

Supplementary written evidence submitted by Landsec

Transcript:

Q186 Chair: What proportion of your existing estate will be able to be retrofitted by a £135 million fund?

Alexia Laird: A very good question. Within the £135 million fund we will be undertaking feasibility studies on all of these assets. You are right that not all of them will be able to be completely decarbonised but a large number of them will. The £135 million includes the feasibility studies and the measures to be implemented within those to achieve our science based target by 2030, which is aligned with a 1.5 degree scenario.

Q187 Chair: Have you made an estimate yet of what the cost per square metre is of retrofitting to the right standard?

Alexia Laird: We have not, no. I will double check that with my team, but from my knowledge we have not. It is something that we hope to clarify.

Landsec response:

Landsec is one of the leading real estate companies in the UK with a £11 billion portfolio spanning 23 million sq ft across the UK, as at 30 September 2021. It was the first commercial property company in the world to set a science based target in 2016 and in 2021, it created a £135million net zero transition investment plan to help the Group achieve this target to reduce its carbon emissions by 70% by 2030 from a 2013/14 baseline and drive its transition to net zero. The transition fund is primarily focused at standing assets. The nine year plan includes funding for a number of measures:

- 81% will go towards decarbonising heat across the office portfolio through the use of low carbon technologies such as Air Source Heat Pumps
- 14% will go towards ongoing energy management improvements such as LED upgrades, optimisations to the Building Management System and deployment of innovative Artificial Intelligence technologies
- 3% will go towards increasing our onsite renewable energy generation capacity such as PVs
- 2% will go to energy efficiency customer engagement programmes and offsetting of unavoidable emissions from developments

Due to the wide range of interventions being implemented and the difference in application depending on the portfolio types, it is not possible to indicate an accurate £/m2 spend for this programme, however we hope that the above gives you a better understanding of our decarbonisation strategy.

Transcript:

Chair: Have you issued green bonds that are related to greening your portfolio?

Alexia Laird: We do have a green-bond framework available, yes.

Q192 Chair: This is not your area, probably, but does that have a pricing advantage to the company in being able to issue green bonds? Is the demand such that you can get cheaper financing?

Alexia Laird: I am not able to answer that but I could get back to you.

Chair: It would be very helpful if you could write to the Committee when you have had a word with the finance director about that.

Landsec response:

Landsec developed a green bond framework in 2019 which can be found here: [Green bonds | Landsec](#). This framework is available for future green bond issuance as and when new debt is required. To date, we have not issued any green bond and as a result, it is not possible for us to confirm any price advantage through these types of instruments.

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