

# APPENDICES




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# Our sustainability framework

MATERIAL ISSUES	KEY TARGETS	2023/24 HY PROGRESS			
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<p>Decarbonising our portfolio</p> <p>Enhancing nature and green spaces</p> <p>Using resources efficiently</p>	<p>Achieve net zero emissions by 2040:</p> <p>Near-Term: reduce absolute scope 1, 2 and 3 emissions by 47% by 2030 from a 2020 base year</p> <p>Long-Term: reduce absolute scope 1, 2 and 3 emissions 90% by 2040 from a 2020 base year</p> <p>Reduce average embodied carbon by 50% compared with a typical building by 2030</p>	<p>Progressing our Net Zero Transition Investment Plan, including starting installation of air source heat pumps at first two office sites in December</p> <p>26% reduction in absolute carbon emissions (tCO<sub>2</sub>e) compared with 2020 baseline</p> <p>19% reduction in energy intensity (kWh/m<sup>2</sup>) compared with 2020 baseline</p> <p>Tracking an average 45% reduction in upfront embodied carbon across development pipeline</p> <p>44% of office portfolio rated EPC B or above</p> <p>Zero waste sent to landfill with 69% of operational waste recycled</p>	<p>Creating opportunities and tackling local issues</p> <p>Inclusive places</p> <p>Improving wellbeing</p>	<p>Empower 30,000 people facing barriers into employment with the skills and opportunities to enter the world of work by 2030 from 2020 baseline</p> <p>Create £200m of social value in our local communities by 2030 from 2020 baseline</p>	<p>Launched Landsec Futures fund to invest £20m over the next decade to enhance social mobility in our industry</p> <p>7,925 people supported since 2020 baseline</p> <p>£27m social value created since 2020 baseline</p> <p>Launched our refreshed Diversity &amp; Inclusion Strategy</p>
<p>Embedding ESG</p> <p>Doing the basics brilliantly</p>	<p>All Landsec colleagues to have individual objectives to support the delivery of our vision</p> <p>Build relationships with our strategic suppliers to enhance sustainable practices throughout our supply chain</p>	<p>Landsec colleagues committed to setting sustainability objectives as part of our updated, mandatory Introduction to sustainability training</p> <p>174 suppliers have signed up to Our Supply Chain Commitment, committing to work with us and address key sustainability issues</p>			

# Sustainability leadership

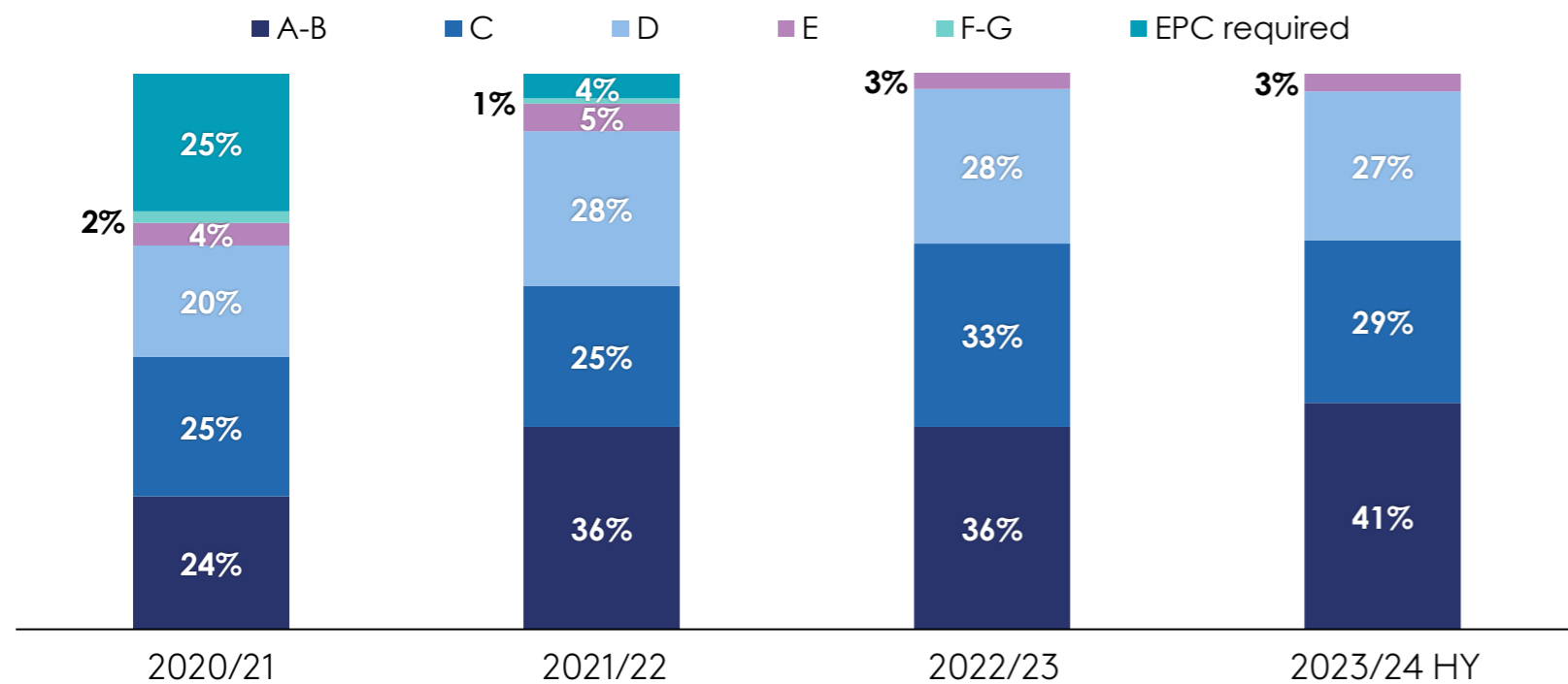
## Demonstrated by our performance across all key ESG benchmarks

Benchmark	Latest performance	Benchmark	Latest performance
 <p><b>GRESB</b> REAL ESTATE sector leader 2023</p>  <p><b>GRESB</b> ★★★★★ 2023</p>	<p><b>GRESB 2023</b> Real Estate Sector leader: 5-star rating for the eighth consecutive year</p> <p>Standing Investments: Regional Listed Sector Leader for Europe within Diversified – Office/Retail (score 89%)</p> <p>Developments: Global Sector Leader Offices (score 99%)</p>	 <p><b>EPRA SBPR</b> GOLD</p>  <p><b>FTSE4Good</b></p>  <p>Corporate ESG Performance RATED BY <b>ISS ESG</b> Prime</p> <p><b>Moody's Analytics</b></p>  <p><b>MSCI</b> ESG RATINGS AA</p> <p>CCC B BB BBB A AA AAA</p>  <p><b>SUSTAINALYTICS</b> a Morningstar company</p>	<p><b>EPRA 2023</b> Received our 10<sup>th</sup> Gold Award for best practice sustainability reporting</p> <p><b>FTSE4Good 2023</b> 97<sup>th</sup> percentile We continue to retain our established position in the FTSE4Good Index</p> <p><b>ISS ESG 2023</b> Prime status. Rating B- Decile rank 1/transparency level: very high</p> <p><b>Moody's Analytics 2023</b> 62/100 Financial Services – Real Estate Europe sector average score: 41/100</p> <p><b>MSCI ESG Rating 2022</b> AA rating</p> <p><b>Sustainalytics ESG Risk Rating 2023</b> 9.2 (negligible risk) Included in 2023 Top-Rated ESG Companies List</p>
 <p><b>CDP</b> DISCLOSURE INSIGHT ACTION <b>A LIST</b> 2022 <b>CLIMATE</b></p>	<p><b>CDP 2022</b> A-list (top 1.5%) for the sixth consecutive year 2023 results will be released in early 2024</p>		
<p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</p>  <p>Land Securities Group Plc Equity Real Estate Investment Trust <b>S&amp;P Global CSA Score 2023</b> A key component of the S&amp;P Global ESG Score <b>83</b> /100 As of 31 October 2023 The S&amp;P Global Corporate Sustainability Assessment (CSA) Score is the S&amp;P Global ESG Score, which is the result of an ongoing assessment. Company scores will be announced in 100 days of the year-end. Learn more at <a href="https://www.spglobal.com/esg">spglobal.com/esg</a> S&amp;P Global Sustainable1</p>	<p><b>DJSI 2023</b> Score 83/top 100<sup>th</sup> percentile (as of 27 October 2023)</p> <p>Sustainability Yearbook Member 2023 (top 15% of the real estate industry)</p>		

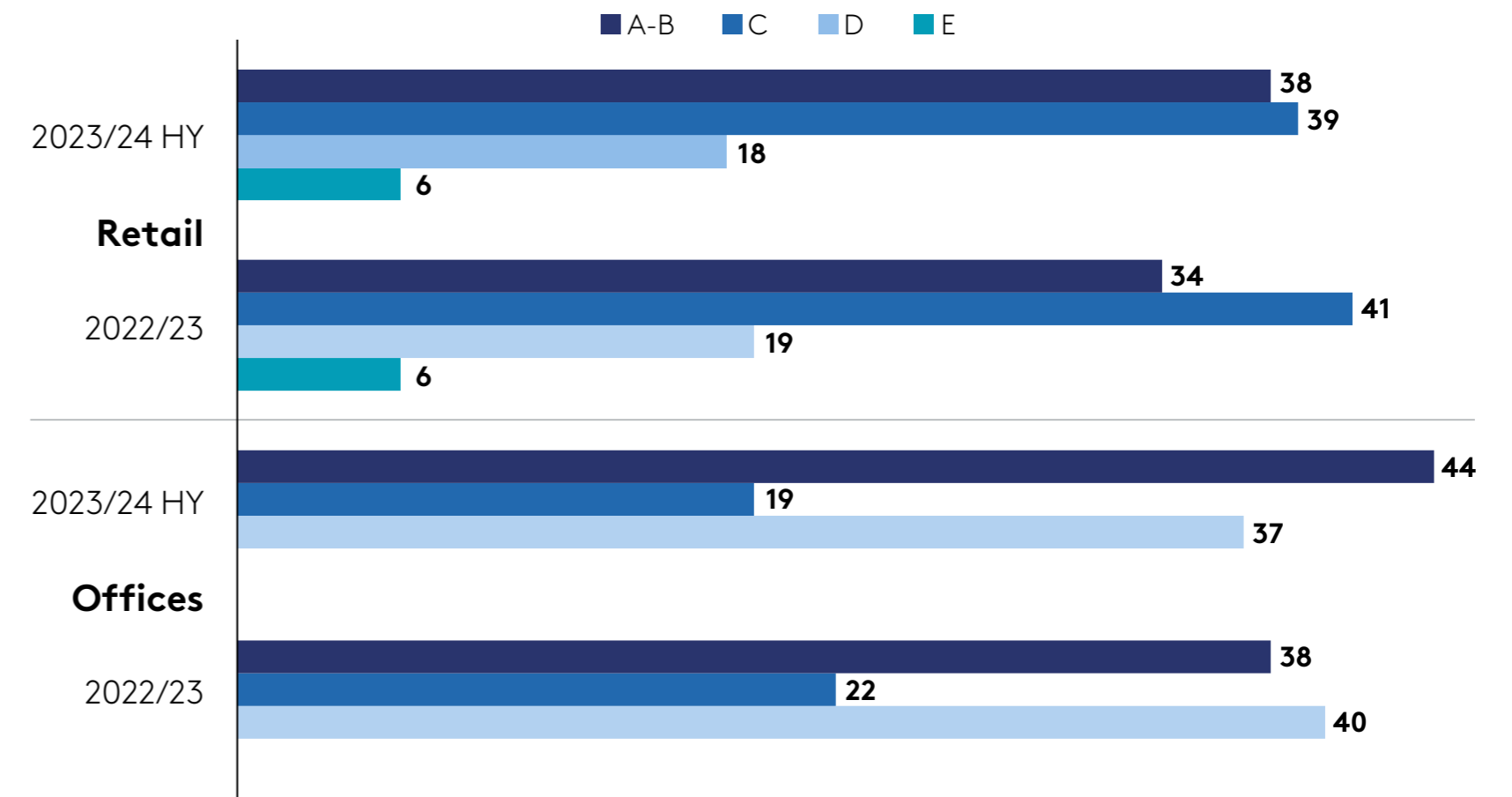
# Minimum Energy Efficiency Standards (MEES)

- › 100% compliant with 2023 MEES regulations requiring all non-domestic rented properties to achieve an EPC 'E' or above
- › EPC 'B' across portfolio +5pp since March due to completion of Lucent and n2 within Workplace and new EPC assessments across retail

Portfolio EPC rating (ERV) <sup>(2)</sup>



EPC rating by property type (ERV) <sup>(2)</sup>



- › 44% of office portfolio is already EPC 'B' or above, which would have been 53% if we had not sold 21 Moorfields and 1 New Street Square last year, compared to 23% of the London market <sup>(1)</sup>
- › Our Net Zero Transition Investment Plan will see 50% of our office portfolio reach EPC B by 2025 through the installation of air source heat pumps

(1) Source: BNP

(2) EPC data excludes spaces that are not required to have EPC, spaces designated for development, spaces with a registered EPC exemptions or spaces not covered by MEES regulations such as assets located in Scotland

# Valuation movements

## As at 30 September 2023

	Market value 30 Sept 2023	Valuation change	LFL ERV change	EPRA net initial yield	EPRA topped-up net initial yield <sup>(1)</sup>	Equivalent yield	LFL movement in equivalent yield	EPRA occupancy
	£m	%	%	%	%	%	bps	%
West end offices	2,578	-3.1	4.7	4.8	5.6	5.4	31	99.6
City offices	1,221	-9.3	1.0	3.9	4.8	5.8	51	92.1
Retail and other	1,039	-1.4	3.4	4.4	4.6	4.9	22	95.5
Developments	1,364	-4.9	n/a	0.0	1.8	5.0	n/a	n/a
<b>Total Central London</b>	<b>6,202</b>	<b>-4.5</b>	<b>3.3</b>	<b>4.5<sup>(2)</sup></b>	<b>5.2<sup>(2)</sup></b>	<b>5.3</b>	<b>33</b>	<b>96.5</b>
Shopping centres	1,206	0.1	1.6	8.0	8.6	8.1	13	94.7
Outlets	665	-3.8	0.9	6.7	6.7	7.4	20	93.6
<b>Total Major retail destinations</b>	<b>1,871</b>	<b>-1.3</b>	<b>1.4</b>	<b>7.5</b>	<b>7.9</b>	<b>7.8</b>	<b>16</b>	<b>94.3</b>
Completed investment	355	-9.7	0.6	6.0	6.1	6.8	52	95.6
Developments	473	-3.6	n/a	5.4	5.3	5.8	n/a	n/a
<b>Total Mixed-use urban</b>	<b>828</b>	<b>-6.2</b>	<b>0.6</b>	<b>6.0<sup>(2)</sup></b>	<b>6.1<sup>(2)</sup></b>	<b>6.1</b>	<b>52</b>	<b>95.6</b>
Leisure	424	-2.7	1.8	8.6	8.8	8.7	17	96.9
Hotels	404	1.7	5.2	6.9	6.9	6.7	5	n/a
Retail parks	417	-0.6	0.8	6.7	7.0	6.6	21	97.1
<b>Total Subscale sectors</b>	<b>1,245</b>	<b>-0.6</b>	<b>2.4</b>	<b>7.4</b>	<b>7.5</b>	<b>7.3</b>	<b>13</b>	<b>97.9</b>
<b>Total Combined Portfolio</b>	<b>10,146</b>	<b>-3.6</b>	<b>2.5</b>	<b>5.7<sup>(2)</sup></b>	<b>6.2<sup>(2)</sup></b>	<b>6.1</b>	<b>29</b>	<b>96.0</b>

(1) Topped-up net initial yield adjusted to reflect the annualised cash rent that will apply at the expiry of current lease incentives

(2) Excluding developments

# Rent reviews and lease expiries and breaks<sup>(1)</sup>

## Excluding developments

	Outstanding	2023/24	2024/25	2025/26	2026/27	2027/28	Total to 2028
	£m	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to review	114	39	26	39	28	21	267
<b>Gross reversion under lease provisions</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>(1)</b>	<b>1</b>	<b>2</b>	<b>15</b>

	2023/24	2024/25	2025/26	2026/27	2027/28	Total to 2028
	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to expiries or breaks <sup>(3)</sup>	47	54	55	89	47	292
ERV	47	52	53	67	47	266
<b>Potential rent change</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>	<b>(22)</b> <sup>(2)</sup>	<b>-</b>	<b>(26)</b>
<b>Total reversion from rent reviews and expiries or breaks</b>						<b>(11)</b>
Vacancies and tenants in administration <sup>(4)</sup>						30
<b>Total</b>						<b>19</b>

(1) This is not a forecast and takes no account of increases or decreases in ERV before the relevant review dates

(2) Includes £21m incremental lease income at Queen Anne's Mansions which will expire by Dec 2026. Excluding this, the 2026/27 potential rent change is £2m

(3) Rents passing from leases subject to expiries or breaks does not include any lease where a reversion is expected from a rent review before the expiry or break date

(4) Excludes tenants in administration where the administrator continues to pay rent

# Office-led development / major refurbishment returns

		<b>Thirty High, SW1</b>	<b>Timber Square, SE1</b>
Status		On site	On site
<b>Estimated completion date</b>		<b>Aug 2025</b>	<b>Dec 2025</b>
Description of use		Office – 89% Retail – 11%	Office – 93% Retail – 7%
Landsec ownership	<b>%</b>	100	100
Size	<b>sq ft (000)</b>	299	376
Letting status	<b>%</b>	-	-
Market value	<b>£m</b>	196	114
Net income / ERV	<b>£m</b>	30	30
Total development cost (TDC) to date	<b>£m</b>	189	122
Forecast TDC	<b>£m</b>	407	408
Gross yield on cost	<b>%</b>	7.4	7.3
Valuation surplus /(deficit) to date	<b>£m</b>	6	(8)
Market value + outstanding TDC	<b>£m</b>	413	400
Gross yield on market value + outstanding TDC	<b>%</b>	7.2	7.5



# Pipeline of office-led development opportunities

		Liberty of Southwark, SE1	Red Lion Court, SE1	Nova Place, SW1	Old Broad Street, EC2	Hill House, EC4	Southwark Bridge Road, SE1
Status		Planning consent granted	Planning consent granted	Design	Planning application	Planning application	Design
<b>Earliest start date</b>		<b>H2 2024</b>	<b>H2 2024</b>	<b>2025</b>	<b>2025</b>	<b>2026</b>	<b>2025</b>
Description of use		Office – 82% Retail – 6% Residential – 12%	Office – 96% Retail – 4%	Office – 98% Retail – 2%	Office – 95% Retail – 5%	Office – 96% Retail – 4%	Office – 87% Retail – 13%
Landsec ownership	<b>%</b>	100	100	100	100	100	100
Current annualised rental income	<b>£m</b>	-	-	-	4.3	-	-
Current size	<b>sq ft (000)</b>	-	128	-	100	166	79
Proposed size	<b>sq ft (000)</b>	225	250	40	290	380	150

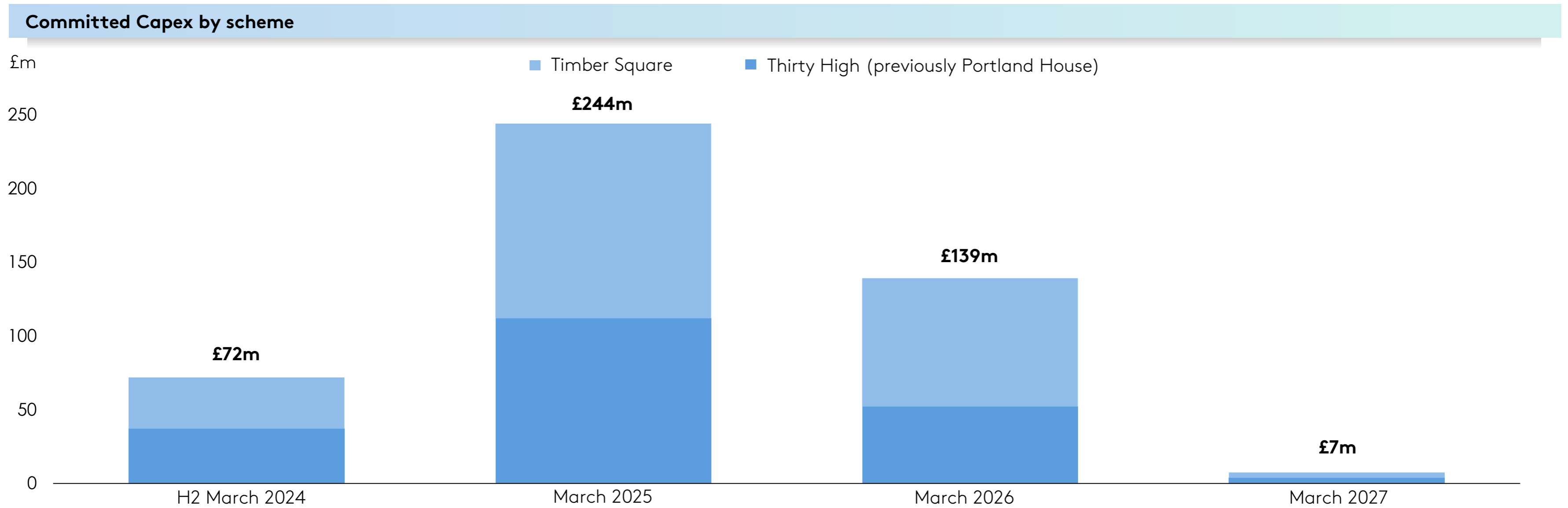
# Mixed-use urban neighbourhoods' development pipeline

	Ownership	sq ft (NIA)	Planning status	Earliest start on site	Number of blocks	Estimated completion of phase 1	Total scheme		
							Estimated scheme completion	Indicative TDC	Target yield on cost <sup>(1)</sup>
<b>Near-term pipeline</b>	<b>%</b>	<b>(000)</b>						<b>£m</b>	<b>%</b>
Mayfield, Manchester	50-100	2,500	Consented	2024	18	2026	2034	800 – 950	7 – 8
Finchley Road, NW3	100	1,400	Consented	2024	10	2027	2035	950 – 1,050	6 – 7
<b>Medium-term pipeline</b>	<b>%</b>	<b>(000)</b>						<b>£m</b>	<b>%</b>
MediaCity, Greater Manchester	75	1,900	Consented	2025	8	2027	2032	600 – 700	7 – 8
Buchanan Galleries, Glasgow	100	-	Design	2025	-	-	-	-	-
Lewisham, SE13	100	-	Design	2026	-	-	-	-	-

Note: All financial data is Landsec share  
 (1) Yield on cost excludes affordable housing

# Committed capital expenditure on pipeline

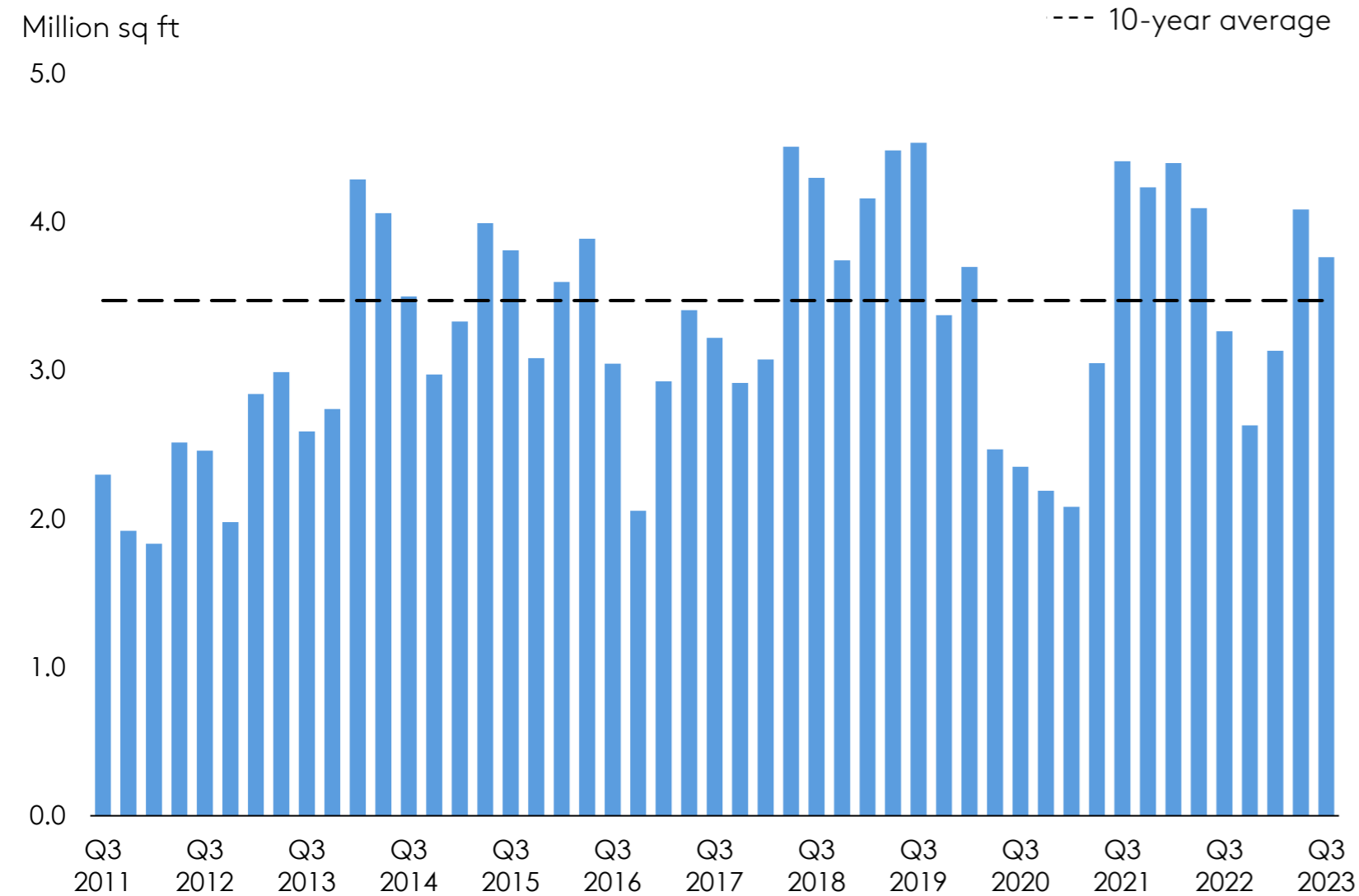
› £462m committed capex on our two committed development / major refurbishment schemes, delivering £60m ERV



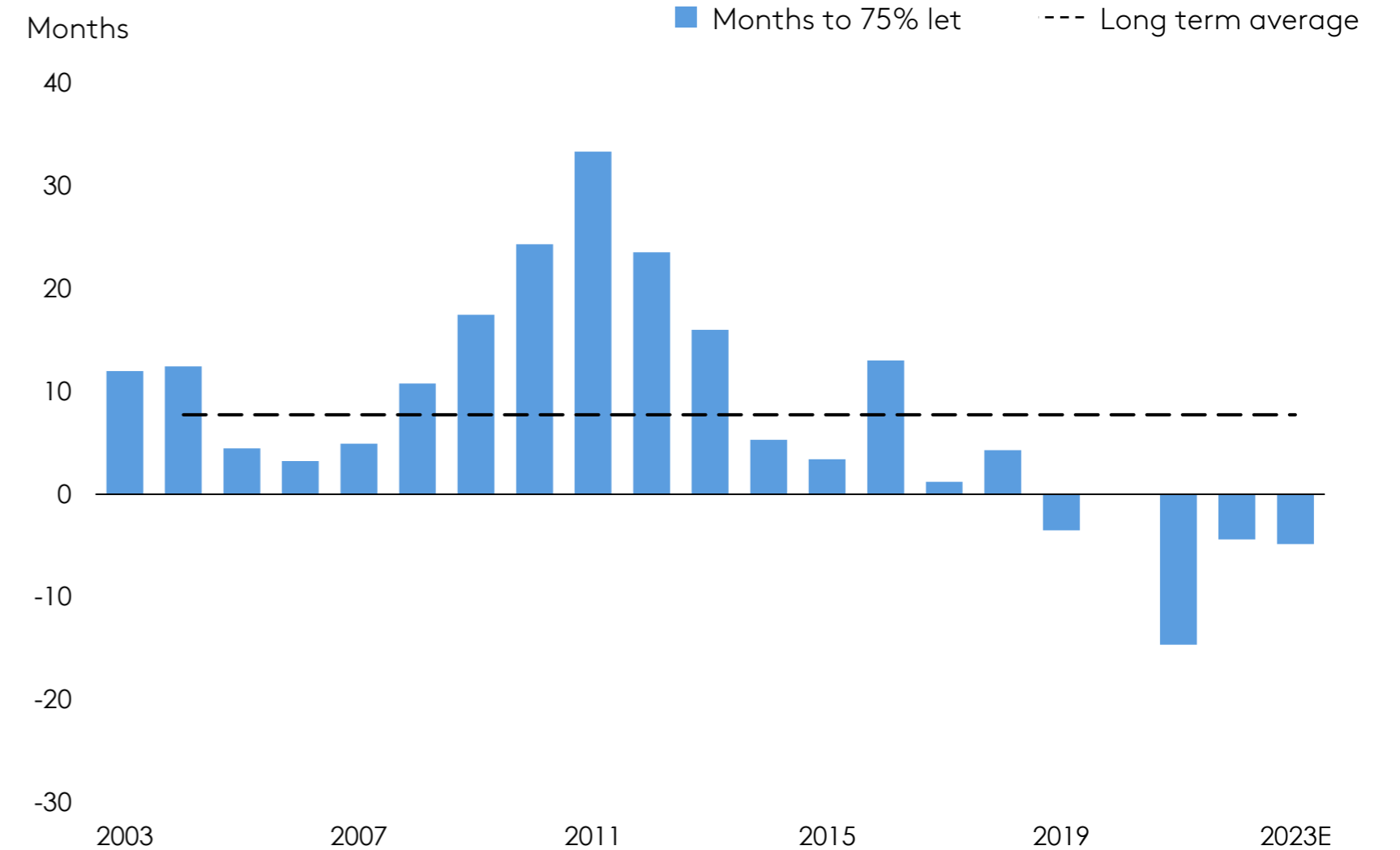
# Central London office – demand

Demand remains for best quality new stock

Space under offer



Letting pace of London Office new developments Pre/Post PC

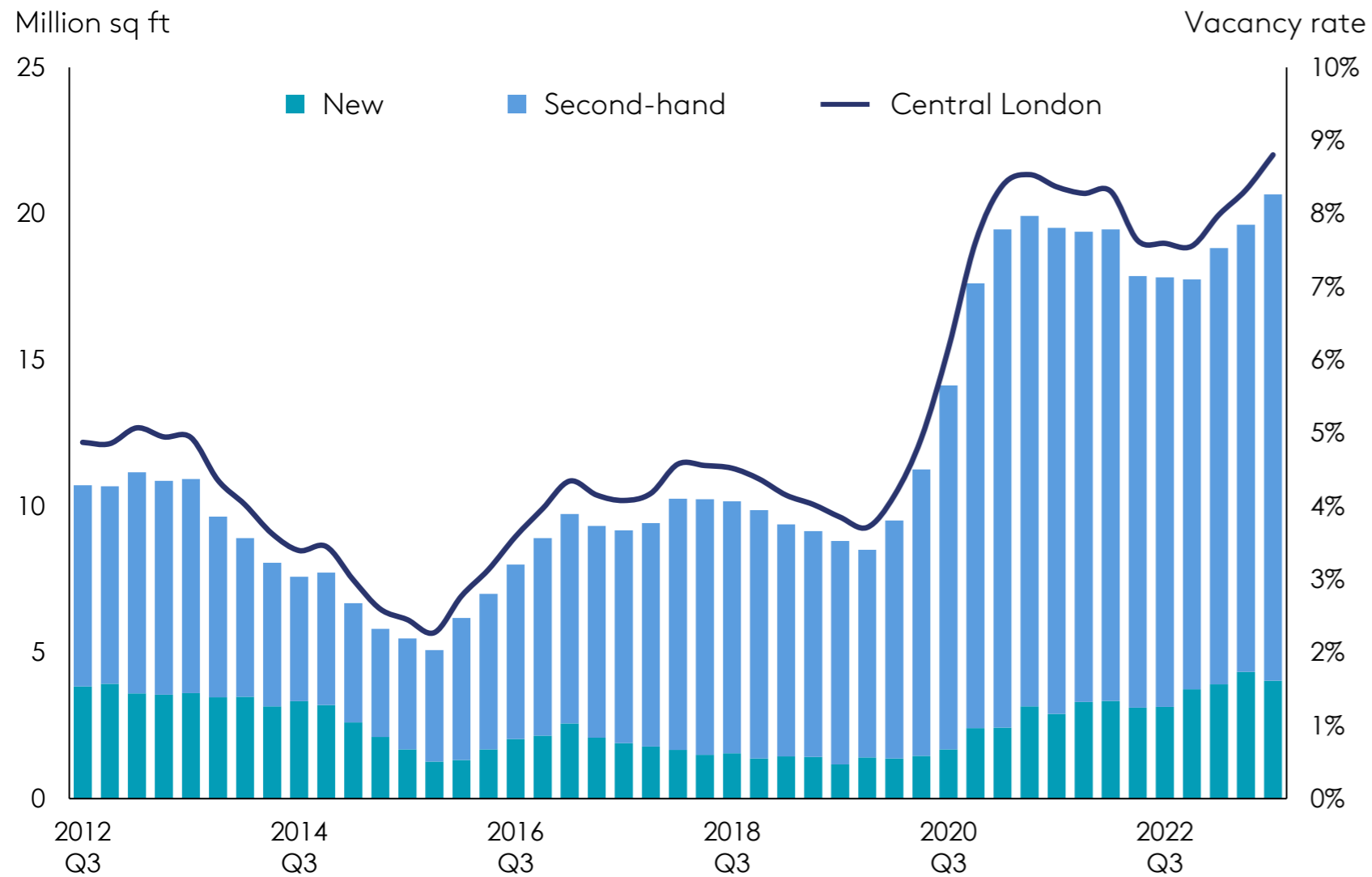


Source: CBRE

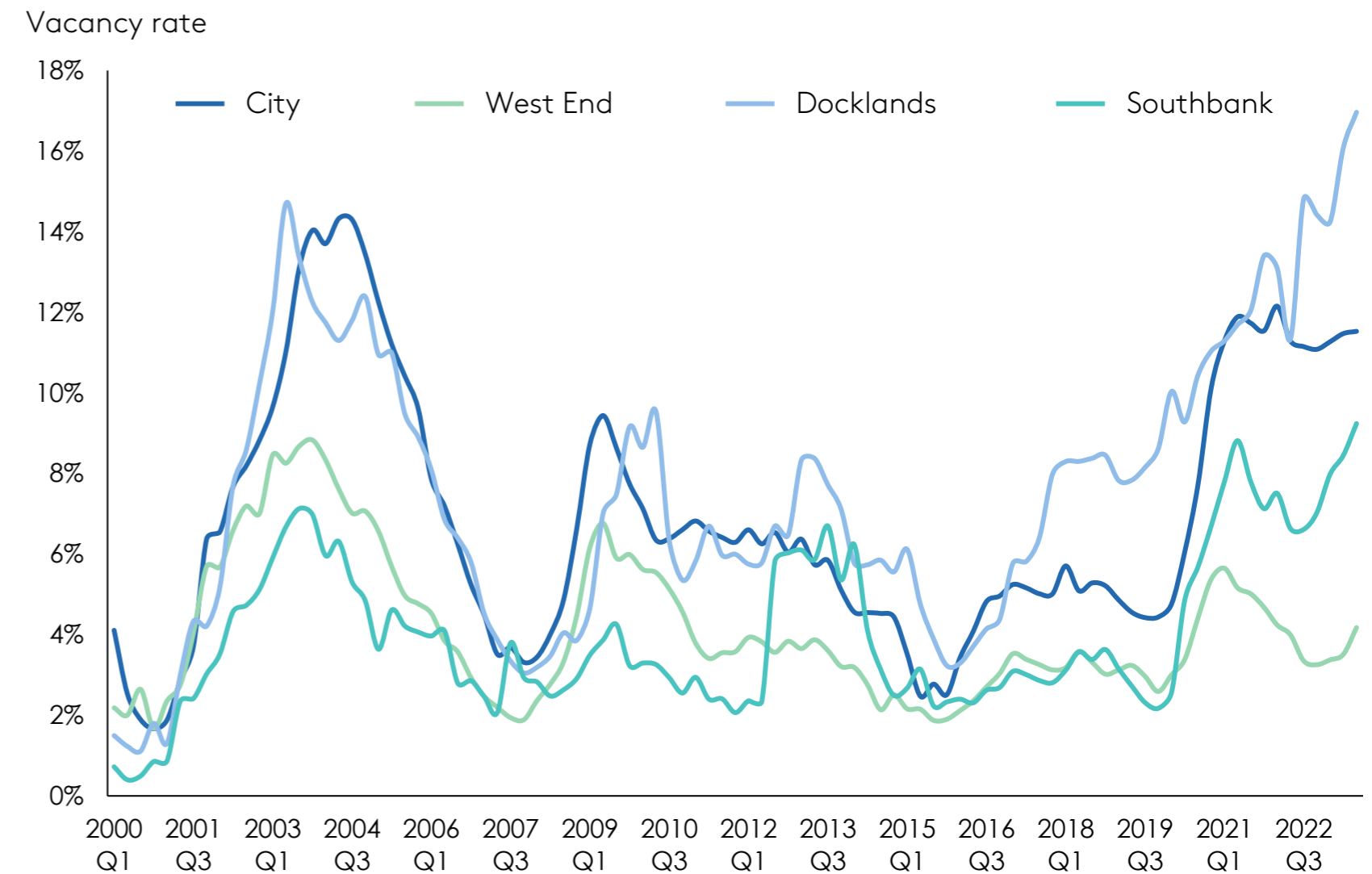
# Central London office – vacant space

Significant divergence between Grade A stock and the rest

Central London availability, new and second-hand (LHS) vs vacancy

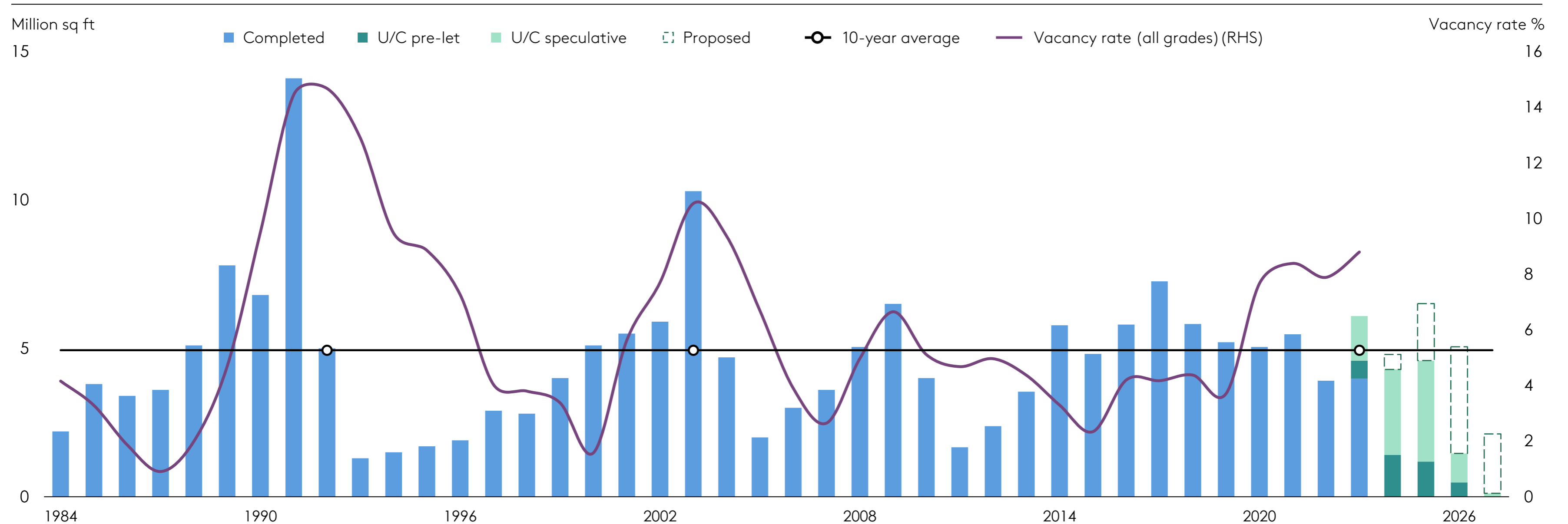


Vacancy rate — by submarket and grade



# Central London supply

14m sq ft under construction of which 39% is already pre-let / ISH



Source: CBRE, Knight Frank, Landsec; shows calendar years

(1) Completions/under construction and vacancy rate as at September 2023. From 2017, supply pipeline monitors schemes above 20,000 sq ft

(2) Vacancy rate is expressed as vacant space as a percentage of total stock

# Important notice

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This presentation may contain certain 'forward-looking' statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

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