



Green Bond Report

March 2024

Introduction







Landsec is a leading real estate company in the UK. We create places that make a lasting positive contribution to our communities and our planet. We bring people together, forming connections with each other and the spaces we create. And we provide our customers, partners and people with a platform to realise their full potential.

We develop, own and manage some of the most memorable real estate in the UK. Our portfolio includes well-connected retail, leisure, workspace and residential hubs. As of 30 September 2023, our £10.2 billion portfolio comprises over 100 properties and spans 23.8 million sq ft of well-connected retail, leisure, workspace and residential hubs.

Our purpose to create sustainable places, connect communities and realise potential, is at the heart of everything we do. Our sustainability framework 'Build well, Live well, Act well' enables us to deliver on our purpose while also ensuring we are focusing on the global challenges that matter to our business and stakeholders.



Sustainability leadership. Taking part in rigorous external benchmarking of our performance helps us to track and assess our progress. It also provides stakeholders with confidence that we're turning our commitments and targets into action.

BENCHMARK	LATEST PERFORMANCE
	<p>GRESB 2023 Real Estate Sector leader: 5-star rating for the eighth consecutive year</p> <p>Standing Investments: Regional Listed Sector Leader for Europe within Diversified – Office/ Retail (score 89%)</p> <p>Developments: Global Sector Leader Offices (score 99%)</p>
	<p>DJSI 2023 Score 83/top 100th percentile</p> <p>Ranked 1st globally within REITs</p> <p>Sustainability Yearbook Member 2024 (top 1% of REITs industry)</p>
	<p>CDP 2023 A-</p> <p>Leadership level – top 22% of companies in the peer group</p>
	<p>FTSE4Good 2023 97th percentile We continue to retain our established position in the FTSE4Good Index</p>
	<p>MSCI ESG Rating 2023 AAA rating</p>
	<p>Sustainalytics ESG Risk Rating 2023 9.2 (negligible risk)</p> <p>Included in 2024 Top-Rated ESG Companies List</p>

Visit landsec.com/sustainability/reports-benchmarking for further information on our performance across all key ESG benchmarks

Our approach to sustainability

Our sustainability vision is to design, develop and manage our places to enhance the health of our environment and improve the quality of life for our people, customers and communities, now and for future generations. We deliver our vision through three pillars: Build well, Live well and Act well. Our Build well, Live well, Act well framework is delivered via business-wide, portfolio and asset level actions – helping us embed sustainability further throughout the business. Under our framework, we have a suite of targets, ensuring we focus on the issues where we can have the biggest impact, whilst demonstrating the actions we are taking to address each of these.

Build well

We will design, develop and manage places to tackle climate change, enhancing the health of the environment by achieving net zero and going beyond

TARGETS

Achieve net zero emissions by 2040

Near-Term: reduce scope 1, 2 and 3 emissions by 47% by 2030 from a 2019/20 baseline

Long-Term: reduce scope 1, 2 and 3 emissions 90% by 2040 from a 2019/20 baseline

Reduce average embodied carbon by 50% compared with a typical building by 2030

HALF YEAR PROGRESS 2023/24

- 26% reduction in absolute carbon emissions (tCO₂e) compared with 2020 baseline
- Tracking an average 45% reduction in upfront embodied carbon across development pipeline
- 19% reduction in energy intensity (kWh/m²) compared with 2020 baseline
- 44% of office portfolio rated EPC B or above
- Progressing our £135m Net Zero Transition Investment Plan, including starting installation of air source heat pumps at first two office sites in December 2023
- Zero waste sent to landfill with 69% of operational waste recycled



Live well

We will create opportunities and inclusive places to change lives, supporting communities to thrive

TARGETS

Empower 30,000 people facing barriers into employment with the skills and opportunities to enter the world of work by 2030 from 2020 baseline

Create £200m of social value in our local communities by 2030 from 2020 baseline

HALF YEAR PROGRESS 2023/24

- Launched Landsec Futures fund to invest £20m over the next decade to enhance social mobility in our industry
- 7,925 people supported since 2020 baseline
- £27m social value created since 2020 baseline
- Launched our refreshed Diversity & Inclusion Strategy

Act well

We will be a fair and responsible business in everything we do

TARGETS

All Landsec colleagues to have individual objectives to support the delivery of our vision with a proportion of remuneration linked to our targets

Build relationships with our strategic suppliers to enhance sustainable practices throughout our supply chain

HALF YEAR PROGRESS 2023/24

- Landsec colleagues committed to setting sustainability objectives as part of our sustainability training and ESG metrics included in the Long-Term Incentive Plan (LTIP) and Annual Bonus Plan for Executive Directors and employees
- 174 suppliers have signed up to Our Supply Chain Commitment, committing to work with us and address key sustainability issues

Green Bond Allocation report

In March 2023 we published our updated Green Financing Framework and issued our inaugural £400m Green Bond due 2034 (ISIN XS2597544290). Our Green Financing Framework aligns with the ICMA Green Bond Principles 2021 and the LMA Green Loan Principles 2023 with second party opinion (SPO) provided by Sustainalytics.

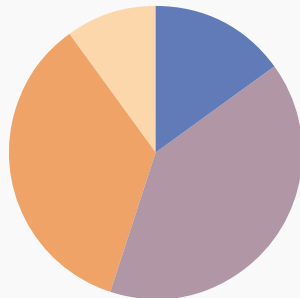
The Framework is available on our website: <https://landsec.com/investorsdebt-investors/green-bonds>

As at 31 January 2024 the net proceeds from this bond issuance of £394.7m have been fully allocated to four Eligible Green Projects, based on the actual capital expenditure incurred in the period between April 2020 to January 2024.

All four Eligible Projects fall into category of Green Buildings and subcategory Construction of new developments. The eligibility criteria for this subcategory are outlined below.

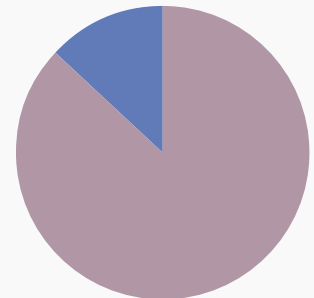
Proceeds allocation by project

The Forge	15%
n2	40%
Lucent	35%
Timber Square	10%



Proceeds allocation by timing of expenditure

Refinancing	87%
Financing	13%



Eligible Project	Refinancing Apr 20 - Mar 23	Financing Apr 23 -Jan 24	Total Allocation ¹	% of the bond proceeds allocated
The Forge	54	3	57	15%
n2	144	14	158	40%
Lucent	122	17	139	35%
Timber Square	23	18	41	10%
Total	343	52	395	100%

All figures are in £M

¹Total spend per project may exceed the amount of proceeds allocated to that project

Eligibility criteria

Eligible Green Category	Subcategory	Description of Eligibility Criteria
Green Buildings	Construction of new developments	<ol style="list-style-type: none"> Achieve or aim to achieve green building certification: <ul style="list-style-type: none"> BREEAM Excellent or above, and/or LEED Gold or above and at least one of the following criteria Reduce upfront embodied carbon emissions (RICS Modules A1-A5) in construction: <ul style="list-style-type: none"> Achieve or aim to achieve embodied carbon intensity of 600 kgCO₂e/m² on commercial office development <p>and/or</p> <ul style="list-style-type: none"> At least 15% reduction in embodied carbon emissions, measured against the design stage baseline (RIBA Stage 3) <p>and/or</p> <ol style="list-style-type: none"> Achieve or aim to achieve best practice in energy efficiency performance: <ul style="list-style-type: none"> EPC A or above, and/or NABERS UK Energy 5 stars or above

Green Bond Impact report

Since the issuance of the Green Bond in March 2023, three of the projects have been completed and one project is under development with the completion due in 2025.

	The Forge	n2	Lucent	Timber Square
Sector	Office	Office	Office/Retail/Residential	Office
Location	London, SE1	London, SW1	London, W1	London, SE1
Completion date	April 2023	June 2023	August 2023	Expected late 2025
Gross Internal Area (GIA) m ²	17,949	20,594	19,234	51,764
Green Financing Framework Category	Green Buildings - Construction of new developments	Green Buildings - Construction of new developments	Green Buildings - Construction of new developments	Green Buildings - Construction of new developments
Main eligibility criteria met – green building certification	BREEAM Excellent (design stage)	Targeting BREEAM Outstanding (Excellent design stage)	Targeting BREEAM Outstanding (Excellent design stage)	Targeting BREEAM Outstanding
Additional eligibility criteria met – reduction in embodied carbon emissions and/or energy performance	- 39% ² reduction in embodied carbon from design stage - EPC A - NABERS UK Design Target 5 stars	- 21% reduction in embodied carbon from design stage	- 22% reduction in embodied carbon from design stage - EPC A	- Embodied carbon intensity - 522 kgCO ₂ e/m ² (48% reduction from typical building) - Targeting EPC A - NABERS UK Design Target 5 stars

²37% reduction in embodied carbon intensity (kgCO₂e/m²). This difference compared with the absolute embodied carbon reduction is due to change in floor area between design stage and completion.

Reporting methodology and notes

Green Building Certification

Final BREEAM certificate is issued post-completion. Period between completion of building and final certification issuance can significantly vary as it requires all relevant post-completion information and documentation for the building to be collated, submitted and then analysed by BRE. We can't guarantee BRE timescales for reviewing and issuance of final BREEAM certificate.

Embodied carbon

Embodied carbon emissions are calculated following the guidance document RICS Whole Life Carbon Assessment for the Built Environment, 1st Edition and BS EN 15978. Final embodied carbon figures are confirmed after building is completed based on as-built data. Reduction in embodied carbon for developments designed

before 2020 is measured against RIBA Stage 3 baseline, which includes The Forge, n2 and Lucent. Reduction in embodied carbon for developments designed since 2020, starting with Timber Square, is measured against typical buildings from GLA Whole Life Carbon Guidance (Typical offices: 1,000kgCO₂e/m² GIA and typical residential: 850kgCO₂e/m² GIA), targeting embodied carbon intensity of 600 kgCO₂e/m² on commercial office developments. Further information on the reporting methodology for embodied carbon is available in our [Sustainability Performance and Data report](#).

Energy Efficiency

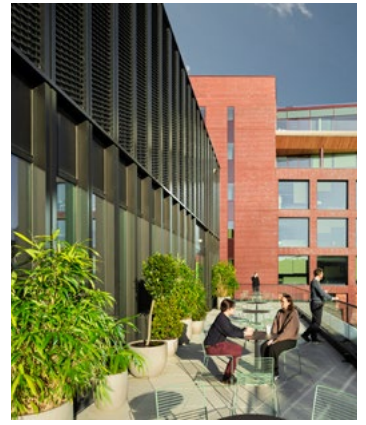
NABERS UK rating is only confirmed after at least 12 months of building operation as rating is based on actual energy performance. These developments have been part of Design for Performance process to

target a specific NABERS rating. EPC rating is confirmed post-completion. In line with our Green Financing Framework, energy efficiency performance for Green Buildings – Construction of new developments is demonstrated through EPC rating and/or NABERS UK rating rather than percentage improvement in energy efficiency compared with baseline. This is due to a combination of two main factors: lack of actual operational energy data until building is fully occupied for at least 12 months and, inexistence of comparable previous energy performance for the buildings or widely recognised average energy performance to be used as baseline. Once new developments are completed and data is available, their energy and carbon performance data is included in Landsec performance disclosures, available on our website.

The Forge

In April 2023 we completed The Forge, SE1, our first net zero carbon office development to be constructed and operated in line with the UK Green Building Council's (UKGBC) framework definition of net zero carbon buildings.

The Forge is Landsec's landmark development comprising of two highly sustainable office buildings Bronze and Myo Bankside with a combined total of 139,000 sq ft net lettable area Grade A office space set around a serene central courtyard. A pioneer in sustainability and located in vibrant Bankside, The Forge combines a wide range of unique features to offer a working experience like no other.



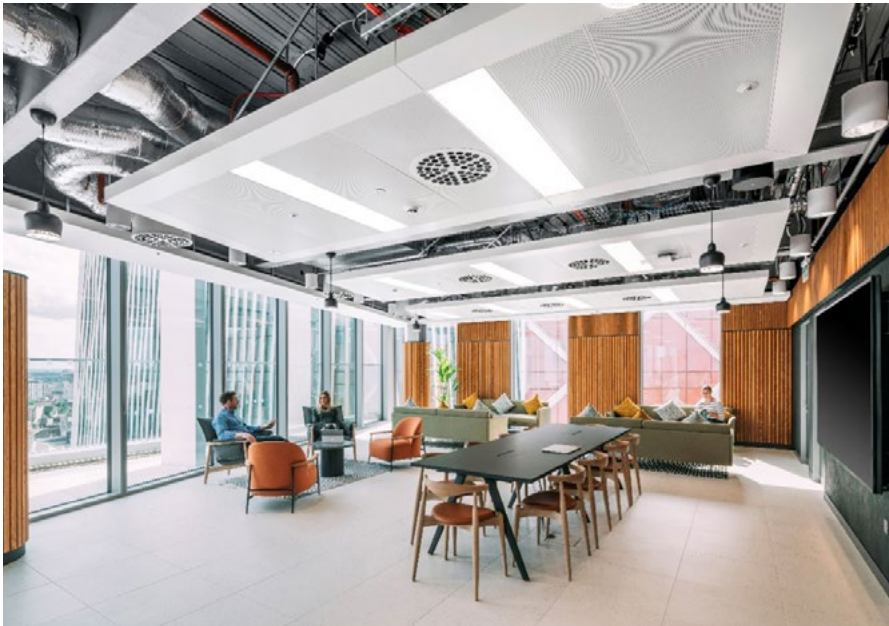
In addition to its net zero credentials, The Forge has the following sustainability features:

- Approximately 39% reduction in overall upfront embodied carbon compared to traditional construction methods
- It is an all-electric building powered by 100% renewable electricity that uses heat pumps to provide heating, cooling and hot water
- 5-star NABERS UK design-stage rating and EPC A
- Roof top solar PV panels, green roof areas and rainwater harvesting – all contributing to an Excellent BREEAM rating and WELL Core Gold
- 18% less steel compared to traditional steel frame and 13% less concrete compared with traditional benchmarks
- World's 1st office building built using Platform for Design, Manufacture and Assembly (P-DfMA)
- All remaining upfront embodied carbon has been offset using Gold Standard carbon credits

n2

n2, the next generation of Nova's exceptional office space.

This 160,000 sq ft net lettable area, 18 storey office building evolves the successful Nova formula with a sustainability conscious design, a progressive approach to work and wellbeing, and a vibrant, connected community in the heart of Victoria. Completed in June 2023, n2 has been designed to help occupiers get the most from their working day, by providing bright, flexible workspaces with access to a private terrace on every floor; n2 clubroom and communal skyline terrace on the 15th floor with sweeping views across London.

**n2 has the following sustainability features:**

- Approximately 21% reduction in embodied carbon compared its RIBA Stage 3 design baseline
- All remaining upfront embodied carbon has been offset using Gold Standard carbon credits
- Reduction in water use through low water-use fixtures and fittings
- Targeting BREEAM Outstanding, WELL Core Gold, NABERS UK 4 stars and EPC B



Lucent

Lucent is an urban oasis in the centre of London.

Completed in August 2023, Lucent is a mixed-use development with a 144,000 sq ft net lettable area in the heart of one of London’s most vibrant neighbourhoods. It is built around nature, with a tree towering in the central atrium flooding all five floors with natural light, and an internal green wall that stretches the full height of the world-famous Piccadilly lights. The building’s 20 terraces and innovative design has created a flexible workplace cocooned away from the surrounding city.



Lucent has the following sustainability features:

- Approximately 22% reduction in embodied carbon compared its RIBA Stage 3 design baseline
- Powered by 100% renewable electricity
- Heating generated by a hybrid air source heat pump and boiler solution
- Targeting BREEAM Outstanding, WELL Core Gold, NABERS UK 4.5 stars and EPC A

Timber Square

Timber Square is a bold new destination that celebrates Bankside's industrial past and forges its creative future.

A proud refurbishment of a historic printworks that reuses as much of the original structure as possible and a new, purpose-built timber-framed architectural building, which treads much lighter on the planet than a traditional structure. Together, the Print and Ink buildings offer over 380,000 sq ft net lettable area of sustainable workspace – the largest hybrid building using steel and CLT in Europe.

Located in the heart of Bankside, Timber Square is a stone's throw from the river, has easy access to key transport hubs and is perfectly placed to enjoy eclectic cuisine, great nights out and some of London's most famous cultural hotspots. Timber Square will achieve net zero for whole lifecycle carbon emissions, in accordance with UK Green Building Council guidelines. It has achieved a 5-star Design Reviewed Target Rating, making it the UK's first Design for Performance project to complete its Independent Design Review. This means the project is on track to receive a 5-star NABERS Energy Rating on completion.



In addition to its net zero credentials, Timber Square will have the following sustainability features:

- It is a highly efficient all-electric building powered by 100% renewable electricity that uses heat pumps to provide heating, cooling and hot water
- 85% retention of Print Building existing structure and the use of a hybrid steel and Cross Laminated Timber (CLT) structure results in an embodied carbon intensity about half that of a typical London office
- Targeting BREEAM Outstanding, WELL Core Platinum, NABERS UK 5 stars and EPC A

Disclaimer

This document may contain certain 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances.

Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements. Any forward-looking statements made by or on behalf of Landsec speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared.

Landsec does not undertake to update forward-looking statements to reflect any changes in Landsec's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

This document is not intended to be and should not be construed as providing legal or financial advice.

It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities, nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority.

Independent assurance report to Land Securities Group plc Management

Scope

We have been engaged by Land Securities Group plc (“Landsec”) to perform a ‘limited assurance engagement,’ as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Landsec’s Green Financing use of proceeds, in relation to the Green Bond issued on 15 March 2023, to ‘eligible Green Projects’ and selected environmental metrics for completed projects (the “Subject Matter”), contained in Landsec’s Green Bond Report, for the period from 1 April 2020 to 31 January 2024 (the “Report”).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Landsec

In preparing the Subject Matter, Landsec applied their Green Financing Framework and the “Reporting methodology and notes” section as presented in the Report (the “Criteria”). Such Criteria were specifically designed for Green Financing instruments, including the Green Bond issued on 15 March 2023; as a result, the subject matter information may not be suitable for another purpose.

Landsec’s responsibilities

Landsec’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (‘ISAE 3000 (Revised)’), and the terms of reference for this engagement as agreed with Landsec on 30 January 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Obtained listings of nominated projects and confirmed their eligibility against the requirements defined and detailed in Landsec's Green Financing Framework;
2. Interviewed selected management, including those with responsibilities for Green Bond governance, management and reporting;
3. Obtained an understanding of the key systems, processes and controls for managing, recording and reporting the allocation of proceeds to Eligible Green Projects;
4. Obtained and analysed supporting documentation for selected performance metrics for nominated completed projects, including BREEAM certificates, EPC ratings, NABERS UK ratings and reduction in embodied carbon metrics;
5. Obtained and analysed evidence to support key assumptions and other data; and
6. Sought management representation on key assertions.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the period from 1 April 2020 to 31 January 2024, in order for it to be in accordance with the Criteria.

Restricted use

We disclaim any assumption of responsibility for any reliance on this assurance report or its conclusions to any other persons, or for any purpose other than that for which it was prepared. Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party for any consequences of the use or misuse of this assurance report or its conclusions.

Ernst & Young LLP
22 March 2024

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