

Corporate responsibility

Customers

By providing best-in-class levels of service, we can stand out from our peers and encourage occupiers and clients to choose us as their business partner.

Health and safety

We are committed to taking every reasonable step to ensure the health and wellbeing of our people, and the safety of everyone who comes into contact with our business activities.

Employees

We employ in the region of 700 people, whose wellbeing and professional development are crucial to our ongoing success and future growth.

Suppliers

By working with partners whose values and principles mirror our own, we can maintain our high standards and minimise risk.

Investors

We encourage two-way dialogue with existing and potential investors and analysts, to give them a better understanding of our business and to strengthen our relationships with them.

Community

We create civic pride and a sense of community ownership through relationships with local government, education partners, community organisations and residents.

Environment

The way we design, build and run our properties impacts on the world around us, but through innovation and best practice, our developments can be leading examples of environmental sustainability.

Why corporate responsibility (CR) matters

We have a significant influence on the lives of many thousands of people across the UK, including employees, customers, suppliers, investors and neighbours. That means we need to find a balance between the environmental, social and economic aspects of our activities so that the positive impact we have as a business is maximised.

Our vision is 'bringing property to life'. We go beyond bricks and mortar, through a mixture of good design, community engagement and first-class service, to create places where people choose to shop, are proud to work and want to live. Put simply, we aim to be the partner, employer or provider of choice – the sort of business people want to work with and for.

Awards and recognition

We have been included in the Dow Jones Sustainability Index each year since its launch in 2000 and are now the global leader for sustainability in the Real Estate sector. This year Sustainable Asset Management's Sustainability Yearbook 2009 awarded us Gold Class and sector leader status. And Land Securities was again voted top in the 'property company' category of the Britain's Most Admired Companies survey, published by Management Today, December 2008.

Our CR strategy

We manage our CR strategy and activities through an eight-strong CR Committee, with representatives drawn from across the Group. Chaired by Angela Williams, our HR Director, the committee meets four times a year to agree policies, review progress against targets and set future objectives.

In January 2009, we sold our Trillium business. This has given us the opportunity to step back and review our approach to CR, to redefine our CR vision, and to focus on what we should achieve in 2009/10 and beyond. We believe good CR practices make for a stronger business, so it is essential that CR is embedded in what we do and how we do it. The targets we set will be challenging yet attainable. By achieving them, we will improve our performance across the business.

Our new CR strategy will be published during 2009 and will be reviewed in the next Annual Report.

During 2008/09, our activities addressed the needs of the stakeholder groups and issues outlined on this page – Customers, Health & Safety, Employees, Suppliers, Community, Investors and Environment. The 'CR highlights' content featured over the following pages focuses on three key areas, People, Buildings and Communities, while the 'CR performance' section that follows analyses our CR targets and achievements.

View our Corporate Responsibility Report online at www.landsecurities.com/crreport09, which provides even more detailed information on our CR strategy and performance.



Our CR highlights in 2008/09

We believe CR is about practical, responsible and sustainable action over the long term, using the expertise and dedication of our people to create buildings that are good for us as a company, for our customers and for the communities in which we operate.

People make property

From architects to builders, and investors to residents, property is all about people. At Land Securities, we aim to attract and retain the best, encourage and empower them to improve our business and the businesses of our customers, and support them in achieving their personal goals. We also like to work with like-minded partners who share our values.

Great design doesn't guarantee great buildings

It goes without saying that good design is crucial to a good building. But a great one needs so much more: a feel for heritage, a respect for the environment and a supportive, collaborative owner that involves the community to ensure its properties deliver long-term rewards for occupiers, stakeholders and shareholders.

Modern buildings improve communities

That's a dangerous assumption, especially if its impact on a community's character is overlooked. That's why we take a long-term view. We take the time to develop partnerships so our properties have a positive impact on their locations, our presence is valued and we get involved in events that bring everyone closer together.

“We spend a lot of time engaging with local authorities and others to improve the social fabric of their communities. If that process works well, we have a more sustainable investment, something vibrant, well-integrated and enduring for us and for local stakeholders.”

*Francis Salway
Chief Executive*

People

Our intention is to be the employer of choice in the property sector. To do that, we must attract, recruit and retain exceptional employees who will add value to our business and our customers' businesses. And to do that, we need to help every one of our 700 employees to reach their full potential.

92%

The number of employees responding to our Employee Engagement Survey who are proud to work for Land Securities

82%

Employee response rate to annual survey

84%

Employees have a learning and development plan in place

From paint pots to plant pots

During the year, employee volunteers from our Southern Retail team helped Kids Company, a charity that supports vulnerable inner-city children, to paint a mural at Lark Hall Primary School in Stockwell. Meanwhile, the Centre Management team at St David's built a play area for young visitors to Greenmeadow Community Farm in Cwmbran. And Retail Development employees created a garden and vegetable patch at Kew Riverside Primary School in Richmond.

Equality

We are committed to equal opportunities and a diverse and inclusive workplace in which everyone is treated with respect. Our adherence to the UN Declaration on Human Rights underpins all our policies, systems and actions.

Learning and development

The vast majority of our people have a learning and development plan in place, to ensure they develop the core skills and behaviours we need to be successful. Almost every person who took training last year reported they were satisfied with the support they received.

Wellbeing

Our wellbeing programme helps employees maintain fitness and health. Almost a quarter of our employees have registered to use BUPA's Positive Health online tool, which enables them to undertake a health and wellbeing assessment and get practical advice on improving health, diet, stress, sleep and other lifestyle issues.

Employee engagement survey

This year more than four out of five employees responded to our survey. Their feedback suggests we are making progress across training, leadership, career development and community activities.

What also came through from this year's comments was that they like the people they work with and the jobs they do. They feel empowered to make decisions, believe the company takes corporate responsibility seriously, and rate us highly on issues such as communication, strategy and vision.

Volunteering

Because we believe volunteering supports personal development, builds community spirit and demonstrates our CR principles at work, we actively encourage volunteering and offer extra time off in return. This year, 326 employees (around 20% of our workforce, including Trillium) took part in volunteering activities. We'd like that to grow to 50% by 2010.

Our regional grant programmes include our Capital Commitment Fund, which has helped 35 community groups and projects in Southwark, Westminster, Tower Hamlets and Islington. Activities include summer play schemes, community festivals, a trip to the seaside, homework clubs and anti-bullying workshops in schools.

Bringing our values to life

Annarose Hearsum, Gunwharf Quays' Tenant Liaison Executive, has won the prestigious SCEPTRE Young Achiever of the Year Award for her work on the Striving for Excellence programme. During this year-long competition, retailers are assessed by mystery shoppers and their records scrutinised, to encourage a more positive and memorable customer experience. Gunwharf Quays' 2008 customer satisfaction survey revealed that 96% of the tenants surveyed would recommend us as a landlord, with Annarose specifically cited by many for understanding their needs.

“Retail as a business is facing a challenging time and more than ever needs to be supported by a robust approach to CR, aligning our approach with our customers to ensure we all benefit. There are no short cuts or areas that don’t matter if we are to strive for excellence in all that we do.”

Richard Akers

Managing Director, Retail Portfolio

9.2

Our score of 9.2 in the Corporate Health and Safety Performance Index (CHaSPI) placed us third overall, from a total of 115 other UK companies with more than 250 employees

5

Consecutive Royal Society for the Prevention of Accidents (RoSPA) Gold Awards

Increasing investment, reducing emissions

Rather than investing in overseas projects to offset our shopping centres’ emissions, we are using the money to lower their carbon footprint instead. The £180,000 it would have cost to offset the 22 million kg of CO₂ emissions from our centres is being used, pro rata, to improve energy efficiency and cut utility bills through initiatives like harvesting rainwater and installing low-energy, motion-triggered lighting.

Buildings

As a landlord, our remit stretches from providing our tenants with the best possible service through to safeguarding the health and wellbeing of all who come into contact with our operations. We’re never complacent about such matters and always strive to improve our performance, but with our Retail business winning the Property Managers’ Association 2008 Landlord of the Year title, it looks like we’re heading in the right direction.

Customer satisfaction

Happy customers are crucial to our success, and we measure customer satisfaction on three levels – overall satisfaction, willingness to recommend and communication. In our latest annual customer satisfaction survey, conducted among 282 participants at 15 of our shopping centres, 97% of the tenants questioned said they would be willing to recommend us as a landlord, while all our scores for communication and responsiveness either equalled or exceeded our highest to date.

Health and safety

Like all responsible businesses, we have a commitment to ensure the safety of staff, tenants and visitors. We have policies and procedures in place to underpin our daily activities. We regularly report on RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) accidents, events and near misses. And we audited 153 properties last year, including those of our contractors and partners, to measure performance across the Group and ensure our legal and contractual obligations are being met.

Our commitment extends to reminding all employees of the importance of identifying and managing risks at work. In the last year this has involved:

- A dedicated health and safety week
- A personal health and safety e-learning course for all employees
- An additional course for line managers on managing health and safety.

The training forums and safety audits that Gunwharf Quays instigated were singled out for particular praise when it won the Gold Award for occupational health and safety from the Royal Society for the Prevention of Accidents (RoSPA).

Cabot Circus, Bristol leads on sustainability

Cabot Circus has been singled out as a beacon for sustainability in the retail sector, winning five industry awards since it opened in September 2008. The 92,000m² development uses natural ventilation, saving around 5 million kWh of energy a year on heating and cooling. Combined with one of the world’s most advanced IT systems, low-energy ‘intelligent’ lighting and a rainwater harvesting system, this has helped to secure an ‘Excellent’ BREEAM rating.

Cabot Circus Awards

- British Council of Shopping Centres (BCSC) Supreme Gold Award for 2008
- BCSC Gold for large in-town retail schemes
- BREEAM Retail Award
- MAPIC EG Retail Award for Best Shopping Centre of the Year
- European Standard Parking Award for the safety and customer services features incorporated into its 2,600-space car park.

Asset management

A development with a lower carbon footprint is:

- easier to gain approval for
- attracts tenants with the same values as us
- cheaper to run
- reduces the risk of non-compliance with ever-changing environmental legislation.

One of the biggest opportunities we have for reducing our carbon footprint lies in the way we manage our existing properties. Our London operations are recognised as leading the sector in this area, sharing both standard procedures and best practice guidance with occupiers to improve standards, lower costs and reduce risks for both parties.

99.72%

Total waste recycled at Fremlin Walk shopping centre in Maidstone

One area where our London business leads the way is in devising energy management plans. With every development, we share such a plan with occupiers, and agree who is responsible for what aspects of energy performance. For example, we developed a plan for Eversheds LLP, the occupiers of One Wood Street, so that they can minimise the impacts of their operations. In turn, they will supply us with energy and water use data, which we can use to shape future schemes.

We have also been working closely with the Better Buildings Partnership's Green Leases Working Group, which has developed a set of principles and recommendations that allow landlords and occupiers to reduce their buildings' carbon footprint and improve their sustainability. These guidelines are currently being trialled at New Street Square, EC4.

Waste

Reduce, recycle, reuse – all are viable options when it comes to managing waste, and all of our centres already recycle cardboard, wood, plastics and metal.

At Fremlin Walk in Maidstone we wanted to go one step further and recycle all the waste it generated – and we are very nearly there. For example, food waste from the centre's restaurant and coffee shops now goes into biodegradable bags, which are mulched, turned into compost and used to fertilise produce and improve soil on local farmland. This is a great replacement for expensive and environmentally impacting fertilisers, and it's a wholly local operation.

With this food waste trial, 99.72% of all Fremlin's waste is now being recycled, with the only shortfall being sanitary waste.

Sustainable materials

To paraphrase Henry Ford, you can have a Land Securities building in any colour – as long as it's green. All our projects are aligned with our ISO 14001-certified environmental management system, which ensures we're operating within the law, and in line with our own policies and targets.

Externally, a BREEAM rating of 'Very Good' is a minimum for us, but we like to push the boundaries further when we can. By using sustainably sourced, low-impact materials and collecting rainwater for reuse, our Bristol and Livingston retail centres both achieved 'Excellent' ratings in 2008, as did the renovation of Dashwood House in the City of London.

Communities

Strong relationships are the lifeblood of any community, and we work hard to ensure we play our part as a long-term partner. We start to forge these relationships well in advance of the planning process, because we want our schemes to foster a sense of local ownership and civic pride.

Planning and consultation

We never undertake a major scheme without listening to those likely to be affected by it. Residents can have concerns about disruption from building works or additional pressures on parking, but we take all views on board and try to address them appropriately.

For example, our plans for the 2.5-hectare Victoria Transport Interchange development incorporated feedback from local residents, council representatives and the Greater London Authority, and were given the green light by Westminster City Council. But even then, the project came in for considerable public scrutiny, so we held a four-day public exhibition including models, video presentations, traffic modelling and an information pack to give everyone a chance to find out more and influence the final design.

Design and the public realm

We feel strongly that our developments should improve and enhance the public realm, so we design schemes that incorporate eye-catching views and open vistas. In the past, buildings were often designed to look imposing and keep the public out, but that time has passed. Today's schemes incorporate a mix of residential, retail and office use so that they can be a productive place of work by day and a safe, restful home by night, as well as provide room to breathe, public access and even somewhere to shop.

Buildings can create a new sense of place and community, as illustrated by New Street Square, where an eye-catching combination of design and public art have created a more welcoming and accessible environment. A public art strategy for the area was agreed back in 2005, and commissions from two artists have been installed since the scheme's opening. Jonathan Clarke's freestanding sculptures act as a focal point to draw the public through to the new pedestrian arcade, and provide elements to lean against or sit on. Suspended from a canopy running the length of the arcade, Ron Haselden's 'Day and Night, Night and Day' is a tapestry of curved neon lights, each of which can be programmed to change, through an infinite number of colours, by workers in the surrounding buildings.

“We're not just interested in building commercial properties; we also want to build communities. That is why we have been pioneering the use of art and other improvements to the public realm to transform sites such as Bankside into places to be enjoyed by all. And why we give financial support to many local groups and charities through our recently enhanced Capital Commitment Fund.”

Mike Hussey

Managing Director, London Portfolio

£340,093

Total charitable and community investments and donations made by Land Securities Group and its businesses in 2008/09

ARISE and shine

We are forging partnerships to help make our communities better places in which to live and work. In Leeds, for example, we have provided 100 financial grants to local groups through ARISE, a powerful charitable alliance between Land Securities and other socially responsible businesses. The initiative is focused in south Leeds, where our White Rose shopping centre is located. Each company contributes £8,000 a year to a fund, which is then divided among organisations applying for financial support. Create – the 100th organisation to receive a grant from ARISE – has used its funds to provide ex-offenders and homeless people with work experience, skills training and employment opportunities in food production.

Mystery shopper surveys

Four of our shopping centres scored an exceptional 100% in mystery shopping surveys in 2008. The Retail Eyes' Impressions scheme gave perfect scores to White Rose in Leeds (in two consecutive years), The Centre in Livingston, The Bridges in Sunderland and Princesshay in Exeter.

£500,000

Community investment through our Capital Commitment Fund over four years

2,500

Visitors to our Victoria Transport Interchange exhibition

Each 'design' is intended to stay in place for some time, providing a restful, silent work that gives the onlooker time to reflect on it.

Meanwhile, at Cabot Circus, Bristol, visitors will see 'Twist', a 65-foot, wind- and solar-powered illuminated tower that forms part of a city-wide public art programme, and at Princesshay, there are four permanent commissions celebrating the historical importance of Exeter.

Space for art

We are helping to address the shortage of affordable studio space in the capital through the Land Securities Studio Award. This new, annual awards scheme will provide three promising young artists with rent-free studio space in London for a year, a cash bursary and an exhibition featuring their work.

Community investment – Retail

Our retail schemes are a significant source of local employment, which can contribute to the vibrancy of the community. In Bristol, the development of Cabot Circus generated 3,500 construction jobs and over 4,000 permanent posts, from cleaners and caterers to security staff and sales assistants. By teaming up with West at Work, we were able to provide job seekers with free confidence-building courses, CV and job application workshops, specialist retail training events, a dedicated vacancies website and the 'Cabot Circus Jobs Bus'.

Shopping centres are also ideal places to give young people interested in retail careers a chance to develop their skills and knowledge. For example, Buchanan Galleries, Glasgow co-runs a Retail Academy. Participants are guaranteed work placements, interviews and other assistance by the centre and its retailers, and most go on to get full-time jobs.

Our many other mentoring schemes and work placements include:

- Supporting the Construction Youth Trust by hosting site visits for 'Diploma in Construction and the Built Environment' students and holding career events, where students are able to discuss their plans with industry professionals.
- The national Young Enterprise scheme, where our Retail staff help young people to learn about business by running virtual companies.

Our Community Link programme fosters close working relationships between our centre management teams and key stakeholders such as schools, encouraging them to support curriculum-based activities by working alongside local businesses. At White Rose in Leeds and Stratford Centre in London we also run study support centres for students.

Community investment – London

Long-term commitment to communities underpins Land Securities' investments in London. Over the last four years, Land Securities has contributed over £500,000 to its own Capital Commitment Fund, which has been used to help over 100 community groups. In 2008, these included Westminster Befriend a Family, which used its grant to take 200 underprivileged families to Brighton for the day, giving vulnerable and disadvantaged children a chance to enjoy a trip to the beach – many for the first time.

During the year a review was undertaken to identify areas of improvement for charitable giving which would enable the delivery of a strategic and coordinated approach, one that would help align our objectives with the wider aspirations for central London Local Authorities and the Greater London Authority. The review also informed our decision to restructure the Capital Commitment Fund into two strands, one a flow through programme benefiting groups in Tower Hamlets, Islington, Camden and Southwark. The second, the creation of the Westminster Fund, an endowment fund established with our community partner, the Capital Community Foundation, to benefit community groups for many years to come.

Our investment will now be targeted at the areas in most need and in support of the most vulnerable groups. All charitable giving will be based on three thematic criteria – Education, Housing/Homelessness and Young people – and will be assessed via a new Corporate Community Investment Panel.

Be seen, be safe!

In January 2009, St John's and Clayton Square shopping centres in Liverpool joined a city-wide campaign to reduce road accidents involving children on bikes. Working in partnership with the City Council's Road Safety Unit, the police, the fire service and local radio, we enabled food outlets at both centres to hand out free high-visibility armbands and 'slap wraps' designed to make children more visible in the dark.

Our CR performance in 2008/09

Target	% achieved
Environment	
Design all new Group developments to be 20% below the prevailing Building Regulation requirements for CO ₂ emissions	N/A Reflecting economic conditions, all schemes that were planned to commence on site were postponed.
Achieve a 5% reduction in the CO ₂ emissions associated with energy use in managed office and retail premises, thereby reducing the cost of our commitment to offset emissions arising from energy use in our own occupied offices, and common parts of shopping centres	92%
Produce a case study analysis of energy and CO ₂ performance for the six properties audited in 2007/08 which account for 30% of energy usage across the London Portfolio	100%
Evaluate existing biodiversity conditions before commencing development and demonstrate that the completed scheme improves the quality of the habitat and the number of species of flora present	N/A No scheme was at such an advanced stage that we were able to measure biodiversity enhancements.
Achieve a minimum level of 20% recycled content by weight or value in every new development	N/A No projects were at the appropriate stage of design.
Monitor the performance at all occupied premises of grey-water recycling and rain water harvesting	100%
Benchmark water usage across the London Portfolio and survey 50% of these sites for opportunities to reduce water consumption	100%
Undertake a trial of the Forestry Stewardship Council (FSC) project – specific registration scheme at Trillium's Falkirk development to ensure the timber comes from sustainably managed sources	100%
Reuse or recycle 85% of demolition and construction waste for projects covered by Site Waste Management Plans	94%
Reuse or recycle 85% of office waste generated at our own Head Office premises	96%
Increase the rate of recycling by an average of 5% across all managed shopping centres, with no centre falling below its 2007/08 recycling rate	86%
Submit all new major office, retail warehouse premises and retail shopping centre developments for BREEAM assessment with a minimum target of 'very good'	100%
Ensure that every shopping centre develops and implements a site-specific Environmental Management Programme	100%
Ensure that Trillium's managed PPP projects are certified to ISO 14001 within the scope of its Environmental Management System	N/A Due to the sale of Trillium the measurement was unable to be completed.
Refine the environmental benchmarking process for managed offices and shopping centres to facilitate meaningful comparisons	100%

Our CR performance in 2008/09

Target	% achieved
Procurement	
Recruit 10% of all new catering and cleaning staff into the Trillium supply chain through agencies which support disabled and disadvantaged people	100%
Engage in regular meetings with the Top 10 Service Partners (measured by contract value) to agree a Joint Programme of community investment and volunteering	100%
Benchmark the Top 20 category 2 suppliers (measured by contract value) to determine the extent of their compliance with the CR criteria in the Group supplier evaluation questionnaire	100%
Community	
Exceed the value of community investment achieved in 2007/08 as measured by the Community Investment Reporting system, and ensure the system is used across the Group to record the full range of community-based activities	96%
Supplement the Capital Commitment Fund of £150,000 by securing additional sources of external funding	100%
Pilot a web-based learning system to deliver community-based safety awareness training to schools in communities in which the Group operates	25% <small>Budgetary demands over the life of the project meant that this has been halted.</small>
Develop a structured Work Experience programme in Trillium which can be made available to schools in the Trillium portfolio	100%
Introduce, to a minimum of 10 Shopping Centres, a Childsafe Awareness Scheme giving assurance as to the safety and welfare of children in retail centres	100%
Establish formal Community Link programmes at three retail development sites to support a range of training and skills development initiatives aimed at promoting local employment	100%
Employees	
Ensure out-performance across the Group of the Expert Training Systems (ETS) benchmark on employee engagement	100%
Contribute actively to local communities by encouraging 30% of the Group's staff to volunteer time and expertise through the Land Securities Foundation	100%
Encourage 8% of staff to participate in charitable giving through the payroll	93%
Ensure that at least 60% of staff, as measured by the Employee Engagement Survey, believe that Land Securities' Learning and Development platform meets their individual needs and enables them to develop their careers	100%
In support of our commitment to diversity, through the Employee Engagement Survey, measure staff perception of the statement 'our employee profile reflects the communities in which we work'	100%

Our CR performance in 2008/09

Target	% achieved
Customers	
Achieve 90% overall customer satisfaction rating on the DWP Contract	100%
As part of our partnership with DWP, ensure the joint 'Invest to Save' initiative achieves in 2008/09 a 6% reduction in energy consumption against the baseline agreed with DWP	100%
Develop a customer service improvement plan for each Public Private Partnership (PPP) project managed by Trillium	N/A This target was deemed non-applicable due to the Trillium sale.
Increase to 3.8 the customer satisfaction ratings across the five key performance areas identified by the London Portfolio in its 2007 surveys	40% Achieved on two out of five measures. Although the other three saw improvements, progress was assessed at 40%.
Achieve an overall customer satisfaction rating of 3.8 in the annual London office portfolio survey	100%
Achieve an overall customer satisfaction rating of 3.85 in annual shopping surveys undertaken by Retail	100%
In response to customer requests develop and pilot a Sustainability Guide for retailers	75% Draft guide produced, expected to be published in 2009.
Investors	
Conduct separate surveys of investors and analysts in order to benchmark the quality of the Group's investor relations and to establish comparative data for future surveys	100%
Hold five one-to-one tailored meetings with Socially Responsible Investors (SRIs) focusing on the aspects of the Group's CR programme which are of particular interest	20% One meeting in the year with the economic downturn hampering the engagement process.
Increase from 10% to 15% the number of investors subscribing to e-communications	30% Currently 11.5% of investors signed up to e-communications. To sign up for e-communications go to www.shareview.co.uk
Health & Safety	
Certify one further workstream or business activity to the international standard OHSAS 18001 for Health and Safety Management Systems	100%
Benchmark against the Health and Safety Executive's Corporate Health and Safety Performance Index (CHaSPI), and achieve a top 10% rating against its peers	100%
Report monthly on contractor performance across all construction projects, collating information on fatalities, RIDDOR and non-RIDDOR reportable injuries, near misses and lost days	75% All Group businesses were monitoring by the end of the year
Create an environment in which 50% of employees believe their health and wellbeing is supported	100%