

Social review

Here we set out what we've been doing this year to make sure our business creates lasting value for society through the way we work with our employees, customers, partners and communities.

Creating social value

We don't believe anyone should be defined by their background, or by any barriers they face. Our ambition is to create opportunities, through our social sustainability programmes, for people from our communities, improving social mobility and ensuring we have a diverse industry with the skills we need now, and for the future.

That's why we're measuring the social value we generate through our programmes. This allows us to quantify the positive impact we're having and target our work to where we can make a difference. Last year we published Our Social Contribution, a report that outlined where we are creating the most social value. We continue to focus on groups including young people from diverse socio-economic backgrounds, prisoners and ex-offenders, and people experiencing homelessness.

Our social contribution

£25m

of social value to be created through our programmes by 2025

£4.8m+

of social value created this year

3,400

people benefited from our volunteering programme

95%

of students surveyed reported they feel more prepared for the labour market



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

Working with The Social Value Portal and our community partners, we're aiming for an ambitious target of generating £25m of social value through our programmes by 2025. This year we achieved our year's target of creating over £4.8m of social value.

In planning our future development activity, we're looking to consider social value across the whole portfolio.

Community employment

Our community employment programme is helping address socio-economic challenges that affect people living in our communities. Working with industry partners and customers, we continue to fill significant skills gaps in construction, facilities management and customer service, supporting excluded groups in finding employment.

The positive impact this programme achieves shows the power of creating opportunities for those who need them most. This year approximately £2.5m of social value was generated through a range of initiatives, including employability support, training and job outcomes.

In Lewisham, our partnership with Circle Collective – a charity and social enterprise empowering young people through training and work experience – is just one example of how we're creating value for communities and our customers. Circle Collective is based in our Lewisham shopping centre and consistently helps local people into roles with our brand partners in the centre, and with our own Head Office team. Our collaboration continues to deliver social value by helping those further from employment to access sustainable and exciting opportunities.

We're continuing to evolve our prisons programme through our partnership with Bounce Back, who deliver construction training in prisons and communities in London and Leeds. We've also established a new partnership with Key4Life, a charity supporting some of the hardest-to-reach young offenders, and those at risk of offending, in Brixton, Camden and Shepherd's Bush.

Volunteering with young prisoners to help them prepare for work after release has truly shaped my attitudes. Working to make sure they don't reoffend when released is a side of the rehabilitation process that deserves more recognition."

Development Director at Landsec

Our own employees are lending their expertise too, by mentoring prisoners and ex-offenders, helping them build their emotional resilience and reducing the likelihood of their reoffending. This year Landsec volunteers spent almost 500 hours supporting our prisons programme with their employability skills.

Importantly, our community employment programme also allows our own workforce to offer their skills, and help the beneficiaries of our programme directly. By making this part of our employee volunteering, we've seen positive results for our own people, too.

Education

The property industry is changing rapidly. We know our future workforce will need the skills to address shifts towards modern methods of construction, building information modelling (BIM) and new, innovative technologies, as well as sustainability. We design our education programmes to help develop a pipeline of the talent needed for the future of our business and our industry more widely. We're working with young people in our communities who would most benefit from spending time in a professional environment, helping them develop their skills to prepare for their future careers.

Our Future Property School, run in collaboration with Construction Youth Trust, educates and inspires students from diverse socio-economic backgrounds in Westminster about our industry. Landsec volunteers work closely with students for three months on a project to create their own sustainable development proposals. The programme also includes our partners in construction and architecture, and our retail customers, who all offer their skills and expertise, and provide opportunities for work placements. This not only motivates young people to join our industry, it also helps us instil the skills we'll need for the future.

Our programmes are all fundamentally connected to our Diversity and Inclusion objectives, by engaging students from diverse backgrounds, and focusing on schools where a high proportion of students are on free school meals. This, in turn, is helping address the gender and ethnicity balance in our industry. We generate the most social value when young people from less privileged backgrounds meet professional volunteers over a sustained period, as this has a long-term impact on their skills, confidence and aspirations.

We believe providing young people with visible and diverse role models is crucial, and in turn it helps us better reflect the communities we operate in. We're therefore running the Circl leadership training programme for our employees who coach sixth-form students from Southwark over the course of an academic year. Circl provides long-term support to young people to help develop their career ambitions and, at the same time, is expected to have a positive impact on our own people by enhancing their coaching and managerial skills.



Our response to Covid-19

In response to the Covid-19 pandemic, we've been working closely with our community partners across the UK to support them, both in the initial emergency period, and in planning to help them beyond the crisis. This has helped our charity partners provide immediate support to people facing huge challenges in our local communities. These include people experiencing homelessness, families in poverty, people facing job insecurity and vulnerable individuals in isolation.

Our support will also ensure our partners can continue to provide their services in the coming months. These services include our community employment and education programmes, which are likely to see significantly increased demand beyond Covid-19, and which our employees will support through 'virtual volunteering'.

We are a founding supporter of LandAid's Covid-19 appeal, which united the property industry in providing emergency grants to grass-roots charities that support young

people experiencing homelessness across the UK. The fund will help many charities to provide basic necessities for vulnerable young people, including food, accommodation, bill payments and mental health support. We will also provide pro bono business support to charities through LandAid, to help them through this challenging time.

As well as supporting our existing community partners, we've also been working with the NHS at a local level, to help the remarkable people at the front line of fighting Covid-19. We've used our spaces to provide free car parking for NHS staff and other key workers, as well as for mobile blood banks to ease pressure on hospitals.



Read more online
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Charity partnerships

Our charity partnerships are all closely aligned with our social value strategy. This way, we can address key societal issues as a business and use our skills and expertise where we know our impact will be the greatest and most sustainable.

This year we expanded our work with LandAid, the property industry's charity, which aims to end youth homelessness in the UK. Our partnership enables us to collaborate with our peers to raise awareness amongst our staff and customers, and to offer grants to specific

projects. We also encourage our own employees to use their professional experience to support charities within our areas of operation, through pro bono volunteering.

On a local level, we're continuing our partnerships with smaller charities who support marginalised communities including those experiencing homelessness, young unemployed people and ex-offenders. This work includes our well-established volunteering programme, which over 40% of our employees participated in this year, contributing more than 8,500 volunteering hours to our community partners.

Social review

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Diversity

Our ambition is to lead from the front on diversity and inclusion, because we know getting this right is critical to our long-term success. We have made some progress over the past year, but recognise we still have a way to go. We are not yet representative of the communities we serve, and still have work to do in nurturing a culture of inclusion where we can all be our authentic selves in the workplace.

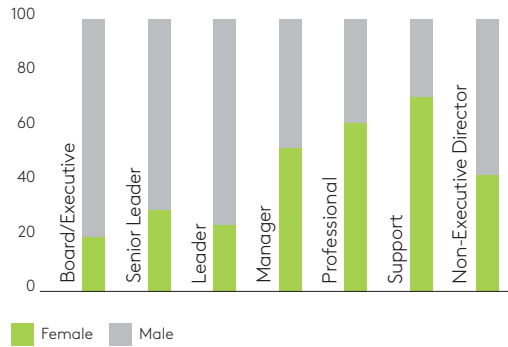
In 2019, we set some specific targets to support our ambitions, but progress towards these has been mixed. In the representation of women at leader level, we moved from 19.5% in March 2019 to 24% in March this year, but at Senior Leader level, we moved back to 30% from 38% last year. Across the whole organisation, though, 52% of our employees are women, exceeding our 50% target for 2025.

Generally, we have made significant progress on improving levels of disclosure and have a much better base to measure progress from. Our representation of black, Asian and minority ethnic (BAME) employees is also very encouraging – 17% across the organisation, comparing favourably with the UK benchmark of 14%. We have also made progress at Leader level, up to 11% from 7% last year, but we don't have any BAME employees at Senior Leader, Executive Committee or Board level.

Our representation of employees disclosing they are lesbian, gay, bi-sexual and transgender (LGBT) remains at 3%, though 11% of our employees have not disclosed their sexual orientation, a figure that has reduced from 15% last year. We want to build on the momentum of having more employees tell us about their sexual orientation, ensuring our LGBT colleagues can be themselves in the workplace. We will undertake some external benchmarking in 2020 to measure our progress in becoming an inclusive employer for LGBT people.

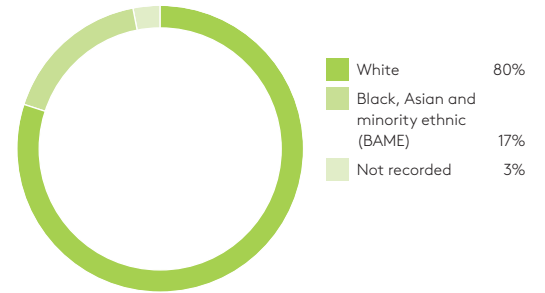
We want to create an environment where employees feel comfortable telling us about a disability, and 3% have done so. However, 10% have not recorded their details or prefer not to say. Having achieved the status of Disability Confident Committed level 1 (external accreditation as an inclusive employer for disabled people) in 2019, we will now focus on achieving level 2 and 3, and aim for all employees to have a rewarding career irrespective of their personal characteristics.

Gender by level Chart 22



We have good female representation at all levels of our organisation except at Leader and Senior Leader level. We are moving in the right direction at Leader level however, we are now at 24%, up from 19.5% last year.

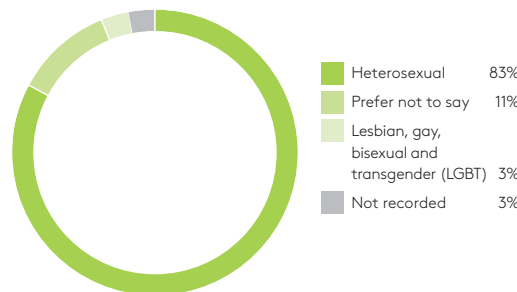
Whole organisation by ethnicity Chart 23



17%

17% of our employees disclose themselves to be from BAME ethnicity backgrounds. This compares favourably to the UK benchmark of 14% as a whole according to the 2011 UK census data. However, this reduces to 11% for Executive Committee, Senior Leader and Leader levels.

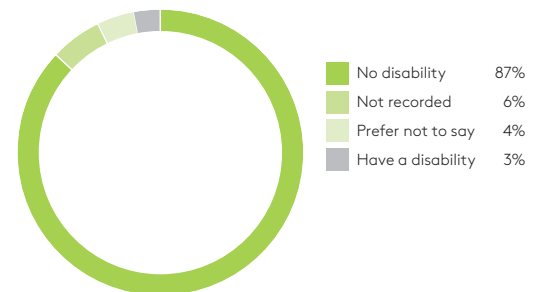
Whole organisation by sexual orientation Chart 24



3%

of Landsec employees have disclosed that they are LGBT. 11% of our employees prefer not to say, a figure that has reduced from 15% last year.

Whole organisation by disability Chart 25



3%

of Landsec employees have disclosed that they have a disability. However, 10% have not recorded their details or prefer not to say.

Key targets

	Whole organisation	Board, Executive Committee and Senior Leaders	Leader level
Female representation (by 2025)	50%	50%	40%
BAME representation (by 2025)	>14%	14%	14%

Sexual orientation

Achieve appropriate accreditation as a welcoming place to work for everyone irrespective of sexual orientation.

Disability

Achieve appropriate accreditation as a welcoming place to work for everyone irrespective of physical ability.

Affinity networks

This year, our affinity networks have played a key role in continuing to establish an inclusive culture across Landsec. Our Women's network hosted a panel discussion to look at cultural and structural barriers women face in the workplace, as part of International Women's Day. The event was useful in educating employees about some of the intersectional challenges women face in the workplace, and the ways organisations have overcome them.

Working with our Disability forum this year, we took part in Purple Tuesday across the organisation, a campaign established to recognise the needs of consumers with disabilities. Many retail assets took part, promoting inclusive shopping with a purple theme in their lighting and promotional items for our customers, such as purple lanyards, flyers and T-shirts.

The Disability forum also supported Autism Awareness Week by co-ordinating with our assets to provide quiet periods and dimmed lights for autistic customers. Keen to ensure this support for autistic customers is ongoing, we signed a pledge to provide tailored support across all our properties.

The LGBT network reviewed our policies to help ensure they are inclusive of LGBT people, and they also supported London Pride this year, where our Piccadilly Lights were centre stage of the celebrations. The LGBT network also sponsored Freehold, a leading and unique networking forum for lesbian, gay, bisexual and transgender real estate professionals working within the real estate sector. The property sector considerably lags behind other industries in tackling sexual orientation issues; our support of Freehold enables us to take a leadership role in helping to address the equality gap for the LGBT community.

Changing the way we work

We will do all we can to ensure diversity and inclusion are central to the way we work by 2025. To help, we've appointed a diversity and inclusion manager, a new role for Landsec, and an appointment we believe will enhance our efforts to meet our diversity goals.

We want to support people throughout their careers, and that means in life outside Landsec, too, removing traditional barriers for those with caring responsibilities. This year we've enhanced our parental leave allowances so employees can balance their home and work life more effectively. We now offer six months' fully paid parental leave to all employees – an increase of 10 weeks. It's important that people have the opportunities to spend more time with their children as their families grow, and that we can ease the financial pressures new and existing parents can often experience.

We also know how important flexible working is to a positive work-life balance, so we've invested in technology that can help, such as full Office 365, and lightweight Microsoft Surface Pros, that people can use to work anywhere.

Recruitment and retention

During 2019 we consulted with our partners and employees and undertook a project to streamline certain services for the benefit of our customers. We also combined two of our business units into one. These changes to our business resulted in a number of Landsec employees transferring to partner organisations and an overall increase in employee turnover to 27% (2018: 15%). Our voluntary employee turnover this year is 12%, just 1% higher than last year. We continue to monitor the number of regretted leavers and to focus on the promotion of internal talent through our recruitment function.

To help us increase representation of women and BAME employees at Leader level and above, our recruitment agencies will look for candidates from the widest pool possible, and we hold them to account in providing diverse shortlists for all roles. In addition, to ensure our roles are attractive to a diverse mix of people, we are rewriting job descriptions and adverts to use universally neutral language. We also ensure all roles advertised internally and on our website are open to flexible working. We publish our family-friendly policies on our website, so everyone can learn how we support parents and carers.

We've also introduced a development programme, Thrive, designed to help more women attain promotion and develop into leadership roles, and also to help men support aspiring female leaders. We are testing the programme with 14 women of high potential at manager level and below, representing a range of ages, experience, background, ethnicities and tenure.

We've configured Workday, our HR system, to collect and report on data to help our decisions about promotions, pay, internal moves and recruitment more powerful and insightful, and helping us continue to build diversity into our processes.

People and culture

Creating opportunity



22

people promoted in the last year

438

Above and Beyond award recognitions in the last year



Developing skills

253

Landsec employees have volunteered to support our community programmes this year



8,527

hours volunteered by our employees

Valuing difference

611

people across the UK



Disability forum target to double membership

Being heard



75%

engagement rate in our employee engagement survey

All new employees invited to attend lunch with our Executive Committee



Enabling health and wellbeing

>40

mental health first aiders across the business



130

people signed up to our cycle to work scheme



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

Social review

continued

Employee Forum

Our Employee Forum has continued to evolve and play a growing role in employee life and company culture at Landsec. It now has 15 members, to ensure it speaks for all parts of our business. Over the last year, we have invested in external training for members, which has clarified our engagement model and ways of working, for both them and the colleagues they represent.

With the Board's desire to build closer ties with employees, the Forum met Edward Bonham Carter, Chair of the Remuneration Committee, to better understand Landsec's approach to executive remuneration and to let the Board know its views. The discussion was very informative, and a summary on our staff intranet was well received, opening the topic up to a wider number of colleagues. The Forum also met our Chairman in private to discuss various employee-related topics, which all parties found valuable.

The Employee Forum has three simple aims:

- 1 Represent our colleagues
- 2 Support the business with communication
- 3 Be a sounding board for management

Gender pay gap

Although the gender split of our business is almost even – 48% male, 52% female – our gender pay gap worsened slightly during the year. We're confident that our pay gap is not caused by our approach to setting pay levels. We use an industry standard Job Evaluation methodology and we voluntarily undertake regular independent equal pay audits to confirm that our approach to pay operates fairly and within the law.

We believe that our pay gap is driven by the structure of our workforce because we have significantly more women (66%) than men (34%) in non-management roles (our support and professional roles) and a higher number of men (73%) than women (27%) in leadership and senior leadership roles.

We have put measures in place to support women in their career progression but we recognise that we need to do more. To focus the organisation, we have set some long-term targets to provide an impetus to narrow the gender pay gap over time.

Targets are not enough; these targets will require the organisation to mobilise behind the changes necessary to achieve them. We continue to work hard to provide a welcoming and supportive environment for women, with a strong focus on removing any potential barriers to progression. We have recently reviewed and improved our family-friendly policies to enhance the flexibility that many employees with caring responsibilities need to help them work productively and flexibly. We have also introduced a female coaching programme to support all of our women through their career at Landsec. And we are introducing ways to remove bias when making decisions on hiring people. Although there is much work still to be done to remedy the pay gap, we remain proud of the diverse nature of our teams at senior levels.

Female representation at Landsec

52%
of our employees

24%
of our leaders

53%
of our managers

30%
of our senior leaders



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

As at April 2020

Table 26

Pay element	April 2020			April 2019			Pay gap year-on-year change (% points)
	Male	Female	% difference	Male	Female	% difference	
Mean hourly salary	£47.19	£29.38	(37.7)	£48.02	£30.36	(36.8)	0.9
Median hourly salary	£36.25	£23.80	(34.3)	£36.99	£23.28	(37.1)	(2.8)
Proportion of employees receiving a bonus	82.9%	78.7%	n/a	78.2%	74.5%	n/a	n/a
Mean bonus	£23,382	£9,108	(61.0)	£28,419	£10,053	(64.6)	(3.6)
Median bonus	£11,332	£5,850	(48.4)	£11,236	£4,803	(57.3)	(8.9)

Table 27

	Number	% Male	% Female	Male mean hourly rate	Female mean hourly rate	% difference in hourly rate
Lower quartile	133	30.1	69.9	£15.02	£16.25	8.2
Lower middle	133	36.1	63.9	£24.87	£24.11	(3.0)
Upper middle	132	58.3	41.7	£36.27	£35.92	(0.9)
Upper quartile	132	71.2	28.8	£81.24	£63.84	(21.4)

Fairness

The Real Living Wage

In 2015 we committed to ensuring that 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 by 2020. Over the past few years we've worked closely with our supply chain partners to achieve this.

We're an official Living Wage Employer, accredited by the Living Wage Foundation. This recognises that everyone in our business is paid at least the Real Living Wage (£10.75 an hour in London; £9.30 outside London), except interns and apprentices who are exempt from the rates. 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.

Working with our supply chain

We work alongside our suppliers to prevent modern slavery and to promote fair, ethical treatment of everyone working at our sites, on our behalf.

During 2019, for a second year, we carried out due diligence to assess workforce-related risks on our sites and to understand how our corporate commitments and policies work in practice. We looked at high-risk areas of our supply chain, focusing on cleaning, security and construction labour in the UK. An accredited third party held anonymous interviews with 247 workers from 31 partner organisations at eight of our retail, office and construction sites. This year, for the first time, we also visited two of our suppliers' own sites, including a UK-based steel manufacturer.

The surveys covered a range of issues, including labour exploitation, fair payment, health and safety, right to work and discrimination. We found no cases of modern slavery in this process, but we did identify areas for improvement, including the need for increased guidance on right-to-work checks.

We've extended our due diligence activities for the coming year, to increase our focus on the modern slavery risk across our construction activity, and to include partners outside the UK.



Our Circl leadership programme engages and educates young people on the property industry

Health and safety

We provide healthy, safe and secure places for our customers to live, work, shop and relax, recognising that we can only achieve this through close collaboration with our partners, including our supply chain, investors and enforcing authorities.

In February 2020 we successfully migrated to the international H&S standard ISO 45001, from the British Standard OHSAS 18001.

We've embarked upon an ambitious programme of mandatory health, safety and security training for all our employees, including contingent workers. The training is designed to reduce our organisational risks and comply with local or national policies and government guidelines, while encouraging our people to be risk-aware rather than risk-averse. Our new standards and systems ensure consistent competence for the safe and efficient provision of services.

In response to the Grenfell fire in 2017, we reviewed fire safety across our entire portfolio, prioritising occupancy, height, means of escape and life-safety systems. We have since invested over £7m rectifying approximately 125,000 firestopping defects in our buildings, and £4.3m in resolving cladding risks. We continue to enhance fire safety across the portfolio and ensure we are aligned with new Government initiatives and legislation.

This year, we completed the integration of our online compliance reporting system RiskWise. This tool provides a single accessible platform for all aspects of asset compliance data, incident statistics, development projects, permits to work and environmental management. It allows us to provide rigorous and efficient reporting to the business, as well as offering a consistent approach for managing compliance across the portfolio.

We have also taken the opportunity to embrace innovative construction methods, to realise the full potential of health and safety benefits. This relates to both key design principles and on-site construction risks. We are working with design teams to ensure developments maximise desired operational outcomes while achieving our vision of providing healthy, safe and secure places for our customers to live, work, shop and relax.