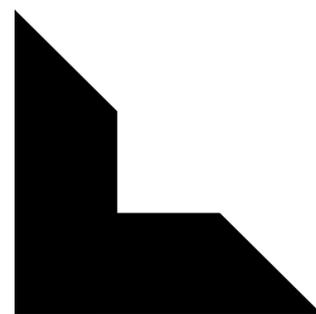


Landsec worked with the Carbon Trust to develop a methodology and Scope 3 model that enabled the company to measure carbon emissions across its entire value chain. Going through this process allowed Landsec to identify specific opportunities to work with stakeholders in order to reduce environmental impact outside of the company's direct operational control, helping to deliver on ambitious sustainability goals and meet the requirements of the Science Based Targets Initiative.

Landsec is the largest listed commercial property company in the UK and a constituent of the FTSE100 index. Founded in 1944, the business now owns and manages more than 23 million square feet of office, retail, leisure and residential property.

The company has an ambition to be recognised as a sustainability leader in the real estate sector, hoping to move the industry forward through demonstrating the commercial value in improving environmental performance. As part of this Landsec became the first company globally in its sector to successfully have a target recognised by the Science Based Targets initiative.



Landsec



The Business Need

Following a project with the Carbon Trust to set a science-based target for its own operations, Landsec needed to better understand the indirect carbon emissions impact both upstream and downstream of the business. This would allow the company to set a meaningful Scope 3 goal that would meet the requirements of the Science Based Targets initiative.

What is a science based target?

A target on climate change can be described as science-based if in line with the reductions required to have a good chance of limiting global warming to no more than 2 degrees Celsius above pre-industrial levels, according to the best available climate science.

This allows a company to actively contribute towards meeting the Paris Agreement on climate change, which enshrines the ambition keeping global warming well below 2 degrees Celsius into international law. It also includes an aspirational goal to limit warming to 1.5 degrees Celsius.

To date more than 280 businesses have either set - or committed to set - their own science-based targets through the [Science Based Targets initiative](#), a partnership between the UN Global Compact, CDP, the World Resources Institute and WWF.

A small number of [methodologies](#) are currently approved for use by the initiative, which allows companies to calculate their appropriate allocation of direct emissions reductions required within the wider economy. To have a target recognised the initiative also requires companies to have measured their indirect Scope 3 emissions and set a goal for reducing these.

In order to do this, Landsec sought further support from the expert team at the Carbon Trust to develop a Scope 3 footprint methodology document for the company, as well as a model to calculate emissions and track future progress.

The Carbon Trust took a hybrid approach to build the Scope 3 model. This leveraged existing procurement data held by Landsec which was assessed using environmentally extended input-output (EEIO) analysis to start to map out the upstream carbon emissions within the company's supply chain.

This was then supplemented with insights from high quality life cycle assessments that Landsec had previously commissioned to understand the impact of its major property developments. These calculations were used to improve data where relevant and available, particularly in areas of material impact.

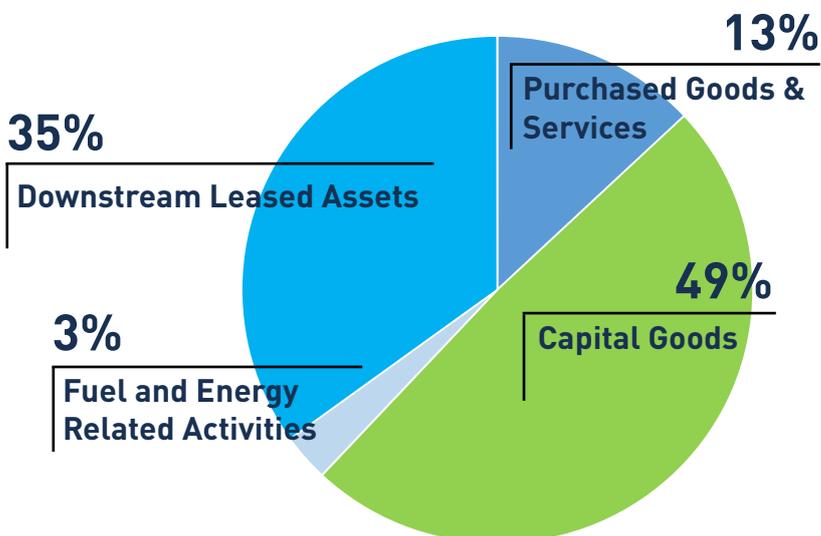
However, it was also important to incorporate the Scope 3 carbon emissions downstream of the business. The most significant Scope 3 category for this is *downstream leased assets* - particularly the emissions arising from tenant energy use in properties owned or managed by Landsec.

In order to meet Landsec's business needs, the model is able to show year-on-year comparisons of carbon emissions from leased assets. This works across different property types - such as offices, shopping centres and cinemas - so that Landsec can track the pace at which progress is being made and target areas which may require additional support.

Key insights

- Landsec's own Scope 1 and Scope 2 (market-based) emissions only account for approximately 9 percent of the total emissions attributable to the activities of the company. In absolute terms, this still represents a significant source of emissions and one the company is working hard to reduce. This means that the vast majority of the environmental impact of the business occurs in areas where Landsec has some indirect influence but no direct operational control.
- Within Scope 3 emissions, almost half comes within the category of capital goods, as shown in the figure below. This includes the embodied carbon impact of construction and infrastructure projects, which goes beyond activity on the building site, factoring in all relevant activities such as quarrying, manufacturing and transporting construction materials.
- The second most important category of Scope 3 emissions comes from downstream leased assets – mostly energy use by tenants of buildings. Within this around four-fifths comes from retail assets, while the remainder comes from offices.

Landsec breakdown of Scope 3 emissions by category



How are greenhouse gas emissions categorised?

Following international best practice on greenhouse gas emissions measurement, a company's emissions are classified into three separate categories:

- Scope 1 emissions are direct greenhouse gas emissions from an organisation, for example those given off by industrial processes or from the use of fuel in company vehicles;
- Scope 2 emissions are those that are the result of purchased electricity, heat or steam; and
- Scope 3 emissions cover all other indirect emissions that can be linked to a company's activities, including a wide range of impacts in areas such as supply chain production, third party transport and logistics, and customer use of assets.



Outcomes

Based on the insights they gained from their Scope 3 measurement with the Carbon Trust, Landsec have been able to build a strategy to take action. This includes targets for engaging with all main contractors to encourage them to set their own science-based targets on climate change.

In addition, the company has pledged to incrementally improve the energy efficiency rating of all leased floor area, setting a minimum threshold rating of E rating for all its tenants. During the project the Carbon Trust supported Landsec with the data and wording of their submission to the Science Based Targets initiative.

As a final outcome, Landsec was able to achieve all of its core objectives. The business has become the first property company globally to have an approved science-based target recognised internationally by the Science Based Targets initiative. Going through the process has also given the company a robust Scope 3 footprint baseline against which progress can be tracked year-on-year using a simple and effective model.

And the insights from the model give the Landsec's the crucial business intelligence needed to drive actions to reduce the environmental impact across its value chain and build a reputation for sustainability leadership.

“...it is important to have good data that you can trust to inform the target setting. You also need an analytical brain, and ideally some experience of target setting: it's complex stuff. For this reason, working with the Carbon Trust was good because they brought lots of experience and expertise that really helped us.”

Tom Byrne, Energy Manager, Land Securities

Find out how the Carbon Trust's footprinting and science-based target setting services can support your organisation at: <https://www.carbontrust.com/client-services/>