

Making a difference

2009/10 highlights

Our environment

Waste diverted from landfill

84%

Our people

Employees who are proud to be part of Land Securities

96%

Our marketplace

Retail tenants willing to recommend us as a landlord

97%

Our communities

Total community investment

£871,238

Our stakeholders

- Our people
- Our customers
- Our suppliers and service partners
- Our investors
- Our communities
- Government and NGOs
- Our consumers

Why CR matters to us

For us, good Corporate Responsibility (CR) is about striking the right balance between the economic, environmental and social aspects of our activities. Our objective is to create long-term value for our Company, our shareholders and our employees while generating benefits for the many other individuals, organisations and communities we interact with. By striving to create mutual advantage we can achieve more for everyone over time.

So, we don't just do CR to be 'nice'. We do it because we believe we should, and because we believe it makes us a better and more successful business. This commercial rationale is very important. Unless an investment or measure helps to make us a stronger, better business, we won't do it. Every action we carry out must be commercially sound and make a difference. Only then can it truly be sustainable.

Ultimately, good business is built on trust. From our shareholders and employees to our customers, tenants, suppliers and communities – everyone has expectations of us. Without people's trust, we can't operate effectively and efficiently; with it, we can achieve so much more. By setting and achieving ambitious CR targets we help to create trust between us and everyone affected by what we do.

Our vision and values

During the year we carried out a major consultative exercise with employees to create a compelling vision for the Company – something that captures our purpose and ambitions. The new vision for the Company is 'Shaping the future of property', which underlines our desire to lead our industry and set new standards. We have also developed a separate but compatible vision specifically for our CR activities – 'Making a difference'. This underlines that our CR actions are designed to have a clear and tangible benefit for the Company and the many people affected by our work. These aspirations are supported by our consistent core values – customer service, respect, integrity, excellence and innovation – which influence the way we go about our business, each and every day.

Our CR targets

We have focused our CR activities on four key areas:

- *Our environment*
- *Our people*
- *Our marketplace*
- *Our communities*

All four are vital, although the capital-intensive nature of our business and the physical presence of our assets in towns and cities mean we can make the biggest difference in our environment and our communities. The content in the following sections discusses our priorities, actions and performance in each of the areas in some detail. There are also facts and examples that demonstrate what our CR commitments achieve on a day-to-day basis.

During 2009/10 we set ourselves a clear, long-term objective for each area.

- Our 10-year environmental objective is to reduce our carbon emissions by 30% by 2020.
- Our 10-year people objective is to be recognised in the UK as an employer of choice for developing people to be the best that they can be.
- Our 10-year marketplace objective is to set the standards for innovation, value and service that others aspire to.
- Our 10-year communities objective is to be recognised by local communities as the no.1 partner for the delivery of positive social and economic impacts.

These objectives are underpinned by annual targets, which act as milestones so we – and you – can see how well we are doing and what might need to improve. You can review our performance [p61–64](#).

You will find more detailed reporting on our CR performance in our Corporate Responsibility Report 2010

📄 www.landsecurities.com/crreport10

We engage with a variety of stakeholders to ensure our CR activities and communications are relevant.

You can learn more about our stakeholder panel engagement in our Corporate Responsibility Report 2010

📄 www.landsecurities.com/crreport10

Our 10-year environmental objective (based on 2000 baseline figures) is to reduce carbon emissions by 30% by 2020.

Sustainable City Awards

We won three of the 11 categories at these high-profile awards – the 'Leadership Award 2009/10'; 'Tackling Climate Change' for our voluntary carbon reduction programme in our shopping centres; and 'Responsible Waste Management' for our new 'zero waste to landfill' policy for London occupiers.

Zero waste

Five of our shopping centres achieved zero waste to landfill in 2009: Gunwharf Quays in Portsmouth; Willow Place in Corby; Leeds Shopping Plaza; White Rose Centre in Leeds; and the Lewisham Shopping Centre in London.

Our 10-year people objective is to be recognised in the UK as an employer of choice for developing people to be the best that they can be.

Engagement survey

- 78% of our employees responded to the survey
- 86% of our employees have a learning and development plan
- 86% of our employees have undertaken voluntary work in the community
- 78% of our employees agree with the statement 'our employee population accurately reflects the communities in which we work'

Our environment

As the UK's largest commercial property company, we can make a very big difference to the impact our buildings have on the environment. We always think we can do more, so our approach is based on continual improvement, using the sum of our knowledge and expertise to meet the highest standards and set ourselves more challenging goals.

We are developing new ways to improve the environmental performance of our buildings, from inspirational thinking in architecture and design through to utilising the latest technology. We also use our expertise to drive the industry's responses on energy reduction, sustainable construction and behavioural change. And we work closely with our tenants so that they too can respond to the challenges and opportunities posed by environmental issues.

Our Corporate Environment Group, chaired by Robert Noel, Managing Director, London Portfolio, is responsible for setting environmental policies, objectives and targets, and for the environmental strategy that underpins them. Our Environmental Management System (EMS), certified to the international standard ISO 14001, has been designed to assure we are able to respond to the environmental priorities facing our business.

Looking forward

We will continue to:

- encourage greater engagement with our occupiers and employees regarding the environment agenda
- drive technology and innovation
- measure and manage our use of resources to drive improvements and set new benchmarks
- work with Government to improve the legislation in this area.

The energy challenge

Every hour of every day, people are using energy in our buildings, from retailers' window displays to office air conditioning. We have limited control over this. Our occupiers are directly responsible for many of the impacts of the buildings they occupy, so our challenge is to support them to identify how they can make a difference. We also need to focus our attention where it will make the biggest difference. Modern design and technology can help us with new buildings, but in any one year no more than 2% of the national stock is likely to be replaced. The truth is that the bulk of the nation's property is made up of old, energy-inefficient properties, and it's here that we need to focus our efforts.

Environment Day

Our annual corporate Environment Day features a major conference for clients, contractors, suppliers, employees and other stakeholders. The 2009 event at Kew Gardens drew more than 170 delegates and looked at how sustainability will continue to influence property design and management. A variety of supporting events were also staged in our shopping centres, giving us a great opportunity to spread the sustainability message to the general public.

Our people

We think people make the difference, even in a business based on bricks and mortar. Our employees' dedication and expertise are key to our business success, and the more we invest in them and a working environment in which they can thrive, the better the results.

We aim not just to be a good employer, but the employer of choice in the property industry. To achieve this, we need to have the right people with the right skills, values and objectives. Our commitment is reflected in our Group key commitment to attract, retain and motivate high-performing people [p13](#). In practice, this involves providing support, learning, training and structured career development plans and engaging employees to ensure everyone in the business can reach their full potential.

Being the employer of choice in our sector is also about recognising individual contributions and rewarding exceptional performance. For example, our People into Action scheme acknowledges employees who bring our values to life in their day-to-day work or in exceptional circumstances.

We also foster a culture that respects people's differences and values their ideas, and regularly engage with our people to seek their views and address their concerns. We do this Company-wide through our annual Employee Engagement Survey, while representatives from around the business can talk about the big issues with senior executives at quarterly Exchange forums.

A diverse workforce

We have a five-year programme to promote diversity across all areas of the business. We also have a Board-level diversity and equality champion, and diversity and equality training is included in management development, as well as our recruitment and induction processes. In 2009, almost half (48.8%) of our employees were women and more than 22.8% were aged 50 or over.

100%

We are committed to equal opportunities and a diverse, inclusive and representative workplace, in which everyone is treated with dignity and respect.

“London is a challenging market and CR remains at the heart of all our activity, whether we’re putting in planning applications and engaging with the communities around us, advising occupiers on how to use energy more efficiently or helping to fill skills gaps in the construction, retail and planning sectors.”

Robert Noel, Managing Director, London Portfolio

Our 10-year marketplace objective is to set the standards for innovation, value and service that others aspire to.

Customer satisfaction

Our latest retailer satisfaction survey, conducted in July and August 2009 among 332 participants at 17 of our shopping centres, shows that overall satisfaction among tenants remains high despite the current difficult trading conditions. Our Retail satisfaction score remained consistently high at 4.17 (2008: 4.18) while our London Portfolio satisfaction score increased to 3.74 from 3.68.

Looking forward

We will continue to:

- retain and build upon our Investors in People (IIP) accreditation
- retain a position of leadership to attract and retain the best people
- maintain a presence outside of traditional property to attract a skilled workforce
- exceed expectations about what an employer provides with regard to reward and development.

Learning and development

Our comprehensive learning and development offer covers a range of internal and external programmes designed to support the personal development of our people. They include:

- support for vocational and professional development courses
- e-learning programmes on health and safety, diversity and IT skills development
- coaching and mentoring support
- assessment tools for developing greater self-awareness and team effectiveness
- bespoke business-focused programmes for individuals and teams.
- a resource library containing books, DVDs and audio products for employee use.

Our marketplace

A building is many things to many people: a business venture for the suppliers who help to create it, a workplace or home for the occupiers who use it and an investment for those who help to fund it. For every development project, we liaise with all those who are influenced or affected by it to deliver a solution that is good for everyone. For example, through sharing our knowledge and building strong partnerships with our customers, we play a part in helping them find new and better ways to make their own businesses more successful.

By acting with fairness, honesty and integrity, we seek to be the partner that suppliers and contractors choose to work with. Good relationships are fundamental to good business and that is why we value long-term relationships and opportunities for growth.

Good relations with shareholders are equally important to us. Our investors seek competitive returns from their shareholdings as well as assurance that their investments lie with a sustainable, well-governed business, so we report our progress in a meaningful and transparent manner and conform to the highest FTSE governance standards.

Looking forward

We will continue to:

- support and facilitate the economic sustainability of our suppliers and customers
- continue to build open channels of communication in line with the changing needs of our audiences.

Helping customers to help themselves

We successfully launched our new Sustainability Guide for retailers, 'Retail needn't cost the earth', in November 2009. It outlines practical things like water savings, ventilation and recycling and a best practice approach that retailers can take that will not only make their businesses more environmentally sustainable but often save them money too.

“The communities around our shopping centres are where we can continue to make the biggest difference, by creating employment, driving regeneration and supporting training, education and local charities.”

Richard Akers, Managing Director, Retail Portfolio

Our 10-year communities objective is to be recognised by local communities as the number one partner for the delivery of positive social and economic impacts.

6,289 hours

Total number of employee volunteering hours in 2009/10.

£871,238

Total community contribution, including charity committee funds, for 2009/10.

Our communities

As a developer and landlord, our involvement in large-scale and complex property projects often lasts for years – even decades – but our intentions extend far further than simply being a good neighbour. By investing in well-integrated and enduring employment, education and enterprise opportunities, we hope to make our communities brighter, stronger and more sustainable.

We take the time to consult with all interested parties, from regulators to community groups, and business partners to occupiers, well before the first brick is laid. We listen to and address any concerns our tenants and neighbours may have, and make the effort to forge meaningful partnerships. These relationships give strength to both the physical and social fabric of a community, and help to foster a real sense of local ownership and civic pride.

We cannot do this alone, so we engage with local authorities, community agencies and voluntary groups to help us to deliver effective employment, education and enterprise opportunities. These range from running educational workshops to offering space in our shopping centres so that charities can promote their work.

Our involvement isn't just at the corporate level either; Land Securities' people like to do their bit too, whether it's donating or raising money, or sparing time for volunteering within their local communities. They act as ambassadors for our business, and we directly support their efforts through the Land Securities Foundation.

Looking forward

We will continue to:

- undertake efforts that reflect the needs of communities in which our properties are based
- utilise our presence to help educate and improve
- expand and roll-out innovative practices such as our ARISE initiative and endowment funds.

Adding value to an area

Our New Street Square, EC4 development brings together a vibrant mix of innovative office space, shops and restaurants around a public square. In winning the New City Architecture Award 2009, the successful use of sculpture, lighting and artwork to create a sense of place was singled out for praise. The judges described the development, which also won a 2009 RIBA Award and was highly commended at the 2009 Building and Construction Industry Awards, as “providing huge added value to its area”, and “a very welcome addition to the City of London”.

Bursaries

Each year, employees can apply for one of 15 bursaries, each up to the value of £500, to help the groups they support to contribute to the local community. In 2009/10, funds were given to 15 organisations, including a community-run play group, a school conservation area, and a number of football and rugby teams. In addition, during the year Capital Commitment Fund (CCF) awards totalling £75,000 helped 12 community groups and projects in Southwark, Hackney, Camden, Tower Hamlets and Islington to run youth outreach programmes, pre-employment workshops, and IT and life skills training. In 2009/10, our London Portfolio made further contributions to charities, community groups and good causes worth £50,000. Recipients ranged from the Centrepoint hostel for London's homeless through to support for the Variety Club of Great Britain and the Walk to Cure Diabetes.

The Land Securities Foundation

Through the Land Securities Foundation, we coordinate our community engagement and volunteering through four key areas of focus: education, environment, employability and enterprise. The key activities of the Foundation are:

- to support our employees in their volunteering endeavours
- to provide bursaries towards kit and equipment
- to encourage donations to charity via our Give As You Earn (GAYE) scheme.

Performance

Benchmarking

Our CR performance is assessed through a number of internal and external assessments and quality standards, including our CR report assurance process, the London Benchmarking Group, Investors in People and FTSE 4 Good.

To assess our ongoing progress towards achieving our long-term objectives, we set ourselves annual targets. Our performance against these for 2009/10 is detailed below. Each has been directly informed by our ongoing stakeholder engagement process. Information in this section covers the reporting period 1 April 2009 to 31 March 2010, unless otherwise stated.

Our environment








Target	Progress
• Design new developments to be 20% below Building Regulation requirements for CO ₂ emissions for offices and common parts of retail schemes.	
• Reduce CO ₂ emissions associated with energy use in managed office and retail premises by 10% by 2010, compared to 2007 baseline.	
• Offset CO ₂ emissions at our head offices, 5 & 11 Strand.	
• Achieve FSC Project-Specific certification for every new development.	
• Achieve at least 20% recycled content by value in every new development.	
• Reduce average consumption of water in m ³ per sq m across London managed portfolio by 5% in 2009/10.	
• Re-use or recycle 90% of excavation, demolition and construction waste for projects covered by Site Waste Management Plans by 2010 (with the exception of hazardous materials).	
• Divert from landfill 95% of office waste from head offices.	
• Divert from landfill at least 90% of waste from managed London offices.	
• Divert from landfill at least 55% of waste from shopping centres.	
• Develop 'green lease' clauses for retail leases, as part of Clearlet initiative.	
• Trial proposals in six retail stores.	
• Have two London office premises sign in full to a green Memorandum of Understanding.	
• Have Display Energy Certificates for all managed London office premises.	
• Develop environment learning module for employees and test on two groups within the business by March 2010.	
• Pilot CR communications campaign providing advice on energy savings and sustainability, health and safety and citizenship in five offices and five shopping centres.	

Fully completed	Mostly completed	Partially completed	Target started	Target not started	Target not applicable
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Our people

Target	Progress
• Outperform Expert Training Systems benchmark on employee engagement.	
• Ensure at least 70% of employees believe Land Securities' Learning and Development platform meets their individual needs and enables them to develop their careers.	
• Create an environment in which 75% of employees believe their health and wellbeing is supported.	
• Maintain Investors in People (IIP) accreditation and develop action plans for all areas identified for improvement in the IIP report.	
• Increase year-on-year employee acknowledgement of the statement 'The make-up of our employee population accurately reflects the communities in which we work'.	
• Exceed amount donated by employees in 2008/09 through the Give as You Earn (GAYE) scheme.	
• Achieve and maintain top 10% ranking within Health & Safety Executive's Corporate Health and Safety Performance Index.	

Our marketplace

Target	Achieved
• Review CR policies of top 20 suppliers within London and Retail and ensure they achieve compliance with our CR criteria for suppliers.	
• Ensure 80% of those holding client duties under Construction Design and Management Regulations (CDM) 2007 have received appropriate training.	
• Offer four work placements through a Post-Graduate Planning Scholarship fund established through University College London.	
• Achieve increase to 3.95 in overall customer satisfaction ratings in the London and Retail annual customer surveys.	
• Create incubator office or commercial workspace facilities for five new business ventures in London.	
• Enable three fledgling businesses to open in our shopping centres, with advice and financial support.	
• Launch a Sustainability Guide for use by retail tenants across all of our shopping centres.	
• Provide a tailored meeting on any aspect of the Group's CR programme for Socially Responsible Investors.	
• Achieve 2% increase year on year of the number of new subscribers to e-communications.	



Our communities

Target	Progress
<ul style="list-style-type: none"> Prepare, implement and monitor travel at five major estates to reduce CO₂ emissions related to tenants' travel to and from work. 	
<ul style="list-style-type: none"> Contribute to local communities by encouraging 30% of employees to volunteer time and expertise through the Land Securities Foundation. 	
<ul style="list-style-type: none"> Develop the Capital Commitment Fund for the benefit of local communities within London, distributing funds to the focus areas of education, young people and housing/homelessness. 	
<ul style="list-style-type: none"> Identify opportunities where Retail can facilitate a grassroots, grants-sponsored programme near one of our centres. 	
<ul style="list-style-type: none"> Roll out the Arise programme in two Retail locations. 	
<ul style="list-style-type: none"> Complete two marketing campaigns with Oxfam and British Heart Foundation across all shopping centres by March 2010. 	
<ul style="list-style-type: none"> Encourage recruitment by hosting job fairs in two of our shopping centres. 	
<ul style="list-style-type: none"> Establish Community Link programmes at development sites. 	
<ul style="list-style-type: none"> Engage 5% of employees to volunteer as mentors in schools, businesses or community groups. 	
<ul style="list-style-type: none"> Establish retail skills academies in three shopping centres by March 2010. 	
<ul style="list-style-type: none"> Work with National Skills Academy for Construction to obtain NSAFC status for a development site in London. 	

Additional targets

Target	Progress
• Influence understanding of health and safety risk management through educational partnerships.	
• Expand Safe Child scheme to a minimum of 15 shopping centres by March 2010.	
• Evaluate existing biodiversity conditions before commencing development schemes and ensure that the project improves the quality of the habitat.	
• Measure performance of rainwater harvesting at Dashwood, White Rose, Cabot Circus and Livingston: The Centre.	
• Continue to submit all new major office and retail shopping centre developments for BREEAM assessment with a minimum target of 'very good'.	
• Work with BRE to develop a suitable methodology for assessing retail warehouses.	
• Develop all residential schemes to meet the Level three rating of the Code for Sustainable Homes.	
• Achieve 10% awareness amongst shopping centre customers through our Consumer Awareness Environmental Programme.	
• Have Group Safety Management System certificated to BS 18001:2007.	
• Conduct separate surveys of investors and analysts to benchmark quality of Group's Investor Relations.	

Note: A full list of our additional CR targets is available in our Corporate Responsibility Report 2010. www.landsecurities.com/crreport10



Fully completed



Mostly completed



Partially completed



Target started



Target not started



N/A Target not applicable