% of students reporting feeling more prepared for labour market (of 138 students who were asked this question on their feedback form)	95%
% students reporting teamwork increase (of 138 students who were asked this question on their feedback form)	97%
Volunteering	
Social value created	£402,256
Total number of people benefited by Landsec volunteering programme	3,400
Total number of volunteer engagements	539
Total Landsec employees who have volunteered (at least once)	253
Total volunteering hours by Landsec staff	8,527
Charity partnerships	
Total value of support given to charities	£1,823,184
Total value directly donated to charities by Landsec	£293,255
Value of in-kind space donated to local charity partners	£1,110,262

Streamlined energy and carbon reporting (SECR)

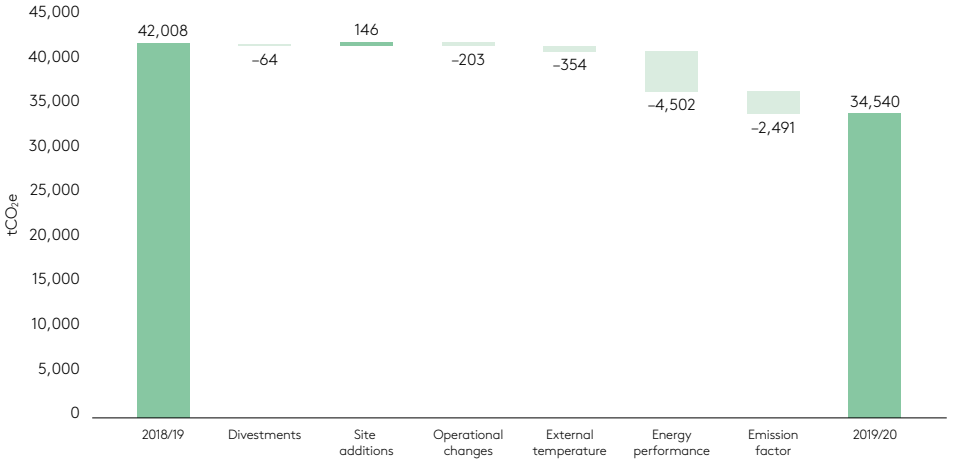
Landsec – Scope 1 and 2 emissions

Table 9

		Location-based emissions			Market-based emissions		
Emissions	**Unit**	**2017/18**	**2018/19**	**2019/20**	**2017/18**	**2018/19**	**2019/20**
Scope 1	tCO_2e	14,755	11,490	9,158	12,550	9,879	9,158
Scope 2	tCO_2e	36,620	30,518	25,382	2,200	3,517	2,223
Scope 1 and 2	tCO_2e	51,374	42,008	34,540	14,749	13,396	11,381
Intensity							
Scope 1 and 2	tCO_2e/m^2	0.03	0.02	0.02	0.01	0.01	0.01

Landsec – Scope 1 and 2 emissions – year-on-year driving factors

Chart 10



Scope 1 and 2 GHG emissions using location-based emission factors have dropped by 18% compared with the previous year. This has been primarily driven by a combination of energy efficiency initiatives and a reduction in the UK's emission factors due a cleaner energy mix. The detailed breakdown of main factors driving the change in our scope 1 and scope 2 emissions can be seen in the waterfall chart above. In terms of market-based emissions we have seen a reduction of 15%. This has been due to a significant reduction in gas consumption.

Landsec – Energy consumption

Table 11

Energy consumption (kWh)		**2017/18**	**2018/19**	**2019/20**
Natural Gas	for landlord shared services	70,393,965	53,714,180	43,015,309
	(sub)metered to tenants	15,943,826	27,595,980	28,576,514
	Total Natural Gas consumption	86,337,791	81,310,160	71,591,823
Electricity	for landlord shared services	101,815,934	102,604,274	95,695,817
	(sub)metered to tenants	65,691,130	64,985,746	68,977,474
	Total Electricity consumption	167,507,064	167,590,020	164,673,291
District Heating and Cooling	for landlord shared services	5,238,035	9,607,784	5,312,441
	(sub)metered to tenants	6,641,102	7,063,310	7,356,140
	Total Heating and Cooling consumption	11,879,137	16,671,094	12,668,581
Total Energy consumption	for landlord shared services	177,447,934	165,926,238	144,023,567
	(sub)metered to tenants	88,276,059	99,645,036	104,910,128
	Total Energy consumption	265,723,992	265,571,274	248,933,695
Energy intensity (kWh/m^2)		144	142	134

The table above shows our absolute energy consumption with a breakdown by landlord and tenant consumption. This year absolute energy intensity has reduced by 6% compared with the previous year. This has been achieved by savings realised from our active energy management programme. This year we identified and committed to implement energy efficiency projects across our portfolio that will lead to over 5,500 MWh of savings per annum. Amongst these initiatives, at Hatfield Galleria Outlet Centre we have installed corridor temperature sensors which have allowed closer monitoring of our energy usage and early switch off of gas-burning boilers. This has achieved a 75.5% reduction in gas use and an overall reduction of 13% in energy use at the site. More information on our energy programme can be found in our Annual Report on page 39.

Every year we report our full carbon footprint, including indirect emissions from our value chain activities (i.e. scope 3 emissions). By developing a full GHG emissions inventory, incorporating scope 1, scope 2 and scope 3 emissions, we're able to understand the total emissions associated with our business. The GHG Protocol identifies 15 categories for scope 3 emissions of which eight are directly relevant to our business. The table below provides a breakdown of our entire emissions inventory. Our scope 3 reporting methodology is detailed on pages 8-10.

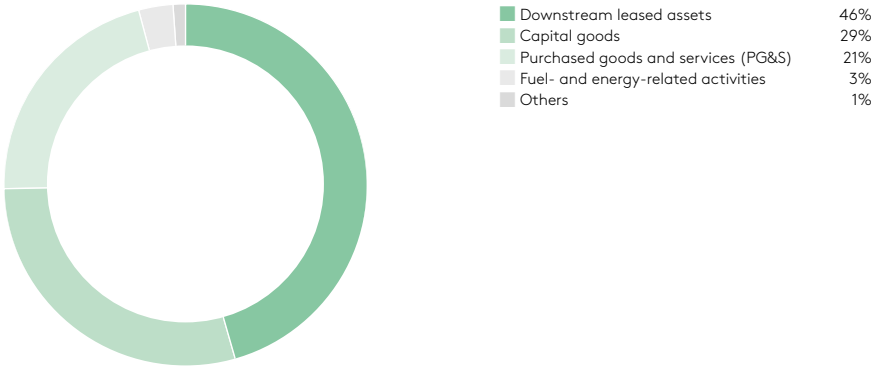
Landsec – Scope 1, 2 and 3 emissions

Table 12

		2017/18		2018/19		2019/20	
GHG scope	**Category**	**Emissions (t CO_2e)**	**% of total value chain**	**Emissions (t CO_2e)**	**% of total value chain**	**Emissions (t CO_2e)**	**% of total value chain**
Scope 1	Scope 1	14,755	3.6%	11,490	3.6%	9,158	3.4%
Scope 2	Scope 2	36,620	9.1%	30,518	9.7%	25,382	9.4%
Scope 3	Scope 3	353,099	87.3%	272,938	86.7%	235,031	87.2%
	1. Purchased goods and services (PG&S)	59,936	14.8%	48,123	15.3%	48,787	18.1%
	2. Capital goods	128,551	31.8%	89,149	28.3%	69,123	25.6%
	3. Fuel- and energy-related activities	11,699	2.9%	8,764	2.8%	6,919	2.6%
	4. Upstream transportation and distribution	Grouped under PG&S	0.0%	Grouped under PG&S	0.0%	Grouped under PG&S	0.0%
	5. Waste generated in operations	769	0.2%	785	0.2%	770	0.3%
	6. Business travel	366	0.1%	324	0.1%	270	0.1%
	7. Employee commuting	182	0.0%	180	0.1%	166	0.1%
	8. Upstream leased assets	n/a	0.0%	n/a	0.0%	n/a	0.0%
	9. Downstream transportation and distribution	n/a	0.0%	n/a	0.0%	n/a	0.0%
	10. Processing of sold products	n/a	0.0%	n/a	0.0%	n/a	0.0%
	11. Use of sold products	n/a	0.0%	n/a	0.0%	n/a	0.0%
	12. End-of-life treatment of sold products	n/a	0.0%	n/a	0.0%	n/a	0.0%
	13. Downstream leased assets	151,596	37.5%	125,612	39.9%	108,995	40.4%
	14. Franchises	n/a	0.0%	n/a	0.0%	n/a	0.0%
	15. Investments	n/a	0.0%	n/a	0.0%	n/a	0%
Total emissions		404,473		314,945		269,571	

Our scope 3 reporting allows us to identify the most significant areas in our value chain to focus on reducing emissions. The chart below shows the largest categories.

Landsec scope 3 emissions by category 2019/20 Chart 13



The two largest scope 3 categories are Capital goods and Downstream leased assets, making up over 66% of our total emissions. Capital goods include the emissions associated with the manufacture and transport of materials used within our development activities and portfolio projects. Downstream leased assets are those emissions associated with energy consumed by our customers within our assets. In addition to working closely with partners and customers to reduce these emissions, there are additional reasons for year-on-year reductions in both categories. The reduction in emissions for Capital goods in 2019-20 is partly explained by the fact that we have concluded a number of developments in previous years and most of our current projects were still in the design stage during the reporting year. Once these developments progress to construction phase, carbon emissions are expected to be more significant. In table 14, we provide the amount of embodied carbon emissions reported for each development in 2019-20. For Downstream leased assets, lower emissions are associated with a reduction in the UK's emission factors.

Because both categories represent a significant proportion of our total carbon footprint, 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. The assessment considers both the 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 embodied carbon emissions from our supply chain (A1-A5) on a project-by-project basis, measured against design stage baseline (RIBA stage 3), and track these through to the completion of our buildings. The table below shows that we'll avoid nearly 30,000 tCO_2e by targeting an overall reduction of 16% in the embodied carbon across four developments. We also carefully design our buildings to minimise the energy demand of our operations and meet the remaining demand through renewable energy contracts.

Embodied carbon – Development pipeline Table 14

Development	Total embodied carbon baseline ($t CO_2$)	Forecasted total embodied carbon ($t CO_2$)	Target reduction %	Embodied carbon reported in 2019/20 ($t CO_2$)
21 Moorfields	108,451	92,776	–14%	21,152
Lucent	27,120	21,773	–20%	424
Nova East	24,780	21,470	–13%	564
Sumner Street	24,741	19,110	–23%	103
Landsec development pipeline	185,092	155,129	–16%	22,243

European Public Real Estate Association (EPRA) Sustainability Performance Measures reporting

The reporting methodology, including reporting boundaries, is detailed on pages 6-11.

Absolute portfolio – Energy

Table 15

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Energy	Elec-Abs	kWh	Electricity	for landlord shared services	101,815,934	102,604,274	95,695,817	48,365,001	51,624,459	47,213,531
				(sub)metered to tenants	65,691,130	64,985,746	68,977,474	48,296,620	42,010,863	47,264,270
				Total **electricity**	167,507,064	167,590,020	164,673,291	96,661,621	93,635,321	94,477,801
				Proportion of electricity from renewable sources	93%	96%	97%	99%	97%	98%
	DH&C-Abs	kWh	District Heating and Cooling	for landlord shared services	5,238,035	9,607,784	5,312,441	5,238,035	9,607,784	5,312,441
				(sub)metered to tenants	6,641,102	7,063,310	7,356,140	6,641,102	7,063,310	7,356,140
				Total **heating and cooling**	11,879,137	16,671,094	12,668,581	11,879,137	16,671,094	12,668,581
				Proportion of heating and cooling from renewable sources	0%	0%	0%	0%	0%	0%
	Fuels-Abs	kWh	Fuels	for landlord shared services	70,393,965	53,714,180	43,015,309	52,399,167	36,622,328	30,213,117
				(sub)metered to tenants	15,943,826	27,595,980	28,576,514	1,144,600	12,029,594	13,944,494
				Total **fuels**	86,337,791	81,310,160	71,591,823	53,543,767	48,651,922	44,157,611
				Proportion of fuels from renewable sources	17%	16%	0%	17%	16%	0%
	Total energy-Abs	kWh	Total energy	for landlord shared services	177,447,934	165,926,238	144,023,567	106,002,203	97,854,570	82,739,089
				(sub)metered to tenants	88,276,059	99,645,036	104,910,128	56,082,322	61,103,767	68,564,904
				Total **energy**	265,723,992	265,571,274	248,933,695	162,084,525	158,958,337	151,303,993
				Proportion of energy from renewable sources	64%	66%	64%	65%	62%	61%
	Energy-Int	kWh/m^2	Energy intensity	Total building energy intensity	144	143	134	271	291	273

2019/20 – % of total assets within reporting boundaries included: 100%.
2019/20 – % of data estimated: 3%. In this disclosure, estimation refers to filling either invoice or meter reading gaps, not to whether invoices are based on 'estimated' or 'actual' readings.

Absolute portfolio – Energy (continued)

Table 15 (continued)

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Specialist		
	EPRA codes	Units	Indicator		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Energy	Elec-Abs	kWh	Electricity	for landlord shared services	45,856,007	43,795,523	42,542,076	7,594,926	7,184,292	5,940,211
				(sub)metered to tenants	13,792,470	20,065,584	18,829,354	3,602,041	2,909,299	2,883,849
				Total **electricity**	59,648,476	63,861,107	61,371,430	11,196,967	10,093,591	8,824,060
				Proportion of electricity from renewable sources	81%	96%	97%	98%	100%	100%
	DH&C-Abs	kWh	District Heating and Cooling	for landlord shared services	0	0	0	0	0	0
				(sub)metered to tenants	0	0	0	0	0	0
				Total **heating and cooling**	0	0	0	0	0	0
				Proportion of heating and cooling from renewable sources	0%	0%	0%	0%	0%	0%
	Fuels-Abs	kWh	Fuels	for landlord shared services	15,669,687	15,358,093	11,368,394	2,325,110	1,733,759	1,433,797
				(sub)metered to tenants	14,799,226	15,566,386	14,632,021	–	–	–
				Total **fuels**	30,468,913	30,924,479	26,000,415	2,325,110	1,733,759	1,433,797
				Proportion of fuels from renewable sources	17%	16%	0%	17%	16%	0%
	Total energy-Abs	kWh	Total energy	for landlord shared services	61,525,694	59,153,616	53,910,471	9,920,036	8,918,051	7,374,008
				(sub)metered to tenants	28,591,695	35,631,970	33,461,375	3,602,041	2,909,299	2,883,849
				Total **energy**	90,117,390	94,785,586	87,371,845	13,522,077	11,827,350	10,257,857
				Proportion of energy from renewable sources	59%	70%	68%	84%	88%	86%
	Energy-Int	kWh/m^2	Energy intensity	Total building energy intensity	91	89	83	53	46	40

2019/20 – % of total assets within reporting boundaries included: 100%.
2019/20 – % of data estimated: 3%. In this disclosure, estimation refers to filling either invoice or meter reading gaps, not to whether invoices are based on 'estimated' or 'actual' readings.

Like-for-Like portfolio – Energy

Table 16

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2018/19	2019/20	% change	2018/19	2019/20	% change
Energy	Elec-LfL	kWh	Electricity	for landlord shared services	92,710,605	85,191,619	–8%	45,502,321	41,212,048	–9%
				(sub)metered to tenants	61,738,246	66,135,778	7%	39,436,565	45,169,628	15%
				Total **electricity**	154,448,851	151,327,397	–2%	84,938,885	86,381,676	2%
				Proportion of electricity from renewable sources	98%	98%	0%	97%	97%	1%
	DH&C-LfL	kWh	District Heating and Cooling	for landlord shared services	9,607,784	5,312,441	–45%	9,607,784	5,312,441	–45%
				(sub)metered to tenants	7,063,310	7,356,140	4%	7,063,310	7,356,140	4%
				Total **heating and cooling**	16,671,094	12,668,581	–24%	16,671,094	12,668,581	–24%
				Proportion of heating and cooling from renewable sources	0%	0%	0%	0%	0%	0%
	Fuels-LfL	kWh	Fuels	for landlord shared services	49,108,530	39,045,471	–20%	32,029,116	26,243,279	–18%
				(sub)metered to tenants	24,639,422	27,295,439	11%	9,073,036	12,663,419	40%
				Total **fuels**	73,747,951	66,340,910	–10%	41,102,151	38,906,698	–5%
				Proportion of fuels from renewable sources	16%	0%	–100%	16%	0%	–100%
	Total energy-LfL	kWh	Total energy	for landlord shared services	151,426,919	129,549,531	–14%	87,139,220	72,767,768	–16%
				(sub)metered to tenants	93,440,978	100,787,357	8%	55,572,911	65,189,187	17%
				Total **energy**	244,867,896	230,336,888	–6%	142,712,131	137,956,955	–3%
				Proportion of energy from renewable sources	67%	64%	–3%	62%	61%	–2%
	Energy-Int	kWh/m^2	Energy intensity	Total building energy intensity	141	132	–6%	297	287	–3%

2019/20 – % of total LfL assets within reporting boundaries included: 100%.
2019/20 – % of data estimated: 3%. In this disclosure, estimation refers to filling either invoice or meter reading gaps, not to whether invoices are based on 'estimated' or 'actual' readings.

Like-for-Like portfolio – Energy (continued)

Table 16 (continued)

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Specialist		
	EPRA codes	Units	Indicator		2018/19	2019/20	% change	2018/19	2019/20	% change
Energy	Elec-LfL	kWh	Electricity	for landlord shared services	40,182,735	38,039,361	–5%	7,025,549	5,940,211	–15%
				(sub)metered to tenants	19,396,504	18,082,300	–7%	2,905,177	2,883,849	–1%
				Total **electricity**	59,579,239	56,121,661	–6%	9,930,726	8,824,060	–11%
				Proportion of electricity from renewable sources	99%	98%	0%	100%	100%	0%
	DH&C-LfL	kWh	District Heating and Cooling	for landlord shared services	0	0	0%	0	0	0%
				(sub)metered to tenants	0	0	0%	0	0	0%
				Total **heating and cooling**	0	0	0%	0	0	0%
				Proportion of heating and cooling from renewable sources	0%	0%	0%	0%	0%	0%
	Fuels-LfL	kWh	Fuels	for landlord shared services	15,358,093	11,368,394	–26%	1,721,321	1,433,797	–17%
				(sub)metered to tenants	15,566,386	14,632,021	–6%	–	–	0%
				Total **fuels**	30,924,479	26,000,415	–16%	1,721,321	1,433,797	–17%
				Proportion of fuels from renewable sources	16%	0%	–100%	16%	0%	–100%
	Total energy-LfL	kWh	Total energy	for landlord shared services	55,540,828	49,407,756	–11%	8,746,870	7,374,008	–16%
				(sub)metered to tenants	34,962,890	32,714,321	–6%	2,905,177	2,883,849	–1%
				Total **energy**	90,503,718	82,122,076	–9%	11,652,047	10,257,857	–12%
				Proportion of energy from renewable sources	71%	67%	–5%	88%	86%	–2%
	Energy-Int	kWh/m^2	Energy intensity	Total building energy intensity	90	82	–9%	45	40	–12%

2019/20 – % of total LfL assets within reporting boundaries included: 100%.
2019/20 – % of data estimated: 3%. In this disclosure, estimation refers to filling either invoice or meter reading gaps, not to whether invoices are based on 'estimated' or 'actual' readings.

Absolute portfolio – GHG emissions (Energy)

Table 17

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Greenhouse Gas Emissions	GHG-Dir-Abs	tCO_2e	Direct	Scope 1 (location-based)	12,964	9,881	7,908	9,650	6,737	5,555
				Scope 1 (market-based)	10,759	8,268	7,908	7,994	5,637	5,555
	GHG-Indir-Abs	tCO_2e	Indirect	Scope 2 (location-based)	36,620	30,518	25,382	17,992	16,336	13,141
				Scope 3 (location-based)	45,938	38,971	36,251	29,557	23,676	23,153
				Scope 2 (market-based)	2,200	3,517	2,223	1,143	2,763	1,695
				Scope 3 (market-based)	7,638	8,711	9,096	3,631	5,335	5,549
	GHG-Int	tCO_2e/m^2	GHG Intensity	Total GHG emission intensity (location-based)	0.05	0.04	0.04	0.10	0.08	0.08
				Total GHG emission intensity (market-based)	0.01	0.01	0.01	0.02	0.03	0.02

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Specialist		
	EPRA codes	Units	Indicator		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Greenhouse Gas Emissions	GHG-Dir-Abs	tCO_2e	Direct	Scope 1 (location-based)	2,886	2,825	2,090	428	319	264
				Scope 1 (market-based)	2,410	2,364	2,090	355	267	264
	GHG-Indir-Abs	tCO_2e	Indirect	Scope 2 (location-based)	15,958	12,149	10,723	2,670	2,034	1,518
				Scope 3 (location-based)	13,996	13,724	11,794	2,385	1,571	1,304
				Scope 2 (market-based)	1,037	754	528	20	0	0
				Scope 3 (market-based)	3,938	3,330	3,512	69	45	34
	GHG-Int	tCO_2e/m^2	GHG Intensity	Total GHG emission intensity (location-based)	0.03	0.03	0.02	0.02	0.02	0.01
				Total GHG emission intensity (market-based)	0.01	0.01	0.01	0.00	0.00	0.00

2019/20 – % of total assets within reporting boundaries included: 100%.
2019/20 – % of data estimated: 3%. In this disclosure, estimation refers to filling either invoice or meter reading gaps, not to whether invoices are based on 'estimated' or 'actual' readings.

Like-for-Like portfolio – GHG emissions (Energy)

Table 18

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2018/19	2019/20	% change	2018/19	2019/20	% change
Greenhouse Gas Emissions	GHG-Dir- LfL	tCO_2e	Direct	Scope 1 (location-based)	9,034	7,179	–21%	5,892	4,825	–18%
				Scope 1 (market-based)	7,559	7,179	–5%	4,929	4,825	–2%
	GHG-Indir-LfL	tCO_2e	Indirect	Scope 2 (location-based)	27,718	22,697	–18%	14,603	11,607	–21%
				Scope 3 (location-based)	36,398	34,358	–6%	21,604	21,767	1%
				Scope 2 (market-based)	2,914	1,958	–33%	2,726	1,695	–38%
				Scope 3 (market-based)	7,910	8,596	9%	4,687	5,188	11%
	GHG-Int	tCO_2e/m^2	GHG Intensity	Total GHG emission intensity (location-based)	0.04	0.04	–12%	0.09	0.08	–9%
				Total GHG emission intensity (market-based)	0.01	0.01	–4%	0.03	0.02	–5%

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Specialist		
	EPRA codes	Units	Indicator		2018/19	2019/20	% change	2018/19	2019/20	% change
Greenhouse Gas Emissions	GHG-Dir- LfL	tCO_2e	Direct	Scope 1 (location-based)	2,825	2,090	–26%	317	264	–17%
				Scope 1 (market-based)	2,364	2,090	–12%	265	264	0%
	GHG-Indir-LfL	tCO_2e	Indirect	Scope 2 (location-based)	11,126	9,572	–14%	1,989	1,518	–24%
				Scope 3 (location-based)	13,236	11,287	–15%	1,558	1,304	–16%
				Scope 2 (market-based)	188	263	40%	0	0	0%
				Scope 3 (market-based)	3,178	3,374	6%	45	34	–23%
	GHG-Int	tCO_2e/m^2	GHG Intensity	Total GHG emission intensity (location-based)	0.03	0.02	-16%	0.02	0.01	–20%
				Total GHG emission intensity (market-based)	0.01	0.01	0%	0.00	0.00	–4%

2019/20 – % of total LfL assets within reporting boundaries included: 100%
2019/20 – % of data estimated: 3%. In this disclosure, estimation refers to filling either invoice or meter reading gaps, not to whether invoices are based on 'estimated' or 'actual' readings.

Absolute portfolio – water, waste and refrigerants

Table 19

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Water	Water-Abs	m^3	Water	for landlord shared services	605,094	633,444	665,258	341,239	315,182	268,100
				(sub)metered to tenants	449,740	411,534	398,936	67,939	70,709	95,498
				Total water	1,054,834	1,044,978	1,064,194	409,178	385,891	363,599
	Water-Int	m^3/m^2	Water intensity	Total building water intensity	0.57	0.56	0.57	0.69	0.71	0.66
Waste	Waste-Abs (hazardous)	Tonnes	Total weight of waste produced	Hazardous waste[1]	n/a	n/a	n/a	n/a	n/a	n/a
	Waste-Abs (non-hazardous)			Non-hazardous waste	35,347	36,725	36,272	6,384	6,868	6,612
	Waste-Abs (recycled)		Total weight of waste by disposal route	Recycled	25,937	27,031	26,581	4,966	5,456	5,498
	Waste-Abs (EfW)			Energy from Waste	9,410	9,694	9,690	1,419	1,411	1,114
	Waste-Abs (landfill)			Landfill	0	0	0	0	0	0
	Waste-Abs (recycled)	%	Proportion of waste by disposal route	Recycled	73%	74%	73%	78%	79%	83%
	Waste-Abs (EfW)			Energy from Waste	27%	26%	27%	22%	21%	17%
	Waste-Abs (landfill)			Landfill	0%	0%	0%	0%	0%	0%
Refrigerant gases	Refrigerant gases-Abs	tCO_2e	Direct	Refrigerant gases	1,763	1,590	1,250	1,175	1,048	245

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Specialist		
	EPRA codes	Units	Indicator		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Water	Water-Abs	m^3	Water	for landlord shared services	252,300	231,058	306,402	11,555	87,204	90,756
				(sub)metered to tenants	293,042	339,098	303,285	88,760	1,727	152
				Total water	545,342	570,156	609,687	100,315	88,931	90,908
	Water-Int	m^3/m^2	Water intensity	Total building water intensity	0.55	0.54	0.58	0.39	0.35	0.35
Waste	Waste-Abs (hazardous)	Tonnes	Total weight of waste produced	Hazardous waste[1]	n/a	n/a	n/a	n/a	n/a	n/a
	Waste-Abs (non-hazardous)			Non-hazardous waste	23,663	24,822	25,180	5,300	5,036	4,480
	Waste-Abs (recycled)		Total weight of waste by disposal route	Recycled	17,921	18,488	18,389	3,051	3,087	2,694
	Waste-Abs (EfW)			Energy from Waste	5,742	6,334	6,791	2,249	1,949	1,786
	Waste-Abs (landfill)			Landfill	0	0	0	0	0	0
	Waste-Abs (recycled)	%	Proportion of waste by disposal route	Recycled	76%	74%	73%	58%	61%	60%
	Waste-Abs (EfW)			Energy from Waste	24%	26%	27%	42%	39%	40%
	Waste-Abs (landfill)			Landfill	0%	0%	0%	0%	0%	0%
Refrigerant gases	Refrigerant gases-Abs	tCO_2e	Direct	Refrigerant gases	544	498	1,005	44	43	0

1. The amount of hazardous waste produced in our properties is immaterial.
2019/20 – % of total assets within reporting boundaries included: 100%.
2019/20 – % of data estimated: Water – 24%, Waste – 0%, Refrigerant gases – 0%

Like-for-Like portfolio – water, waste and refrigerants

Table 20

Impact area	EPRA Sustainability Performance Measures				Landsec			Office		
	EPRA codes	Units	Indicator		2018/19	2019/20	% change	2018/19	2019/20	% change
Water	Water-LfL	m^3	Water	for landlord shared services	571,480	611,094	7%	267,574	224,369	–16%
				(sub)metered exclusively to tenants	403,903	389,908	–3%	63,079	86,622	37%
				Total water	975,383	1,001,002	3%	330,653	310,992	–6%
	Water-Int	m^3/m^2	Water intensity	Total building water intensity	0.56	0.58	3%	0.69	0.65	-6%
Waste	Waste-LfL (hazardous)	Tonnes	Total weight of waste produced	Hazardous waste[1]	n/a	n/a	n/a	n/a	n/a	n/a
	Waste-LfL (non-hazardous)			Non-hazardous waste	35,376	34,467	–3%	6,868	6,621	–4%
	Waste-LfL (recycled)		Total weight of waste by disposal route	Recycled	26,449	25,224	–5%	5,456	5,506	1%
	Waste-LfL (EfW)			Energy from Waste	8,927	9,243	4%	1,411	1,115	–21%
	Waste-LfL (landfill)			Landfill	0	0	0%	0	0	0%
	Waste-LfL (recycled)	%	Proportion of waste by disposal route	Recycled	75%	73%	–2%	79%	83%	5%
	Waste-LfL (EfW)			Energy from Waste	25%	27%	6%	21%	17%	–18%
	Waste-LfL (landfill)			Landfill	0%	0%	0%	0%	0%	0%
Refrigerant gases	Refrigerant gases-LfL	tCO_2e	Direct	Refrigerant gases – annual metric tonnes CO_2e	1,374	794	–42%	1,027	245	–76%

Impact area	EPRA Sustainability Performance Measures				Retail			Specialist		
	EPRA codes	Units	Indicator		2018/19	2019/20	% change	2018/19	2019/20	% change
Water	Water-LfL	m^3	Water	for landlord shared services	216,769	295,969	37%	87,137	90,756	4%
				(sub)metered exclusively to tenants	339,098	303,133	–11%	1,727	152	–91%
				Total water	555,867	599,103	8%	88,864	90,908	2%
	Water-Int	m^3/m^2	Water intensity	Total building water intensity	0.55	0.60	8%	0.35	35%	2%
Waste	Waste-LfL (hazardous)	Tonnes	Total weight of waste produced	Hazardous waste[1]	n/a	n/a	n/a	n/a	n/a	n/a
	Waste-LfL (non-hazardous)			Non-hazardous waste	23,473	23,351	–1%	5,035	4,496	–11%
	Waste-LfL (recycled)		Total weight of waste by disposal route	Recycled	17,907	17,024	–5%	3,086	2,694	–13%
	Waste-LfL (EfW)			Energy from Waste	5,567	6,326	14%	1,949	1,802	–8%
	Waste-LfL (landfill)			Landfill	0	0	0%	0	0	0%
	Waste-LfL (recycled)	%	Proportion of waste by disposal route	Recycled	76%	73%	–4%	61%	60%	–2%
	Waste-LfL (EfW)			Energy from Waste	24%	27%	14%	39%	40%	4%
	Waste-LfL (landfill)			Landfill	0%	0%	0%	0%	0%	0%
Refrigerant gases	Refrigerant gases-LfL	tCO_2e	Direct	Refrigerant gases – annual metric tonnes CO_2e	303	549	81%	43	0	–100%

1. The amount of hazardous waste produced in our properties is immaterial.
2019/20 – % of total LfL assets within reporting boundaries included: 100%.
2019/20 – % of data estimated: Water – 24%, Waste – 0%, Refrigerant gases – 0%.

Absolute portfolio – GHG emissions (other)

Table 21

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office			Retail			Specialist		
	EPRA codes	Units	Indicator		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Greenhouse Gas Emissions	GHG-Dir-Abs	annual tonnes CO_2e	Direct	Scope 1[1]	1,790	1,608	1,250	1,203	1,067	245	544	498	1,005	44	43	0
	GHG-Indir-Abs		Indirect	Scope 3[2]	2,244	2,209	2,160	935	877	794	1,089	1,131	1,174	221	201	192

1. Scope 1 includes emissions from refrigerants
2. Scope 3 includes emissions from water, waste and business travel.
2019/20 – % of total assets within reporting boundaries included: 100%.
2019/20 – % of data estimated: Water – 24%, Waste – 0%, Refrigerant gases – 0%.

Like-for-like portfolio – GHG emissions (other)

Table 22

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office			Retail			Specialist		
	EPRA codes	Units	Indicator		2018/19	2019/20	% change	2018/19	2019/20	% change	2018/19	2019/20	% change	2018/19	2019/20	% change
Greenhouse Gas Emissions	GHG-Dir-LfL	annual tonnes CO_2e	Direct	Scope 1[1]	1,374	794	–42%	1,027	245	–76%	303	549	81%	43	0	–100%
	GHG-Indir-LfL		Indirect	Scope 3[2]	1,783	1,462	–18%	495	141	–71%	1,087	1,129	4%	201	192	–5%

1. Scope 1 includes emissions from refrigerants.
2. Scope 3 includes emissions from water and waste.
2019/20 – % of total LfL assets within reporting boundaries included: 100%.
2019/20 – % of data estimated: Water – 24%, Waste – 0%, Refrigerant gases – 0%.

Landsec headquarters environmental performance

Table 23

Impact area	EPRA Sustainability Performance Measures (Environment)						
	EPRA codes	**Units**	**Indicator**		**2017/18**	**2018/19**	**2019/20**
Energy	Elec-Abs	kWh	Electricity	Total **electricity**	433,901	367,155	351,567
				Proportion of electricity from renewable sources	100%	100%	100%
	Fuels-Abs		Fuels	Total **fuels**	495,956	535,961	484,572
				Proportion of fuels from renewable sources	18%	16%	0%
	Total energy-Abs		Energy	Total **energy**	929,858	903,116	836,139
				Proportion of energy from renewable sources	23%	50%	42%
	Energy-Int	kWh/m^2	Energy intensity	Total building energy intensity	197	191	177
Greenhouse Gas Emissions	GHG-Dir-Abs	tCO_2e	Direct	Scope 1 (location-based)	101	99	91
				Scope 1 (market-based)	84	94	91
	GHG-Indir-Abs		Indirect	Scope 2 (location-based)	153	104	90
				Scope 3 (location-based)	60	31	41
				Scope 2 (market-based)	0	0	0
				Scope 3 (market-based)	19	19	20
	GHG-Int	tCO_2e/m^2	GHG intensity	Total GHG emission intensity (location-based)	0.066	0.043	0.047
				Total GHG emission intensity (market-based)	0.022	0.030	0.023
Water	Water-Abs	m^3	Water	Total **water**	2,518	2,649	2,602
	Water-Int	m^3/m^2	Water intensity	Total building water intensity	0.53	0.56	0.55
Waste	Waste-Abs	tonnes	Waste	Total weight of waste – Recycled	73	102	102
				Total weight of waste – Energy from Waste	28	32	26
				Total weight of waste – Landfill	0	0	0
		%	Waste	Proportion of waste – Recycled	72%	76%	79%
				Proportion of waste – Energy from Waste	28%	24%	21%
				Proportion of waste – Landfill	0%	0%	0%
Refrigerant gases	Refrigerant gases-Abs	tCO_2e	Direct	Refrigerant gases	9	23	1

Fuels, water, waste and refrigerant gases were calculated based on the floor area occupied by Landsec as a percentage of the total building figures.

Sustainability certification

Table 24

Impact area	EPRA Sustainability Performance Measures					
	EPRA codes	**Units**	**Indicator**	**2017/18**	**2018/19**	**2019/20**
Certification	Cert-Tot	% of total floor area (m^2)	Percentage of portfolio which is BREEAM rated	40.1%	40.2%	39.9%
			Outstanding	0.2%	0.2%	0.2%
			Excellent	19.3%	19.4%	19.3%
			Very Good	17.7%	17.7%	17.5%
			Good/Pass	2.9%	2.9%	2.8%

Employee diversity – Gender

Table 25

Impact area	EPRA Sustainability Performance Measures (Social)				2017/18		2018/19		2019/20	
	EPRA codes	Units	Indicator		Female	Male	Female	Male	Female	Male
Diversity	Diversity-Emp	% of employees	Gender diversity	% of total employees	53.5%	46.5%	52.5%	47.6%	52.4%	47.6%
			Gender by level	Board			42.9%	57.1%	44.4%	55.5%
				Executive	28.6%	71.4%	28.6%	71.4%	20.0%	80.0%
				Senior Leader	38.1%	61.9%	40.9%	59.1%	30.0%	70.0%
				Leader	24.4%	75.6%	19.5%	80.5%	24.5%	75.5%
				Manager	51.5%	48.5%	51.2%	48.8%	52.6%	47.4%
				Professional	53.4%	46.6%	56.1%	43.9%	61.7%	38.3%
				Support	78.9%	21.1%	73.7%	26.3%	71.4%	28.6%
			Ethnicity diversity	Asian	4.1%	1.8%	3.9%	2.7%	4.7%	2.8%
				Black	3.6%	1.1%	3.6%	1.6%	3.2%	1.8%
				Other	2.8%	1.5%	3.2%	1.4%	3.0%	1.9%
				Race/Ethnicity Not Recorded	3.1%	2.3%	2.5%	2.8%	1.2%	1.8%
				White	40.0%	39.8%	39.2%	39.0%	40.2%	39.4%

Employee diversity – Gender pay

Table 26

Impact area	EPRA Sustainability Performance Measures (Social)				2018/19	2019/20
	EPRA codes	Units	Indicator		Ratio	Ratio
Diversity	Diversity-Pay	Pay	Diversity-Pay Gender pay ratio	Total employees	1.58	1.61

Employee diversity – Ethnicity

Table 27

Impact area	EPRA Sustainability Performance Measures (Social)				2017/18					2018/19					2019/20				
	EPRA codes	Units	Indicator		Asian	Black	Other	Race/ ethnicity not recorded	White	Asian	Black	Other	Race/ ethnicity not recorded	White	Asian	Black	Other	Race/ ethnicity not recorded	White
Diversity	Additional metric	% of employees	Ethnicity by level	% of total employees	5.9%	4.7%	4.2%	5.4%	79.8%	6.6%	5.2%	4.6%	5.4%	78.2%	7.6%	4.9%	4.9%	3.0%	79.6%
				Board						0.0%	0.0%	0.0%	71.4%	28.6%	0.0%	0.0%	0.0%	57.1%	42.9%
				Executive	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
				Senior Leader	0.0%	0.0%	0.0%	9.5%	90.5%	0.0%	0.0%	0.0%	4.6%	95.5%	0.0%	0.0%	0.0%	0.0%	100.0%
				Leader	3.6%	2.4%	3.7%	4.9%	85.4%	6.1%	1.2%	3.7%	7.3%	81.7%	4.3%	2.1%	4.3%	3.2%	86.2%
				Manager	5.4%	3.0%	3.5%	3.5%	84.7%	7.7%	1.9%	3.8%	5.7%	80.9%	11.7%	2.0%	5.1%	3.6%	77.6%
				Professional	9.2%	6.1%	4.3%	4.3%	76.1%	8.7%	6.9%	6.4%	2.3%	75.7%	8.7%	8.7%	5.4%	1.3%	75.8%
				Support	5.3%	8.3%	6.8%	5.3%	74.4%	4.5%	12.0%	5.3%	4.5%	73.7%	3.1%	9.2%	6.1%	1.0%	80.6%

Employee diversity – Disability

Table 28

Impact area	EPRA Sustainability Performance Measures (Social)				2019/20								
	EPRA codes	Units	Indicator		Hearing	Learning, understanding or concentrating	Mental health	Mobility	Other	Vision	Prefer not to say	No disability	Disability not recorded
Diversity	Additional metric	% of employees	Disability by level	% of total employees	0.4%	0.7%	0.5%	0.4%	0.9%	0.4%	3.9%	87.0%	6.0%
				Board	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.3%	0.0%	85.7%
				Executive	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	60.0%	20.0%
				Senior Leader	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	95.0%	5.0%
				Leader	0.0%	0.0%	1.1%	0.0%	1.1%	1.1%	7.4%	83.0%	6.4%
				Manager	0.5%	1.0%	0.0%	1.0%	1.0%	0.0%	4.1%	87.2%	5.1%
				Professional	0.0%	1.3%	0.7%	0.0%	0.7%	0.0%	2.7%	89.9%	4.7%
				Support	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	2.0%	91.8%	3.1%

Employee diversity – Sexual orientation

Table 29

Impact area	EPRA Sustainability Performance Measures (Social)				2019/20					
	EPRA codes	Units	Indicator		Bisexual	Lesbian/Gay	Other	Heterosexual	Prefer not to state	Sexual orientation not recorded
Diversity	Additional metric	% of employees	Sexual orientation by level	% of total employees	0.7%	2.3%	0.2%	83.3%	10.5%	3.0%
				Board	0.0%	0.0%	0.0%	14.3%	28.6%	57.1%
				Executive	20.0%	0.0%	0.0%	60.0%	20.0%	0.0%
				Senior Leader	0.0%	0.0%	0.0%	95.0%	5.0%	0.0%
				Leader	1.1%	1.1%	0.0%	84.0%	10.6%	3.2%
				Manager	0.5%	1.0%	0.0%	83.2%	11.7%	3.6%
				Professional	0.7%	4.7%	0.7%	83.9%	8.7%	1.3%
				Support	0.0%	3.1%	0.0%	85.7%	10.2%	1.0%

Employee development and turnover

Table 30

Impact area	EPRA Sustainability Performance Measures (Social)				2017/18			2018/19			2019/20		
	EPRA codes	Units	Indicator		Female	Male	Landsec	Female	Male	Landsec	Female	Male	Landsec
Development and Turnover	Emp-Training	Number of hours	Hours of training	Average hours of training per employee	12.4	12.2	12.3	12.2	12.1	12.1	20.8	20.8	20.8
	Emp-Dev	% of employees	Performance appraisals	% of total employees received performance appraisals	45.0%	50.0%	95.0%	49.6%	46.8%	96.4%	51.0%	46.1%	97.1%
	Emp-Turnover	Number of employees	New hires	Total number of new hires	41	61	102	69	47	116	54	38	92
				Rate of new hires	6.0%	10.0%	16.0%	10.9%	7.4%	18.3%	9.0%	6.0%	15.0%
			Employee turnover	Total number of employee turnover	46	71	117	65	33	98	99	69	168
				Rate of employee turnover	7.5%	11.5%	19.0%	10.3%	5.2%	15.5%	16.1%	11.2%	27.3%

Health & Safety

Table 31

Impact area	EPRA Sustainability Performance Measures (Social)				Landsec		
	EPRA codes	Units	Indicator		2017/18	2018/19	2019/20
Health & Safety	H&S-Emp	% of total days	Absentee rate	Absentee rate for employees	1.31%	0.90%	1.04%
		Rate	RIDDOR[1] – Reportable injury incident rate	Developments – contractors			635
				Managed portfolio			0.0069
				Third-party managed portfolio			0.0042
		Total number	RIDDOR – Number of reportable injury incidents	Developments – contractors	14	4	3
				Managed portfolio	12	5	13
				Third-party managed portfolio			2
		Total number	Number of fatalities	Developments – contractors	0	0	0
				Managed portfolio – contractors	0	0	0
				Managed portfolio – employees	0	0	0
				Managed portfolio – visitors	0	0	0
		Total number	Number of near misses	Developments – contractors			21
				Managed portfolio			120
		Total number	Number of total injury incidents	Developments – contractors			9
				Managed portfolio – contractors			93
				Managed portfolio – employees			14
				Managed portfolio – visitors			449
				Managed portfolio – unallocated person			122
		Total number	Disease	Managed portfolio			0
		Total number	Lost time rate	Developments – contractors			0
	H&S-Asset	%	% Assets	Asset Health & Safety assessments	100%	100%	100%
	H&S-Comp	Total number	Enforcement/Compliance incidents	Developments			0
				Managed portfolio / operations			0
		%	Health & Safety training	Employees			95

1. RIDDOR – Reporting of Injuries, Diseases and Dangerous Occurrences Regulations: figures only include reportable incidents as specified at https://www.hse.gov.uk/riddor.
RIDDOR – Injury incident rate for developments – contractors calculation: RIDDOR x 100,000/workers.
RIDDOR – Injury incident rate for managed portfolio calculation: RIDDOR x 100,000/footfall.

Task Force on Climate-related Financial Disclosures (TCFD)

We are committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), providing investors and other stakeholders with decision-useful information on climate-related risks and opportunities that are relevant to our business. In 2017 we made a public commitment to assess and mitigate climate change risks across our portfolio and we are part of a growing group of leading organisations publicly listed as supporters by the TCFD.

In this section of our Sustainability Performance and Data Report, we provide our comprehensive TCFD disclosure, including details on climate change scenarios and how they may affect our business in the short and long term. Our approach to climate-related risks and opportunities is also discussed in our Annual Report on page 56. For further disclosures you can access our CDP response at https://www.cdp.net/en/responses.

Governance

Our Chief Executive has overall responsibility for climate-related risks and opportunities. The Board is updated on our sustainability and climate-related performance at least once a year and has overall responsibility for oversight of risk, undertaking an annual assessment of the principal risks, which include climate-related risks. In addition, the Audit Committee supports the Board in the management of risk and is responsible for reviewing the effectiveness of the risk management and internal control processes during the year.

Ongoing oversight of climate-related issues is carried out by our Sustainability Committee, chaired by the Chief Executive and attended by our Group Corporate Affairs & Sustainability Director, Group HR Director and senior representation from portfolio management and development teams. The Committee meets quarterly and is the senior forum for developing and implementing sustainability strategy and commitments, assessing and managing climate-related risks and opportunities, and reviewing performance.

The Sustainability Committee is supported by the Energy Risk Committee and Sustainability Performance Group. The Energy Risk Committee, chaired by our Group Treasurer, assesses potential risks and opportunities associated with energy procurement and agrees key deliverables to mitigate those risks or deliver added value to customers. The Sustainability Performance Group is another cross-functional group with the responsibility of monitoring operational performance of our assets, and ensuring progress against our energy and carbon reduction targets set by the Sustainability Committee.

Our approach to managing climate-related risk and opportunities is also reviewed by the Investment Committee and the Property Committee. This can include reviewing and approving investment in energy efficiency projects and renewables, as well as approving development or refurbishment plans which include climate-related aspects of design.

Our commitment to address climate-related risks is embedded across the business, through energy efficiency and embodied carbon Group KPIs. The performance against these KPIs is linked to executive and management remuneration, aiming to incentivise progress against our science-based carbon reduction target and net zero commitment.

Strategy

Identifying risks and opportunities

As a UK real estate company, our business is exposed to both physical and transition risks and opportunities from climate change.

We assess the impact of climate-related risks through quantitative and qualitative scenario analysis, considering short- to medium-term until 2030, and long-term beyond 2030 to 2100. Our analysis focuses on two distinct scenarios: a best-case scenario where global average temperature increases by less than two degrees, and a worst-case scenario where temperatures increase by up to four degrees. Detailed information on the two distinct scenarios is found on the following pages.

To determine how our business may be affected by the physical risk, we conducted research and modelling. This research was carried out in 2017 and 2019. The modelling has enabled us to determine the likelihood of potential future weather patterns and natural hazards. The risks occurring due to these weather and climate patterns include chronic factors such as energy costs from overheating, and acute factors such as windstorm, and coastal, inland and flash flooding. Our exposure to these risks is derived through analysis of our property portfolio, using climate and natural hazard databases such as SwissRe CatNetTM and MunichRe NATHANTM, and is further adjusted based on expert judgement. The research and analysis carried out in 2019 incorporated the Met Office Climate Projections 2018 (UKCP18), which are widely accepted as the most accurate forecasts for how climate change will affect the climate and weather in the UK.

The modelling of all chronic and acute physical risks was based on the four Representative Concentration Pathways (RCPs), which are used by the Intergovernmental Panel on Climate Change (IPCC) to illustrate future concentrations of greenhouse gases in the atmosphere. Although our modelling analysed all four RCPs, we simplified our approach by focusing on two distinct scenarios, a best-case scenario where global average temperature increases by less than two degrees in line with the 2015 Paris Climate Agreement, and a worst-case scenario, where temperatures increase by up to four degrees.

To determine how our business will be affected by a transition to the low-carbon economy, we conducted a scenario analysis in March 2019, using the TCFD recommendations as a guide. The process of scenario analysis was designed to allow us to assess our resilience in two alternate futures: transition to the low-carbon economy or failure to transition. This process relied on a variety of data sources and a panel of experts including insurance, strategy, finance, insight and treasury functions from our business, alongside weather, natural catastrophe, enterprise risk management and academic research representatives from Willis Towers Watson and the Willis Research Network.

Risks and opportunities in the following categories were considered: policy & legal, reputation, technology, and market. Risks and opportunities were assessed against impact and likelihood criteria, with potential impacts across our value chain considered.

Our analysis showed us that the impacts of physical risks on our portfolio will only become more relevant in the long term, and only under the worst-case scenario. The analysis showed that our current portfolio is not highly exposed to physical risks given the location of our assets, as shown in the Metrics and targets table on page 37.

Conversely, transition risks are already happening in the short term and the impacts will be more significant under the best-case scenario, due to strong policy, regulatory and legal responses.

In order to continue aligning our disclosures with the TCFD recommendations and to better manage transition risks, we will undertake a quantitative assessment of climate-related transition risks during summer 2020. This will enable us to better understand the potential financial impact of transition risks, such as policy and legislation changes and shifts in market preferences, helping to inform our strategy to manage climate risks across our portfolio.

Strategy and financial planning
Our strategy to address climate-related risks and opportunities spans all areas of our business including investment, development, operation and divestment:

— Through our Responsible Property Investment Policy, we assess climate risks during due diligence, when we buy an asset, including the following performance metrics: energy consumption, energy performance certificates and other sustainability certifications, flood risk assessment and embodied carbon assessment.

— As our developments are typically designed to last over 60 years, we need to ensure that we're designing buildings to be more resilient and able to cope with 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. This includes adapting building services design, reducing heating capacity and maintaining summer cooling capacity to cope with heatwaves. The performance of our facades and fabric materials is designed to address the expected higher temperatures to minimise energy demand, as well as to be able to withstand extreme temperatures and increased wind speeds to avoid maintenance issues or damage to buildings in future. Our drainage strategies are designed to mitigate foreseen rain levels and flood risks using physical and nature-based solutions. Finally, we're transitioning towards all-electric solutions, scaling back fossil fuel-dependent boilers in favour of electric heating and cooling across our operations.

— Using our Sustainability Charter, we encourage our partners to improve their preparation and response to climate-related risks where this is relevant to their business. We have also included these criteria in the selection and engagement process for partners.

— 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 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.

We continue evolving our strategy to address climate-related risks and opportunities. As part of our approach to manage transition risks, in November 2019 we announced our commitment to becoming a net zero carbon business by 2030. We increased the ambition level of our science-based target, aligning it with a 1.5°C scenario. In addition to reducing our operational emissions, by improving the energy efficiency of our assets, we're looking to increase investments in renewables, such as corporate PPAs, managing the future risk of higher energy costs. We're also implementing an internal shadow carbon price, anticipating a potential carbon price in the future, to inform our decision-making process. Furthermore, we're reducing carbon emissions across our construction activities by setting embodied carbon intensity and reduction targets for each of our developments. Finally, we'll offset any remaining carbon emissions through carefully selected projects which actively take carbon out of the atmosphere. Further details on our net zero strategy can be found in our Annual Report on pages 38-39.

Our analysis gives us confidence in the resilience of our strategy, as we're supporting the transition to a low-carbon world whilst managing the impact of climate-related risks to our portfolio.

Risk management

Our risk management and control framework enables us to effectively identify, assess and manage climate-related risks. We recognise the importance of identifying and monitoring climate-related risks, which feature prominently on our principal risk register.

Ownership and management of all risks is assigned to members of the Executive Committee, who are responsible for ensuring the operating effectiveness of the internal control systems and for implementing key risk mitigation plans. The Executive Committee is supported by risk champions across the business, who are tasked with maintaining awareness of key risks and control measures.

The Executive Director responsible for climate-related risk is the Group Corporate Affairs & Sustainability Director. Our climate-change principal risk includes both transition and physical climate risk and is monitored on a quarterly basis using a series of Key Risk Indicators. Both the Executive Director and the risk champion responsible for climate-related risk ensure integration with the overall risk management process. Where climate-related risks correspond to other risks these are discussed between the network of risk champions.

Our risk management process to address climate change is discussed further in our Annual Report under principal risks and uncertainties on page 55.

Two-degrees scenario

This scenario is aligned with the IPCC's RCP 2.6, in which there is a high likelihood that global temperatures will not exceed more than 2°C over pre-industrial levels by the end of the century.

For this scenario to be possible, global efforts to mitigate climate change will need to intensify immediately, led and supported by strong policy, regulatory and legal responses. Furthermore, rapid investment in low-carbon technology will need to occur, with widespread adoption of sustainable consumption, business practices and lifestyles. Businesses not responding to the transition to a low-carbon economy will quickly become laggards, suffering from reputational impacts as the world changes significantly in the short term.

In the long term, the world will have transitioned successfully to a low-carbon economy but will still be affected by high levels of carbon already in the atmosphere. This concentration of emissions will cause an additional one to two degrees of warming over pre-industrial levels, resulting in some physical changes to climate and weather.

Transition risks and opportunities

What could happen in this scenario in the lead-up to 2030?

— Our customers and communities adopt low-carbon lifestyles
— New policy leads to higher development and operational costs
— New subsidies and tax relief for low-carbon solutions

In this scenario, zero carbon legislation, more stringent planning regulation or a carbon tax could lead to higher capital and operational costs. Investment in low-carbon and renewable construction materials and solutions could be required through the planning system and building regulations. Reducing the carbon impact of developments in both construction and operations could become mandatory, increasing capital expenditures on construction. We would be likely to incur increasing infrastructure and energy costs through widespread adoption of electric vehicles, battery storage technology and other electrical generation, distribution and storage equipment.

Mass adoption of sustainable business practices could begin to occur in this scenario throughout the property industry in the UK. This could lead to marginally diminished competitive advantage from which we currently benefit through our sustainability programme. For example, all new assets brought to market would have compelling sustainability and energy performance credentials, and all retail and leisure destinations would feature electric vehicle charging. This would lead to the requirement for new and innovative technologies and systems to compete for higher rents and valuations. This scenario could lead to higher levels of competition for positive investor favour surrounding ESG, as the standard of disclosure and performance will likely be universally higher.

In this scenario, the global adoption of ESG and responsible investment practices could lead to higher valuations and improved availability of capital for low-carbon businesses in the short term. New revenue streams could emerge from investment in renewable energy generation, supported by subsidies or tax relief. We expect property companies offering low-carbon solutions could also benefit from increased capacity to attract customers and improved customer retention.

This scenario could also lead to a long-term benefit, where our present levels of adoption of low-carbon and energy efficiency technologies lead to increased organisational resilience. Specifically, the short payback period and longer asset life of renewable energy generation assets would begin to increase our revenues and avoided costs.

Physical risk

In this scenario, predicted changes in the UK climate are 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. Our modelling has also determined that this will not have a material effect on energy costs for our business or our customers, particularly as there are several factors which affect energy consumption and costs. In addition, the slight increase in summer cooling costs are offset by lower heating costs in winter.

How we'll need to respond

In the two-degrees scenario, based on our analysis, we are confident our current business model allows us to reduce our impact in line with the required mitigation. Our analysis gives us confidence that our business activities, strategy and financial planning referenced on pages 33-34 mean we are well placed to benefit from the transition to a low-carbon economy. This includes widespread adoption of low-carbon and renewable technologies, continually driving improved energy efficiency and carbon reduction, and engaging our customers and consumers on sustainability and climate change.

Our investment in, and development of, resilient and efficient assets will help us to mitigate any marginal increase in physical climate risks after 2030. However, we must consider 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 from our sustainability programme, further innovation and investment will be required. We will continue to do this through seeking new product and service offerings from the market and encouraging our consulting and design partners to build in transitional thinking to their advice to us.

Four-degrees scenario

This scenario is aligned with the IPCC's RCP 8.5, where climate change will increase by up to four degrees by 2100. In the lead-up to 2030, limited actions are taken to mitigate climate change, current levels of investment in low-carbon technology continue, and emissions continue to rise along their current trajectory. 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.

Beyond 2030, widespread disruption to markets could begin to occur, and investment in climate change-resilient technologies and infrastructure is likely to be required for organisations with physical assets. The policy, regulatory and legal response, although limited in the short term, could begin to force organisations in control of physical assets to adapt to climate change. In this scenario, businesses with high levels of carbon emissions could experience a backlash in consumer, customer and investor sentiment.

Physical and adaptation risks

— **What could happen in this scenario by 2070?**
— **5.4°C** hotter in summer
— **50%** increase in heatwaves
— **35%** more rain in winter
— **9%** increase in electricity use
— **32%** decrease in gas use

In this scenario it is likely we will experience an increase in flash flooding, river floods, coastal flooding and storm surges. These weather events are applicable to a small proportion of assets in our portfolio, noted in the Metrics and targets section of this report. Increases in year-round temperature are predicted, with summer temperatures 5.4°C higher and winter temperatures 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%.

These physical effects could have several effects on our business due to changes in markets, policy, regulation and technology. Accordingly, we do not consider the consequences of these physical risks to be 'transition' risks, as under the four-degrees scenario there will be very little transitional activity. We consider these risks and associated impacts to be costs of adapting to the new climate and weather patterns.

In this scenario, the 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. Specifically, asset values could fall where they are proven to have poor resilience to windstorm and flooding. Where we own assets in cities, particularly London, we could experience reduced demand for our properties affected by extreme heat and air pollution.

Due to the extreme temperature and weather patterns associated with this scenario, it is likely that poorly designed, operated and maintained assets will experience more frequent building system and envelope failures. This is likely to lead to higher operational costs, but also reputational risks, where customers begin to rely more on property companies to maintain safe and comfortable spaces for their staff and consumers. More extreme weather could also lead to increasing numbers of building failures and natural catastrophes, leading to rising insurance premiums.

In this scenario our business could also be affected by higher raw material costs due to increasing fossil fuel and water costs, disruption to logistics and higher cost of production from taxes and levies. Similarly, we would experience higher construction costs arising from climate change-resilient facades and building services with increased capacity.

In the long term under this scenario, a widespread decrease in combustion engine vehicle use could lead to assets without good public transport links becoming less attractive to consumers. Consumers and our direct customers could develop greater awareness and expectations of property businesses, pressurising them to act on climate-related issues, and creating greater favour for destinations which are sustainable.

Owing to the nature of this scenario, there are only limited opportunities as the impacts are predominantly negative for most business types. We could experience higher levels of customer and investor demand for resilient assets which can withstand the increasing frequency of windstorm and flooding. In addition, falling asset values and business failures could lead to opportunity for more resilient businesses to gain increasing market share.

How we'll need to respond

In this scenario, our analysis demonstrates that changes to our strategy and financial planning will be required. This will include 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. We believe our strategy for investing in high-quality assets in primary locations will continue to be resilient in this scenario. However, to maintain an effective strategy we will need to increase our prioritisation of climate change factors in investment, development and divestment decisions.

This scenario could also result in changes to our customers' and supply chain partners' businesses, as well as consumer preferences. To continue to be resilient in this scenario, we will need to constantly reassess the risks posed by climate change to ensure we are not exposed to risk of default from business failures or supply chain disruption. Increased due diligence in supply chain selection will be required, particularly considering the sourcing of construction materials which may be processed or manufactured in countries where the effects of climate change are more extreme.

TCFD Metrics and targets

Table 32

Financial category	Climate related category	Metric	Unit of measure	2017/18	2018/19	2019/20
Revenues	Risk Adaptation & Mitigation	Revenues/savings from investments in low-carbon alternatives (e.g. R&D, equipment, products, services)	£	1,538,663	1,918,389	1,611,658
	Risk Adaptation & Mitigation	Avoided energy consumption costs benefiting customers in year, measured against 2013/14 baseline[1]	£m	–	4.0	5.0
	Risk Adaptation & Mitigation	Percentage of revenues derived from BREEAM certified assets	%	56%	57%	56%
Expenditures	Risk Adaptation & Mitigation	Expenditures (OpEx) for low-carbon alternatives (e.g. R&D, technology, products, services)	£	1,716,526	1,457,998	1,500,158
	Energy/Fuel	Total energy consumption	kWh	265,723,992	265,571,274	248,933,695
	Energy/Fuel	Proportion of energy consumption from renewable sources	%	64%	66%	64%
	Energy/Fuel	Total electricity consumption	kWh	167,507,064	167,590,020	164,673,291
	Energy/Fuel	Proportion of electricity consumption from renewable sources	%	93%	96%	97%
	Energy/Fuel	Total fuel consumption (i.e. gas)	kWh	86,337,791	81,310,160	71,591,823
	Energy/Fuel	Proportion of fuel consumption from renewable sources (i.e. green gas)	%	17%	16%	0%
	Energy/Fuel	Total building energy intensity by floor area	kWh/m^2	144	142	134
	Water	Percent of fresh water withdrawn in regions with high or extremely high baseline water stress	m^3	0	0	0
	Water	Total building water intensity by floor area	m^3/m^2	0.57	0.56	0.57
	GHG Emissions	Total GHG emissions intensity by floor area[2]	tCO_2e/m^2	0.052	0.043	0.037
Assets	Location	Percentage floor area of portfolio exposed to a 10-20% risk of inland, coastal and flash flooding in a ten-year period[3]	% floor area	3.6%	3.6%	3.7%
	Location	Percentage value of portfolio exposed to a 10-20% risk of inland, coastal and flash flooding in a ten-year period[4]	% Value	1.5%	1.4%	1.1%
	Location	Insured value of assets exposed to a 10-20% risk of inland, coastal and flash flooding in a ten-year period	£m	286.8	264.2	264.2
	Risk Adaptation & Mitigation	Percentage of portfolio which is BREEAM certified	% floor area	40.1%	40.2%	39.9%
	Risk Adaptation & Mitigation	Percentage of portfolio which is BREEAM certified	% portfolio value	61%	60%	59%
	Risk Adaptation & Mitigation	Investment (CapEx) in low-carbon alternatives (e.g. capital equipment or assets)	£	4,402,019	2,377,136	1,454,244
	Risk Adaptation & Mitigation	Costs of obtaining Energy Performance Certificates for assets which are not currently certified	£	–	£300,000	£330,000

1. Consumption costs measured in 2019/20, based on comparable floor area from 2013/14 portfolio.
2. Carbon emissions associated with all energy procured by Landsec, including tenant consumption.
3. Figure has been restated for all years due to change in methodology calculation.
4. Based on a return period of 50-100 years meaning there is 1-2% chance every year or 10-20% in the next ten years that flooding would occur.

TCFD: Data sources

Table 33

Projections	Analysis	2017 analysis	2019 analysis	Source
Energy Consumption	Modelling	Now out of date	Updated	UKCP18 previously CMIP5
Flood Risk	Exposure & Scoring	Now out of date	Updated	Swiss Re CatNet; Munich Re NATHAN
	Probabilistic Modelling	Current	No update minimal impact	CCRA Report 2017; (Next update 2022)
Sea Level Rise	Exposure & Scoring	Now out of date	Updated	UKCP18 previously CCRA 2017 after UKCP09
Windstorm	Probabilistic Modelling	Current	No update minimal impact	ABI Report 2017
Temperature	Review	Now out of date	Updated	UKCP18 previously CMIP5
Precipitation	Review	Now out of date	Updated	UKCP18 previously CMIP5

UN Global Compact Communication on Progress 2020

CEO Statement

"I am pleased to confirm that Landsec reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In our annual Communication on Progress (COP), we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication."

Mark Allan
Chief Executive

Principle	Landsec's approach	Find out more
	Strategy, governance & engagement	
Implementing the Ten Principles into Strategies & Operations	Landsec's purpose is to provide the right space for our customers and communities so that businesses and people can thrive. We aim to be a sustainability leader by anticipating and responding to the changing needs of our customers, communities, partners and employees. To deliver this we've set 12 long-term sustainability commitments, covering each of our three priority areas: creating jobs and opportunities, efficient use of natural resources and sustainable design and innovation. The goal of our sustainability approach is to create long-term financial, physical and social value for our shareholders and society. Sustainability is embedded across Landsec. Our Sustainability Committee is the main forum for overseeing the sustainability strategy and targets for the Group. The Committee is chaired by the Chief Executive and is attended by the Group Corporate Affairs & Sustainability Director and Group HR Director together with our Sustainability Director, and senior representation from the property and development teams. The Sustainability Committee meets quarterly and is the senior forum for determining our sustainability strategy and reviewing performance, ensuring its integration with the Group's overall strategy. Furthermore, the Board receives an annual update on our sustainability programme, which includes discussion of performance in relation to our commitments. Landsec recognises that our responsibility extends into our value chain. Consequently, our supplier engagement on sustainability covers supplier selection and management of our operational suppliers. We also encourage innovation with service partners to reduce climate impacts of products and services. Moreover, we support our customers with sustainability-related issues, e.g. helping to drive down their costs through creating energy data insights, seeking opportunities for improvement and helping customers to carry out energy efficiency projects. Working with customers in this way benefits them, but also creates a bottom-line benefit and value to society. Furthermore, Landsec is dedicated to working with the real estate industry and government to tackle global environmental and societal problems. We are active members of the UK Green Building Council and Better Buildings Partnership, working with our peers to help the entire industry improve, and we use our expertise to help tackle specific sustainability problems. In addition, we support legislative solutions around sustainability, for instance supporting the Department for Business, Energy and Industrial Strategy (BEIS) with public policy on operational energy and carbon ratings within the commercial property sector.	Sustainability strategy Sustainability Charter for suppliers Working with our supply partners Sustainability Brief Corporate governance Annual Report pages 18-21
	Human Rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights **2. Make sure that they are not complicit in human rights abuses.**	Landsec embraces our responsibility to respect human rights, which includes respecting human rights expressed in the UN Declaration of Human Rights (UNDHR) and by the International Labour Organization (ILO). Our approach to human rights is fully described in our Human Rights Policy. We work in collaboration with our supply partners to prevent modern slavery and promote fair, ethical treatment of everyone working across our sites on our behalf. In 2019, we again carried out due diligence to assess workforce-related risks on our sites and understand how our corporate commitments and policies are being embedded in practice. The surveys covered a range of issues including labour exploitation, fair payment, health and safety, right to work and discrimination. No cases of modern slavery were found, but we did identify areas for improvement including a requirement for increased guidance on right to work checks. We have extended due diligence activities for 2020 to increase focus on the modern slavery risk across our construction activity and to our delivery partners outside the UK.	Human Rights Policy Slavery & human trafficking statement Sustainability Policy Sustainability Charter for suppliers Annual Report pages 42-47

Principle	Landsec's approach	Find out more
	Labour	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining **4. The elimination of all forms of forced and compulsory labour** **5. The effective abolition of child labour** **6. The elimination of discrimination in respect of employment and occupation**	Landsec supports the principles set out within both the UNDHR and the ILO's Declaration on Fundamental Principles and Rights at Work. Our Human Rights Policy is built on these foundations including, without limitation, the principles of equal opportunities, collective bargaining, freedom of association and protection from forced or child labour. Landsec is an equal opportunities employer, complying with equal opportunities legislation in the UK and working to ensure that no employee or other worker or job applicant receives less favourable treatment, directly or indirectly, on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion or belief, or sexual orientation. Workplace fairness forms a critical part of our sustainability programme. For us, fairness is about upholding human rights, celebrating individuality and making sure everyone feels safe and respected in the workplace. Our commitment is to ensure that everyone working on our behalf, in an environment we control, is given equal opportunities, protected from discrimination and paid at least the Foundation Living Wage. Last year we engaged our supply chain partners to check whether our policies are effective on the ground. We carried out engagement surveys and visited offices, retail destinations and development sites to speak in confidence with supply chain employees. The surveys confirmed that we still have progress to make but we're working closely with partners to ensure that they have the right procedures, support and training in place, and we have extended our whistleblowing hotline to supply partners and their staff. Furthermore, one of the three priority areas of our sustainability programme is creating jobs and opportunities. We have developed programmes to deliver on our ambitions to support people furthest from the job market into employment, create opportunities for young people, enable our staff to champion causes that are important to them and engage with local charities. We measure our impact in order to inform us which of our activities add the most value, meaning that we can do more in the years ahead. Since 2011, we have helped over 1,400 people furthest from the job market into employment, and last year we set a new commitment to create £25m of social value through our community programmes by 2025, of which we have already achieved over £4.8m.	Human Rights Policy Sustainability Charter for suppliers Slavery & human trafficking statement Equal opportunities policy Sustainability policy Fairness commitment Community employment programme Diversity Health & wellbeing policy Maternity Leave Policy Annual Report pages 42-47
	Environment	
7. Businesses should support a precautionary approach to environmental challenges **8. Undertake initiatives to promote greater environmental responsibility** **9. Encourage the development and diffusion of environmentally friendly technologies**	Efficient use of natural resources is the second core area of our sustainability programme. By using natural resources efficiently, we not only minimise our environmental impact, but we also improve our resilience as a business and lower our costs. We are constantly monitoring and evaluating our policies, governance and targets regarding environmental issues which are pertinent to our business. Following the two-degree pledge made at the COP21 Convention on Climate Change in Paris, in 2016 we became the first commercial property company in the world to have its carbon emissions target approved by the Science Based Targets initiative. In November 2019, we announced our commitment to becoming a net zero carbon business by 2030 and we increased the ambition level of our science-based target (SBT), aligning it with a 1.5°C scenario. Our science-based carbon reduction target is a key part of our net zero carbon strategy. In addition to reducing our operational emissions and committing to the procurement of renewable electricity, we're implementing an internal shadow carbon price to drive investment towards cleaner projects. We're also reducing carbon emissions across our construction activities by carefully selecting every raw material we use. Lastly – and this really is the last resort – we'll offset the remaining carbon from our construction impacts. We were also one of the first companies globally to join all three of The Climate Group's RE100, EP100 and EV100 campaigns, a series of commitments for businesses to procure renewable energy, improve energy productivity and invest in electric transport infrastructure. In addition, we are committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), assessing and mitigating climate change risks across our portfolio, as well as providing our stakeholders and investors accurate data and insight about the climate-related risks and opportunities which are relevant to our business. The third pillar of our sustainability programme is sustainable design and innovation. At Landsec, we are committed to understanding the impacts of our buildings so as to ensure that we build and run them as efficiently as possible. We therefore undertake lifecycle assessments on all development projects, considering both the embodied carbon emissions from our supply chain and construction activities, as well as anticipated emissions from a building's operations and the embodied carbon associated with maintenance and repairs over the lifetime of the building. To minimise our construction impacts, we set targets on our embodied carbon emissions from the supply chain on a project-by-project basis and track these through to the completion of our buildings. We also carefully design our buildings to minimise the energy demand of our operations and meet the remaining demand through renewable energy contracts. Our approach effectively embeds resilience into the foundations of our business, ensuring that we continue to be relevant in the long term and deliver on the high expectations of all our customers.	Efficient use of natural resources Climate change & carbon Renewable energy Energy management Waste management Sustainability policy Environment and energy policy Responsible property investment policy Sustainability brief for developments Annual Report pages 38-41

Principle	Landsec's approach	Find out more
	Anti-corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery	The Board has a zero-tolerance policy for bribery and corruption of any sort. We provide regular training to staff on the procedures, highlighting areas of vulnerability, and the policy was reinforced last year through the launch of our Code of Conduct. Our principal suppliers are required to have similar policies and practices in place within their own businesses. Furthermore, the Committee reviews the Group's whistleblowing policy which allows employees to report concerns about suspected impropriety or wrongdoing (whether financial or otherwise) on a confidential basis, and anonymously if preferred. This includes an independent third-party reporting facility comprising a telephone hotline and an alternative online process. Any matters reported are investigated by the Company Secretary and escalated to the Committee, as appropriate. During the year, no whistleblowing incidents were reported through the hotline but some HR grievances were received through other channels. Each year we run a whistleblowing awareness campaign, and the arrangements also form part of the new employee induction programme. The whistleblowing hotline has been included in our Landsec Sustainability Charter for suppliers and is included within our procurement tender documentation. In 2019, we actively sought to increase awareness of our whistleblowing hotline amongst our suppliers.	Risk management Code of conduct Sustainability Charter for suppliers Annual Report pages 78-82
	Women's Empowerment	
	In 2019, we set ourselves new and challenging diversity targets, starting with the ambition for us to have a 50-50 gender balance across the whole organisation by 2025, including our Board and Executive Committee. The Board is supportive of the Lord Davies report and Landsec continues to meet the voluntary targets set by the Hampton/Alexander Review, which requires the representation of women on FTSE 350 Boards and 33% representation on Executive Committee and their direct reports by 2020. We continue to make good progress in terms of diversity. Our percentage of women on the Board stands at 40% (2018: 36%). Further diversity data can be found on pages 29-31 of this report. During the year we launched the 'Landsec Includes' forum. This brings together representatives from our three employee networks (Women, BAME and LGBT) and our Disability Forum. Landsec Includes enables employees to share their experiences working at Landsec and exchange ideas that can enhance Landsec's role as an inclusive employer. To support our approach to inclusive recruitment, this year members of our Executive Committee received unconscious bias training. Working with our Women's network, this year we piloted new training to help employees with their confidence and impact and to manage the conflicting priorities that can occur in modern working life. As with our mentoring programme, this training has been developed with women in mind but will be available to support all employees. Furthermore, we promote women's empowerment and advancing gender equality in the community through our Build Your Future programme, which encourages girls to consider a career in the property and construction industry.	Diversity Maternity Leave Policy Annual Report pages 42-47

Through our sustainability programme, we are confident that we are playing our role in addressing the following UN Sustainable Development Goals (SDGs):

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)[1]. 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 ($MtCO_2e$), indirect GHG emissions ($MtCO_2e$), and GHG intensity (tCO_2e/m^2/year)
- **Energy:** Energy consumption (kWh) and energy intensity (kWh/m^2/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.[2] 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).