

Land Securities Group plc (Land Securities)

ACKNOWLEDGE
 PRIORITISE
 SET STRATEGY & GOALS
 TRACK

GHG EMISSIONS



Background on Land Securities

Land Securities is a British commercial property development and investment company. It was founded in 1944 and is headquartered in London, United Kingdom. The company owns and manages more than 23.2 million sq. ft. of commercial property including offices, high street shops, major shopping centres, and retail parks. In 2016, it employed 638 people and reported revenues of £637 million. Land Securities is a publicly listed company on the London Stock Exchange.

How did Land Securities come to start thinking about context?

Land Securities has publicly acknowledged its socio-ecological impacts since 2008¹. In late 2015, Land Securities joined [RE100](#) with a commitment to powering its properties with electricity sourced from 100% renewable supplies² and pledged climate action ahead of [COP21](#)³. After returning from COP21, Land Securities' Head of Sustainability, Caroline Hill, asked her Energy Manager, Tom Byrne to look into setting a science-based target⁴. Around the same time, partially in response to investor questions about the company's sustainability goals⁵, Land Securities' CEO, Robert Noel, challenged the company to become a "sustainability leader in the real estate sector." Up until this point, Land Securities did not have a GHG emissions reduction goal and so the company decided that it would benefit from setting a

¹ Land Securities (2008). Corporate Responsibility 2008. Accessed at: http://www.annualreports.com/HostedData/AnnualReportArchive//LSE_LAND_2008.pdf

² RE100 (2015). Real estate business Land Securities takes real action against climate change. Accessed at: <http://there100.org/news/14180962>

³ RE100 (2015). Land Securities: business leaders must show support for agreement in Paris. Accessed at: <http://there100.org/news/14180957>

⁴ Science-Based Targets (2017). Case Study: Land Securities. Accessed at: <http://sciencebasedtargets.org/case-studies/case-study-land-securities/>

⁵ Land Securities (2016). Land Securities commits to ambitious science-based carbon reduction target. Accessed at: <https://landsec.com/media/press-releases/2016/land-securities-commits-ambitious-science-based-carbon-reduction-target>

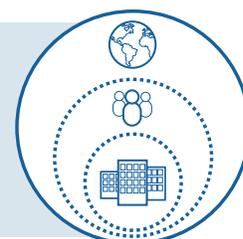
more ambitious company-wide goal⁵. Internal buy-in was important for Land Securities, and it began to hold a series of internal meetings and workshops that sought to gather employee responses to the question of “what does leadership mean to you?”⁵. Another purpose of these workshops was to develop an internal understanding of how the company could better connect its sustainability activities to the macro issue of climate change⁵. The company also began to engage with the [Carbon Trust](#) to develop a contextual GHG emissions goal⁵.

In April 2016, Land Securities announced that it achieved its RE100 commitment and had shifted all its properties onto 100% renewable sources of electricity⁵. Two months later, Land Securities completed the development of its new contextual GHG emissions goal and had it internally approved⁵. On submitting this goal to the [Science-Based Targets](#) initiative it found that the new goal did not fulfill the initiative’s requirements for scope 3 emissions⁵. This meant that Land Securities had to go back to do some more calculations, but on reflection Tom Byrne commented that “It was actually a really useful process because it enabled us to see just how and where we were having an impact⁵.” In early 2017, Land Securities was told that the Science-Based Targets initiative had assessed its new submission and felt that it was now consistent with what it considered to be a science-based GHG emissions goal⁶. The company also announced that it had signed up to The Climate Group’s [EP100](#) initiative, which aims to showcase the world’s most influencing businesses that have committed to doubling their energy productivity^{7,8}.

What does context look like at Land Securities?

1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

GHG EMISSIONS



GHG emissions: Land Securities acknowledges that climate change poses a threat not only to its own business but to society and the built environment⁹. The company’s Environment and Energy policy acknowledges that the company understands that the GHG emissions from its operations impact this ecological issue, and it commits to working to minimise its GHG emissions¹⁰. The company believes that by setting a contextual GHG emissions goal it is committing to do “what is required, not just what is achievable⁵.” Land Securities recognises that to be truly sustainable

⁶ CoStar (2017). LandSecs first global propco to have greenhouse gas reduction target approved. Accessed at: <http://www.costar.co.uk/en/assets/news/2017/March/LandSecs-first-global-propco-to-have-greenhouse-gas-reduction-target-approved/>

⁷ The Climate Group (2017). UK’s Largest Commercial Real Estate Company Land Securities joins EP100. Accessed at: <https://www.theclimategroup.org/news/uk-s-largest-commercial-real-estate-company-land-securities-joins-ep100>

⁸ The Climate Group (n.d.). EP100. Accessed at: <https://www.theclimategroup.org/project/ep100>

⁹ Land Securities (2017). Sustainability Report 2017. Accessed at: https://landsec.com/sites/default/files/2017-06/SR_2017_Landsec.pdf

¹⁰ Land Securities (n.d.). Environment and Energy Policy. Accessed at: https://landsec.com/sites/default/files/2017-07/SGP_Landsec_Environment_and_Energy_policy_2017.pdf

as a landlord it needs to look beyond the impacts of its own business activities, and as such it commits to working with its customers and value chain to support them in adhering to the limits of this threshold⁶.

Other thresholds: Land Securities acknowledges the importance of other socio-ecological issues including water use, waste, employment, human rights, and diversity but does not yet discuss them with reference to thresholds.

2 Transparently understand and **PRIORITISE** a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

GHG EMISSIONS

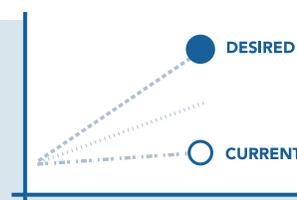


Land Securities appears to use what we call a 'classic' materiality approach whereby it reviews current and forthcoming legislation, tracks peer activity, and interviews both internal and external stakeholders to prioritise which key socio-ecological issues it will focus on⁹.

GHG emissions: Land Securities recognises that the built environment is responsible for one third of the developed world's GHG emissions, and that as a commercial property company the emissions from its properties contribute to this figure¹¹. However, when commenting on why it prioritised this ecological issue, the company still references that over 60% of its stakeholders believed that it was the company's most material issue⁴. The company recognises that it needs to better understand the impacts that it has on this threshold before it can effectively address it and that these impacts need to be communicated to its customers and stakeholders but it has yet to outline how it intends to achieve this⁹.

3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.

GHG EMISSIONS



GHG emissions: Land Securities has committed to reducing its GHG emissions (scope 1, 2, and a portion of scope 3 emissions arising from leased assets) by 40% per square meter by 2030 using a 2014 baseline^{5,9}. The company worked with the Carbon Trust to develop its contextual goal using the [Sectoral Decarbonisation Approach](#)⁵. Land Securities falls into the services/commercial building sector, which typically uses an activity metric of square meters of

¹¹ Land Securities (n.d.). Efficient Use of Natural Resources: Carbon. Accessed at: <https://landsec.com/sustainability/efficient-use-natural-resources/carbon>

floor space, and using the intensity pathway for this sector meant that it would need to achieve reductions in GHG emissions of at least 48% by 2030 and 84% by 2050⁴. To calculate its pathway, the company used its GHG emissions data from 2013/14 as its baseline and applied the Sectoral Decarbonisation Approach calculation⁴. Land Securities points out that its pathway begins at a lower point compared to others in its sector due to its relatively efficient property portfolio compared to the global average⁴. The company has also committed to engage with its value chain (lead construction partners) to encourage them to set contextual GHG emissions goals by 2023⁵.

Other thresholds: Land Securities has not yet set contextual goals in relation to any other thresholds.

4 Transparently TRACK performance against realistic trajectory targets.

GHG EMISSIONS



GHG emissions: Land Securities has been reporting its GHG emissions performance data since 2008 through its sustainability reports¹. The company found the process of setting a contextual goal useful because it allowed it to “set interim targets, which put you on track to achieve longer-term ambitions. You can see the pathway, and believe in your ability to walk it. You can also adjust things along the way as more data becomes available, and if the science is updated.” The company provides an illustration of its planned trajectory (Figure 1) within its sustainability report. The company’s current contextual goal sets it on a path to achieve an 80% GHG emission intensity reduction by 2050 (using a 2014 baseline)⁵. Land Securities has not yet outlined it if intends to set metrics that it could use to monitor its influence on its value chain in their adherence to the limits of this threshold.

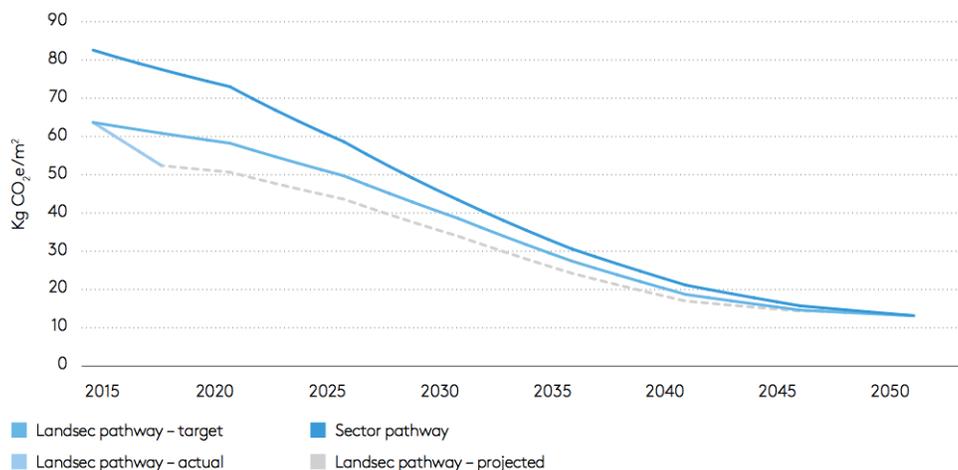


Figure 1: Land Securities trajectory pathway calculated during its development of its contextual GHG emissions goal⁹.

Other thresholds: Land Securities reports its performance against other socio-ecological issues including water use, waste, employment, human rights, and diversity but does not yet report on its progress in relation to their associated thresholds.

What is the road ahead for context at Land Securities?

Developing a contextual GHG emissions goal has changed the way in which Land Securities operates in three areas of its business activities, namely: buying, developing, and managing buildings⁵. It recently introduced a Responsible Property Investment Policy that ties key decisions to their impact on achieving its contextual GHG emissions goal⁵. The company is also beginning to alter the way it designs and develops its buildings to ensure that these changes align with its decarbonisation pathway⁵.