

# Responsibility: our non-stop approach

Corporate Responsibility Summary Report 2010

We have adopted a **non-stop approach** to Corporate Responsibility to keep pushing the boundaries forward.



# Responsibility: our non-stop approach

In shaping the future of property, we take practical, responsible and sustainable action over the long term. And by constantly reassessing and refining our approach to Corporate Responsibility (CR), we help to create value for our business and our investors, create buildings that respect the environment, and build strong relationships with our customers, suppliers and neighbours.

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## About us

Land Securities is the UK's leading Real Estate Investment Trust. In layman's terms, that means everything we do is about property. We manage office buildings, run retail parks and shopping centres, and build new properties. Together, these are worth almost £10 billion.

With 260 million customer visits a year, the 50 retail parks, shopping centres and designer outlet centres that make up our Retail business are often the heart of the community in which they are located. We continually invest in our retail centres to ensure that consumers enjoy a great shopping experience and the retailers benefit from a thriving business environment.

Our London business owns landmark buildings such as Cardinal Place, New Street Square and the Piccadilly Lights and it is estimated that some 50,000 people spend their working day in a Land Securities office. We also invest in the development and regeneration of office space, with major projects currently underway in the City, West End and Victoria.

Read our full report online at [www.landsecurities.com/crreport10](http://www.landsecurities.com/crreport10)

3,150 suppliers

680 employees

£9.5 billion total value of property owned and managed

25,000 shareholders

2.4 million m<sup>2</sup> total area of commercial property



# Making a difference...



▶ Watch this executive statement online at [www.landsecurities.com/crreport10](http://www.landsecurities.com/crreport10)

I think it's true to say that Land Securities has always been a leader in Corporate Responsibility. We were the first property company to appoint an Energy Manager way back in 1981 and in 2004, we were the first to achieve accreditation for an Environmental Management System across our entire property portfolio.

This year, we have continued to take a lead on CR issues. We have taken an innovative and award-winning approach to carbon offsetting for our shopping centres. And in our London offices, we have two pilot schemes to see how changing behaviour can reduce carbon emissions.

It has become increasingly clear that you can't just do what you are obliged to do; businesses need to go beyond the bare minimum, beyond compliance. For me, our CR vision clearly supports that.

Our people are motivated by 'making a difference'. By developing a leadership position in areas such as environmental sustainability, community relations and employee development, we will remain the kind of company people want to work with – and for.

That's why we have adopted a non-stop approach to CR, to keep pushing the boundaries forward, whether it's building trust among employees and business partners, behaving ethically or respecting the environment. To strengthen our business, we've redefined our CR strategy, established four areas of focus to cover our environment, people, marketplace and communities and set 10-year objectives for each to shape our ongoing CR activities.

These long-term objectives are challenging yet achievable. We believe that CR should be part and parcel of our everyday work and that as we work towards these goals, our achievements really will make a difference.

A handwritten signature in black ink that reads "Francis Salway". The signature is written in a cursive, slightly slanted style.

Francis Salway, Chief Executive



“Consumers are increasingly aware of CR issues and retailers continue to push CR higher up the agenda. Given this setting, it's important that landlords respond appropriately. But Land Securities doesn't have to play 'catch-up'. CR has been on our agenda for a long time and we continue to take strides in helping our customers to reduce costs, trade through the tough times and achieve their own CR goals.”

Richard Akers,  
Managing Director,  
Retail Portfolio



“CR is a growing factor in the decisions we make and increasingly critical for businesses in the capital. So as we set about forging London's future, we are confident that our non-stop approach to CR will play a significant role in maintaining our position as the business people want to do business with in London.”

Robert Noel,  
Managing Director,  
London Portfolio

# Why CR?

Corporate Responsibility (CR) is about striking the right balance between the economic, environmental and social aspects of our activities, and acting responsibly towards others.

We do it because it makes us a better business... because we can... and because we should.

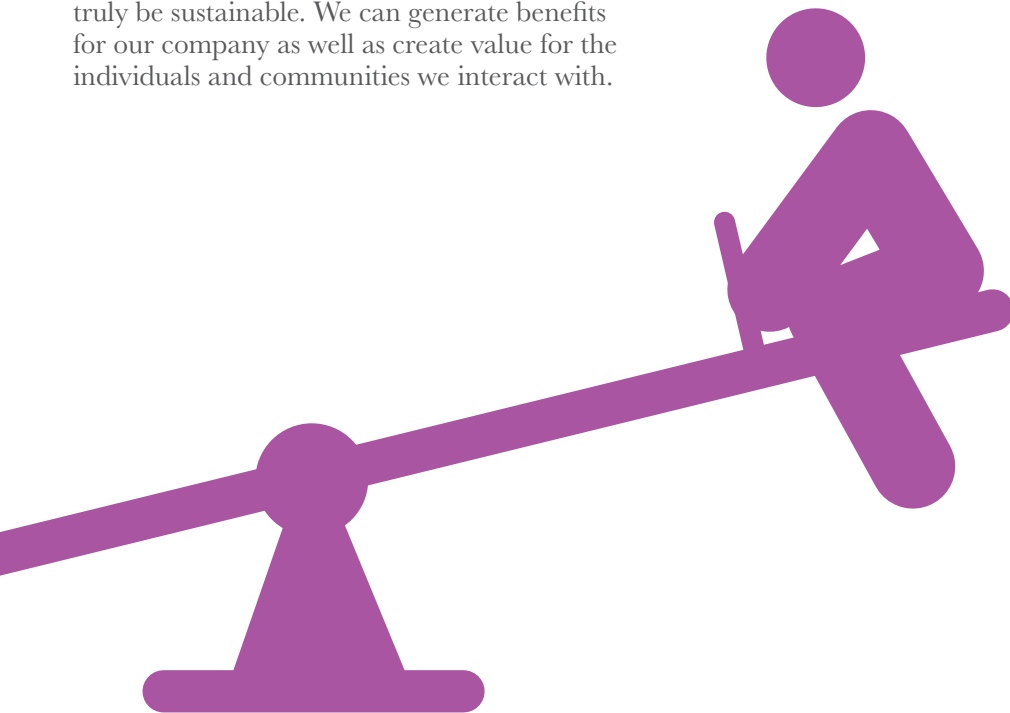
## Why does CR matter?

We believe companies should act responsibly. We also believe CR works best when it makes a difference for everyone – including the company and its shareholders. Put simply, CR matters to us because we want to be a business that people want to do business with.

Every action we carry out must be commercially sound and make a difference. Only then can it truly be sustainable. We can generate benefits for our company as well as create value for the individuals and communities we interact with.

## How does our CR strategy fit in with our business strategy?

Our new corporate vision, 'Shaping the future of property', highlights our intention to lead in everything we do and to set the standards for tomorrow. It was developed through consultation involving more than 120 employees from around the Group, and launched in October 2009.



Read more about our engagement with stakeholders at [www.landsecurities.com/crreport10](http://www.landsecurities.com/crreport10)



We also developed a separate but compatible vision 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 as well as providing places that people want to shop, work and live in, greater returns to our shareholders and a great place to work for our employees.

These aims are underpinned by our core values – customer service, respect, integrity, excellence and innovation – which influence the way we go about our business, each and every day.

## How does CR affect how we work?

Our commitment to CR means that we already have a strong reputation within the industry: as a landlord that understands its occupiers and works with local communities, a business that develops its employees and a developer that leads the sector’s thinking on environmental issues.

CR drives our approach to developing and maintaining long-lasting, collaborative partnerships with our stakeholders. By aiming to lead, not follow, wherever we can, we can share our knowledge and expertise to everyone’s benefit.

## So what’s next?

As part of our non-stop approach to CR, we have recently outlined the four key areas of focus for the business. We have one over-arching 10-year objective for each area of CR activity although, given the nature of our business, we believe the areas in which we can have most impact are the environment and the communities in which we operate.

We also have annual targets, which act as milestones along the way. Meeting these targets will ensure we remain on track to meet our 2020 objectives (see panel).

As part of our commitment to gaining greater understanding of our stakeholders’ views and priorities, we will also establish a stakeholder panel in 2010. This will help us to improve two-way dialogue and gather a range of opinions on our targets, performance and reporting.



## Four areas of CR activity and our 10-year objectives

### Our environment:

to reduce our carbon emissions by 30% by 2020.



### Our people:

to be recognised in the UK as an employer of choice for developing people to be the best they can be.



### Our marketplace:

to set the standards for innovation, value and service that others aspire to.



### Our communities:

to be recognised by local communities as the number one partner for the delivery of positive social and economic impacts.



# Minimising our impact on the world around us

Our 10-year environmental objective is to reduce carbon emissions by 30% by 2020.



As the UK's largest commercial property company, we are very aware that every property we own or manage impacts on the world around us. But we also recognise that we create a more sustainable built environment by reducing their negative impacts.

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. Ultimately, however, we intend to be part of the solution, not the problem, and aim to go beyond simply minimising the damage wherever we can.

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 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

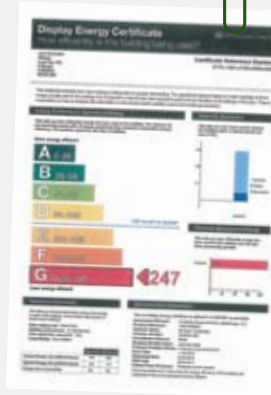
We will continue to:

- encourage behavioural change in our occupiers and employees
- 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.

Right across the UK, Land Securities puts CR into practice, each and every day. See examples of our non-stop approach below.

### Display Energy Certificates

In November 2009, we began auditing all our managed London offices and prominently displaying how much energy each property is using in the building's public area. These Display Energy Certificates go beyond current legislative requirements and mean that instead of certifying the energy our London offices are designed to consume, we will show actual energy consumption – a much more meaningful measure.



We recognise that some of our buildings will score poorly at first, yet it shows what scope there is for improvement across our portfolio. A measurement for each building will enable us to work on introducing specific initiatives to drive a reduction in energy consumption at each property. We are also undertaking a trial in two London offices involving 1,600 workers to reduce carbon emissions based around simple changes in behaviour and working styles. We hope to roll out the learnings to all occupiers.

Read more about our environment at [www.landsecurities.com/crreport10](http://www.landsecurities.com/crreport10)



### Green sweep at the Oscars



Land Securities celebrated a hat-trick of awards at the ninth annual Sustainable City Awards held in London in February 2010. Presented by the Corporation of London, these national awards, known as the 'Green Oscars', recognise and reward UK organisations for outstanding achievement and innovation across all aspects of sustainability.

Land Securities won two of the 11 categories – '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 – and we were also shortlisted in the 'Resource Conservation' category. Land Securities also claimed the Sustain Magazine Leadership In Sustainability Award.

"Advances in technology alongside simple changes in behaviour can achieve some of the strongest results. In this case, we diverted some 4,639 tonnes of rubbish from landfill and achieved estimated annual savings of £100,000 from reduced energy and water usage. These awards recognise that good environmental practices make good business sense."

Dave Farebrother, Environmental Director, Land Securities

▶ See page 12 for details of our progress against our targets and objectives.

# Making things happen

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.



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 corporate-level key performance indicator (KPI) for the attraction, retention and motivation of high-performance people. In practice, this involves providing support, learning, training and structured career development plans 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 programme

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.

## ▶ LOOKING FORWARD

We will continue to:

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

Right across the UK, Land Securities puts CR into practice, each and every day. See examples of our non-stop approach below.



### Shaping the future of property



Our vision – ‘Shaping the future of property’ – was developed through consultation and workshops with over 120 employees from around the Group and launched at our annual Management Conference in October 2009. It highlights our intention to lead in everything we do and to set the standards for tomorrow.

We have developed a vision microsite where employees can view and download a range of information about our vision, and how we reached a consensus. This includes photographs taken during the workshops; the ‘visual’ minutes that were produced at the workshops; the final visuals of the themes and the vision; all the presentations; and the final vision booklet.

Read more about our people at [www.landsecurities.com/crreport10](http://www.landsecurities.com/crreport10)



### People into Action award winners



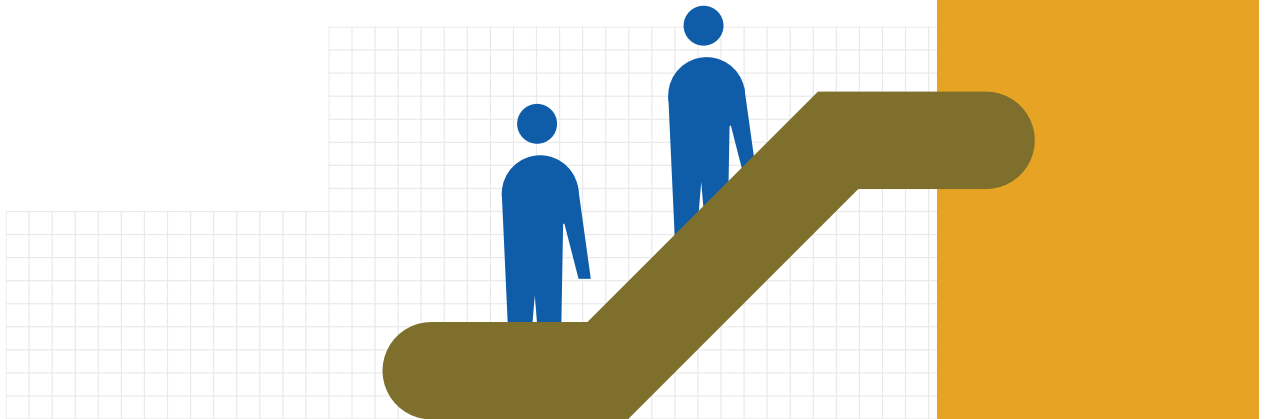
January 2010 saw some extraordinary people stepping into the spotlight at the People into Action awards reception and dinner.

- **Respect** – **Lloyd Wright**, the Centre Manager at Fremlin Walk, instigated English language courses for foreign cleaning and security staff.
- **Excellence** – **Tracy Bottomley**, Centre Administrator, Corby shopping centre, stepped in when the market in the town centre was closed down. Despite no previous experience, she ran the market, drew up licences and increased rent ten-fold.
- **Customer service** – **Mark Streatfield**, a Residential Managing Agent for Chartsedge, liaises with incoming owner-occupiers of the residential apartments at Princesshay in Exeter, helping them cope with floods, boiler failures and suspected gas leaks. **Cielo Cadona** received a special award for her extraordinary efforts to keep Harbour Exchange Square open and accessible during London’s snow storms.
- **Integrity** – **Steve Hall**, a Security Officer for Ultimate, lent his phone to a woman who had her bag stolen to cancel her bank cards and gave her money for the train home.
- **Innovation** – **Peter Cook**, White Rose’s Centre Director, has driven a consistently high standard of customer service through ‘On Brand’ training and a new Knowledge Hub.
- **Team** – **the Finance Team**, led by Neil Eady, was recognised for their hard work behind the scenes on a number of big corporate projects.
- **Environment** – **Dave Downes and Phil Gantschuk** of White Rose devised, designed and implemented a rainwater harvesting system, saving 55,000 gallons of water per year.
- **Corporate Responsibility** – **Daniel Pickard**, the Centre Director of Corby, has initiated a police-supported campaign to reduce anti-social crime.

▶ See page 12 for details of our progress against our targets and objectives.

# Working collaboratively with others

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



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. By listening and responding to those who form the key components of our marketplace, we strive to meet their expectations and thereby remain the sort of developer and landlord people want to do business with.

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.

Right across the UK, Land Securities puts CR into practice, each and every day. See examples of our non-stop approach below.

### Planning ahead



The property industry faces a predicted shortfall in trained planners, but as part of our approach to community engagement, we have made provision to support education and employment in our industry. To help to address this potential skills gap, we have established a scholarship fund for postgraduate students at University College London's (UCL's) Bartlett School of Planning.

To assist with their training, awards of £5,000 have been made to four students taking MSc planning courses at UCL. As part of their training, they will also undertake work placements, either with our planning consultants or a partner organisation, at the end of their course.

The recipients of the 2009/10 Land Securities scholarship, which falls within our sponsorship criteria for supporting education and employment skills, were:

- **June Taylor** – MSc Urban Regeneration
- **Sarah Morris** – MSc European Property Development and Planning
- **Miriam Hunt** – MSc Urban Regeneration
- **Alex Gandy** – MSc Spatial Planning.

### Helping customers to help themselves

Land Securities successfully launched its new Sustainability Guide for retailers, "*Retail needn't cost the Earth*", in November 2009. It outlines practical things like water conservation, ventilation and recycling, and best practice approaches to follow that will not only make their businesses more environmentally sustainable but often save them money too.

Meanwhile, as part of a major environmental drive at the Willow Place shopping centre in Corby, retailers are each being provided with an enviro-wheel, featuring 45 ways they can save energy during 2010. The ideas featured on the cardboard wheel include adjusting thermostats, consolidating deliveries to reduce travels costs and fuel consumption, and cleaning lights to increase their efficiency.

**Retail  
needn't  
cost the  
Earth.**

*Ways to help you make your retail business more environmentally, economically and socially responsible.*

LandSecurities  
CORBY

Read more about our marketplace at [www.landsecurities.com/crreport10](http://www.landsecurities.com/crreport10)



▶ See page 12 for details of our progress against our targets and objectives.

# Building communities that work

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.

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, not just in buildings but in well-integrated and enduring employment, education and enterprise opportunities, we hope to make our communities brighter, stronger and more sustainable.

Because of this, we can afford to take a longer-term view. 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 the social as well as the physical 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 London business has ‘employability’ as one of its main CR priorities: working collaboratively with local partners to ensure long-term economic investment and to support sustainable communities.



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 volunteer work within their local communities. In the process, 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 to educate and improve
- expand and roll out innovative practices such as our ARISE initiative and endowment funds.

Right across the UK, Land Securities puts CR into practice, each and every day. See examples of our non-stop approach below.

### National Skills Academy for Construction



Land Securities runs an employability training programme to raise the skill levels of workers throughout the construction industry. BeOnsite, developed by Bovis Lend Lease, offers on-the-job skills training, as well as employment opportunities for successful candidates, at One New Change, our £540 million mixed-use development in the City of London. The project aims to provide the high-quality training the industry needs and to deliver the objectives of the National Skills Academy for Construction.

So far, the programme has provided 21 apprenticeships, and seen over 100 contractor and subcontractor employees undertake NVQs at a number of levels. The programme has also provided jobs and work experience opportunities for a number of long-term unemployed and ex-offenders, and working with the Mayor of London's Time for Action programme, members of the Feltham Young Offenders Institute are able to visit One New Change to gain first-hand experience of what life is like on a large construction site.

For Land Securities, the next step will be to develop our own Construction Skills Academy across our London Portfolio development schemes.

### Retail Skills Academies



The Leeds Retail Skills Academy, launched in September 2009, is located in a Land Securities centre, The Leeds Shopping Plaza, and is a one-stop-shop for skills development, for both current and future retailers.

Through the Academy, supported by Leeds City College and the National Skills Academy for Retail (NSA), a range of qualifications and accredited programmes, including diplomas and apprenticeships, are delivered. It also provides bespoke courses for employers and their staff, and non-accredited programmes for career changers and those thinking of starting their own business. For example, over 500 people have been trained on a programme for the unemployed, and 32 students have signed up for a Foundation Degree in Retail commencing in September 2010.

Our involvement will extend to offering a greater range of facilities and services to the Academy in our new Trinity Leeds development project. This will allow Leeds City College to deliver all its retail programmes at the Academy and create better links between training and employment in the retail sector.

The NSA has opened 27 academies since April 2009, including one in Bristol, where 83 people have been placed into jobs and 403 on courses. The NSA is now looking to create an academy in Sunderland and we are exploring further interest from within our own business in Aberdeen, Corby and Livingston.

Land Securities is represented on the NSA for Retail board by Paul Martland, Retail Operations Director, North & Scotland.



Read more about our communities at [www.landsecurities.com/crreport10](http://www.landsecurities.com/crreport10)



▶ See page 12 for details of our progress against our targets and objectives.

# Our performance

To assess our ongoing progress towards achieving our long-term objectives, we set ourselves annual targets. Each target has been directly informed by our ongoing stakeholder engagement process.

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 FTSE4Good. Information in this section covers the reporting period 1 April 2009 to 31 March 2010.

## 2009/10 highlights



**Our environment**

- 15.3% Reduction in CO<sub>2</sub> emissions from Retail Portfolio
- 22.5% Reduction in water use in London Portfolio



**Our people**

- 78% Employee response rate to annual survey
- 86% Employees with a learning and development plan



**Our marketplace**

- 97% Retail tenants willing to recommend us as a landlord
- 10,701 Investors signed up to receive annual report electronically



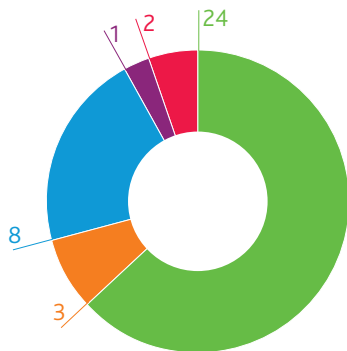
**Our communities**

- £871,238 Total community investment
- 6,289 Total employee volunteering hours to date

## Progress against 2009/10 targets

To assess our ongoing progress towards achieving our long-term objectives, we set ourselves 38 realistic but stretching targets. Our progress against them is summarised here.

- Target fully completed
- Target mostly completed
- Target partially completed
- Target started
- Target not applicable



## Assurance

Ensuring robust and formal reporting mechanisms internally gives us more consistent data across all our areas of activity and allows us to report on CR progress at regular intervals.

We have appointed two advisors to provide transparent assurance to this process:

- Corporate Citizenship has advised the CR Committee and provided strategic input and best practice.
- LRQA provided independent assurance by measuring our performance against our targets for the financial year to 31 March 2010.

To read the statements online, please visit: [www.landsecurities.com/crreport10/performance/advisors.html](http://www.landsecurities.com/crreport10/performance/advisors.html)

Full details of our progress against our 2009/10 targets, and the targets we have set for 2010/11, can be found online at [www.landsecurities.com/crreport10](http://www.landsecurities.com/crreport10)



## Our 2010/11 targets

The annual targets we have set ourselves for 2010/11 will ensure we remain on track to meet our long-term, 10-year objectives.



### Our 10-year objectives

**Our environment:**  
to reduce our carbon emissions by 30% by 2020.



**Our people:**  
to be recognised in the UK as an employer of choice for developing people to be the best they can be.



**Our marketplace:**  
to set the standards for innovation, value and service that others aspire to.



**Our communities:**  
to be recognised by local communities as the number one partner for the delivery of positive social and economic impacts.



### Examples of 2010/11 targets

- New development design to be ahead of 2010 Building Regulations requirements in terms of CO<sub>2</sub> emissions by the following amounts: 2010/11: 5% below Building Regulations, 2011/12: 15% below Building Regulations and 2012/13: 20% below Building Regulations.
- Increase the percentage of waste reused or recycled to 70% across the managed London Portfolio.
- Increase to 70% the amount of waste diverted from landfill for the shopping centres portfolio.

- Employees across Land Securities believe that the learning and development provision and opportunities provided across the Group meet their individual needs and enable them to achieve their potential.
- Land Securities receives external recognition for its commitment to learning, development and career progression.

- Reduce dependency on paper-based communications.
- Key suppliers in the supply chain agree to source between 1% and 5% of new hires from those entering or re-entering employment for the first time.
- Enable three new fledgling businesses to open in our shopping centres supported by advice and financial advice. To create incubator office or commercial workspace facilities for new business ventures across the London Portfolio.

- Identify opportunities across the UK where Retail can facilitate the setting up of a grassroots grants-sponsored programme near one of our centres. Roll out the principles of the ARISE programme to two Retail locations.
- Contribute actively to local communities by encouraging 60% of employees across the Group to volunteer time and expertise through the Land Securities Foundation, of which 5% of employees volunteer their time mentoring in schools, businesses or community groups including young enterprise programmes and other relevant educational programmes.

## Contact us

Land Securities would be pleased to receive your feedback or comments on any of the information contained in this report.

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