

# The potential of **sustainable** **retail**



Landsec

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This report was developed in partnership with Bradshaw Advisory.

Bradshaw Advisory helps organisations to understand, respond to and influence public policy challenges. They bring together expertise across policy, public affairs, data and economics.

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# Foreword

Retail is a major part of the UK economy - contributing £86bn in 2022 and employing nearly three million people. Retail destinations and high streets are closely linked with how people feel about where they live and [urban patriotism](#). Research by English Heritage in 2022 found that 'high streets' were one of the top five things people selected when thinking about how to foster local pride.

On average, retail makes up around 10% of all jobs but in many of the areas in need of regeneration and investment that figure is as high as 15%<sup>1</sup>. Retail often forms the foundation of many local economies, especially so in areas in high need of regeneration.

As well as playing a major economic role, retail can make important contributions to creating a more climate resilient environment. The sector emits 215 mega tonnes of CO2 per year<sup>2</sup> which is more than all UK car, lorry and van emissions combined. Alongside this, there's a growing appetite from consumers to make more sustainable choices with 54% of consumers saying they want to do so.<sup>3</sup>

We know sustainability means different things to different people. So, our research aimed to explore what sustainable retail means to the industry's key influencers - consumers, brands and local authorities. We wanted to test if this aligned to what we know about sustainable retail destinations, and better understand the role sustainable retail can play in further enabling urban communities and the environment to thrive.

Modelling - done in partnership with economics and public policy consultancy Bradshaw Advisory - suggests that 'typical' retail destinations that take a sustainable approach could add nearly £100m to local economies while boosting revenues for retail brands by up to 13% over the longer term.

New representative public polling also found a potential 6% footfall boost for a

1 Analysis of Office for National Statistics data.  
 2 British Retail Consortium  
 3 Accenture (2020): '[How COVID-19 will permanently change consumer behaviour.](#)'

sustainable retail destination. Two of the top five elements of sustainability identified by the public are about using local suppliers and providing local jobs. We also found a possible increase in occupancy rates for sustainable retail destinations.

Retail is increasingly providing new immersive and engaging experiences for guests, working with brands to develop omnichannel approaches, and on the cusp of a major opportunity to forge a path towards net zero.

This report brings together perspectives across consumers, retail, food and beverage and hospitality and leisure brands, and local government and sets out a range of conversation points about how to accelerate the transition of retail to a more sustainable future. These perspectives are helping us to shape the role we, at Landsec, play in sustainable retail, and how we can all work together to create more value for retail and the communities it's embedded in. Thank you to the local authorities, brands and the general public across the UK who took part in this research. And thank you Bradshaw Advisory for working with us to bring these findings together.

As a result of the report's findings, we're keen to engage further with our brand partners, local authorities and the retail industry.

**Bruce Findlay**  
 Managing Director  
 - Retail





## 1.0 Overview

# 1.1 What is sustainable retail?

Sustainability can have different meanings to different people. Through the work in this report, speaking with retail brands and local authorities as well as undertaking representative public polling, there's some consensus on the features of sustainable retail vs. traditional retail. These are:

- Increased use of renewable/green energy sources (including solar panels)
- More energy efficient buildings, for example the use of efficient heating and cooling systems
- A smarter use of water supplies in the face of water scarcity risks
- A reduction in the use of plastic
- A focus on ethical supply chains
- Ambitions to send zero waste to landfill and maximise recycling
- Independent local businesses with local supply chains

Consumers, local authorities and retail brands generally agreed on the features above but there were some nuances between the three audiences.

The public called out localism as a key feature of sustainability, specifically stating that providing local jobs and selling local products were two of their top five sustainability features (the other three being: energy

efficient buildings, recycling and reducing waste, and green energy use). This view was notably consistent across the consumers polled, with the preference for localism strongest among the middle-aged and elderly.

Local authorities agreed with the local theme, emphasising the importance of independent stores that may be more in tune with local consumers' wants and needs and are at a size where they could experiment with sustainability initiatives. They also noted that bigger, more renowned brands are needed to support footfall which in turn will support the smaller brands. Local authorities also tended to take a broader view of the area and communities they serve when considering what makes sustainable retail, mentioning things like the likeliness of retail units being let, transport connections (including rail, bus and bikes), business rate implications, planning permission and traffic considerations.

Retail brands tended to focus on the elements of sustainability which 1) they perceived as within their control and, 2) their consumers currently cared about (e.g. plastic cutlery, plastic bags, their supply chains, and packaging) - all while remaining economically viable.



# 1.2 Our findings

## What makes sustainable retail

### Localism

What consumers value in sustainable retail

- Consumers value engagement with local retailers highly and as a core part of 'sustainable retail'
- For retail to be sustainable, consumers say it should provide local jobs and sell more local products
- Consumers are in favour of sustainable refurbishment of their local shopping centres
- Local authorities believe independents to be a key contributor to sustainable retail alongside national brand names

### Collaboration

- Local authorities and retail brands would like to collaborate with landlords more
- Landlords are well placed to lead on solutions at scale that have broad impact
- Some retail brands see sustainability as core to their brand and are moving towards a holistic approach to sustainability that's embedded throughout their businesses, including buildings. Some retail brands are tending towards small incremental changes to improve sustainability as directed by regulation or where there's clear ROI for change

### Data sharing

- For retail to become more sustainable, landlords and retailers must baseline current performance and set targets for improvement - to do this data sharing and transparency is required
- Retail brands would like to get more data from landlords on services e.g. water usage, % sent to landfill, recycling volumes
- Landlords would like more data from retail brands to more accurately measure their baseline, enabling investment to be channelled to where it's needed most

# The value of sustainable retail

## Incentives and costs

- Consumers are caring more about sustainable retail and retail brands can capitalise on this opportunity
- Some sustainable choices are perceived to be more costly and it's unclear if sufficient brands and consumers are currently willing or able to pay the premiums for the sustainability they say they'd like to see
- There's a steady ratcheting of regulations and planning policy towards retail becoming more sustainable

## Potential growth for brand revenues and local economies

- Modelling shows that a retailer opening in a sustainable retail destination could see their profits boosted by up to 12.7% at 10 years post-opening compared to being in a traditional retail destination
- A sustainable retail destination the size of White Rose Shopping Centre in Leeds could add £100m to a local economy over the course of a decade than a similarly sized traditional retail destination
- There's a potential 6% footfall boost and a possible increase in occupancy rates for a sustainable retail destination



## 2.0 Findings in detail

### 2.1 A: Localism

A key part of the sustainable retail opportunity which has emerged from our research is that of localism.

When polled, the British public noted the importance of selling locally produced products and working with local communities as key to what sustainable retail is. This is not too surprising when considering there's been a strong emphasis from a number of retailers on the benefits of 'buying British' both for the environment (reducing air miles) and local economies (providing local jobs, using local supply chains).

The public also think of 'local jobs' as a key part of sustainability, and see retail as an enabler of providing opportunities for local people.

One of the biggest areas of transformation for the physical retail space will be in how it differentiates its offer from that of online-only retail. Incorporating more genuinely local businesses and products and enhancing and showcasing the sustainable attributes of the physical retail space e.g. renewable energy, zero waste to landfill, green spaces, could be options for achieving this.

While localism can provide physical retail destinations with a more differentiated product offer, it can also give consumers a greater sense of representation in the places central to their local communities. This trend already appears to be taking off, with Deloitte pointing to local independent retailers as being among the fastest growing market segments within retail of recent years.<sup>1</sup>

An emphasis on localism doesn't just provide opportunities for sustainable retail destinations to better engage with changing consumer preferences, it also provides a boon to the chances of sustainable retail developments gaining approval from relevant authorities.

A retail destination which draws from local supply chains will naturally be of greater benefit

<sup>1</sup> Deloitte (2021): ['What's next for the high street?'](#)

to a local economy - however interviews reflected the power and importance of blending nationally or internationally recognised brand names alongside local independents. Our polling also suggested that sustainable retail developments will see greater levels of public support compared to traditional retail development.

Most of those polled support the refurbishment or expansion of local shopping destinations (76%), with that support increasing marginally for sustainably developed locations (80%). Consumers in favour of development generally became more in favour when the development was sustainable (there was a 7% boost in enthusiasm). The results indicate the public want a quality shopping experience and would like to see the existing local offering improved.





## 2.2 B: Collaboration

Multiple interviewees suggested landlords are well placed to initiate collaboration by facilitating conversations and knowledge sharing between brand partners. Many brands said they wanted more (but time efficient) interactions with their landlords to improve sustainability and were keen to hear of practical initiatives. This was caveated with the brands stating that they understood their business best and what sustainability means to them.

The larger businesses we spoke to were conscious that small businesses would often not have the resources and expertise around sustainability that a large business would have. A number of them were keen to support, advise and work with smaller, independent 'neighbours' to join forces on their sustainability journeys.

The local authorities interviewed would like to see more outward communications from commercial property companies and to have specific conversations on sustainability which could include local impact reports.

Commercial property firms, retailers, local authorities, and the public can better work together to elevate sustainable consciousness and improve outcomes.

When discussing levels of commitment to becoming more sustainable, a couple of positions emerged from the retailer interviews. The first saw sustainability as

a core part of their brand proposition, and the second saw it as generally a good thing to do as part of their normal capital upgrade programme or saw it as a legislative requirement.

Those who saw sustainability as core to their brand are often more 'premium' and displayed significant expertise and investment - although often not in relation to the buildings they occupied. They've been working on this topic for some time, have a real desire to make change and have strong points of view with multiple projects in progress. They see a real opportunity to engage consumers.

Those holding the second position were mainly focused on cost and aimed for sustainable actions that were easy to secure budget for based on a clear ROI. Many retailers believed their consumer base cared more about cost than sustainability and some simply wished to stay in business.

All brands interviewed recognised the need for retail to become more sustainable and are keen to collaborate to make this happen. The main drivers for the transition were generally noted to be legislation, investors, and consumers, as well as doing the 'right thing' for the environment. For all, doing the right thing needed to be economically viable but the line where that was drawn depended on the business.



Regulatory-led change



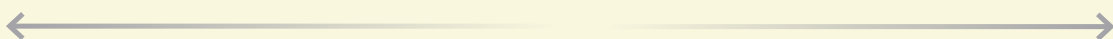
Cost-led change



Product-led change



Holistic change



## 2.3 C: Data sharing

Everyone – landlords, retailers, local authorities – have different reporting requirements and commitments on sustainability. To meet these obligations, data transparency and sharing is essential. This ranges from the energy consumption of retail units to the much-mentioned subject of ‘waste management’.

The ability to better track what waste is recycled and make strides towards zero landfill was mentioned by many retail brands. To improve here a baseline measure is required to then set targets against. Brands currently find it difficult to know what’s done with their waste within shared shopping centres.

All interviewees stressed the importance of data and the need for a baseline to target improvements against. Increased data transparency and data sharing opportunities would be welcomed.



## 2.4 D: Incentives & costs

### 2.5.1 Incentive to make retail more sustainable

#### Consumer preferences for sustainability

All interviewees agreed the trend of consumers caring more about sustainability is probably going to increase. They felt consumers would like to make sustainable choices but can be limited by affordability - especially in the current economic climate.

We may speculate that once cost pressures ease, and interest in sustainability increases further, consumers will be willing to pay the premium which in turn increases demand for these products potentially decreasing sales price. A recent study from Ethical Consumer suggested that sales in this market segment have grown at an average annual rate of 9.33% between 1999 and 2019.

Many interviewees referenced the need to become more sustainable as a ‘licence

to operate’ and suggested this would only become more acute over time. There’s an opportunity to move early on this trend, but today’s sector ‘leaders’ will need to work hard to keep their positions with some smaller businesses able to be more innovative and responsive.

Numerous brands shared that consumers are being more curious and proactively approaching staff on the topic of sustainability. That said, queries tended to relate to the core business proposition e.g. the sourcing of coffee beans for a cafe, as opposed to asking ‘shop fitting’ or ‘building’ related questions, such as recycled materials used for fitouts, how waste is managed or if solar panels are used.

The next phase in the sustainability transition is likely to focus consumer and retail brand

consciousness on how their physical building impacts the environment and extending curiosity on sustainable products. Efforts can be made by brands, landlords, and local authorities to improve messaging in stores, shopping centres, and surrounding areas.

Retail brands often mentioned the importance of visual cues to boost awareness of a unit's or building's sustainability credentials – like green walls and wooden fittings as opposed to plastic fittings. Energy efficiency and recycling efforts can be made more visible to consumers, but there was widespread agreement among brands to avoid signage 'clutter' that could negatively impact the aesthetic of a centre or a brand's space. Communication approaches need to be carefully considered and collaborated on between landlords and brands to strike this balance.

Local authorities noted the benefit that green space can have in attracting footfall to retail

units. Communities are drawn to attractive green spaces and units in these areas will see commercial benefits.

### Green buildings and investment

The case for sustainable retail destinations would be heightened by a better investment case for green retail buildings. While there's been little investigation of the value premiums of retail buildings in particular, a multitude of studies exist for the office and broader commercial market, from which we might draw inferences about the investment case for sustainable buildings in the retail sector.

In research of office buildings in London's market, we see BREEAM 'very good' rated buildings gaining a 4-5% premium, while those premiums increase to 12-14% for outstanding buildings.<sup>1</sup> Similarly, a recent study of the American commercial property market reviewed 21 separate investigations, finding an average value premium of 15% for green buildings. This went up to as much as 43% for the highest rated structures.<sup>2</sup>

There's also evidence to suggest that as governments tighten their building standards, 'low standard' buildings will see their values decline over time. An investigation of the real estate assets held by pension funds found that 40% of interviewed funds had seen assets depreciate between 21-30% in value.<sup>3</sup> These trends may be driven by investors beginning to insure themselves against the future tightening of building standards, which would incur costs for the owners of those buildings not up to new regulations.

Given the trends we see in the wider commercial buildings market, we might expect to see higher investor returns from investment in sustainable retail buildings, further adding to the business case for sustainable retail destinations as a whole.



1 JLL (2021): '[Sustainability and value.](#)'; Knight Frank (2021): '[The Sustainability Series - September 2021.](#)'

2 Leskinen et al (2020): 'A Review of the Impact of Green Building Certification on the Cash Flows and Values of Commercial Properties.' *Sustainability*, 12(7):2729.

3 Deepki (2021): 'Brown discounting to significantly devalue European commercial real estate assets which pose climate and occupant health risk.'

## 2.5.2 The associated costs of sustainable retail

### Energy ratings and building decisions

The main drivers of building choice for retail brands were footfall and rental prices. When it comes to sustainability standards, it doesn't appear BREEAM (a methodology which sets a world standard for rating building for environmental impact and sustainability) ratings currently have much influence on property decisions. Awareness was also low of the standard. Those who were aware said they actively avoided BREEAM rated buildings as they felt it added 15-20% to costs of fit out without seeing equivalent reductions in operating costs. Some interviewees felt that promised benefits from BREEAM/higher EPCs 'sold' to them by landlords never materialised.

The perception that sustainability changes may increase costs was further brought to life by some interviewees providing examples where they had paid to undo/reverse 'sustainable' systems (such as electric and plumbing systems), as they found them to be unreliable and requiring more maintenance than 'traditional' systems. These issues are likely to be resolved over time as sustainable systems become the norm, quality increases, maintenance and installation costs fall, and skills and knowledge increase.

Several interviewees shared their concerns about the EPC rating system. Some people said the standard and associated methodology is continually evolving and a rating of a 'C' today may not be assessed as a 'C' in the future, raising questions on how the liability and cost for such situations will be resolved. Also mentioned was the lack of an 'in-use performance' measure of buildings.

All retail brands interviewed understood that achieving the minimum EPC rating was an issue for the landlord as without it landlords are not able to sign new leases. They were however happy to work with landlords to improve ratings and have collaborative discussions on how improvements were paid for in a fair way and who would be responsible for delivering them. Brands in existing tenant commitments were strongly against being 'surprised' by new landlord mandated changes required to meet EPC standards. Landlords need to be upfront with brands on EPC changes prior to finalising tenancy agreements.

More positively, most interviewees said they would select a unit with higher EPC ratings or



sustainability credentials. Although in practice there is often little to no choice of units at the most popular retail destinations.

At this stage, no brand partners stated they would pay a premium for a more sustainable building, but the majority did accept that from an investor point of view, the assets could be less risky. Landlords could do more to promote the benefits of sustainable buildings. We might speculate that consumer and investor pressure, or legislative changes will impact brands' willingness to pay more for sustainable buildings in the future.

### The cost for consumers

If sustainability increases costs for businesses, at least some of these costs will be passed on to consumers. In 2.5.1 we discussed the incentive to focus on sustainability. Here we provide the other side of the coin. It may be suggested that consumers aren't yet driven enough by sustainability factors to sway their spending decisions, as evidenced by just 0.07% of UK consumption accounted for by 'ethical' spending<sup>1</sup> despite more than 60% saying they are interested in such products.

The debate looks set to continue and further research predicting consumer behaviour is likely required. In the meantime, businesses should continue to look for opportunities where consumers are willing to pay for more sustainable products and experiences, and where sustainable consumer needs can be met at a fair price point.

## 3.0 E: Potential growth for brand revenues and local economies

We've seen what sustainable retail is and what some of the opportunities for the sector are. It's now time to turn to what the benefits for retail brands, local economies and investors could be from making the move to sustainable retail destinations.

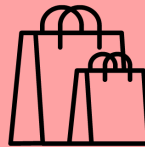


### Over 10 years:

- A retail brand moving to a sustainable retail destination could see its revenues over 10% higher and profits almost 13% higher
- Sustainably-considered design which more heavily focuses on great consumer experiences could boost footfall 4-8.4%
- 6-13% more consumers say they would go to a sustainable retail destination over a traditional retail destination
- A sustainable retail destination the size of White Rose shopping centre could add £99m more to a local economy over the course of a decade than a traditional retail destination of the same size

# The impact of brands moving to sustainable retail destinations

While many retail brands have targets to meet around sustainability, the real exam question will be how a given store's bottom line would be affected by locating at a sustainable retail destination, rather than a traditional retail destination. To illustrate this, we modelled a scenario, demonstrating how a brand's profits might respond by moving to a sustainable retail space.



In this scenario, we have two retailers. They've narrowed down their choice of where to set up to two very similar destinations - both are precisely the same size and placed in the centre of two similar local authorities. The retail units themselves are of identical dimensions, meaning they plan on having essentially the same store set-up regardless of where they eventually settle on as their destination of choice. The only difference is that one is a sustainable retail destination and the other is traditional.



The traditional retail destination has a retail mix largely reflective of the UK's store mix as a whole, with an emphasis towards larger, nationally known retailers. Here, the retail brands compete most heavily on price and convenience.



The sustainable retail destination has a slightly broader focus – defined by what we already know about sustainable retail and the key themes uncovered through the polling and research interviews shared earlier in this report. The sustainable retail destination sets itself apart with a different and more varied retail mix, more heavily emphasising sustainable and ethical brands, independent local stores and leisure and hospitality. There's a greater emphasis on its easily navigable design, plus pleasant aesthetics and ambience for consumers, and energy efficiency for tenants. It has ample and well-kept green space, prioritises creating job opportunities for local people, and is committed to zero waste to landfill.

Given the similarity in location and size of each destination, the key factors which will lead to different outcomes for the retail brand on each site are their design features, building management practices, retail mix and local consumers' preferences around sustainable retail destinations.

If one destination is filled with quickly growing and vibrant stores, more consumers will spill over towards this location, with these spillovers affected further by the quality of the design of the location. On the cost side of the retailers' balance sheet, we'll see impacts from the different rental and operating costs associated with each building. A fuller methodology underlying the scenario can be found in Appendix 3.



### 3.1.1. Results

As can be seen from figure 1, we see an immediate revenue bonus for the retail brand in the sustainable retail destination. This is driven by design and marketing factors.

Design which more heavily emphasises consumer experience provides a footfall boost of between 4% and 8.4%. A further boost in footfall of 0.3% to 4.3% is provided by consumers' preferences for sustainable destinations - from the polling conducted for this report, we found that when given the choice between a sustainable retail destination and a traditional retail destination, between 6 and 13% of consumers would prefer a sustainable location.

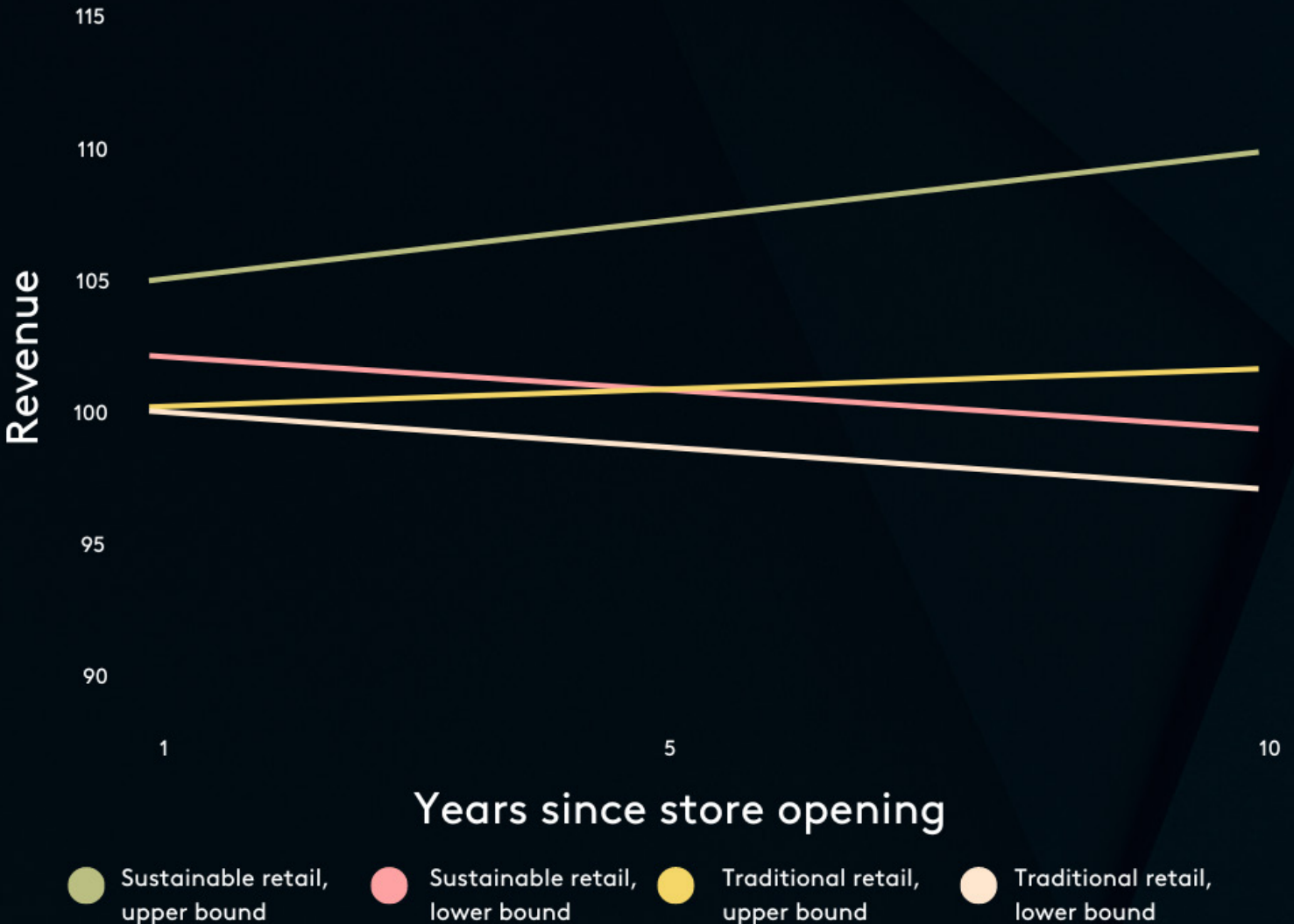
Over the longer term, the shifting shape of the broader physical retail space itself will drive a big chunk of the differences in footfall between retail brands locating themselves between sustainable and traditional retail locations. If the retail sub sectors housed within the sustainable retail destination grow

faster over the coming years, our retail brand's revenues will benefit from the spillovers from this growth in its neighbours' performance and vice versa.

Over the coming decade, we might expect consistent growth performance from physical retail as a whole, with its sales in the decade running up to the pandemic in 2020 remaining largely steady in real terms. The same is true for the performance of the 'organised retail' subsector. These patterns drive much of what we see from the brand partner in the traditional retail destination, with its revenues 10 years after opening not massively different from what they were in its first year.

The sustainable destination does, however, pull away from the pack when its retail mix is more reflective of the market segments which make it unique - ethically focussed brands, hospitality

Figure 1: revenue levels in sustainable and traditional retail destinations, index (100 = revenue store opening in the traditional retail destination)





# WAITROS

& PARTNERS



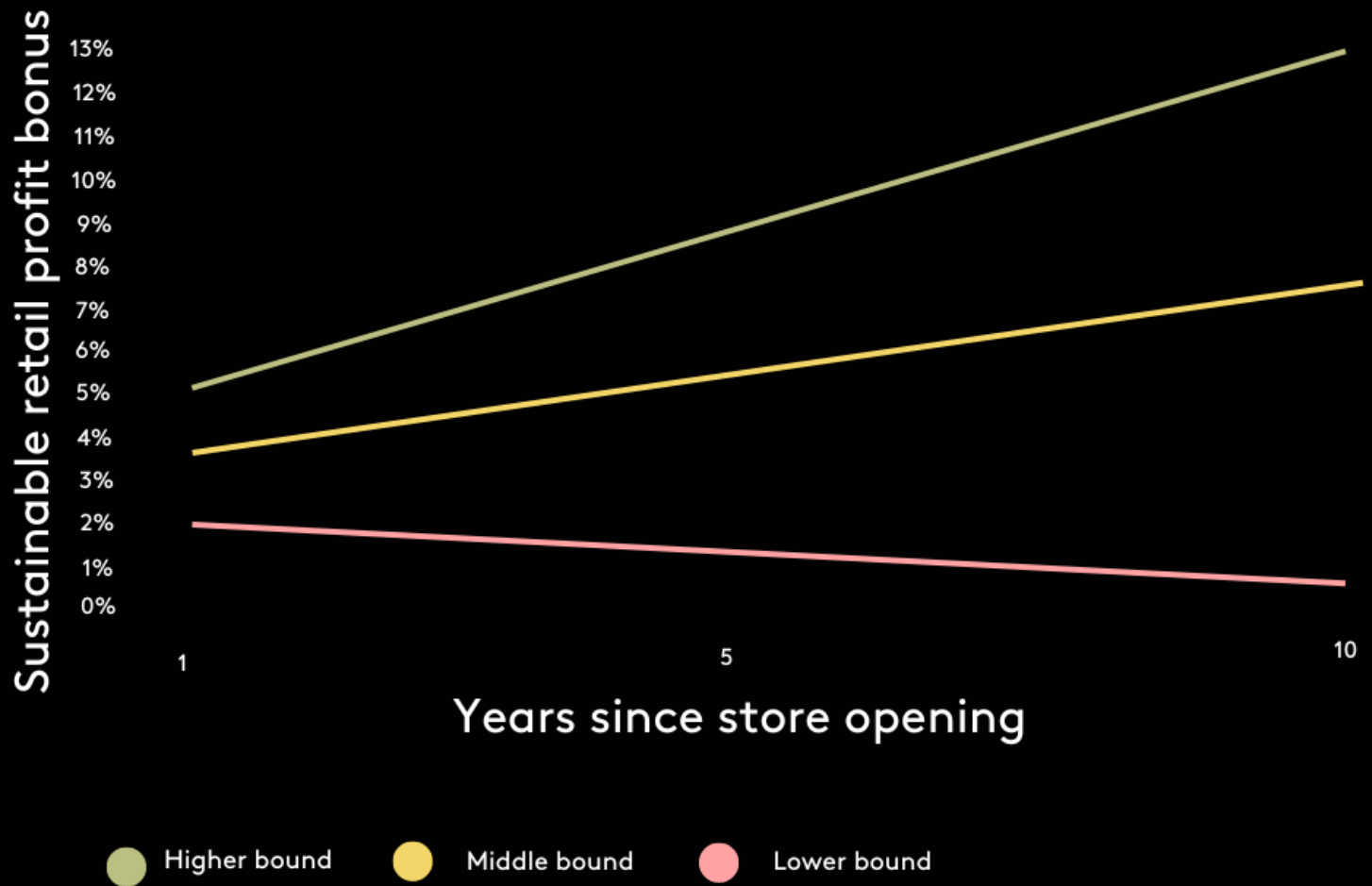


Figure 2: increases in retail brand profits associated with locating in a sustainable retail destination compared to a traditional retail destination

and entertainment businesses, and independent local retailers. These market segments have been among the fastest growing in the retail space over the past decade and even more so after the pandemic.<sup>1</sup> As a result, the more the sustainable destination leans on its USP, capitalising on consumer appetites for sustainability and localism, as well as more experience-focused offerings, it performs much more strongly.

Under the scenario which saw the sustainable retail destination's best performance, we see revenue in the 10th year out-performing the traditional retail destination by 13%.<sup>2</sup>

When it comes to costs, the story is a little simpler. The biggest cost factors for retail brands – alongside payroll – are rents and operating costs. Across the available research there's a broad agreement that rents in green buildings come with a premium, often proportional to the level of certification of those buildings. Operating costs are, however, expected to be generally lower in more sustainable destinations - this expectation is

<sup>1</sup> Deloitte (2021): '[What's next for the high street?](#)'; Ethical Consumer (2019): '[Twenty Years of Ethical Consumerism.](#)'

<sup>2</sup> Note that the 'upper bound' scenarios for the sustainable and traditional retail destinations are not directly comparable as they were formulated under different assumptions - they simply represent the scenarios where each performed best. When making comparisons of the 'winnings' from locating at the sustainable vs traditional retail destination, the comparison figures are drawn from the model run under the same conditions for each destination.

partly responsible for rental premiums.

In many cases, expected operational savings and rental premiums are very similar in magnitude. Research suggests that as tenants compete to find the best deals from landlords, they'll be willing to pay more to stay in buildings they believe will see lower operating costs. That is, under a competitive market we tend to see operational savings and rental premiums cancel each other out from the perspective of tenants.<sup>3</sup>

With all these factors taken into account, we could expect to see the brand partner which selected the sustainable retail destination gaining a 'profit bonus' of between 1.1% and 12.7% compared to if it would have chosen to locate in a traditional retail destination.

<sup>3</sup> Eichholtz, P., Kok, N., & Quigley, J.M. (2010): 'The Economics of Green Building.' *Review of Economics and Statistics*, 95, 50-63.

## 4.0 Opportunities

Considering the research as a whole, we've set out some recommended steps needed to accelerate retail towards being more sustainable. It's only by industry, local government, national governments and landlords working together that we'll see significant and rapid progress.

- Closer collaboration, better communication and data sharing. A joint effort to make progress between landlords and retail brands. Landlords and retail brands need more exposure to one another's energy consumption data to understand their respective carbon emissions
- Promote the concept of 'sustainable retail destinations' to the public so they start to think and understand that retail's impact on the environment far exceeds things like plastic bags and packaging
- Landlords and retail brands need to work together to help each other reach their sustainability goals and reduce carbon emissions. While the legal responsibility for EPC ratings residing with landlords, achieving such ratings is highly dependent on cooperation and collaboration with retail brands
- Pragmatic conversations regarding fair share of the costs between landlord and retail brands for the cost of sustainability upgrades. Potentially a new 'co-investment framework' could be developed to form a template for these types of conversations. This, and the opportunities above, could be made part of the upcoming review of the Landlord and Tenant Act
- Appreciate retail's evolution in recent years and the impact of external factors, such as, energy prices and inflationary pressures. The abolition of Local Enterprise Partnerships and their funding streams, allows for the exploration of new opportunities. We want to work with our brand partners and local authorities on what could replace the LEP regime and the role sustainable retail could play in this
- Government and industry should develop a performance-based rating system to sit alongside current EPC ratings, as called for in our [Carbon Manifesto](#). It's essential that actual in-use performance of buildings is measured, and this system would increase emissions transparency and underpin Government's drive towards net zero by 2050
- Streamline the development management and decision making process to aid [urban regeneration](#) and, in particular, for schemes that meet clearly defined sustainability criteria. We believe simple and uncontroversial changes could be made, including simplifying and automating validation processes, standardising planning application documents and avoiding duplication and making it easier to amend existing permissions



## 4.1 Our commitments



Our approach to sustainability, Build Well, Live Well, Act Well – underpins everything that we do. As such, we have a desire to be recognised as the UK’s leading sustainable retail property manager and investor, who genuinely cares about people and the planet. We’ll continue to work with our partners and government to achieve the UK’s sustainability goals.

As such we are committed to:

### Build Well

- Operating our retail destinations sustainably according to the international standard of environmental management and energy management
- Embedding sustainability at the heart of our retail redevelopments and refurbishments, guided by our Sustainable Development Toolkit which sets out a systematic approach for us to achieve sustainable development
- Continue to identify and invest in energy efficiency measures and decarbonisation - such as removing gas-fired boilers, optimising building management systems (BMSs), and investing in onsite renewable electricity capacity – to accelerate our transition to net zero by 2040.
- Improve biodiversity, health & wellbeing and climate change resilience through the enhancement of nature across our assets

### Live Well

- Through Landsec Futures, our £20m social impact fund, we’re investing in our communities by creating employment opportunities for people from underrepresented socio-economic backgrounds and providing local grants for charities to help address challenges specific to each of our communities
- We’ll continue to design, build and manage inclusive places that meet the needs of the communities we serve. We do this by using our procurement processes to improve and influence D&I practices within our supply chain, living our Community Charter to engage our diverse communities in our redevelopment plans. And, operationally, make sure the facilities and services we provide make our customers and guests feel welcome, from quiet hours for neurodiverse guests to feeding and family rooms for new parents

### Act Well

- Collaborating with our brand partners to share data more effectively, sustainability initiatives and best practice
- Raising awareness of the benefits of sustainable retail destinations and using our retail destinations as platforms to engender more sustainable behaviour

# Contact us

Appendices: [landsec.com/sustainable-retail](https://landsec.com/sustainable-retail)

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