



OUR APPROACH TO SUSTAINABILITY

We design, develop and manage buildings in ways that will enhance the health of our environment and improve quality of life for our people, customers and communities, now and for future generations.



DECARBONISING OUR PORTFOLIO

ALIGNING OUR TARGETS TO CLIMATE SCIENCE

In March 2023, we updated our science-based carbon reduction targets to align with the Science Based Targets initiative's (SBTi) Net-Zero Standard, committing to reducing all our direct and indirect emissions by 47% by 2030, from a 2019/20 baseline. This target will build towards a long-term goal of reaching net zero by 2040, achieving a 90% reduction in absolute emissions from a 2019/20 baseline.

We have also updated our energy target, committing to reducing energy intensity by 52% by 2030, from a 2019/20 baseline. In 2023/24, we achieved an energy intensity reduction of 18%.

PROGRESSING OUR NET ZERO TRANSITION INVESTMENT PLAN

Since launching our £135m Net Zero Transition Investment Plan (NZTIP) in 2021, we have invested £8.2m to ensure we meet our near-term carbon reduction target. Since launch we have progressed the following activities:

- **AIR SOURCE HEAT PUMP RETROFIT**
We started replacement works at 16 Palace Street and Dashwood House, and plan to start installation at a further three buildings over the coming year.
- **BUILDING MANAGEMENT SYSTEM (BMS) OPTIMISATION**
We completed BMS reviews and implemented recommended optimisations at 11 operational London assets, with expected energy savings of between 5% and 15% per building.
- **AI TRIAL**
We ran a 12-month trial with Brainbox AI at 80-100 Victoria Street, where the technology controls heating and cooling. An additional 5% energy savings is expected.
- **SOLAR PV PANEL INSTALLATION**
We began construction to install solar PV at Gunwharf Quays in March 2024 and completed feasibility studies for additional on-site renewable capacity at Braintree Village and Trinity Leeds.

OUR 2023/24 HIGHLIGHTS

→ Reducing our operational emissions through our Net Zero Transition Investment Plan

SEE MORE ON [PAGES 28-29](#)

→ Reducing emissions from our construction activities

SEE MORE ON [PAGE 29](#)

→ Launching our nature strategy

SEE MORE ON [PAGE 30](#)

→ Supporting our local communities to thrive, launching award-winning Landsec Futures.

SEE MORE ON [PAGE 31](#)

The connection between climate change and nature is becoming increasingly evident. During the year we have seen biodiversity growing in importance to corporate sustainability, and an alignment between companies' nature and climate strategies. The launch of the Taskforce on Nature-related Financial Disclosures (TNFD), and nature being a key theme at COP28, further reflects the interdependence between the two themes.

Demand for climate-adapted real estate is growing¹ as office occupiers and retailers continue to consider the role of physical space in their business model, and set increasingly ambitious sustainability targets. The belief that businesses should take the lead in tackling key societal and environmental issues is also mounting, with 82%² of the public now expecting CEOs to take a public stand on climate change.

As such, we recognise that maintaining strong sustainability performance remains key to the value of our business. Our sustainability strategy – Build well, Live well, Act well – continues to focus our work on the ESG issues where we know we can have the biggest impact.

24%

REDUCTION IN ABSOLUTE CARBON EMISSIONS SINCE 2019/20

1. RICS Sustainability Report 2023.
2. Edelman's Trust Barometer 2023.



→ CUSTOMER ENGAGEMENT

Since 2021/22 we have completed 38 energy audits for our highest energy-consuming office occupiers, accounting for 56% of our total tenant consumption across our office portfolio. We identified potential annual carbon and energy savings of 10-40% for the majority of customers. Of the first 18 occupiers participating in the customer engagement programme, overall they have achieved a 20% electricity reduction compared to 2019/20. The impact of this programme was reflected in our 2023 customer-satisfaction survey, with 79% of office customers saying we are doing a good job of supporting them in achieving their sustainability goals.

This year, we have conducted net zero audits, heat pump feasibility studies and BMS optimisation reviews across our retail assets to understand what we need to do to decarbonise and improve the energy efficiency of landlord controlled areas. These initiatives will support our NZTIP to meet our near-term carbon reduction target, and accelerate progress towards our ambition to become net zero by 2040.

CLIMATE TRANSITION PLAN AND OFFSETTING STRATEGY

Following the publication of the Transition Plan Task Force (TPT) Disclosure Framework in October 2023, we have been developing a Climate Transition Plan. This plan will articulate our strategic ambition and targets, outlining key steps we are taking to decarbonise our business and reach net zero across our value chain by 2040.

In addition to reducing our emissions, we also aim to support 'beyond value chain mitigation' (BVCM). This includes activities that avoid, reduce, or remove and store carbon emissions, also known as carbon offsets. This year, we have enhanced our offsetting strategy, developing rigorous

due-diligence criteria and a process in line with UKGBC recommendations.

EPC RATINGS

Our portfolio is 100% compliant with the 2023 MEES of EPC E or above. In addition, 49% of our portfolio – 44% of offices and 55% of retail – already meets the proposed MEES of EPC B. As we progress our NZTIP, we expect that half our office portfolio will reach EPC B by 2025 and all of our portfolio will meet the proposed MEES by 2030.

REDUCING EMISSIONS FROM OUR CONSTRUCTION ACTIVITIES

We have made considerable progress in reducing upfront embodied carbon across our development pipeline, achieving a 40% reduction compared to a typical building.

We monitor embodied carbon from the outset of each scheme, and collaborate with our supply partners to reduce emissions through:

- Structural retention and material reuse – at Hill House, we are retaining 58% of the existing structure, resulting in significant carbon savings.
- Designing-out material – we have challenged our teams to use less material and remove redundant capacity from our structural solutions, such as designing-out raised-access floor tiles and removing heating, ventilation, and air conditioning (HVAC) systems through natural ventilation. At the Republic in Manchester, we have reduced the size of our structural grid, leading to around a 10% reduction in concrete required.
- Changing our specifications to low-carbon materials alternatives – at Timber Square, we have sourced 115 tonnes of reused steel.

This year we refined our Sustainable Development Toolkit to align with our refurbishment projects, reflecting the fact that refurbishments need a case-by-case approach, with project-specific targets.

To encourage innovation, in September 2023, our development team hosted a full-day event for almost 90 Landsec colleagues. They showcased each of our live projects, focusing on sustainability targets and performance, and received valuable knowledge and lessons in return. This included the costed pathway for achieving our carbon reduction targets across our developments, and presenting a business case for low-carbon innovations to support achieving our targets.



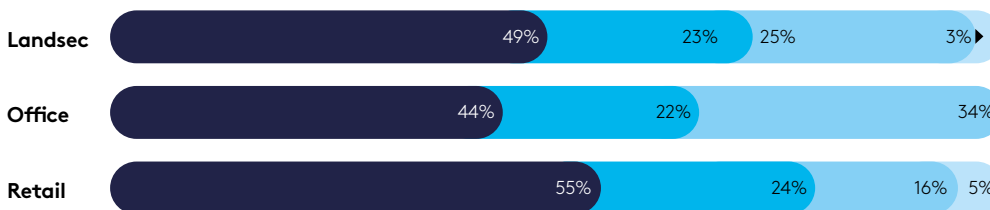
REDUCING CARBON AT TIMBER SQUARE

At Timber Square, SE1, we have retained 80% of the existing structure, while using a lightweight, hybrid steel and cross-laminated timber (CLT) structure. This has resulted in Timber Square being around 20% lower in weight than if built with traditional building materials. By sourcing 115 tonnes of reused steel, we have saved approximately 276 tonnes of carbon while helping the circular economy, which has dramatically reduced the project's upfront embodied carbon intensity. Timber Square remains on track to achieve an upfront embodied carbon intensity of around 50% less than a typical office building.

Once completed, the development will be the UK's first Design for Performance project to complete its Independent Design Review with a targeted 5* NABERS UK energy rating. This means it will be net zero in accordance with UK Green Building Council guidelines and powered by renewable energy sources. The scheme has been recognised as a model case study by the World Green Building Council (WGBC) and New London Architecture (NLA).

2023/24 EPC RATING (BY ERV)

CHART 16



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

● A-B ● C ● D ● E



OUR APPROACH TO SUSTAINABILITY CONTINUED

USING RESOURCES EFFICIENTLY

MATERIALS

On our development schemes, we continue to work closely with our supply chain, including carbon consultants in the design team, from the very start, to guide decisions on the most carbon-efficient solutions.

This year, we updated our Materials Brief to align with the current industry standards, while also establishing an approach to material selection and specification for our new developments. This will help us to further: reduce embodied and whole-life carbon; promote reuse and circular economy principles; align to green building certification requirements and strengthen our approach to tackling modern slavery.

WASTE

In 2023/24 we continued to divert 100% of waste from landfill, and recycled 66% of operational waste (2022/23: 68%). We are also embedding circular-economy principles across our developments, to minimise waste, and have achieved a 99.5% recycling rate for new developments.

WATER

We strive to use water efficiently. Across our developments, at design stage, we follow our Sustainable Development Toolkit to incorporate water efficiency, and explore the use of water-recycling strategies. For operational assets under our control, the water-management assessments undertaken last year continue to help shape our water strategy for both our office and retail portfolios. Initiatives include installing automatic meter reading across our portfolio, testing technology to obtain more detail of where water is consumed in our buildings and to identify potential leaks, and developing a water standard for the taps, toilets and showers in our facilities.

ENHANCING NATURE AND GREEN SPACES

We believe that more nature leads to better, more desirable places which, in turn, contributes to shaping sustainable cities. Therefore, we want to use our places as a catalyst to improve nature in the urban environment.

LAUNCHING 'LET NATURE IN'

In March 2024, we launched a new strategy for enhancing nature at our operational assets and developments. The strategy centres on three principles that will guide our approach to designing, developing and managing our places to benefit nature and the people that live, work and play in our spaces:



IMPROVE BIODIVERSITY IN THE BUILT ENVIRONMENT



PROMOTE HEALTH, WELL-BEING AND COMMUNITY ENGAGEMENT



CREATE NATURE-BASED SOLUTIONS TO TACKLE CLIMATE CHANGE

How we apply these principles, and what this means in practice for our developments and operational sites, is detailed in our new 'Let Nature In' strategy available at landsec.com.

Following the publication of the TNFD recommendations in September 2023, we have signed up as an Adopter, committing to start disclosing nature-related information in line with the recommendations.

 [READ OUR TNFD DISCLOSURE IN OUR 2024 SUSTAINABILITY PERFORMANCE AND DATA REPORT](#)



ENHANCING BIODIVERSITY IN MANCHESTER

At Mayfield, Manchester, we have redeveloped 6.5 acres of brownfield land to create an urban park – the first in the centre of Manchester in 100 years. We have allowed the River Medlock to regain its natural path and enhanced it with diverse planting and landscaping. As a direct result of having their habitat restored, fish species including brown trout, bullhead, minnow and stickleback were officially recorded in May 2023 by the Environment Agency for the first time in this stretch of the Medlock.

6.5ac

OF BROWNFIELD LAND TO CREATE AN URBAN PARK



CREATING OPPORTUNITIES AND TACKLING LOCAL ISSUES

We continue to create opportunities and inclusive places to change lives and help our communities thrive. We are committed to the following:

- **DELIVERING £200M OF SOCIAL VALUE BY 2030**
- **EMPOWERING AT LEAST 30,000 PEOPLE FROM UNDERREPRESENTED SOCIO-ECONOMIC BACKGROUNDS TOWARDS LONG-TERM EMPLOYMENT BY 2030**
- **INVESTING £20M TO ENHANCE SOCIAL MOBILITY IN REAL ESTATE BY 2033**

We are making strong progress towards our social value targets, creating £54m of social value and empowering over 10,000 people towards employment since 2019/20.

ENHANCING SOCIAL MOBILITY IN REAL ESTATE

Our £20m social mobility fund, Landsec Futures, is already having a significant impact – highlighting a critical issue in UK society and helping people meet their potential, in collaboration with our industry and beyond. Since Landsec Futures launched in April 2023 we have:

- supported 3,182 people in moving towards the world of work, through employability programmes, bursaries and internships
- invested over £860k in 25 employability partners at 18 locations
- committed £200k of community grants, supporting over 120 community groups and charities in 19 locations
- helped raise awareness of real estate opportunities for young people, improved employability skills, and provided training opportunities and pathways into real estate jobs for adults facing significant barriers
- helped our charity partners expand their reach and impact through in-kind donations of space in our buildings.

Landsec Futures was recognised at the 2023 Social Mobility Awards where we won Organisation of the Year. This award celebrates businesses making an outstanding commitment to social mobility issues, making a tangible difference to the life chances of others.

INCLUSIVE PLACES

We recognise that employing a diverse mix of people makes us a stronger and more sustainable business, and one that reflects the diverse society around us. Landsec Futures and our new Diversity and Inclusion strategy, both launched last year, are playing an important role in helping us increase diversity both in our business and within the wider industry. See more on our approach to diversity and inclusion in the People and Culture section on pages 25-27.

ENHANCING WELLBEING

This year, to support the wellbeing of those that use our spaces, we have continued to roll out the International WELL Building Institute’s (IWBI) WELL Portfolio programme across our operational assets. This year, we achieved WELL Core Platinum on eight assets (80-100 Victoria Street, Dashwood House, 4 & 6 New Street Square, One New Change, 16 Palace Street, 123 Victoria Street, 62 Buckingham Gate and Nova) and WELL Core Gold on The Zig Zag Building. Additionally, we were awarded WELL Equity Rating and WELL H&S Rating at 16 of our assets.

TO FIND OUT MORE ABOUT OUR APPROACH TO CREATING INCLUSIVE PLACES AND HOW WE ARE SUPPORTING OUR COLLEAGUES’ WELLBEING, PLEASE SEE [PAGE 26](#)

2,553

HOURS VOLUNTEERED BY LANDSEC EMPLOYEES, HELPING CREATE £28M OF SOCIAL VALUE IN 2023/24



LANDSEC INTERNSHIPS

Our six-month paid internships support people, who meet social mobility criteria, in building their skills, confidence and work experience at the start of their careers. Since April 2023, we have welcomed nine interns, with several continuing their careers at Landsec.

Rosa completed a Landsec Futures Internship in 2023 in our retail team, where she worked on community events and marketing campaigns. She has since secured a role at Landsec in the People team.

“The opportunity to be part of spaces that I didn’t know existed or were open to me has helped me greatly. The support I’ve been given has made me feel welcome and capable in these spaces. I think this leads into what can be changed in the industry, which is genuine inclusion and opportunities for growth.”



OUR APPROACH TO SUSTAINABILITY CONTINUED



EMBEDDING SUSTAINABILITY

ENHANCING OUR SUSTAINABILITY TRAINING

Building on our existing sustainability training modules, this year we enhanced sustainability training across our business, further upskilling our colleagues on relevant ESG themes. In addition to our mandatory modern slavery e-learning, in September 2023, we introduced mandatory climate change training through the Supply Chain Sustainability School (SCSS). This has already been completed by 60% of colleagues.

DOING THE BASICS BRILLIANTLY

SUSTAINABLE PROCUREMENT

We continue to work with our suppliers to achieve our sustainability commitments and support positive change beyond our own business. Since publishing Our Supply Chain Commitment in 2022, over 300 suppliers have signed up. Our Sustainable Procurement Guide is helping our employees make the right decisions when buying consumables or business services, and to spend money wisely and effectively while supporting our corporate and sustainability commitments.

TACKLING MODERN SLAVERY

In addition to rolling out our mandatory modern slavery training to our employees, this year we ran a modern slavery workshop through the SCSS focused on training our development supply partners. For more information on our approach to modern slavery, see our Modern Slavery Statement at landsec.com.

CREATING HEALTHY, SAFE AND SECURE SPACES

This year we maintained our ISO 45001 certification, having undergone a full certification re-assessment by independent auditors. We continued to focus our safety improvements on areas where we can have the biggest impact, including reducing the risk of significant occupational-safety hazards, such as working at height, asbestos management, and the permit to work process. We undertook a project during the year to identify whether reinforced autoclaved aerated concrete (RAAC) was present in our portfolio. It was found in two assets and action was taken to mitigate the risk. We continue to work with other companies in our sector to establish consistency in measuring and reporting health and safety data, to enable performance benchmarking with our peer group.

Fire safety remains one of our priority focus areas, and we have continued our work to ensure we meet new government initiatives and legislation. We have also maintained our fire-safety management-system certification to the BS 9997 standard. All high-rise residential buildings above 11 metres in our portfolio have been examined by independent fire engineers to ensure they remain safe for occupation, and meet stringent new building regulations.



BUSINESS ETHICS

This year, we have refreshed our employee code of conduct, updating our policies and content on harassment and bullying, inside information, buying and selling Landsec shares, staying cyber-secure and speaking up.

300+

SUPPLIERS SIGNED UP TO OUR SUPPLY CHAIN COMMITMENT, WHICH INCLUDES ALMOST 80% OF OUR STRATEGIC SUPPLIERS

