

# Group business review

Chart 24

Floorspace under management ('000m<sup>2</sup>)

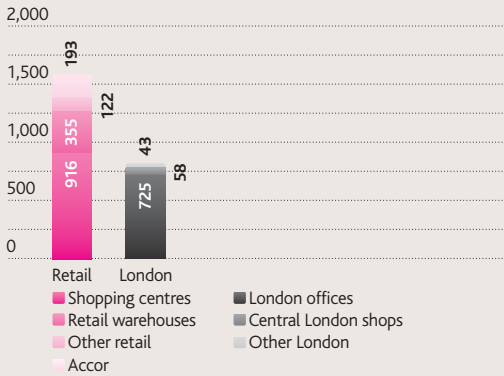


Table 25

Top 12 global REITs

Rank	Company	Mkt cap £m
1	Westfield Group	16,841
2	Simon Property Group	15,814
3	Unibail-Rodamco	12,218
4	Public Storage	10,289
5	Vornado Realty Trust	9,078
6	Equity Residential	7,275
7	Boston Properties	6,913
8	HCP	6,393
9	Host Hotels & Resorts	6,321
10	Annaly Capital Management	6,265
11	Stockland	5,753
12	Land Securities	5,144

Source: Datastream, as at 31 March 2010

## In this Group business review we set out how we are working to shape the future of property.

This review discusses some of the key actions we took during the year to strengthen our businesses, culture and commitments. Our actions affect many different individuals, but the following sections highlight three particularly important groups – our customers, our employees and the wider community. This matches the way we report on Corporate Responsibility (CR), which reflects our belief that CR should be fully integrated with the fundamental business priorities of the Group.

### Our business model

We are the twelfth largest Real Estate Investment Trust (REIT) in the world and the largest in the UK. We own, develop and manage commercial property through two business divisions – the Retail Portfolio and the London Portfolio.

### Our customers

Every day thousands of people work in a building owned or managed by us, and thousands more visit our shops. We work with a wide range of businesses and organisations, and you can find more detailed information about our partnerships with customers in the Retail Portfolio and London Portfolio business reviews in this Annual Report.

Across the Group, Government is our largest customer and represents 9.3% of the combined portfolio.

The largest customer in Retail is DSG International, representing 1.5% of the combined portfolio.

This year we continued to help customers find new and better ways to mitigate the effects of tough commercial conditions. Successful initiatives included the development of simplified Clearlet leases, and the launch of our Brand Empire venture, which is attracting overseas retailers to our shopping centres. We also started the national rollout of On Brand. Developed at our White Rose Shopping Centre, Leeds, this programme ensures that every employee knows and can talk about the latest promotions, offers and events in their centre. Our aim is to enhance the shoppers' and the retailers' experiences, from the moment they encounter our shopping centre to the end of their visit.

Customer satisfaction is one of our key performance indicators, and you can see how we performed against our targets this year on [p13](#). In brief, our customer satisfaction survey score remained consistent from 4.18 to 4.17 out of 5.0 in Retail, and up from 3.68 to 3.74 out of 5.0 in London.

Throughout the year we placed great importance on good communication with retailers and occupiers. Every one of our customers has a day-to-day Land Securities contact for matters affecting their business. We also conduct annual customer satisfaction surveys, carry out quarterly occupier review meetings in our shopping centres, hold regular liaison meetings with occupiers, and attend industry conferences to enable customers to meet our senior teams.

### Our people

Our objective is to attract, retain and develop the brightest and best people in our industry, enabling them to maximise their potential and make the greatest possible contribution to the Company. We are very proud of the expertise, ambition and commitment of our employees, especially as we have all experienced demanding and sometimes unsettling times in the commercial property sector in recent years.

This year, our annual employee engagement survey saw a good overall response rate of 78%, with more than 96% of employees who responded agreeing that 'I am proud to be part of the Land Securities Group'.

During the year we developed and launched a new Company vision. This was the result of a major consultative exercise involving many of our employees. We used workshops, forums, artwork and other forms of discussion and feedback to gain our employees' views on what sets Land Securities apart. This generated an enormously powerful and productive response, and we have captured the essence of this in the phrase 'Shaping the future of property'. Together with our values, this vision underlines our commitment to lead our industry and set new standards for tomorrow. The exercise also defined five fundamental qualities that employees see at the heart of the Company, and these now shape the way we manage our people, and the way we have reported on progress in the following:

- Thought leadership
- Best team
- Strong partnerships
- Business excellence
- Sustainable environment.

**Our communities**

When our founder, Harold Samuel, coined the phrase 'location, location, location' he captured the truth that the best buildings draw people together. We want to be a good neighbour and invest in employment, education and enterprise opportunities to help create sustainable local communities.

We invest in local communities and encourage our teams to listen, respond and develop enduring partnerships with local residents, community groups, business communities and local Government. We actively encourage our teams to engage through charitable engagement, volunteering programmes and other local initiatives. All of our major properties have proactive local engagement programmes up and running.

As part of our commitment we run 'The Foundation'. This organisation provides support for employees who volunteer, awards bursaries towards equipment for local communities, and runs our Give As You Earn scheme to encourage charitable donations from employees.

We liaise regularly with local councils and have constructive working relationships with a range of organisations, with a focus on local regeneration projects.

**Our environment**

Our brief from the Chief Executive is to be the most sustainable property company in Britain. No other property developer sets such tough targets. No other developer has pioneered so many environmental initiatives. We want to lead the way on sustainability, and be regarded as a principal consultant to local and national Government.

We were the first company in our sector to have an Energy Manager and first to have an Environment Manager. We were the first to publish a standard environment report, and the only property company to take part in the Voluntary Emissions Trading Scheme. We were the first to get the Carbon Trust Standard, and first to get the Environmental Management Standard 14001.

For the last three years we have been at the top of the Dow Jones global super sector, and named as one of the world's 20 most sustainable companies. During the year we also won three accolades in The Sustainable City Awards – the Leadership Award 2009/10; Tackling Climate Change Category winner 2009/10; and Responsible Waste Management Category winner 2009/10.

**Corporate Responsibility**

Our day-to-day work – no matter how small the task – impacts somebody somewhere. Our aim is to ensure that the impact is positive. We believe companies should act responsibly. We also believe that responsibility works best when it makes a difference for everyone – including our employees and shareholders. Every action we carry out must be commercially sound and make a difference. Only then can it truly be sustainable.

To read more about our approach to Corporate Responsibility and our performance this year, please go to [p56–64](#).