

Independent Assurance Statement to Land Securities Group PLC Management

Scope

We have been engaged by Land Securities Group PLC ("Landsec" or "the Group") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Landsec's selected performance data and qualitative statements (together the "Subject Matter") for the year ended 31 March 2023 in the 'Our approach to sustainability', 'Build well', 'Live Well' and 'Act Well' sections of the Strategic Report; sustainability content in the 'Additional Information' section of the Group's 2023 Annual Report and Accounts; and the online Sustainability Performance and Data Report 2023 (the "Reports").

The 'Subject Matter' includes the following selected performance data:

| Topic | KPI |
|--------------------------|---|
| Waste | <ul style="list-style-type: none">Operational waste diverted from landfill (tonnes), and percentage of operational waste recycledConstruction waste (tonnes)Percentage of construction waste recycled and diverted from landfill |
| Greenhouse gas emissions | <ul style="list-style-type: none">Direct GHG emissions (tCO₂e), includes the review of:<ul style="list-style-type: none">Scope 1 emissions related to refrigerant gasesScope 1 emissions related to natural gas usageIndirect GHG emissions (tCO₂e), includes the review of:<ul style="list-style-type: none">Scope 2 emissions (location-based and market-based)Scope 3 emissions related to all disclosed categoriesGHG intensity from energy (KgCO₂e/m²) |
| Energy | <ul style="list-style-type: none">Energy consumption (kWh), includes the review of:<ul style="list-style-type: none">Energy from landlord-obtained fuelsEnergy from landlord-obtained electricityEnergy from landlord-obtained heating & coolingProportion of electricity from renewable sources (%)Energy intensity (kWh/m²/year) |
| Safety | <ul style="list-style-type: none">Number of reportable RIDDOR incidents for Landsec's managed portfolioNumber of reportable RIDDOR incidents for Landsec's developments |
| EPRA and TCFD | <ul style="list-style-type: none">Selected content disclosures relating to EPRA guidelines and TCFD metrics (Energy/Fuel and GHG emissions categories) that are aligned to the specific sustainability Key Performance Indicators (KPIs) identified above |

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| Social Value | <ul style="list-style-type: none"> Total social value created through our community programmes during the year (£) |
| Water | <ul style="list-style-type: none"> Total landlord-obtained water (m³) |
| Statements and assertions | <ul style="list-style-type: none"> Up to 40 selected claims in the narrative disclosures in the Reports, selected on a risk basis. |

The selected statements within the Group's 2023 Annual Report and Accounts that are included within the Subject Matter are included in Appendix 1 of our Assurance Statement.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Reports, and accordingly, we do not express a conclusion on this information.

Criteria applied by Land Securities Group PLC

In preparing the Subject Matter, the Group applied its Sustainability Reporting Methodology as set out in the Sustainability Performance and Data Report 2023 ('the Criteria').

Land Securities Group PLC's responsibilities

The Group's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000' Revised), and the terms of reference for this engagement as agreed with the Group on 10th February 2023. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management Control 1, *Quality Control Management for Firms that Perform Audits and or Reviews of Financial Statements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

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

- Interviewed a selection of the Group's management to understand the governance and accountability of relevant sustainability performance as it relates to the Subject Matter; objectives and priorities for embedding and managing Landsec sustainability priorities and the progress against these; and processes for reporting progress.
- Conducted site visits with Nova and St David's to understand how the sustainability agenda is being managed at development and site level.
- Examined data samples and processes at group level to assess whether sustainability performance data relating to the Subject Matter have been collected, consolidated and reported accurately.
- Interviewed staff responsible for guidance on data reporting, managing data systems, review and quality assurance activities, and presentation of the data in Landsec's sustainability reporting.
- Interviewed data coordinators and carried out the following activities:
 - Discussed the quality assurance performed and subsequent revisions to the data;
 - Walked-through data reported from a sample of sites to test consolidation;

- Discussed any explanations provided for significant variances with data from previous reporting periods; and
- Reperformed calculations to check the accuracy of the Subject Matter reported.
- Selected a sample of data points from across the business and sought documentary evidence to support the data.
- Assessed whether the Criteria (referenced in the Sustainability Performance and Data Report 2023), for the Subject Matter have been consistently applied to the data.
- Challenged sustainability performance disclosures to assess content for consistency with observations made of processes and progress.
- Analysed information or explanations about selected statements and assertions regarding the sustainability performance of the Group.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 31st March 2023, in order for it to be in accordance with the Criteria.

Restricted use

This statement is intended solely for the information and use of Land Securities Group PLC and is not intended to be and should not be used by anyone other than the Group.

Ernst & Young LLP

15th May 2023

London

Appendix 1: Selected statements within the Reports, forming part of the Subject Matter

We list the selected statements, with the words underlined, that have been subject to the procedures described in the procedures performed within our Assurance Statement.

Where the statements selected contain quantitative information, our procedures performed were the review of supporting evidence to assess whether the statements are fairly stated. Our procedures did not assess the completeness and accuracy of the underlying data, to the degree that we assess the selected performance data, forming the other part of our Subject Matter.

| Page Number | Statement within the Group's Reports |
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| 032 | <u>We aim to pay fairly and competitively</u> , and recognise and reward high performance. |
| 033 | <u>75% of our colleagues responded, with an overall engagement score of 77% across the business.</u> |
| 033 | The survey identified strengths in our clear purpose and the quality of our portfolio as well as strong interpersonal relationships. <u>Each business area has created a plan detailing what they will do to address the points where we can improve performance.</u> |
| 033 | Supporting our commitment to diversity and inclusion – <u>28 women have completed our female-focused development programme Thrive, with a further 14 having just started a new programme.</u> |
| 034 | To support greater leadership diversity, <u>we have introduced a new inclusive-recruitment process for senior-leader level and above.</u> This will involve de-biasing role descriptions, mandating ethnic and gender diversity on shortlists, and including an employee panel in the assessment process. |
| 034 | <u>We are implementing a D&I procurement and supply chain strategy with three core objectives, increasing the diversity of our supply chain, improving D&I practices within our supply chain, and working with suppliers who can support us in delivering our strategy.</u> |
| 035 | <u>Diversity charts: Gender by level (%), Ethnicity by level (%), Whole organisation by sexual orientation (%), Whole organisation by disability (%)</u> |
| 036 | <u>Gender pay gap: Our mean gender pay gap, Our median gender pay gap</u> |
| 036 | <u>Ethnicity pay gap: Our mean Ethnicity pay gap, Our median Ethnicity pay gap</u> |
| 037 | Despite some challenging considerations over the last 12 months, <u>turnover has remained stable and consistent with the last financial year. We have undergone only very marginal changes in voluntary and involuntary turnover, in line with our expectations, which is a positive outcome when viewed in the context of challenging macro factors presenting significant economic and cultural challenges.</u> |
| 037 | We have also continued to focus in a big way on developing our own internal pipeline of talent with great skills, behaviour and capabilities. This has resulted in <u>35 internal promotions, 21 of whom were female appointments.</u> |
| 038 | <u>25 office occupiers engaged to identify opportunities to reduce energy consumption by 20-30%.</u> |

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| 038 | <u>36% reduction in upfront embodied carbon compared to traditional construction methods achieved at The Forge, SE1. Our first net zero carbon building and the first commercial building to be designed and built using a platform approach to design for manufacture and assembly.</u> |
| 038 | <u>33% reduction in energy intensity from 2013/14 baseline, so we remain on track to achieve a 45% reduction by 2030.</u> |
| 038 | <u>100% Of our portfolio is compliant with the 2023 Minimum Energy Efficiency Standard (MEES) of EPC E and 36% of our portfolio already at EPC B or higher - the proposed MEES for 2030.</u> |
| 038 | <u>55% reduction in carbon emissions (tCO2e) compared with 2013/14 baseline, on track to meet carbon-reduction target of 70% by 2030.</u> |
| 038 | <u>7,067 people facing barriers in our communities supported towards the world of work, and £25.1m of social value created, since 2020</u> |
| 038 | <u>Updated our carbon-reduction targets to align with the Net-Zero Standard from the Science Based Targets initiative (SBTi), committing to achieve net zero by 2040.</u> |
| 038 | <u>Committed £20m to enhance social mobility and create pathways for people from underrepresented backgrounds into our industry through Landsec Futures.</u> |
| 039 | <u>We expect the plan to remove 24,000 tonnes of carbon emissions from Landsec's operations.</u> |
| 039 | <u>We are making excellent progress with our plan, spending over £2m in 2022/23 on the following initiatives:</u> <ul style="list-style-type: none"> <u>• Moving to cleaner sources of energy, replacing gas-fired boilers with air-source heat pumps.</u> <u>• Optimising building management systems, ensuring they operate in accordance with the way buildings are occupied. We're testing predictive and self-adaptive AI technology to optimise heating, ventilation and air-conditioning systems at our Head Office. We predict this will contribute to energy reductions of up to 10%.</u> <u>• Increasing the capacity of onsite renewable energy, installing solar panels at eight of our retail sites. This year we carried out 6 air-source heat pump feasibility studies and 7 renewable energy feasibility studies.</u> <u>• Replacing all fluorescent lighting with LEDs.</u> |
| 039 | <u>For Landsec, 40% of our total emissions comes from capital goods which include our construction activities.</u> |
| 040 | <u>In addition to its net zero credentials, The Forge has the following sustainability features: 18.4% reduction in primary steelworks compared to traditional steel frame.</u> |
| 040 | <u>We have again procured 100% renewable electricity as part of our ongoing commitment to RE100; a global group of large companies that will use only 100% renewable power.</u> |
| 040 | <u>We will enhance nature and biodiversity across our portfolio, targeting a 25% biodiversity net gain across our operational sites that currently offer the greatest potential, and effectively targeting 15% biodiversity net gain at all of our new developments.</u> |
| 040/041 | <u>Across our retail sites we have replaced hedgerows with native</u> |

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| | species at White Rose, Leeds, planted trees as part of the Queens Green Canopy at Gunwharf Quays, and introduced a beehive with 35,000 honey bees at Lewisham Shopping Centre. |
| 041 | Over the last year, we have undertaken water-management assessments across assets under our operational control, to help shape our water strategy for both our office and retail portfolios. |
| 041 | In 2022/23 we continued to divert 100% of waste from Landfill and recycled 68% of operational waste (2021/22 71%). |
| 041 | On our development schemes, we work closely with our supply chain, including carbon consultants in the design team from the very start to guide decisions on the most carbon-efficient solutions. Additionally, our Materials Brief sets out the requirements for common materials used across our schemes, considering health impacts, responsible sourcing, carbon and resource efficiency. |
| 041 | We continue to source all our construction materials from ethical sources. (materials with a responsible sourcing certification). |
| 042 | Our site teams across the UK continue to work with community organisations to support people affected by the cost-of-living crisis, providing support to some of the most vulnerable in society. This includes: <ul style="list-style-type: none"> • the White Rose team supporting the work of the Leeds South and Rethink Food Bank • introducing the CommUNITY Space at Lewisham Shopping Centre, providing a warm space for those who need it |
| 042 | In May 2022, we announced our commitment to enhance social mobility in the real estate industry and the places where we invest, committing £20m from 2023/24 - 2033/34. To achieve this, in April 2023 we launched Landsec Futures, which will provide support through industry and local programmes. |
| 042 | To ensure we continue to maximise the wellbeing of those who occupy our buildings, in April 2023 we submitted evidence for WELL portfolio certification for four assets: 80-100 Victoria Street, Dashwood House, Zig Zag Building and One New Change. |
| 043 | Across our operational portfolio, every asset has its own BWLWAW plan that identifies the ESG themes relevant to the site, and what it will do to support achieving our corporate ESG commitments and targets. |
| 043 | Ensuring every colleague takes responsibility for achieving our sustainability vision, we link a proportion of our remuneration to achieving our energy and carbon targets, and we ask 100% of our colleagues to set an annual objective demonstrating how they contribute to our sustainability commitments. |
| 043 | 51% of our emissions emanate from our supply chain. |
| 043 | 100% of our strategic partners align with our sustainability requirements and are working with us for a sustainable future, with 93% signing up to our commitment to date. |
| 043 | All high-rise residential buildings above 11 metres in our portfolio have been examined by independent fire engineers to ensure they remain safe for occupation and meet stringent new building regulations, with design principles aligned with requirements of the Building Safety Act mandated on all future schemes. |

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| 045 | <u>In 2016, we were the first property company in the world to have its carbon-emissions target approved by the Science Based Targets initiative (SBTi). Since then, we have reduced emissions, and achieved our original science-based target (SBT) in 2019, 11 years ahead of our 2030 target date.</u> |
| 045 | <u>The Board receives reports on our sustainability and climate-related performance twice per calendar year, and this year has focused on the progress of our transition plans, embedding our new sustainability framework across the business and monitoring performance of our SBT and embodied-carbon commitments.</u> |
| 046 | <u>To support our strategy and further establish sustainability throughout the business, we have created our Green Financing Framework, enabling us to issue green bonds. It describes the types of projects eligible, the process for selecting and allocating projects, management of proceeds and reporting in support of our climate-transition aims. It has been third party assured and aligns with the Green Bond Principles 2021 and Green Loans Principles 2021 administered by ICMA and LMA respectively.</u> |
| 046 | <u>Our commitment to addressing climate risk runs throughout the business, with climate-related targets linked to a proportion of our bonus remuneration, including our science-based carbon reduction target, energy efficiency and embodied carbon from new developments.</u> |
| 047 | <u>Short-term (<1 year) <2 degree scenario: Low physical risks as only a small proportion of our portfolio (2.5% VaR) is exposed to aggregated physical risk (extreme cold, extreme heat, flooding, windstorms and wildfire). The most significant physical risk to our portfolio is from coastal flooding (1.8% VaR). >4 degree scenario: Low physical risks as only a small proportion of our portfolio (5.4% VaR) is exposed to aggregated physical risk. The most significant physical risk to our portfolio is from coastal flooding (4.1% VaR).</u> |
| 049 | <u>We engage carbon consultants on each of our developments. These become part of our design team from the very onset of the process. Alongside the guidance from our internal teams, their role is to guide decision-making towards the most carbon-efficient solution, balancing upfront carbon with whole-life carbon, to ensure our design decisions do not affect the longer-term carbon impacts of our assets negatively. All whole-life carbon models align with the RICS guidance Whole life carbon assessment for the built environment first edition, November 2017.</u> |
| 049 | <u>We track embodied carbon throughout the design evolution of a building and during construction, and we receive twice-yearly updates to the model based on actual material quantities brought to site and emissions from site. At the end of a project, we receive an 'as-built' model, which represents the actual upfront carbon emissions of the project. We then purchase high-quality carbon offsets that comply with the UKGBCs 8 Principles for Offsetting.</u> |
| 050 | <u>Across our operational portfolio, assets in areas highly exposed to physical risks have developed plans to ensure that adequate protection and mitigation are in place, including business-continuity and emergency-response plans.</u> |
| 050 | <u>Strong and increasing market demand for net zero properties, especially in the office market is outstripping supply, which will likely lead to rent and value premia for these assets.</u> |

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| 050 | <u>Our Responsible Property Investment Policy details how we assess climate risks during the sale and acquisition of assets.</u> |
| 050 | <u>We are active participants of industry groups, including the Better Buildings Partnership, British Property Federation and UKGBC and work with members to accelerate change.</u> |
| 051 | Metrics table. |