

NON-EXECUTIVE CHAIR'S INTRODUCTION CONTINUED



Board activity

In addition to standing items such as the Management Report, General Counsel and Company Secretary Report and Committee updates, the following matters were among material items discussed during the year:

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| May 2023 | <ul style="list-style-type: none"> - Reappointment of Tim Score as Chair until the conclusion of the 2024 AGM - Approval of the 31 March 2023 Annual Report and Accounts and Preliminary Announcement, including full year risk disclosures - Approval of the FY23 Final Dividend - Approval of principal risk assessment and risk appetite |
| July 2023 | <ul style="list-style-type: none"> - Canada Water performance update - Technology strategy review |
| September 2023 | <ul style="list-style-type: none"> - Approval of the disposal of portfolio of data centres for £125m - Value creation strategy review - Approval of debt facilities - Governance reporting update - Appointment of Amanda Mackenzie as a Non-Executive Director with effect from 1 September |
| November 2023 | <ul style="list-style-type: none"> - London office occupational update from CBRE - Approval of the FY24 Interim Results & Dividend - NED and Executive Committee mentoring update - Appointment of Mary Ricks as a Non-Executive Director with effect from 1 November |
| January 2024 | <ul style="list-style-type: none"> - Approval in principle of a JV with Royal London Asset Management Limited in respect of 1 Triton Square - Employee engagement survey results analysis - Review of workforce diversity and succession plans |
| March 2024 | <ul style="list-style-type: none"> - Appointment of Amanda James as a Non-Executive Director with effect from 1 July 2024 - Appointment of William Rucker as Chair Designate, with the appointment as Chair to take effect from the conclusion of the 2024 AGM - Approval in principle for the build contract and pre-let of 2 Finsbury Avenue, subject to the finalisation of terms (which occurred in April 2024). |

AGM

Our AGM will once again be held at Storey Club, 100 Liverpool Street at 11:30am on Tuesday 9 July 2024. Last year, we were delighted that a slightly later start time enabled many more shareholders to attend. We will continue to host the event as an in-person meeting only, without virtual connectivity given the extremely low levels of virtual attendance. Full details can be found within the Notice of Meeting.

Stakeholder engagement and principal Board decisions

The nature of our business, from investing in and developing properties to managing and curating our spaces, means we have a continuous dialogue with a wide group of stakeholders and consider our environmental and social impacts in all that we do. This approach is embedded in our culture, is central to our purpose and flows through all levels of the organisation. Our formal section 172 Statement is within the Strategic Report on page 12 and our Workforce Engagement Statement is incorporated within the report of the ESG Committee on page 107.

The following depicts the process that is followed for all Board decisions.

Stakeholder engagement

Bottom-up stakeholder engagement assessing the needs of each relevant stakeholder group



Management action

Executive-level scrutiny and challenge over management proposal with consequential refinements of the idea



Proposal and checklist

Checklist appended to each decision paper detailing the impact on every s.172 stakeholder group



Board meeting and decision

The Board ultimately makes a decision based on shareholder benefit, whilst taking into account the impact on all stakeholders

PRINCIPAL BOARD DECISIONS

The following principal decision shows how engagement with the Company's stakeholders and the other elements of s.172 impact major decisions taken by the Board.

2 Finsbury Avenue capital commitment

In March 2024, the Board approved in principle the Company's share of the capital commitment required for the Broadgate joint venture to enter into the main build contract and agreement for lease at 2 Finsbury Avenue.

The decision, in April 2024, to commit to the development was the culmination of several years of work across the business and with GIC, our joint venture partner. The following describes the principal components of s.172 that were considered in reaching a decision.

Reducing our impact on the environment

The Investment Committee first reviewed the design proposals in 2021 and challenged the development team on two successive occasions to reduce the embodied carbon levels of the building, before it progressed to the latter stages of design. The design improvements made as a result of this challenge mean that 2 Finsbury Avenue will

create a new benchmark for highly sustainable workspace in central London with expected BREEAM Outstanding, WELL Platinum, EPC A and NABERS 5-star ratings. The design improvements have also been embedded into the British Land design process for all future office developments.

Suppliers and customers

The build contract secures a multi-year commitment for Sir Robert McAlpine, our development partner that has worked across the Broadgate development since 2016. More broadly, it also secures work for a large range of suppliers and sub-contractors all of whom are integral to delivering a building of the scale of 2 Finsbury Avenue. The Board carefully considered the impact of the timing of this development and the impact that any delay would have on our development partner and supply chain partners.

Simultaneously, when signing the build contract, the joint venture entered into an Agreement for Lease with Citadel Securities in respect of

252,000 sq ft with an option to acquire an additional 130,000 sq ft. The Board considered the impact on the customer of not delivering the space in the timescale that had been subject to intense discussion over a long period of time with Citadel.

A view to the future

The Board considered the availability of super prime office space when 2 Finsbury Avenue is due to complete in 2027. It is projected that super prime space will be very undersupplied in 2027, which drives the opportunity to capture even greater rental growth.

The Board considered the impact of deploying a material amount of capital into an office development up to 50% pre-let against the context of future capital commitments and investor sentiment in respect of offices. The Board regarded the high quality of the building, record rental levels secured within the agreement for lease and future growth prospects as compelling reasons to proceed.

First-class developer

2 Finsbury Avenue will stand as the flagship asset at the Broadgate campus and represent the very best office space available in the City of London when it completes in 2027, supporting British Land's reputation as a first-class office developer.



2 Finsbury Avenue
CGI