SUSTAINABILITY PERFORMANCE AND DATA REPORT 2021

Landsec

Welcome to our 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 twelve commitments, along with our comprehensive sustainability disclosures aligned with best practice frameworks and standards.

QUICK REFERENCE

Corporate commitments and performance summary

CREATING JOBS AND OPPORTUNITIES

SOCIAL VALUE

Commitment

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

Performance

On Track

This year we've created over £6.5m of social value through our social sustainability programmes, achieving in-year outperformance. Over £11m of social value created since commitment launched in 2019/20.

FAIRNESS

Commitment

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 by the end of 2020.

Performance

Not met

We continue to pay the Real Living Wage to all of our direct employees and partners across London office portfolio. We have not been able to meet our 2020 Living Wage commitment fully across our Retail Portfolio. Recognising the impact that the pandemic had on businesses, particularly the retail sector, The Living Wage Foundation is allowing businesses to pause their accreditation during the pandemic. We will review our accreditation by November this year when there will be more certainty on the reopening of the UK economy.

We collaborated with modern slavery specialist Stronger Together to perform a gap analysis, develop an action plan, and launched a Modern Slavery Working Group to improve our approach in identifying and managing modern slavery risk.

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%. We continue to maintain good female representation at all levels of our organisation, increasing our female representation to 31% at leader level (2020: 24%) and 38% at senior leader level (2020: 30%). Our ethnic minority representation is 8% at leader and 6% at senior leader level.

HEALTH AND SAFETY

Commitment

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

Performance

On Track

To establish and maintain Covid-secure destinations and workplaces we launched a taskforce to assess the impact of the virus on our operations, to interpret government guidance, and co-ordinate the rollout of new ways of working. We continue to enhance fire safety across the business and ensure we meet new government initiatives and legislation.

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

Reduced carbon emissions by 55% since 2013/14 against our science-based carbon reduction target. Significant reduction in carbon emissions as a result of lower occupancy and operational hours due to Covid-19 restrictions.

RENEWABLE ENERGY

Commitment

Ensure 100% of our electricity supplies through our corporate contract are from REGO-backed renewable sources.

Achieve 3MW of renewable electricity capacity by 2030.

Performance

Complete

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

Performance

On Track

Our current on-site renewable electricity capacity is 1.4 MW. We have continued to progress our feasibility studies for on-site renewable technologies, assessing the value this would deliver to Landsec and our customers and how these could be incorporated as part of future redevelopment works.

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 43% compared to 2013/14. Although this figure suggests that we've already achieved our target to reduce energy intensity by 40% by 2030, we recognise that energy consumption has been significantly impacted by lower occupancy and operational hours due to Covid-19 restrictions and doesn't reflect portfolio energy performance in normal conditions. For that reason, we'll continue tracking our performance against this 2030 target.

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

Not met

This year we recycled 65% of operational waste.

The decrease in recycling rate from last year (2020:73%) reflects the reduction of recyclable materials such as packaging in retail as a result of Covid-19. Landsec has seen a 63% reduction in total waste produced due Covid-19.

We've expanded our waste commitments to include both operational and construction waste. We are recycling 99% and diverting 99.9% of construction waste from landfill.

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, this year we've again worked with Willis Towers Watson in assessing and quantifying climate-related risks to inform our approach to managing climate risks across our portfolio, including new developments.

In our development pipeline we continue undertaking 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.

This year we published our Materials Brief to guide our supply partners and mitigate human rights risks and 100% of key construction materials responsibly sourced.

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 continued our partnership with The Wildlife Trusts to enhance biodiversity net gain at our five operational sites and we're on track to deliver significant net gain on our developments and created a new Biodiversity Brief for developments.

WELLBEING

Commitment

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

Performance

On Track

This year we committed to pursuing the WELL Portfolio Programme across our existing managed office portfolio, in addition to our new schemes. All of our live developments are successfully registered and pre-assessed against WELL Core rating.

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 A LIST 2020 CLIMATE	**2020:** A-list (top 2.8%) for the fourth consecutive year. Inclusion on the 2020 Supplier Engagement Leader board (top 7%) **2019:** A-list (top 2%). The only A-list UK REIT **2018:** A-list (Leadership)
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	**2020:** Score 85/percentile ranking 99. European Real Estate leader, ranking 4th globally Silver Class distinction in the S&P Global Sustainability Awards **2019:** Score 82/percentile ranking 98 **2018:** Score 73/percentile ranking 93
FTSE4Good	Percentile ranking 94. We continue to retain our established position in the FTSE4Good Index.
EPRA sBPR GOLD	Received our 7th Gold Award from EPRA for best practice sustainability reporting.
WDi 2020 AWARD WINNER	WDI Award for most complete disclosure globally.
MSCI ESG RATINGS A	ESG rating A

BENCHMARK	PERFORMANCE
GRESB 2020	**2020:** Score 85% for Standing Investments – Regional Listed Sector Leader for Europe within Diversified Office and Retail / Score 94% for Developments – Global Listed Development Sector Leader for Office **2019:** Score 90%. Sector leader, ranking 1st in Europe and UK diversified office/retail (mixed) **2018:** Score 90%
ecoact	We've again been named a climate leader, ranking 3rd for all FTSE 100 companies and 1st for our sector (ranked 5th in 2019)
SUSTAINALYTICS	10.9 (low risk)/ranking 32 out of 951 companies in the real estate industry
Corporate ESG Performance Prime RATED BY ISS ESG	Prime status. Rating C+ Decile rank 1/transparency level: very high
The Responsibility100 Index	Ranking 1st among all FTSE companies in the April 2021 update

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.

Whenever relevant and applicable, we provide a breakdown of our performance into three segments: Office, Retail and Other. The Office segment includes all office space, substantially all of which is located in London. Retail includes all retail assets, incorporating the shopping centres, outlets and retail parks. Piccadilly Lights and leisure parks are reported under Other.

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 EPRA Financial 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 into the commitment portfolio at the start of the following reporting year.

With the exception of building certification data and our TCFD disclosure, which are reported under the whole portfolio and include 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

This year, we're aligning our sustainability disclosures with Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) by including reference tables indicating where relevant information is provided and providing additional comments if necessary.

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 a science-based target aligned with 1.5°C scenario and it includes scope 1, 2 and a portion of scope 3 emissions from downstream leased assets.
- 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 2030.

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.

To streamline our reporting process and improve transparency around our energy performance against our corporate commitment, in 2020/21 we've updated our reporting methodology. In prior years, energy performance against corporate commitment was adjusted by three factors: kWh electricity equivalent, degree day correction and removal of cooking gas. These adjustments caused a series of discrepancies between reported performance against energy target and 'actual' energy performance. For that reason, we've removed all adjustments so that our reported energy performance reflects our actual energy consumption. Previous years' performance, as well as baseline year performance have been restated.

Our energy intensity commitment is reported as kWh/m^2, where 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 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 11.8 m^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 make-up.
- **Shopping centres and outlets:** Shopping centre and outlets floor areas are calculated using the same methodology for retail and leisure parks leisure 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 European Public Real Estate Association (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 to 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. As the remaining sources (e.g. diesel used in generator testing) represent such a small proportion of total emissions, 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 2020'. 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 conversion factors associated with biogas. We haven't purchased biogas since April 2019, therefore Scope 1 emissions for 2019/20 and 2020/21 are reported using only '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 8 are directly relevant for Landsec. The table below 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 2020/21, 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 excludes those which were acquired, sold, or included in the development pipeline at any time since. In 2020/21, 84% of the total like-for-like portfolio 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(s)
1	Purchased goods and services	Yes	Emissions in this category are calculated by multiplying supplier procurement spend by a supplier-specific emission factor, derived through primary supplier energy and/or emissions data alongside annual turnover. Where primary supplier data is not present or cannot be used, emissions are calculated by multiplying procurement spend by DEFRA environmentally extended input output (EEIO) emission factors for each relevant economic sector of spend.	Primary procurement data from Landsec.	Primary supplier data DEFRA, Indirect emissions from supply chain 2011
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 calculate the total embodied carbon emissions for each of our Developments until completion. Every year, emissions associated with the reporting year are calculated and reported. Embodied carbon data is not available for Portfolio Projects. For these projects, emissions are calculated by multiplying supplier procurement spend by a supplier-specific emission factor, derived through primary supplier energy and/or emissions data alongside annual turnover. Where primary supplier data is not present or cannot be used, emissions are calculated by multiplying procurement spend by DEFRA environmentally extended input output (EEIO) emission factors for each relevant economic sector of spend.	**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** Primary supplier data DEFRA, Indirect emissions from supply chain 2011
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 2020
4	Upstream transportation and distribution	Yes (but reported under Purchased goods and services)	Emissions in this category are calculated by multiplying procurement spend by a supplier emission factor, derived through primary supplier energy and/or emissions data alongside annual turnover. Where primary supplier data is not present or cannot be used, emissions are calculated by multiplying procurement spend by environmentally extended input output (EEIO) emission factors for each relevant economic sector of spend. These emissions have not been split out and are instead grouped under the Purchased Goods and Services category.	Primary procurement data from Landsec.	Primary supplier data DEFRA, Indirect emissions from supply chain 2011

Scope 3 emissions reporting methodology continued

Scope 3 category	Scope 3 category	Applicability	Methodology/Justification for exclusion	Activity data source	Emission factor data source(s)
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 2020
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 2020
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 2020
8	Upstream leased assets	No (Covered in scope 1 and 2)	Reported as scope 1 and 2 emissions.	n/a	n/a
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

Scope 3 emissions reporting methodology continued

Scope 3 category	Scope 3 category	Applicability	Methodology/Justification for exclusion	Activity data source	Emission factor data source(s)
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 2020 **Tenant-procured** UK Government greenhouse gas reporting – Conversion factors 2020 '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 2020/21 and how they compare with previous year.

Table 1

Emission factor name	Unit	2019/20	2020/21	% change
Natural Gas	$kgCO_2e/kWh$	0.1839	0.1839	0.0%
Natural Gas – WTT	$kgCO_2e/kWh$	0.0239	0.0239	0.0%
Electricity generated	$kgCO_2e/kWh$	0.2556	0.2331	-8.8%
Electricity generated – WTT	$kgCO_2e/kWh$	0.0357	0.0322	-9.8%
Electricity Transmission and Distribution	$kgCO_2e/kWh$	0.0217	0.0201	-7.37%
Electricity Transmission and Distribution – WTT	$kgCO_2e/kWh$	0.0030	0.0028	-6.67%
District Heating	$kgCO_2e/kWh$	0.2874	0.3000	4.38%
District Cooling	$kgCO_2e/kWh$	0.1137	0.1127	-0.88%
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	$kgCO_2e/Tonnes$	21.3538	21.3167	-0.17%
Commercial and industrial waste – Combustion	$kgCO_2e/Tonnes$	21.3538	21.3167	-0.17%
Commercial and industrial waste – Landfill	$kgCO_2e/Tonnes$	99.7592	458.1763	359.28%
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

Overview

To understand the quantifiable difference we are making to people, communities and society as a whole, we partner with the Social Value Portal which 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 bespoke social value measurement framework which is based on the widely used National Themes, Measures and Outcomes (TOMs) Social Value Measurement Framework. The TOMs measurement framework was launched by the National Social Value Taskforce in 2017 – and was built following extensive consultation by 40 cross sector organisation including 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 is managed by the Greater Manchester Combined Authority and was adopted as supplementary guidance to HM Treasury's Green Book in 2014 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.

Our Community Programmes:

Landsec's aim to create £25m of social value by 2025 is based upon the work of our social sustainability programmes, which comprise:

- **Community employment:** we support local people facing significant barriers into sustainable employment, including within our business and with our customers, including our brand and service partners.
- **Education programmes:** we inspire young people from diverse backgrounds about careers in our industry through impactful programmes. We aim to increase awareness of the different careers in real estate, and create a diverse talent pipeline into our business.
- **Charity partnerships:** we work with our communities, partners and industry to advocate for important local societal issues, use space in our assets for community purposes, and raise awareness with our customers and partners.
- **Volunteering:** we empower our employees and partners to use their skills and expertise to support people and charities in our communities.

National TOMs

To understand the social value created by these programmes we work with Social Value Portal who apply the national TOMs (Themes, Outcomes and Measures) framework to our work.

The acronym "TOMs" stands for Themes, Outcomes and Measures. The founding principle of the TOMs is to provide the connection between a broad vision for social improvement ("Themes") with strategic objectives ("Outcomes"), which in turn can then be expressed as measurable activities ("Measures").

This conceptual approach enables meaningful direct action to be steered both by local need and by the overarching strategic aims of the organisation aiming to deliver social value. Implemented effectively, the TOMs framework then creates a mutually reinforcing link between strategy and delivery.

The National TOMs framework is made up of five themes:

1. Jobs: Promote local skills and employment
2. Growth: supporting growth of responsible regional business
3. Social: healthier, safer and more resilient communities
4. Environment: decarbonising and safeguarding our world
5. Innovation: promoting social innovation.

How Landsec calculates social value

Social value is generated, measured and reported across all the measures used in the Landsec measurement frameworks which have a proxy values assigned. The initiatives themselves will vary and so will the proxy value that is assigned to each activity but these can be things such as supporting people from disadvantaged backgrounds into employment through donations made by Landsec to organisations such as Bounce Back, hours dedicated to supporting unemployed people into work, donations to charities etc.

The Social Value frameworks used across Landsec's sustainability programmes primarily focus on the following two themes "Jobs: promote local skills and employment" and "Social: healthier, safer and more resilient communities"

Social Value Proxy Rationale

Landsec is able to generate social value from those proxies which generate a financial value. The table below highlights some of those proxies and provides a rationale how each is calculated:

Table 2

Proxy	Rationale
Employment	
No. of people (FTE) who are long-term unemployed (unemployed for a year or longer) who have found employment through the programme	Covers people employed as a result of a specific and deliberate employment initiative who were previously claiming Jobseeker's Allowance (JSA) or Universal Credit unemployment benefits for at least the 12 months preceding the start of the employment contract and recruited as a result of a specific and deliberate employment initiative. The proxy is derived from a combination of: (i) the average annualised increase in economic benefits to the individual over their lifetime; (ii) Annualised fiscal benefits to the NHS; (iii) Operational costs related to the fiscal benefit to DWP and HM Revenue and Customs. The proxy is based on a generic JSA claimant.
No. of homeless people (FTE) who are long-term unemployed (unemployed for a year or longer) have found employment through the programme	Covers people employed as a result of a specific and deliberate employment initiative who were previously claiming Jobseeker's Allowance (JSA) or Universal Credit unemployment benefits for at least the 12 months preceding the start of the employment contract who are also armed forces veterans. This is the proxy for long-term unemployed people employed (NT3) and is being used provisionally for this measure pending further research. At procurement, the procuring organisation may use prioritisation weightings to signpost this measure to bidders.
No. of mothers returning to work (FTE) who are long-term unemployed (unemployed for a year or longer) – (when the mother is the primary carer) who have found employment through the programme	Covers people employed as a result of a specific and deliberate employment initiative who were previously claiming Jobseeker's Allowance (JSA) or Universal Credit unemployment benefits for at least the 12 months preceding the start of the employment contract who are also mothers returning to work. The measure is directed at mothers, and not parents more generally, as it is aimed at redressing gender inequalities in the labour market resulting from the distribution of childcare responsibilities between parents. This is the proxy for long-term unemployed people employed and is being used provisionally for this measure pending further research. At procurement, the procuring organisation may use prioritisation weightings to signpost this measure to bidders.
No. of 16-25 year old care leavers (FTE) who have found employment through the programme	Covers people aged 18-24 and 16-17 who are Not in Education, Employment or Training (NEET). The measure reflects costs and forgone benefits associated with being NEET, as follows: (i) the loss of earnings to the young person whilst NEET; (ii) benefit payments (worklessness and housing benefits) and foregone tax and national insurance receipts for the government. Deadweight combines NEETs being unemployed with the benefits of coming off Job Seekers Allowance and/or Universal Credit SA-benefit for 18—24-year old and for 16—17-year old NEETs respectively. The employment data is sourced from Stat-Xplore
No. of 18+ year old people (FTE) who are rehabilitating or ex-offenders who have found employment through the programme	Covers employees aged 18+ taken on who were in their rehabilitation period before the start of the employment contract. The proxy value comprises (i) the value to the individual from entering the labour market (annualised increase in lifetime earnings); (ii) the fiscal value to the NHS resulting from an average reduction in health care costs associated with being out of work; and (iii) the economic, fiscal and wellbeing value to society from preventing reoffending. All components are based on Unit Cost Database (UCDB) v2.0 figures, updated to 2020/2021 prices, and MoJ prevention of reoffending statistics. A weighted average multiplier has been applied to reflect the ratio of estimated total number of crimes to the number of comparable crimes recorded by the police. A further multiplier has been applied to the average number of offences per offender. Deadweight is established separately to reflect the probability of reoffending.

Social Value Proxy Rationale continued

Table 2 (continued)

Proxy	Rationale
Employment continued	
No. of 18–25 year old people (FTE) who are Not in Employment, Education, or Training (NEETs) who have found employment through the programme	Covers people aged 18-24 and 16-17 who are Not in Education, Employment or Training (NEET). The measure reflects costs and forgone benefits associated with being NEET, as follows: (i) the loss of earnings to the young person whilst NEET; (ii) benefit payments (worklessness and housing benefits) and foregone tax and national insurance receipts for the government. Deadweight combines NEETs being unemployed with the benefits of coming off Job Seekers Allowance and / or Universal Credit SA-benefit for 18—24-year-old and for 16—17-year-old NEETs respectively. The employment data is sourced from Stat-Xplore.
No. of 16-17 year old people (FTE) who are Not in Employment, Education, or Training (NEETs) who have found employment through the programme	As above.
Education	
School and College visits	The proxy covers the value of the time provided by the person providing support and is based on a generic replacement cost for the wage of the individual volunteering. This is drawn from the Office of National Statistics (ONS) hourly value of volunteering and based on different types of volunteering being identified in survey data (Community Life Survey) and valued at the closest market equivalent wage rate from the ASHE dataset. Updated to 2020/2021 prices.
Weeks spent by students on meaningful work experience placements (unpaid – at least 1 week in duration)	Calculated from the number of qualifying work placements (only student placements between 1-6 weeks). Multiplied by the duration in weeks of each work placement or pre-employment course. Based on current equivalent economic benefit to the individual from equivalent increased earnings, based on minimum pay, given the distribution of apprenticeships achievements by age.
Charity Partnerships	
Money donated to charities	The calculation for this is £1 donated for £1 of social value created
Value of donations to charities	As above
Value of space donated to charities	As above
Volunteering	
Employability support for young people	The proxy is based on the estimated economic value to the individual. The value is derived from a 2021 sample of 16 pricing points from 9 different companies offering CV advice and job interview coaching, either in one-to-one sessions or one-day/half-day courses in small groups.
Provision of expert business advice to VCSEs and MSMEs (e.g. financial advice/ legal advice/HR advice)	Expert staff time (as opposed to general volunteering time – see Glossary) dedicated to supporting Voluntary Community or Social Enterprises (VCSEs) or micro, small and medium enterprises (MSMEs). Estimated economic benefits to VCSEs or MSMEs resulting from the avoided cost of expert advice/support. Based on average self-reported fees from a survey of consultants in various sectors across the UK, updated to 2020 prices.

Corporate commitment 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

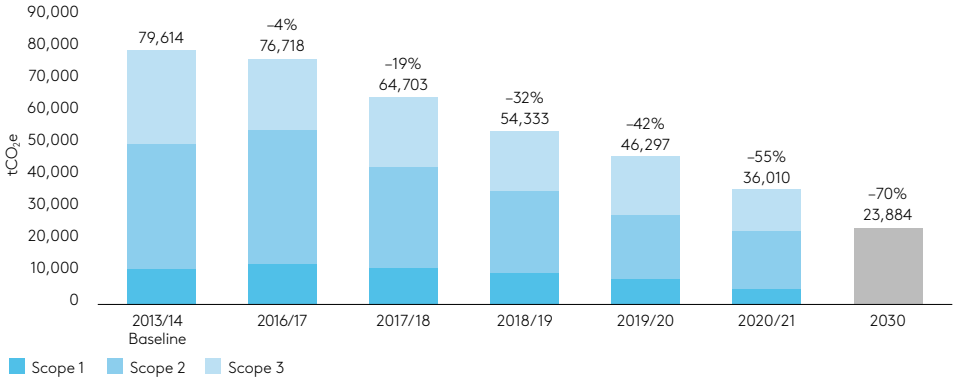
Table 3

			Landsec			Office			Retail			Other		
	Unit		2013/2014 Baseline	2020/21	% change	2013/2014 Baseline	2020/21	% change	2013/2014 Baseline	2020/21	% change	2013/2014 Baseline	2020/21	% change
Carbon Emissions	tCO_2e	Scope 1	11,178	4,850	–57%	7,112	3,569	–50%	3,765	1,199	–68%	302	82	–73%
		Scope 2	39,062	18,012	–54%	22,460	8,482	–62%	16,122	8,604	–47%	480	926	93%
		Scope 3	29,373	13,148	–55%	23,507	9,437	–60%	4,929	3,487	–29%	938	224	–76%
		Absolute Carbon Emissions	79,614	36,010	–55%	53,079	21,488	–60%	24,815	13,290	–46%	1,719	1,232	–28%
	$kgCO_2e/m^2$	Carbon intensity	58.960	20.699	–65%	109.557	47.150	–57%	29.887	12.871	–57%	48.396	4.902	–90%
	m^2	Portfolio Area	1,350,305	1,739,690	29%	484,485	455,746	–6%	830,299	1,032,535	24%	35,521	251,409	608%

The reporting methodology, including reporting boundaries and normalisation approach, is detailed on pages 6-12.

Landsec carbon reduction target performance

Chart 4

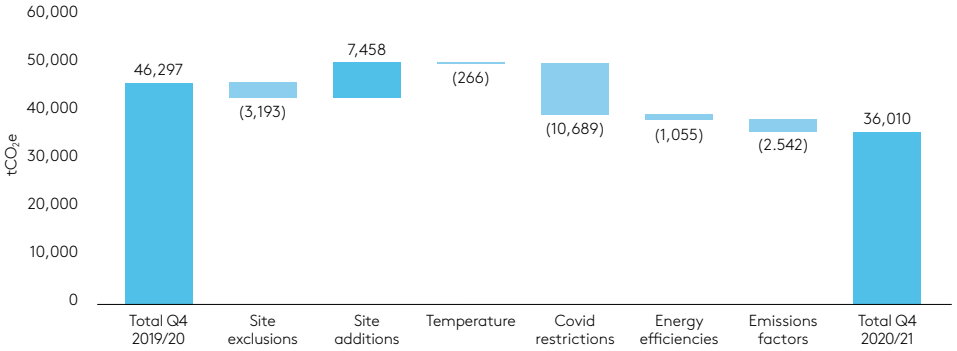


As part of our net zero strategy, in 2019 we increased the ambition of our science-based target, aligning our carbon reductions with a 1.5°C scenario. Our target is to reduce our absolute carbon emissions by 70% by 2030 from a 2013/14 baseline. Our target includes scope 1, 2 and a portion of scope 3 emissions from downstream leased assets.

Since 2013/14, we've reduced our carbon emissions by 55% and we're on track to achieve our target by 2030.

Carbon emissions performance – year on year driving factors

Chart 5



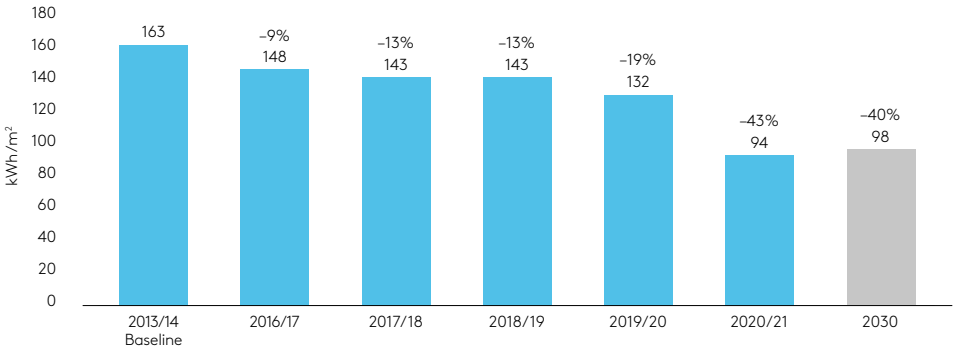
We've reduced carbon emissions by 22% compared with last year. Although these reductions have been achieved through a combination of factors, including energy efficiency projects, changes in our portfolio and changes in the UK's emission factors, the main driver for carbon reduction across the portfolio this year was the Covid-19 pandemic. 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 6

	Unit		Landsec			Office			Retail			Other		
			2013/2014 Baseline	2020/21	% change	2013/2014 Baseline	2020/21	% change	2013/2014 Baseline	2020/21	% change	2013/2014 Baseline	2020/21	% change
Energy	kWh	for landlord shared services	61,358,568	26,376,965	–57%	39,263,827	19,410,331	–51%	20,455,556	6,520,349	–68%	1,639,186	446,285	–73%
		(sub)metered to tenants	8,893,668	11,792,677	33%	184,591	7,710,794	4077%	8,709,077	4,081,883	–53%	0	0	0%
		Total **natural gas**	70,252,236	38,169,642	–46%	39,448,418	27,121,125	–31%	29,164,632	10,602,232	–64%	1,639,186	446,285	–73%
		for landlord shared services	87,685,776	71,806,831	–18%	50,418,211	30,930,933	–39%	36,190,421	36,903,637	2%	1,077,144	3,972,262	269%
		(sub)metered to tenants	62,262,337	44,086,580	–29%	52,691,875	31,387,932	–40%	7,465,915	11,736,980	57%	2,104,547	961,668	–54%
		Total **electricity**	149,948,113	115,893,411	–23%	103,110,086	62,318,865	–40%	43,656,336	48,640,617	11%	3,181,690	4,933,930	55%
		for landlord shared services	–	5,472,813		–	5,472,813		–	–		–	–	
		(sub)metered to tenants	–	3,589,825		–	3,589,825		–	–		–	–	
		Total **heating & cooling**	–	9,062,638		–	9,062,638		–	–		–	–	
		for landlord shared services	149,044,344	103,656,609	–30%	89,682,038	55,814,077	–38%	56,645,977	43,423,985	–23%	2,716,330	4,418,547	63%
		(sub)metered to tenants	71,156,004	59,469,082	–16%	52,876,466	42,688,551	–19%	16,174,992	15,818,863	–2%	2,104,547	961,668	–54%
		Total **energy**	220,200,348	163,125,691	–26%	142,558,503	98,502,628	–31%	72,820,969	59,242,848	–19%	4,820,876	5,380,215	12%
	kWh/m²	Energy intensity	163	93.8	–43%	294	216	–27%	88	57	–35%	136	21	–84%
	m²	Portfolio Area	1,350,305	1,739,690	29%	484,485	455,746	–6%	830,299	1,032,535	24%	35,521	251,409	608%

The reporting methodology, including reporting boundaries and normalisation approach, is detailed on pages 6-12.

Landsec energy intensity target performance Chart 7



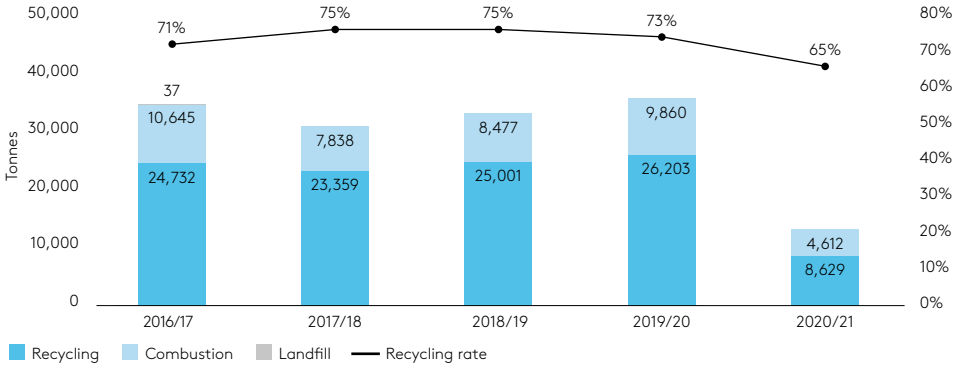
We have reduce portfolio energy intensity by 43% compared to our 2013/14 baseline. Although this figure suggests that we've already achieved our target to reduce energy intensity by 40% by 2030, we recognise that energy consumption has been significantly impacted by Covid-19 restrictions and doesn't reflect portfolio energy performance in normal conditions. For that reason, we'll continue tracking our performance against this 2030 target.

This chart shows the energy intensity improvements we have made since 2013/14 and the target energy intensity in 2030. Please note that figures for previous years, including for the baseline year have been restated due to change in reporting methodology. More information on our reporting methodology, including reporting boundaries, is detailed on page 6-12.

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

Chart 8

Landsec waste performance



We continue to divert 100% of our waste from landfill throughout our operations and have achieved a recycling rate of 65%. 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 most significantly the Covid-19 pandemic. A reduction in recyclable materials produced by brand partners and F&B (such as packaging materials, cardboard and glass) and a change in operational procedures to minimise infection risk to operational staff, has had a direct impact on the amount of waste collected as well as that recycled.

The 75% recycling target is still achievable, albeit challenging in the current climate. We are therefore extending our commitment for 75% recycling to 2030 to align with our expanded new construction waste commitments announced last year.

In line with our expanded waste management commitment, which includes construction waste associated with our new developments, we're now reporting on the total volume of waste arising from the development, the recycling rates achieved and the diversion of waste from landfill. The tables below show the total waste generated since the beginning of each project, including excavation, demolition and construction phases, and associated waste streams.

Table 9

Development	Total waste (tonnes)	Excavation (tonnes)	Demolition (tonnes)	Construction (tonnes)
21 Moorfields[1]	2,465	570	185	1,710
Lucent	62,229	26,942	35,108	180
n2	32,929	31,792	N/A	1,137
The Forge	37,607	35,922	1,497	188
Portland House	3,081	N/A	3,081	N/A
Development pipeline	138,311	95,226	39,871	3,215

Table 10

Development		Total waste (%)	Excavation (%)	Demolition (%)	Construction (%)
21 Moorfields	Recycled	88.07	100.00	100.00	82.80
	Recovered	11.93	0.00	0.00	17.20
	Landfill	0.00	0.00	0.00	0.00
Lucent	Recycled	99.95	100.00	99.92	100.00
	Recovered	0.04	0.00	0.07	0.00
	Landfill	0.01	0.00	0.01	0.00
n2	Recycled	97.31	100.00	N/A	22.09
	Recovered	2.69	0.00	N/A	77.83
	Landfill	0.0026	0.00	N/A	0.07
The Forge	Recycled	99.96	100.00	99.22	98.65
	Recovered	0.01	0.00	0.00	1.33
	Landfill	0.03	0.00	0.78	0.02
Portland House	Recycled	0.00	N/A	100.00	N/A
	Recovered	0.00	N/A	0.00	N/A
	Landfill	0.00	N/A	0.00	N/A
Development pipeline	Recycled	99.12	100.00	99.90	63.21
	Recovered	0.87	0.0	0.06	36.76
	Landfill	0.01	0.0	0.04	0.03

1. Excavation and demolition waste figures for 21 Moorfields only include partial data, as these stages were treated as a separate project.

Waste data for Timber Square is not available, as development is still in design stage.

All figures above exclude hazardous waste, as the amount of hazardous waste produced is immaterial.

Commitment – Create £25m of social value through our community programmes by 2025		Table 11
	2019/20	2020/21
Total social value created through our community programmes	**£4,822,053**	**£6,552,911**
Community employment		
Social value created	£2,594,380	£1,686,082
Social value created by supporting offenders and ex-offenders into employment	£929,694	£475,095
Social value created by supporting 18-24 NEETS (not in education, employment or training) into employment	£648,697	£361,627
Social value created by helping people in supported accommodation into employment	£226,461	£387,266
Total number of people helped into employment	180	121
Total number of people engaged in training and employability support (who did not move into work)	N/A	852*
Education		
Total number of students engaged	298	92
% female students	63%	Data not available
% 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	£99,061
Total number of people benefited by Landsec volunteering programme	3,400	895
Total number of volunteer engagements	539	352
Total Landsec employees who have volunteered (at least once)	253	120
Total volunteering hours by Landsec staff	8,527	719
Charity partnerships		
Total value of support given to charities	£1,823,184	£4,767,767
Total value directly donated to charities by Landsec	£293,255	£463,820
Value of in-kind space donated to local charity partners	£1,110,262	£3,996,561

*New indicator for 2021.

Streamlined energy and carbon reporting (SECR)

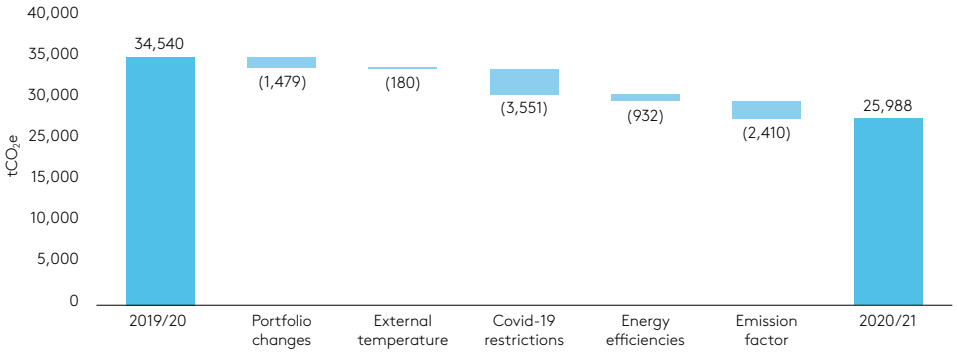
Landsec – Scope 1 and 2 emissions

Table 12

		Location-based emissions			Market-based emissions		
Emissions	**Unit**	**2018/19**	**2019/20**	**2020/21**	**2018/19**	**2018/19**	**2020/21**
Scope 1	tCO_2e	11,490	9,158	7,554	9,879	9,158	7,554
Scope 2	tCO_2e	30,518	25,382	18,434	3,517	3,719	2,079
Scope 1 and 2	tCO_2e	42,008	34,540	25,988	13,396	12,878	9,633
Intensity							
Scope 1 and 2	$kgCO_2e/m^2$	22.54	18.56	14.23	8.00	6.11	5.27

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

Chart 13



Scope 1 and 2 GHG emissions using location-based emission factors have dropped by 25% compared with previous year. Although these reductions have been achieved through a combination of factors, including energy efficiency projects, changes in our portfolio and changes in the UK's emission factors, the main driver for carbon reduction across the portfolio, this year, was the Covid-19 pandemic. The detailed breakdown of main factors driving the change in our Scope 1 and Scope 2 can be seen in the waterfall chart above. In terms of market-based emissions we have also seen a reduction of 25%.

Landsec – Energy consumption

Table 14

Energy consumption (kWh)		**2018/19**	**2019/20**	**2020/21**
Natural Gas	for landlord shared services	53,714,180	43,015,309	27,504,757
	(sub)metered to tenants	27,595,980	28,576,514	12,686,608
	Total Natural Gas consumption	81,310,160	71,591,823	40,191,365
Electricity	for landlord shared services	102,604,274	95,890,524	74,375,665
	(sub)metered to tenants	64,985,746	68,977,474	46,107,177
	Total Electricity consumption	167,590,020	164,867,998	120,482,841
District Heating and Cooling	for landlord shared services	9,607,784	5,312,441	5,472,813
	(sub)metered to tenants	7,063,310	7,356,140	3,589,825
	Total Heating and Cooling consumption	16,671,094	12,668,581	9,062,638
Total Energy consumption	for landlord shared services	165,926,238	144,218,274	107,353,234
	(sub)metered to tenants	99,645,036	104,910,128	62,383,610
	Total Energy consumption	265,571,274	249,128,402	169,736,845
Energy intensity (kWh/m^2)		142	134	93

The table above shows the absolute energy consumption with a breakdown by landlord and tenant consumption. This year absolute energy intensity has reduced by 32% compared with previous year, largely as a result of Covid-19 restrictions.

Our active energy management programme has also contributed to further reduce energy, maximising building efficiency in line with lower occupancy levels, while ensuring the health and safety and comfort of our occupants. To do this, we use smart technology to gather data from our building management systems in several of our offices, and having this detailed data helps us decide how we control energy-intensive service equipment in our buildings, and the services that we provide in our buildings are now running in line with occupancy. Consequently, this year we have been able to undertake various actions to improve the building management systems across our office assets. For example, we have improved the efficiency and lifecycle of our cooling systems, as they now react more optimally to external temperatures.

This year we identified and committed to implement energy efficiency projects across our portfolio that will lead to over 6,600 MWh of savings per annum. More information on our energy programme can be found on pages 64-65 of our Annual Report 2021.

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 6-12.

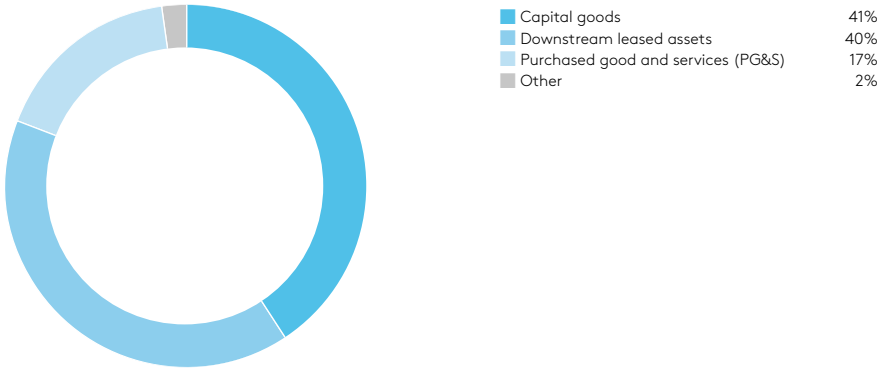
Landsec – Scope 1, 2 and 3 emissions

Table 15

		2018/19		2019/20		2020/21	
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	11,490	3.6%	9,158	3.4%	7,554	3.3%
Scope 2	Scope 2	30,518	9.7%	25,382	9.4%	18,434	8.0%
Scope 3	Scope 3	272,937	86.7%	235,031	87.2%	205,235	88.8%
	1. Purchased goods and services (PG&S)	48,123	15.3%	48,787	18.1%	34,004	14.7%
	2. Capital goods	89,149	28.3%	69,123	25.6%	84,261	36.4%
	3. Fuel- and energy-related activities	8,764	2.8%	6,919	2.6%	5,052	2.2%
	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	785	0.2%	770	0.3%	284	0.1%
	6. Business travel	324	0.1%	270	0.1%	33	0.0%
	7. Employee commuting	180	0.1%	166	0.1%	168	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	125,612	39.9%	108,996	40.4%	81,433	35.2%
	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		314,945		269,571		231,223	

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 2020/21 Chart 16



The two largest scope 3 categories are Capital goods and Downstream leased assets, making up over 71% 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.

The increase in emissions for Capital goods is explained by the fact that most of our development projects were still in the design stage in 2019/20, progressing to construction phase during the reporting year. In the table below, we provide the amount of embodied carbon emissions reported for each development in 2020-21. Conversely, lower emissions for Downstream leased assets are associated with reduction in energy consumption as a result of Covid-19 restrictions and 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 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 over 38,000 tCO_2e by targeting an overall reduction of 15.6% 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 17

Development	Total embodied carbon baseline (tCO_2)	Forecasted total embodied carbon (tCO_2)	Forecasted embodied carbon intensity ($kgCO_2/m^2$)	Embodied carbon reduction %	Embodied carbon emissions reported in 2020/21 (tCO_2)
21 Moorfields	120,871	102,224	1,363	–15.4%	40,295
Lucent	27,101	22,047	1,146	–18.6%	909
n2	24,788	20,878	1,013	–15.8%	1,836
The Forge	24,741	18,705	1,042	–24.4%	2,172
Portland House	19,554	19,384	342	–0.9%	73
Timber Square	30,548	25,813	501	–15.5%	–
Landsec development pipeline	247,603	209,051		–15.6%	45,285

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

The reporting methodology, including reporting boundaries, is detailed on pages 6-12.

Absolute portfolio – Energy

Table 18

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Energy	Elec-Abs	kWh	Electricity	for landlord shared services	102,604,274	95,890,524	74,375,665	51,624,459	47,213,531	32,720,579
				(sub)metered to tenants	64,985,746	68,977,474	46,107,177	42,010,863	47,264,270	33,408,529
				Total **electricity** consumption	167,590,020	164,867,998	120,482,841	93,635,321	94,477,801	66,129,108
				Total electricity purchased	166,652,710	164,007,164	119,722,213	93,575,264	94,402,538	66,082,650
				Self-generated renewable electricity	1,153,370	1,104,864	1,155,054	60,057	75,263	46,457
				Self-generated renewable electricity exported	216,061	244,029	394,425	0	0	0
				Proportion of electricity from renewable sources	96%	97%	98%	97%	98%	97%
				Electricity disclosure coverage			73 of 73			21 of 21
	DH&C-Abs	kWh	District Heating and Cooling	for landlord shared services	9,607,784	5,312,441	5,472,813	9,607,784	5,312,441	5,472,813
				(sub)metered to tenants	7,063,310	7,356,140	3,589,825	7,063,310	7,356,140	3,589,825
				Total **heating and cooling** consumption	16,671,094	12,668,581	9,062,638	16,671,094	12,668,581	9,062,638
				Proportion of landlord-obtained heating and cooling from renewable sources	–	–	–	–	–	–
				Heating and cooling disclosure coverage			1 of 1			1 of 1
	Fuels-Abs	kWh	Fuels	for landlord shared services	53,714,180	43,015,309	27,504,757	36,622,328	30,213,117	20,440,121
				(sub)metered to tenants	27,595,980	28,576,514	12,686,608	12,029,594	13,944,494	8,604,725
				Total **fuels** consumption	81,310,160	71,591,823	40,191,365	48,651,922	44,157,611	29,044,846
				Proportion of landlord-obtained fuels from renewable sources	16%	0%	0%	16%	0%	0%
				Fuels disclosure coverage			41 of 41			19 of 19
	Total energy-Abs	kWh	Total energy	for landlord shared services	165,926,238	144,218,274	107,353,234	97,854,570	82,739,089	58,633,513
				(sub)metered to tenants	99,645,036	104,910,128	62,383,610	61,103,767	68,564,904	45,603,079
				Total **energy** consumption	265,571,274	249,128,402	169,736,845	158,958,337	151,303,993	104,236,592
				Proportion of landlord-obtained energy from renewable sources	66%	64%	69%	62%	61%	62%
				Total energy disclosure coverage			73 of 73			21 of 21
	Energy-Int	kWh/m^2	Energy intensity	Floor area	1,862,894	1,861,431	1,826,378	546,327	554,242	528,777
				Total building energy intensity	143	134	93	291	273	197

2020/21 – % of total assets within reporting boundaries included: 100%.
2020/21 – % of data estimated: 0.03%. 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 18 (continued)

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Other		
	EPRA codes	Units	Indicator		2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Energy	Elec-Abs	kWh	Electricity	for landlord shared services	43,795,523	42,736,783	37,632,535	7,184,292	5,940,211	4,022,551
				(sub)metered to tenants	20,065,584	18,829,354	11,736,980	2,909,299	2,883,849	961,668
				Total **electricity** consumption	63,861,107	61,566,137	49,369,515	10,093,591	8,824,060	4,984,219
				Total electricity purchased	62,983,854	60,780,566	48,655,344	10,093,591	8,824,060	4,984,219
				Self-generated renewable electricity	1,093,313	1,029,601	1,108,596	0	0	0
				Self-generated renewable electricity exported	216,061	244,029	394,425	0	0	0
				Proportion of electricity from renewable sources	96%	97%	99%	100%	100%	100%
				Electricity disclosure coverage			30 of 30			22 of 22
	DH&C-Abs	kWh	District Heating and Cooling	for landlord shared services	–	–	–	–	–	–
				(sub)metered to tenants	–	–	–	–	–	–
				Total **heating and cooling** consumption	–	–	–	–	–	–
				Proportion of landlord-obtained heating and cooling from renewable sources	–	–	–	–	–	–
				Heating and cooling disclosure coverage	N/A	N/A	N/A	N/A	N/A	N/A
	Fuels-Abs	kWh	Fuels	for landlord shared services	15,358,093	11,368,394	6,520,349	1,733,759	1,433,797	544,287
				(sub)metered to tenants	15,566,386	14,632,021	4,081,883	0	0	0
				Total **fuels** consumption	30,924,479	26,000,415	10,602,232	1,733,759	1,433,797	544,287
				Proportion of landlord-obtained fuels from renewable sources	16%	0%	0%	16%	0%	0%
				Fuels disclosure coverage			15 of 15			7 of 7
	Total energy-Abs	kWh	Total energy	for landlord shared services	59,153,616	54,105,178	44,152,884	8,918,051	7,374,008	4,566,838
				(sub)metered to tenants	35,631,970	33,461,375	15,818,863	2,909,299	2,883,849	961,668
				Total **energy** consumption	94,785,586	87,566,552	59,971,747	11,827,350	10,257,857	5,528,506
				Proportion of landlord-obtained energy from renewable sources	70%	68%	81%	88%	86%	90%
				Total energy disclosure coverage			30 of 30			22 of 22
	Energy-Int	kWh/m^2	Energy intensity	Floor area	1,059,567	1,050,256	1,040,668	257,000	256,933	256,933
				Total building energy intensity	89	83	58	46	40	22

2020/21 – % of total assets within reporting boundaries included: 100%.
2020/21 – % of data estimated: 0.03%. 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 19

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2019/20	2020/21	% change	2019/20	2020/21	% change
Energy	Elec-LfL	kWh	Electricity	for landlord shared services	87,756,907	72,570,309	–17%	39,176,140	30,967,039	–21%
				(sub)metered to tenants	63,601,997	44,086,580	–31%	41,888,794	31,387,932	–25%
				Total **electricity** consumption	151,358,904	116,656,889	–23%	81,064,934	62,354,971	–23%
				Total electricity purchased	150,525,190	115,906,611	–23%	81,016,792	62,318,865	–23%
				Self-generated renewable electricity	1,077,743	1,144,703	6%	48,142	36,106	–25%
				Self-generated renewable electricity exported	244,029	394,425	62%	0	0	0%
				Proportion of electricity from renewable sources	97%	98%	1%	97%	97%	0%
				Electricity disclosure coverage			65 of 65			15 of 15
	DH&C-LfL	kWh	District Heating and Cooling	for landlord shared services	5,312,441	5,472,813	3%	5,312,441	5,472,813	3%
				(sub)metered to tenants	7,356,140	3,589,825	–51%	7,356,140	3,589,825	–51%
				Total **heating and cooling** consumption	12,668,581	9,062,638	–28%	12,668,581	9,062,638	–28%
				Proportion of landlord-obtained heating and cooling from renewable sources	0%	0%	0%	0%	0%	0%
				Heating and cooling disclosure coverage			1 of 1			1 of 1
	Fuels-LfL	kWh	Fuels	for landlord shared services	37,579,035	26,376,965	–30%	24,926,694	19,410,331	–22%
				(sub)metered to tenants	25,538,441	11,792,677	–54%	10,906,421	7,710,794	–29%
				Total **fuels** consumption	63,117,476	38,169,642	–40%	35,833,115	27,121,125	–24%
				Proportion of landlord-obtained fuels from renewable sources	0%	0%	0%	0%	0%	0%
				Fuels disclosure coverage			36 of 36			15 of 15
	Total energy-LfL	kWh	Total energy	for landlord shared services	135,960,823	104,420,087	–23%	74,727,716	55,850,183	–25%
				(sub)metered to tenants	103,852,719	59,469,082	–43%	67,507,495	42,688,551	–37%
				Total **energy** consumption	227,144,961	163,889,169	–28%	129,566,630	98,538,734	–24%
				Proportion of landlord-obtained energy from renewable sources	65%	70%	7%	61%	61%	1%
				Total energy disclosure coverage			36 of 36			15 of 15
	Energy-Int	kWh/m^2	Energy intensity	Floor area	1,739,980	1,739,980	0%	455,746	455,746	0%
				Total building energy intensity	131	94	–28%	284	216	–24%

2020/21 – % of total LfL assets within reporting boundaries included: 100%.
2020/21 – % of data estimated: 0.03%. 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 19 (continued)

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Other		
	EPRA codes	Units	Indicator		2019/20	2020/21	% change	2019/20	2020/21	% change
Energy	Elec-Abs	kWh	Electricity	for landlord shared services	42,679,285	37,617,808	–12%	5,901,482	4,022,551	–32%
				(sub)metered to tenants	18,829,354	11,736,980	–38%	2,883,849	961,668	–67%
				Total **electricity** consumption	61,508,639	49,354,788	–20%	8,785,331	4,984,219	–43%
				Total electricity purchased	60,723,068	48,640,617	–20%	8,785,331	4,947,130	–44%
				Self-generated renewable electricity	1,029,601	1,108,596	8%	0	0	0%
				Self-generated renewable electricity exported	244,029	394,425	62%	0	0	0%
				Proportion of electricity from renewable sources	97%	99%	2%	100%	100%	0%
				Electricity disclosure coverage			29 of 29			21 of 21
	DH&C-Abs	kWh	District Heating and Cooling	for landlord shared services	–	–	0%	–	–	0%
				(sub)metered to tenants	–	–	0%	–	–	0%
				Total **heating and cooling** consumption	–	–	0%	–	–	0%
				Proportion of landlord-obtained heating and cooling from renewable sources	–	–	0%	–	–	0%
				Heating and cooling disclosure coverage			N/A			N/A
	Fuels-Abs	kWh	Fuels	for landlord shared services	11,368,394	6,520,349	–43%	1,283,946	446,285	
				(sub)metered to tenants	14,632,021	4,081,883	–72%	–	–	
				Total **fuels** consumption	26,000,415	10,602,232	–59%	1,283,946	446,285	
				Proportion of landlord-obtained fuels from renewable sources	0%	0%	0%	0%	0%	
				Fuels disclosure coverage			15 of 15			6 of 6
	Total energy-Abs	kWh	Total energy	for landlord shared services	54,047,680	44,138,156	–18%	7,185,428	4,431,747	–38%
				(sub)metered to tenants	33,461,375	15,818,863	–53%	2,883,849	961,668	–67%
				Total **energy** consumption	87,509,054	59,957,020	–31%	10,069,277	5,393,415	–46%
				Proportion of landlord-obtained energy from renewable sources	68%	81%	19%	87%	92%	5%
				Total energy disclosure coverage			29 of 29			6 of 6
	Energy-Int	kWh/m^2	Energy intensity	Floor area	1,032,535	1,032,535	0%	251,700	251,700	0%
				Total building energy intensity	85	58	–31%	40	21	–46%

2020/21 – % of total LfL assets within reporting boundaries included: 100%.
2020/21 – % of data estimated: 0.03%. 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

Table 20

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Greenhouse Gas Emissions	GHG-Dir-Abs	tCO_2e	Direct	Scope 1 (natural gas)	9,881	7,908	5,057	6,737	5,555	3,758
				Scope 1 (refrigerant gases)	1,590	1,608	2,497	1,048	1,067	535
	GHG-Indir-Abs	tCO_2e	Indirect	Scope 2 (location-based)	30,518	25,382	18,434	16,336	13,141	8,889
				Scope 2 (market-based)	3,517	2,223	2,079	2,763	1,695	1,826
				Scope 3 (energy submetered to occupiers)	24,747	29,332	16,720	15,380	19,431	12,213
				Scope 3 (energy transmission and distribution)	14,224	6,919	4,884	8,296	3,722	2,463
				Scope 3 (waste)	785	770	284	147	141	30
				Scope 3 (water supply and treatment)	1,099	1,120	741	406	383	304
				Scope 3 (business travel)	489	270	33	–	–	–
	GHG-Int	tCO_2e	GHG Intensity	Total GHG emissions from energy (location-based)	79,370	69,541	45,095	46,748	41,848	27,324
		m^2		Floor area	1,863,961	1,861,431	1,826,378	581,839	554,242	528,777
		$kgCO_2e/m^2$		Total GHG emission intensity from energy (location-based)	42.6	37.4	24.7	80.3	75.5	51.7

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Other		
	EPRA codes	Units	Indicator		2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Greenhouse Gas Emissions	GHG-Dir-Abs	tCO_2e	Direct	Scope 1 (natural gas)	2,825	2,090	1,199	319	264	100
				Scope 1 (refrigerant gases)	498	10,723	1,962	43	1,518	–
	GHG-Indir-Abs	tCO_2e	Indirect	Scope 2 (location-based)	12,149	10,723	8,607	2,034	1,518	938
				Scope 2 (market-based)	754	528	254	–	–	–
				Scope 3 (energy submetered to occupiers)	8,544	8,990	4,230	824	911	277
				Scope 3 (energy transmission and distribution)	5,180	2,805	2,186	748	393	234
				Scope 3 (waste)	531	533	209	108	96	45
				Scope 3 (water supply and treatment)	600	641	371	94	96	66
				Scope 3 (business travel)	–	–	–	–	–	–
	GHG-Int	tCO_2e	GHG Intensity	Total GHG emissions from energy (location-based)	28,698	24,607	16,222	3,924	3,086	1,549
		m^2		Floor area	1,282,122	1,050,256	1,040,668	257,000	256,933	256,933
		$kgCO_2e/m^2$		Total GHG emission intensity from energy (location-based)	22.4	23.4	15.6	15.3	12.0	6.0

2020/21 – % of total assets within reporting boundaries included: 100%
2020/21 – % of data estimated: 0.03%. 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

Table 21

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2019/20	2020/21	% change	2019/20	2020/21	% change
Greenhouse Gas Emissions	GHG-Dir-LfL	tCO_2e	Direct	Scope 1 (natural gas)	6,909	4,850	–30%	4,583	3,569	–22%
				Scope 1 (refrigerant gases)	1,241	2,375	91%	236	411	74%
	GHG-Indir-LfL	tCO_2e	Indirect	Scope 2 (location-based)	23,310	18,015	–23%	11,093	8,482	–24%
				Scope 2 (market-based)	2,223	2,079	–6%	1,695	1,826	8%
				Scope 3 (energy submetered to occupiers)	27,002	15,953	–41%	17,101	11,446	–33%
				Scope 3 (energy transmission and distribution)	6,300	4,758	–24%	3,111	2,343	–25%
				Scope 3 (waste)	758	282	–63%	129	28	–78%
				Scope 3 (water supply and treatment)	1,034	715	–31%	298	278	–7%
	GHG-Int	tCO_2e	GHG Intensity	Total GHG emissions from energy (location-based)	63,521	43,576	–31%	35,889	25,840	–28%
		m^2		Floor area	1,739,980	1,739,980	0%	455,746	455,746	0%
		$kgCO_2e/m^2$		Total GHG emission intensity from energy (location-based)	36.51	25.04	–31%	78.75	56.70	–28%

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Other		
	EPRA codes	Units	Indicator		2019/20	2020/21	% change	2019/20	2020/21	% change
Greenhouse Gas Emissions	GHG-Dir-LfL	tCO_2e	Direct	Scope 1 (natural gas)	2,090	1,199	–43%	236	82	–65%
				Scope 1 (refrigerant gases)	1,005	1,962	95%	0	0	0%
	GHG-Indir-LfL	tCO_2e	Indirect	Scope 2 (location-based)	10,708	8,604	–20%	1,508	929	–38%
				Scope 2 (market-based)	528	254	–52%	0	0	0%
				Scope 3 (energy submetered to occupiers)	8,990	4,230	–53%	911	277	–70%
				Scope 3 (energy transmission and distribution)	2,801	2,185	–22%	387	230	–41%
				Scope 3 (waste)	533	209	–61%	96	45	–53%
				Scope 3 (water supply and treatment)	641	371	–42%	94	66	–30%
	GHG-Int	tCO_2e	GHG Intensity	Total GHG emissions from energy (location-based)	24,589	16,218	–34%	3,043	1,518	–50%
		m^2		Floor area	1,032,535	1,032,535	0%	251,700	251,700	0%
		$kgCO_2e/m^2$		Total GHG emission intensity from energy (location-based)	23.81	15.71	–34%	12.09	6.03	–50%

2020/21 – % of total LfL assets within reporting boundaries included: 100%.
2020/21 – % of data estimated: 0.03%. 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 and waste

Table 22

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Water	Water-Abs	m^3	Municipal water withdrawn	for landlord shared services	633,444	665,258	556,093	315,182	268,100	174,308
				(sub)metered to tenants	411,534	398,936	148,480	70,709	95,498	114,688
				Total landlord-obtained water	1,044,978	1,064,194	704,573	385,891	363,599	288,997
				Water disclosure coverage			59 of 59			19 of 19
	Water-Int	m^3/m^2	Water withdrawn intensity	Total building water intensity	0.56	0.57	0.39	0.71	0.66	0.55
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	36,725	36,272	13,340	6,868	6,612	1,430
	Waste-Abs (recycled)		Total weight of waste produced	Recycled	27,031	26,581	8,708	5,456	5,498	1,169
	Waste-Abs (EfW)			Energy from Waste	9,694	9,690	4,632	1,411	1,114	262
	Waste-Abs (landfill)			Landfill	0	0	0	0	0	0
	Waste-Abs (recycled)	%	Proportion of waste by disposal route	Recycled	74%	73%	65%	79%	83%	82%
	Waste-Abs (EfW)			Energy from Waste	26%	27%	35%	21%	17%	18%
	Waste-Abs (landfill)			Landfill	0%	0%	0%	0%	0%	0%

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Other		
	EPRA codes	Units	Indicator		2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Water	Water-Abs	m^3	Municipal water withdrawn	for landlord shared services	231,058	306,402	319,008	87,204	90,756	62,776
				(sub)metered to tenants	339,098	303,285	33,792	1,727	152	0
				Total landlord-obtained water	570,156	609,687	352,800	88,931	90,908	62,776
				Water disclosure coverage			22 of 22			18 of 18
	Water-Int	m^3/m^2	Water withdrawn intensity	Total building water intensity	0.54	0.58	0.34	0.35	0.35	0.24
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	24,822	25,180	9,815	5,036	4,480	2,095
	Waste-Abs (recycled)		Total weight of waste produced	Recycled	18,488	18,389	6,535	3,087	2,694	1,004
	Waste-Abs (EfW)			Energy from Waste	6,334	6,791	3,279	1,949	1,786	1,091
	Waste-Abs (landfill)			Landfill	0	0	0	0	0	0
	Waste-Abs (recycled)	%	Proportion of waste by disposal route	Recycled	74%	73%	67%	61%	60%	48%
	Waste-Abs (EfW)			Energy from Waste	26%	27%	33%	39%	40%	52%
	Waste-Abs (landfill)			Landfill	0%	0%	0%	0%	0%	0%

1. The amount of hazardous waste produced in our properties is immaterial.
2020/21 – % of total assets within reporting boundaries included: 100%.
2020/21 – % of data estimated: Water – 30.9%, Waste – 0%.

Like-for-Like portfolio – water and waste

Table 23

Impact area	EPRA Sustainability Performance Measures (Environment)				Landsec			Office		
	EPRA codes	Units	Indicator		2019/20	2020/21	% change	2019/20	2020/21	% change
Water	Water-LfL	m^3	Municipal water withdrawn	for landlord shared services	571,480	536,324	–6%	197,079	154,628	–22%
				(sub)metered to tenants	403,903	143,540	–64%	86,029	109,748	28%
				Total landlord-obtained water	975,383	679,864	–30%	283,108	264,376	–7%
				Water disclosure coverage			54 of 54			15 of 15
	Water-Int	m^3/m^2	Water withdrawn intensity	Total building water intensity	0.56	0.39	–30%	0.62	0.58	–7%
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	35,475	13,242	–63%	6,038	1,337	–78%
	Waste-LfL (recycled)		Total weight of waste produced	Recycled	25,738	8,629	–66%	5,041	1,090	–78%
	Waste-LfL (EfW)			Energy from Waste	9,737	4,612	–53%	997	247	–75%
	Waste-LfL (landfill)			Landfill	0	0	0%	0	0	0%
	Waste-LfL (recycled)	%	Proportion of waste by disposal route	Recycled	73%	65%	–10%	83%	82%	–2%
	Waste-LfL (EfW)			Energy from Waste	27%	35%	27%	17%	18%	12%
	Waste-LfL (landfill)			Landfill	0%	0%	0%	0%	0%	0%

Impact area	EPRA Sustainability Performance Measures (Environment)				Retail			Other		
	EPRA codes	Units	Indicator		2019/20	2020/21	% change	2019/20	2020/21	% change
Water	Water-LfL	m^3	Municipal water withdrawn	for landlord shared services	306,402	319,008	4%	89,621	62,687	–30%
				(sub)metered to tenants	303,285	33,792	–89%	152	0	–100%
				Total landlord-obtained water	609,687	352,800	–42%	89,773	62,687	–30%
				Water disclosure coverage			22 of 22			17 of 17
	Water-Int	m^3/m^2	Water withdrawn intensity	Total building water intensity	0.59	0.34	–42%	0.36	0.25	–30%
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	24,942	9,810	–61%	4,496	2,095	–53%
	Waste-LfL (recycled)		Total weight of waste produced	Recycled	18,004	6,535	–64%	2,694	1,004	–63%
	Waste-LfL (EfW)			Energy from Waste	6,938	3,275	–53%	1,802	1,091	–39%
	Waste-LfL (landfill)			Landfill	0	0	0%	0	0	0%
	Waste-LfL (recycled)	%	Proportion of waste by disposal route	Recycled	72%	67%	–8%	60%	48%	–20%
	Waste-LfL (EfW)			Energy from Waste	28%	33%	20%	40%	52%	30%
	Waste-LfL (landfill)			Landfill	0%	0%	0%	0%	0%	0%

1. The amount of hazardous waste produced in our properties is immaterial.
2020/21 – % of total LfL within reporting boundaries included: 100%.
2020/21 – % of data estimated: Water – 31.6%, Waste – 0%.

As part of our approach to sustainability to ensure that we manage and use natural resources efficiently, while improving the transparency and quality of our disclosures, this year we've carried out a third party assurance of our water data.

Landsec headquarters environmental performance

Table 24

Impact area	EPRA Sustainability Performance Measures (Environment)						
	EPRA codes	**Units**	**Indicator**		**2018/19**	**2019/20**	**2020/21**
Energy	Elec-Abs	kWh	Electricity	Total landlord-obtained **electricity**	367,155	351,567	230,301
				Proportion of landlord-obtained electricity from renewable sources	100%	100%	100%
	Fuels-Abs	kWh	Fuels	Total landlord-obtained **fuels**	535,961	484,572	454,993
				Proportion of landlord-obtained fuels from renewable sources	16%	0%	0%
	Total energy-Abs	kWh	Energy	Total landlord-obtained **energy**	903,116	836,139	685,294
				Proportion of landlord-obtained energy from renewable sources	50%	42%	34%
	Energy-Int	kWh/m^2	Energy intensity	Total building energy intensity	191	177	145
Greenhouse Gas Emissions	GHG-Dir-Abs	tCO_2e	Direct	Scope 1 (natural gas)	98.6	89.1	83.7
				Scope 1 (refrigerant gases)	1.9	1.5	0.0
				Scope 2 (location-based)	103.9	89.9	53.7
				Scope 2 (market-based)	0.0	0.0	0.0
	GHG-Indir-Abs	tCO_2e	Indirect	Scope 3 (energy transmission and distribution)	39.3	32.8	23.5
				Scope 3 (waste)	2.9	2.7	0.6
				Scope 3 (water supply and treatment)	2.8	2.7	0.2
	GHG-Int	tCO_2e/m^2	GHG intensity	Total GHG emissions from energy (location-based)	241.8	211.8	160.9
				Total GHG emission intensity (location-based)	51.3	44.9	34.1
Water	Water-Abs	m^3	Water	Total municipal **water withdrawn**	2,649	2,602	205
	Water-Int	m^3/m^2	Water intensity	Total building water intensity	0.56	0.55	0.04
Waste	Waste-Abs	tonnes	Waste	Total weight of waste – Recycled	102	102	20
				Total weight of waste – Energy from Waste	32	26	6
				Total weight of waste – Landfill	0	0	0
		%	Waste	Proportion of waste – Recycled	76%	79%	78%
				Proportion of waste – Energy from Waste	24%	21%	22%
				Proportion of waste – Landfill	0%	0%	0%

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 25

Impact area	EPRA Sustainability Performance Measures (Environment)					
	EPRA codes	Units	Indicator	2018/19	2019/20	2020/21
Certification	Cert-Tot	% of total floor area (m^2)	Percentage of portfolio which is BREEAM rated	40.2%	39.9%	44.2%
			Outstanding	0.2%	0.2%	0.2%
			Excellent	19.4%	19.3%	18.2%
			Very Good	17.7%	17.5%	23.2%
			Good/Pass	2.9%	2.8%	2.5%
			Percentage of portfolio with a valid a EPC certificate[1]			61.0%
			A/B			18.0%
			C/D/E			40.7%
			F/G			2.3%

Additional disclosure

Table 26

	Units	Indicator	2020/21
Certification	% of rental income (£)	Percentage of rental income from BREEAM certified assets[1]	61.7%
		Outstanding[2]	0.0%
		Excellent	31.9%
		Very Good	28.0%
		Good / Pass	1.8%
		Percentage of rental income (ERV) from spaces with a valid EPC certificate[1]	74.6%
		A/B	23.7%
		C/D/E	48.9%
		F/G	2.0%

1. New indicator added to our disclosures in 2020/21.
2. BREEAM Outstanding space is related to Landsec office floor area at 80-100 Victoria Street.

Employee diversity – Gender

Table 27

Impact area	EPRA Sustainability Performance Measures (Social)				2018/19		2019/20		2020/21	
	EPRA codes	Units	Indicator		Female	Male	Female	Male	Female	Male
Diversity	Diversity-Emp	% of employees	Gender diversity	% of total employees	52.5%	47.6%	52.4%	47.6%	51.6%	48.4%
			Gender by level	Board	42.9%	57.1%	44.4%	55.5%	50.0%	50.0%
				Executive	28.6%	71.4%	20.0%	80.0%	11.1%	88.9%
				Senior Leader	40.9%	59.1%	30.0%	70.0%	37.5%	62.5%
				Leader	19.5%	80.5%	24.5%	75.5%	30.9%	69.1%
				Manager	51.2%	48.8%	52.6%	47.4%	52.2%	47.8%
				Professional	56.1%	43.9%	61.7%	38.3%	58.2%	41.8%
				Support	73.7%	26.3%	71.4%	28.6%	73.1%	26.9%

Employee diversity – Gender pay

Table 28

Impact area	EPRA Sustainability Performance Measures (Social)				2018/19	2019/20	2020/21
	EPRA codes	Units	Indicator		Ratio	Ratio	Ratio
Diversity	Diversity-Pay	Pay	Diversity-Pay Gender pay ratio	Total employees	1.58	1.61	1.46

Employee diversity – Ethnicity

Table 29

Impact area	EPRA Sustainability Performance Measures (Social)				2018/19					2019/20					2020/21				
	EPRA codes	Units	Indicator		Asian	Black	White	Other	Race/ ethnicity not recorded	Asian	Black	White	Other	Race/ ethnicity not recorded	Asian	Black	White	Other	Race/ ethnicity not recorded
Diversity	Additional metric	% of employees	Ethnicity by level	% of total employees	6.6%	5.2%	78.2%	4.6%	5.4%	7.6%	4.9%	79.6%	4.9%	3.0%	7.9%	5.4%	81.0%	3.6%	2.1%
				Board	0.0%	0.0%	28.6%	0.0%	71.4%	0.0%	0.0%	42.9%	0.0%	57.1%	10.0%	0.0%	60.0%	0.0%	30.00%
				Executive	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%	0.0%	0.0%
				Senior Leader	0.0%	0.0%	95.5%	0.0%	4.6%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	93.8%	6.3%	0.0%
				Leader	6.1%	1.2%	81.7%	3.7%	7.3%	4.3%	2.1%	86.2%	4.3%	3.2%	4.5%	1.8%	90.9%	1.8%	0.9%
				Manager	7.7%	1.9%	80.9%	3.8%	5.7%	11.7%	2.0%	77.6%	5.1%	3.6%	12.2%	2.0%	78.0%	5.4%	2.4%
				Professional	8.7%	6.9%	75.7%	6.4%	2.3%	8.7%	8.7%	75.8%	5.4%	1.3%	7.2%	11.1%	77.1%	2.6%	2.0%
				Support	4.5%	12.0%	73.7%	5.3%	4.5%	3.1%	9.2%	80.6%	6.1%	1.0%	5.1%	10.3%	80.8%	3.8%	0.0%

Employee diversity – Disability

Table 30

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

Impact area	EPRA Sustainability Performance Measures (Social)				2020/21									
	EPRA codes	Units	Indicator		Dexterity	Hearing	Learning, understanding or concentrating	Mental health	Mobility	Other	Vision	No disability	Prefer not to say	Disability not recorded
Diversity	Additional metric	% of employees	Disability by level	% of total employees	0.3%	0.2%	1.0%	0.9%	0.3%	0.5%	0.9%	90.7%	3.3%	2.2%
				Board	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	30.0%	60.0%
				Executive	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	0.0%	66.7%	11.1%	11.1%
				Senior Leader	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.3%	93.8%	0.0%	0.0%
				Leader	0.0%	0.0%	0.0%	0.9%	0.0%	0.9%	0.9%	93.6%	2.7%	0.9%
				Manager	1.0%	0.0%	1.0%	0.5%	1.0%	0.0%	0.0%	90.7%	3.9%	2.0%
				Professional	0.0%	0.0%	2.6%	1.3%	0.0%	0.0%	0.7%	91.5%	2.6%	1.3%
				Support	0.0%	1.3%	0.0%	1.3%	0.0%	1.3%	2.6%	94.9%	1.3%	0.0%

In 2020/21, some rows equal over 100% as some employees recorded multiple disabilities.

Employee diversity – Sexual orientation

Table 31

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

Impact area	EPRA Sustainability Performance Measures (Social)				2020/21					
	EPRA codes	Units	Indicator		Bisexual	Lesbian/Gay	Heterosexual	Other	Prefer not to state	Sexual orientation not recorded
Diversity	Additional metric	% of employees	Sexual orientation by level	% of total employees	0.2%	0.5%	75.1%	2.2%	8.5%	13.5%
				Board	0.0%	0.0%	0.0%	0.0%	20.0%	80.0%
				Executive	0.0%	0.0%	55.6%	0.0%	22.2%	22.2%
				Senior Leader	0.0%	0.0%	68.8%	0.0%	12.5%	18.8%
				Leader	0.0%	0.0%	81.8%	0.9%	6.4%	10.9%
				Manager	0.0%	1.0%	75.6%	2.0%	10.2%	11.2%
				Professional	0.7%	0.0%	76.5%	3.9%	9.2%	9.8%
				Support	0.0%	1.3%	71.8%	2.6%	2.6%	21.8%

Employee diversity – Age

Table 32

Impact area	EPRA Sustainability Performance Measures (Social)						
	EPRA codes	Units	Indicator		2018/19	2019/20	2020/21
Diversity	Additional metric	% of employees	Age group	<30 years old	23.9%	20.4%	17.6%
				30-50 years old	57.0%	57.5%	60.6%
				>50 years old	19.1%	22.1%	21.8%

Employee development and turnover

Table 33

Impact area	EPRA Sustainability Performance Measures (Social)				2018/19			2019/20			2020/21		
	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[1]	12.2	12.1	12.1	20.8	20.8	20.8	7.0	6.3	6.6
	Emp-Dev	% of employees	Performance appraisals	% of total employees received performance appraisals	49.6%	46.8%	96.4%	51.0%	46.1%	97.1%	51.5%	48.5%	100.0%
			All direct employees	Total number of employees	332	301	633	298	271	569	298	281	579
	Emp-Turnover	Number of employees	New hires	Total number of new hires	69	47	116	54	38	91	45	43	88
				Rate of new hires	10.9%	7.4%	18.3%	9.0%	6.0%	15.0%	7.8%	7.4%	15.2%
			Employee turnover	Total number of employee turnover	65	33	98	99	69	168	45	31	76
				Rate of employee turnover	10.3%	5.2%	15.5%	17.4%	12.1%	29.5%	8.1%	5.6%	13.7%

1. The reduction in training hours in 2021/21 is the result of several factors, including pausing any face-to-face training due to the Covid-19 pandemic, alongside introducing an online learning platform, meaning we are now able to offer more variety and choice with a lower time commitment.

Health & Safety

Table 34

Impact area	EPRA Sustainability Performance Measures (Social)				Landsec		
	EPRA codes	Units	Indicator		2018/19	2019/20	2020/21
Health & Safety	H&S-Emp	% of total days	Absentee rate	Absentee rate for employees	0.90%	1.04%	0.75%
		Rate	RIDDOR[1] – Reportable injury incident rate	Developments – contractors		635	1307
				Managed portfolio		0.0069	0.0035
				Third-party managed portfolio		0.0042	data not available
		Total number	RIDDOR – Number of reportable injury incidents	Developments – contractors	4	3	2
				Managed portfolio	5	13	1
				Third-party managed portfolio		2	1
		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	14
				Managed portfolio		120	68
		Total number	Number of total injury incidents	Developments – contractors		9	2
				Managed portfolio – contractors		93	83
				Managed portfolio – employees		14	14
				Managed portfolio – visitors		449	293
				Managed portfolio – unallocated person		122	2
		Total number	Disease	Managed portfolio		0	0
		Total number	Lost time rate	Developments – contractors		0	35
	H&S-Asset	%	% Assets	Asset Health & Safety assessments	100%	100%	100%
	H&S-Comp	Total number	Enforcement/Compliance incidents	Developments		0	0
				Managed portfolio/operations		0	0
		%	Health & Safety training	Employees		95	95

1. RIDDOR – Reporting of Injuries, Diseases and Dangerous Occurrences Regulations: figures only include reportable incidents as specified at 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 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 2021 on pages 76-77, and as part of our principal risks and uncertainties section on page 75. For further disclosures you can access our CDP response at 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 Head of ESG & Sustainability, members of the Executive Leadership Team 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, Property Committee and Executive Leadership Team. 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 change risks is embedded across the business with climate-related targets linked to employees remuneration, including our science-based carbon reduction target, energy efficiency and embodied carbon from new developments.

Strategy

Identifying risk and opportunities

As a UK real estate company, our business is exposed to both physical and transition risks and opportunities from climate change. We're committed to assessing and mitigating physical and financial climate change adaptation risks that are material across our portfolio.

For the third successive year, we have worked with Willis Towers Watson to identify and assess the impact of climate-related risks through quantitative and qualitative scenario analysis, considering short term until 2030, and long term beyond 2030 until 2100. Our analysis focuses on two distinct scenarios based on the 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: a scenario where global average temperature increases by less than two degrees (RCP 2.6), and a scenario where temperatures increase by up to four degrees (RCP 8.5).

The assessment was directed at two broad categories of risk:

1. Risks related to the physical impacts of climate e.g. direct damage to property or supply chain disruption.
2. Risks and opportunities that relate to the transition to a lower-carbon economy – transition risks are broken into four main types: Policy and Legal; Market; Technology; and Reputation risks.

To determine how our business may be affected by the physical risks, we've conducted research and modelling that 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 heat stress, sea level rise and subsidence, 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 CatNet™ and MunichRe NATHAN™, and is further adjusted based on expert judgement. Our research and analysis also incorporates 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.

Our portfolio exposure to physical risks was assessed on two time horizons, (1) Current climate, (2) short-term climate change impact (until 2030) and (3) long-term impact (2030s to end of century) where models were available for key perils and where a clear climate change signal warranted, considering the two RCP scenarios described above.

To determine how our business will be affected by a transition to the low-carbon economy, we conducted a scenario analysis, using the TCFD recommendations as a guide. The scenario used for the transition analysis aligns with projections to keep global warming below +2°C above pre-industrial temperatures and it was constructed based on a variety of sources including RCP 2.6 scenario from IPCC, SSP1 Sustainability from Shared Socioeconomic Pathways (SSPs), Sustainable Development Scenario from IEA, etc. Potential Transition Risks to Landsec (i.e. Policy & Legal, Technology, Market and Reputation Risks) associated with this climate scenario were identified and assessed against impact and likelihood criteria through discussions with 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.

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, as only a small proportion of the portfolio is located in areas exposed to flooding risks, as shown in the Metrics and targets table 35. 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.

A summary of our scenario analysis is provided below. Detailed information on the two distinct scenarios is found on the following pages.

	Short term (Until 2030)	Long term (2030–2100)
< 2°C scenario	**High transition risks associated with aggressive mitigation actions to reduce emissions** — Minimum Energy Efficiency Standards (MEES) raise requirements for all non-domestic rented properties to meet a minimum EPC B, potentially impacting nearly 80% of floor area — Increased pricing of carbon emissions expected to reach £87/tCO_2 ($100/$tCO_2$), impacting operational costs — Change in customer expectations regarding offices, as more companies committed to becoming net zero and set science-based targets No significant changes to current physical risks (as described below).	**Slight increase in physical risks** — 3% to 20% increase in river peak flows with no additional assets exposed compared with current risks. — No significant change to exposure of portfolio to windstorm and impact is likely to remain within current natural weather variability. — 12% expected increase in terms of flooding losses — Warmer summers with +1.7°C maximum temperatures but no significant risk of heat stress — 55% of portfolio could exposed to subsidence risk Transition risks continue to manifest in line with changes observed in earlier years.
4°C scenario	**Business as usual with no significant change in transition and physical risks** — No significant changes to current physical risks — 2% of portfolio located in areas highly exposed to river flood with a return period of 100 years — 5% of portfolio located in areas highly exposed to storm surge (coastal flooding) with a return period of 100 years	**Failure to transition leading to significant increase in physical risks and adaptation risks** — Significantly hotter summers with +4°C to +7.6°C maximum temperatures — 88% of the portfolio could be exposed to 10-20 days in heatwaves — Sea level rise between 21cm-80cm on average which would put additional strain on the Thames Barrier — 21% to 56% increase in river peak flows and potential flood defence failures across the UK, leading to higher portfolio exposure — 40% expected increase in flooding losses — 7% expected increase in windstorm losses — >64% of portfolio could be exposed to subsidence risk As consequence of the changes in climate and associated physical risks, there will be a significant increase in risks linked with adaptation measures.

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.
- 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.

As part of our approach to manage transition risks, we're committed to becoming a net zero carbon business by 2030 and have developed a strategy to transition to net zero. The first step of our strategy is about reducing our operational carbon emissions in line with a 1.5oC scenario science-based target, by improving the energy efficiency of our assets. We're investing in a comprehensive energy and carbon reduction programme across our portfolio, including customer engagement on energy efficiency, BMS optimisation and low carbon heating feasibility studies (e.g. Air source heat pump). Second, we'll increase investment in renewables, such as corporate PPAs, managing the future risk of higher energy costs, and increasing on-site renewable electricity generation. Third, we've adopted an internal shadow carbon price at £80/tCO_2, anticipating a potential carbon price in the future, to inform our decision-making process. Fourth, we're reducing carbon emissions across our construction activities by setting embodied carbon intensity and reduction targets for each of our developments. Finally, we're offsetting any remaining carbon emissions through carefully selected projects which actively take carbon out of the atmosphere. Further details on how we're progressing our net-zero strategy is discussed in our Annual Report on pages 64-67.

Furthermore, we're working with our teams to ensure that assets located in areas highly exposed to flooding risks have adequate protection and mitigation plans in place, including Business Continuity and Emergency Response Plans.

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 Leadership team, who are responsible for ensuring the operating effectiveness of the internal control systems and for implementing key risk mitigation plans. The Board undertakes an annual assessment of the principal risks. The Executive Leadership team is supported by risk champions across the business, who are tasked with maintaining awareness of key risks and control measures.

The senior leader responsible for climate-related risk is the Head of ESG and Sustainability. 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 senior leader and risk champion responsible for climate-related risk ensure appropriate mitigation actions are taken and integrated 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 our principal risks and uncertainties, including climate change is discussed further in our Annual Report on page 68-69.

Below 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 preindustrial levels by the end of the century. The scenario assumes proactive and sustained action to reduce carbon emissions over the next 30 years to build a low carbon economy. Sources that inform assumptions include projections used in Shared Socio-Economic Pathways (SSP), the IEA (Sustainable Development), IPCC (RCP2.6) and Bank of England.

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?

- Increase in customer demand for low-carbon and sustainable buildings
- Technology investment directed away from fossil fuels, toward efficiency and renewables
- Increased pricing of carbon emissions expected to reach £87/tCO_2 ($100/$tCO_2$), impacting operational costs
- Mandatory energy conservation building codes, including net-zero emissions requirement for all new buildings

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 occupiers, due to increasing number of business committing to net zero.

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 a 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 below two-degrees scenario, based on our analysis, we are confident our business model and strategy, including our net zero carbon strategy, 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 PX 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 transitional thinking in 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 4°C by 2100. The scenario assumes that competitive markets, innovation and participatory societies act to produce rapid growth at whatever costs. There is an increasing adoption of resource and energy intensive lifestyles around the world and the push for economic and social development is coupled with the exploitation of abundant fossil fuels. The scenario also incorporates elements of the IEA Current Policies Scenario and RCP8.5.

In the 4°C scenario, 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 2100?

— **5.4°C** hotter in summer
— **50%** increase in heatwaves
— **35%** more rain in winter
— **7%** increase in electricity use
— **18%** 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 at 5.4°C higher and winter temperatures at 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 required changes in markets, policy, regulation and technology in the long-term. 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 35

Financial category	Climate related category	Metric	Unit of measure	2019/20	2020/21
Revenues	Risk Adaptation & Mitigation	Estimated annual savings from energy efficiency measures implemented in the year	£	494,345.37	821,169.87
	Risk Adaptation & Mitigation	Percentage of revenues derived from BREEAM certified assets	%	56%	62%
Expenditures	Energy/Fuel	Total energy consumption	kWh	248,933,695.04	169,736,844.58
	Energy/Fuel	Proportion of energy consumption from renewable sources	%	64%	69%
	Energy/Fuel	Total electricity consumption	kWh	164,673,291.04	120,482,841.45
	Energy/Fuel	Proportion of electricity consumption from renewable sources	%	97%	98%
	Energy/Fuel	Total fuel consumption (i.e. gas)	kWh	71,591,823.00	40,191,365.13
	Energy/Fuel	Proportion of fuel consumption from renewable sources (i.e. green gas)	%	0%	0%
	Energy/Fuel	Total building energy intensity by floor area	kWh/m^2	133.8	92.9
	Water	Total water consumption	m^3	1,064,194	704,573
	Water	Percent of fresh water withdrawn in regions with high or extremely high baseline water stress[1]	m^3	N/A	56%
	Water	Total building water intensity by floor area	m^3/m^2	0.57	0.39
	GHG Emissions	Total GHG energy-related emissions intensity by floor area (location-based)	$kgCO_2e/m^2$	37.4	24.7
Assets	Location	Percentage floor area of portfolio located in areas exposed to a 10% risk of inland, coastal and flash flooding in a ten-year period[2]	% floor area	11.7%	11.2%
	Location	Percentage value of portfolio located in areas exposed to a 10% risk of inland, coastal and flash flooding in a ten-year period[2]	% Value	7.4%	7.2%
	Location	Insured value of assets located in areas exposed to a 10% risk of inland, coastal and flash flooding in a ten-year period[2]	£m	682.0	995.9
	Risk Adaptation & Mitigation	Investments in energy efficiency measures implemented in the year	£	1,238,452.00	1,648,176.27
	Risk Adaptation & Mitigation	Percentage of portfolio which is BREEAM certified	% floor area	40%	44%
	Risk Adaptation & Mitigation	Percentage of portfolio which is BREEAM certified	% portfolio value	59%	57%
	Risk Adaptation & Mitigation	Percentage of portfolio with EPCs rated F or G (by floor area)[3]	% floor area	N/A	2%

1. 2020/21 performance is not comparable with figure reported in previous years due to reporting methdology update. 2020/21 figure has been calculated using the WRI Aqueduct water risk atlas map for water stress, which shows London and Oxford areas as High water stress regions.
2. Indicators have been updated to include all assets located in areas with 1 in 100 year return period for flooding. Exposure doesn't consider any local flooding protection and mitigation actions in place.
3. New indicator added to the TCFD disclosure in 2020/21.

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	As one of the leading real estate companies in Europe, we recognise we have a responsibility and significant role to play in addressing the long-term challenges we face. These include combatting climate change, protecting scarce resources, improving diversity and reducing inequality. We have identified ESG leadership as key to performance in our business strategy, and an important source of competitive advantage. It will help us ensure our business remains relevant and creates value over the long term. Sustainability has always been central to how we do business – in building design and operation (e.g. minimising our carbon footprint and environmental impact, and enhancing the health and wellbeing of our people, partners, occupiers and visitors who use them), or in the importance we place on making sure our assets and activities enhance local communities and support those most in need of help, especially as we work through the impact and recovery from the pandemic. Last year, we re-evaluated our operating model, and our purpose has been redefined as: "We create places that make a lasting positive contribution to our communities and our planet. We bring people together, forming connections with each other and the spaces we create. And we provide our customers, partners and people with a platform to realise their full potential." Sustainability is thus integral to our purpose, and our ambition to provide lasting value to society lies at the heart of how we engage with employees, customers, partners and communities. To ensure that all employees are advocates of this sustainability-centric approach, we have re-launched our compulsory sustainability training as an interactive course comprising what sustainability is and why it is so important to Landsec, net zero carbon and social value. To ensure sustainability is part of everything we do at Landsec, we have rigorous governance in place. Sustainability is overseen by our Sustainability Committee, chaired by our Chief Executive and attended by our Head of ESG and Sustainability and senior representatives from across the business. The Committee meets quarterly to develop and implement our sustainability strategy and reviewing progress towards targets. Furthermore, to incentivise and encourage working towards our sustainability commitments, a number of sustainability key performance indicators (KPIs) are linked to executive and senior management remuneration. The Board receives an annual update on our sustainability programme, which includes discussion of performance in relation to our commitments. Furthermore, 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. In 2020, we launched a supply chain sustainability questionnaire, which now forms part of the onboarding process for all suppliers. Over 900 suppliers responded, representing over half of our spend in 2020-21. Collecting this primary data from our suppliers has helped us to improve our understanding of our collaborative impact and identify key areas for improvement. Moreover, we support our customers with sustainability-related issues, for example 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. In addition, Landsec is dedicated to working with the real estate industry and government to tackle global environmental and societal issues, which have been thrown into sharp relief by the pandemic. We are an active member of the UK Green Building Council (UKGBC) and Better Buildings Partnership (BBP), working with our peers to help the entire industry improve, and we use our expertise to help tackle specific sustainability problems. Furthermore, we support legislative solutions relating to sustainability, for instance supporting the Department for Business, Energy and Industrial Strategy (BEIS) with public policy on minimum energy efficiency standards within the commercial property sector.	Sustainability Strategy Sustainability Brief Supplier Code of Conduct Working with our supply partners Stakeholder Engagement Policy Corporate Governance Strategy Annual Report pages 20-35, 54-55, 56-63

Principle	Landsec's approach	Find out more
	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. During 2020, we again carried out due diligence across our business activity through our worker engagement surveys 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 debt bondage, labour exploitation, fair payment, health, safety and discrimination. We targeted high-risk areas of our supply chain, focussing on UK construction labour in the UK, and no instances of modern slavery were identified. To further improve our approach to identifying and managing modern slavery risk in our business and in supply chain, this year we began to collaborate with not-for-profit modern-slavery specialist Stronger Together and have formed a Modern Slavery Working Group. The Black Lives Matter protests of 2020 provided us and many organisations globally with a rude awakening that society is not as fair and equal as we would like to believe. In response, Landsec expressed solidarity, for instance through signing Business in the Community's (BITC) Race at Work Charter and the Involve open letter (agreeing to report our progress on black inclusion as part of our annual report) and has been taking appropriate action, for example carrying out the Investing in Ethnicity Audit and launching our cross-network inclusion allies programme internally. We will be building upon these initial steps to ensure we continue to fulfil our aspiration of being a caring, open and progressive business. Landsec is committed to curbing societal discrimination and exclusion, and to cementing diversity and inclusion at the heart of our organisation.	Human Rights Policy Modern Slavery statement Sustainability Policy Supplier Code of Conduct Annual Report pages 56-63
	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, and is committed to ensuring 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 or civil partnership, pregnancy and/or parenthood, sexual orientation, nationality, ethnicity, religion or belief. Workplace fairness is a critical part of our business – for us, fairness is about upholding human rights, celebrating individuality and making sure everyone feels safe and respected in the workplace. This also extends to our partners and customers. We're also creating opportunities for our local communities, supporting people furthest from the job market in their search for employment, inspiring young people from diverse backgrounds in relation to careers in our industry, and working with our communities to address important societal issues – through this work we aim to create £25m of social value and have already generated £9m. We are also engaging with our suppliers on labour-related issues through our supplier questionnaire. Furthermore, we continue to be an accredited Real Living Wage employer for direct employees, paying the Real Living Wage to all direct employees and our partners across our London Office Portfolio, although challenges relating to the pandemic meant that we have not been able to meet our 2020 Living Wage commitment fully across our Retail Portfolio – (see pages 56-63 of our Annual Report for more information). In line with our ESG leadership ambition, this year Landsec received three awards at Share Action's inaugural Workforce Disclosure Initiative (WDI) awards ceremony: the main WDI Award, Supply Chain Data Award and the Contingent Workforce Data Award. These achievements show that we are leading the way globally when it comes to corporate transparency on workforce data, both in our direct and indirect operations and supply chain. We intend to build upon this success by continuing to drive forward progress on workforce-related issues.	Human Rights Policy Supplier Code of Conduct Modern Slavery statement Equal opportunities policy Sustainability Policy Fairness commitment Social contribution update report Community employment programme Diversity Health & safety policy Health & wellbeing policy Family policies (Maternity Leave, Paternity Leave, Shared Parental Leave and Pay and Adoption Policy) Annual Report pages 56-63

Principle	Landsec's approach	Find out more
	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 a 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 costs. We are constantly monitoring and evaluating our policies, governance and targets regarding environmental issues which are pertinent to our business. Amidst a pandemic, responding to climate change is still the top priority for governments and forward-looking businesses, and our customers continue to make increasingly demanding climate commitments of their own. Landsec continues to display thought leadership and advocacy to drive our industry forwards in its response to the climate emergency, for instance we've published our net zero carbon pathway in line with the BBP Climate Change Commitment, and we've participated in the UK Green Building Council net zero carbon framework development on renewable energy procurement and offsets. We are making good progress towards our ambition to be net zero by 2030. We continue to deliver significant carbon emissions reduction in line with our Science-Based Target (SBT), which is aligned with the most ambitious 1.5°C scenario, and to improve energy efficiency across our operational portfolio. We are also progressing the development of our net zero carbon buildings, The Forge and Timber Square. In relation to renewable energy, since 2016 all the electricity we procure has been REGO-backed, and we are looking to move our procurement towards direct purchasing from renewable projects through PPAs, as well as to increase our on-site renewable electricity capacity, which currently stands at 1.4MW. Furthermore, based on the required investments in carbon and energy reduction to meet our SBT, we are using an internal shadow price on carbon, which we have established at £80 per tCO_2e. This price is also consistent with the United Nations Global Compact guidance on carbon pricing and BEIS's forecast of carbon prices through to 2030. Across our development pipeline, we've continued reducing the embodied carbon emissions in our supply chain by monitoring our development projects' carbon intensity, and setting reduction targets for each project's design stage (see page 23 of this report). In order to be truly net zero carbon in construction, there will always be a portion of offsets required once all emissions on site have been minimised. We are ensuring that our offsets meet the eight principles laid out by the UKGBC to safeguard the environmental integrity and guarantee the quality and additionality of the offset. Further information on progress in relation to our net zero strategy is available in our Annual Report pages 64-67. As the largest part of our environmental impact lies in our value chain, it is paramount that we engage our customers and suppliers to reduce our impact collaboratively. In line with our materials target, we continue to source core construction products and materials from ethical and sustainable sources with accompanying certification, which we make clear to our suppliers in our contracts and through our Materials Brief. As well as undertaking various circular economy initiatives, we've also expanded scope of our Biodiversity Brief, and our live developments remain on track to achieve significant biodiversity improvements in line with the Brief. Furthermore, through our supplier sustainability questionnaire, we engage with all suppliers during onboarding on their environmental impacts, including relating to energy, carbon and waste. This year we have been able to integrate primary supplier data into our Scope 3 inventory, an important step in improving the robustness of our supply chain carbon data. Such engagement signals to our suppliers the importance of their environmental performance, helps us to better understand our collective impacts and will ultimately help us to better manage and reduce these joint impacts.	Net zero carbon pathway Efficient use of natural resources Climate change & carbon Energy management Renewable energy Waste management Sustainability Policy Biodiversity Brief Environment and energy policy Materials Brief Responsible property investment policy Sustainability brief for developments Annual Report pages 64-67, 217-223
	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. In 2021, we will launch our new Anti-Bribery and Corruption Policy and we have developed a compulsory training module which all our employees will be required to complete and will be part of the employee induction programme going forward. 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 received through the hotline, however one was received through another channel and an HR grievance raised, both were investigated and no further action deemed necessary. 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.	Risk management Employee Code of Conduct Supplier Code of Conduct Anti-bribery Gifts and Hospitality Policy Anti-money laundering policy Conflicts of Interest and Anti-competitive behaviours policy Annual Report pages 56-63, 98-99, 113

Principle	Landsec's approach	Find out more
	Women's Empowerment	
	Landsec is strongly committed to diversity and inclusion. As part of this, we are working hard to create a culture and develop mechanisms to attract, retain, promote and support women through the organisation and the wider property sector, where their representation – particularly at senior levels – tends to be lacking. To promote further progress towards our gender-related diversity targets, we're supporting women at all stages of their career. In the past few years, we've established new female-focussed talent development initiatives, enhanced our parental leave pay, and changed the way we recruit so that we're attracting more diverse candidates. To support our approach to inclusive recruitment, employees including those at Executive Committee level have received unconscious bias training. We also run various education programmes in the local communities in which we operate to encourage more young people from diverse socio-economic backgrounds, in particular ethnic minority and female students, to consider a career in property – including a recent mentoring programme in partnership with social enterprise Diverse Leaders Network. We continue to make progress against the challenging diversity targets we set in 2019. Our ambition in relation to gender is to achieve a 50-50 gender balance across the whole organisation by 2025, including our Board and Executive Committee, and this year we have achieved this both at a Board level and an organisational level, although there is still progress to be made at the Executive level (diversity data can be found on pages 34-37 of this report). We supported the target set by the Hampton Alexander Review for women to represent 33% of board members by 2020 and have therefore exceeded this target; we have also met the Parker Review target of one director of ethnicity on the Board by 2021. Our women's network, Landsec Women, represents our employees, customers and communities and exists to celebrate gender diversity and to promote gender-related issues. The network is now sponsored by the COO, helping to encourage inclusion from the top and interaction with a diverse range of colleagues. Landsec Women has been particularly active this year, for instance working with national charity Refuge to provide space on the Piccadilly Lights, to raise awareness of their vital support for domestic abuse victims during the first Covid-19 lockdown. We also engage with our suppliers on gender-related issues, for instance encouraging them to record and disclose their gender pay gap. Through such initiatives, Landsec aims to engage, empower and champion those who are underrepresented, celebrate diversity and ultimately deliver positive change amongst our industry, customers and the communities in which we operate.	Diversity Social contribution update report Family policies (Maternity Leave, Paternity Leave, Shared Parental Leave and Pay and Adoption Policy) Annual Report pages 56-63

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

Global Reporting Initiative (GRI) index

This is the first year that our sustainability reporting has been prepared in accordance with the GRI Standards: Core option. The table below provides an overview of the relevant GRI Standards for our most material topics and where to find information. The reporting period for disclosures is predominantly for the financial year ended 31st March 2021, unless otherwise stated.

GRI Standard	Topic	Disclosure		Location and comments
General disclosures				
GRI 102: General Disclosures 2016	Organisational profile	102-1	Name of the Organisation	Landsec
		102-2	Activities, brands, products, and services	Annual Report 2021 – Strategic report: Operating and portfolio review
		102-3	Location of headquarters	Annual Report 2021 – Key contacts and advisers
		102-4	Location of operations	Annual Report 2021 – Strategic report: Operating and portfolio review
		102-5	Ownership and legal form	Annual Report 2021 – Directors' Report
		102-6	Markets served	Annual Report 2021 – Strategic report: Our market
		102-7	Scale of the organisation	Annual Report 2021 – Strategic report: Operating and portfolio review
		102-8	Information on employees and other workers	Annual Report 2021 – Social review; Sustainability Performance and Data Report 2021 – EPRA social tables
		102-9	Supply chain	Annual Report 2021 – Social review; Working with our suppliers
		102-10	Significant changes to the organisation and its supply chain	Annual Report 2021 – Strategic report: Operating and portfolio review
		102-11	Precautionary principle or approach	Sustainability Policy; Investing through the lifecycle
		102-12	External initiatives	Leadership and advocacy; Sustainable Development Goals
		102-13	Membership of associations	Leadership and advocacy
	Strategy	102-14	Statement from senior decision-maker	Annual Report 2021 – Chief Executive's statement
		102-15	Key impacts, risks, and opportunities	Annual Report 2021 – Looking to the future and Our principal risks and uncertainties
	Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	Annual Report 2021 – Purpose and Our culture; Employee Code of Conduct
		102-17	Mechanisms for advice and concerns about ethics	Annual Report 2021 – Whistleblowing policy
	Governance	102-18	Governance structure	Annual Report 2021 – Our governance structure
	Stakeholder engagement	102-40	List of stakeholder groups	Annual Report 2021 – Our stakeholders; Stakeholder Engagement Policy
		102-41	Collective bargaining agreements	Our directly employed staff base is comprised of UK-based property professionals. In this profession in the UK, trade unions and collective bargaining agreements are not found. Accordingly, although we would permit representation in a trade union were it applicable, we do not believe this to be necessary or applicable. However, in our extended supply chains, some workers who engage in both skilled and unskilled labour are represented by trade unions. This is typically found in construction, where employees are either self employed or employed by suppliers who are two or more steps removed from us in the supply chain. Our support for trade unions and collective bargaining is clearly stated in our Human Rights Policy, which states: 'all employees have the right to join a union, bargain collectively and take action'.
		102-42	Identifying and selecting stakeholders	Annual Report 2021 – Our stakeholders; Stakeholder Engagement Policy
		102-43	Approach to stakeholder engagement	Annual Report 2021 – Our stakeholders and Social review; Stakeholder Engagement Policy
		102-44	Key topics and concerns raised	Annual Report 2021 – Our stakeholders and Social review; Stakeholder Engagement Policy

GRI Standard	Topic	Disclosure		Location and comments
General disclosures (continued)				
GRI 102: General Disclosures 2016 (Continued)	Reporting practices	102-45	Entities included in the consolidated financial statements	Annual Report 2021 – Basis of preparation and consolidation
		102-46	Defining report content and topic Boundaries	Annual Report 2021 – Our approach to Sustainability; Materiality Review
		102-47	List of material topics	Annual Report 2021 – Our approach to Sustainability; Materiality Review
		102-48	Restatements of information	Sustainability Performance and Data Report 2021 – Reporting methodology
		102-49	Changes in reporting	Sustainability Performance and Data Report 2021 – Reporting methodology
		102-50	Reporting period	Sustainability Performance and Data Report 2021 – Reporting methodology
		102-51	Date of most recent report	Annual Report 2020; Sustainability Performance and Data Report 2020
		102-52	Reporting cycle	Annual. Sustainability Performance and Data Report 2021 – Reporting methodology
		102-53	Contact point for questions regarding the report	sustainability@landsec.com
		102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
		102-55	GRI content index	GRI content index
		102-56	External assurance	Sustainability Performance and Data Report 2021 – Assurance statement
Material topics: Energy				
GRI 103: Management Approach 2016	Management Approach	103-1	Explanation of the material topic and its Boundary	Annual Report 2021 – Environmental Review; Sustainability Performance and Data Report 2021 – Reporting methodology; Efficient use of natural resources
		103-2	The management approach and its components	Annual Report 2021 – Environmental Review; Sustainability Performance and Data Report 2021 – Reporting methodology; Efficient use of natural resources
		103-3	Evaluation of the management approach	Annual Report 2021 – Environmental Review and KPIs; Sustainability Performance and Data Report 2021 – Corporate commitments performance
GRI 302: Energy 2016	Topic-specific disclosures	302-1	Energy consumption within the organisation	Sustainability Performance and Data Report 2021 – EPRA table: Absolute portfolio – Energy
		302-2	Energy consumption outside of the organisation	Sustainability Performance and Data Report 2021 – EPRA table: Absolute portfolio – Energy and Scope 1, 2 and 3 emissions table
		302-3	Energy intensity	Sustainability Performance and Data Report 2021 – EPRA table: Absolute portfolio – Energy
		302-4	Reduction of energy consumption	Sustainability Performance and Data Report 2021 – Corporate commitments performance and Reporting methodology
		302-5	Reductions in energy requirements of products and services	Sustainability Performance and Data Report 2021 – Corporate commitments performance and Reporting methodology
Material topics: Emissions				
GRI 103: Management Approach 2016	Management Approach	103-1	Explanation of the material topic and its Boundary	Annual Report 2021 – Environmental Review; Sustainability Performance and Data Report 2021 – Reporting methodology; Efficient use of natural resources
		103-2	The management approach and its components	Annual Report 2021 – Environmental Review; Sustainability Performance and Data Report 2021 – Reporting methodology; Efficient use of natural resources
		103-3	Evaluation of the management approach	Annual Report 2021 – Environmental Review and KPIs; Sustainability Performance and Data Report 2021 – Corporate commitments performance

GRI Standard	Topic	Disclosure		Location and comments
Material topics: Emissions (continued)				
GRI 305: Emissions 2016	Topic-specific disclosures	305-1	Direct (Scope 1) GHG emissions	Sustainability Performance and Data Report 2021 – Corporate commitments performance, Streamlined energy and carbon reporting (SECR) and EPRA table: Absolute portfolio – GHG emissions
		305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Performance and Data Report 2021 – Corporate commitments performance, Streamlined energy and carbon reporting (SECR) and EPRA table: Absolute portfolio – GHG emissions
		305-3	Other indirect (Scope 3) GHG emissions	Sustainability Performance and Data Report 2021 – Corporate commitments performance, Streamlined energy and carbon reporting (SECR) and EPRA table: Absolute portfolio – GHG emissions
		305-4	GHG emissions intensity	Sustainability Performance and Data Report 2021 – Corporate commitments performance, Streamlined energy and carbon reporting (SECR) and EPRA table: Absolute portfolio – GHG emissions
		305-5	Reduction of GHG emissions	Sustainability Performance and Data Report 2021 – Corporate commitments performance, Streamlined energy and carbon reporting (SECR) and EPRA table: Absolute portfolio – GHG emissions
		305-6	Emissions of ozone-depleting substances (ODS)	Sustainability Performance and Data Report 2021 – EPRA table: Absolute portfolio – GHG emissions (refrigerant gases)
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Emissions reported as carbon dioxide equivalent
Material topics: Waste				
GRI 103: Management Approach 2016	Management Approach	103-1	Explanation of the material topic and its Boundary	Annual Report 2021 – Environmental Review; Sustainability Performance and Data Report 2021 – Reporting methodology; Efficient use of natural resources
		103-2	The management approach and its components	Annual Report 2021 – Environmental Review; Sustainability Performance and Data Report 2021 – Reporting methodology; Efficient use of natural resources
		103-3	Evaluation of the management approach	Annual Report 2021 – Environmental Review; Sustainability Performance and Data Report 2021 – Corporate commitments performance
GRI 306: Waste 2020	Topic-specific disclosures	306-1	Waste generation and significant waste-related impacts	Annual Report 2021 – Environmental Review; Sustainability Performance and Data Report 2021 – Corporate commitments performance
		306-2	Management of significant waste-related impacts	Annual Report 2021 – Environmental Review; Sustainability Performance and Data Report 2021 – Corporate commitments performance
		306-3	Waste generated	Sustainability Performance and Data Report 2021 – EPRA table: Absolute portfolio – water and waste
		306-4	Waste diverted from disposal	Sustainability Performance and Data Report 2021 – Corporate commitments performance and EPRA table: Absolute portfolio – water and waste
		306-5	Waste directed to disposal	Sustainability Performance and Data Report 2021 – Corporate commitments performance and EPRA table: Absolute portfolio – water and waste
Material topics: Health & Safety				
GRI 103: Management Approach 2016	Management Approach	103-1	Explanation of the material topic and its Boundary	Annual Report 2021 – Social Review
		103-2	The management approach and its components	Annual Report 2021 – Social Review; Health & Safety policy
		103-3	Evaluation of the management approach	Annual Report 2021 – Social Review
GRI 403: Occupational Health And Safety 2018	Topic-specific disclosures	403-1	Occupational health and safety management system	Annual Report 2021 – Social Review; Health & Safety policy
		403-2	Hazard identification, risk assessment, and incident investigation	Health & Safety policy; Annual Report 2021 – Our principal risks and uncertainties
		403-3	Occupational health services	Health & Safety policy
		403-4	Worker participation, consultation, and communication on occupational health and safety	Health & Safety policy
		403-6	Promotion of worker health	Physical wellbeing
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	Health & Safety policy
		403-8	Workers covered by an occupational health and safety	Health & Safety policy
		403-9	Work-related injuries	Sustainability Performance and Data Report 2021 – EPRA table: Health & Safety

GRI Standard	Topic	Disclosure		Location and comments
Material topics: Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	Management Approach	103-1	Explanation of the material topic and its Boundary	Annual Report 2021 – Social Review
		103-2	The management approach and its components	Annual Report 2021 – Social Review
		103-3	Evaluation of the management approach	Annual Report 2021 – Social Review; Sustainability Performance and Data Report 2021 – EPRA table: Employee diversity
GRI 405: Diversity and Equal Opportunity 2016	Topic-specific disclosures	405-1	Diversity of governance bodies and employees	Annual Report 2021 – Social Review; Sustainability Performance and Data Report 2021 – EPRA table: Employee diversity
		405-2	Ratio of basic salary and remuneration of women to men	Annual Report 2021 – Social Review; Sustainability Performance and Data Report 2021 – EPRA table: Employee diversity
Material topics: Community programmes, job creation and local economic development				
GRI 103: Management Approach 2016	Management Approach	103-1	Explanation of the material topic and its Boundary	Annual Report 2021 – Social Review
		103-2	The management approach and its components	Annual Report 2021 – Social Review
		103-3	Evaluation of the management approach	Annual Report 2021 – Social Review
Own disclosures	Social Value		Social value created	Annual Report 2021 – Social Review
			Total number of people helped into employment	Annual Report 2021 – Social Review
Material topics: Sustainable building design and Building health, wellbeing & productivity				
GRI 103: Management Approach 2016	Management Approach	103-1	Explanation of the material topic and its Boundary	Annual Report 2021 – Environmental Review
		103-2	The management approach and its components	Annual Report 2021 – Environmental Review
		103-3	Evaluation of the management approach	Annual Report 2021 – Environmental Review
Own disclosures	Sustainability certification		Percentage of portfolio which is BREEAM rated	Sustainability Performance and Data Report 2021 – EPRA table: Sustainability certification
Material topics: Responsible supply chain management				
GRI 103: Management Approach 2016	Management Approach	103-1	Explanation of the material topic and its Boundary	Annual Report 2021 – Social Review and Environmental Review; Materials; Working with our supply partners
		103-2	The management approach and its components	Annual Report 2021 – Social Review and Environmental Review; Materials; Working with our supply partners
		103-3	Evaluation of the management approach	Annual Report 2021 – Social Review and Environmental Review; Materials; Working with our supply partners
Own disclosures			Percentage of core construction products and materials from ethical and sustainable sources	Sustainability Performance and Data Report 2021 – Corporate commitments performance

Sustainability Accounting Standards Board (SASB) index

This is the first time that Landsec is reporting its sustainability performance with reference to the Sustainability Accounting Standards Board (SASB) framework. This report outlines how our existing disclosures align with the recommended metrics for the SASB Real Estate standard. We do not currently disclose all metrics included in the standard, but we will continue to evaluate them in the future. All data is as of or for the financial year ended March 31 2021, unless otherwise stated.[1]

Accounting metrics

Topic	Code	Accounting Metric	Unit of measure	Location and comments
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	EPRA table: Absolute portfolio – Energy (Table 18) Disclosure coverage is related to number of assets within our reporting boundary for which data is disclosed. The proportion of portfolio included in the reporting boundaries is provided in the reporting methodology section.
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	kilowatt-hour (kWh), Percentage (%)	EPRA table: Absolute portfolio – Energy (Table 18) Energy data reported in kWh. Total electricity consumption and self-generated electricity data is provided, allowing the % of energy consumption from the grid electricity to be calculated.
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Percentage (%)	EPRA table: Like-for-Like portfolio – Energy (Table 19) Disclosure coverage is related to number of assets within our reporting boundary for which data is disclosed. The proportion of portfolio included in the reporting boundaries is provided in the reporting methodology section.
	IF-RE-130a.4	Percentage of eligible portfolio that has an Energy Performance Certificate (EPC)	Percentage (%) by floor area	EPRA table: Sustainability certification (Table 25) Percentage of portfolio floor area with EPC certificate and rating (A-F) breakdown.
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy		Annual Report 2021 – Environmental Review (pages 64-67)
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area	(1) EPRA table: Absolute portfolio – water and waste (Table 22) (2) TCFD Metrics and targets table (Table 35)
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Thousand cubic meters (m^3), Percentage (%)	(1) EPRA table: Absolute portfolio – water and waste (Table 22) (2) TCFD Metrics and Targets table (Table 35)
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Percentage (%)	EPRA table: Like-for-Like portfolio – water and waste (Table 23)
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks		This is the first year we're having water consumption data third-party assured, ensuring data is accurate to be used to inform a water management programme.
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	Percentage (%) by floor area, Square feet (ft^2)	Our leases include sustainability and resource efficiency clauses but they do not include cost recovery clause for resource efficiency related capital improvements
	IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals	Percentage (%) by floor area	Electricity consumption and water withdrawal associated with tenants. (1) EPRA table: Absolute portfolio – Energy (Table 18) (2) EPRA table: Absolute portfolio – water and waste (Table 22)
	IF-RE-410a.3	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants		Annual Report 2021 – Environmental Review (pages 64-67)
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones		TCFD Metrics and targets table (Table 35)
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks		TCFD disclosure (pages 39-44) Annual Report 2021 – Environmental Review (pages 64-67)

Activity metrics

	Code	Activity metric	Unit of measure	Location and comments
Activity metrics	IF-RE-000.A	Number of assets, by property subsector	Number	Annual report 2021 – Business analysis (pages 210-216)
	IF-RE-000.B	Leasable floor area, by property subsector	Square feet (ft^2)	Annual report 2021 – Business analysis (pages 210-216)
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	Percentage (%) by floor area	Sustainability Performance and Data Report – Reporting methodology
	IF-RE-000.D	Average occupancy rate, by property subsector	Percentage (%)	Annual report 2021 – Our market (pages 12-15) and Business analysis (pages 210-216)

1. 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 process.

Independent Assurance Statement to the Management of Land Securities Group PLC

Scope

We have been engaged by Land Securities Group PLC ("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 selected performance data and qualitative statements in the following (collectively referred to as "the Report"):

- The Group's Environmental and Social Review sections of the Strategic Report;
- The sustainability content in the Additional Information section of the Group's 2021 Annual Report and Accounts; and
- the online Sustainability Performance and Data Report 2021

Specifically, our statement is applicable to the following disclosures (the "Subject Matter"):

- **Greenhouse gas emissions:**
  - Direct GHG emissions (tCO_2e):
    - Emissions related to refrigerant gases
    - Emissions related to natural gas usage
  - Indirect GHG emissions (tCO_2e):
    - Emissions related to electricity consumption and district heating & cooling consumption
    - Emissions related to all disclosed scope 3 categories
  - GHG intensity from building energy ($KgCO_2e/m^2$)
- **Energy:**
  - Energy consumption (kWh):
    - Energy from landlord-obtained fuels
    - Energy from landlord-obtained electricity
    - Energy from landlord-obtained district heating & cooling
    - Renewable electricity consumption
  - 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 (£)
- **Water:** Water usage (m^3)
- European Public Real Estate Association **(EPRA)**, Task Force on Climate-Related Financial Disclosures **(TCFD)** and **UN Global Compact:** Selected content relating to EPRA guidelines, UN Global Compact and TCFD metrics (Energy/Fuel and GHG emissions categories) that are aligned to the performance indicators set out above.
- **Statements and assertions** disclosed in the Report, selected on a risk basis.

Other than as described in the preceding section, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, 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 methodologies as set out in the Sustainability Performance and Data Report 2021 (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'), and the terms of reference for this engagement as agreed with the Group on 1st March 2021. 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 Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, 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.

Our procedures included:

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 remote site visits with 21 Moorfields and Lucent** to understand how the sustainability agenda is being managed at development and site level.
3. **Analysed 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 assess the Subject Matter:
   a. Assessed the guidance on data reporting, key processes and quality assurance performed.
   b. Selected a sample of data points from across the business and sought documentary evidence to support the data.
   c. Conducted a walk-through of data reported from a sample of sites to test consolidation.
   d. Assessed any explanations provided for significant variances.
   e. Assessed the Report for the appropriate presentation of the data including limitations and assumptions.
5. **Analysed information or explanation 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 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 any 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

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 second year that Landsec has sought assurance over its total social value created. EY noted an improvement in the level of detail provided in the social value calculation methodology used for 2020 disclosures. Landsec disclosed the underlying assumptions and proxy values used by its third-party data provider to calculate the social value created, providing greater clarity.
- **Safety:** Landsec has continued to develop its safety reporting approach including performing additional investigation into recorded incidents. As a result of COVID-19, there were reduced operational hours and therefore significantly fewer reported incidents this year. Landsec should continue with the improvements made as sites return to a more standard level of operation.

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,
London
3rd June 2021