

Corporate responsibility

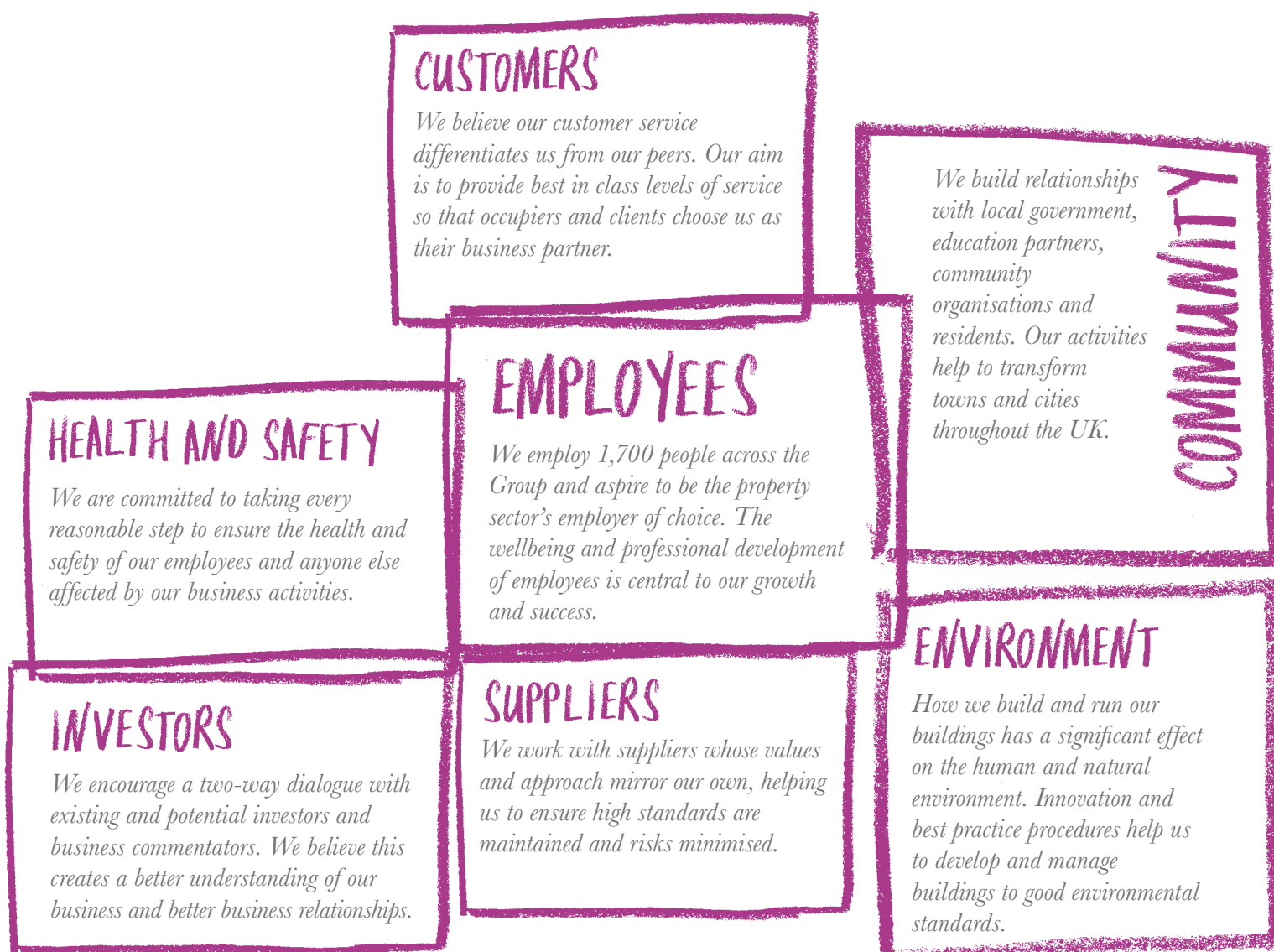
Our business activities have an enormous influence on the day-to-day lives of thousands of people across the UK. Our approach to corporate responsibility focuses on seven key areas where what we do and how we do it has a particularly significant effect on the world around us.

July 2007 – we were the only UK company named as one of the world's '20 Most Sustainable Stocks' by sustainablebusiness.com

Online environmental E-Training introduced for all staff

Gunwharf Quays sends just 0.5% waste to landfill

On target to reduce CO₂ emissions in existing buildings by 10% before 2011



Volunteering

The Foundation is responsible for encouraging every employee to volunteer a minimum of one day a year in work time. It has supported 326 volunteers so far, clocking up more than 3,000 volunteering hours in total. This year around 20% of employees took part in projects, and our target is to have 50% of employees involved by 2010.

Employees who volunteer in their own time are encouraged to apply for matched leave. Volunteering 32 hours a year earns two additional days' leave, for example. To date 30 employees have taken a total of 45.5 days of additional leave.

Some examples of our volunteering work:

- **Enterprise – Young Enterprise scheme launched**

Our volunteers are helping young people interested in business to develop their skills and knowledge. The teams set up and run concept companies and learn the lessons of business along the way. Launched in 2008, we are running this project in London and the North West initially.

- **Education – Supporting schools in Tower Hamlets**

Trillium has supported St Anne's Catholic Primary School and Thomas Buxton Junior School in Tower Hamlets for six years. We have helped to support literacy by buying books for their libraries and enabling more reading partners to come in and read to children. Last year we funded local artist Janet Brooke's involvement in a curriculum art project, and the art works produced in response were exhibited in Spring 2008 at the SW1 Art Gallery in our Cardinal Place scheme. Over the years we have also used our core skills to help improve the schools' buildings and infrastructure, and this year we turned a potentially hazardous part of the existing school playground into a safe play environment.

- **Environment – Earthwatch**

For five years we have enabled employees to take part in a competition to win an environmental trip with the Earthwatch Foundation. Everyone who takes part becomes an environmental champion in their area of the business, helping to increase awareness of issues among colleagues. Last year's winner, Anna Chapman from UCD, travelled to the tip of Vancouver Island to help monitor the migratory feeding habits of grey whales.

- **Employability – SPEAR mentoring programme**

SPEAR is an eight-week programme for 16-24 year old unemployed people in West London. The course is run by experts in change management, education and youth work. This year four of our employees have mentored young people through the course and two other employees have applied to take part in the next course. Each employee makes a commitment to meet the young person for an hour every fortnight to help him or her make decisions. Land Securities Group also supports SPEAR with an annual donation of £6,000.

£487,600

Charitable donations made in 2007/08.

50%

Our target to have employees in volunteering by 2010.



Birds Eye View project

Children at schools in Tower Hamlets visited our Victoria offices then worked with print artist Janet Brooke to create art works reflecting what they had seen. The work was shown at the Land Securities Art Gallery in Spring 2008.

Give As You Earn

Donating to charity through the Give as You Earn (GAYE) scheme is tax efficient for all involved. This year we ran three GAYE promotions and increased the number of employees giving from 1% to 8.5%. This increase was boosted by the Company's offer to match each employee donation with an additional 20%, up to a maximum of £5,000 per employee each year.

Community

Strong relationships are the lifeblood of any community and we work hard to ensure we play our part. We start to build these relationships well in advance of any planning process because we want our schemes – whether office development, shopping centre or management of a school contract – to help create a sense of local ownership and civic pride. Here are some examples of our commitments in action:

- **Victoria Transport Interchange**
Our London team held a four-day public exhibition with models, video presentation, traffic modelling, interactive views and a take-home information pack. 2,500 people attended.
- **Shopping Centre Study Support**
Our Study Support centres based at the White Rose Shopping Centre, Leeds, and the Stratford Centre, London, are helping to enhance the skills and personal development of children.
- **Child Awareness**
This scheme provides a hotline so people can alert us if a child appears to be lost or missing in a shopping centre.
- **Art and development**
At the Cabot Circus development in Bristol our on-site artist has worked with construction workers of 60 different nationalities to write a Cabot Circus recipe book. At the Southbank, Greyworld's spectacular interactive 'Monument to the Unknown Artist' was unveiled this year and is now helping to add even more vibrancy to the area.

Employees

We employ around 1,700 people across the UK. Our strategy is to become the employer of choice in the property sector by attracting, recruiting and retaining exceptional employees who will add value to our business and our customers. Key areas of support for employees include:

- **Learning and Development**
Around 84% of our employees have a learning and development plan in place and our Learning and Development offer achieved on average a 96% satisfaction rating.
- **Diversity**
We look to create a diverse, inclusive and representative working environment where everyone is treated with dignity and respect. We have also won awards for our activities to promote diversity within the communities in which we work.
- **Employee survey**
We have outperformed the survey provider benchmark consistently over the past few years. This year the employee engagement score was 3.03/4.00, a small improvement over the previous year. 82% of the employee population completed the survey. 90% of employees are satisfied with working at Land Securities and over 92% are proud to work for Land Securities.

8.5%

The number of our employees donating to charity.

£6,000

Annual donation to SPEAR.

2,500

Members of the public who attended our Victoria Transport Interchange Exhibition.

60

*Cabot Circus, Bristol
One artist and construction workers from 60 different nations wrote the Cabot Circus recipe book.*

Environment

In July 2007 we were the only UK company included in the World's 20 Most Sustainable Stocks by sustainablebusiness.com. Since then the Dow Jones Sustainability Index named us a global leader in both the real estate and finance sectors, and we have been named sector leaders for sustainability in the UK by Sustainable Asset Management. Some examples of our commitments in action include:

- **Development**
Our target is to design new offices with 20% lower carbon emissions than that required by Building Regulations, and we are on target to reduce emissions of CO₂ in our existing buildings by 10% before 2011.
- **Customers**
We are engaging with our tenants to help them reduce their own energy use. For example, a successful workshop with occupiers at Cardinal Place, London, has led to the introduction of building-specific Environmental Management Programmes that place responsibilities for success on each tenant, as well as on us as landlords.
- **Waste**
At Gunwharf Quays, Portsmouth, just 0.5% of waste is sent to landfill due to successful recycling initiatives, while our Fremlin Walk Centre in Maidstone has started a composting trial with caterers.

Health and Safety

We produce an annual health and safety plan and our Board reviews our progress every quarter.

We committed to a number of new targets in 2007 and met the following:

- Ensure that 70% of Group contractors are accredited with the Construction Skills Certification Scheme – 71% are now accredited
- Certify one additional business activity to OHSAS 18001 standard – both Gunwharf Quays, Portsmouth and the Bridges Shopping Centre, Sunderland, have achieved this standard
- Develop and launch a Wellbeing Policy for the Group and train 25% of management on its implementation
- Develop a web-based e-learning training course for use within schools.

Accident records are reviewed across the Group every month. We report on RIDDOR accidents (those reportable to the enforcement authorities), events and near misses. The number of RIDDOR accidents fell by 16.4% to 204 in the year compared to 244 in 2006/07.

Charitable giving

Land Securities Group and its businesses made total charitable and community investments and donations in the order of £487,600 in 2007/08.

In addition to charitable giving and volunteering arranged through The Land Securities Foundation, we run numerous regional grant programmes. The London Portfolio's Capital Commitment Fund is now in its third year, for example, and has supported 33 groups in Southwark and Westminster. Key national sponsorship relationships this year included:

- **The Prince of Wales' Arts & Kids Foundation**
Now in its third year, we have worked with schools to give 1,300 children the opportunity to study a new play, specially commissioned for the project.
- **British Volleyball**
Our partnership with British Volleyball is helping to achieve a higher profile for the sport and providing business skills to help support its growth.

Corporate Responsibility Committee

Our Corporate Responsibility Committee is drawn from across the Company. Each Committee member has his or her own particular discipline and a drive to ensure we transform excellent new research and thinking into tangible improvements. The Committee meets on a regular basis to set policy and overall objectives, and to review progress against targets.

84%

Of our employees have a learning and development plan in place.

92%

Of our employees are proud to work for Land Securities.

10%

The target to reduce our CO₂ emissions by 2011.

0.5%

The small amount of waste at Gunwharf Quays in Portsmouth going to landfill.

Performance during 2007/08

	Status
Customers	
Host Energy and Environmental Efficiency workshops for customers at 12 managed properties across the Group's London Office and Retail portfolios to enable these customers to improve recycling and reduce their energy and water commitments	<ul style="list-style-type: none"> ▪ Achieved
Achieve customer satisfaction targets <ul style="list-style-type: none"> ▪ Shopping Centres: 3.8 ▪ Retail Parks: 3.4 ▪ London: 3.7 	<ul style="list-style-type: none"> ▪ Achieved ▪ Not audited ▪ Achieved
Maintain 90% overall customer satisfaction rating on the DWP contract	<ul style="list-style-type: none"> ▪ Achieved
Employees	
Ensure out-performance across the Group of the Expert Training Systems (ETS) benchmark on employee engagement	<ul style="list-style-type: none"> ▪ Achieved
Contribute actively to local communities by enabling 20% of the Group's staff to volunteer time and expertise through the Land Securities Foundation	<ul style="list-style-type: none"> ▪ Achieved
Provide professional support to the Board of the British Volleyball Federation in the development of its Business Plan and host, in Land Securities premises, two community based Volleyball events	<ul style="list-style-type: none"> ▪ Work in progress
Enable 2.5% of staff to participate in charitable giving through the payroll	<ul style="list-style-type: none"> ▪ Achieved
Implement a system for monitoring the effectiveness of the equal opportunities and diversity policies, and respond to all issues raised	<ul style="list-style-type: none"> ▪ Achieved
Environment	
Reduce CO ₂ emissions by 5% against the baseline (average for the three years 2004-07) in managed offices and retail premises	<ul style="list-style-type: none"> ▪ Mostly achieved
Reuse or recycle 80% (measured by weight) of non-hazardous demolition and construction waste on all projects undertaken during the year	<ul style="list-style-type: none"> ▪ Mostly achieved
Implement a trial strategy on the DWP contract aimed at procuring 90% of timber used on the DWP estate from FSC-certified sources	<ul style="list-style-type: none"> ▪ Not auditable
Design all new developments to be 20% below the prevailing Building Regulation requirements for CO ₂ emissions	<ul style="list-style-type: none"> ▪ Achieved

Our new developments produce 20% less CO₂ than regulation requires

2008/09 Targets

- Achieve 90% overall customer satisfaction rating on the DWP Contract
- 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
- Develop a customer service improvement plan for each Public Private Partnership (PPP) project managed by LST
- Increase to 3.8 the customer satisfaction ratings across the five key performance areas identified by the London Portfolio in its 2007 surveys

- Achieve an overall customer satisfaction rating of 3.85 in annual shopping surveys undertaken by Retail
- In response to customer requests develop and pilot a Sustainability Guide for retailers

- Ensure out-performance across the Group of the Expert Training Systems (ETS) benchmark on employee engagement
- Contribute actively to local communities by encouraging 30% of the Group's staff to volunteer time and expertise through the Land Securities Foundation
- Encourage 8% of staff to participate in charitable giving through the payroll
- 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.

- 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'

We aim for at least 8% of staff to make charitable donations through the payroll – this year it was 8.5%



Climate Change

- Design all new Group developments to be 20% below the prevailing Building Regulation requirements for CO₂ emissions
- Achieve a 5% reduction in the CO₂ 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
- Produce a case study analysis of energy and CO₂ performance for the six properties audited in 2007/08 which account for 30% of energy usage across the London portfolio

Biodiversity

- 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

Resource Use and Waste Management

- Achieve a minimum level of 20% recycled content by weight or value in every new development
- Monitor the performance at all occupied premises of grey-water recycling and rain water harvesting

- Benchmark water usage across the London portfolio and survey 50% of these sites for opportunities to reduce water consumption
- Undertake a trial of the Forestry Stewardship Council ('FSC') project-specific registration scheme at LST's Falkirk development to ensure the timber comes from sustainably managed sources
- Reuse or recycle 85% of demolition and construction waste for projects covered by Site Waste Management Plans
- Reuse or recycle 85% of office waste generated at our own Head Office premises
- 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

Management

- Submit all new major office, retail warehouse premises and retail shopping centre developments for Bream assessment with a minimum target of 'very good'
- Ensure that every shopping centre develops and implements a site-specific Environmental Management Programme
- Ensure that LST's managed PPP projects are certified to ISO14001 within the scope of its Environmental Management System
- Refine the environmental benchmarking process for managed offices and shopping centres to facilitate meaningful comparisons

Performance during 2007/08 continued

	Status
Community	
Consult with 33% of schools in the current LST portfolio, and identify Group expertise to develop the appropriate 'support programmes' (work experience, training modules, mentoring etc)	▪ Achieved
Implement, based on the London Benchmarking Group Model, a system of recording and sharing the range of community-based activities undertaken across the Group	▪ Achieved
Commit £150,000 through the London Capital Commitment programme, ensuring payments are made to five organisations which are new to the programme	▪ Achieved
Investors	
Implement all the recommendations included in the Makinson Cowell Investor Relations Survey, and identify one alternative method of benchmarking the quality of the Group's investor relations	▪ Achieved
Identify a suitable Socially Responsible Investor (SRI), and hold a 'pilot' visit/presentation on one aspect of the Group's CR programme	▪ Achieved
Increase from 7% to 10% the number of investors subscribing to e-communications	▪ Achieved
Health and safety	
Certify one additional Group workstream or business activity to the international standard OHSAS 18001 for health & safety management systems	▪ Achieved
Ensure that 70% of Group contractors achieve the Construction Skills Certification Scheme (CSCS) accreditation, providing advice where requested	▪ Achieved
Develop and launch a Wellbeing Policy covering the entire Group, and deliver training on its implementation to 25% of management staff	▪ Achieved
Design the content for a web-based learning programme for community based safety awareness training, and identify potential participating junior schools in the communities in which the Group operates	▪ Work in progress
Suppliers	
Identify agencies to facilitate the recruitment of disabled and disadvantaged people, and recruit in this way 5% of all new cleaning staff in the LST supply chain	▪ Achieved
Document current staff volunteering initiatives in the top 10 Group Service Partners (selected by total contract value), and map against LS Foundation activities	▪ Achieved
Identify the criteria defining 'Category One' suppliers, and determine the companies in this category	▪ Achieved

2008/09 Targets

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- 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
 - Supplement the Capital Commitment Fund of £150,000 by securing additional sources of external funding
 - Pilot a web-based learning system to deliver community-based safety awareness training to schools in communities in which the Group operates
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- Develop a structured Work Experience programme in LST which can be made available to schools in the LST portfolio
 - Introduce to a minimum of ten Shopping Centres a Childsafe Awareness Scheme giving assurance as to the safety and welfare of children in retail centres
 - 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
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- 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
 - 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
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- Increase from 10% to 15% the number of investors subscribing to e-communications
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- Certify one further workstream or business activity to the international standard OHSAS 18001 for Health and Safety Management Systems
 - Benchmark against the Health & Safety Executive's Corporate Health and Safety Performance Index (CHaSPI), and achieve a top decile rating against its peers
 - Report monthly on contractor performance across all construction projects, collating information on fatalities, RIDDOR and non-RIDDOR reportable injuries, near misses and lost days
 - Create an environment in which 50% of employees believe their health & wellbeing is supported
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- Recruit 10% of all new catering and cleaning staff into the LST supply chain through agencies which support disabled and disadvantaged people
 - Engage in regular meetings with the Top 10 Service Partners (measured by contract value) to agree a Joint Programme of community investment and volunteering
 - 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

We want 10% of new catering and cleaning staff to come from agencies who support disabled and disadvantaged people

