

Welcome to your CDP Climate Change Questionnaire 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

British Land is a leading UK property company. We create and manage outstanding places to deliver positive outcomes for our stakeholders on a long term, sustainable basis. We do this by understanding the evolving needs of the people and organisations who use our places and the communities who live in and around them. The changing way people work, shop and live is what shapes our strategy, enabling us to drive enduring demand for our space and deliver value over the long term.

We create and manage places that reflect the changing needs of the people who work, visit or live in and around them. Our portfolio is increasingly focused on mixed use places. Our portfolio of Office campuses is located in central London and our Retail assets are located across the UK. We own or manage a portfolio valued at £14.8 billion (£11.2 billion owned) as at 31 March 2020 making us one of Europe's largest listed real estate investment companies. We currently have a recently completed and committed development pipeline of 1.6m sq ft, with a total pipeline of 8m sq ft of development opportunities across the portfolio.

Our strategy is to provide places which meet the needs of our customers and respond to changing lifestyles - Places People Prefer. We do this by creating great environments both inside and outside our buildings and use our scale and placemaking skills to enhance and enliven them. This expands their appeal to a broader range of occupiers, creating enduring demand and driving sustainable, long term performance.

Our strategy focuses on three core, complementary elements as part of an increasingly mixed-use business:

- **Campus-focused London offices** with a blend of core and flexible space integrated alongside world class retail and leisure offerings
- **A smaller, more focused Retail portfolio** of high quality, well located assets focused on well-connected multi-let places
- **Canada Water & Residential** with plans for 3,000 homes at Canada Water and further opportunities within the portfolio

Since 2010 we have shifted the balance of our portfolio towards our campus-focused London offices business, which now accounts for 58% of our assets. We have invested significantly in this business through acquisition and development. Over recent years, this has included the redevelopments

of 199 Bishopsgate and 1 Finsbury Avenue at Broadgate and 10-30 Brock Street at Regent's Place; as well as the acquisition of Paddington Central, our third London campus in 2013, where we recently redeveloped 4 Kingdom Street.

Through a series of acquisitions, we have also assembled a unique development opportunity at Canada Water covering 53 acres. Here our masterplan envisages a development of our fourth mixed use campus. At the same time, we have also been proactively reshaping our Retail portfolio so that it reflects retailers' focus on the highest quality and the best located space. We have made £296m of retail disposals (our share) in financial year 2019/20, bringing total retail sales since we set out our plan in November 2018 to £610m.

We have four strategic priorities:

- Customer Orientation
- Right Places
- Capital Efficiency
- Expert People

These are supported by our four sustainability focus areas, which address major social, economic and environmental trends to create value for our stakeholders and the business:

- Wellbeing
- Community
- Futureproofing
- Skills and opportunity

Climate change issues are managed through the 'Futureproofing' component, which is aligned to the 'Capital Efficiency' pillar. Through this we allocate our resources, manage our finances and partner with like-minded organisations to deliver sustainable long-term value.

Sustainability is embedded throughout our business. Our places, which are designed to meet high sustainability standards, become part of local communities, provide opportunities for skills development and employment and promote wellbeing. Our industry-leading sustainability performance is reflected in our AAA rating from MSCI, our 96th percentile sector rating from Sustainalytics, and our tenth consecutive Green Star rating in the 2019 Global Real Estate Sustainability Benchmark.

In 2016, British Land received the Queen's Award for Enterprise, a five-year honour and the UK's highest business accolade recognising our economic, social and environmental achievements.

Climate change is an important part of our sustainability strategy to generate cost-efficiency and income from future-proofed assets. This is achieved by:



- Protecting value by reducing flood risk
- Improving operational efficiency and reducing occupier costs
- Increasing on-site energy generation and associated revenue
- Reducing our use of resources through materials and process innovation
- Working towards 100% electricity use from renewable sources, as a partner of RE100

While this disclosure focuses on the 2020 financial year (Apr 19 to Mar 20), our new Net Zero Carbon strategy is available online (<https://www.britishland.com/sustainability/environment/net-zero>).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	April 1, 2019	March 31, 2020	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

GBP

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control



C-CN0.7/C-RE0.7

(C-CN0.7/C-RE0.7) Which real estate and/or construction activities does your organization engage in?

New construction or major renovation of buildings

Buildings management

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Financial Officer (CFO)	<p>Our CFO reports to the CEO, is a Board Director, Chairs our Sustainability and Risk Committees, and takes part in our CSR Board Committee's meetings. The CFO is responsible for climate-related issues because this position is ultimately responsible for managing corporate risk (including climate-related risk) and for delivering our strategic priority "Capital Efficiency". Capital Efficiency includes our initiatives to protect and enhance asset value through environmental stewardship, including renewable energy generation, energy efficiency, materials innovation, and flood risk reduction.</p> <p>British Land's Sustainability Committee now reports to the Board level CSR Committee comprised of Non-Executive Directors.</p> <p>As the Chair of British Land's Sustainability Committee, the CFO makes key decisions on British Land's climate strategy. In 2019-20,</p>

	<p>this involved key decisions around our 2030 Net Zero Strategy, which included the following commitments: all new construction and major renovation projects to be Net Zero from 2020, deliver a 50% reduction embodied carbon intensity on new construction and major renovation projects by 2030 (to below 500 kg CO2e per sqm for Offices and below 450 kg CO2e per sqm for retail and residential), and a 75% operational carbon efficiency improvement by 2030.</p>
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C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	<p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>The CSR Board Committee considers climate-related issues at every meeting.</p> <p>(i) Reviewing and guiding strategy – The Board’s annual strategy away days in 2019/20 included the review and agreement of the new sustainability strategy including the 10-year pathway to Net Zero.</p> <p>(ii) Reviewing and guiding major plans of action; (iv) Overseeing major capital expenditures and acquisitions – Our “Sustainability Brief for Acquisitions” and “Sustainability Brief for Developments” are mechanisms that integrate climate considerations into major capital expenditure decisions of whether to (a) acquire new assets, and (b) whether to develop new/existing assets. The Brief for Acquisitions integrates reviews of energy efficiency and flood risk into both internal and third-party due diligence reviews. The Brief for Developments integrates energy efficiency, material choice (embodied carbon), and flood risk considerations across multiple stages of the development process.</p> <p>(iii) Reviewing and guiding risk management policies - The Board has overall responsibility for risk management with a particular focus on determining the nature and extent of exposure to</p>

		<p>principal risks it is willing to take in achieving its strategic objectives. Climate-related issues are included in the principal risk category “Catastrophic business event”. The Executive Directors are responsible for delivering the Company’s strategy, as set by the Board, and managing risk. The Risk Committee is responsible for managing the principal risks in each category (including climate-related risks) in order to achieve our performance goals. Members of the Sustainability Committee monitor climate change risks and periodically provide updates to the Risk Committee.</p> <p>(v) Monitoring and overseeing progress against goals and targets for addressing climate-related issues –Sustainability targets (including climate-related targets) are reviewed at meetings of the CSR Board Committee. In the past financial year, the CSR Board Committee discussed and agreed to a proposal to increase the ambition of the new climate programme’s operational efficiency target.</p>
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C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Financial Officer (CFO)	Both assessing and managing climate-related risks and opportunities	Half-yearly
Corporate responsibility committee	Both assessing and managing climate-related risks and opportunities	Half-yearly
Risk committee	Both assessing and managing climate-related risks and opportunities	Half-yearly
Sustainability committee	Both assessing and managing climate-related risks and opportunities	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

(i) The Chief Financial Officer (CFO) reports to the CEO, is a Board Director, and is also Chair of our Sustainability and Risk Committees. The CFO is responsible for climate-related issues because this position is ultimately responsible for managing corporate risk (including climate-related risk) and for delivering our strategic priority "Capital Efficiency". Capital Efficiency includes our initiatives to protect and enhance asset value through environmental stewardship, including renewable energy generation, energy efficiency, materials innovation, and flood risk reduction.

In 2019/20, one of our CFO's annual performance measures is the achievement of the company's 2020 energy intensity target (as noted on p.126 of our Annual Report). He is also the sponsor of our internal Taskforce on Climate-related Financial Disclosures (TCFD) Steering Committee, comprised of leaders from across the business and tasked with guiding the organisation toward full alignment with the Task Force's recommendations.

(ii) The Board's Corporate Social Responsibility Committee was launched in 2019 to assist the Board with overseeing its engagement with employees and other stakeholders and to assess the Company's wider contribution to society. The Committee is also the Board's designated mechanism for workforce engagement. The Committee seeks to ensure that the Company:

- Is a first-class employer
- Builds and manages first-class buildings
- Delivers this in a sustainable way for both our communities and the environment (incorporating climate-related issues)

(iii) The Risk Committee - comprising the Executive Directors and senior management across the business - is responsible for managing the principal risks of each risk category in order to achieve our performance goals. The Risk Committee holds operational responsibility for climate-related risk to ensure that these risks are integrated into our corporate risk management procedures. One of the twelve principal risks we track is the risk of a "catastrophic business event", including environmental or climate-related events. The Secretary to the Risk Committee provides a schedule of Key Risk Indicators (KRI) to each Risk Committee meeting and maintains a schedule of risk actions agreed at each Risk Committee meeting. The Secretary to the Risk Committee is also responsible for arranging for any KRI exceptions requiring escalation to be discussed at the next Board meeting. In 2019, British Land's Head of Corporate Affairs & Sustainability presented the Risk Committee with the requirements of the TCFD. To ensure full alignment with the recommendations, a TCFD Steering Committee composed of leaders from across the business was created.



(iv) Our Sustainability Committee, which meets quarterly, acts as custodian for our sustainability strategy, which helps to deliver value, create positive social and environmental outcomes, and increase appeal for our stakeholders, as we work to create Places People Prefer.

Our Sustainability Committee is Chaired by the CFO and is comprised of senior managers from across the business including strategy, asset management, and leasing. Responsibility for climate-related issues lies with this group as we feel that it is important to have a representation from different teams across the business who can bring a broad range of perspectives to the consideration of climate-related issues. Their responsibilities include:

- Reviewing performance against our 2020 Strategy and informing annual business objectives;
- Assessing emerging social, environmental and ethical issues and determining their materiality to the long-term value of the business;
- Considering social, environmental and ethical risks, and any mitigating actions required or currently in place;
- Interrogating any proposed changes in sustainability strategy prior to going to the CSR Board Committee for approval.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Financial Officer (CFO)	Monetary reward	Energy reduction target	Part of the CFO's performance-based remuneration was linked to the achievement of the 55% energy intensity reduction target, which was achieved. This is noted on p.126 of British Land's Annual Report 2020.

<p>Other, please specify Head of Corporate Affairs and Sustainability</p>	<p>Monetary reward</p>	<p>Company performance against a climate-related sustainability index</p>	<p>The annual incentive remuneration of the Head of Corporate Affairs and Sustainability is linked to the achievement of our sustainability objectives, evidenced by inclusion on core Environmental, Social and Governance (ESG) indices: the Dow Jones Sustainability Index (DJSI), FTSE4Good and the Global Real Estate Sustainability Benchmark (GRESB). These indices contain performance criteria relating to taking action on and achieving reductions in energy consumption and GHG emissions.</p>
<p>Environment/Sustainability manager</p>	<p>Monetary reward</p>	<p>Energy reduction target</p>	<p>The Head of Wellbeing and Futureproofing, the Sustainability Manager for Developments, and the Head of Technical Services and Sustainability all have climate change responsibilities and annual objectives which affect the company's understanding of climate change risk and/or our carbon emissions performance. These are reviewed every six months and form part of the employees' annual appraisals, affecting pay and bonuses.</p> <p>In 2019/20, the Head of Wellbeing and Futureproofing and Head of Technical Services and Sustainability both had objectives to achieve the 55% energy intensity improvement.</p>
<p>All employees</p>	<p>Non-monetary reward</p>	<p>Other (please specify) Employee Recognition Scheme</p>	<p>Our peer-led employee recognition programme, 'Hats Off' for employees, recognises employees living our company values. Our value 'Build for the Future' is frequently cited when nominating staff for sustainability-related achievements.</p> <p>During the last reporting year, alongside their team, the Head of Technical Services and Sustainability was awarded the 'Hats Off' award for their work in meeting British Land's energy efficiency target. This achievement contributed towards the overall 73% reduction in landlord carbon intensity (Scopes 1 and 2) versus a 2009 baseline.</p>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Short-term is defined as within 12 months.
Medium-term	1	5	Medium-term is defined as between 1-5 years.
Long-term	5	10	Long-term is defined as 5-10 years.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

British Land uses a risk matrix to evaluate risks that may have a substantive financial impact on British Land. The matrix looks at impacts in terms of Impact (Financial and Reputation) and Likelihood. Both Impact and Likelihood are classed as Low, Medium or High.

British Land defines risk with a "substantive financial or strategic impact on the business" as a risk with (i) a High impact (any likelihood) on British Land's performance, or (ii) a Medium impact but High likelihood.

For context, a risk with high likelihood has a greater than 50% chance of occurrence in a given year. Likewise, a risk with high impact indicates a significant sustained reputational impact (Impact – Reputation) or a financial impact on the business greater than £250 million (Impact – Financial).

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Risk identification and assessment process:

To identify and assess climate-related risks at both company level and asset level, our integrated approach to risk combines a top-down strategic view with a complementary bottom-up operational process.

For the top-down approach at company level, the Board reviews the external environment to determine the level of internal/external and company/asset level principal risks it is comfortable exposing the business to. Principal external risks include: the economic outlook; political and regulatory outlook; commercial property investor demand; occupier demand and tenant default; availability and cost of finance and

catastrophic business events. Key risk indicators are identified for each principal risk and used for quarterly monitoring of exposure to ensure business activities remain within agreed risk appetite thresholds.

The bottom-up approach focuses on business unit and asset level. Each business unit identifies, manages and monitors its risks. Control of this process is provided through maintenance of risk registers in each area. At the asset level, we maintain Asset Plans which include provisions for the identification of climate change-related risks/opportunities (e.g. flood risk assessments, audits to identify energy-saving opportunities). Our Sustainability Brief for Acquisitions sets out our criteria with regards to environmental, community and health and safety issues when acquiring new property.

Our process for assessing the size, scope, and relative significance of potential risks to make mitigation decisions:

To assess the potential size and scope of an identified risk to allow us to mitigate the risk, we evaluate a risk's potential likelihood of occurrence and its potential impact on British Land's performance through the development of a risk heat map. This heat mapping process allows British Land to determine the relative significance of climate-related risks in relation to other risks. The impact and likelihood ratings are attributed by Business Unit Risk Representatives and subsequently moderated for across the group by the Secretary to the Risk Committee. Likewise, the Risk Register enables risks to be flagged as either Principal Risks or Emerging Risks to facilitate reporting of these specific areas. The risk register tracks:

- Description of the risk (identification)
- Impact-likelihood rating (evaluation enabling prioritisation)
- Mitigants (mitigation)
- Risk owner (monitoring)

Internal/external and company/asset level risks relating to climate change are identified and reviewed by the Sustainability Committee and input into our risk assessment/management process by contributing to the company-wide Business Unit Risk Register Report, updated quarterly.

The Sustainability Committee and Team assess internal/external and company/asset level risks and opportunities for us and our stakeholders by considering:

- experience over previous year;
- internal/managing agent feedback;
- stakeholder engagement;



- sustainability performance;
- future focus areas/issues and results of asset-level risk
- opportunity assessment procedures (e.g. flood risk assessment (FRA), energy audits such as those through ESOS)

This process is applied when identifying, assessing and responding to physical risks, including in our latest company-wide climate risk assessment revealed six themes of climate-related Principal Risks. One of these themes is climate risk related to extreme weather events. As an example, the assessment considered the impact of acute physical risks like the (i) increased frequency of flooding at properties in our managed portfolio, and (ii) increased frequency of extreme wind events that affect our properties and new developments. All physical climate-related risks are tracked via our Risk Register and actioned accordingly.

This process is also applied when identifying, assessing and responding to transition risks such as current and emerging climate-related regulation. Our company-wide risk assessment considered the risk of (i) non-compliance with energy regulations, and (ii) regulation increasing energy-related costs of British Land's managed portfolio (e.g. compliance costs), such as the Climate Change Levy and the Minimum Energy Efficiency Standard (MEES) of England and Wales. Currently, 5% of our assets by floor area have an EPC rating of F or G. A portfolio-wide EPC review was completed to understand exposure to E/F/G rated properties. We also funded an analysis into the likely costs of improving underperforming assets to above an E rating. The results of these analyses feed directly into our asset specific management plans – enabling us to work closely with managing agents to improve energy use and rating performance at our properties. The financial implications of improving underperforming EPCs from an F or G to a C or D rating is estimated at £110 per square metre. All transition climate-related risks are tracked via our Risk Register and actioned accordingly.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Our latest company-wide climate risk assessment revealed six themes of climate-related Principal Risks. One of these themes is climate-risk related to energy regulation and prices. As an example, the assessment considered the risk of (i) non-compliance with energy regulations, and (ii) regulation

		increasing energy-related costs of British Land's managed portfolio (e.g. compliance costs), such as the Climate Change Levy and the Minimum Energy Efficiency Standard (MEES) of England and Wales. The review assessed risks from current regulation in the Transitional Risks - Policy and Legal section.
Emerging regulation	Relevant, always included	Our latest company-wide climate risk assessment conducted revealed six themes of climate-related Principal Risks. One of these themes is climate risk related to energy regulation and prices. As an example, the assessment considered the risk of the UK government's commitment to a zero-carbon economy by 2050. This will require decarbonisation of the heat and electricity grids and the development of higher energy efficiency standards, all of which may be forced by policy. The review assessed risks from emerging regulation in the Transitional Risks - Policy and Legal section.
Technology	Relevant, always included	Our latest company-wide climate risk assessment revealed six themes of climate-related Principal Risks. One of these themes is climate risk related to building performance (technology-inclusive). As an example, the assessment considered the financial risk of transitioning our managed assets from natural gas boilers to low-carbon heating technologies. The 2017 review assessed risks from technology in the Transitional Risks - Technology section.
Legal	Relevant, always included	Our latest company-wide climate risk assessment revealed six themes of climate-related Principal Risks. One of these themes is climate risk related to energy regulation and price. As an example, the assessment considered the financial risk of non-compliance with energy regulations that apply to British Land's managed portfolio, such as the UK Climate Change Levy and the Minimum Energy Efficiency Standard (MEES) of England and Wales. The review assessed legal risks in the Transitional Risks - Policy and Legal section.
Market	Relevant, always included	Our latest company-wide climate risk assessment revealed six themes of climate-related Principal Risks. One of these themes is climate risk related to energy regulation and price. As an example, the assessment considered the risk of energy cost volatility and its potential impact on our service charge and rent affordability for our occupiers. The review assessed market risks in the Transitional Risks - Market section.
Reputation	Relevant, always included	Our latest company-wide climate risk assessment revealed six themes of climate-related Principal Risks. One of these themes is climate risk related to building performance (and its impact on our reputation). As an example, the assessment considered the reputational risk posed by poor building performance, as this would materially affect our performance in sustainability indices. This could damage our reputation with key investors and external stakeholders. The review assessed reputational risks in the Transitional Risks - Reputation section.

Acute physical	Relevant, always included	Our latest company-wide climate risk assessment revealed six themes of climate-related Principal Risks. One of these themes is climate risk related to extreme weather events. As an example, the assessment considered the impact of acute physical risks like the (i) increased frequency of flooding at properties in our managed portfolio, and (ii) increased frequency of extreme wind events that affect our properties and new developments. The review assessed reputational risks in the Physical Risks - Acute section.
Chronic physical	Relevant, always included	Our latest company-wide climate risk assessment revealed six themes of climate-related Principal Risks. One of these themes is climate risk related to extreme weather events. As an example, the assessment considered the impact of chronic physical risks like (i) the increased frequency of extreme weather events resulting in increased insurance rates for our property portfolio, (ii) the increased risk of flooding negatively impacts the valuation of our high-risk property assets. The review assessed reputational risks in the Physical Risks - Chronic section.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased capital expenditures

Company-specific description

The 2015 Energy Efficiency Regulations (passed in March 2015) set out Minimum Energy Efficiency Standards for rented buildings in England and Wales. These regulations prohibit the letting of space where there is an EPC rating of F or G from 1st April 2018. These regulations could either result in an increased refurbishment cost for British Land or devaluation of assets which do not meet the minimum standards. Currently, 5% of our assets by floor area have an EPC rating of F or G.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

11,300,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial implications of improving underperforming EPCs from an F or G to a C or D rating is estimated at £110 per square metre. This figure may vary significantly by asset and is based on an initial study. Importantly, E, F and G ratings may also have an impact on valuations.

Cost of response to risk

10,000

Description of response and explanation of cost calculation

A portfolio-wide EPC review was completed to understand exposure to E/F/G rated properties. We also funded an analysis into the likely costs of improving underperforming assets to above an E rating. The results of these analyses feed directly into our asset specific management plans – enabling us to work closely with managing agents to improve energy use and rating performance at our properties. At an operational level, asset managers monitor units with poor energy performance and opportunities to improve their energy rating as part of lease renewal.

Our Sustainability Brief for Acquisitions identifies the EPC rating of a potential new acquisition as investment critical information. During the due diligence phase consultants are required to investigate energy supply and EPC recommendations further. Our Sustainability Brief for Developments also provides requirements and guidance for improving the energy and carbon performance of our developments.

Since 2018/19, MEES compliance has been integrated into our broader set of asset management processes. The cost of the response to this risk relates the partial cost of staff members at British Land responsible for managing this risk.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology
Substitution of existing products and services with lower emissions options

Primary potential financial impact

Increased capital expenditures

Company-specific description

In order to meet its 2050 carbon neutrality target, the UK Government must encourage a transition from the current carbon-intensive heat generation technologies to low-carbon alternatives. Almost all of the heat generated in British Land buildings is produced using gas-fired boilers. There will therefore be a major capital expenditure when it becomes necessary to transition to low-carbon heat technologies. The UK Committee on Climate Change's Net Zero report published last year indicated that 100% of non-residential buildings will require a low carbon heat source by 2050.

Based on the UK Government's 2018 Call for Evidence "A future framework for heat in buildings" and its ambition to phase out high-carbon fossil fuel heating sources, we classify this as a 'medium-term' risk.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

75,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Due to the building specific applicability of low carbon solutions it is not possible to provide a portfolio capital expenditure based on generic costings. Each building needs to be assessed on a case by case basis. The issue has been assessed for a small number of buildings. For example, the central London office building Regents Place recently installed an air source heat pump system, which meets the majority of the building's heat requirement. This system was ~£75,000 more expensive than the conventional fossil fuel based alternative.

Cost of response to risk

10,000

Description of response and explanation of cost calculation

This type of sector-level, policy-driven risk is monitored by both British Land's in-house sustainability team and the trade associations to which we belong. If this risk's likelihood increases with a short-term time horizon, this risk will be escalated to the Risk Committee for review, as part of our integrated risk management process.

This is one of a series of risks that has been considered by our TCFD Steering Committee, composed of leaders from across the business to address TCFD requirements.

This cost of response to risk reflects the British Land's trade association fees for organisations which monitor related issues.

During a building's lifecycle there will be opportunities to make major plant replacement. At this point, the investment case for a low-carbon alternative for the provision of heat will be investigated. It should be noted that the requirements of such systems are linked to future building designs and tenant operational requirements, which may mean heat demand reduces substantially.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased insurance claims liability

Company-specific description

Insurers increase insurance rates significantly to reflect increased real or perceived risks of flooding at property assets managed by British Land. The impact of this is indirect to British Land as these costs are passed through to occupiers.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

25,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Where flooding does occur, then this may result in insurance claims. In 2007, two flood events within our portfolio resulted in insurance losses of some £25m. In this example, insurance premiums on those assets were increased by 5% as a result of the flood claims. In 2012, British Land encountered one flood claim incident at a public house where the repair costs are estimated to be £100k.

Cost of response to risk

8,000

Description of response and explanation of cost calculation

We have two flood-specific sustainability KPIs: (i) % of portfolio at high risk of flood (by value), and (ii) % of 'high flood risk' assets with flood management plans (by value).

We continue to explore opportunities to improve flood risk assessment and protection for our assets and developments. In addition to flood risk assessments required for insurance purposes, we carry out regular portfolio-wide assessments. For example, in 2011/12, we commissioned a flood consultant to perform an in-depth review of our entire portfolio. At that time we had several assets deemed to be at risk; many of these assets were supermarkets and flood risk management measures have since been developed. As of 31 March 2020, 2% of our managed portfolio (by value) is classified at high flood risk, and 100% of these assets (by value) have flood management plans. We expect to commission an updated review of the portfolio in 2020/21.

Our publicly available management procedures – Sustainability Briefs for Development and Acquisition – also include prescriptions for asset-level flood risk assessment and mitigation. For example, the Sustainability Brief for Development prescribes a Flood Risk Assessment and site-wide water balance calculation at RIBA Stage 2 (Concept Stage). Likewise, the Sustainability Brief for Acquisitions evaluates flood risk as part of the due diligence process. We do not acquire assets with deemed high flood risks without a clear asset plan to mitigate the perceived risk.

To manage this risk, we conduct regular flood risk reviews and monitoring. The annual cost of managing this risk varies. In 2018, conducting

additional surveys of selected high-risk assets cost £8k. In contrast, the original 2011/12 portfolio-wide flood review cost approximately £280k.

The cost of mitigating flood risk varies for each asset; however, by way of an example before renewing the insurance at one of our assets we had to demonstrate improved flood defences at a cost of £1m. Many of the management procedures mentioned (e.g. Sustainability Brief for Acquisitions) do not represent additional costs as actions are integrated within our business activities.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

The Energy Savings Opportunity Scheme (ESOS), launched in December 2014, requires all large companies to undertake organisation-wide audits of their energy use and identify costed energy efficiency opportunities every four years. By treating ESOS audits as a real opportunity and not just a tick box exercise, we've identified efficiency opportunities that could deliver cost savings, building performance improvements and carbon reductions. Site surveys of British Land's managed portfolio identified initiatives representing £1.4m of CAPEX investment that would save £1.2m annually and payback in 13 months.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,200,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Site surveys of British Land's managed portfolio identified opportunities with a total CAPEX of £1.4m that saves £1.2m annually.

This impact is calculated by multiplying the estimated kWh savings per project by the average electricity unit rate (£/kWh).

Cost to realize opportunity

1,400,000

Strategy to realize opportunity and explanation of cost calculation

By treating ESOS audits as a real opportunity and not just a tick box exercise, we've identified efficiency opportunities that could deliver cost savings, building performance improvements and carbon reductions. Through ESOS, we've increased focus on capital investment opportunities. We also negotiated with a single supplier to carry out audits across our entire office portfolio, Cavendish Engineers. Consequently, when they identify a solution that works well in one building, they can explore the feasibility of rolling it out elsewhere in the portfolio. Thanks to our smart metering systems, they had access to robust, detailed energy data for each building, so they could accurately forecast savings for potential innovations. We are now engaging with occupiers on opportunities in each building.

To date, we have implemented 248 out of 407 energy initiatives identified (100 ESOS-related opportunities with a payback period of less than 5 years, with another 9 initiatives in progress). These projects represent an investment of £1.4m with expected annual savings of £1.2m. These projects include the installation of LED lighting, voltage optimisation, optimisation of BMS controls, installation of new high efficiency chillers, replacement of inefficient thermal insulation, installation of inverter drives on pumps to control on pressure as opposed to fixed speed flow rates, voltage optimisation, rebalancing of hydraulic systems to remove inefficiencies, and implementation of demand-driven controls.

Basis for cost to realise this opportunity: Site surveys of British Land's managed portfolio identified opportunities with a total CAPEX of £1.4m that saves £1.2m annually.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Returns on investment in low-emission technology

Company-specific description

Revenue and electricity/carbon cost savings from on-site renewable energy generation. For example, in August 2017 British Land announced the installation of 1,100 solar panels at its 337,000 sq ft Serpentine Green Regional retail centre in Peterborough, one of the UK's largest retail rooftop solar projects. Throughout the last reporting period, the solar photovoltaic system generated over 280,000 kWh of electricity, of which over 240,000 kWh was consumed on site, resulting in a saving of 63 tonnes of CO₂e during the year.

In 2019, we invested around £1m to install 60,400 sq ft of solar PVs at the Meadowhall Shopping Centre. Every year, for the next 25 years, the 3,418 solar panels are set to generate around 770,000 kWh of clean power every year. This will provide over 50% of the annual daytime electricity demand for the centre's common areas.

Overall, we have installed solar PV at 11 assets, generating 1,763 MWh in 2019/20, saving 320 tonnes of CO₂e.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,600,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The costs of solar PV set up are considerable, thus our analysis of a project's Return on Investment is critical in the considering potential projects.

The example 'potential financial impact' is the projected income for our most recent installation of solar photovoltaics at Meadowhall Shopping Centre. The installation cost ~£821k but will result in average annual income of £180,000 over 25 years.

Cost to realize opportunity

821,000

Strategy to realize opportunity and explanation of cost calculation

We are actively expanding our on-site renewable energy generation and the associated revenue. We have installed solar PV on eleven sites in the managed portfolio (with 1,763 MWh generated in 2019/20) and are currently exploring the feasibility of making similar interventions on a number of other retail assets.

The costs of solar PV installation are considerable, thus our analysis of a project's Return on Investment is critical in the considering potential projects.

The example 'cost to realise' figure provided is the cost of our most recent solar photovoltaic installation at Meadowhall Shopping Centre.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Achieving rental premiums by developing and leasing highly energy efficient space.

We have enhanced our requirements for design teams to undertake sophisticated, dynamic modelling during the design stage of development projects. We have evolved our previous requirement of a Chartered Institution of Building Services Engineers (CIBSE) TM 54 assessment to be undertaken towards the end of the development project to an enhanced and more evolved process called: Enhanced Building Energy Model (EBEM).

Our Sustainability Brief for Developments now requires design teams to complete and report energy models at stages 2 and 4 of the Royal

Institute of British Architects (RIBA) plan of work. Additional models will be required should any changes occur that impact energy performance during RIBA Stage 5 and, where required by the brief, Stage 6 to incorporate as commissioned performance.

The aim of the Enhanced Energy Model is to:

- Provide early RIBA Stage 2 evaluation of the building's performance & selection of HVAC /controls philosophy;
- Test and evaluate different HVAC & controls options;
- Design and test capability for off-axis scenarios to be accommodated with minimal loss in system efficiency;
- Provide energy performance prediction and benchmarking data for each meter to be installed within the building.

Additionally, as a 'Pioneer' member of the Better Buildings Partnership's Design for Performance initiative, British Land has publicly committed to implement this Design for Performance approach (or 'EBEM') on at least one major office development. British Land's pioneer project is 1 Broadgate, a major property development next to London's Liverpool Street Station. Additional information on the pioneer project 1 Broadgate can be found here: <https://www.betterbuildingspartnership.co.uk/our-projects/design-performance/pioneer-projects>

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20,500,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The ability to market the energy performance of our assets has the potential to positively affect the future value of our portfolio. There may be financial opportunities from increased occupier demand for our space (leading to reduced void rates and increased investment yields). As a proxy, our comprehensive approach to sustainability (in particular energy efficiency) delivered demonstrable savings in energy costs for our occupiers - approx. £18m (gross) since 2011/12.

Estimating the financial impact: The Australian government, where a robust benchmarking scheme called NABERS exists, has published studies analysing the relationship between NABERS rating and building value. These have identified that high performing assets achieve a rental premium of 3.5%. If all of our managed assets achieved this premium it would bring in an additional £20.5m in rental income (based on gross rental income by asset type, annualised as at 31 March 2020).

As comparative context for this premium, recent research by JLL demonstrates that sustainability can drive value through higher rents and faster leasing. Buildings rated BREEAM Outstanding or Excellent generally achieve a premium of 10% in Central London compared to prime (grade A) rents without a rating, and in the City, this premium has increased over time. The average vacancy rate in buildings rated BREEAM Outstanding or Excellent was c.7% compared to 20% for a building rated Very Good, 24 months post completion.

Cost to realize opportunity

30,000

Strategy to realize opportunity and explanation of cost calculation

We have integrated our Enhanced Building Energy Model process into our Developments process.

Example: We undertook dynamic simulation modelling at our York House site during our work with the Better Building Partnership to check that the target building energy performance is achievable and to set budgets for each meter. See p.17 of the following document:

<http://www.betterbuildingspartnership.co.uk/sites/default/files/media/attachment/EcoBuild%20DfP%2016-9%2006Mar18.pdf>

British Land has also joined the Better Buildings Partnership's Design for Performance initiative to support the development of this DfP

approach for the UK market.

To capitalise on this potential rental premium, we are undertaking EBEM modelling on new development sites. EBEM modelling costs roughly £20k-£40k per development site, therefore we have chosen the median of this range for the cost to realise the opportunity.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.1c

(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?

Rationale and timing of our TCFD scenario analysis

2017/18: Following the 2017 release of the TCFD Recommendations Report, the advisory firm Verco completed a review of British Land's potential climate risks and opportunities.

2018/19: British Land reviewed its options for conducting scenario analysis (including qualitative vs quantitative methods) and spoke with potential partner organisations that could support this task.



2019/20: British Land's Head of Corporate Affairs & Sustainability presented to the Risk Committee, highlighting our current approach to climate risk, TCFD's additional requirements, and the areas to be addressed. The Risk Committee subsequently established a TCFD Steering Committee - composed of leaders from across the business - to undertake the work required for full TCFD alignment. With the TCFD Steering Committee in place, British Land's scenario analysis process commenced in summer 2019. The TCFD Steering Committee undertook two half-day scenario workshops - a qualitative exercise designed to (i) present the Committee with four distinct visions of 2040, and to (ii) identify and detail exposure to climate related risks and opportunities within these distinct scenarios.

Implementing TCFD scenario analysis – next steps

2020/21: In spring 2020, British Land commissioned a specialist to undertake a quantitative physical risk analysis of the portfolio's physical risk exposure under the RCP 2.6 and RCP 8.5 scenarios. Over 2020/21, British Land will also use Verco's previous review and the Steering Committee's qualitative exercise to quantify the portfolio's transition risk exposure.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>British Land's strategy around product and services has been influenced by climate-related risks and opportunities, in particular relating to current and emerging environmental legislation over the short, medium and long term. For example, the Minimum Energy Efficiency Standards for England and Wales - which prohibit the letting of space where there is an EPC rating of F or G - are in force and have impacted our managed portfolio. To address this risk we took the strategic business decision to conduct a portfolio-wide EPC review. The results of this have been fed into asset-specific management plans, which guide our work with managing agents to improve their site's energy efficiency and rating performance.</p> <p>Magnitude of this impact: As of 31 March 2020, 5% of assets under management (by floor area) will</p>

		need to be upgraded in order to renew leases on these sites. From 01 April 2023, MEES will be extended to cover all leases including existing leases.
Supply chain and/or value chain	Yes	<p>British Land's strategy around supply/value chain has been influenced by climate-related risks and opportunities. In relation to the services charges paid by occupiers, an increased risk of flooding could lead insurers to raise rates for high-risk assets. At 31 March 2020, 2% of our managed portfolio is at high flood risk and 100% of these assets have flood management plans (%'s by valuation).</p> <p>To address this risk we took the strategic business decision to include prescriptions for asset-level flood risk assessment and mitigation within our management procedures – Sustainability Briefs for Development and Acquisition. The Brief for Development prescribes a Flood Risk Assessment and water balance calculation at RIBA Stage 2 (Concept Stage). The Sustainability Brief for Acquisitions evaluates flood risk as part of the due diligence process.</p> <p>Magnitude of the impact: Where flooding occurs, insurance claims may result. In 2007, two flood events in our portfolio yielded insurance losses of ~£25m. In this instance, insurance premiums on those assets increased by 5% as a result of the flood claims.</p> <p>The opportunity that the UK may adopt of energy performance scheme - akin to Australia's NABERS - would provide opportunities for increased rents and quicker uptake of lettings at high-efficiency British Land properties. This opportunity influenced us to join the Better Buildings Partnership's Design for Performance initiative and to trial the development 1 Broadgate as our pilot project.</p> <p>Magnitude of the impact: Studies from the NABERS scheme found high-performing assets achieved a rental premium of 3.5%. If all our managed assets achieved this premium, an additional £20.5m in rental income would result (based on GRI by asset type, annualised at 31 March 2020). Timescale of the potential impact: a 'Medium' time horizon opportunity that would arise in the next 1-5 years</p>
Investment in R&D	No	<p>As our 'products' are the property assets we manage and the new developments we build, the Research and Development category does not apply to our particular business model.</p> <p>However, British Land is involved in innovative activities, including the aforementioned BBP Design for</p>

		Performance initiative which is being modelled around the Australian NABERS scheme.
Operations	Yes	<p>British Land’s operations have been influenced by climate-related risks and opportunities. One example is reducing energy and emissions across our own footprint to mitigate the effects of transition risks (in relation to the pricing of GHGs under the UK’s Climate Change Levy).</p> <p>To address this risk we took the business decision to work closely with our property managers to manage energy use at our properties, implementing Asset Plans at all major assets. Through our reductions in energy intensity and UK grid decarbonisation, we have achieved a 73% reduction in Scope 1 and 2 emissions intensity since 2009.</p> <p>Magnitude of impact: British Land’s exposure to CCL compliance costs for 2019/20 was ~£1.4 million.</p> <p>An opportunity which positively affected operations is the UK’s Energy Savings Opportunity Scheme. Our ESOS energy audits were completed by a single supplier, allowing this supplier to provide a portfolio-level breakdown of opportunities. We then engaged with our occupiers on site-specific opportunities.</p> <p>Magnitude of impact: We have implemented 100 ESOS-related opportunities with another 9 in progress. These 100 projects represent an investment of £1.4m with expected annual savings of £1.2m. These projects include the installation of LED lighting, optimisation of BMS controls, new high efficiency chillers, better insulation, inverter drives, and voltage optimisation.</p>

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

Financial planning elements that have been influenced	Description of influence

<p>Row 1</p>	<p>Revenues Direct costs Indirect costs Capital expenditures Capital allocation</p>	<p>REVENUES: Our financial planning factors in key risks including flood risk and EPC risk, and we model the associated costs to manage.</p> <p>The financial risks related to energy efficiency compliance costs (MEES) are incorporated into asset-level business planning through monitoring assets' EPC ratings. This planning includes a monitored list of EPC ratings, and the topic is part of the monthly reviews of asset-level business plans. MEES: 5% of portfolio will need to EPC upgrades to renew leases.</p> <p>Risk magnitude: Upgrading properties with F and G EPCs: ~£11.3 million.</p> <p>Flood risk is assessed across the entire portfolio and modelled into our financial plans.</p> <p>Risk magnitude: 2% of our managed portfolio is at high flood risk. A sample cost of demonstrating improved flood defences to an insurer was ~1m. The financial opportunities from on-site renewable energy generation (Opp2) are captured in our financial planning process. This includes revenue from the six solar PV installations where we export power to the grid, including the 3,418 panel installation at our Meadowhall retail centre in Sheffield in 2018/19.</p> <p>Opportunity magnitude: in 2019/20, total revenue from solar PV was £252k.</p> <p>The opportunity of the UK implementing a NABERS-style scheme (Opp3) has 'not yet impacted' British Land, and we consider it a medium-term opportunity that is 1-5 years away. Opportunity magnitude: A potential rental premium of 3.5% would mean an additional £20.5m in rental income if our entire portfolio meets the standard.</p> <p>OPERATING COSTS:</p> <p>The financial implications of energy prices and associated taxes are incorporated into the planning process for operating costs. Near-term risk magnitude: CCL compliance costs in 2019/20: ~£1.4 million. CCL covers 100% of our Scope 1 and 2 emissions. Near-term risk magnitude: Energy prices are incorporated into planning related to (i) the service charge paid by occupiers and (ii) assets where British Land pays for the energy. We model the expected occupancy of rental properties and the associated energy costs.</p> <p>CAPITAL EXPENDITURES/CAPITAL ALLOCATION: Risks related to energy efficiency regulation are factored into our capital expenditure planning (including acquisitions).</p>
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		<p>This is primarily reflected by our consideration of the EPC rating (or the cost of improving the EPC rating) of a potential acquisition. We would not buy or build an asset with a poor EPC or BREEAM rating. In 2019/20, 100% of our developments were rated BREEAM Excellent (Offices) or Very Good (Retail). Our Sustainability Briefs for Acquisitions and Developments detail how climate considerations like energy efficiency and flood risk feed into the capital expenditure planning process.</p> <p>EPC risk magnitude: Financial implications of improving underperforming EPCs from an F or G to a C or D rating is estimated at £110 per square metre. The estimated costs based on current EPCs is ~£11.3m.</p> <p>The capital required to implement new energy-saving investments (Opp1, e.g. related to ESOS compliance) are incorporated into corporate budgets.</p> <p>Opportunity magnitude: Site surveys identified energy saving opportunities with a total CAPEX of £1.4m with annual savings of £1.2m.</p> <p>The risk of regulation mandating the adoption of low-carbon heat technologies (Risk 3) has 'not yet impacted' us. We estimate this to be a medium-term risk, meaning it is likely to impact within the next 5 years. Risk magnitude: Due to the building specific applicability of low carbon solutions it is not possible to provide a portfolio capital expenditure based on generic costings. However, as a recent example, the central London office building Regents Place installed an air source heat pump system, which meets the majority of the building's heat requirement and was ~£75,000 more expensive than a conventional alternative.</p>
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C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2015

Target coverage

Site/facility

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Other, please specify

Metric tons CO₂e per square metre net lettable area

Base year

2009

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.118

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2020

Targeted reduction from base year (%)

55

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

0.0531

% change anticipated in absolute Scope 1+2 emissions

73

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

0.032

% of target achieved [auto-calculated]

132.5115562404

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

Please explain (including target coverage)

Our target is to reduce our Scope 1 and 2 carbon intensity across our portfolio (common parts and shared services) by 55% compared to 2008/09. We have developed an index methodology to track and report the relative resource efficiency of our entire managed portfolio over time and demonstrate performance against our 2008/09 baseline. Each index score is based on the ratio of associated resource use or emissions intensity against our 2008/09 baseline. The overall portfolio index is calculated by weighting each asset class by total resource use or emissions per reporting year. The intensity metrics that sit behind the overall index include: metric tonnes CO2e per: m2 net internal area for offices; m2 common parts for retail (enclosed); and, car park spaces for retail (open-air). Our target for offices, retail-enclosed and retail-open air is combined, however, due to differences in their denominators, we have split them here into the three component parts (Int1, Int2, and Int3).

Since 2008/09, we have achieved a 73% reduction in Scope 1 and 2 emissions across our office managed portfolio (common parts and shared services).

When we set our 2020 carbon and energy reduction targets in 2015, the Science Based Targets initiative (SBTi) methodology for our sector hadn't been established. However, subsequent analysis shows that our targets go beyond the demands of the SBTi for Scope 1 and 2 emissions and we've more than halved our carbon intensity over the past decade. While Grid decarbonisation has contributed, our successful energy efficiency programme has played a significant role.

Target reference number

Int 2

Year target was set

2015

Target coverage

Site/facility

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Other, please specify

Metric tons CO₂e per square meter retail common area

Base year

2009

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.174

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2020

Targeted reduction from base year (%)

55

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

0.0783

% change anticipated in absolute Scope 1+2 emissions

79

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

0.037

% of target achieved [auto-calculated]

143.1556948798

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

Please explain (including target coverage)

Our target is to reduce our Scope 1 and 2 carbon intensity across our portfolio (common parts and shared services) by 55% compared to 2008/09. We have developed an index methodology to track and report the relative resource efficiency of our entire managed portfolio over time and demonstrate performance against our 2008/09 baseline. Each index score is based on the ratio of associated resource use or emissions intensity against our 2008/09 baseline. The overall portfolio index is calculated by weighting each asset class by total resource use or emissions per reporting year. The intensity metrics that sit behind the overall index include: metric tonnes CO₂e per: m² net internal area for offices; m² common parts for retail (enclosed); and, car park spaces for retail (open-air). Our target for offices, retail-enclosed and retail-open air is combined, however, due to differences in their denominators, we have split them here into the three component parts (Int1, Int2, and Int3).

Since 2008/09, we have achieved a 79% reduction in Scope 1 and 2 emissions across our retail-enclosed managed portfolio (common parts). This is an over-achievement of our target of a 55% reduction.

When we set our 2020 carbon and energy reduction targets in 2015, the Science Based Targets initiative (SBTi) methodology for our sector hadn't been established. However, subsequent analysis shows that our targets go beyond the demands of the SBTi for Scope 1 and 2 emissions and we've more than halved our carbon intensity over the past decade. While Grid decarbonisation has contributed, our successful energy efficiency programme has played a significant role.

Target reference number

Int 3

Year target was set

2015

Target coverage

Site/facility

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Other, please specify

Per parking space

Base year

2009

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.106

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2020

Targeted reduction from base year (%)

55

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

0.0477

% change anticipated in absolute Scope 1+2 emissions

58

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO2e per unit of activity)

0.044

% of target achieved [auto-calculated]

106.346483705

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

Please explain (including target coverage)

Our target is to reduce our Scope 1 and 2 carbon intensity across our portfolio (common parts and shared services) by 55% compared to 2008/09. We have developed an index methodology to track and report the relative resource efficiency of our entire managed portfolio over time and demonstrate performance against our 2008/09 baseline. Each index score is based on the ratio of associated resource use or emissions intensity against our 2008/09 baseline. The overall portfolio index is calculated by weighting each asset class by total resource use or emissions per reporting year. The intensity metrics that sit behind the overall index include: metric tonnes CO2e per: m2 net internal area for offices; m2 common parts for retail (enclosed); and, car park spaces for retail (open-air). Our target for offices, retail-enclosed and retail-open air is combined, however, due to differences in their denominators, we have split them here into the three component parts (Int1, Int2, and Int3).

Since 2008/09, we have achieved a 58% reduction in Scope 1 and 2 emissions across our retail-open managed portfolio (common parts).

When we set our 2020 carbon and energy reduction targets in 2015, the Science Based Targets initiative (SBTi) methodology for our sector hadn't been established. However, subsequent analysis shows that our targets go beyond the demands of the SBTi for Scope 1 and 2 emissions and we've more than halved our carbon intensity over the past decade. While Grid decarbonisation has contributed, our successful energy efficiency programme has played a significant role.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2015

Target coverage

Business division

Target type: absolute or intensity

Intensity

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

MWh

Target denominator (intensity targets only)

Other, please specify

Total MWh of landlord supplied electricity (Landlord purchased electricity + electricity consumed from onsite generation)

Base year

2015

Figure or percentage in base year

2

Target year

2020

Figure or percentage in target year

100

Figure or percentage in reporting year

97

% of target achieved [auto-calculated]

96.9387755102

Target status in reporting year

Underway

Is this target part of an emissions target?

This RE100-based target is separate from our 2020 carbon intensity target, whose 55% reduction is based upon a location-based methodology.

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

Our RE100 commitment covers landlord supplied electricity. Our target was for 100% of supplied electricity within landlord purchased electricity will be supplied by renewable electricity by 2019/20 (backed by Renewable Guarantees of Origin or REGOS). However, we are still working toward this target and in 2019/20 97% of purchased electricity was renewable.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	81	1,245
To be implemented*	33	565
Implementation commenced*	9	266
Implemented*	28	595
Not to be implemented	36	662

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

183

Scope(s)

Scope 2 (location-based)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

578,719

Investment required (unit currency – as specified in C0.4)

128,103

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

Calculation methodology

These are cumulative figures of fifteen projects implemented in 2019/20 related to lightning upgrades/ replacements (including installation of LED lighting and PIR sensors). The “estimated annual CO2e savings”, “investment required” and “monetary savings” figures are totals.

“Payback period” is an average of the projects, and “initiative’s lifetime” is an average of the minimum lifetime across the projects.

Initiative category & Initiative type

Energy efficiency in buildings
Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)

103

Scope(s)

Scope 1
Scope 2 (location-based)
Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

342,042

Investment required (unit currency – as specified in C0.4)

19,578

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Calculation methodology

These are the cumulative figures of eleven projects implemented in 2019/20 related to building energy management systems. The “estimated annual CO2e savings”, “investment required” and “monetary savings” figures are totals. “Payback period” is an average of the projects, and “initiative's lifetime” is an average of the minimum lifetime across the projects. This includes reprogramming of timer and changes to

temperature set points amongst other modifications.

Initiative category & Initiative type

Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

309

Scope(s)

Scope 1
Scope 2 (location-based)
Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

51,155

Investment required (unit currency – as specified in C0.4)

694,576

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

Calculation methodology:

These are the cumulative figures of two projects implemented in 2019/20 related to HVAC. The "estimated annual CO2e savings", "investment required" and "monetary savings" figures are totals. "Payback period" is an average of the two projects, and "initiative's lifetime" is an average of the minimum lifetime across the projects. The main contributor is a boiler replacement project at one of our sites.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	<p>We have invested in energy monitoring and management systems and third-party advisers to support compliance with the Energy Saving Opportunity Scheme (ESOS) and Minimum Energy Efficiency Standards (MEES). More importantly these systems enable the identification of energy saving opportunities.</p> <p>Appointing third party advisers to manage compliance has provided the sustainability team with more time to focus on implementation of opportunities. In our new property developments, we aim to exceed and have significantly exceeded regulatory standards for energy efficiency (27% better than regulations in 2019/20).</p>
Dedicated budget for energy efficiency	<p>Our sustainability programme budget covers a range of initiatives aimed at delivering our sustainability targets. We report on our investment annually in our Sustainability Accounts. Since 2012 we have invested £10 million in energy initiatives across our existing portfolio, of which £1m is spend from our corporate sustainability budget on fees and consultancy and £9m is asset level investment in resource efficiency. In our developments, we assign project budgets for additional metering. Developments exceed regulatory requirements for energy efficiency, and we will further support operational energy efficiency. And from April 2020, British Land's new Transition Fund will enable departments to fund more ambitious energy saving projects with the aim of transitioning the portfolio to Net Zero Carbon operations.</p>
Internal incentives/recognition programs	<p>Our peer-led employee recognition programme, 'Hats Off' for employees, recognises major achievements of our staff and employees living our company values.</p> <p>Our value 'Build for the Future' is frequently cited when nominating staff for sustainability-related achievements.</p>

Employee engagement	<p>At Head Office, we have numerous initiatives in place to engage with employees on reducing environmental impact (including emissions). For example, we: have a bicycle user group; have a scheme to encourage use of Santander Bike Hire Scheme; cycle to work loans through the UK Government’s Ride2Work scheme; and have awareness raising campaigns on various environmental issues.</p> <p>Our "Lunch and learn" events have included guest speakers with expertise on the use of renewable construction materials like cross-laminated timber and bamboo.</p>
Internal finance mechanisms	<p>All major managed properties have Asset Plans, which include provisions for identifying climate-related risks and opportunities, such as flood risk assessments and audits to identify energy saving opportunities. For initiatives requiring CAPEX managers are required to complete an investment request providing information on the initiative including payback. That request is discussed with Asset Managers as part of a review of the service charge budgets and asset plans for the following year.</p> <p>In addition, from April 2020 our Transition Fund initiative will launch. An internal carbon fee, the initiative will apply a carbon price of £60 per tonne onto the embodied emissions of new construction and major redevelopment projects. Part of this mitigation payment will be used to offset the embodied emissions using accredited carbon offset schemes, and the remainder will be directed into our Transition Fund. This Fund will be used to retrofit our standing portfolio as part of our transition to Net Zero Carbon operations.</p>
Other Occupier engagement	<p>We also engage actively with occupiers, notably through sustainability groups in our multi-let offices. In 2019/20 we provided approximately 47% of tenants with feedback on energy/water consumption and waste generation and had engagement meetings with 45% to discuss sustainability related issues (% of managed portfolio by floor area). We have found a number of occupiers who are also keen to work with us on optimisation of our central heating and cooling plant. This has enabled us to work with occupiers to identify savings they can make within their own space. With the extensive sub-metering in each of our buildings, we are able to project energy savings on each initiative before we secure the support from occupiers to proceed on a new initiative. In recent years, we have won several industry awards for our energy reduction work, including: in 2017 being the first recipient of the CIBSE (Chartered Institute of Building Service Engineers) “Test of Time” award, 2014 CIBSE Client Energy Management Award 2014 for energy reduction across our managed portfolio, for the third year running, Building Operation Award 2014 for our Exchange House energy reduction collaboration and NAREIT Global Recognition Leader in the Light Award, 2014.</p>

<p>Other Supplier engagement on developments</p>	<p>We also engage actively with suppliers on our developments, to try to reduce embodied carbon on our new construction projects. We have been exploring embodied carbon on our developments since 2009, commissioning studies across our development programme and detailed studies at 5 Broadgate, The Leadenhall Building, Regent’s Place, Ropemaker Place and Whiteley Shopping. These studies highlighted the significance of energy and material use on our developments, particularly the fabrication of steel and concrete, in relation to our other managed emissions. Building on this knowledge, we have been working with our supply chain partners to reduce embodied carbon since 2011. In 2019/20, our two major development projects successfully achieved our corporate target of a 15% reduction in embodied carbon (compared to a 2015 per m2 benchmark).</p> <p>As a result, at 100 Liverpool Street we have been able to retain around half of the original structure, reducing embodied carbon by 7,200 tonnes, with a further 4,100 tonnes set to be saved through carbon-efficient design and the use of low-carbon materials. At 1 Triton Square, our progressive whole-life carbon strategy has saved 36,000 tonnes of embodied carbon compared to a typical new build and will achieve a 40% reduction in operational emissions. Due to delays from COVID-19, the two developments are planned to be completed at the end of 2020 and beginning of 2021.</p>
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C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

In recent years we have introduced whole life carbon analysis and reporting for our major developments (i.e. over £25m construction value). This process supports reduction of emissions through the a 60 year life cycle of a building which takes into account emissions from the construction, operation and demolition stages of a building.

Using major developments at Broadgate and Regent's Place as testbeds, we have worked hand-in-hand with our extended supply chain to challenge how we redevelop existing buildings.

As a result, at 100 Liverpool Street we have been able to retain around half of the original structure, reducing embodied carbon by 7,200 tonnes, with a further 4,100 tonnes saved through carbon-efficient design and the use of low-carbon materials. The project is currently on track to achieve an embodied emissions intensity of 395 kg CO₂e/sqm, an exceptional achievement in 2020 when the RIBA Climate Challenge 2030 target for offices is 500 kg CO₂e/sqm.

At 1 Triton Square, our progressive whole-life carbon strategy will avoid 62,000 tonnes of carbon over 20 years, with 56% less embodied carbon than a typical new build and 43% greater operational efficiency than a typical commercial building. Like 100 Liverpool Street, 1 Triton Square is also on track for an embodied emissions intensity of less than 500 kg CO₂e/sqm.

These two developments were due to be completed in 2020, however due to COVID-19 development had to be suspended for a short period. 100 Liverpool Street is now expected to complete towards the end of 2020 and 1 Triton Square in 2021.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Reported embodied carbon is calculated in tonnes of CO₂e using actual embodied carbon data produced by materials used in the development to 31 March 2020, plus a forecast of the remaining embodied carbon expected to practical completion

% revenue from low carbon product(s) in the reporting year

0

Comment

As these assets are still under development, we are not yet receiving rental revenue from occupiers.

Details of our embodied carbon methodology can be found on page 62 of our Sustainability Accounts 2020:

<https://www.britishland.com/~media/Files/B/British-Land-V4/documents/ar2020/2020-BL-Sustainability-Accounts.pdf>

Level of aggregation

Company-wide

Description of product/Group of products

Our Sustainability Brief for Developments drives improvements in construction site management, efficient designs for energy and water use, and enhanced biodiversity. Project teams are encouraged to identify opportunities to exceed minimum requirements, and work collaboratively with stakeholders to continuously improve design development, construction, and the operation of our places.

For all projects with a capital expenditure over £5 million, we target a BREEAM Very Good (retail) or Excellent (offices) certification. This work helps reduce energy consumption and carbon emissions in our buildings common parts and shared services and also helps our tenants reduce their energy and carbon footprint, as demonstrated by the 'Assessing carbon emissions in BREEAM' briefing paper published in 2016 which showed that the average CO₂ saving for a BREEAM assessed building is 22%, whilst a BREEAM Excellent building is expected to reduce carbon emissions by 33%.

There is growing evidence which supports the commercial case for more sustainable buildings in terms of generating a rental premium and increasing the pace of letting space. Research by JLL demonstrates, Buildings rated BREEAM Outstanding or Excellent generally achieve a premium of 10% in Central London compared to prime (grade A) rents without a rating, and in the City, this premium has increased over time. The average vacancy rate in buildings rated BREEAM Outstanding or Excellent was c.7% compared to 20% for a building rated Very Good, 24 months post completion.

In 2019/20, 100% of developments were on track to achieve BREEAM Excellent for offices and Excellent or Very Good for retail.

Our requirements are listed in the Sustainability Brief for Developments: https://www.britishland.com/~media/Files/B/British-Land-V4/downloads/investor-downloads/BL_Sustainability_Brief_for_Developments.pdf

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify
BREEAM criteria

% revenue from low carbon product(s) in the reporting year

20

Comment

22% of our assets have received a BREEAM rating of Very Good (or above).

We currently have an additional 295,000 m2 of office and retail space in developments that are on track to achieve a Very Good or better BREEAM rating (more details can be found in Fig. 14 of our 2020 Sustainability Accounts:

<https://www.britishland.com/~media/Files/B/British-Land-V4/documents/ar2020/2020-BL-Sustainability-Accounts.pdf>

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

April 1, 2014



Base year end

March 31, 2015

Base year emissions (metric tons CO2e)

7,519

Comment

Scope 2 (location-based)

Base year start

April 1, 2014

Base year end

March 31, 2015

Base year emissions (metric tons CO2e)

42,503

Comment

Scope 2 (market-based)

Base year start

April 1, 2014

Base year end

March 31, 2015

Base year emissions (metric tons CO2e)

42,503

Comment

The Scope 2 base year chosen was calculated according to the location-based method, which we are using as a proxy for the market-based figure.

In our Annual Report and Accounts 2020, we show the change in absolute emissions over time by methodology on page 46.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Voluntary 2017 Reporting Guidelines

EPRA (European Public Real Estate Association) guidelines, 2011

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

6,945

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

15,373

Scope 2, market-based (if applicable)

669

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Please explain

Emissions associated with Purchased Goods & Services have been disclosed in Capital goods, Fuel and energy and Business travel categories.

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

17,505

Emissions calculation methodology

This category includes the embodied CO2e emissions from (i) British Land's property construction and major redevelopment projects and (ii) the construction of a property by a third-party which was acquired by British Land during its construction. In each case, the construction or redevelopments are reported in the financial year construction is concluded.

From FY20, British Land has transitioned to reporting value chain emissions based on actual activity data or contextual estimates. We have fully departed from the use of spend-based emissions estimates.

The upstream emissions of British Land's new construction, major redevelopments, and acquired major developments are calculated in line with the RICS 'Product' and 'Construction Process' Stages (A1-A5) from the RICS Whole Life Carbon Assessment for the Built Environment.

Emissions of minor refurbishments – which will be reported in upcoming years – will be calculated in alignment with RICS module B5 (Refurbishment).

Additional information on the methodology can be found in British Land’s Sustainability Account:
<https://www.britishland.com/~media/Files/B/British-Land-V4/documents/ar2020/2020-BL-Sustainability-Accounts.pdf> (pg.60)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Embodied carbon emissions from developments completed during the reporting period are calculated using actual embodied carbon data produced by concrete, steel, rebar, aluminium and glass used in the development to 31 March 2020. This accounted for 17,505 tonnes CO₂e as reported in Figure 20 of our Sustainability Accounts 2020.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

4,872

Emissions calculation methodology

Upstream GHG emissions is calculated from energy consumption in our managed portfolio (common parts and shred services only), at our Group offices and on-site vehicles. The consumption data is primary data reported by Managing Agents into our central database CR360. Emission factors are sources from Defra/BEIS Guidelines. For further information, refer to Figure 18 and 20 and to the Reporting Criteria on pages 59 - 60 of our Sustainability Accounts 2020. In updating our methodology, Scope 3 emissions from energy consumed in occupier space is reported under 'Downstream leased assets'.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions in this category are all calculated based on energy consumption data collected by British Land.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Upstream transportation and distribution emissions of major property development projects are included in the calculation of 'Capital Goods'.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

351

Emissions calculation methodology

Emissions associated with waste disposal from our managed portfolio and corporate offices: Based on primary data reported by Managing Agents into our central database CR360, the greenhouse gas emissions using the UK DEFRA GHG conversion factors 2019 (using waste factors by disposal type).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions associated with waste disposal from our managed portfolio and corporate offices.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

200

Emissions calculation methodology

Business travel emissions are calculated based on flights and rail information provided by our travel management supplier for air and land travel by British Land employees and applying the UK DEFRA GHG conversion factors 2019 (by type and class of travel). Emissions from business travel by car are not currently being reported.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Business travel emissions are calculated based on actual flight booking data from our travel management supplier.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

104

Emissions calculation methodology

Calculated from Full Time Equivalent data and historic British Land Head Office travel survey data. Emissions within this category were first calculated in 2012 based on a 2011/12 study year and updated in 2016 based on a 2014/15 study.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions from employees commuting are pro-rated based on a past travel study and not on recent travel data.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

British Land does not operate leased assets. Emissions from our Group offices are reported as Scope 1 and 2 emissions. Emissions from assets owned by British land and leased to third-parties are reported under 'Downstream leased assets'.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1,024,621

Emissions calculation methodology

Downstream transportation and distribution emissions include emissions from visitor travel to our retail sites and occupier commuting to our offices (within our managed portfolio). Emissions from retail visitor travel is estimated based on surveys of visitors' mode and duration of travel.

Emissions from offices commuter travel is estimated based on surveys of campus workers' mode of transport and distance travelled.

Note: prior to 2018/19, these emissions were estimated based on a 2014/15 study and reported in previous CDP questionnaires under 'Other emissions'.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions are estimated from survey data of visitors to our retail assets and commuters who work from our Office assets. The surveys ask respondents to provide their mode of travel and journey time.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

British Land does not manufacture products which are processed by the customer and so this category is not applicable.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

British Land is not a product manufacturer whose products are used by an end consumer (and subsequently produce further emissions).

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

For British Land, this category applies to the demolition of new buildings sold to a third party (as references in the UK GBC Scope 3 Guidance). In 2019/20 we did not develop and sell any new assets, so this category is not relevant.

Downstream leased assets

Evaluation status

Relevant, calculated

Metric tonnes CO2e

138,163

Emissions calculation methodology

This includes emissions from the following sources:

- (i) FRI or non-landlord obtained energy at non-British Land managed assets (i.e. energy procured by occupiers and estimated by British Land based on floor space, property type and average electricity and fuel consumption developed by the Chartered Institution of Building Services Engineers)
- (ii) landlord obtained energy for use in leased space (i.e. energy procured by British Land that is consumed by a customer in leased office space. Calculated based on actual consumption data)
- (iii) upstream emissions from landlord obtained water use (i.e. water procured by British land and consumed in managed assets, calculated based on actual consumption data)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

20

Please explain

Emissions from landlord obtained energy and water use are based on actual consumption data and emission factors. The consumption data is primary data reported by Managing Agents into our central database CR360. Emission factors are sourced from Defra/BEIS Guidelines.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

British Land does not operate any franchises and so this category is not applicable

Investments

Evaluation status

Not relevant, explanation provided

Please explain

British Land is a Real Estate Investment Trust. We do not have any material investments outside of our property portfolio. Emissions from our portfolio are reported as scope 1, 2 and 3 (under the categories mentioned above).

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Our upstream emissions are reported under "Purchased goods and services", "Capital goods", "Fuel and energy related activities", "Business travel" and "Employee commuting".

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Our downstream emissions are reported under "Waste generated", "Downstream leased assets" and "Downstream transportation and distribution".

C-CN6.6/C-RE6.6

(C-CN6.6/C-RE6.6) Does your organization assess the life cycle emissions of new construction or major renovation projects?

	Assessment of life cycle emissions	Comment
Row 1	Yes, both qualitative and quantitative assessment	

C-CN6.6a/C-RE6.6a

(C-CN6.6a/C-RE6.6a) Provide details of how your organization assesses the life cycle emissions of new construction or major renovation projects.

	Projects assessed	Earliest project phase that most commonly includes an assessment	Life cycle stage(s) most commonly covered	Methodologies/standards/tools applied	Comment
Row 1	New construction and major renovation projects meeting certain	Design phase	Cradle-to-practical completion/handover	Whole life carbon assessment for the built environment (RICS)	Two of our major developments, 100 Liverpool Street and 1 Triton Square, demonstrate the work British Land has put into whole life carbon assessments. The success of our approach is

	<p>criteria (please specify)</p>				<p>shown through the 16% embodied carbon reduction at our two developments nearing practical completion in 2019/20.</p> <p>The projects are currently on track to achieve an embodied emissions intensity of 395 kg CO2e per m2 at 100 Liverpool Street and 448kg CO2e per m2 for 1 Triton Square. This is an exceptional achievement in 2020 when the RIBA Climate Challenge 2030 target for Offices is 500kg CO2e per m2. In addition, 100% of these embodied emissions will be offset for both sites once the projects achieve practical completion.</p> <p>Reporting Criteria: The following indicators are used to track British Land's alignment of our new construction and major refurbishment activity against current and anticipated Net Zero Carbon standards:</p> <ul style="list-style-type: none"> • % of Embodied GHG emissions offset • Embodied carbon intensity • Whole Building Operational Efficiency • Forecasted operational emissions offset subject to a carbon tax • Zero on-site fossil fuel combustion
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					<ul style="list-style-type: none"> • On-site or additional PPA renewables • Certified as 'Net Zero' or 'Zero Carbon'
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C-CN6.6b/C-RE6.6b

(C-CN6.6b/C-RE6.6b) Can you provide embodied carbon emissions data for any of your organization’s new construction or major renovation projects completed in the last three years?

	Ability to disclose embodied carbon emissions	Comment
Row 1	No	No, but we plan to in the future

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000364

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

22,318

Metric denominator

unit total revenue

Metric denominator: Unit total

613,000,000

Scope 2 figure used

Location-based

% change from previous year

13

Direction of change

Increased

Reason for change

This intensity ratio expresses absolute Scope 1 and 2 emissions in relation to the Total Revenue of British Land (in millions of GBP). Our 2019/20 performance represents an increase of 13% versus last year. This shift reflects a 23% reduction in total Scope 1 and 2 emissions (numerator) and an 32% decreased in revenue (denominator). We also report on emissions per gross rental income (see below) which is more representative of our performance in reducing greenhouse gas emissions.

Intensity figure

0.0000399

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

22,318

Metric denominator

Other, please specify
Gross Rental income

Metric denominator: Unit total

560,000,000

Scope 2 figure used

Location-based

% change from previous year

21

Direction of change

Decreased

Reason for change

This intensity ratio expresses absolute Scope 1 and 2 emissions in relation to the Gross Rental Income for properties in the British Land managed portfolio (in millions of GBP). Our 2019/20 performance represents a decrease of 21% versus last year. Total Scope 1 emissions decreased by 22%. Scope 2 location-based emissions decreased by 24%, largely due to National Grid decarbonisation and changes in our portfolio.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO ₂ e)	GWP Reference
CO ₂	6,313	IPCC Fourth Assessment Report (AR4 - 100 year)
CH ₄	8	IPCC Fourth Assessment Report (AR4 - 100 year)

N2O	6	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	618	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	6,945

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Offices: common parts and shared services	4,787
Offices: direct use in occupier space	0
Retail: common parts	699
Retail: direct use in occupier space	0
Residential: common parts	691
All property types: refrigerant loss	618
Fuel use: British Land owned vehicles	150
Residential: direct use in occupier space	0

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United Kingdom of Great Britain and Northern Ireland	15,373	669	61,606	59,578

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Offices: common parts and shared services	10,108	84
Offices: direct use in occupier space	0	0
Retail: common parts	4,765	210
Retail: direct use in occupier space	0	0
Residential: common parts	252	375
Residential: direct use in occupier space	0	0
Group offices	248	0

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO ₂ e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	173	Decreased	0.6	This has been calculated as follows: Change in renewable energy consumption = -173 tCO ₂ e Previous year scope 1 + 2 emissions = 29,144 tCO ₂ e $-173/29144*100=-0.6$
Other emissions reduction activities	595	Decreased	2	Energy efficiency initiatives implemented in FY20 as per CDP 4.3a. This has been calculated as follows: Change in emissions due to emissions reduction activities = -595 tCO ₂ e Previous year scope 1 + 2 emissions = 29,144 tCO ₂ e $-595/29144*100=-2$
Divestment	381	Decreased	1.3	Due to divestments mid-year and divestments mid-year last year are not absent for a full year. It is also due to the effect of change in the electricity grid factor is stripped out. This has been calculated as follows:

				Change in emissions due to divestment = -381 tCO ₂ e Previous year scope 1 + 2 emissions = 29,144 tCO ₂ e $-371/29144*100=-1.3$
Acquisitions	1,005	Increased	3.4	Due to new acquisitions mid-year and acquisitions mid-year last year which are not reported on for a full year. Effect of change in electricity grid factor is stripped out. This has been calculated as follows: Change in emissions due to acquisitions = 1005 tCO ₂ e Previous year scope 1 + 2 emissions = 29,144 tCO ₂ e $1005/29144*100=3.4$
Mergers				
Change in output				
Change in methodology	1,692	Decreased	5.8	Due to change in DEFRA/BEIS electricity grid factor between 2018 and 2019 factor sets This has been calculated as follows: Change in emissions due change in emission factor = -1692 tCO ₂ e Previous year scope 1 + 2 emissions = 29,144 tCO ₂ e $-1692/29144*100=-5.8$
Change in boundary	2,413	Decreased	8.3	Due to restatement of residential emissions so only common parts data is reported. In addition, Customer Electric Vehicle Charging is not separable from landlord consumption and reported under scope 3. Similarly, service provider fuel is now separable from landlord managed fuel and reported under scope 3. This has been calculated as follows: Change in emissions due to change in boundary = -2413 tCO ₂ e Previous year scope 1 + 2 emissions = 29,144 tCO ₂ e $-2413/29144*100=-8.3$

Change in physical operating conditions	438	Decreased	1.5	Estimate of effect of 1 weeks' worth of COVID-19 closures (lockdown from 23rd March-31st March within the reporting period) This has been calculated as follows: Change in emissions due to change in physical operating conditions = -438 tCO ₂ e Previous year scope 1 + 2 emissions = 29,144 tCO ₂ e $-438/29144*100=-1.5$
Unidentified				
Other	2,140	Decreased	7.3	The impact of (i) year-to-year changes in weather (degree days), and (ii) year-to-year changes in occupancy rates on an asset's energy performance. This has been calculated as follows: Change in emissions due to 'other' = -2140 tCO ₂ e Previous year scope 1 + 2 emissions = 29,144 tCO ₂ e $-2140/29144*100=-7.3$

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	31,130	31,130
Consumption of purchased or acquired electricity		59,578	2,028	61,606
Consumption of self-generated non-fuel renewable energy		1,344		1,344
Total energy consumption		60,922	33,158	94,080

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

30,109

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

29,694

MWh fuel consumed for self-cogeneration or self-trigeneration

415

Emission factor

0.18385

Unit

kg CO2e per KWh

Emissions factor source

Department for Environment, Food and Rural Affairs 2019

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

710

MWh fuel consumed for self-generation of electricity

40

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.24462

Unit

kg CO2e per KWh

Emissions factor source

Department for Environment, Food and Rural Affairs 2019

Comment

The remaining 669MWh was used as vehicle and on-site equipment fuel (sprinklers, landscaping etc).

Fuels (excluding feedstocks)

Gas Oil

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

275

MWh fuel consumed for self-generation of electricity

275

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.25676

Unit

kg CO2e per KWh

Emissions factor source

Department for Environment, Food and Rural Affairs 2019

Comment

Fuels (excluding feedstocks)

Petrol

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

36

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.23373

Unit

kg CO2e per KWh

Emissions factor source

Department for Environment, Food and Rural Affairs 2019

Comment

The 36 MWh was used as vehicle and on-site equipment fuel (sprinklers, landscaping etc).

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	2,439	2,020	1,763	1,344
Heat	30,109	30,109	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Other, please specify

100% renewable with zero-emission factor

Country/region of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

59,578

Comment

In 2019/20, 97% of our purchased electricity was backed by Renewable Energy Guarantees of Origin (REGOs). This is based on electricity contracts and a report from our energy supplier's assurance provider. This electricity has an emissions factor of 'zero'. The figure above refers to the purchased renewable electricity within the Scope 2 emissions boundary. However, across our managed portfolio (including Scope 3), we procured 144,901 MWh of renewable power with a zero-emission factor.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

99

Metric numerator

Waste diverted from landfill

Metric denominator (intensity metric only)

Total waste from managed sites and developments

% change from previous year

0

Direction of change

No change

Please explain

More information on our waste management activities can be found in Figures 35-38 of our 2020 Sustainability Accounts:

<https://www.britishland.com/~media/Files/B/British-Land-V4/documents/ar2020/2020-BL-Sustainability-Accounts.pdf> The reporting methodology is explained on page 66 of the same document.

Description

Energy usage

Metric value

96

Metric numerator

Electricity purchased from renewable sources

Metric denominator (intensity metric only)

Total electricity purchased (managed portfolio)

% change from previous year

0

Direction of change

No change

Please explain

We continue to work towards 100% of electricity from renewable sources as an RE100 partner. Despite changes to our Retail and Offices portfolios, 96% of all landlord procured power was from certified renewable sources.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	No	

C-RE9.9

(C-RE9.9) Does your organization manage net zero carbon buildings?

No, but we plan to in the future

C-CN9.10/C-RE9.10

(C-CN9.10/C-RE9.10) Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?

No, but we plan to in the future

C-CN9.11/C-RE9.11

(C-CN9.11/C-RE9.11) Explain your organization's plan to manage, develop or construct net zero carbon buildings, or explain why you do not plan to do so.

In May 2020, British Land launched our 2030 sustainability strategy. Within the strategy, British Land outlined its roadmap to net zero carbon by 2030. The key elements of this strategy will be:

- All developments delivered after April 2020 to be net zero embodied carbon
- Delivering a 50% reduction in embodied carbon emissions at our developments by 2030
- Delivering a 75% reduction in operational carbon emissions across our portfolio by 2030
- Creation of a Transition Fund, resourced by an internal carbon fee of £60/tonne on the embodied emissions of new developments, to finance the retrofitting of our standing portfolio as well as low-carbon research and development.

A 2019/20 example of British Land working towards Net Zero Carbon is our 100 Liverpool Street development. To reduce embodied carbon, half of the existing structure has been retained and the use of low-carbon materials was prioritised. We are targeting BREEAM Excellent and an EPC A to ensure operational efficiency, using recycled materials and alternatives to cement, and using smart-enabled to optimise operational efficiency.

In addition, 1 Triton Square is an outstanding example of how British Land is working towards achieving Net Zero Carbon across their portfolio using a progressive whole-life carbon approach. Overall, the 1 Triton Square development and operational efficiencies will avoid an estimated 62,000 tonnes of carbon over 20 years, with 56% less embodied carbon than a typical new build and 43% greater operational efficiency than a typical commercial building.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

Verification/assurance status

Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 British Land Verification 2020.pdf

Page/ section reference

Page 1-2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 British Land Verification 2020.pdf

Page/ section reference

Page 1-2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 British Land Verification 2020.pdf

Page/ section reference

Page 1-2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3 (upstream & downstream)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 British Land Verification 2020.pdf

Page/section reference

Page 1-2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Progress against emissions reduction target	ISAE3000	DNV-GL provided assurance in 2019/20 on our carbon intensity reduction target (C4.1b). This target applies to our managed portfolio which comprises of 83% of our assets under management (by value). For further information please see our Sustainability Accounts 2020 (Figure 22 on p.26). Assured data is indicated by 'A' symbol above Figures and is detailed in the Independent Assurance section (p. 74-75). BL Sustainability Accounts 2020.pdf
C4. Targets and performance	Renewable energy products	ISAE3000	DNV-GL provided assurance in 2019/20 on our percentage of electricity from renewable sources (C4.2). This target applies to our managed portfolio which comprises of 83% of our assets under management (by value). For further information please see our Sustainability Accounts 2020 (Figure 25 on p.28). Assured data is indicated by 'A' symbol above Figures and is detailed in the Independent Assurance section (p. 74-75). BL Sustainability Accounts 2020.pdf
C4. Targets and performance	Emissions reduction activities	ISAE3000	DNV-GL provided assurance in 2019/20 on our annual energy efficiency investment and savings (C2.3a; C4.3c). This data covers our managed portfolio which comprises of 83% of our assets under management (by value). For further information please see our Sustainability

			Accounts 2020 (Figure 17 on p.20). Assured data is indicated by 'A' symbol above Figures and is detailed in the Independent Assurance section (p. 74-75). BL Sustainability Accounts 2020.pdf
C8. Energy	Other, please specify Energy consumption totals	ISAE3000	DNV-GL provided assurance in 2019/20 on our annual energy consumption (C8.2a). This data covers our managed portfolio which comprises of 83% of our assets under management (by value). For further information please see our Sustainability Accounts 2020 (Figures 25, 26 and 28 on pages 28, 29 and 31). Assured data is indicated by 'A' symbol above Figures and is detailed in the Independent Assurance section (p. 74-75). BL Sustainability Accounts 2020.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Other carbon tax, please specify

UK Climate Change Levy

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Other carbon tax, please specify

Period start date

April 1, 2019

Period end date

March 31, 2020

% of total Scope 1 emissions covered by tax

100

Total cost of tax paid

1,395,000

Comment

UK Climate Change Levy: reporting on all energy procured for managed portfolio

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Strategy for compliance: British Land fully complies with these climate regulations. To limit the cost of compliance, we target the delivery energy savings across our managed portfolio. We maintain a robust system for reporting energy consumption (UL's cr360 platform). This data is used to track asset performance and to identify any potentially underperforming assets.

Example of British Land applying this strategy: Our strategy is integrated into of our process of acquiring of a new property. Our Sustainability Brief for Acquisitions mandates the review of energy-related criteria at several stages of the process:

1. Investment Critical Sustainability Checklist: prior to an offer being made, British Land reviews the EPC/DEC energy efficiency rating and the associated risk/opportunities
2. Due Diligence Sustainability Checklist: between the offer on a property and the exchange, a Due Diligence report is prepared and will include (i) whether the property has sub-metering and if yes, to what extent, (ii) whether the property contains any unique energy supply features like CHP or wind turbines, (iii) copies of EPC and DEC certificates, (iv) a summary of recommended efficiency improvements from the EPC report

Upon acquiring the property, modern metering systems are installed, allowing us to understand the new asset and manage its performance.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

- Navigate GHG regulations
- Drive energy efficiency
- Drive low-carbon investment

GHG Scope

- Scope 1
- Scope 2
- Scope 3

Application

This internal price of carbon applied to London property developments as part of the Section 106 calculations based upon the Part L regulation. The new London Plan requires Local Planning Authorities to set up carbon offset funds to collect 'carbon offset payments' (revenue-raising

carbon taxes) from developers to meet any carbon shortfall from new development. If the GLA is satisfied that a property development has maximised on-site reductions, but the development is still falling short of achieving net zero carbon, the property developer is expected to make a cash-in-lieu contribution to the relevant LPA's carbon offsetting fund.

Actual price(s) used (Currency /metric ton)

60

Variance of price(s) used

Uniform pricing, mirrors the Greater London Authority's recommended price for 'carbon offset payments'.
(https://www.london.gov.uk/sites/default/files/carbon_offset_funds_guidance_2018.pdf)

Type of internal carbon price

Shadow price

Impact & implication

This internal price is incorporated into the planning process of our Developments team as an incentive for the development of energy efficient properties.

From next year (2020/21), we will apply an additional internal carbon fee on the embodied emissions of property developments following practical completion. This internal payment will (i) purchase certified carbon offsets to ensure the development is net zero embodied carbon, and (ii) be ring-fenced for the retrofitting of our existing portfolio.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Other, please specify

Design efficiency, embodied emissions

% of suppliers by number

20

% total procurement spend (direct and indirect)

60

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Rationale: For more than ten years, our Sustainability Brief for Developments has been driving improvements in construction site management, efficient designs for energy and water use, and enhanced biodiversity. This includes the climate-related topics of energy efficiency, embodied carbon, and flood risk. We have been analysing the embodied carbon of our developments since 2009, commissioning studies across our development programme and detailed studies, for example at 1 Triton Square and 100 Liverpool Street. These studies highlighted the climate significance of energy and material use on our developments, particularly the fabrication of steel and concrete. Scope: We have been working with supply chain partners to achieve development-specific sustainability targets since 2011. This includes reducing embodied carbon by designing out material usage and specifying use of lower-carbon sources of concrete, steel, rebar, aluminium, and glass. Our Sustainability Brief sets out requirements and targets around carbon for developments: (i) Overall: All projects are to attain an EPC rating of at least 'B' and install at least 95% energy efficient lighting. (ii) For projects over £5m in value: Office design should achieve 50 kWh/m² landlord energy using

CIBSE TM54 modelling. In Residential design, white goods must have EU Energy Efficiency ratings of A+ to B. (iii) For projects over £25m in value: Office design to review against the NABERS star rating and identify the development's likely operational rating. All sites to achieve a 15% reduction in embodied carbon against the concept design. In 2020, a fundamental shift in our approach to design over the course of the programmes has enabled us to slightly exceed our target of a 15% reduction.

Impact of engagement, including measures of success

Our recent success materially reducing the embodied carbon within 1 Triton Square and 100 Liverpool Street highlights that we can commit to prioritising retrofit wherever viable in future development.

Our approach to carbon-efficient design and the use of low-carbon materials has reduced the embodied carbon of these two projects by 16% versus concept design.

At 1 Triton Square, our progressive whole-life carbon strategy will avoid an estimated 62,000 tonnes of carbon over 20 years, with 56% less embodied carbon than a typical new build and 43% greater operational efficiency than a typical commercial building. This reduction is a significant saving that exceeds the ambitious carbon reduction targets required to meet the UK's commitment to the Paris Climate Agreement. Due to COVID-19, work on the developments was suspended for a period, with 100 Liverpool Street now expected to complete towards to end of 2020, and 1 Triton Square completing in mid-2021.

At 100 Liverpool Street sustainability has been integral to the design and delivery of this buildings; by retaining half of the existing structure we have saved 7,200 tonnes of embodied carbon and are on track to save a further 4,100 tonnes through carbon-efficient design and use of low carbon materials.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

30

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Rationale: We support office occupiers' own energy reduction initiatives through our Building Management Groups in each office building. These collaboration initiatives futureproof our portfolio, including assistance in preparing for increasingly stringent regulatory requirements like the Energy Act and MEES Regulations.

During 2019/20, we conducted the following tenant engagement activities:

- Provided tenants with feedback on energy/water consumption and waste (47% of managed portfolio floor space);
- Building asset communication (47%);
- Social media/online communications (37%);
- Tenant engagement meetings (45%)
- Tenant events focused on increasing sustainability awareness (36%);
- Tenant sustainability guide (28%);
- Tenant sustainability training (27%).

Scope of the engagement:

- We liaise with occupiers on the environmental performance of our buildings via monthly occupier meetings; access to real time metering data (where our smart metering systems are installed) and targeted communications.
- We provide occupiers with our Fit Out Guide, with guidance on how to undertake an energy efficient fit out.
- We report occupier and building management performance and share best practice. All of our offices have had in-depth energy performance

reviews undertaken, highlighting opportunities for further energy reductions either through management actions or replacement of plant.

•We fund energy monitoring services for over 50 office occupiers, providing half-hourly data, to give visibility on out-of-hours lighting use and small power demand in occupiers' demises.

Impact of engagement, including measures of success

We measure the success of this engagement through progress against our targets to reduce landlord-influenced carbon intensity and energy intensity across the managed portfolio. Over the past 10 years we have reduced landlord-influenced (common parts and shared services) carbon intensity of our managed portfolio by 73% (2009 baseline). We have achieved a 55% reduction in landlord-influenced energy intensity across our managed portfolio since 2009 and saved approximately £18 million gross in energy costs since 2011/12.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Better Buildings Partnership

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Extract from website: To get close to the carbon emission reductions required to slow the impacts of climate change, we have to make sure all businesses understand how to use their space efficiently and productively to make a shift towards a sustainable economy. Then the property industry can get on with delivering better buildings. It's a big challenge but the BBP members have shown already what can be achieved, so it's clearly not impossible.

How have you influenced, or are you attempting to influence their position?

Regular participation in meetings, committees and informal discussions. British Land was a founding signatory of the BBP Climate Change Commitment to publish and report against our pathway to Net Zero Carbon and the adoption of a comprehensive climate change resilience strategy. In addition, as a Pioneer Member of BBP's Design for Performance Initiative we contribute to funding the project and commit to implementing the Design for Performance approach on at least one major office development in British Land's pipeline. Our Pioneer Project was recently announced to be our development 1 Broadgate (<https://www.betterbuildingspartnership.co.uk/our-projects/design-performance/pioneer-projects>).

Trade association

British Property Federation

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Buildings alone generate almost half of all CO2 emissions in the UK - 27% from the 26 million residential dwellings and 17% from the 2 million non-domestic buildings. The BPF has a dedicated team for sustainability issues, reflecting the priority which its leading members place upon issues of climate change and resource efficiency.

How have you influenced, or are you attempting to influence their position?

British Land's CEO sits on BPF's Policy Committee and regularly participates in meetings, committees and informal discussions to assist with setting BPF's policy.

Trade association

UK Green Building Council

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Extract from website: Our built environment is vital in the fight against climate change as about 45% of CO2 emissions in the UK come from energy used in our homes and buildings. We need to almost completely decarbonise our built environment by 2050, through a combination of very high energy efficiency of buildings, on-site renewable energy, community scale renewables and decarbonisation of the grid. UK-GBC sees embodied carbon as an increasingly important area for all sectors of the built environment to actively address and are working with their members to assist them in the process of making buildings more resource efficient. Globally, the built environment accounts for 40-50% of natural resource use, 20% of water use, 30-40% of energy use and around a third of CO2 emissions. The new homes, offices and other buildings which the industry designs and develops every year are an opportunity to make sure that the built environment has a positive contribution to the environment, economy and our quality of life.

How have you influenced, or are you attempting to influence their position?

Regular participation in meetings, committees and informal discussions.

Trade association

Confederation of Business and Industry

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Extract from website: Energy is essential for the UK's economy to function and grow. Ensuring that we maintain a secure, affordable and low-carbon supply is vital to British business. Additionally, we must continue to use energy more efficiently across our homes and industry. The CBI

is lobbying for government to provide a long-term, stable policy framework to enable continued business innovation and investment in the UK's low-carbon transition.

How have you influenced, or are you attempting to influence their position?

The Head of Corporate Affairs and Sustainability at British Land sits on CBI's London Council, helping to improve London's resilience and looking at how businesses can accelerate their environmental progress.

Trade association

European Public Real Estate Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Extract from EPRA website: "Voluntary sustainability reporting has become increasingly common in the European real estate sector - particularly among larger listed real estate companies. The growing policy debate over the past years has led to mandatory sustainability reporting regulation at both country and EU level. Investor's interest in non-financial data has also grown rapidly. In response to this, since 2011, EPRA is actively influencing the debate through different initiatives including the development of Sustainability BPR and guidance for European listed real estate companies."

How have you influenced, or are you attempting to influence their position?

The CEO of British Land is a board member of EPRA and thus regularly participates in meetings, committees and informal discussions.

Trade association

Accounting for Sustainability

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

A4S aims to inspire action by finance leaders to drive a fundamental shift towards resilient business models and a sustainable economy. To do this, A4S has three core aims. 1). Inspire finance leaders to adopt sustainable and resilient business models 2). Transform financial decision making to enable an integrated approach, reflective of the opportunities and risks posed by environmental and social issues 3). Scale up action across the global finance and accounting community.

How have you influenced, or are you attempting to influence their position?

Our Chief Financial Officer is a Member of the Accounting for Sustainability CFO Leadership Network. British Land have signed A4S' CFO statement of support, committing British Land to a 1.5-degree target alignment, SBTi targets and a net zero pathway.

Trade association

London First

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

London First was set up by business leaders with the belief that by harnessing business assets (such as research, insight, advocacy, marketing power and leadership) we can drive positive change. London First operate as a business campaigning force, with over 200 members, and are uniquely placed to champion the city. Through giving employers a powerful voice, prioritising the critical interventions needed to keep the capital competitive and connecting with allies to create solutions, London First helps the UK to succeed as one.

How have you influenced, or are you attempting to influence their position?

The Head of Corporate Affairs and Sustainability at British Land is now on London First's Net Zero Working Group, helping to decide what's needed to accelerate the delivery of the net zero agenda within a London Context.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Two members of the Sustainability Committee represent environmental and social issues on our Public Affairs Committee. This ensures our direct and indirect policy-influencing activities are consistent with our climate change strategy. The Public Affairs engagement strategy is approved by our Executive Committee.

On an annual basis the Public Affairs Committee reviews all third party organisations that British Land supports – who can be said to speak on our behalf. We review our membership and support as well as the organisations’ activities around climate change and other matters.

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

 Annual-report-and-accounts-2020.pdf

Page/Section reference

Integration of ESG targets in overall business strategy on pages 23-25, 39, 55, 59, 65, 78, 83, 84, 94, 95; stakeholders engagement on pages 32-33; 2030 sustainability strategy on pages 40-41; non-financial reporting disclosure on page 47; TCFD disclosure on pages 42-45; and sustainability performance on pages 221-223.

Content elements

Governance

Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 2020-BL-Sustainability-Accounts.pdf

Page/Section reference

Performance data related to climate change activities is reported in the 'Futureproofing' section of the Sustainability Accounts: page 11 (Fig. 1) and pages 19 through 38 (Fig. 14-39).

Content elements

Emissions figures
Emission targets
Other metrics

Comment

In addition to emissions figures and targets, we report on energy consumption and intensity and climate risk metrics such as assets exposed to flood risks and assets with poor EPC ratings.

Publication

In voluntary communications

Status

Complete

Attach the document

Page/Section reference

Website: <https://www.britishland.com/sustainability>

Content elements

Emissions figures

Emission targets

Other metrics

Comment

We report on our response to climate change and GHG emissions performance on our website. In addition, we publish our CDP response on the website at <https://www.britishland.com/sustainability/reporting/earlier-reports/2019>.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Please find attached our RE100 reporting spreadsheet



 British Land - RE100 Reporting Spreadsheet 2020.xlsx

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms