



PLACES PEOPLE PREFER

Corporate Responsibility
Summary Report 2014



I'm one of
over 540
people who've benefited
from British Land's employment
and training initiatives



INTRODUCTION

“I am delighted to have taken the lead for corporate responsibility at British Land, an area that I have always been interested in. It is in keeping with our mindset that the person responsible for finance is also responsible for social, environmental and ethical issues. Our commitment to these issues helps us to create places people prefer, and so to deliver long-term value.”

Read Lucinda's 'Corporate Responsibility in Review' blog at www.britishland.com/blogs



INTERNATIONAL STANDARDS

We report to the Global Reporting Initiative (GRI) B+ standard and European Public Real Estate Association (EPRA) Best Practice Recommendations. We are also a signatory to the UN Global Compact.



INDEPENDENTLY ASSURED

Selected key social and environmental data for 2014 has been independently assured by PwC under the ISAE 3000 standard. In prior years, selected data was assured by PwC and other providers. See page 8.

FIND OUT MORE

We hope you find this summary update on our performance and future plans interesting.

For more detail on our strategy and how we identify where to focus:

www.britishland.com/responsibility

For our GRI Index, detailed performance data and progress on targets:

www.britishland.com/crdata

For our Annual Report and Accounts 2014, which includes financial, social and environmental information:

www.britishland.com/annualreport

Follow us @BritishLandCR

LUCINDA BELL
FINANCE DIRECTOR
BRITISH LAND

JUSTIN SNOXALL
HEAD OF THE
BUSINESS GROUP
BRITISH LAND

2015

CHALLENGE:

Revising our corporate responsibility strategy and long-term targets

2015

CHALLENGE:

Launching a Supply chain charter for social and environmental risks

Whiteley Shopping in Hampshire



IMPACTS AND INDICES

THE ROLE AND IMPACTS OF BUSINESS

Business has an important role to play in addressing social and environmental issues, both directly and through the supply chain. Without thriving and sustainable economies, societies and environments, business will not grow over the long-term.

THE BIGGER PICTURE



SOCIAL

Economic growth, employment, and skills are needed for wellbeing and sustainable communities.



ENVIRONMENTAL

Resource shortages and climate patterns pose growing risks to wellbeing and economic stability.

SUSTAINABILITY INDICES

We benchmark our performance against our peers and others, and are proud to be the leading UK REIT on several key corporate responsibility indices.



Dow Jones Sustainability Index (Europe & World) – listed member



FTSE4Good Index – listed member



Business in the Community (BitC) Workwell Benchmark 2014 – leading UK REIT



Global Real Estate Sustainability Benchmark (GRESB) 2013 – awarded Green Star



Carbon Disclosure Project 2013 – joint top of the FTSE 350 Carbon Performance Leadership Index and recognised in the Disclosure Leadership Index for the third year running



Management Today's Most Admired Companies in Britain 2013 – leading REIT for Community and Environmental Responsibility

OUR SECTOR

£190bn

contributed to the UK economy by the built environment (real estate and construction) – 14% of the UK economy*

2.4 m

people work in the built environment – 8% of UK employment.

32,300

jobs supported and £1.2 billion contributed to the UK economy through our 2011-2015 development programme*

£11.7 bn

contributed to the UK economy each year by businesses based at our properties*

99,000

people work at our properties each year, employed by our occupiers and suppliers.

OUR IMPACTS

60%

of all UK carbon emissions come from the built environment

77m

tonnes of waste are generated by the construction sector in England each year – around three times as much as all households combined.

847,000

tonnes of carbon came from operational energy and water use at our properties this year

631,700 ^A

tonnes of embodied carbon came from our 2011-2015 development programme

80,300

tonnes of waste were produced at our properties and developments this year.

ANNA STEWART
CHIEF EXECUTIVE
LAING O'ROURKE

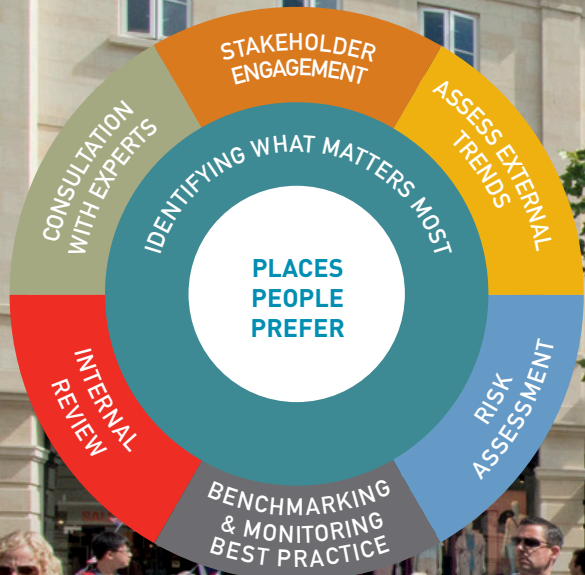
I run one of the
4,000 FIRMS
in British Land's
£1.8 billion supply chain

The Leadenhall Building in London, EC3

IDENTIFYING WHAT MATTERS MOST

We go through a rigorous process to identify the social, environmental and ethical issues that matter most. [\(see graphic below\)](#)

Our Dow Jones Sustainability Index score is one of our corporate key performance indicators and influences the variable remuneration of those on our Executive Committee.



STAKEHOLDER ENGAGEMENT

Our stakeholders include our customers, local communities, staff, suppliers, investors and analysts, local and central government, peers and non-governmental organisations (NGOs). Our latest research shows that stakeholders continue to want us to lead on corporate responsibility. This year 750 stakeholders gave online feedback on key social and environmental issues. An open forum of 100 experts also assessed our carbon strategy, and we hosted workshops exploring issues relating to supply chain management.

Different stakeholders have different priorities and we need to strike a balance. Alongside our other stakeholder engagement activities, our Corporate Responsibility Panel, chaired by our Chief Executive Chris Grigg, includes external experts who provide market insights on changing trends and challenge our approach. We also benchmark our performance and carry out quarterly risk reviews. Through our Corporate Responsibility Committee, we develop and implement our strategy, and monitor performance.

For more information on our strategy, how we identify what matters most, our materiality matrix and governance, please visit:

www.britishland.com/responsibility

WHERE WE FOCUS
Our long-term targets will conclude in March 2015. In view of this, we are reviewing how corporate responsibility supports the business and will publish a revised strategy and targets in 2015.

While this review is underway, our focus continues to be:

SOCIAL

- + Supporting communities
- + Engaging staff
- + Exceeding customer expectations.

ENVIRONMENTAL

- + Managing buildings efficiently
- + Developing sustainable buildings
- + Cutting carbon emissions.

KEY ACTIONS FOR 2015

- + Delivering our long-term targets, which culminate in 2015
- + Revising our corporate responsibility strategy and targets
- + Further integrating social and environmental factors into our business decision making
- + Launching a Supply Chain Charter and implementing our supply chain plan.

SouthGate in Bath



OUR STRATEGY

Our corporate objective is to deliver long-term and sustainable total returns to our shareholders. We do this by creating **places people prefer.**

CREATING VALUE

Our commitment to social, environmental and ethical issues helps us to create places people prefer, to attract staff, occupiers, investors and other partners, and so to deliver long-term value.

We are working with The Prince's Accounting for Sustainability Project to put sustainability at the heart of business decision making, strategy and reporting.

We continue our efforts to improve understanding of how social and environmental factors add value. This builds the business case for the issues we need to address, and helps us further integrate

sustainability into decision making and governance, and identify non-financial measures for accounting.

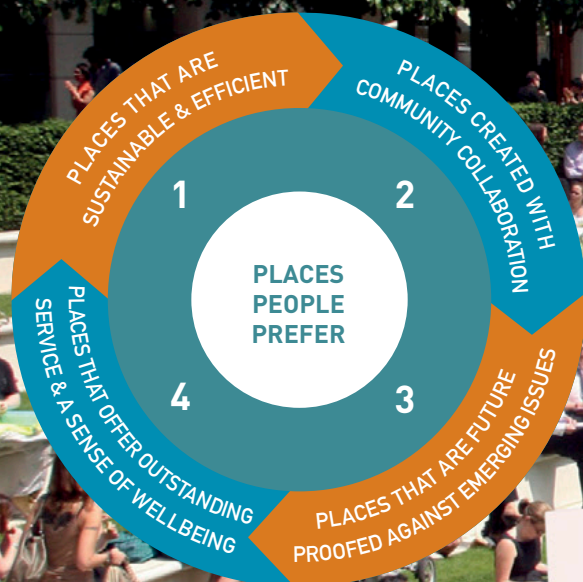
Research we have commissioned includes:

- + **Regent's Place at 30 Review 2014**
- + **Our Carbon Footprint 2014**
- + **The Source Skills Academy 10 Year Review 2013**
- + **Our Socio-Economic Contributions Report Review 2012.**

All these reports are available for download from:

www.britishland.com/crreports

ROB HUDSON
GROUP FINANCIAL
CONTROLLER
BRITISH LAND



2015 CHALLENGE:
further integrating social and environmental factors into business decision making and reporting

- 1 Occupiers and people who work, live and shop in our properties prefer sustainable, efficient buildings, which enhance wellbeing and productivity, and are more cost effective to run.
- 2 Local communities prefer places created with their collaboration. Our understanding of local concerns informs our planning proposals, improves our planning applications and results in quicker approvals.
- 3 Occupiers and investors prefer buildings that are future proofed against emerging issues caused by increased flooding, rising temperatures and new climate change legislation.
- 4 Occupiers prefer places where their staff and customers enjoy outstanding service and a sense of community and wellbeing. This enhances shopper loyalty and helps us attract and retain occupiers, driving strong rents and long leases.

SOCIAL FOCUS

EXTERNAL RECOGNITION INCLUDES



Business in the Community Awards 2014 in Glasgow, Hull and London



Business in the Community Awards 2013 in Glasgow, Hull, London and Rotherham



National Payroll Giving Excellence Award 2013



19,800 ^A

PEOPLE BENEFITED

from our £1.4 million community programme this year, including apprentices, jobseekers and schoolchildren (2013: £1.3 million in cash, time and gifts in-kind). Full Data Report Figs. 49 and 51.



7.8/10

CUSTOMER SATISFACTION

with British Land, outperforming the industry average of 5.1 (2011: 7.6). 2015 target: 8/10. Full Data Report Figs 78 and 79.



0.12 ^A

SAFETY

reportable accidents on our developments per 100,000 hours worked (2013: 0.24) and 0.06 lost day accident rate (2013: 0.10). Full Data Report Fig 86.



£7m ^A

CONTRIBUTED TO COMMUNITIES

through the planning process, funding affordable homes, community facilities, pedestrian links, public spaces and more (2013: £20.9 million). Full Data Report Fig 53.

ALFRED THOMPSON
APPRENTICE AT
5 BROADGATE

We're two of the
98
APPRENTICES
at British Land's properties
and developments

LEWIS TAYLOR
APPRENTICE AT
5 BROADGATE



76%

STAFF SCORE FOR 'I LOVE WORKING FOR BRITISH LAND' (2013: 75%). One Star rating in The Sunday Times Best Companies To Work For 2014 survey (2013: One Star). 2015 target: One Star. Full Data Report Fig 62.



71%

PROGRESS ON OUR COMMUNITY CHARTER at all our major properties and developments, covering our approach to community engagement and local issues (2013: 64% progress). 2015 target: 100%. Full Data Report Fig 57.

WHERE WE MADE GOOD PROGRESS

- + Worked with our suppliers and local partners to implement our Community Charter at our major properties and developments
- + Reviewed supply chain risks and developed a plan to increase focus on social risks, including human rights
- + Introduced awards for staff who exemplify our values. The five winners went on a leadership course in Antarctica
- + Surveyed over 50,000 people at our properties to identify further opportunities to create places people prefer.


KEY CHALLENGES WE CONTINUE TO FOCUS ON

- + Enabling more apprenticeships. Next year, we will stipulate 3% apprentices in selected major contracts
- + Expanding local procurement. Next year, all major assets will produce local procurement plans
- + Enhancing staff training and development. We are rolling out a number of new programmes
- + Understanding the impact we can have on wellbeing in buildings. We are working with the World Green Business Council to identify wellbeing metrics to pilot at a new development.





ENVIRONMENTAL FOCUS

EXTERNAL RECOGNITION INCLUDES

 Chartered Institution of Building Services Engineers (CIBSE) Client Energy Management Award and Building Performance Award 2014

 Property Week Sustainability Achievement Award 2013

 Sustainable City Resource Conservation Award 2013

 National Association of Real Estate Investment Trusts (NAREIT) Global Recognition Leader in the Light Award 2013

 World Green Business Council Business Leadership in Sustainability Award 2013


WHERE WE MADE GOOD PROGRESS


- + Installed automatic meter reading at 98% of our retail properties, in addition to 91% of our office properties, to cut energy costs and carbon emissions
- + Launched our fourth Sustainability Brief for Developments, building on ten years of supply chain collaboration
- + Completed Energy Performance Certificate assessments across our entire portfolio, identifying opportunities for further energy reductions.


KEY CHALLENGES WE CONTINUE TO FOCUS ON

- + Using the CIBSE Technical Memorandum (TM) 54 methodology to compare operational energy performance against design predictions
- + Reducing embodied carbon from materials and construction on our developments
- + Working with the industry to launch Landlord Energy Ratings similar to the National Australian Built Environment Rating System (NABERS)
- + Determining the business case for investment in on-site micro generation of energy.


 **100%**
BREEAM EXCELLENT
sustainability ratings for office developments and 94% Excellent or Very Good for major retail developments (2013: 100%). Target: 100%. Full Data Report Fig 2.

 **36% ^(A)**
LOWER EMISSIONS
(Scope 1 and 2) across our like-for-like portfolio than 2009, saving 37,000 tonnes of carbon. 2015 target: 40% less than 2009.* Full Data Report Fig 10.

 **93%**
OF WASTE DIVERTED FROM LANDFILL
at our properties (2013: 90%) and 83% on our developments (2013: 92%), with 68,800 tonnes diverted from landfill. 2015 target: Zero waste to landfill. Full Data Report Figs 35, 38 & 39.

 **£6.9m ^(A)**
ENERGY COST SAVINGS FOR OCCUPIERS
£6.9 million energy cost savings for occupiers since 2009. Full Data Report Fig 14.

 **£4.1m ^(A)**
ENVIRONMENTAL INVESTMENT
since 2012, saving occupiers £1.44 for every £1 invested, with further ongoing savings to be gained. Full Data Report Fig 3.

 **34% ^(A)**
LESS ENERGY USE
(landlord-influenced) across our like-for-like portfolio than 2009. 2015 target: 40% less than 2009.* Full Data Report Fig 14.

PHIL DRAPER
TECHNICAL AND SUSTAINABILITY MANAGER AT REGENT'S PLACE

*I've helped British Land
CUT CARBON EMISSIONS
and energy costs
for occupiers*

* Heating and cooling degree days adjusted to normalise for weather.



INDEPENDENT ASSURANCE

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF THE BRITISH LAND COMPANY PLC

The Directors of The British Land Company plc (British Land) engaged us to provide limited assurance on the information described below and set out in British Land's Full Data Report for the year ended 31 March 2014.

OUR CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- + The Selected Information for the year ended 31 March 2014 has not been prepared, in all material respects, in accordance with the Reporting Criteria; or
- + British Land's declared GRI application level of B+ is not fairly stated in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say below.

SELECTED INFORMATION

The scope of our work was limited to assurance over the information marked with the symbol (A) in British Land's Full Data Report (FDR) 2014 (the "Selected Information") and British Land's declared Global Reporting Initiative (GRI) application level of B+ of the GRI "3.1" Guidelines.

The Selected Information and the Reporting Criteria against which it was assessed are summarised below. Our assurance covers the year ended 31 March 2014 and does not extend to information in respect of earlier periods or to any other information included in the Full Data Report 2014.

- + British Land's GRI application level
www.britishland.com/crdata
- + Fig. 3: Cumulative like-for-like cost savings and investments (degree day adjusted)
- + Fig. 4: EPRA 3.5 Total direct greenhouse gas emissions
- + Fig. 5: EPRA 3.6 Total indirect greenhouse gas emissions
- + Fig. 6: EPRA 3.7 Greenhouse gas intensity from building energy
- + Fig. 7: Reported footprint – Scopes 1 to 3
- + Fig. 9: Reported Scope 1 and 2 intensity (degree day adjusted)
- + Fig. 10: Landlord influenced like-for-like Scope 1 and 2 (degree day adjusted)
- + Fig. 11: EPRA 3.1 Purchased electricity use
- + Fig. 13: EPRA 3.3 Energy consumption from fuels
- + Fig. 14: Landlord influenced like-for-like energy use (degree day adjusted)

- + Fig. 15: Office energy use
- + Fig. 16: Retail energy use
- + Fig. 21: EPRA 3.4 Energy intensity – floor area
- + Fig. 23: Landlord influenced like-for-like energy intensity – floor area (degree day adjusted)
- + Fig. 24: Energy intensity – floor area (degree day adjusted)
- + Fig. 26: Energy Performance Certificate ratings – whole buildings
- + Fig. 27: Energy Performance Certificate ratings – occupier demises
- + Fig. 35: Waste management – developments
- + Fig. 51: Community investment beneficiaries
- + Fig. 53: Community contributions through planning
- + Fig. 67: Staff turnover – rates
- + Fig. 68: Median salary and remuneration
- + Fig. 69: Staff diversity – gender
- + Fig. 81: Accidents – managed portfolio
- + Fig. 83: Reportable accidents – British Land own occupied space
- + Fig. 86: Health and safety – developments.

We assessed the Selected Information using British Land's Reporting Criteria as set out at

www.britishland.com/crdata and the GRI G3.1 Guidelines at: www.globalreporting.org/resource/library/G3.1-Sustainability-Reporting-Guidelines.pdf

PROFESSIONAL STANDARDS APPLIED AND LEVEL OF ASSURANCE

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions information, with reference to the International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements' (ISAE 3410), issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

OUR INDEPENDENCE AND QUALITY CONTROL

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply the International Standard on Quality Control (UK&I) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multi-disciplinary team with experience in sustainability reporting and assurance.

UNDERSTANDING REPORTING AND MEASUREMENT METHODOLOGIES

The Selected Information needs to be read and understood together with the Reporting Criteria. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques. The nature, methods and precision used to determine non-financial information can result in materially different measurements, affecting comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 31 March 2014.

WORK DONE

Considering the risk of material misstatement of the Selected Information, we:

- + Made enquiries of British Land's management, including the Corporate Responsibility (CR) team and those with responsibility for CR management and group CR reporting;
- + Evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information. This included visiting five sites, selected on the basis of their inherent risk and materiality to the group, to understand the key processes and controls for reporting site performance data to the group CR team;
- + Performed limited substantive testing on a selective basis of the Selected Information at corporate Head Office and in relation to a limited number of sites to check that data had been appropriately measured, recorded, collated and reported;
- + With respect to the developments carbon footprint data disclosed in Fig 7 in the FDR, we evaluated the methodology and basis of the independent valuation of the developments carbon footprint, but did not test in detail the underlying calculation models and assumptions;

PRICEWATERHOUSECOOPERS LLP
CHARTERED ACCOUNTANTS
LONDON 12TH MAY 2014



+ With respect to data on Energy Performance Certificates disclosed in Figs 26 and 27 in the FDR, we have examined underlying reports produced by external consultants and engineers, but have not tested in detail the underlying calculation models and assumptions;

+ Assessed the GRI Index on British Land's website www.britishland.com/crdata for compliance with the GRI application level requirements for B+; and

+ Assessed the disclosure and presentation of the Selected Information.

BRITISH LAND'S RESPONSIBILITIES

The Directors of British Land are responsible for:

- + Designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- + Establishing objective Reporting Criteria for preparing the Selected Information;
- + Measuring and reporting the Selected Information based on the Reporting Criteria; and
- + The content of the Full Data Report 2014.

OUR RESPONSIBILITIES

We are responsible for:

- + Planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- + Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- + Reporting our conclusion to the Directors of British Land.

This report, including our conclusions, has been prepared solely for the Directors of British Land as a body in accordance with the agreement between us, to assist the Directors in reporting British Land's corporate responsibility performance and activities. We permit this report to be disclosed in the Full Data Report 2014, to enable the Directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and British Land for our work or this report except where terms are expressly agreed between us in writing.



ABOUT US

British Land is one of the UK's largest listed real estate companies and we are structured as a Real Estate Investment Trust (REIT). We own, manage, develop and finance a portfolio of commercial property, focused on high quality retail locations around the UK and London offices. Our properties are home to over 1,000 different organisations and are places where over 99,000 people work or live. They are visited around 300 million times each year.

CONTACT US

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Follow us: [@BritishLandCR](#)

COVER IMAGE

Over 540 people have benefited from British Land's employment and training initiatives this year. Hop Le of Ultimate Security is one of 100 people who have gained employment with our suppliers at Broadgate in the City of London through our Skills into Work programme with community partner the East London Business Alliance.

THIS REPORT COVERS

99% of our managed portfolio by value, 100% of development projects and 66% of our investment portfolio. '2014' refers to 1 April 2013 to 31 March 2014. The same approach applies for other years. Where accuracy improvements have been made, some earlier data has been restated.

Design: Red Letter Design

