CDP

2017 Climate Change Information Request
British Land Company

Contents

Module: Introduction

0 Introduction

0.1 Introduction

Please give a general description and introduction to your organization.

Our portfolio of high quality UK commercial property is focused on Retail around the UK and London Offices. We own or manage a portfolio valued at £19.1 billion (British Land share: £13.9 billion) as at 31 March 2017 making us one of Europe's largest listed real estate investment companies.

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

A number of important macro trends are driving our activity and approach.

- The UK's changing role in global markets
- Population growth and urbanisation
- Transformative impact of technology
- Evolving worker and consumer expectations
- Wellbeing and sustainability

These trends are having a big impact on the UK real estate sector. We are positioning the business to be a long term beneficiary of these trends – playing to our strengths and focusing on our areas of competitive advantage.

By managing our business to be resilient, sustainable and responsive, we create enduring demand for our properties and value for our stakeholders. Our strategy is to create Places People Prefer, using four pillars:

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

Climate change is an integral aspect of one of our sustainability focus areas - Future Proofing (for example, which includes a target to reduce Scope 1 & 2 emissions intensity by 55% by 2020 on a 2009 baseline). Future proofing is a key component of the wider Capital Efficiency focus area, in which we seek to allocate our capital, manage our finances and partner with like-minded organisations to deliver sustainable long term value.

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

- Protecting value by reducing flood risk
- Improving operational efficiency and reducing occupier costs
- Increasing on-site energy generation and associated revenue
- Preparing for resource constraints and regulation through materials and process innovation.

Over the year, we undertook;

- £2.0 billion of gross investment activity, which included the exchange of our 50% interest in The Leadenhall Building, which completed in May 2017.
- On the retail side, we sold £881 million of single-let and non-core retail assets, including Debenhams, Oxford Street for £400 million and £226 million of superstores, reducing the weighting of superstores within our portfolio to 4%.
- We undertook 1.7m sq ft of leasing across Retail and Offices, 8% ahead of ERV
- Our development spend totalled £183 million in the year. We completed almost 200,000 sq ft of office space at 4 Kingdom Street, Paddington Central and 7 Clarges Street and 187 apartments at Aldgate Place (Phase 1) and The Hempel Collection.

Our industry-leading energy and carbon reductions resulted in British Land being named European Sector Leader in the 2016 Global Real Estate Sustainability Benchmark for the third year running, and winning the CIBSE Test of Time Award 2017

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 2016 - Fri 31 Mar 2017

0.3 Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
United Kingdom

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(£)

Module: Management

1 Governance

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

Board or 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 CFO reports to the CEO and is a Board Director. She is also Chair of our Sustainability Committee.

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

Our Sustainability Committee is Chaired by Chief Financial Officer, Lucinda Bell, and comprises representatives from across the business, including our sustainability team. The Committee, which meets several times a year, acts as custodian for our sustainability strategy. Its responsibilities include:

- Reviewing performance against our 2020 Strategy and informing annual business objectives;
- Assessing emerging social, environmental and ethical issues to determine how material they are to the long term value of the business;
- Considering social, environmental and ethical risks, and the mitigating actions that are in place;
- Presenting any proposed changes in sustainability strategy to the Executive Committee for approval.

We also have a Sustainability Advisory Panel, which brings together external and internal experts to challenge our thinking on sustainability and explore specific issues. This Panel includes directors and executives from Anglo American, Plus Dane, Bupa and the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA).

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

Yes

1.2a Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Corporate executive team	Monetary reward	• Emissions reduction project • Energy reduction project • Efficiency project	The annual incentive remuneration of Executive Directors is linked to achievement of our sustainability objectives, evidenced by inclusion on core Environmental, Social and Governance (ESG) indices: the Dow Jones Sustainability Index (DJSI), FTSE4Good and the Global Real Estate Sustainability Benchmark (GRESB). These indices contain performance criteria relating to taking action on and achieving reductions in energy consumption and GHG emissions. Critically, Section 2.6 Climate Strategy within the DJSI survey is completely aligned with the CDP Climate Change questionnaire. For more information please visit our website http://www.britishland.com/sustainability
Environment/Sustainability managers	Monetary reward	• Emissions reduction project • Emissions reduction target • Energy reduction project • Efficiency project • Supply chain engagement	Two employees with climate change responsibilities have annual objectives which affect the company's understanding of climate change risk and/or our carbon emissions performance. These are reviewed every six months and form part of the employee's annual appraisal, affecting pay and bonus. For more information please visit our website http://www.britishland.com/sustainability

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
All employees	Recognition (non-monetary)	• Emissions reduction project • Energy reduction project • Efficiency project	Our induction for new employees includes an introduction to our approach to sustainability and we deliver all-employee briefings on sustainability. Our peer-led recognition programme, 'Hats Off' for employees, focuses on our company values and includes the Chairman's Award for Citizenship.
Other: Suppliers	Recognition (non-monetary)	• Emissions reduction project • Energy reduction project • Efficiency project	Each year we recognise our suppliers through an awards scheme. Awards are guided by the aims of our 2020 sustainability strategy, which includes several climate change related metrics, including: reducing the Scope 1 & 2 emissions intensity of our managed portfolio by 55% by 2020 (compared to a 2009 baseline).

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 on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	The UK (the geographical area covered by assets owned and managed by British Land PLC and its subsidiaries).	> 6 years	Climate change risks are listed in our company's risk register and reviewed quarterly by the Risk Committee, comprising the Executive Directors and chaired by the Chief Financial Officer. The Board is responsible and determines the nature and extent of 'principal' risks it is willing to take to achieve its strategic objectives. Climate change risks are considered as a principal risk to the business and are captured under 'External Risks - Catastrophic business events' in our Risk Register.

2.1b Please describe how your risk and opportunity identification processes are applied at both company and asset level

Our integrated approach to risk combines a top-down strategic view with a complementary bottom-up operational process.

For the top-down approach, the Board reviews the external environment to determine the level of internal/external and company/asset level principal risks it is comfortable exposing the business to. Principal external risks include: the economic outlook; political and regulatory outlook; commercial property investor demand; occupier demand and tenant default; availability and cost of finance and catastrophic business events. Key risk indicators are identified for each principal risk and used for quarterly monitoring of exposure to ensure business activities remain within agreed risk appetite thresholds.

For the bottom-up approach, each business unit identifies, manages and monitors its risks. Control of this process is provided through maintenance of risk registers in each area. Internal/external and company/asset level risks relating to climate change are identified and reviewed by the Sustainability Committee and input into our risk assessment/management process by contributing to the company-wide Business Unit Risk Register Report, updated quarterly.

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

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

At the asset level we maintain Asset Plans which include provisions for the identification of climate change-related risks/opportunities (e.g. FRA, energy improvements following audits). Our sustainability brief for acquisitions sets out our considerations with regards to environmental, community and health and safety issues when acquiring new property.

2.1c How do you prioritize the risks and opportunities identified?

(i) Risks evaluation: To prioritise emerging risks, the risk register employs a risk matrix classification system. The risk matrix has two axes: impact and likelihood. 'Impact' is graded according to predicted potential low, medium and high financial and reputational impact. 'Likelihood' is graded according to predicted likelihood of the risk materialising. 'Impact' is assessed on a 'gross basis', which means before taking into account the effect of recorded mitigants. 'Likelihood' is assessed on a 'net basis', which means after taking into account the effect of recorded mitigants. Once this risk classification process has been applied, a colour is awarded according to the following traffic light system: red for high impact and low, medium or high likelihood, and medium impact and high likelihood; yellow for medium impact and medium likelihood; and, green for the rest. The traffic light system is used to prioritise risks, including those related to climate change and carbon.

(ii) Opportunities evaluation: Opportunities are prioritised at the corporate and asset level by the Sustainability Committee and Team according to how they support our company-level sustainability strategy to: enliven places and nurture people's wellbeing; connect with local communities; design for the future; and, enhance local skills and opportunities. As part of our company-level sustainability strategy to design for the future, we aim to: improve operational efficiency and reduce occupier costs; increase on-site energy generation and associated revenue; prepare for resource constraints and regulation through materials and process innovation; and, protect value by reducing flood risk. For certain issues (e.g. energy) asset level opportunities are further prioritised according to the outcomes of detailed assessments – for example, our building energy audits provide recommendations for improvements prioritised according to return on investment analyses (ROI).

2.1d Not applicable

2.2 Is climate change integrated into your business strategy?

Yes

2.2a Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i) How strategy influenced

Our objective is to deliver sustainable long term value for all our stakeholders. We do this by creating Places People Prefer. As part of our strategy, we take a disciplined approach to allocating our capital, recycling to maximize performance while managing our development exposure and leverage. Climate change is integrated into our strategy by informing our allocation of capital and driving our 2020 sustainability focus area - Futureproofing. Climate change also informs our risk analysis.

From improving carbon efficiency through refurbishments, preparing for resource constraints by driving innovation in our supplier spend, to installing photovoltaic panels and creating BREEAM Excellent offices, shops and homes – we deliver savings for occupiers, generating income and staying ahead of legislation and protecting asset value.

Progress against our futureproofing strategy is reviewed several times a year by the Sustainability Committee. The Committee Chairman provides ad hoc reports to the CEO on progress. The Head of Sustainable Places provides quarterly Board updates. A presentation is given to the Executive Committee to approve changes in strategy and provide updates on external change. An annual review of strategy and performance is then presented to the Board.

Outcomes:
- 30% of our portfolio by value has a green building rating;
- We have a 2020 sustainability strategy approved by the board which includes carbon efficiency targets,

ii) Example of business strategy influenced

Physical, regulatory and reputational risks/opportunities were considered during the formulation of our 2020 Sustainability Strategy. We have a target for carbon reduction on a kgCO2/m2 basis.

In 2016/17 we undertook a review of climate related risks/opportunities, adopting the framework recommended by the Taskforce for Climate-related Financial Disclosures. The framework groups risks/opportunities into 'transitional' and 'physical'. We worked with a range of internal stakeholders to gather views on risks/opportunities that affect their operations.

iii) Aspects that influenced strategy

Physical risks/opportunities, flooding: for example, flood risk assessments and feedback from insurers have informed strategic discussions regarding our flood policies, insurance and asset plans.

Regulatory risks/opportunities: increasingly stretching planning requirements (e.g. Part L), carbon taxation, 2015 Energy Efficiency Regulations (i.e. MEES) and ESOS have informed our developments, EPC and acquisition policies, and asset improvement plans. We see an opportunity, through the Design for Performance scheme, to realise rental premiums for energy efficient assets, as in the Australian NABERS scheme. Reputational risks/opportunities, incl. stakeholder demand for energy efficiency have informed our asset plans (e.g. renewables feasibility studies).

iv) Short-term strategy:

Improve asset energy efficiency: In 2014/15 we confirmed no exposure to the Energy Act minimum requirement in our offices. In our retail assets we determined the likely costs per asset at approx. £65k where required. For assets rated F/G, we have upgrade plans. We work with occupiers to support efforts to reduce resource use; implemented initiatives including a whole scale energy optimisation process, lighting upgrades and accelerated plant replacement. For a number of rental assets, lease agreements contain clauses which prohibit tenants from making alterations which would adversely affect the asset's energy efficiency. We have installed significant on-site low carbon energy generation capacity at several retail assets and are exploring other opportunities. These include St. Stephen's shopping centre, Hull, where solar photovoltaic panels generate a third of landlord electricity demand.

In July 2016 we became a RE100 member. We have already switched to Renewable Energy Guarantees of Origin (REGO) certified products for 97% of electricity we manage and are committed to switching 100% of electricity we manage.

We have undertaken an assessment to determine if our energy targets are compliant with science based requirements. Our advisers undertook an appraisal of current and predicted performance and determined that we exceed science based targets under a range of scenarios. We are now seeking formal verification that our targets are science based.

Continue to manage flood risk: Continue to explore opportunities to improve flood risk assessment and protection for our assets. Our latest flood risk screening was conducted in March 2017. At present, we have 21 assets classified as high flood risk. We are evaluating recommendations to undertake detailed assessments for high risk sites.

v) Long-term strategy

Asset efficiency: We do not purchase F/G rated assets without asset plan actions on how to improve the rating, unless the Investment Committee decides otherwise. In our offices we ensure refurbishments achieve a D rating. For new lettings we consider actions to improve an EPC rating above F and retail lease clauses include a requirement for fit-out to exceed an F rating.

We published our 2020 Sustainability Strategy in 2015:
- 55% Scope 1 and 2 carbon intensity reduction, based on index score of 45 against 2009 score of 100
- 15% reduction in landlord embodied carbon intensity for projects over £50m against a 2015 per m² benchmark

Developments: On-going consideration of adaptation in the design of our developments; building in flexibility and future-proofing.

vi) Strategic advantage

We are increasingly able to demonstrate the impact of energy reduction initiatives to occupiers, such as a 35% reduction in landlord-influenced energy intensity and a 44% reduction in carbon intensity across our portfolio since 2008/09, and work with them to support their own climate change objectives. As a result, we have been able to deliver an estimated £13m reduction in costs for occupiers since 2011/12. We are able to deliver assets that are more resilient to policy change, future issues of energy security/cost and other climate change impacts (e.g. flooding) for our investors and customers. Our 2016/17 independent survey of customers rated us at 8.1/10. This helps protect and grow capital value over the medium to long-term and is supported by very strong occupancy rates this year of 98%.

vii) Decisions influenced

During the reporting year we became a member of RE100, working towards all purchased electricity coming from renewable sources (currently 97%). We have developed science-based targets (SBTs) for the business, currently being reviewed by the SBT Initiative. We have undertaken major investments in renewable energy projects, such as a solar PV array at St. Stephen's shopping centre, Hull which supplies one third of all energy demand.

2.2b Not applicable

2.2c Does your company use an internal price on carbon?

No, and we currently don't anticipate doing so in the next 2 years

2.2d Not applicable

2.3 Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Other

2.3a On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Other: Business energy tax reform	Support	Ongoing support for British Property Federation and Revo (formerly BCSC) following 2015 consultation response to HM Treasury on Business Energy Tax Reform	The UK government is planning to simplify the business energy efficiency tax landscape by abolishing the Carbon Reduction Commitment (CRC) energy efficiency scheme with effect from the end of the 2018/19 compliance year and increasing the main rates of Climate Change Levy (CCL) from 1 April 2019 to cover the cost of CRC abolition in a fiscally-neutral reform and incentivise energy efficiency in CCL-paying businesses. We support moving away from the current system of overlapping policies toward a system where a single business/organisation faces one tax and one reporting scheme. British Land is supporting the British Property Federation and the UK Green Building Council in ongoing engagement with the UK Treasury on the business energy tax reform.
Other: Climate Change	Support	Ongoing meetings with the CBI and Department for Business, Innovation and Skills (DBEIS, formerly DECC). Attendance of Prince of Wales's 2016 Accounting for Sustainability summit.	British Land have been involved in working groups with the Confederation of British Industry post—Paris conference. We recently participated in the Prince of Wales's 2016 Accounting for Sustainability summit.
Energy efficiency	Support	Public Consultation on the Energy Performance of Buildings Directive Recast (through membership with British Property	The Energy Performance Certificate is not widely trusted in the market due to a lack of consistency and quality with which the national standards are applied – the Commission should reiterate the need for credible sanctions and quality control of EPCs to ensure that they are

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
		Federation)	reliable. Implementation of the EPBD by the Member States requires improvement. From a substantive perspective, many of the individual instruments underlying the EPBD are beneficial for tackling energy security, energy demand and climate change effects associated with buildings, but may be insufficient in their scope to meet the necessary targets for 2030. There is a particular need for closer synergies between the building-related elements of the Energy Efficiency Directive and the Energy Performance of Buildings Directive.

2.3b Are you on the Board of any trade associations or provide funding beyond membership?

Yes

2.3c Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Better Buildings Partnership	Consistent	Extract from website: To get close to the carbon emission reductions required to slow the impacts of climate change, we have to make sure all businesses understand how to use their space efficiently and productively to make a shift towards a sustainable economy. Then the property industry can get on with delivering better buildings. It's a big challenge but the BBP members have shown already what can be achieved, so it's clearly not impossible.	Regular participation in meetings, committees and informal discussions.
British Property Federation	Consistent	Buildings alone generate almost half of all CO2 emissions in the UK - 27% from the 26 million residential dwellings and 17% from the 2 million non-domestic buildings. The BPF has a dedicated team for sustainability issues, reflecting the priority which its leading members place upon issues of climate change and resource efficiency.	Sarah Cary, Head of Sustainable Places at British Land, chairs the Sustainability Committee.
UK Green Building Council	Consistent	Extract from website: Our built environment is vital in the fight against climate change as about 45% of CO2 emissions in the UK come from energy used in our homes and buildings. We need to almost completely decarbonise our built environment by 2050, through a combination of very high energy efficiency of buildings, on-site renewable energy, community scale renewables and decarbonisation of the grid.UK-GBC sees embodied carbon as an increasingly important area for all sectors of the built environment to actively address and are	Regular participation in meetings, committees and informal discussions.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		working with their members to assist them in the process of making buildings more resource efficient. Globally, the built environment accounts for 40-50% of natural resource use, 20% of water use, 30-40% of energy use and around a third of CO2 emissions. The new homes, offices and other buildings which the industry designs and develops every year are an opportunity to make sure that the built environment has a positive contribution to the environment, economy and our quality of life.	
Confederation of Business and Industry	Consistent	Extract from website: Energy is essential for the UK's economy to function and grow. Ensuring that we maintain a secure, affordable and low-carbon supply is vital to British business. Additionally, we must continue to use energy more efficiently across our homes and industry. The CBI is lobbying for government to provide a long-term, stable policy framework to enable continued business innovation and investment in the UK's low-carbon transition.	Regular participation in meetings, committees and informal discussions.
European Public Real Estate Association	Consistent	Extract from Best Practices Recommendations on Sustainability Reporting 2014 guidance document: We are pleased to publish the second edition of the EPRA Best Practices Recommendations on Sustainability Reporting (EPRA sBPR). Since the launch of the first edition of the EPRA sBPR in 2011 and of the EPRA sBPR awards, we have seen a steady increase in the number of EPRA members reporting on their environmental performance. Encouragingly, the quality of reporting has also improved, with more companies achieving Gold, Silver and Bronze awards for their sustainability reporting each year. The second edition of the EPRA sBPR draw on the new Global Reporting Initiative (GRI G4 CRESSD) guidelines and still complement the existing and well established EPRA Financial BPR1. Furthermore, the second edition of the guidelines meets the following objectives: • To provide further	Regular participation in meetings, committees and informal discussions.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		clarity, conciseness and support for companies wishing to disclose their performance in accordance with the EPRA sBPR guidelines. • To raise the bar and further challenge those companies already reporting on the performance measures and overarching recommendations included in the first edition of the guidelines. We hope that the process of reporting in line with the guidelines will facilitate a greater understanding of the environmental impacts associated with your company's activities, leading to efficiency gains and ultimately, lower operating costs.	
Accounting for Sustainability	Consistent	A4S aims to inspire action by finance leaders to drive a fundamental shift towards resilient business models and a sustainable economy. To do this, A4S has three core aims. 1). Inspire finance leaders to adopt sustainable and resilient business models 2). Transform financial decision making to enable an integrated approach, reflective of the opportunities and risks posed by environmental and social issues 3). Scale up action across the global finance and accounting community	Lucinda Bell, Chief Financial Officer, is a Member of the Accounting for Sustainability CFO Leadership Network. British Land is working with other Chief Financial Officers to develop a framework. We recently participated in the 2016 Accounting for Sustainability summit.
Revo (formerly British Council of Shopping Centres)	Consistent	Revo represents and advances the interests of the retail property and placemaking community in all locations. Revo influences decision makers, establishes benchmarks and standards and creates networks for career and business development and provides insight and opinion.	British Land is represented on the Revo Property Management Committee
Greater London Authority	Consistent	The GLA is the region-wide governing body for London. It consists of a directly elected executive Mayor of London, and an elected 25-member London Assembly with scrutiny powers.	British Land is supporting with GLA in the development of a standardised approach to carbon offsetting. We are meeting with the GLA and individual boroughs (including Camden, Westminster and Southwark) to understand the methodology and approach and negotiate the detail of implementing policy.

2.3d Not applicable

2.3e Please provide details of the other engagement activities that you undertake

- Better Buildings Partnership – We continue to take a leading role with Better Buildings Partnership to promote their 'Commitment Agreement' or 'Design for Performance' scheme. A final report of a feasibility study into the potential for UK implementation of a Design for Performance approach was published in May 2016. We are now undertaking an 18-month pilot phase to consider each major element of the Commitment Agreement separately on one or more real projects. We are committed to this project, investigating opportunities for piloting within our own assets as well as providing space and resources for the project board to meet.

- We are a UK Green Building Council (UK-GBC) Member. In March 2017 our Head of Sustainable Places Sarah Cary provided the output report for the UKGBC Sustainable Cities Leadership Summit held in Leeds in January. The purpose of this event was to accelerate action on sustainable cities.

- Sarah Cary, chaired the UK GBC's Zero Carbon Buildings Task Force and is on Sustainability Committees with both the British Council of Offices and British Property Federation.

- EPRA Sustainability Reporting Working Group - participation in meetings, committees and informal discussions.

- In Summer 2016 we became a member of RE100. 97% of the electricity used to light and power our shopping centres and office campuses comes from guaranteed renewable sources certified through REGO products with the remaining 3% being certified over the next three years.

- Sarah Cary, is a member of the benchmarking committee for Europe as part of GRESB (Global Real Estate Sustainability Benchmark).

- Sarah Cary was a member of an expert panel convened by the Royal Institute for Chartered Surveyors (RICS) on implementing whole life carbon consideration in buildings.

- Sarah Cary contributed to the Willis Towers Watson 'Real estate climate risk report 2017', which aimed to bring together major listed firms to discuss how real estate can help the UK meet the targets enshrined in the Paris Agreement.

2.3f What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

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

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

2.3g Not applicable

3 Targets and Initiatives

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

Intensity target
Renewable energy consumption and/or production target

3.1a Not applicable

3.1b Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1+2 (location-based)	100%	55%	Other: Tonnes CO2e per m2 net lettable floor area (offices)	2009	0.118	2020	Yes, but this target has not been approved as science-based by the Science Based Targets initiative	Our target is to reduce our Scope 1 and 2 carbon intensity across our portfolio (common parts and shared services) by 55% compared to 2008/09. We have developed an index methodology to track and report the relative resource efficiency of our entire managed portfolio over time and demonstrate performance against our 2008/09 baseline. Each index score is based on the ratio of associated resource use or emissions intensity against our 2008/09 baseline. The overall portfolio index is calculated by weighting each asset class by total resource use or emissions per reporting year. The intensity metrics that sit behind the overall index include: metric tonnes CO2e per: m2 net internal area for offices; m2 common parts for retail

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
									(enclosed); and, car park spaces for retail (open-air). Our target for offices, retail-enclosed and retail-open air is combined, however, due to differences in their denominators, we have split them here into the three component parts (Int1, Int2, and Int3).
Int2	Scope 1+2 (location-based)	100%	55%	Other: Tonnes CO2e per m2 common area floor area (retail-enclosed)	2009	0.174	2020	Yes, but this target has not been approved as science-based by the Science Based Targets initiative	Our target is to reduce our Scope 1 and 2 carbon intensity across our portfolio (common parts and shared services) by 55% compared to 2008/09. We have developed an index methodology to track and report the relative resource efficiency of our entire managed portfolio over time and demonstrate performance against our 2008/09 baseline. Each index score is based on the ratio of associated resource use or emissions intensity against our 2008/09 baseline. The overall portfolio index is calculated by weighting each asset class by total resource use or emissions per reporting year. The intensity metrics that sit behind the overall index include: metric tonnes CO2e per: m2 net internal area for offices; m2 common parts for retail (enclosed); and, car park spaces for retail (open-air). Our target for offices, retail-enclosed and retail-open air is combined, however, due to differences in their denominators, we have split them here into the three component parts (Int1, Int2, and Int3).
Int3	Scope 1+2 (location-based)	100%	55%	Other: Tonnes CO2e per car park space (retail-open air)	2009	0.106	2020	Yes, but this target has not been approved as science-based by the Science Based	Our target is to reduce our Scope 1 and 2 carbon intensity across our portfolio (common parts and shared services) by 55% compared to 2008/09. We have developed an index methodology to track and report the relative resource efficiency of our entire managed portfolio over time and demonstrate

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
								Targets initiative	performance against our 2008/09 baseline. Each index score is based on the ratio of associated resource use or emissions intensity against our 2008/09 baseline. The overall portfolio index is calculated by weighting each asset class by total resource use or emissions per reporting year. The intensity metrics that sit behind the overall index include: metric tonnes CO2e per: m2 net internal area for offices; m2 common parts for retail (enclosed); and, car park spaces for retail (open-air). Our target for offices, retail-enclosed and retail-open air is combined, however, due to differences in their denominators, we have split them here into the three component parts (Int1, Int2, and Int3).

3.1c Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	19		0	
Int2	Decrease	43		0	
Int3	Decrease	76		0	

3.1d Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
RE1	Electricity consumption	2015	171895	2%	2019	100%	Our RE100 commitment covers all purchased electricity; 100% purchase electricity within our managed portfolio will be supplied by renewables.

3.1e For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Int1	73%	75%	Since 2008/09, we have achieved a 41% reduction in Scope 1 and 2 emissions across our office managed portfolio (common parts and shared services).
Int2	73%	100%	Since 2008/09, we have achieved a 61% reduction in Scope 1 and 2 emissions across our retail-enclosed managed portfolio (common parts). This is actually an over-achievement of our target of a 55% reduction.
Int3	73%	73%	Since 2008/09, we have achieved a 40% reduction in Scope 1 and 2 emissions across our retail-open managed portfolio (common parts).

3.1f Not applicable

3.2 Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

3.2a Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Group of products	Development projects, including new builds and major refurbishments (office, retail and/or residential): We seek to design and build buildings which in operation emit fewer GHG emissions than UK building regulations require (this year 21.18% more energy efficient on average). We work with our construction supply chain to reduce emissions associated with the manufacture of our developments. We have been exploring embodied carbon on our developments since 2009, commissioning studies across our development programme and detailed studies at, amongst others, 5 Broadgate. These studies highlighted the significance of energy and material use on our developments, particularly the fabrication of steel and concrete, in relation to our other managed emissions. Building on this knowledge, we have been working with our supply chain partners to reduce embodied carbon since 2011. For instance, our design teams for 5 Broadgate and Marble Arch House conducted investigations into the embodied carbon of key building elements, seeking to design out material usage and to	Avoided emissions	Other: For example, the 5 Broadgate embodied carbon LCA assessment was undertaken in accordance to BS EN ISO14040. The whole life carbon performance model evaluated from ''Cradle to end of operation''. It includes predicted CO2 emissions associated with 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). Embodied carbon factors Hammond G, Jones C, 2006. Inventory of Carbon & Energy (ICE) Version 2.0; Transport carbon factors Guidelines to Defra/DECCs Greenhouse Gas Conversion Factors for Company Reporting 2010; Life expectancy BCIS, 2006. Life Expectancy of Building Components. 2nd ed.			

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	specify lower carbon sources of concrete and aluminium. Since January 2014, we have required all projects with a construction value over £50 million to reduce embodied carbon in concrete, steel, rebar, aluminium and glass by 10% compared to the concept design. At 100 Liverpool Street, our design team has developed plans that reuse as much of the building structure as possible, cutting construction costs and reducing embodied carbon by 7,270 tonnes. Design improvements are also targeting a further 4,360 tonne saving versus the original concepts, at no extra cost. Emissions related to operational energy use avoided on our current office and retail developments through design that exceeds Building Regulations are estimated [2014] at 4,135t CO2/year or 69,400t CO2 across a 20 year operational life and 208,300t across a 60 year development life. It should be noted that building regulations only address a defined subset of total building energy use and the actual value of savings is likely to be significantly larger.					
Group of products	Managed portfolio (i.e. assets over which we have operational control): We work closely with our managing agents to manage energy use at our properties, implementing environmental action plans at all major assets. We have installed automatic meter reading (AMR) systems	Avoided emissions	Other: The carbon savings figure is calculated from electricity, gas and oil savings in MWh made since 2009, as well as any reductions in refrigerant loss and fuel use in British Land owned vehicles. The following carbon factors are used (from UK Government conversion			

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	across 90% (by value) of our managed retail portfolio and 70% of our offices managed portfolio (this relates to sites with either full or partial AMR installed). These enable our local teams to identify reduction opportunities on an ongoing basis, at the same time as improving billing accuracy. Examples of energy reduction measures include: matching heating and cooling plant run times with operational hours agreed with occupiers; increasing intake of external ambient air to reduce the need for heating and cooling, and eliminating heating and cooling conflicts; installing motion sensors and replacing lighting with energy efficient alternatives; and, adjusting temperature set points to reduce heating and cooling demands. We are working with our occupiers to reduce energy use and cut carbon emissions, notably through Green Building Management Groups in our multilet offices. We have also completed Energy Performance Certificate assessments across our portfolio, which provide an assessment of the building's theoretical energy efficiency and where improvement opportunities are. We have reduced landlord influenced emissions intensity (common parts and shared services) across our portfolio 44% against a 2008/09 baseline		factors for Company Reporting 2016): electricity generated scope 2 (kgCO2e/kWh): 0.41205; nat. gas scope 1 (kgCO2e/kWh): 0.20444; gas oil scope 1 (kgCO2e/l): 2.96571; HFC 134a (GWP/t): 1430; R407c (GWP/t): 1774; R410a (GWP/t): 2088; R417a (GWP/t): 2346.0; diesel scope 1 (kg CO2e/l): 2.67620; petrol scope 1 (kgCO2e/l): 2.30250; LPG scope 1 (kg CO2e/l): 1.50502.			

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, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	8	1500
To be implemented*	4	750
Implementation commenced*	0	0
Implemented*	2	160
Not to be implemented	0	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 CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Replacement of Basement A/C split units	11	Scope 2 (location-based) Scope 3	Voluntary	13000	42000	1-3 years	11-15 years	Replacement of Basement A/C split units at 1 office
Energy efficiency: Building services	LED's across retail and offices	132	Scope 2 (location-based) Scope 3	Voluntary	34500	89000	1-3 years	6-10 years	LED installations at 3 offices and 1 retail site

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 and third party advisers to support compliance with the CRC Energy Efficiency Scheme, ESOS and Minimum Energy Efficiency Standards. More importantly these systems enable the identification of energy saving opportunities. Also by appointing third party advisers to manage compliance the sustainability team has more time to focus on implementation of opportunities. In new developments, we aim to exceed and have significantly exceeded regulatory standards for energy efficiency.
Dedicated budget for energy efficiency	Our sustainability programme budget covers a range of initiatives aimed at delivering our sustainability targets. We report on our investment annually in our Sustainability Accounts. Since 2012 we have invested £8 million in energy initiatives across our existing portfolio, of which £1m is spend from our corporate sustainability budget on fees and consultancy and £7m is asset level investment in resource efficiency. In our developments, we assign project budgets for additional metering. These exceed regulatory requirement and will further support operational energy efficiency.
Internal incentives/recognition programs	Each year, at an awards ceremony, we recognise the achievements of our staff and supply chain who have helped us to achieve our overall sustainability goals.
Employee engagement	At Head Office we have numerous initiatives in place to engage with employees on reducing environmental impact (including emissions). For example, we: have a bicycle user group; have a scheme to encourage use of Santander Bike Hire Scheme; cycle to work loans through the UK Government's Ride2Work scheme; and have awareness raising campaigns on various environmental issues. We also provide staff inductions, which includes a presentation on sustainability.
Internal finance mechanisms	All major managed properties are required to contribute to our Sustainability 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.
Other	We also engage actively with occupiers, notably through sustainability groups in our multi-let offices. In FY17 we provided c.45% of tenants with feedback on energy/water consumption and waste generation and had engagement meetings to discuss sustainability related issues. We have found a number of occupiers who are also keen to work with us on optimisation of our central heating and cooling plant. This has enabled us to work with occupiers to identify savings they can make within their own space. With the extensive sub-metering in each of our buildings, we are able to project energy savings on each initiative before we secure the support from occupiers to proceed on a new initiative. In recent years, we have won several industry awards for our energy reduction work, including: in 2017 being the first recipient of the CIBSE (Chartered Institute of Building Service Engineers) "Test of Time" award, 2014 CIBSE Client Energy Management Award 2014 for energy reduction across our managed portfolio, for the third year running, Building Operation Award 2014 for our Exchange House energy reduction collaboration and NAREIT Global Recognition Leader in the Light Award, 2014.
Other	We also engage actively with suppliers on our developments, to try to reduce embodied carbon on our new construction projects. We have been exploring embodied carbon on our developments since 2009, commissioning studies across our development programme and detailed studies at 5 Broadgate, The Leadenhall Building, Regent's Place, Ropemaker Place and Whiteley Shopping. These studies highlighted the significance of energy and material use on our developments, particularly the fabrication of steel and concrete, in relation to our other managed emissions. Building on this

Method	Comment
	knowledge, we have been working with our supply chain partners to reduce embodied carbon since 2011. For instance, our design teams for 5 Broadgate and Marble Arch House conducted investigations into the embodied carbon of key building elements, seeking to design out material usage and to specify lower carbon sources of concrete and aluminium. We require all projects with a construction value over £50 million to reduce embodied carbon by 15% compared to a 2015 per m2 benchmark.

3.3d Not applicable

4 Communication

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

Publication	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Annual Report and Accounts 2017 pages 7, 23, 27, 38, 50, 172	https://www.cdp.net/sites/2017/97/2297/Climate Change 2017/Shared Documents/Attachments/CC4.1/British Land Annual Report 2017.pdf	
In voluntary communications	Complete	Sustainability Accounts, pages 15-28	https://www.cdp.net/sites/2017/97/2297/Climate Change 2017/Shared Documents/Attachments/CC4.1/British Land Sustainability Accounts 2017.pdf	
In voluntary communications	Complete	Online website pages, all		http://www.britishland.com/sustainability.aspx
In voluntary communications	Complete	British Land in London, page 4	https://www.cdp.net/sites/2017/97/2297/Climate Change 2017/Shared Documents/Attachments/CC4.1/British Land in London 2016.pdf	

Module: Risks and Opportunities

5 Climate Change Risks

5.1 Have you identified any inherent climate change risks that have the 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 inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	The UK CRC Energy Efficiency Scheme requires that we purchase carbon allowances for emissions arising from energy use within our buildings. There is a cost risk associated with this scheme; for example, British Land's estimated financial exposure to the CRC in 2016/17 was £1.35m.	Increased operational cost	Up to 1 year	Direct	Virtually certain	Low	British Land's estimated financial exposure to the CRC for 2015/16 was £1.35m.	We work closely with our managing agents to manage energy use at our properties, implementing environmental action plans at all major assets. We have installed full/partial automatic meter reading (AMR) systems across 90% of our	We invested over £8 million in asset level and corporate energy efficiency and management improvements since 2011/12. Administrative internal costs have also been incurred.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								managed retail portfolio and 70% of our offices managed portfolio to enable our local teams to identify reduction opportunities on an ongoing basis, at the same time as improving billing accuracy. Examples of energy reduction measures include: matching heating and cooling plant run times with operational hours agreed with occupiers; increasing intake of external ambient air to reduce need for heating and cooling, and eliminating heating and cooling conflicts; installing motion sensors and replacing lighting with energy efficient	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								alternatives; and, adjusting temperature set points to reduce heating and cooling demands. Through these recent and other more historic initiatives, we have been able to achieve 44% reduction in our Scope 1 & 2 emissions intensity since 2009.	
Fuel/energy taxes and regulations	The UK CRC Energy Efficiency Scheme is an obligatory scheme and therefore there is also a regulatory compliance risk. Emissions must be reported in a timely and accurate manner. An Evidence Pack is also needs to be maintained. This process is audited by the scheme regulator, the Environment Agency.	Increased operational cost	Up to 1 year	Direct	Unlikely	High	The non-compliance cost through the CRC is a penalty of £40/tonne. In British Land's case this could result in a fine in excess of £2m.	British Land ensures ongoing compliance with the CRC by appointing an external contractor to assess and report on emission data in an accurate and timely fashion.	British Land's most recent compliance costs were: a. The CRC fee of £17.9k (2016-17) b. Formal administration fees for CRC which are circa £1.2k per annum c. A registration fee of ~£0.9k for a 5 year period (averaged for one year) d. Internal cost of approximately £4k (4 days at £1k/day)
Product	The 2015 Energy	Increased	1 to 3 years	Direct	Virtually	High	Financial	The first step to	Financial

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
efficiency regulations and standards	Efficiency Regulations (passed in March 2015) set out Minimum Energy Efficiency Standards for rented buildings in England and Wales. These regulations will prohibit the letting of space where there is an EPC rating of F or G from 1st April 2018. These regulations could either result in an increased refurbishment cost for British Land or devaluation of assets which do not meet the minimum standards.	operational cost			certain		implications of performing a complete review of EPCs across our portfolio: £1m. Financial implications of improving underperforming EPCs from an F or G to a C or D rating is estimated at £110 per square metre. This figure may vary significantly by asset, and is based on an initial study Importantly, E, F and G ratings may also have an impact on valuations.	manage this risk has been for British Land to undertake an EPC review of our portfolio to understand exposure to E, F and G rated properties. Furthermore, we have funded an analysis into the likely costs of improving underperforming assets above an E rating. Where appropriate, the results of these analyses feed directly into our asset specific management plans – a procedure which enables us to work closely with managing agents to improve energy use and rating performance at our properties. Our Sustainability Brief for Acquisitions	implications of performing a complete review of EPCs across our portfolio: £1m. Financial implications of improving underperforming EPCs from an F or G to a C or D rating is estimated at £110 per square metre. This figure may vary significantly by asset, and is based on an initial study Importantly, E, F and G ratings may also have an impact on valuations.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								identifies the EPC rating of a potential new acquisition as investment critical information. During the due diligence phase consultants are required to investigate energy supply and EPC recommendations further. Our Sustainability Brief for Developments also provides requirements and guidance for improving the energy and carbon performance of our developments.	
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	Increased capital cost	3 to 6 years	Direct	Virtually certain	Medium-high	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 vary, but as	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	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 vary, but as

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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. It should be noted that the UK regulation is associated with wider EU regulation. As a result changes may result due to BREXIT.						an example, compliance with Part L is estimated to have cost £1,000,000 for a recent mixed-use scheme or 1-3% of the total project costs. Additional impacts include possible difficulty to secure planning permissions, accelerated asset value depreciation and increased fiscal burden from environmental taxes.	mitigates any potential financial impact related to compliance with Building Regulation amendments. During 2016/17 our developments were designed to have 21% lower energy consumption on average than current Building Regulations. Our Sustainability Briefs for Developments provides development project teams with energy and carbon requirements including energy efficiency standard of 50kWh/m2. We engage with government departments and advise on emerging legislation; for example, Sarah Cary (Head of Sustainable Places) recently	an example, compliance with Part L is estimated to have cost circa £1,000,000 for a recent mixed-use scheme or 1-3% of the total project costs. Actions relating to BREEAM and implementing our Sustainability Brief for Development are integrated within our business activities and thus present no additional costs.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								chaired a UKGBC taskforce on the future of Building Regulations Part L.	
Product efficiency regulations and standards	Certain local authorities are assigning additional carbon efficiency targets/requirements to building planning applications. Meeting these additional planning requirements presents an additional capital cost to the project. Failing to meet the requirements attracts a commensurate tax from the planning authority.	Increased capital cost	Up to 1 year	Direct	Virtually certain	Medium-high	Ensuring compliance with the additional carbon efficiency planning conditions presents an additional capital cost to development projects. These are generally set as a fiscal penalty for failing to meet regulatory targets above and beyond national standards. Additional impacts include possible difficulty to secure planning permissions, accelerated asset value depreciation and increased fiscal burden from environmental taxes as failing to meet the requirements attracts a commensurate tax from the planning	We set annual targets for development projects for BREEAM; BREEAM requirements are amended in order to track ahead of Part L (and other) energy/carbon requirements we believe this mitigates potential financial impact related to these additional carbon requirements from planning authorities. During 2016/17 our developments were designed to have 21% lower energy consumption on average than current Building Regulations. Our Sustainability Briefs	Ensuring compliance with the additional carbon efficiency planning conditions presents an additional capital cost to the project. As a proxy, compliance with Part L building regulations are estimated to have cost £1,000,000 for a recent mixed-use scheme or 1-3% of the total project costs. Additional impacts include possible difficulty to secure planning permissions, accelerated asset value depreciation and increased fiscal burden from environmental taxes as failing to meet the requirements attracts a

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							authority. For one recent scheme, the tax liability associated with not meeting the carbon efficiency requirement was estimated at £60/m2, totalling c. £400,000.	for Developments provides development project teams with energy and carbon requirements including energy efficiency standard of 50kWh/m2. We engage with government departments and advise on emerging legislation; for example, Sarah Cary (Head of Sustainable Places) chaired a UKGBC taskforce on the future of Building Regulations Part L.	commensurate tax from the planning authority. For one recent scheme, the tax liability associated with not meeting the carbon efficiency requirement was estimated at or £60/m2. Actions relating to BREEAM and implementing our Sustainability Brief for Development are integrated within our business activities and thus present no additional costs.
Product efficiency regulations and standards	The Energy Savings Opportunity Scheme (ESOS), launched in December 2014, requires all large companies to undertake organisation-wide audits of their energy use and identify costed energy	Increased operational cost	3 to 6 years	Direct	Virtually certain	Low	Financial implications of the process: Our ESOS audits cost approximately £2,000-3,000 per asset; however, we were not required to assess all assets. Financial implications of	We treated ESOS audits as an opportunity and not just a tick box exercise. Through the audits we identified efficiency opportunities that could deliver cost savings, building performance	Cost of the process: Our ESOS audits cost approximately £2,000-£3,000 per asset; however, we were not required to assess all assets. We also commission a third party to project manage the

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	efficiency opportunities every four years. Risks from non-compliance include government fines and reputational impact. The deadline for the first compliance period was 5 December 2015.						discharging the emerging efficiency recommendations: To realise the benefits identified from the ESOS audits, the capital investment required would be £2.8m.	improvements and carbon reductions. We negotiated with a single supplier to carry out audits across our entire office portfolio, Cavendish Engineers. This means that, where they identified something that works well in one building, they could explore the feasibility of rolling it out elsewhere. In addition, thanks to our smart metering systems, they had access to robust, detailed energy data for each building, so they could accurately forecast savings for potential innovations. Broadgate Estates Ltd (our in-house property management partner) is now	compliance exercise at a fee of £25,000. Cost of discharging the emerging efficiency recommendations: In total site surveys have identified opportunities with a total capex of £6.4m that would save £3.7m annually and would cover cost in 1.7 years

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								engaging with occupiers on opportunities in each building.	
Fuel/energy taxes and regulations	In order to meet long term carbon targets the UK government must transition current carbon intensive heat generation technologies to low carbon alternatives. Almost all of the heat generated in British Land buildings is produced using gas fired boilers. There is therefore a major capital expenditure requirement when it becomes necessary to transition to low carbon heat alternatives.	Increased capital cost	3 to 6 years	Direct	Likely	Low	Due to the building specific applicability of low carbon solutions it is not possible to provide a portfolio capital expenditure based on generic costings, each building needs to be assessed on a case by case basis. The issue has however been assessed for a small number of buildings. For instance, Regents Place, an office in central London, recently installed an air source heat pump system. It meets the majority of the building's heat requirement. It was ~£75k more expensive than the conventional fossil fuel based	During a building's lifecycle there will be opportunities to make major plant replacement. At this point the investment case for a low carbon alternative for the provision of heat will be investigated. It should be noted that the requirements of such systems are linked to future building designs and tenant operational requirements, which may mean that heat demand reducing substantially.	The additional cost of the evaluation process at the point of investigation.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							alternative.		
Product efficiency regulations and standards	Increased costs associated with carbon intensive building materials. Building materials can be energy or carbon intensive to make. There is a risk that more strict efficiency requirements or additional carbon/energy taxes at the point of manufacture could be passed on to property companies, such as British Land.	Increased capital cost	3 to 6 years	Indirect (Supply chain)	About as likely as not	Medium	At present, the financial implications are unknown; however, construction costs for our developments can range between £200k-£200m and thus a 5% increase could represent a significant additional cost.	We set annual targets for development projects for BREEAM; BREEAM requirements include requirements on embodied carbon and recycled content of materials, which thus mitigates potential financial impact related to these additional costs. Within our Sustainability Brief for Developments we have additional requirements around embodied carbon (15% reduction in landlord embodied carbon intensity for projects over £50m against 2015 per m^2) and recycled content.	Actions relating to BREEAM and implementing our Sustainability Brief for Development are integrated within our business activities and thus present no additional costs.
Product	The use of	Increased	1 to 3 years	Direct	About as	Low	Consolidation	This risk arises	Costs will be

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
efficiency regulations and standards	consolidation centres is increasingly required for major buildings in central urban locations. This is because reduces urban traffic. Running such centres is costly and logistically challenging.	operational cost			likely as not		centres are a major cost to setup and maintain. The centre could provide services to other parties and therefore be revenue neutral. In practice this is difficult to achieve,	when redeveloping a site for a building. It is important to work closely with key stakeholders to determine the most pragmatic solution for a site.	incurred on a site by site basis as and when planning considers proposals for such centres.
Product efficiency regulations and standards	Planning department could advocate the use of inappropriate energy generation systems, despite risks associated with long term environmental impact or the viability of the feedstock	Increased operational cost	>6 years	Direct	About as likely as not	Low	The financial implications to British Land have not been evaluated.	This risk is monitored and assessed as part of our risk review process outlined in CC2.2a.	There is no additional cost as this is reviewed as part of wider risk review processes.
Product efficiency regulations and standards	A small proportion of British Land's tenant's undertake activities which are carbon intensive. Under future low carbon policy scenarios these Tenant business models may not be viable.	Increased operational cost	>6 years	Direct	About as likely as not	Low	The financial implications to British Land have not been evaluated as this is unlikely to affect the portfolio in the near term. Analysis on tenant exposure to carbon regulations is under consideration for the future.	This risk is monitored and assessed as part of our risk review process outlined in CC2.2a.	There is no additional cost as this is reviewed as part of wider risk review processes.

5.1b Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) precipitation	Insurers 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	Up to 1 year	Indirect (Supply chain)	About as likely as not	Low	Where flooding does occur, then this may result in insurance claims. In 2007, two flood events within our portfolio resulted in insurance losses of some £25m. In this example insurance premiums on those assets were increased by 5% as a result of the flood claims. In 2012, British Land encountered one flood claim incident at a public house where the repair costs are estimated to be £100k.	We continue to explore opportunities to improve flood risk assessment and protection for our assets and developments. In addition to flood risk assessments required for insurance purposes, we carry out regular portfolio-wide assessments. For example, in 2011/12, we commissioned a flood consultant to perform an in-depth review of our entire portfolio. At that time we had several assets deemed to be at risk; many of these assets were supermarkets and flood risk management measures have since been developed. At present, we have 21 assets classified as	The cost of mitigating flood risk varies for each asset; however, by way of an example before renewing the insurance at one of our assets we had to demonstrate improved flood defences at a cost of £1m. Many of the management procedures mentioned (e.g. Sustainability Brief for Acquisitions) do not represent additional costs as actions are integrated within our business activities. Our 2011/12 portfolio-wide flood review cost approximately £280k

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								high flood risk (e.g. fully/partially Flood Zone 3); we reviewed two of these assets in 2015 and we are now evaluating recommendations from these surveys. Our publically available management procedures – Sustainability Briefs for Development and Acquisition – also include prescriptions for asset-level flood risk assessment and mitigation. For example, the Sustainability Brief for Development prescribes a Flood Risk Assessment and site-wide water balance calculation at RIBA Stage 2 (Concept Stage). Furthermore, the Sustainability Brief for Acquisitions looks at flood risk as part of the due diligence	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								process and we do not acquire assets with deemed high flood risks without a clear asset plan to mitigate the perceived risk.	
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	Up to 1 year	Direct	About as likely as not	Medium	The cost of mitigating flood risk varies for each asset; however, by way of an example before renewing the insurance at one of our assets we had to demonstrate improved flood defences at a cost of £1m.	We continue to explore opportunities to improve flood risk assessment and protection for our assets and developments. In addition to flood risk assessments required for insurance purposes, we carry out regular portfolio-wide assessments. For example, in 2011/12, we commissioned a flood consultant to perform an in-depth review of our entire portfolio. At that time we had several assets deemed to be at risk; many of these assets were supermarkets and flood risk management	The cost of mitigating flood risk varies for each asset; however, by way of an example before renewing the insurance at one of our assets we had to demonstrate improved flood defences at a cost of £1m. Many of the management procedures mentioned (e.g. Sustainability Brief for Acquisitions) do not represent additional costs as actions are integrated within our business activities. Our 2011/12 portfolio-wide flood review cost approximately £280k.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								measures have since been developed. At present, we have 21 assets classified as high flood risk (.g. fully/partially Flood Zone 3); we reviewed two of these assets in 2015 and we are now evaluating recommendations from these surveys. Our publically available management procedures – Sustainability Briefs for Development and Acquisition – also include prescriptions for asset-level flood risk assessment and mitigation. For example, the Sustainability Brief for Development prescribes a Flood Risk Assessment and site-wide water balance calculation at RIBA Stage 2 (Concept Stage). Furthermore, the	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Sustainability Brief for Acquisitions looks at flood risk as part of the due diligence process and we do not acquire assets with deemed high flood risks without a clear asset plan to mitigate the perceived risk.	
Change in mean (average) precipitation	Inability to sell or rent property assets at book value because of real or perceived increased risks arising from flooding.	Other: Reduced valuation of assets	Up to 1 year	Direct	Unlikely	High	Tenants and investors are becoming more alive to the risk of flooding, with some no longer purchasing or renting assets at book value with high flood risk. The cost of mitigating flood risk varies for each asset; however, by way of an example before renewing the insurance at one of our assets we had to demonstrate improved flood defences at a cost of £1m.	We continue to explore opportunities to improve flood risk assessment and protection for our assets and developments. In 2011/12, we commissioned a flood consultant to perform an in-depth review of our entire portfolio. At that time we had several assets deemed to be at risk; many of these assets were supermarkets and flood risk management measures have since been developed. At present, we have 21	The cost of mitigating flood risk varies for each asset; however, by way of an example before renewing the insurance at one of our assets we had to demonstrate improved flood defences at a cost of £1m. Many of the management procedures mentioned (e.g. Sustainability Brief for Acquisitions) do not represent additional costs as actions are integrated within our business activities.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								assets classified as high flood risk (e.g. fully/partially Flood Zone 3); we reviewed two of these assets in 2015 and we are now evaluating recommendations from these surveys. Our publically available management procedures – Sustainability Briefs for Development and Acquisition – also include prescriptions for asset-level flood risk assessment and mitigation. For example, the Sustainability Brief for Development prescribes a Flood Risk Assessment and site-wide water balance calculation at RIBA Stage 2 (Concept Stage). Furthermore, the Sustainability Brief for Acquisitions looks at flood risk as part of	Our 2011/12 portfolio-wide flood review cost approximately £280k

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								the due diligence process and we do not acquire assets with deemed high flood risks without a clear asset plan to mitigate the perceived risk.	
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	Up to 1 year	Direct	Likely	Low	Tenants and investors are becoming more alive to the impacts of climate change. It is possible that in future, some might no longer purchase or rent assets at book value if there is an actual or perceived risk of the asset overheating.	As outlined in our publically available Sustainability Brief for Developments, we prescribe that design and build standards must meet BREEAM Very Good/Excellent. As BREEAM requirements are updated in order to track emerging climate change related issues and encourage evaluation of climate change impacts through design modelling. We believe prescribing these rating tools goes some way towards mitigating potential issues such as those from overheating.	Many of the management procedures mentioned (e.g. Sustainability Brief for Development) do not represent additional costs as actions are integrated within our business activities.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Sea level rise	Increased risk of tidal flooding from assets situated close to the coast where regional flood defences are inadequate.	Increased capital cost	>6 years	Direct	More likely than not	Medium-high	Tenants and investors are becoming more alive to the risk of flooding, with some no longer purchasing or renting assets at book value with high flood risk. Furthermore, 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. Finally, there are potential costs arising from a requirement for flood defences. The cost of mitigating flood risk varies for each asset; however, by way of an example before renewing the	We continue to explore opportunities to improve flood risk assessment and protection for our assets and developments. In 2011/12, we commissioned a flood consultant to perform an in-depth review of our entire portfolio. At that time we had several assets deemed to be at risk; many of these assets were supermarkets and flood risk management measures have since been developed. At present, we have 21 assets classified as high flood risk (e.g. fully/partially Flood Zone 3); we reviewed two of these assets in 2015 and we are now evaluating recommendations from these surveys. Our publically available	The cost of mitigating flood risk varies for each asset; however, by way of an example before renewing the insurance at one of our assets we had to demonstrate improved flood defences at a cost of £1m. Many of the management procedures mentioned (e.g. Sustainability Brief for Acquisitions) do not represent additional costs as actions are integrated within our business activities. Our 2011/12 portfolio-wide flood review cost approximately £280k

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							insurance at one of our assets we had to demonstrate improved flood defences at a cost of £1m.	management procedures – Sustainability Briefs for Development and Acquisition – also include prescriptions for asset-level flood risk assessment and mitigation. For example, the Sustainability Brief for Development prescribes a Flood Risk Assessment and site-wide water balance calculation at RIBA Stage 2 (Concept Stage). Furthermore, the Sustainability Brief for Acquisitions looks at flood risk as part of the due diligence process and we do not acquire assets with deemed high flood risks without a clear asset plan to mitigate the perceived risk.	
Change in mean	Impact of climate change and	Increased capital cost	>6 years	Indirect (Supply	Likely	Medium	The financial implications to	The risk to our supply chain due to acute	There is no additional cost as this is

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
(average) temperature	increased frequency and intensity of extreme weather events is likely to have an effect on Tenant's supply chain. This is particularly the case for retailers. This could exacerbate stresses on a sector that is already facing major difficulties.			chain)			British Land have not been evaluated.	and chronic climate change effects are monitored and assessed as part of our risk review process outlined in CC2.2a	reviewed as part of wider risk review processes.

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other drivers	Energy cost volatility: If energy costs increase, they impact on service charge and rent affordability.	Reduced demand for goods/services	Up to 1 year	Indirect (Client)	About as likely as not	Low	Energy cost volatility: If energy costs increase, they impact on service charge and rent affordability. Last year (2015/16), energy costs increased 7%.	Our energy measurement and management programme and (including our recent portfolio-wide EPC review) reduce our overall energy consumption profile	We invested over £8 million in asset level and corporate energy efficiency and management improvements since 2011/12. Administrative internal costs have also been

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							Based on company cost projections to 2019/2020, we calculate a predicted 19.4% increase in electricity cost between 2016/17 and 2019/20 in real terms. This will result in an additional energy spend of £4m for British Land and its tenants.	and ultimately our exposure to energy price fluctuations. For example, in 2015/16 energy costs increased 7%, however due to energy efficiency improvements our costs and our tenants costs remained neutral. We trade energy generated on-site, which to a degree hedges are position on energy costs – for example in 2016/17 we generated £89k from on-site renewable energy income. We have also forward-purchased our energy supply to 2018.	incurred. Financial implications of performing a complete review of EPCs across our portfolio: £1m. Financial implications of improving underperforming EPCs from an F or G to a C or D rating is estimated at £110 per square metre. This figure may vary significantly by asset, and is based on an initial study Importantly, E, F and G ratings may also have an impact on valuations.
Other drivers	Energy security - Heightened risk of brownouts and blackouts as power stations come off line impacting business of our occupiers,	Increased operational cost	1 to 3 years	Indirect (Supply chain)	More likely than not	Low	British Land/occupier costs - enhanced power source back-up provision required; British Land management time - property management contingency plans	The Sustainability Committee are monitoring and gathering information on this issue. We commissioned an external consultant to conduct a review of the resilience of	Management procedures do not represent additional costs as yet as actions are integrated within our business activities.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	management of our properties and occupier and investment appeal of UK/London						required; Investment valuations: reduced occupier and investment appeal of UK/London properties.	electricity supply (including back up energy provision) across the managed office portfolio. The review determined that existing back up generation was sufficient.	

5.1d Not applicable

5.1e Not applicable

5.1f Not applicable

6 Climate Change Opportunities

6.1 Have you identified any inherent climate change opportunities 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 inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct /Indirect	Likeli-hood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Product efficiency regulations and standards	The Energy Savings Opportunity Scheme (ESOS), launched in December 2014, requires all large companies to undertake organisation-wide audits of their energy use and identify costed energy efficiency opportunities	Reduced operational costs	Up to 1 year	Direct	Virtually certain	Low	In total site surveys have identified opportunities with a total capex of £6.4m that would save £3.7m annually and would cover cost in 1.7 years	By treating ESOS audits as a real opportunity and not just a tick box exercise, we've identified efficiency opportunities that could deliver cost savings, building performance improvements and carbon reductions. Through ESOS, we've increased focus on capital investment opportunities. We also negotiated with a single supplier to carry out audits	Cost of the process: Our ESOS audits cost approximately £2k -£3k per asset; however, we were not required to assess all assets. In total site surveys have identified opportunities with a total capex of £6.4m that would save £3.7m annually and would cover cost in 1.7 years

	every four years. By treating ESOS audits as a real opportunity and not just a tick box exercise, we've identified efficiency opportunities that could deliver cost savings, building performance improvements and carbon reductions.							across our entire office portfolio, Cavendish Engineers. This means that, where they identified something that works well in one building, they could explore the feasibility of rolling it out elsewhere. In addition, thanks to our smart metering systems, they had access to robust, detailed energy data for each building, so they could accurately forecast savings for potential innovations. Broadgate Estates Ltd (our in house property management partner) is now engaging with occupiers on opportunities in each building.	
Product efficiency regulations and standards	Opportunities potentially exist around British Land performing well in terms of out-performing building energy efficiency regulations,	Increased demand for existing products/services	Up to 1 year	Direct	More likely than not	Medium	The rating of our buildings has the potential to positively affect the future value of our portfolio and there are potential financial opportunities from an increased demand from occupiers for our	On our developments, we have a set of top down targets to get design teams to meet green building standards. We have an ongoing target to achieve: a minimum BREEAM Excellent rating on all major	On our developments we estimate that generally, the cost of achieving a green building certificate on developments is less than 1% of the project cost.

	including Building Regulation Part L requirements and minimum energy efficiency standards around EPCs.						space, contributing to reduced void rates and increased investment yields. Through our comprehensive approach to sustainability and in particular energy efficiency, we have made demonstrable savings in energy costs for our occupiers - approximately £13m (gross) since 2011/12. With a commercial property portfolio worth £19.1billion (of which our share is £13.9billion) and a gross rental income of £643m in 2016/17, increased demand for existing products/services presents a large opportunity for British Land.	office developments and refurbishments; BREEAM Very Good or Excellent rating on all major retail developments and refurbishments. We also have requirements to: achieve an Energy Performance Certificate (EPC) rating of B or better (projects over £5m) and carry out energy modelling in accordance with CIBSE TM54 to predict operational energy performance (projects >£50m). We ensure that these targets are met through our sustainability guidance document, the Sustainability Brief for Developments. In our managed assets, the first step to manage this risk has been for British Land to undertake an EPC review of our portfolio to understand exposure to E, F and G rated properties.	Project construction costs can range from £200,000 to £200,000,000. Many of the management procedures mentioned (e.g. Sustainability Brief for Acquisitions) do not represent additional costs as actions are integrated within our business activities. In our managed portfolio, we invested over £8 million in asset level and corporate energy efficiency and management improvements since 2011/12. Administrative internal costs have also been incurred. Costs of performing a complete review of EPCs across our portfolio: £1m. Financial

								Where appropriate, the results of these analyses feed directly into our asset specific management plans – a procedure which enables us to work closely with managing agents to improve energy use and rating performance at our properties. In 2015/16, 32% of our assets were EPC rated A or B. 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.	implications of improving underperforming EPCs from an F or G to a C or D rating is estimated at £110 per square metre. This figure may vary significantly by asset, and is based on an initial study.
Carbon taxes	The CRC is due to be abolished in 2019 with associated costs being recouped for	Reduced operational costs	3 to 6 years	Indirect (Client)	Very likely	Low	Our financial analysis indicates that our overall compliance cost between the CRC and the CCL will decrease by around £0.8m between	We will continue to monitor government publications on this matter. A forthcoming consultation is expected and we will respond with wider	There is a minimal cost associated with responding to government consultations.

	an increase in CCL. The currently stated CCL rates would significantly reduce our exposure to environmental taxes.						2016/17 and 2019/20, based on cost projections.	industry on the matter.	
Product efficiency 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. We are increasingly seeing demand for energy labelling and hearing our customers asking for BREEAM certification as part of quality commercial	Increased demand for existing products/services	Up to 1 year	Direct	More likely than not	Medium	The rating of our buildings has the potential to positively affect the future value of our portfolio and there are potential financial opportunities from an increased demand from occupiers for our space, contributing to reduced void rates and increased investment yields. Through our comprehensive approach to sustainability and in particular energy efficiency, we have made demonstrable savings in energy costs for our occupiers - approximately £13m (gross) since 2011/12. With a commercial	On our developments, we have a set of top down targets to get design teams to meet green building standards. We have an ongoing target to achieve: a minimum BREEAM Excellent rating on all major office developments and refurbishments; BREEAM Very Good or Excellent rating on all major retail developments and refurbishments. We also have requirements to: achieve an Energy Performance Certificate (EPC) rating of B or better (projects over £5m) and carry out energy modelling in	We estimate that generally, the cost of achieving a green label certification on developments is less than 1% of the project cost. Project construction costs can range from £200,000 to £200,000,000. Many of the management procedures mentioned (e.g. Sustainability Brief for Acquisitions) do not represent additional costs as actions are integrated within our business activities. Costs

	development. We continue to require BREEAM Excellent on all major office developments and Very Good or Excellent on major retail developments. We believe this helps our buildings let quicker, and we increasingly hear our customers asking for BREEAM certification as part of quality commercial development.						property portfolio worth £19.1billion (of which our share is £13.9billion) and a gross rental income of £643m in 2016/17, increased demand for existing products/services presents a large opportunity for British Land.	accordance with CIBSE TM54 to predict operational energy performance (projects >£50m). We ensure that these targets are met through our sustainability guidance document, the Sustainability Brief for Developments. In our managed assets, the first step to manage this risk has been for British Land to undertake an EPC review of our portfolio to understand exposure to E, F and G rated properties. Where appropriate, the results of these analyses feed directly into our asset specific management plans – a procedure which enables us to work closely with managing agents to improve energy use and rating performance at our properties. In 2015/16, 32% of our assets were EPC rated A or B. Our Sustainability Brief for	of performing a complete review of EPCs across our portfolio: £1m. Financial implications of improving underperforming EPCs from an F or G to a C or D rating is estimated at £110 per square metre. This figure may vary significantly by asset, and is based on an initial study.

								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.	
Product efficiency regulations and standards	The UK electricity grid is decarbonising at a faster rate than the global average. This provides an opportunity for British Land to reduce its carbon emissions faster than international competitors.	Increased demand for existing products/services	3 to 6 years	Direct	Very likely	Low	This could result in investors preferentially investing the UK property market due to its low carbon characteristics.	This opportunity is assessed and monitored as part of the standard risk and opportunity review processes outlined in CC2.2a.	There is no cost of management as this is assessed as part of standard risk and opportunity review processes

6.1b Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) precipitation	Increased demand for properties better able to cope with physical variations from climate change. This may provide opportunities for increased rents and quicker take up of lettings at British Land properties.	Increased demand for existing products/services	>6 years	Direct	More likely than not	Unknown	Climate change adaptation and mitigation provides opportunities to offer to the market buildings that are future-proofed and adaptable. Financial opportunities are difficult to quantify; however, industry studies suggest that buildings which have a green certification (and are therefore designed to cope with climate change) command higher rents and transactions. 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	We continue to explore opportunities to improve flood risk assessment and protection for our assets and developments. In addition to flood risk assessments required for insurance purposes, we carry out regular portfolio-wide assessments. For example, in 2011/12, we commissioned a flood consultant to perform an in-depth review of our entire portfolio. At that time we had several assets deemed to be at risk; many of these assets were supermarkets and flood risk management measures have since been	The cost of mitigating flood risk varies for each asset; however, by way of an example before renewing the insurance at one of our assets we had to demonstrate improved flood defences at a cost of £1m. Many of the management procedures mentioned (e.g. Sustainability Brief for Acquisitions) do not represent additional costs as actions are integrated within our business activities.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							flood claims. In 2012, British Land encountered one flood claim incident at a public house where the repair costs are estimated to be £100k. With a commercial property portfolio worth £19billion (of which our share is £13.9billion) and a gross rental income of £643m in 2016/17, increased demand for future-proofed products/services presents a large opportunity for British Land.	developed. At present, we have 21 assets classified as high flood risk (e.g. fully/partially Flood Zone 3); we reviewed two of these assets in 2015 and we are now evaluating recommendations from these surveys. Our publically available management procedures – Sustainability Briefs for Development and Acquisition – also include prescriptions for asset-level flood risk assessment and mitigation. For example, the Sustainability Brief for Management prescribes a Flood Risk Assessment and site-wide water balance calculation at RIBA Stage 2	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								(Concept Stage). Furthermore, the Sustainability Brief for Acquisitions looks at flood risk as part of the due diligence process and we do not acquire assets with deemed high flood risks without a clear asset plan to mitigate the perceived risk.	
Change in mean (average) temperature	The majority of British Land's office buildings are in London. This represents a significant proportion of the company's overall portfolio. London is one of the most resilient locations to climate-related stress in the UK. This is due to extensive backup systems,	Increased demand for existing products/services	>6 years	Direct	About as likely as not	Low	The financial implications have not been quantified but this would be expected to maintain or improve rental income and asset values.	This opportunity is assessed and monitored as part of the standard risk and opportunity review processes outlined in CC2.2a. British Land does to have immediate plans to move away from a portfolio focussed on London and the South East of England, which will enable this opportunity to be realised.	There is no cost of management as this is assessed as part of standard risk and opportunity review processes, and is part of the business-as-usual plan for the business.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	investment in flood protection and substantial resources available to respond in an emergency.								

6.1c Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other drivers	The possibility of a so called 'Commitment Agreement' or 'Design for Performance' approach (as promoted by the Better Buildings Partnership) to energy efficiency in new office developments presents an opportunity to realise energy efficiency during operation. This in turn presents	Increased demand for existing products/services	1 to 3 years	Direct	About as likely as not	Medium	Being able to market our assets as having been built under a 'Commitment Agreement' or through a 'Design for Performance' approach has the potential to positively affect future value of our portfolio as there may be financial opportunities from increased demand from	We continue to take a leading role with Better Buildings Partnership to promote this scheme. A final report of a feasibility study into the potential for UK implementation of a Design for Performance approach has recently been published (May 2016). The	We have supported the Better Building Partnership on these scheme to date with some £15,000 in funding. Many of the other procedures involved do not represent additional costs as actions are integrated within our business activities.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	an opportunity as property developers/investors become increasingly aware of how future property capital/rental values may reflect in-use energy performance. This may ultimately provide opportunities for increased rents and quicker take up of lettings at British Land properties.						occupiers for our space, leading to reduced void rates and increased investment yields. As a proxy, through our comprehensive approach to sustainability and in particular energy efficiency, we have made demonstrable savings in energy costs for our occupiers - approx. £13m (gross) since 2011/12. The Australian government, where a robust benchmarking scheme called NABERS exists, has published studies analysing the relationship between NABERS rating and building	proposed next step is an 18-month pilot phase to consider each major element of the Commitment Agreement separately on one or more real projects.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							value. These have identified that high performing assets achieve a rental premium of 3.5%. If all of our assets achieved this premium it would bring in an additional £8.7m in rental income (based on gross rental income by asset type, annualised as at 31 March 2016)		
Other drivers	We are expanding our onsite renewables energy generation and yielding increasing associated revenue. To date we have installed solar PV on a number of sites and are currently exploring the feasibility of making similar interventions on a number of other retail assets.	Premium price opportunities	Up to 1 year	Direct	Virtually certain	Low-medium	We trade energy generated on-site – for example in 2016/17 we generated £89k from on-site renewable energy income. The costs of solar PV set up are however considerable and so return on investment analysis is critical. For	We are expanding our onsite renewable energy generation and the associated revenue. To date we have installed solar PV on a number of sites and are currently exploring the feasibility of making similar interventions on	The costs of solar PV set up are however considerable and so return on investment analysis is critical. For example, we are currently considering installation of solar PV at one of our shopping centres. Set up costs are

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							example, we are currently considering installation of solar PV at one of our shopping centres. Set up costs are estimated at £340k. However, financial returns over 25 years is expected to be £1.5m. Our solar array at St. Stephens shopping centre in Hull is reducing our reliance on the National Grid and cutting annual electricity bills by £30,000 p.a.	a number of other retail assets. The costs of solar PV set up are however considerable and so return on investment analysis is critical.	estimated at £340,000. However, pay back over 25 years is expected to be £1,500,000. Our solar array at St. Stephens shopping centre in Hull is reducing our reliance on the National Grid and cutting annual electricity bills by £30,000 p.a.
Reputation	Some of our occupiers have their own corporate responsibility programmes addressing climate change matters. British Land can work with occupiers	Other: Strong occupier relations	Up to 1 year	Direct	Virtually certain	Low-medium	It is hard to quantify the financial implication of reputational opportunities. We undertake occupier surveys and include	Sustainability programme: Our latest research shows that stakeholders continue to want us to lead on sustainability. In 2014, 750	Costs for the majority of the above management methods are reported in our 2017 Sustainability Accounts (Figure

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	in partnership to address their and our own corporate sustainability goals.						questions on delivery of occupiers' own environmental commitments as well as our performance. In 2012/13 our office occupiers rated us 8.2/10 for interaction on environmental issues. According to our research, workers think these issues are becoming more important in the office. In our survey, 72% of UK workers said that working in an eco-friendly/ sustainable building is important, this figure rising to 77% in London. Only 58% say they are satisfied with the green credentials of their current	stakeholders gave online feedback on key social and environmental issues. 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 hold environmental working groups with occupiers to discuss sustainability issues. We	14). Our cumulative sustainability investment costs between 2011/12 and 2016/17 were £8m, which does not include staff time; we have several staff forming our Sustainability Committee and Team with other staff integrating sustainability within their business activities. The customer surveys which we conduct cost approximately £50,000 bi-annually.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							location. With a commercial property portfolio worth £19.1 billion (of which British Land share is £13.9 billion and a gross rental income of £643m in 2016/17, increased demand for existing products/services presents a large opportunity for British Land.	undertake around 44,000 customer surveys each year to understand what our occupiers and their customers and employees want from our places. Furthermore, we market the environmental credentials of our buildings to prospective tenants. Reporting: We report to our stakeholders on our sustainability programme annually via our Annual Report and Accounts and Accounts Reports. In addition we respond to investor questionnaires (e.g. DJSI,	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								FTSE4Good, and GRESB). Reporting helps inform our stakeholders of our commitments, performance, successes, challenges and future plans. Benchmarking: We also take part in industry benchmarking initiatives and submit our work to award initiatives to demonstrate our leading, innovative sustainability initiatives.	
Reputation	There is evidence showing that increased voluntary disclosure around climate change can have a positive impact on share value. This presents an opportunity for	Increased demand for existing products/services	3 to 6 years	Direct	About as likely as not	High	A study by the UC Davis estimated a 0.5% uplift in share value for large businesses in the 5 day period after disclosing on climate change	British Land participates in a number of voluntary reporting activities, including the CDP climate change	The cost of completing our CDP submission is c.£10k, including internal cost and the cost of recruiting external support.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	British Land – a publically listed company – to increase its overall share capitalisation through better reporting and performance on climate change.						performance on a voluntary basis. With a market capitalisation of approx. £6bn, this would represent an increase in value of c. £30m to British Land. It should be stressed that this is based on the findings of one study – other studies have had less conclusive findings.	questionnaire and GRESB.	

6.1d Not applicable

6.1e Not applicable

6.1f Not applicable

Module: 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)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Tue 01 Apr 2014 - Tue 31 Mar 2015	7519
Scope 2 (location-based)	Tue 01 Apr 2014 - Tue 31 Mar 2015	42503
Scope 2 (market-based)		

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
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
EPRA (European Public Real Estate Association) guidelines, 2011
Defra Voluntary Reporting Guidelines
Other

7.2a If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

UK Government Conversion Factors for Company Reporting 2016

Please note re. the EPRA guidelines listed above, we have used the latest guidelines: 2014
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
Global Reporting Initiative [GRI] G4 and Construction and Real Estate Sector Supplement

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

Gas	Reference
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	IPCC Fourth Assessment Report (AR4 - 100 year)
PFCs	IPCC Fourth Assessment Report (AR4 - 100 year)

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

Excel spreadsheet provided.

8 Emissions Data – (1 Apr 2016 – 31 Mar 2017)

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 figures in metric tonnes CO2e

7609

8.3 Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	The location-based method reflects the average emissions intensity of the Grid. We use the Defra UK Grid average emissions factor for the location based method. The market-based method reflects emissions from electricity that we purchase. We use supplier specific emission rates where available and the residual mix emissions factor for the remaining supplies.

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
34149	6630	In 2015/16 and 2016/17, we reported Scope 2 emissions according to a location-based and a market-based method. We use the location-based method to report our total carbon emissions and track performance against our 2008/9 baseline. The location-based method was also used for emissions reported in previous years. The location-based method reflects the average emissions intensity of the Grid. We use the Defra UK Grid average emissions factor for the location-based method ('Electricity generated Scope 2 direct'). The market-based method reflects emissions from electricity that we purchase. We use supplier specific emission rates where available and the residual mix emissions factor for the remaining supplies. In 2016/17, 97% of our purchased electricity was backed by Renewable Energy Guarantees of Origin (REGOs). This is based on

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
		electricity contracts and a report from our energy supplier's assurance provider. In 2015/16, the total supplier's fuel mix was used. Residual mix emission factor is sourced from RE-DISS European Residual Mixes 2014, Version 1.0corr2. Market-based emissions data is reported as carbon dioxide (CO2).

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

No

8.4a Not applicable

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

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Metering/ Measurement Constraints	90% of our managed retail portfolio and 70% of our offices managed portfolio energy use is recorded via AMR (this relates to sites with either full or partial AMR installed). The remaining consumption is recorded via our online reporting platform via manual meter reads and data input files. This data has various checks completed on it and is third party assured however, there is still a small chance of inaccuracy.
Scope 2 (location-based)	More than 2% but less than or equal to 5%	Metering/ Measurement Constraints	90% of our managed retail portfolio and 70% of our offices managed portfolio energy use is recorded via AMR (this relates to sites with either full or partial AMR installed). The remaining consumption is recorded via our online reporting platform via manual meter reads and data input files. This data has various checks completed on it and is third party assured however, there is still a small chance of inaccuracy.
Scope 2 (market-based)	More than 2% but less than or equal to 5%	Metering/ Measurement Constraints	90% of our managed retail portfolio and 70% of our offices managed portfolio energy use is recorded via AMR (this relates to sites with either full or partial AMR installed). The remaining consumption is recorded via our online reporting platform via manual meter reads and data input files. This data has various checks completed on it and is third party

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
			assured however, there is still a small chance of inaccuracy.

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

Third party verification or assurance process in place

8.6a Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/97/2297/Climate Change 2017/Shared Documents/Attachments/CC8.6a/BL - CDP Assurance Document 2017.pdf	All	ISAE3000	100

8.6b Not applicable

8.7 Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

8.7a Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/97/2297/Climate Change 2017/Shared Documents/Attachments/CC8.7a/BL - CDP Assurance Document 2017.pdf	All	ISAE3000	100
Market-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/97/2297/Climate Change 2017/Shared Documents/Attachments/CC8.7a/BL - CDP Assurance Document 2017.pdf	All	ISAE3000	100

8.8 Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Year on year emissions intensity figure	Carbon intensity index; Greenhouse gas intensity from building energy consumption. For further information please see the following sections of our Sustainability Accounts 2017 www.britishland.com/data: Performance Data - tables which include an 'A' symbol against assured data and the Independent Assurance section.
Other: Multiple other carbon, energy and sustainability metrics (see comment)	Sustainability ratings; Energy efficiency investments and savings; Total direct and indirect (Scopes 1, 2 & 3) greenhouse gas emissions; Like-for-like total direct and indirect greenhouse gas emissions; Greenhouse gas index and intensity; Total electricity consumption Total fuel consumption; Like-for-like total electricity and fuel consumption; Total energy consumed and generated onsite; Building energy index and intensity For further information please see the following sections of our Sustainability Accounts 2017 and at www.britishland.com/data: Performance Data - tables which include an 'A' symbol against assured data and the Independent Assurance section.

8.9 Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

8.9a Not applicable

9 Scope 1 Emissions Breakdown – (1 Apr 2016 – 31 Mar 2017)

9.1 Do you have Scope 1 emissions sources in more than one country?

No

9.1a Not applicable

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 emissions (metric tonnes CO2e)
Offices: common parts and shared services	6875
Offices: direct use in occupier space	0
Retail: common parts	365
Retail: direct use in occupier space	0
Residential: common parts	0
All property types: refrigerant loss	261
Fuel use: British Land owned vehicles	108

9.2b Not applicable

9.2c Not applicable

9.2d Not applicable

10 Scope 2 Emissions Breakdown – (1 Apr 2016 – 31 Mar 2017)

10.1 Do you have Scope 2 emissions sources in more than one country?

No

10.1a Not applicable

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, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Offices: common parts and shared services	25546	426
Offices: direct use in occupier space	0	0
Retail: common parts	7809	6204
Retail: direct use in occupier space	0	0
Residential: common parts	22	0
All property types: refrigerant loss	0	0
Fuel use: British Land owned vehicles	0	0

10.2b Not applicable

10.2c Not applicable

11 Energy

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

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

11.2 Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	0
Steam	0
Cooling	0

11.3 Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

39319

11.3a Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Diesel/Gas oil	387
Natural gas	38932

11.4 Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
Energy attribute certificates, Guarantees of Origin	72809	0.0001	– In 2016/17, 97% of our purchased electricity was backed by Renewable Energy Guarantees of Origin (REGOs). This is based on electricity contracts and a report from our energy supplier's assurance provider. This has an emissions factor of 'zero' (entered as 0.0001 in CDP) In 2015/16, the total supplier's fuel mix was used. – Residual mix emission factor is sourced from RE-DISS European Residual Mixes 2014, Version 1.0corr2.

11.5 Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
83789	83557	1499	669	232	

12 Emissions Performance

12.1 How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

12.1a Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	4	Decrease	This is the result of emissions reduction initiatives, including: - Working closely with our managing agents to manage energy use at our properties, implementing environmental action plans at all major assets. We have installed either full or partial automatic meter reading (AMR) systems across most of our managed portfolio to enable our local teams to identify reduction opportunities on an ongoing basis, at the same time as improving billing accuracy . Examples of energy reduction measures include: Installation of new cooling towers and recommissioning Chiller systems to improve performance. Installation of LED lighting across our portfolio to improve energy efficiency. Installation of Solar Panels across the roof of two of our Shopping Centre's. Ongoing monitoring of EP&T systems and Building Management Systems to better utilise energy usage. Replacement of pneumatic heating valves to electronic.
Divestment	0.4	Decrease	Last year 170 tonnes of emissions were reduced by divestment from our portfolio during the last two years . Last year's total scope 1 and 2 emissions were 46637tCO2e, therefore 170/46637 = 8%
Acquisitions			
Mergers			
Change in output			
Change in methodology	8	Decrease	Changes in DEFRA emissions factors resulted in an overall decrease of 3,800 tonnes. Last year's total scope 1 and 2 emissions were 46637tCO2e, therefore 3800/46637 = 8%
Change in			

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
boundary			
Change in physical operating conditions			
Unidentified			
Other	2	Increase	Change in weather conditions and developments transferred to managed portfolio

12.1b Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
67.39	metric tonnes CO2e	620000000	Location-based	15	Decrease	Financial intensity ratio expresses absolute Scope 1 and 2 emissions in relation to Gross Rental Income for properties in the managed portfolio. Scope 1 and 2 carbon emissions intensity reduced this year due to several factors, largely due to changes in UK grid emission factors and changes in our portfolio. Combustion of fuel increased by 1% largely due to weather

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
						affecting gas use in Offices.

12.3 Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.024	metric tonnes CO2e	square meter	1750000	Location-based	11	Decrease	Floor area intensity ratio expresses absolute Scope 1 and 2 emissions in relation to floor area for properties in the managed portfolio. Scope 1 and 2 carbon emissions intensity reduced this year due to several factors, largely due to changes in UK grid emission factors and changes in our portfolio. Combustion of fuel increased by 1% largely due to weather affecting gas use in Offices.

13 Emissions Trading

13.1 Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

13.1a Not applicable

13.1b Not applicable

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

No

13.2a Not applicable

14 Scope 3 Emissions

14.1 Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	73524	Procurement emissions calculated by mapping spend to input-output carbon intensities to produce outturn consumption based emissions. Mapped to 106 Standard Industrial Classification sectors which are then input to Arup's Scope 3 GHG emissions calculator tool ('Beacon'). The carbon intensity data in Beacon is supplied by the Centre for Sustainability Accounting LTD.	0.00%	Emissions within this category first calculated in 2012 based on a 2011/12 study year and updated in 2016 based on a 2014/15 study year. Category references 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. Reported in Sustainability Accounts 2017 Figure 18. For further information refer to the Reporting Criteria on pages 51 – 53 of our Sustainability Accounts 2017.
Capital goods	Relevant, calculated	76799	Embodied carbon study by Atkins of carbon associated with materials and systems for construction and potential wastage, onsite energy usage and transportation factors. The scope is limited to major developments which completed in the reporting year. The methodology used to create the embodied carbon quantities is based on the CEN TC350 / BS EN 15978: 2011 scopes A1, A2 and A3. Historic data from previous	5.00%	Emissions associated with capital assets, namely construction of new developments in 2016/17 and embodied carbon in existing buildings purchased by British Land in 2015/16. Calculated and reported in Sustainability Accounts 2017 Figure 16, 17 and 18. For further information refer to the Reporting Criteria on pages 51 – 53 of our Sustainability Accounts 2017.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			years was calculated differently. Additional supply chain emissions are calculated in the same manner as procurement emissions are calculated i.e. by mapping spend to input output carbon intensities to produce outturn consumption based emissions. These are mapped to 106 Standard Industrial Classification sectors which are then input to Arup's Scope 3 GHG emissions calculator tool ('Beacon'). The carbon intensity data in Beacon is supplied by the Centre for Sustainability Accounting LTD.		
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	46057	GHG emissions for energy and fuel are based on energy data presented earlier. This is primary data reported by Managing Agents into our central database CR360. Also includes GHG emissions associated with energy consumption in the landlord influenced areas of assets managed by Broadgate Estates Ltd and owned by a third party. Energy is converted to CO2e. Emission factors sourced from Defra/BEIS Guidelines.	100.00%	Upstream (scope 3) emissions of scope 1 & 2 energy and fuel related emissions reported by British Land in Sustainability Accounts 2017 Figure 16 and 17. Scope 1, 2 and 3 GHG emissions of assets managed by Broadgate Estates Ltd and owned by a third party reported by British Land in Sustainability Accounts 2017 Figure 18. For further information refer to the Reporting Criteria on pages 51 – 53 of our Sustainability Accounts 2017.
Upstream transportation and distribution	Relevant, calculated	0	Supply chain emissions are calculated in the same manner as procurement emissions are calculated i.e. by mapping spend to input output carbon intensities to produce outturn consumption based emissions. These are mapped to 106 Standard Industrial Classification sectors which are then input to Arup's Scope 3 GHG	0.00%	Currently included in 'Purchased goods and services' and 'Capital goods'.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			emissions calculator tool ('Beacon'). The carbon intensity data in Beacon is supplied by the Centre for Sustainability Accounting LTD.		
Waste generated in operations	Relevant, calculated	370	Emissions associated with waste water treatment: Based on primary data reported by Managing Agents into our central database CR360. Also includes GHG emissions associated with water consumption in the landlord influenced areas of assets managed by Broadgate Estates Ltd and owned by a third party. Energy is converted to CO2e. Emission factors sourced from Defra/BEIS's Guidelines. Emissions associated with waste management are calculated in the same manner as procurement emissions are calculated i.e. by mapping spend to input output carbon intensities to produce outturn consumption based emissions. These are mapped to 106 Standard Industrial Classification sectors which are then input to Arup's Scope 3 GHG emissions calculator tool ('Beacon'). The carbon intensity data in Beacon is supplied by the Centre for Sustainability Accounting LTD	100.00%	Emissions associated with waste water treatment: Scope 3 of water treatment related emissions reported by British Land in Sustainability Accounts 2017 Figure 16, 17 and 18. Scope 3 emissions of assets managed by Broadgate Estates Ltd and owned by a third party reported by British Land in Sustainability Accounts 2017 Figure 18. For further information refer to the Reporting Criteria on pages 51 – 53 of our Sustainability Accounts 2017. Emissions associated with waste treatment: Currently included in 'Purchased goods and services' and 'Capital goods'.
Business travel	Relevant, calculated	33	British Land: Staff business travel emissions are calculated by converting expenditure to number of kilometres travelled and DEFRA/BEIS carbon emission factors are applied. Expenditure from Barclaycard staff credit cards. Broadgate Estates: These are calculated	0.00%	2016/17 employee business travel of British Land. Reported by British Land in Sustainability Accounts 2017 Figure 16, 17 and 18. For further information refer to the Reporting Criteria on pages 51 to 53 of our Sustainability Accounts 2017. 2016/17 employee

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			by applying a tonnes CO2e/£ spend conversion factor developed from British Land business travel emissions to a Broadgate Estates expenditure figure.		business travel of Broadgate Estates. Reported by British Land in Sustainability Accounts 2017 Figure 18.For further information refer to the Reporting Criteria on pages 51 to 53 of our Sustainability Accounts 2017.
Employee commuting	Relevant, calculated	112	Calculated from Full Time Equivalent data and British Land Head Office travel survey data.	0.00%	Emissions within this category first calculated in 2012 based on a 2011/12 study year and updated in 2016 based on a 2014/15 study year). Reported by British Land in Sustainability Accounts Figure 16 and 17. For further information refer to the Reporting Criteria on pages 51 – 53 of our Sustainability Accounts 2017.
Upstream leased assets	Not relevant, explanation provided	0		0.00%	British Land does not lease buildings and so this category is not applicable.
Downstream transportation and distribution	Not relevant, explanation provided	0		0.00%	British Land does not manufacture products which are transported to an end consumer and so this category is not applicable.
Processing of sold products	Not relevant, explanation provided	0		0.00%	British Land does not manufacture intermediate products and so this category is not applicable.
Use of sold products	Not relevant, explanation provided	0		0.00%	This category is aimed at product manufacturers where products are used by the consumer which produce further emissions.
End of life	Not relevant,	0		0.00%	This category is typically focussed at product

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
treatment of sold products	explanation provided				manufacturers, where emissions are associated with the disposal, recycling of sold products which are typically within 5-10 years of manufacture. For British Land this relates to demolition of buildings, For existing assets this is not currently calculated as the demolition phase is 40+ years after the construction.
Downstream leased assets	Relevant, calculated	630816	Office occupier energy consumption: This is based on primary data reported by Managing Agents into our central database, CR360. Energy is converted to CO2e. The emission factors sourced from Defra/BEIS's Guidelines. Retail/residential occupier energy consumption: Energy use purchased directly by occupiers was estimated using floor area and space use data, where available, which is combined with annual energy usage data kWh/m2 from 2012 CIBSE Guide F, and, where available, annual energy usage data kWh/m2 from retail occupiers' websites.	7.00%	Office occupier energy consumption: Reported by British Land in Sustainability Accounts 2017 Figure 16, 17 and 18. Retail/residential occupier energy consumption: Emissions within this category first calculated in 2012 based on a 2011/12 study year and updated in 2016 based on a 2014/15 study year. 2014/15 downstream (scope 3) emissions of occupier/third party controlled energy/refrigerant emissions. Reported by British Land in Sustainability Accounts Figure 16 and 17. For further information refer to the Reporting Criteria on pages 51 – 53 of our Sustainability Accounts 2017.
Franchises	Not relevant, explanation provided	0		0.00%	British Land does not operate any franchises and so this category is not applicable.
Investments	Relevant, calculated	159	Procurement emissions are calculated by mapping spend to input-output carbon intensities to produce outturn consumption based emissions. Mapped to 106 Standard Industrial Classification sectors which are then input to Arup's Scope 3 GHG emissions calculator tool	0.00%	Emissions within this category first calculated in 2012 based on a 2011/12 study year and updated in 2016 based on a 2014/15 study year. Emissions associated with the interest charges paid to British Land on loans to other entities. Reported by British Land in Sustainability

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			('Beacon'). The carbon intensity data in Beacon is supplied by the Centre for Sustainability Accounting LTD.		Accounts 2017 Figures 16 and 17. For further information refer to the Reporting Criteria on pages 51 – 53 of our Sustainability Accounts 2017.
Other (upstream)	Not evaluated	0		0.00%	
Other (downstream)	Relevant, calculated	2914903	Visitor travel emissions are calculated based on visitor numbers, average distance and carbon intensity of journey. The carbon intensity of the journey was estimated using site data where available, TRICS (national standard database for trip generation) data on visitor trips/day/m2 and Modal National Travel Survey (NTS) travel data 2014 and distance data for commuting and shopping.	0.00%	Emissions within this category first calculated in 2012 based on a 2011/12 study year and updated in 2016 based on a 2014/15 study year. It is analogous to Category 13 [downstream leased assets] for British Land. We have chosen to include emissions estimated for 2014/15 'Visitor travel to our properties' here as it is the emission source most relevant to this category. Please see our Reporting Criteria on pages 51 – 53 of our Sustainability Accounts 2017 for further information.

14.2 Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance process in place

14.2a Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/97/2297/Climate Change 2017/Shared Documents/Attachments/CC14.2a/BL - CDP Assurance Document 2017.pdf	All	ISAE3000	3

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

Yes

14.3a Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Capital goods	Change in output	41	Decrease	The reduction is due to a reduction in activity in developments.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Other: Change in output and change in emission factors	2	Decrease	This reduction is largely due to changes in UK grid emission factors and changes in our portfolio.
Waste generated in operations	Change in output	3	Increase	A slight increase due to an increase in landlord water use, accounted for under this category.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Change in methodology	100	Decrease	British Land Business travel emissions were not reported in 2016/17.
Downstream leased assets	Change in output	1	Decrease	This was due to a reduction in direct use in occupier space in offices.

14.4 Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

14.4a Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

i) Methods of engagement:
On developments (suppliers)

- We have been exploring embodied carbon on our developments since 2009, commissioning studies across our development programme and detailed studies, for example at 5 Broadgate, The Leadenhall Building, Regent's Place and 100 Liverpool Street. These studies highlighted the significance of energy & material use on our developments, particularly the fabrication of steel & concrete.

- We have been working with supply chain partners to reduce embodied carbon since 2011, designing out material usage and specifying lower carbon sources of concrete, steel, rebar, aluminium and glass. Our Sustainability Brief sets out requirements and targets around carbon for developments, including a requirement for an embodied carbon budget for every project valued over £50m.

Managed portfolio (customers and suppliers)

- We meet senior office building engineers monthly, office management teams quarterly and retail centre managers biannually to discuss building environmental performance.
- We support office occupiers' own energy reduction initiatives through Green Building Management Groups in each office building.

- We liaise with occupiers on the environmental performance of our buildings via monthly occupier meetings; access to real time metering data (where our smart metering systems are installed) and targeted communications.
- We report occupier and building management performance and share best practice.
- We fund energy monitoring services for over 50 office occupiers, providing half-hourly data, to give visibility on out-of-hours lighting use and small power demand in occupiers' demises.
- We have installed full/partial automatic meter reading at 90% of our managed retail portfolio and 70% of our offices managed portfolio cut energy costs and carbon emissions.
- We've applied a lighting standard to our retail portfolio, when appropriate; this year four retail parks are committed to refresh the lighting system including LEDs, zonal controlling, daylight hours saving, dimming at night etc.
- We are expanding our onsite renewables portfolio in our retail portfolio – to date we have installed solar PV on a number of sites and are currently exploring the feasibility of doing so on other assets.
- Our commitment to renewable energy covers our own offices as well as electricity purchased for our managed retail and office properties across the UK. We have already made the switch to guaranteed renewable sources certified through Renewable Energy Guarantees of Origin (REGO) products for 97% of electricity we manage.

These initiatives also futureproof our portfolio, particularly given increasingly stringent regulatory requirements, such as the Energy Act.

Other partners in value chain

- In March 2017 Sarah Cary provided the output report for the UKGBC Sustainable Cities Leadership Summit held in Leeds in January. The purpose of this event was to accelerate action on sustainable cities. Our Head of Futureproofing and Wellbeing, Matthew Webster, participated with the BBP in a working group to respond to early consultation regarding the heat metering directive.

ii) Prioritisation
On developments

- We prioritise suppliers (contractors) at all developments above a construction value of £300k.
- Managed portfolio: We prioritise working on energy management with customers in our office portfolio interested in joining our Green Building Working Groups. We also focus on our subsidiary Broadgate Estates, our managing agent responsible for operational management of our portfolio.
- Other partners in the value chain: We prioritise industry engagement that supports our company-level sustainability strategy.

iii) Measures of success
On developments:

- We achieved 21.2% better efficiency than regulations require in our new office, retail and residential developments, with our new buildings using up to 50% less energy than older buildings. At Aldgate Place our project team exceeded our 10% embodied carbon reduction target, achieving a 26% reduction compared to the project baseline. At 100 Liverpool Street, our design team has developed plans that reuse as much building structure as possible, cutting construction costs and reducing embodied carbon by 7,270tCO2. Design improvements are

also targeting a further 4,360tCO2 saving versus the original concepts, at no extra cost. Furthermore, emissions related to operational energy use avoided on our current office and retail developments through design that exceeds Building Regulations are estimated (2014) at 4,135tCO2/yr (or 69,400tCO2 across a 20yr operational life and 208,300tCO2 across a 60yr development life).

- Managed portfolio: Over the past 7 years we have reduced landlord-influenced (common parts and shared services) carbon intensity of our managed portfolio by 44% (2009 baseline). We have achieved a 35% reduction in landlord-influenced energy intensity across our managed portfolio since 2009 and saved approximately £13million gross in energy costs since 2011/12.

14.4b To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
Active engagement	97	80%	Our managing agents are responsible for day to day management of our buildings and they have been critical in our carbon intensity reductions achieved across our portfolio. As part of supplier engagement we have been exploring embodied carbon on our developments since 2009, commissioning studies across our development programme and detailed studies, for example at 5 Broadgate, The Leadenhall Building, Regent's Place and 100 Liverpool Street. At 100 Liverpool Street, our design team (including Hopkins Architects, AKT II and Greengage) has developed plans that reuse as much building structure as possible, cutting construction costs and reducing embodied carbon by 7,270tCO2. Design improvements are set to save a further 4,360 tonnes versus the original concepts, introducing cement replacement, recycled aluminium and lightweight engineered beams, all at no extra cost. As a consequence of our engagement, we have achieved 21.2% better efficiency than regulations require in our new office, retail and residential developments, with our new buildings using up to 50% less energy than older buildings. At Aldgate Place our project team exceeded our 10% embodied carbon reduction target, achieving a 26% reduction compared to the project baseline.

14.4c Not applicable

Module: Sign Off

15 Sign Off

15.1 Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Lucinda Bell	Chief Financial Officer	Chief Financial Officer (CFO)