



CARBON DISCLOSURE PROJECT

CDP 2012 INVESTOR – CDP 2012 INFORMATION REQUEST

THE BRITISH LAND COMPANY PLC

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INTRODUCTION

0. INTRODUCTION

0.1 Introduction

Please give a general description and introduction to your organization

British Land is a leading European property company and the second largest property company in the UK. Our shares are fully listed on the London Stock Exchange (BLND) and we have ADRs which are traded in the US on the over the counter market.

The Group became a real estate investment trust (REIT) in 2007. Under UK law, UK REITs have special tax status which allows investors to invest in listed UK property companies as if they owned the assets directly themselves, without being tax disadvantaged.

Our objective is to be the premier UK commercial real estate company and deliver sustainable returns to our shareholders through a balance of capital growth and dividend distribution.

We focus on prime retail and office properties, mainly in the UK, which attract high-quality occupiers committed to long leases. We own properties directly, as well as through investment funds and joint ventures. As at 31 March 2012, British Land's total properties owned or under management were valued at £15.8 billion, of which its share was £10.3 billion. 61% of the portfolio is invested in retail and 35% in offices. Over 97% of the assets are located in the UK with the balance in Continental Europe, principally Spain, Portugal and France.

Managing our environmental, economic and social impacts is central to the way we do business and to delivering value for our shareholders.

This year, more than ever, we've focused on achieving results on the sustainability issues that matter most to us and our key stakeholders. Our business is built on meeting the requirements of our customers, and this is reflected in our approach to corporate responsibility.

We're delighted to report that we've exceeded our three-year energy target, achieving a 27% reduction across our entire like-for-like portfolio, reducing our carbon emissions by 24,500 tonnes and saving our occupiers £3.3 million over the last three years. We've also continued to secure consistently high sustainability ratings across our development programme.

We recognise that the issues that matter most to our business and our key stakeholders change. Indeed the fast moving external landscape is one of the key challenges in this area. For instance, since our last Report, the Government has introduced a new Energy Act and the Localism Act, both of which have significant implications for our sector. There is also an increased focus on businesses financially quantifying their environmental and social impacts.

We assess the issues that matter most to us and our stakeholders. This year, we commissioned a study of our carbon footprint and the second review of our socio-economic contributions.

Of our previous focus areas, we've now integrated enhancing biodiversity into how we're managing buildings efficiently and developing sustainable buildings. Exceeding customers' expectations is part of everything we do, as we work to become the partner of choice for occupiers, delivering outstanding service and high-quality buildings in well-managed environments. We've recognised this by incorporating it into our corporate responsibility drivers.

Our focus areas for 2013 are:

1. Managing buildings efficiently
2. Supporting communities
3. Developing sustainable buildings
4. Engaging staff.

Of these, supporting communities will be our highest priority. Managing buildings efficiently and developing sustainable buildings are more mature activities, where we've achieved good results but recognise there is more that we can do. Engaging staff reflects work already begun in 2011 and our desire to improve staff engagement further. For each of our focus areas, we target our efforts and resources at the properties, developments and initiatives where we can achieve the biggest impacts. Next year, we'll also work with our stakeholders to further prioritise issues within each of our focus areas.

0.2 Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day (DD) / month (MM) / year (YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Fri 01 Apr 2011 - Sat 31 Mar 2012

0.3 Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country

United Kingdom

France

Italy

Portugal

Spain

0.4 Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

GBP (£)

0.5 Please select if you wish to complete a shorter information request

MANAGEMENT

1. GOVERNANCE

1.1 Where is the highest level of direct responsibility for climate change within your company?

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a Please identify the position of the individual or name of the committee with this responsibility

(i) The Corporate Responsibility (CR) Committee is chaired by Adrian Penfold, Head of Planning and Corporate Responsibility. Other members are senior executives who have responsibility for delivering each of our CR focus areas, being managing buildings efficiently, supporting communities, developing sustainable buildings and engaging staff. This Committee meets monthly and is responsible for developing the CR strategy and delivering its goals.

(ii) Adrian Penfold, as Chairman of the Committee, meets with Chris Grigg, our Chief Executive, at least monthly to report progress against agreed goals. The Company has established a CR Panel, chaired by Chris Grigg, our CEO, with Lucinda Bell, our Finance Director, participating alongside external advisers (including a climate change expert and community expert). This Panel met for the first time in February 2012 and agreed that its primary role was to challenge and provide insights for the CR strategy in a fast changing landscape. We will appoint a wider range of advisers to this Panel and report who they are in our next Annual Report.

Members of the CR Committee also meet monthly with the retail and offices asset management teams to review on-going activities. In addition, there are twice yearly CR review meetings with all managing agents and construction project teams to review their progress against targets.

1.2 Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

1.2a Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Environment/sustainability managers	Monetary reward	Discretionary bonus: The remuneration of members of the Corporate Responsibility Committee is in part related to achievement of annual corporate responsibility targets, including those related to carbon emissions.
All employees	Recognition (non-monetary)	Each year we recognise our employees and suppliers through an awards scheme. This relates to delivering value, and making a difference to our customers and communities.
Other: Suppliers and contractors	Recognition (non-monetary)	Each year we recognise our employees and suppliers through an awards scheme. This relates to delivering value and making a difference to our customers and communities.

2. STRATEGY

2.1 Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company-wide risk management processes

2.1a Please provide further details (see guidance)

Scope of process

Our risk process is framed around classifying risks as either external or internal, based on the extent of our control. External environment factors are those we cannot control and must set strategy to exploit or respond to, and internal risks areas, factors which we can control. Our review of corporate responsibility risks considers those related to our focus areas. This includes risks related to climate change and carbon issues, such as:

- Physical
- Reputational
- Regulatory
- Environmental
- Occupier demands
- Financial impact

COMPANY risks/opportunities assessment, including criteria for determining materiality/priorities

Corporate responsibility risks, including those related to climate change and carbon are reviewed by the Corporate Responsibility Committee. The team assesses the issues that matter most to us and our stakeholders, considering experience over previous year, internal and managing agent feedback and results of our stakeholder engagement. From this we consider future focus areas and document the opportunities and risks, key recent regulations that have increased business exposure to risks, and how we manage them. This year's results are documented in our Corporate Responsibility Report 2012.

Our management of risks and opportunities can involve further risk and opportunity assessments:

- For assets: Flood risk assessment, Energy Performance Certificate (EPC) portfolio review, legal compliance review, asset action plans
- For projects: ISO 14001 Environmental Management System for developments, Sustainability Brief for Developments

ASSET risks/opportunities assessment, including criteria for determining materiality/priorities

- **Physical risks:** Our insurers use Environment Agency data and their own database to identify potential properties at risk of flooding and identify those at significant risk. For these recommended measures to reduce these risks are identified and reviewed by us. To supplement this assessment a consultancy was commissioned to further review our UK portfolio's flood risks, obtaining a more accurate understanding of risks. Data from the Environment Agency and our insurance provider was supplemented by a portfolio wide flood risk screening process tailored to the number of sites and information available. Through this process our properties were grouped by level of flood risk to enable a more comprehensive review of flood risk for the assets to be carried out prioritising the assets considered to be at greatest risk. The prioritisation of the assets is in advance of a more comprehensive review of available flood risk information for assets being considered to be at high or moderate risk. This will enable the highest risk assets to be assessed as a priority and the assets at no or low risk to be investigated no further.
- **Regulatory risks:** Commissioned a desk top study to outline legal and other environmental requirements across UK undertakings. The study looked particularly at those environmental requirements, which could, if not appropriately monitored and managed put us at risk [financial, legal and reputational]. We agreed the properties at potential risk considering the results of desk top study. The aim of audit was to confirm the level of risk and any confirm / clarify any potential breach of the applicable environmental legislation. The audits consisted of a survey of the common areas. A separate report was produced and delivered to the respective managing agents for appropriate action. Within audit a level of risk was determined using the methodology below:
 - No of Level 2 Risks (n2) x Multiply by Risk Coefficient = 1 x
 - No of Level 3 Risks (n3) x Multiply by Risk Coefficient = 10 x
 - No of Level 4 Risks (n4) x Multiply by Risk Coefficient = 100 x
 - No of Level 5 Risks (n5) x Multiply by Risk Coefficient = 1000 x
 - Total No of Risks (N) x T x
 - Where N = n2 + n3 + n4 + n5 and Where T = t2 + t3 + t4 + t5
 - Overall Compliance Coefficient (f) = T / N
 - N Divided by T = 1

Using the following an overall Risk Compliance Rating is determined;

- Where f is 0 Compliance Risk Rating = Tolerable
- Where f is between 0 and 99.99 Compliance Risk Rating = Moderate
- Where f is between 100 and 499.99 Compliance Risk Rating = Substantial
- Where f is over 500 Compliance Risk Rating = Intolerable
- EPCs undertaken on all office assets and actions to undertake pilot EPC projects across our retail portfolio.

PROJECT level risks/opportunities assessment, including criteria for determining materiality/priorities

- **Acquisition risks:** Sustainability Brief for Acquisitions requires identification of EPC rating; this is investment critical information. During due diligence phase required to investigate energy supply and EPC recommendations further. Policy to undertake flood risk assessment for all new assets, except when believe no prospect of flood risk.
- **Development risks:** ISO14001 certified EMS and Sustainability Brief for Developments requires review and delivery of sustainability objectives and targets to manage potential impacts and benefits of a project.

Frequency of monitoring

- Register of Principal Risks and Uncertainties at least twice annually.
- Asset compliance risks annually; flood risks by insurers regularly; more detailed study is a one-off commission. Assets susceptible to climate change reviewed again in 2015. EPCs updated every ten years. Asset plans assessed annually.
- Project teams report performance metrics monthly.

To whom the results are reported

- ARK results are reported quarterly to the PLC director responsible and annually to the Board in summary form
- Flood risk results are reported to the Board via the Audit Committee
- EPC report results, specifically reporting F and G assets, are reported to the Board via the Audit Committee
- Portfolio performance results are reported annually to the Board.

Results are also reported to:

- Company and portfolio performance results to internal and external stakeholders via Annual Report & Accounts and Corporate Responsibility Report.
- Asset results reported to Asset Managers and managing agents in asset management planning meetings.
- Project results reported to Project Teams in project management meetings.

2.2 Is climate change integrated into your business strategy?

Yes

2.2a Please describe the process and outcomes (see guidance)

(i) How the business strategy has been influenced

Our principal risks around operational, legal and other risks are directly or indirectly affected by climate change mitigation or adaptation matters. Our strategies to manage the risk of reduced occupier demand, planning risks at our developments and failure to execute appropriate property investment and development strategies materialise in our climate change management strategy, particularly through the establishment of internal processes related to due diligence, development management and asset management. These are documented and communicated primarily in our Sustainability Briefs.

Our corporate responsibility team develops and manages our strategy in line with corporate priorities. It acts as a catalyst for change, exploring new concepts and trends, testing them and, where appropriate, helping to embed them in business as usual. The CR team meets each month to review progress against our strategy, as well as holding regular meetings with staff and suppliers across our business. These include monthly meetings with our retail and office teams and twice yearly meetings with all managing agents and construction project teams. The Chair of the CR committee meets our Chief Executive at least monthly to report on progress against agreed goals. He provides update reports to our Board each quarter and a review of performance and strategy each year.

(ii) What climate change aspects have influenced the strategy

- Assessment of physical climate change risks and opportunities including recent flood risk assessments, government indicators regarding investment in flood defences and feedback from insurers have informed strategic discussions regarding our flood policies, insurance and asset plans.
- Assessment of regulatory risks and opportunities including EPCs and the requirements of the Energy Action 2011 have informed our EPC policy, acquisition policy and asset improvement plans.
- Reputational risks and opportunities, including occupier requirements, have also informed our acquisition policy and portfolio asset plans.
- Regulatory compliance and climate change mitigation have been the focus for our managed assets and development projects; development projects also consider adaptation through innovative design. In terms of climate change topics we have focussed on energy reduction, primarily due to stakeholder demand, and flooding due to increased exposure risks.

All of the above have been considered in the formulation of our targets. E.g., we have a climate change related target 'to achieve 40% less landlord-influence energy use across our existing portfolio by 2015, compared to 2009'.

(iii) The most important components of the short term strategy that have been influenced by climate change

Short-term refers to one year.

- **Asset energy performance:** We have a confirmed minimum energy performance standard not to purchase F or G rated assets without explicit actions in the asset plan on how to improve the EPC rating, unless the Investment Committee decides otherwise. For all new lettings we will consider the actions required to improve an EPC rating above F. We undertook EPCs across entire office portfolio and confirmed no exposure to Energy Act minimum requirement of E. We targeted landlord energy use reductions; remain certified to the Carbon Trust Standard; have voluntarily rolled out landlord energy ratings in 18 buildings, sharing our data with others; worked with occupiers to support their efforts to reduce resource use; implemented initiatives including energy optimisation process, lighting upgrades and, where appropriate, accelerated plant replacement.
- **Asset flood risk management:** Flood risk study commissioned to better understand risks and mitigation required and due to be completed by 2013.
- **Understanding carbon impacts:** Commissioned a study by Arup, in light of new GHG Scope 3 guidance from WRI, to check we are focusing on right issues and identify potential gaps in carbon reduction strategy. We now have a 2013 Management Action to close two identified gaps in footprint.
- **Stakeholder engagement:** We took leading role with Better Buildings Partnership to introduce a landlord operational energy scheme for multi-let offices in FY2012. We have engaged Camco and The Usable Buildings Trust to draft technical spec for this rating tool. In 2011, we ran pilot using LES-TER methodology to determine the shortcomings of the LES-TER tool. We fed into the specification process for the new tool.

(iv) The most important components of the long term strategy that have been influenced by climate change:

Long-term refers to beyond one year.

- **Asset energy performance:** We have a confirmed minimum energy performance standard not to purchase F or G rated assets without explicit actions in the asset plan on how to improve the EPC rating, unless the Investment Committee decides otherwise. For all new lettings we will consider the actions required to improve an EPC rating above F.
- **Asset flood risk management:** Flood risk study commissioned to better understand risks and mitigation required and due to be completed by 2013.
- **Developments:** ongoing consideration of adaptation in the design of our developments; building in flexibility and future-proofing. Set 2015 target to get planning permission for a showcase sustainable building and 2013 management actions to review procurement on current developments to drive responsible procurement on future developments, focusing in part on embodied carbon.
- **Stakeholder engagement:** Developments 2013 management action to work with the UK GBC and other industry bodies to influence the development of building regulations for energy efficiency.

(v) How this is gaining strategic advance over competitors

We are increasingly able to demonstrate the impact of our energy reduction initiatives to occupiers, such as a 27% reduction in landlord-influenced energy over the last three years, and work with them to support their own climate change objectives, thereby supporting our broader occupier relationship management objectives.

Almost 90% of our office occupiers independently surveyed in 2011 stated that our sustainability initiatives added value to their operations.

(vi) What are the most substantial business decisions made during the reporting year that have been influenced by the climate change driven aspects of the strategy:

Our new policy regarding the purchase and letting of F or G rated assets; ongoing roll out of the energy monitoring and management system across our larger office and shopping centre portfolios; commission of comprehensive flood risk assessment review of our portfolio.

2.3 Do you engage with policy makers to encourage further action on mitigation and/or adaptation?

Yes

2.3a Please explain (i) the engagement process and (ii) actions you are advocating

1. (i) Method of engagement:

We engage with our peers and industry experts through a number of sector associations including Better Buildings Partnership (founding member), British Property Federation (BPF), Commercial Landlords Accreditation Scheme (CLAS), Real Service, DECC and UK Green Building Council (founding member).

(ii) and (iii) Topic and nature of engagement:

In particular we have taken part in the following this year:

- EPRA Sustainability Reporting Best Practices Recommendations: working group member to produce industry guidance on range of sustainability topics.
- Better Buildings Partnership Green Buildings Management Group: Justin Snoxall, Head of Business Group was Chairperson of this working group to produce industry guidance on occupier engagement on sustainability issues.
- Better Buildings Partnership response to the CLG Consultation 'Making Better Use of Energy Performance Certificates and Data': consultee
- Global Real Estate and Sustainability Benchmark: responded to consultation on revised sustainability survey.
- UK Green Building Council: participant in consultation group to respond to the UK Carbon Plan, particularly plans regarding extension of Display Energy Certificates (DECs).
- Direct engagement with DECC on individual basis in relation to CRC and the Green Deal.

We also take part in industry research and guidance. This year this included the following: Carbon Trust 'Raising the Bar' publication.

2. (i) The above were focussed on advocating actions regarding climate change mitigation:

- Regarding DECs that their application be extended.
- Regarding EPRA's Best Practices Recommendations that they be adopted across the industry.

3. TARGETS AND INITIATIVES

3.1 Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

3.1a Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO ₂ e)	Target year	Comment
ANN-1	Scope 1+2+3	58%	6%	2011	93,690	2012	This target is to reduce like-for-like energy use (common parts and shared services) by 6% across our managed office portfolio.
ANN-2	Scope 1+2+3	10%	4%	2011	16,328	2012	This target is to reduce like-for-like energy use (common parts and shared services) by 4% in our shopping centres.
ANN-3	Scope 1+2+3	3%	2%	2011	4,616	2012	This target is to reduce like-for-like energy use (common parts and shared services) by 2% in our retail parks.
MED-1	Scope 1+2+3	42%	20%	2009	74,411	2012	This target is to reduce managed energy use by 20% for each property type by 2012, compared to 2009.

3.1d Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
ANN-1	100	100	We exceeded our target to reduce like-for-like energy use (common parts and shared services) by 6% across our managed office portfolio. We achieved reductions of 12% in office common parts and 13% in offices shared services.
ANN-2	100	100	We exceeded our target to reduce like-for-like energy use (common parts and shared services) by 4% across our managed shopping centres. We achieved a 10% reduction.
ANN-3	100	100	We exceeded our target to reduce like-for-like energy use (common parts and shared services) by 2% across our managed retail parks. We achieved an 8% reduction.
MED-1	100	100	We exceeded our target to reduce managed energy use by 20% for each property type by 2012, compared to 2009. We achieved a 27% reduction.

3.2 Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a Please provide details (see guidance)

i) How the emissions are/were avoided

Occupiers operating in more carbon-efficient buildings will avoid the production of carbon emissions such as from energy use.

- **Developments:** We consciously seek to design buildings which, in operation, will emit less GHG emissions than the UK building regulations require. We also work with our construction supply chain to reduce emissions associated with the manufacture of our developments.

For the last few years, we've been working with our development supply chain to understand the scale and sources of emissions associated with the manufacture of construction materials, their transport to site and their erection on site. This year, we began making decisions which will reduce this element of our carbon footprint. Our design teams for 5 Broadgate and Marble Arch House conducted investigations into the embodied carbon of these building elements, seeking to design out material usage and to specify lower carbon sources of concrete and aluminium.

At 5 Broadgate, the design is on track to reduce the construction carbon footprint by 4% compared to the concept baseline, after a specific structural frame solution was chosen and the amount of steel used in the façade was cut. Although 4% may sound small, the absolute figures are significant: 3,300 tonnes CO₂e, equivalent to the annual external lighting demand of our entire retail park portfolio.

- **Managed portfolio:** British Land has rolled out an advanced energy metering system and optimisation process across nine of our office buildings and two of our shopping centres. Our advanced metering and energy optimisation project employs new technologies and management procedures to reduce energy consumption. As part of the specification process, we developed a stringent brief with well-defined objectives that would meet our needs, as well as those of our building management teams and occupiers. These included:
 - Providing a comprehensive data reporting system for key energy users within the building
 - Introducing a remote monitoring service that identifies energy saving opportunities quickly
 - Optimising energy efficiency in British Land influenced common areas and shared services
 - Automating the occupier billing process
 - Offering a scalable system across multiple buildings, with online access for multiple users.
 This project offers guaranteed reductions in base-building energy use (common areas and shared services) of at least 10% in each building in coming years, through continuous improvement. British Land expects it to result in greater savings (around 20%), based on the pilot at York House. This equates to savings of 3,702 tCO₂e annually. We forecast that this initiative will save more than £400,000 each year in operating costs. We expect to recoup capital costs in each building within three years.

ii) An estimate of the amount of emissions that are/were avoided over time

Over the last three years, we've reduced landlord-influenced energy (common parts and shared services) by 27% across our like-for-like portfolio, compared to our 2009 baseline. Across our like-for-like portfolio, we've cut landlord-influenced energy intensity per m² by 26% in our offices, 31% in our shopping centres and 25% in our retail parks.

iii) The methodology, assumptions, emission factors and global warming potentials used for your estimations;

- **Developments:** This LCA assessment was undertaken in accordance to BS EN ISO 14040. The whole life carbon performance model evaluated from "Cradle to end of operation". It includes predicted CO₂ emissions associated with demolition activities, production of raw materials, transport of materials to site, construction activities, and operational energy consumption. The following assumptions were made
 - Decarbonisation of UK power grid will be according to DECC projections
 - 60 year life time based on life expectancy for steel frame (Up to first major refurbishment)
 Carbon factors sources
 - Embodied carbon factors - Hammond, G., Jones, C., 2006. Inventory of Carbon & Energy (ICE) Version 2.0
 - Transport carbon factors: DEFRA, 2010, Guidelines to Defra / DECCs Greenhouse Gas Conversion Factors for Company Reporting
 - Life expectancy: BCIS, 2006. Life Expectancy of Building Components. 2nd ed. London: Connelly-Manton
- **Managed portfolio:** The carbon savings figure is calculated from estimated electricity and gas savings in kWh. It is assumed that these savings will be achieved following the initiatives. The following carbon factors (kgCO₂e/kWh) are used (from DEFRA guidance 2011):
 - Electricity Generated Scope 2 direct GHG – 0.48644
 - Electricity Generated Scope 3 life-cycle GHG – 0.06425
 - Electricity losses Scope 2 direct GHG – 0.03817
 - Electricity losses Scope 3 life-cycle GHG – 0.00481
 - Natural Gas Scope 1 direct GHG – 0.20423
 - Natural Gas Scope 3 life-cycle GHG – 0.01996

iv) Whether you are considering generating CERs or ERUs within the framework of CDM or JI (UNFCCC).

No.

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

Yes

3.3a Please identify the total number of projects at each stage of development, and for those in the implementation stages, estimated CO₂e savings

Stage of development	Number of projects	Total estimated annual CO ₂ e savings (only for rows marked *)
Under investigation	0	
To be implemented*	9	96
Implementation commenced*	25	4,805
Implemented*	0	
Not to be implemented	0	

3.3b For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO ₂ e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Energy efficiency: building services	Description of activity: - Upgrade of lighting to more efficient technology - Upgrade of plant to more efficient technology with better controls - This applies to our office portfolio. Scope type: 1, 2 and 3. Voluntary / mandatory: Voluntary. Expected lifetime of the initiative: Ongoing. 10 years.	2.460	400,000	206,600	<1 year
Energy efficiency: building services	Description of activity: - Rolled out an advanced energy metering system and optimisation process - Provided a comprehensive data reporting system for key energy users within the building - Introduced a remote monitoring service that identifies energy saving opportunities quickly - Optimised energy efficiency in British Land influenced common areas and shared services - Automated the occupier billing process - Offered a scalable system across multiple buildings, with online access for multiple users. - This applies to our office and shopping centre portfolios. Scope type: 1, 2 and 3. Voluntary / mandatory: Voluntary. Expected lifetime of the initiative: Ongoing. 10 years.	3.702	500,000	1,000,000	1-3 years
Energy efficiency: building services	Description of activity: - Upgrade of lighting to more efficient technology, zoning of car parks and installation of controls across the retail portfolio - This applies to our retail portfolio. Scope type: 1, 2 and 3. Voluntary / mandatory: Voluntary. Expected lifetime of the initiative: Ongoing. 10 years.	837	117,000	31,700	<1 year

3.3c What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	We have invested in energy monitoring and management systems partially to support compliance with the Carbon Trust Standard and CRC Energy Efficiency Scheme Early Action Metrics. More importantly these systems support the identification of energy saving opportunities. We aim to exceed regulatory standards for energy efficiency in new developments
Dedicated budget for energy efficiency	Our CR programme budget covers a range of initiatives aimed at delivering our CR targets. We report on our investment annually in our CR Report. In 2011/12 we invested £1,784,607 in environmental prevention and management initiatives covering energy, water, waste and biodiversity initiatives, CRC registration, insurance costs for environmental liabilities, consultancy fees and ISO14001 certified EMS costs. For example, in our developments, we assigned project budgets for extra metering over requirement to support operational energy efficiency.
Partnering with governments on technology development	We are working on projects in two office properties funded by the UK Technology Strategy Board in collaboration with occupiers. At 201 Bishopsgate and Ropemaker we are working with Camco and Arup respectively on 2 year projects the key objectives being to: - understand the difference in design performance compared to operational performance; and - to then identify measures that can be undertaken to minimise any differences. In addition an occupier survey is being undertaken to ensure any identified initiatives do not impinge on occupier well-being within each building. The consultants are firstly developing a baseline for design, and then, using information from the energy monitoring and management system of each building, identify and assess the operational variance against the baseline for both base build and tenant use.
Internal incentives/recognition programs	Each year we recognise the people who are helping us to be the best at the sustainability issues that matter most by awarding them across a number of categories. Below is a selection of our 2011/12 winners : Energy Reduction Award - Winner (offices): Exchange House, Broadgate, Frank Harding - Winner (retail): St Stephen's Shopping Centre, Hull, Tony van der Vliet Sustainability Collaboration Award - Winner: Bunzl, York House
Employee engagement	At Head Office we have a Staff Environmental Working Group open to all British Land employees to join voluntarily; with approximately 15-20 representatives meeting monthly representing a cross-section of the business. The Group meet to discuss internal environmental initiatives, share ideas on how to improve our Head Office environmental performance. To date the Group has focussed on paper reduction which indirectly improve energy reduction in our printer/photocopier usage and facilitated the introduction of Barclays Bike Hire Scheme. This year we intend to focus on waste reduction along with green procurement. The Group focuses on initiatives behaviour change of staff. For other initiatives a proposal is prepared for senior management review. In addition we have an internal website area where staff are encouraged to share ideas, an initiatives tracker is used to monitor activities and assign responsibilities for actions. The Chair of the Group reports to Justin Snoxall, Head of Business Group. We have implemented a Green Tips of the Day initiative; a widget on all staff intranet page that provides green tips for staff on a daily basis. In addition we have a Green Suggestion Box; on our intranet all staff are encouraged to enter their suggestions.
Internal finance mechanisms	All managed properties are required to contribute to our Environmental Action Plan. 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. We have undertaken a portfolio review this year and have decided to focus our efforts on assets with an energy cost of £25,000 per annum. We believe that by focusing on these assets, it will have the biggest impact on reducing carbon across our portfolio; the 30 properties included in this make up 90% of overall carbon.

Method	Comment
Other	<p>Engagement with the supply chain - office occupier engagement: We continued to work with office occupiers to drive reductions in the areas they control, sharing information, providing support and meeting with interested occupiers each quarter. We now also provide them with six-monthly building environmental statements, which include year-on-year building management and occupier performance comparisons. British Land were the winners of the Chartered Institute of Building Services Engineers (CIBSE) Client Energy Management award for the second year running, which recognises the achievements of the building owner or occupier that most effectively makes best use of the energy it uses. The award was given to British Land who demonstrated the most effective strategy for managing energy use and making most efficient use of the energy it does consume. This strategy has been underpinned by the pioneering energy metering system and optimisation process developed by EP&T Global, which British Land has introduced at a number of their buildings, following an award winning pilot at their Head Office, York House. Energy reductions at York House have continued since this introduction and in the first three quarters of this year, landlord influenced energy use has been cut by almost 50% compared to the 2008/09 baseline, with total building savings over the last few years of £180,000 and 1,400 tonnes of carbon. We are offering all occupiers the opportunity of installing 'Eco-track' software free of charge for the initial year. This is a service offering from our existing sub-metering and monitoring provider. Energy survey will be undertaken within occupier demises to establish out of hours energy baselines where all non-essential equipment is switched off. A weekly report will then be issued to occupier highlighting where energy use has been above this baseline to highlight potential energy saving opportunities. For occupiers that don't have sufficient metering in place to allow the Eco-track software, we were also offering free of charge lighting surveys to be undertaken in order to calculate the potential to of upgrading on-floor lighting.</p>

4. COMMUNICATION

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

Publication	Page/Section Reference
In annual reports (complete)	Residential p 13; Our Key Performance Indicators p27; About Our Business p36; External Risks p40; Corporate Responsibility Risks p43; Our Corporate Responsibility Review p 56 and p57
In voluntary communications (complete)	p1-2, 5-8, 12-13, 15-21
In voluntary communications (complete)	Online CR webpage. Sections 'Our Corporate Responsibility Strategy'; 'Managing Buildings Efficiently'; 'Developing Sustainable Buildings'; 'Our Carbon Footprint'; 'Our Risks, Targets and Progress'
In voluntary communications (complete)	p4-7, 9, 11-40, 60, 66-70, 88-90, 99, 101, 119-130
In voluntary communications (complete)	Whole document

RISKS AND OPPORTUNITIES

5. CLIMATE CHANGE RISKS

5.1 Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

5.1a Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
RISK1	Emission reporting obligations	The UK CRC Energy Efficiency Scheme Introductory Phase 1 currently requires that in early 2012/13 we purchase carbon allowances for emissions incurred during 2011/12 and 2012/13 at a fixed price of £12 per tonne of carbon dioxide. We must also report emissions annually and have suitable information available in an Evidence Pack. In 2011, British Land's financial exposure to the CRC was £1.3m.	Increased operational cost	1-5 years	Direct	Virtually certain	Low
RISK2	Emission reporting obligations	The UK CRC Energy Efficiency Scheme League Table will detail our performance relative to other CRC organisations annually. The importance placed particularly by investors and occupiers on our league position is unknown at this stage.	Reduced stock price (market valuation)	1-5 years	Direct	Unlikely	Unknown
RISK3	Product efficiency regulations and standards	Revisions to the UK Building Regulation Part L are setting increasingly challenging energy and carbon minimum standards that may require us to increase capital investment in development projects. The UK Climate Change Act 2008 provisions, including policies required to meet the new carbon targets, such as a shift to renewable power may affect our future decisions and opportunities regarding energy supply and design decisions for development and refurbishment projects. The UK Energy Bill 2010-11 proposals to bring in minimum energy performance standards for buildings to lease also affect our asset development project and management capital expenditure plans. The above could result in increased capital cost in development and management of	Increased capital cost	Current	Direct	Virtually certain	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		British Land buildings and reduced value to properties with poor energy performance.					
RISK4	Product efficiency regulations and standards	The UK Energy Bill, scheduled for late 2012, will include Minimum Energy Performance Standards for buildings. This will prohibit the letting of space where there is an EPC rating of F or G. These proposals will either result in increased refurbishment cost for British Land or devaluation of assets which do not meet the minimum standards.	Increased operational cost	6-10 years	Direct	Virtually certain	High
RISK5	Emission reporting obligations	Defra have announced that reporting of carbon emissions will become mandatory from 2013 for companies listed on the London Stock Exchange. There is the potential to require British Land to report in new or different ways to our current reporting approach. This may increase management costs.	Increased operational cost	1-5 years	Direct	Virtually certain	Low

5.1b Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

RISK1

(i) Potential financial implications: indicative cost exposure to the CRC scheme is estimated at £1,310,000 per annum based on consumption recorded in year to 31 March 2012.

(ii) Management methods: To reduce our energy consumption and carbon emissions, thereby reducing our CRC exposure, we've rolled out an extensive sub-metering system and optimisation process and invested in lighting. We've achieved year-on-year reductions in landlord influenced energy use in 12 out of 13 major multi-let offices.

In spring 2011 we achieved the Carbon Trust Standard which validates our environmental management methods. Both the metering and Carbon Trust Standard have helped with the CRC's Early Action Metric and therefore British Land's CRC league table position.

We also work with our office occupiers to support their own energy reduction initiatives through Green Building Management Groups in each building. In regular meetings, we report occupier and building management performance and share best practice. We're also funding ongoing energy monitoring services for around 20 office occupiers, providing half-hourly data, to give visibility on out-of-hours lighting use and small power demand in occupiers' demises. Almost 90% of our office occupiers independently surveyed in 2011 stated that our sustainability initiatives added value to their operations.

(iii) Costs associated with methods/actions: We invested £866,714 in energy management improvements in FY2012, commissioned two consultancies to support compliance and software system implementation; costs associated with this are considered confidential. Administrative internal costs have also been incurred. The costs to achieve Carbon Trust Standard certification were £19,110.

RISK2

(i) Potential financial implications: Unknown. The potential implications relate to stakeholder responses to our position, particularly those of investors and occupiers.

(ii) Management methods: To reduce our energy consumption and carbon emissions, thereby reducing our CRC exposure, we've rolled out an extensive sub-metering system and optimisation process and invested in lighting. We've achieved year-on-year reductions in landlord influenced energy use in 12 out of 13 major multi-let offices.

In spring 2011 we achieved the Carbon Trust Standard which validates our environmental management methods. Both the metering and Carbon Trust Standard have helped with the CRC's Early Action Metric and therefore British Land's CRC league table position.

(iii) Costs associated with methods/actions: The costs to achieve Carbon trust Standard certification were £19,110.

RISK3

(i) Potential financial implications: Ensuring compliance with Part L amendments may mean we further invest in capital costs that enhance energy and carbon performance of our development projects. Exact costs have not been calculated. Exact costs vary between projects but could be in the order of £500,000 per major office development.

(ii) Management methods: We set annual targets for development projects for BREEAM; BREEAM requirements are amended in order to track ahead of Part L (and other) requirements we believe this mitigates any potential financial impact related to compliance with Building Regulation amendments. During 2011/12 our developments were designed to have 20% lower carbon emissions on average than current standards. Our Sustainability Briefs for Developments and Management provides development project teams with energy and carbon requirements. Managers at our larger properties are required to implement Environmental Action Plans to improve energy and carbon performance. Larger investment/CAPEX requirements are included in Asset Plans. We engage with government departments and advise on emerging legislation.

(iii) Costs associated with methods/actions: There are no additional costs associated with the above management methods. Actions are integrated within our business activities.

RISK4

(i) Potential financial implications: The regulations have not been finalised. The final impact will be asset specific and can only be quantified after an evaluation on each asset. To date costs have been incurred in order to complete EPCs as appropriate and to understand the measures we would need to undertake to improve above a rating of F or G. These are listed below by asset type. This may also have an impact on valuations.

- Office (40% of total portfolio) and residential (2% of total portfolio) portfolios: we have calculated that we have no exposure to F or G rated EPC assets
- Department stores: cost to produce EPCs - £35,000
- Supermarkets: Cost to produce EPCs could be up to £250,000. We are in discussions with our partners to find out where they have already produced EPCs.
- Shopping centres: costs to produce EPCs are estimated at £50,000.
- Retail parks: we intend to look at one park as a proxy for all and expect costs to be around £30,000.

(ii) Management methods: 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 Briefs for Development and Management provide requirements and guidance for improving the energy and carbon performance of our developments and managed assets.

The first step to manage this risk has been for British Land to undertake an EPC review of our portfolio to understand our exposure to F&G rated properties.

(iii) Costs associated with methods/actions: We are currently undertaking a complete EPC review in our retail portfolio to understand our exposure to F&G rated assets. We estimate that this will cost us £200,000 to complete. It is too soon to be clear what costs we will incur in improving any F&G rated assets to exceed the proposed minimum performance standards suggested.

RISK5

(i) Potential financial implications: We believe we meet all of the Defra reporting options in the consultation report. Financial implications will therefore be £0.

(ii) Management methods: The CR Committee meets to review new reporting guidelines and implement operational changes required to follow selected guidelines.

(iii) Costs: We don't think that this will result in any increases in annual costs, as we already provide comprehensive carbon reporting on a public basis.

5.1c Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
RISKA	Change in mean (average) precipitation	Inability to sell property assets at book value because of real or perceived increased risks arising from flooding.	Other: Reduced valuation of assets	Current	Direct	Unlikely	High
RISKB	Change in mean (average) precipitation	Insurers either refuse to insure or increase insurance rates significantly to reflect increased real or perceived risks of flooding. The impact of this is indirect to British Land as we pass these costs on to occupiers.	Increased operational cost	Current	Indirect (Supply chain)	About as likely as not	Low
RISKC	Change in mean (average) precipitation	Inability to get planning permission for new developments or increased capital costs arising from a requirement for flood defences.	Increased capital cost	Current	Direct	About as likely as not	Medium
RISKD	Change in mean (average) temperature	New developments will need to consider possible increases in temperature and its implications to facades and cooling plants.	Increased capital cost	Current	Direct	Likely	Medium
RISKE	Sea level rise	Increased risk of tidal flooding from assets situated close to the coast where regional flood defences are inadequate.	Increased capital cost	>10 years	Direct	About as likely as not	Low

5.1d Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

RISKA - RISKE

(i) Potential financial implications: Investors are becoming more alive to the risk of flooding, with some no longer purchasing assets with high flood risk.

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 £25 million. In this example insurance premiums on those assets were increased by 5% as a result of the flood claims. Before renewing the insurance at one of our assets we had to demonstrate improved flood defences at a cost of £1m.

(ii) Management methods: Until 2011 our insurers used Environment Agency data and their own database to identify potential properties at risk of flooding. They implemented a rolling programme to visit properties to identify those at significant risk and recommend measures to reduce those risks.

This year we commissioned a flood consultant to review our portfolio flood risk on an asset by asset basis. This has resulted in a review of 419 assets – our entire portfolio. This involved desk-based screening using data from sources including Landmark, British Geological Survey and Environment Agency, topographical surveys and subsequent site visits where necessary to determine whether there were assets with a high flood risk. We have defined a high flood risk as those assets deemed to be susceptible to less than 100 year fluvial occurrences and less than 200 year tidal occurrences, after also allowing for assumed changes arising from climate change in the coming 50 years. We have less than 10 assets which are deemed to be at risk from flooding today. We are now considering actions that we can feasibly take to mitigate the risks on those assets. Where there are assets considered susceptible to future climate change, we will review each again in 2015. For our developments and refurbishments project teams are advised in our Sustainability Brief for Developments that an ongoing objective for British Land is to 'improve the quality of surface and ground water and to reduce the risk of flooding' and 'To future proof the development during design by addressing the anticipated effects of climate change'. Example targets are provided to project teams. These include the following:

- For a brownfield site, reduce the extent of impermeable area across the site by at least 25%
- In Flood Zones 2 and 3, ensure all areas of the building and a safe passage from the site can be achieved, 600mm above the flood plain level

- Provide attenuation for the 100-year storm, plus 30% allowance for climate change (based on current best practice).
 - Install a water treatment plant on site to treat at least 50% of waste water, and re-use the treated water on site.
 - Model the likely effects on thermal comfort within the building from anticipated changes in temperature from climate change. Carry out recommendations based on the model where mitigation can be effected.'
- In 2012 we have implemented a new approach that we will not acquire assets with deemed high flood risks, without a clear asset plan to mitigate the perceived risk.

(iii) Costs associated with methods / actions: To date we have incurred costs of £200,000 from our portfolio flood review.

There are no additional costs associated with implementation of the Sustainability Briefs for Developments or Acquisition; these are business as usual activities. These costs do not take account of possible flood mitigation measures identified at a high risk asset.

5.1e Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
RISKF	Other drivers	Inability to insure/increased costs/market valuation write downs: The Government has indicated that it cannot fund future flood defences for commercial property. Flood defence will fall on owners and communities, where it is deemed necessary. As a result of this, the Association of British Insurers (ABI) has indicated that it will not renew flood insurance protocols in 2013, which mandate provision of flood cover by insurance companies. Whilst the protocols are specific to existing domestic properties and small businesses, there are complications for commercial property. It is unlikely however that this will ultimately lead to insurance cover for flooding at commercial assets being withdrawn completely. The more important consequence of all of this is that investors are now more sensitive to flood risk. There is now much more scrutiny of flood risk when assets are purchased. British Land's insurance brokers have flagged this to us. British Land assets deemed to have high flood risks may therefore be more susceptible to valuation write downs in the future.	Other: increased insurance premiums, inability to insure, market valuation write downs	Current	Indirect (Supply chain)	More likely than not	Medium

5.1f Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

RISKF

(i) Potential financial implications: In 2007 two retail assets flooded in Sheffield and Rotherham. These assets were a shopping centre and a retail park and resulted in each centre being closed for more than 1 month. The total claims resulting from these floods were £25 million and resulted in a 5% increase in the annual insurance premium.

(ii) Management methods: Until 2011 our insurers used Environment Agency data and their own database to identify potential properties at risk of flooding. They implemented a rolling programme to visit properties to identify those at significant risk and recommend measures to reduce those risks.

This year we commissioned a flood consultant to review our portfolio flood risk on an asset by asset basis. This has resulted in a review of 419 assets – our entire portfolio. This involved desk-based screening using data from sources including Landmark, British Geological Survey and Environment Agency, topographical surveys and subsequent site visits where necessary to determine whether there were assets with a high flood risk. We have defined a high flood risk as those assets deemed to be susceptible to less than 100 year fluvial occurrences and less than 200 year tidal occurrences, after also allowing for assumed changes arising from climate change in the coming 50 years. We have less than 10 assets which are deemed to be at risk from flooding today. We are now considering actions that we can feasibly take to mitigate the risks on those assets. Where there are assets considered susceptible to future climate change, we will review each again in 2015.

For our developments and refurbishments project teams are advised in our Sustainability Brief for Developments that an ongoing objective for British Land is to 'improve the quality of surface and ground water and to reduce the risk of flooding' and 'To future proof the development during design by addressing the anticipated effects of climate change'. Example targets are provided to project teams. These include the following:

- For a brownfield site, reduce the extent of impermeable area across the site by at least 25%
- In Flood Zones 2 and 3, ensure all areas of the building and a safe passage from the site can be achieved, 600mm above the flood plain level
- Provide attenuation for the 100-year storm, plus 30% allowance for climate change (based on current best practice).
- Install a water treatment plant on site to treat at least 50% of waste water, and re-use the treated water on site.
- Model the likely effects on thermal comfort within the building from anticipated changes in temperature from climate change. Carry out recommendations based on the model where mitigation can be effected.'

In 2012 we have implemented a new approach that we will not acquire assets with deemed high flood risks, without a clear asset plan to mitigate the perceived risk.

(iii) Costs associated with methods / actions: The flood review cost us £250,000. This does not include costs for any adaptation works which will be identified to improve flood defences where we can.

6. CLIMATE CHANGE OPPORTUNITIES

6.1 Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

6.1a Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OPP1	Product efficiency regulations and standards	The introduction of landlord operational energy ratings scheme (which reports landlord energy efficiency in multi-let buildings) to inform the buying decisions of landlords when renting space. This may provide opportunities for increased rents and quicker take up of lettings at British Land properties. Over the last three years, we've reduced landlord-influenced energy (common parts and shared services) by 27% across our like-for-like portfolio, compared to our 2009 baseline. We feel that this stands us in good stead compared to our peers.	Premium price opportunities	1-5 years	Direct	More likely than not	Medium
OPP2	Product efficiency regulations and standards	Opportunities potentially exist around British Land performing well in terms of out-performing Building Regulation requirements, CRC League Table positioning and a strong performance in terms of performing EPC and future DEC ratings.	Increased demand for existing products/services	Current	Direct	More likely than not	Medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OPP3	Product labeling regulations and standards	Opportunities lie in the acquisition, development and management of strongly rated properties such as BREEAM, Code for Sustainable Homes, EcoHomes, LEED and EPCs. in FY2012, we had a target that all major office developments should achieve a minimum BREEAM Excellent rating and support a minimum BREEAM Very Good rating on all major retail developments and refurbishments. All 8 of our major office developments and refurbishments achieved BREEAM Excellent ratings, or are designed to do so. Of our six major retail developments and refurbishments, 2 are on track for Excellent, 3 for Very Good and 1 for Good. We're reviewing how to the raise the cinema project at Glasgow Fort Shopping Park from Good to Very Good. We feel this performance stands us in good stead against our peers.	Increased demand for existing products/services	Current	Direct	More likely than not	Medium

6.1b Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

OPP1

(i) Potential financial implications: There are potential financial opportunities from an increased demand from occupiers for our space, contributing to reduced void rates. Management cost efficiencies may exist from input to, and a close understanding of, government and industry requirements and standards related to disclosure and reporting on climate change matters.

Occupiers and potential occupiers are increasingly interested in the sustainability performance of our new and existing buildings. The rating of our buildings has the potential to positively affect the future value of our portfolio.

Industry studies suggest that buildings which have a green certification command higher rents and transactions. A study by RICS suggests that rents are 21% higher and transactions 18% higher for buildings with BREEAM certification. With a commercial property portfolio worth £15.8 billion (of which our share is £10.3billion) and rental income of £332m in FY2012, this is a large opportunity for British Land.

(ii) Management methods: British Land is taking a leading role with the Better Buildings Partnership to introduce a landlord operational energy scheme for multi-let offices in FY2012.

We have engaged Camco and The Usable Buildings Trust to draft a technical spec for this rating tool. This will be finalised in July and we will then be seeking participants to implement it so that landlords can roll out energy ratings by the end of 2012.

In 2011, we ran a pilot using LES-TER methodology to determine the shortcomings of the LES-TER tool. We fed into the specification process for the new tool.

(iii) Costs associated with management methods: LES-TER pilots cost £5,000. The Better Building Partnership to date has funded some £25,000 in developing this tool.

OPP2 – OPP3

(i) Potential financial implications: There are potential financial opportunities from an increased demand from occupiers for our space, contributing to reduced void rates. Management cost efficiencies may exist from input to, and a close understanding of, government and industry requirements and standards related to disclosure and reporting on climate change matters.

Occupiers and potential occupiers are increasingly interested in the sustainability performance of our new and existing buildings. The rating of our buildings has the potential to positively affect the future value of our portfolio.

Industry studies suggest that buildings which have a green certification command higher rents and transactions. A study by RICS suggests that rents are 21% higher and transactions 18% higher for buildings with BREEAM certification. With a commercial property portfolio worth £15.8 billion (of which our share is £10.3billion) and rental income of £332m in FY2012, this is a large opportunity for British Land.

(ii) Management methods: We have a set of top down targets to get design teams to meet green building standards. In FY 2012, we had a target to “achieve a minimum BREEAM Excellent rating on all major office developments and refurbishments and support a minimum BREEAM Very Good rating on all major retail developments and refurbishments”.

All eight of our major office developments and refurbishments achieved BREEAM Excellent ratings, or are designed to do so. Of our six major retail developments and refurbishments, two are on track for Excellent, three for Very Good and one for Good. We're reviewing how to raise the cinema project at Glasgow Fort Shopping Park from Good to Very Good, before we submit the project for certification.

We ensure that these targets are met through our sustainability guidance document, The Sustainability Brief for Developments.

(iii) Costs associated with management methods:

In FY2012, we updated the British Land sustainability guidance document, The Sustainability Brief for Developments at a cost of £10,000. Besides this, the management process for ensuring buildings strive to achieve a green certification is integrated into our business and is business as usual – therefore incurring an extra cost of £0.

6.1c Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OPP4	Change in mean (average) precipitation	Increased demand for properties better able to cope with physical variations from climate change. Also relevant to Continental Europe. This may provide opportunities for increased rents and quicker take up of lettings at British Land properties.	Increased demand for existing products/services	>10 years	Direct	About as likely as not	Unknown
OPP5	Change in mean (average) temperature	Increased demand for properties better able to cope with physical variations from climate change. Also relevant to Continental Europe. This may provide opportunities for increased rents and quicker take up of lettings at British Land properties.	Increased demand for existing products/services	>10 years	Indirect (Supply chain)	More likely than not	Unknown

6.1d Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

OPP4 – OPP5

(i) Potential financial implications: Climate change adaptation and mitigation provides opportunities to offer to the market buildings that are designed with future-proofing and adaptability in mind. In addition we have opportunities to retrofit innovative features to existing assets, such as sources of no or low carbon energy. The financial opportunities of these are difficult to quantify at this stage; more tangible are benefits to the downstream supply chain for consultants and manufacturers involved in the delivery of consultancy and the design and manufacture of products.

Industry studies suggest that buildings which have a green certification (and are therefore better designed to cope with climate change) command higher rents and transactions. A study by RICS suggests that rents are 21% higher and transactions 18% higher for buildings with BREEAM certification. With a commercial property portfolio worth £15.8 billion (of which our share is £10.3billion) and rental income of £332m in FY2012, this is a large opportunity for British Land.

(ii) Management methods: Until this year our insurers used Environment Agency data and their own database to identify potential properties at risk of flooding. They implemented a rolling programme to visit properties to identify those at significant risk and recommend measures to reduce those risks. We have this year commissioned a consultant to review the portfolio's flood risks to obtain a more accurate understanding. This involves a desk-based screening using data from sources including Landmark, British Geological Survey and Environment Agency. This will categorise the portfolio in terms of likely occurrences of flood events (1) greater than 100 year occurrences, (2) 1 in 500 year occurrences and (3) greater than 500 year occurrences. No further action will be taken with properties categorised in (3). The others will require further topographical surveys, local searches and a visit to determine a more accurate risk level. Those categorised as (1) will be assessed further using flood modelling and a flood defence plan formed where possible.

For our developments and refurbishments project teams are advised in our Sustainability Brief for Developments that an ongoing objective for British Land is to 'improve the quality of surface and ground water and to reduce the risk of flooding' and 'To future proof the development during design by addressing the anticipated effects of climate change'. Example targets are provided to project teams. These include the following:

- For a brownfield site, reduce the extent of impermeable area across the site by at least 25%
- In Flood Zones 2 and 3, ensure all areas of the building and a safe passage from the site can be achieved, 600mm above the flood plain level
- Provide attenuation for the 100-year storm, plus 30% allowance for climate change (based on current best practice).
- Install a water treatment plant on site to treat at least 50% of waste water, and re-use the treated water on site.
- Model the likely effects on thermal comfort within the building from anticipated changes in temperature from climate change. Carry out recommendations based on the model where mitigation can be effected.'

For new acquisitions, our Sustainability Brief for Acquisitions indicates information on flood risks as investment critical and to therefore be considered during the screening and deal appraisal phases.

(iii) Costs associated with management methods: The consultant costs associated with the latest flood risk assessment work are £10k for the initial screening, £2k for each property categorised as (1) or (2) and up to £20k for further modelling work for properties classified as (1).

There are no additional costs associated with implementation of the Sustainability Briefs for Developments or Acquisition; these are business as usual activities.

6.1e Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OPP6	Reputation	Some of our occupiers have their own corporate responsibility programmes addressing climate change matters. British Land can work with them in partnership to address their and our own objectives in this area.	Other: Strong occupier relations	Current	Direct	Virtually certain	Low-medium

6.1f Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

OPP6

(i) Potential financial implications: It is challenging to quantify the financial implication of reputational opportunities. We undertake occupier surveys as part of the RealService survey and this includes questions around delivery of occupiers' own environmental commitments as well as our own performance.

(ii) Management methods:

(a) Corporate responsibility programme: We recognise that our business activities have wide-ranging environmental, social and economic impacts, which can affect the lives of a significant number of people. A responsible approach to managing, financing and developing buildings with enduring occupier appeal is therefore fundamental to how we do business.

In 2010, we carried out a thorough review of our corporate responsibility strategy and activities, commissioning independent research to get the views of occupiers, investors, employees, local people, local authorities, Government and other key stakeholders. We also consulted experts on a range of issues, reviewed best practice and benchmarked our performance.

We take our responsibilities seriously throughout the property life cycle, and work in partnership with our occupiers, suppliers and staff to be the best in the five areas we believe, based on our 2010 review, are the most important to us and our stakeholders:

- Managing buildings efficiently
- Developing sustainable buildings
- Protecting and enhancing biodiversity for the benefit of our occupiers and the Earth's natural systems
- Exceeding customers' expectations
- Focusing on local actions

We aim to exceed regulatory requirements, striving to improve consistently by setting medium-term and annual targets. We publish comprehensive performance data and progress statements against our targets each year, with regular updates throughout the year.

We held environmental working groups with occupiers to discuss sustainability issues.

We also conduct customer surveys every 2 years to understand how our customers believe we are performing so that we can identify where we can improve.

(b) Reporting: We report to our stakeholders on our corporate responsibility programme quarterly in our CR Updates and annually via our CR Report. In addition we respond to investor questionnaires including Dow Jones Sustainability Index, FTSE4Good (via the Carbon Disclosure Project), Oekom, BNP Paribas and Bloomberg. Reporting helps inform our stakeholders of our commitments, performance, successes, challenges and future plans.

(c) Benchmarking: We also take part in industry benchmarking initiatives and submit our work to award initiatives to demonstrate our leading, innovative CR initiatives. This year we won the Property Week's Sustainability Achievement Award and a Chartered Institution of Building Services Engineers Award 2011 for energy reductions at our Head Office, York House, in cooperation with all other occupiers. We won the Built Environment Award for our transformation of Regent's Place and the Biodiversity Award for our biodiversity programme. We also received an Energy Commendation for successfully reducing consumption across our portfolio, in collaboration with occupiers.

(iii) Costs associated with methods / actions: Costs for the above management methods were reported in 2012 CR Full Data Report. Our CR prevention and management costs for 2010/11 were £1,482,858. This includes consultant fees, certification fees for the Carbon Trust Standard and investment in CR improvements related to energy use, water use, waste and biodiversity. It does not include staff time; we have nine staff forming our CR Committee with other staff integrating CR within their business activities. The customer surveys which we conduct cost £50,000 biennially.

GHG EMISSIONS ACCOUNTING, ENERGY AND FUEL USE, AND TRADING

7. EMISSIONS METHODOLOGY

7.1 Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO ₂ e)	Scope 2 Base year emissions (metric tonnes CO ₂ e)
Thu 01 Apr 2010 - Thu 31 Mar 2011	1,942	31,976

7.2 Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
Defra Voluntary Reporting Guidelines
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Other

7.2a If you have selected "Other", please provide details below

Other: The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
Other: Global Reporting Initiative.

7.3 Please give the source for the global warming potentials you have used

Gas	Reference
CH ₄	IPCC Second Assessment Report (SAR - 100 year)
N ₂ O	IPCC Second Assessment Report (SAR - 100 year)

7.4 Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit
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Resource type		UK	France	Italy	Portugal	Spain
Electricity generated	Electricity Generated Scope 2 direct GHG (kgCO ₂ e/kWh)	0.48644	0.08632	0.40773	0.42786	0.37206
	Electricity Generated Scope 3 life-cycle GHG (kgCO ₂ e/kWh)	0.06425	0.01154	0.05452	0.03267	0.04975
Electricity losses	Electricity losses Scope 2 direct GHG (kgCO ₂ e/kWh)	0.03817	0.0058	0.02418	0.05721	0.02861
	Electricity losses Scope 3 life-cycle GHG (kgCO ₂ e/kWh)	0.00481	0.00078	0.00323	0.00437	0.00383
Gas (Net Calorific Value)	Natural Gas Scope 1 direct GHG (kgCO ₂ e/kWh)	0.20423	n/a	n/a	0.332	n/a
	Natural Gas Scope 3 life-cycle GHG (kgCO ₂ e/kWh)	0.01996	n/a	n/a	n/a	n/a
Oil	Gas oil Scope 1 direct GHG (kgCO ₂ e/kWh)	0.27857	n/a	n/a	n/a	0.27857
	Gas oil Scope 3 life-cycle GHG (kgCO ₂ e/kWh)	0.04798	n/a	n/a	n/a	0.04798
Geothermal	Electricity Generated Scope 2 direct GHG (kgCO ₂ e/kWh)	n/an/a	n/a	0.40773	n/a	n/a
	Electricity Generated Scope 3 life-cycle GHG (kgCO ₂ e/kWh)	n/a	n/a	0.05452	n/a	n/a
	Electricity losses Scope 3 direct GHG (kgCO ₂ e/kWh)	n/a	n/a	0.02418	n/a	n/a
	Electricity losses Scope 3 life-cycle GHG (kgCO ₂ e/kWh)	n/a	n/a	0.00323	n/a	n/a
Refrigerants	R407c (GWP/tonne)	1526	n/a	n/a	n/a	1526

Resource type		UK	France	Italy	Portugal	Spain
	R134a (GWP/tonne)	1300	n/a	n/a	n/a	n/a
Fuel use	Diesel Scope 1 (kg CO ₂ e/litre)	2.6676	n/a	n/a	n/a	n/a
	Diesel Scope 3 (kg CO ₂ e/litre)	0.5085	n/a	n/a	n/a	n/a
	Petrol Scope 1 (kg CO ₂ e/litre)	2.3117	n/a	n/a	n/a	n/a
	Petrol Scope 3 (kg CO ₂ e/litre)	0.411	n/a	n/a	n/a	n/a
	LPG Scope 1 (kg CO ₂ e/litre)	1.4918	n/a	n/a	n/a	n/a
	LPG Scope 3 (kg CO ₂ e/litre)	0.1868	n/a	n/a	n/a	n/a
Water	Water supply (kg CO ₂ e/m ³)	0.34	0.34	0.34	0.34	0.34
British Land travel	Average car: GHG (kgCO ₂ e per vehicle km)	0.20459	n/a	n/a	n/a	n/a
	Average car: life-cycle GHG (kgCO ₂ e per vehicle km)	0.03697	n/a	n/a	n/a	n/a
	Domestic average: GHG (kgCO ₂ e per vehicle km)	0.16484	n/a	n/a	n/a	n/a
	Domestic average: life-cycle GHG (kgCO ₂ e per vehicle km)	0.03034	n/a	n/a	n/a	n/a
	Short-haul international average: GHG (kgCO ₂ e per vehicle km)	0.9684	n/a	n/a	n/a	n/a
	Short-haul international average: life-cycle GHG (kgCO ₂ e per vehicle km)	0.01783	n/a	n/a	n/a	n/a
	Black cab: GHG (kgCO ₂ e per vehicle km)	0.19938	n/a	n/a	n/a	n/a
	Black cab: life-cycle GHG (kgCO ₂ e per vehicle km)	0.03548	n/a	n/a	n/a	n/a
	Private taxi: GHG (kgCO ₂ e per vehicle km)	0.15151	n/a	n/a	n/a	n/a
	Private taxi: life-cycle GHG (kgCO ₂ e per vehicle km)	0.02886	n/a	n/a	n/a	n/a
	National rail: GHG (kgCO ₂ e per vehicle km)	0.05649	n/a	n/a	n/a	n/a
	National rail: life-cycle GHG (kgCO ₂ e per vehicle km)	0.00815	n/a	n/a	n/a	n/a
	Tube: GHG (kgCO ₂ e per vehicle km)	0.07361	n/a	n/a	n/a	n/a
	Tube: life-cycle GHG (kgCO ₂ e per vehicle km)	0.00972	n/a	n/a	n/a	n/a

8. EMISSIONS DATA (1 APR 2011 - 31 MAR 2012)

8.1 Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

8.2 Please provide your gross global Scope 1 emissions figure in metric tonnes CO₂e

1,821

8.3 Please provide your gross global Scope 2 emissions figure in metric tonnes CO₂e

29,525

8.4 Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

No

8.5 Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
Less than or equal to 2%	Assumptions	For offices in the absolute carbon calculations, an assumption has been made surrounding the use of a 10% factor applied to 'British Land controlled common parts' for the total building gas use for central heating and cooling. This is because it has been assumed that British Land is responsible for 10% of central heating and cooling out of total building use.	Less than or equal to 2%	Assumptions	For offices in the absolute carbon calculations, an assumption has been made surrounding the use of a 10% factor applied to 'British Land controlled common parts' for the total building electricity use for central heating and cooling. This is because it has been assumed that British Land is responsible for 10% of central heating and cooling out of total building use.

8.6 Please indicate the verification/assurance status that applies to your Scope 1 emissions

Verification or assurance complete

8.6a Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.6b Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard
Limited assurance	ISAE 3000

8.7 Please indicate the verification/assurance status that applies to your Scope 2 emissions

Verification or assurance complete

8.7a Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.7b Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard
Limited assurance	ISAE 3000

8.8 Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e. carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

No

9. SCOPE 1 EMISSIONS BREAKDOWN (1 APR 2011 - 31 MAR 2012)

9.1 Do you have Scope 1 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

9.1a Please complete the table below

Country	Scope 1 metric tonnes CO ₂ e
United Kingdom	1,670.98
Spain	150
Portugal	0.02

9.2 Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division

9.2a Please break down your total gross global Scope 1 emissions by business division

Business Division	Scope 1 metric tonnes CO ₂ e
Offices - direct use in influenced demises occupied by British Land, Broadgate Estates & The Source	68
Offices - common parts	430
Offices - shared services	56
Shopping Centres - common parts	497
Retail Parks - common parts	21
Refrigerant Loss - air conditioning	653
Travel: Fuel Use - British Land owned vehicles	95

10. SCOPE 2 EMISSIONS BREAKDOWN (1 APR 2011 - 31 MAR 2012)

10.1 Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

10.1a Please complete the table below

Country	Scope 2 metric tonnes CO ₂ e
United Kingdom	25,046
France	12
Italy	326
Portugal	465
Spain	3,676

10.2 Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

10.2a Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 metric tonnes CO ₂ e
Offices - direct use in influenced demises occupied by British Land, Broadgate Estates & The Source	616
Offices - common parts	13,172
Offices - direct use in non-British Land demises occupied by Broadgate Estates	24
Shopping Centres - common parts	12,187
Retail Parks - common parts	3,526

11. EMISSIONS SCOPE 2 CONTRACTUAL

11.1 Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?

Yes

11.2 Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

12. ENERGY

12.1 What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

12.2 Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year

Energy type	MWh
Fuel	0.06
Electricity	134.66
Heat	0
Steam	0
Cooling	0

12.3 Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	23.92
Diesel/Gas oil	0.06

13. EMISSIONS PERFORMANCE

13.1 How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

13.1a Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	9	Decrease	This is the result of initiatives including: - Upgrade of lighting to more efficient technology - Upgrade of plant to more efficient technology with better controls - Rolling out of an advanced energy metering system and optimisation process - Providing a comprehensive data reporting system for key energy users within the building - Introducing a remote monitoring service that identifies energy saving opportunities quickly - Optimising energy efficiency in British Land influenced common areas and shared services - Automating the occupier billing process - Offering a scalable system across multiple buildings, with online access for multiple users. - Upgrading of lighting to more efficient technology, zoning of car parks and installation of controls across the retail portfolio
Divestment	4	Decrease	This accounts for change in emissions due to properties which were sold.
Acquisitions	5	Increase	This accounts for change in emissions due to properties which were purchased.

13.2 Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
56.89	metric tonnes CO ₂ e	unit total revenue	11.29	Decrease	The decrease in carbon intensity per revenue is largely due to emissions reduction activities. Emissions reduction activities are largely responsible for reducing overall Scope 1 and 2 emissions – and therefore this intensity metric – by 8% between FY2011 and FY2012. The remaining percentage decrease can be attributed to an increase in revenue from £528.9m in FY2011 to £551.0m in FY2012. Emissions reduction activities include: - Upgrade of lighting to more efficient technology - Upgrade of plant to more efficient technology with better controls - Rolling out of an advanced energy metering system and optimisation process - Providing a comprehensive data reporting system for key energy users within the building - Introducing a remote monitoring service that identifies energy saving opportunities quickly - Optimising energy efficiency in British Land influenced common areas and shared services - Automating the occupier billing process - Offering a scalable system across multiple buildings, with online access for multiple users. - Upgrading of lighting to more efficient technology, zoning of car parks and installation of controls across the retail portfolio.

13.3 Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
65	metric tonnes CO ₂ e	FTE Employee	6.05	Decrease	The decrease in carbon intensity per revenue is due to emissions reduction activities. Emissions reduction activities are largely responsible for reducing overall Scope 1 and 2 emissions – and therefore this intensity metric – by 8% between FY2011 and FY2012. FTE decreased by 2% from 491 in FY2011 to 483 in FY2012 and was therefore not a factor in the decreasing intensity factor. Emissions reduction activities include: - Upgrade of lighting to more efficient technology - Upgrade of plant to more efficient technology with better controls - Rolling out of an advanced energy metering system and optimisation process - Providing a comprehensive data reporting system for key energy users within the building - Introducing a remote monitoring service that identifies energy saving opportunities quickly - Optimising energy efficiency in British Land influenced common areas and shared services - Automating the occupier billing process - Offering a scalable system across multiple buildings, with online access for multiple users. - Upgrading of lighting to more efficient technology, zoning of car parks and installation of controls across the retail portfolio.

13.4 Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
0.017	metric tonnes CO ₂ e	square meter	2.75	Decrease	The decrease in carbon intensity per revenue is due to emissions reduction activities. Emissions reduction activities are largely responsible for reducing overall Scope 1 and 2 emissions – and therefore this intensity metric – by 8% between FY2011 and FY2012. Floor area decreased by 5% from 1,932,321m ² in FY2011 to 1,836,208m ² in FY2012 and was therefore not a factor in the decreasing intensity factor.

14. EMISSIONS TRADING

14.1 Do you participate in any emission trading schemes?

No, and we do not currently anticipate doing so in the next two years

14.2 Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

15. SCOPE 3 EMISSIONS

15.1 Please provide data on sources of Scope 3 emissions that are relevant to your organization

Sources of Scope 3 emissions	Metric tonnes CO ₂ e	Methodology	If you cannot provide a figure for emissions, please describe them
Purchased goods & services	54,237	This is newly reported in FY2012. Covers emissions associated with the embodied goods and services purchased by British Land. Examples include design and legal services, service charge expenditure, head office property outgoings such as hard and soft FM. We commissioned a study by Arup using its Beacon analysis tool which assesses Scope 3 emissions by evaluating expenditure. Procurement emissions were calculated by mapping British Land spend to input-output carbon intensities to produce out-turn consumption-based emissions for goods and services purchased by British Land. Uses British Land and Meadowhall spend data (excludes Broadgate Estates Ltd. spend data). The spend data is mapped to 123 Standard Industrial Classification (SIC) sectors, which are then input to Arup's Beacon tool to produce outturn emissions in British Land reporting and GHG protocol categories. The carbon intensity data in Beacon is supplied under exclusive licence by the Centre for Sustainability Accounting Ltd (CenSA). The references are: The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Arup Beacon Scope 3 tool.	
Capital goods	259,242	We have increased the boundary of this item this year. These emissions are associated with capital assets, namely construction of new developments and embodied carbon in existing buildings purchased by British Land. Methodology: Development (LCA) emissions: emissions were taken from existing BL emissions data [Figure 81], covering embodied emissions in materials, transport to site and on-site emissions. In addition we commissioned a study by Arup using its Beacon analysis tool which assesses Scope 3 emissions by evaluating expenditure. Procurement emissions were calculated by mapping British Land spend to input-output carbon intensities to produce out-turn consumption-based emissions for goods and services purchased by British Land. Uses British Land and Meadowhall spend data (excludes Broadgate Estates Ltd. spend data). The spend data is mapped to 123 Standard Industrial Classification (SIC) sectors, which are then input to Arup's Beacon tool to produce outturn emissions in British Land reporting and GHG protocol categories. The carbon intensity data in Beacon is supplied under exclusive licence by the Centre for Sustainability Accounting Ltd (CenSA). The references are: The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Arup Beacon Scope 3 tool.	
Fuel- and energy-related activities (not included in Scopes 1 or 2)	6,537	This is the same boundary as last year. Information is based on reported energy and fuel use data and converted into emissions using Defra reporting guideline emission factors.	

Sources of Scope 3 emissions	Metric tonnes CO ₂ e	Methodology	If you cannot provide a figure for emissions, please describe them
Business travel	213	This is the same boundary as last year. Business travel emissions: calculated from BL Barclaycard, Reed & Mackay (travel agents) and staff expenses spend for different travel modes. we commissioned a study by Arup using its Beacon analysis tool which assesses Scope 3 emissions by evaluating expenditure. Procurement emissions were calculated by mapping British Land spend to input-output carbon intensities to produce out-turn consumption-based emissions for goods and services purchased by British Land. Uses British Land and Meadowhall spend data (excludes Broadgate Estates Ltd. spend data). The spend data is mapped to 123 Standard Industrial Classification (SIC) sectors, which are then input to Arup's Beacon tool to produce outturn emissions in British Land reporting and GHG protocol categories. The carbon intensity data in Beacon is supplied under exclusive licence by the Centre for Sustainability Accounting Ltd (CenSA). The references are: The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Arup Beacon Scope 3 tool. The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Arup Beacon Scope 3 tool.	
Employee commuting	76	This is newly reported in FY2012. Commuting emissions: British Land staff emissions calculated from Full Time Equivalent (FTE) data and York House travel survey data. Meadowhall staff emissions calculated from FTE data and National Travel Survey (commuting) data.	
Downstream leased assets	78,814	This is the same boundary as last year. These are emissions of occupier/third party controlled energy/refrigerant emissions recorded by British Land in annual reporting and converted to carbon using Defra guidelines emission factors.	
Investments	10,859	This is newly reported in FY2012. These are emissions associated with the interest charges paid to finance companies, and so the emissions associated with this category are the corporate emissions of companies in this sector, i.e. energy use, travel, materials, equipment, rent, and marketing. Again these emissions were calculated by Arup using its Beacon tool.	

15.2 Please indicate the verification/assurance status that applies to your Scope 3 emission

Verification or assurance complete

15.2a Please indicate the proportion of your Scope 3 emissions that are verified/assured

More than 60% but less than or equal to 80%

15.2b Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Limited assurance	ISAE 3000	The following Scope 3 emission categories were assured: Fuel and energy related activities (not included in Scopes 1 or 2), Business travel and Downstream leased assets. See p22 or '2012_cr_report[1].pdf'. Then see assurance symbol on p125 of 'BL-Full-Data-Report-2012[1].pdf'.

15.3 Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

15.3a Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services				Cannot be compared with last year; FY2012 first year of reporting
Capital goods	Change in boundary	999	Increase	We have significantly increased the boundary of this item this year and consequently emissions have risen by over 8000%. These emissions are associated with capital assets, namely construction of new developments and embodied carbon in existing buildings purchased by British Land. Methodology: Last year's development (LCA) emissions have been added to; the LCA emissions were taken from existing emissions data, covering embodied emissions in materials, transport to site and on-site emissions. In addition we commissioned a study by Arup using its Beacon analysis tool which assesses Scope 3 emissions by evaluating expenditure. Procurement emissions were calculated by mapping British Land spend to input-output carbon intensities to produce out-turn consumption-based emissions for goods and services purchased by British Land. The spend data is mapped to 123 Standard Industrial Classification (SIC) sectors, which are then input to Arup's Beacon tool to produce outturn emissions in British Land reporting and GHG protocol categories. The carbon intensity data in Beacon is supplied under exclusive licence by the Centre for Sustainability Accounting Ltd (CenSA). The references are: The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Arup Beacon Scope 3 tool. Looking at a like for like boundary and methodology. This year's emissions compared to last year have risen by c500%. This is due to significantly more development activity this year.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Emissions reduction activities	1.95	Increase	This directly relates to our energy reduction programme, working with our occupiers to reduce use across our managed assets. We have achieved a 27% reduction in landlord-influenced energy use across our like-for-like portfolio than our 2009 baseline. In office assets over half of the energy savings is through more rigorous management, made possible by extensive sub-metering system and optimisation process. Remaining reductions are due to around £475,000 investment in lighting replacement programmes and other initiatives with payback periods of three years or less.
Business travel	Change in output	22	Decrease	
Employee commuting		477.40	Increase	Cannot be compared with last year; FY2012 first year of reporting

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Downstream leased assets	Emissions reduction activities	9	Decrease	This directly relates to our energy reduction programme, working with our occupiers to reduce use across our managed assets. We have achieved a 27% reduction in landlord-influenced energy use across our like-for-like portfolio than our 2009 baseline. In office assets over half of the energy savings is through more rigorous management, made possible by extensive sub-metering system and optimisation process. Remaining reductions are due to around £475,000 investment in lighting replacement programmes and other initiatives with payback periods of three years or less.
Investments				Cannot be compared with last year; FY2012 first year of reporting

SIGN OFF

Please enter the name of the individual that has signed off (approved) the response and their job title

Justin Snoxall
Head of the Business Group