



British Land

CORPORATE RESPONSIBILITY REPORT 2012

Being the best at what matters most



OUR CORPORATE RESPONSIBILITY STRATEGY



“MANAGING OUR ENVIRONMENTAL, ECONOMIC AND SOCIAL IMPACTS IS CENTRAL TO THE WAY WE DO BUSINESS AND TO DELIVERING VALUE FOR OUR SHAREHOLDERS.”

Chris Grigg, Chief Executive

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

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

We recognise that the issues that matter most to our business and our key stakeholders change. Indeed the fast moving external landscape is one of the key challenges in this area. For instance, since our last Report, the Government has introduced a new

Energy Act and the Localism Act, both of which have significant implications for our sector. There is also an increased focus on businesses financially quantifying their environmental and social impacts.

In this context, we commissioned the second independent review of our socio-economic contributions, looking at jobs, training and regional impacts in more depth. We also reviewed our corporate responsibility strategy and communications, working with people across the business, engaging with external stakeholders, reviewing best practice, benchmarking our performance and evaluating risks and opportunities.

All of this has resulted in us updating our focus areas and making sure we concentrate resources where we can achieve the greatest results. We've also tried to be clearer not just about what we've achieved, but about how we've been learning, what we've found challenging and what our priorities and plans for the future are. You'll see this as you read through the Report.

The launch of our new Community Charter marked a step up in our efforts to work with local people and partners to understand and address local issues. Supporting communities will be a particular focus for us next year.

We hope you find this latest update on our performance and future plans interesting. We welcome your feedback.

Adrian Penfold,
Head of Planning
and Corporate Responsibility
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ABOUT US

We are one of the UK's largest Real Estate Investment Trusts (REITs). We manage, finance and develop some of the UK's finest buildings. Each year our properties, which are home to around 1,000 different organisations, receive over 300 million visits.

DRIVERS

Our corporate responsibility strategy creates competitive advantage. It is central to delivering value and to building the best REIT in Europe, ensuring we:

- Do the right thing – as individuals and as a company
- Enhance and care for our reputation
- Become partner of choice for occupiers
- Manage physical, fiscal and regulatory risks
- Future proof our assets.

INTERNATIONAL STANDARDS

We report to the Global Reporting Initiative B+ standard and EPRA Best Practice Recommendations on Sustainability Reporting (page 21). We're also a signatory to the UN Global Compact. Key data in this Report has been independently assured under the ISAE 3000 standard by PricewaterhouseCoopers LLP (PwC).



Where you see this symbol, 2012 data has been assured by PwC (page 22). In prior years, data was assured by PwC and other providers (see earlier CR Reports). Throughout this Report, 2012 or FY2012 refers to our financial year from 1 April 2011 to 31 March 2012. Similarly, 2011 or FY2011 refers to financial year 2010/11, and 2013 or FY2013 to financial year 2012/13. Where improvements have been made to data accuracy, some data for prior years has been restated. More information is provided in our Full Data Report: www.britishland.com/crdata2012

WHAT WE'RE PROUDEST OF THIS YEAR

£3.3
MILLION

ENERGY SAVINGS

27% less landlord-influenced energy use across our like-for-like portfolio than our 2009 baseline. Over the last three years, these reductions have saved occupiers £3.3 million, with an investment of £1.5 million over the last two years.

EXCELLENT

SUSTAINABLE DESIGN

We continued to achieve consistently high sustainability ratings across the £2.1 billion development programme we manage (£1.4 billion British Land share), and are on track to secure BREEAM Excellent for all our office developments.

19,400

LOCAL PEOPLE

19,400 people benefited from our community programme, through education, training, culture, leisure and sports initiatives.

24,500
TONNES LESS
EMISSIONS

CDP LEADER

Our energy reductions have cut carbon emissions by 24,500 tonnes over the past three years. This year we also commissioned a review of our carbon footprint and were recognised in the CDP Disclosure Leadership Index.

£1.1
MILLION

LANDFILL TAX SAVINGS

97% of waste diverted from landfill on our developments and 87% at our properties. In total, we diverted an estimated 226,100 tonnes from landfill through recycling and re-use, avoiding £1.1 million in landfill tax costs.

95%

EXCELLENT OR GOOD

95% of customers in our new buildings rated us excellent or good (industry average 31%), as we build a brand which sees businesses choose our space because it is owned and managed by us.



GUARDIAN SUSTAINABLE BUSINESS AWARDS

Built Environment Award 2011 for our transformation of Regent's Place. Biodiversity Award 2011 for our biodiversity programme and creation of 60,000 sq ft of green roof space.



CLIENT OF THE YEAR FOR ENERGY MANAGEMENT

Chartered Institution of Building Services Engineers (CIBSE) Client Energy Management Award 2012. This is the second year running that we've been recognised by CIBSE with an energy reduction award.



BUSINESS IN THE COMMUNITY AWARDS

Supporting Communities Award for our community initiatives in Glasgow and Rotherham. Arts and Business Award for our creative projects at Regent's Place.

EXTERNAL RANKINGS

We benchmark our performance against our peers and others. We're the leading UK REIT on several key sustainability indices, including:

- Management Today's Most Admired Companies in Britain for community and environmental responsibility 2011
- CDP FTSE 350 Carbon Disclosure Leadership Index 2011
- Sunday Times Best Green Companies 2011
- Ethisphere's World's Most Ethical Companies 2011.

We're also listed in the Dow Jones Sustainability Index and FTSE4Good Index.

SCOPE OF REPORTING

Data in this Report covers performance across 98% of our entire managed portfolio and 93% of our development portfolio by value. Altogether this comprises 66% of our total investment portfolio of £15.8 billion. We focus on our managed portfolio and developments, as these are where we can influence performance.

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STAKEHOLDER ENGAGEMENT

Stakeholder feedback informs how we do business, including our corporate responsibility strategy.

This year, stakeholder engagement on our corporate responsibility strategy and communications included a review with our internal teams and an independently facilitated workshop with key external stakeholders. Their feedback is available on our website. This workshop was followed by a half-day session on targets involving both internal and external stakeholders.

All of this helped us to identify our focus areas for 2013. It also contributed to us setting more challenging long-term targets, identifying a series of key performance indicators and making changes to how we report on progress and initiatives, for instance being clearer about what we've found challenging and which activities are business as usual.

For detailed information, please see www.britishland.com/stakeholders



CORPORATE RESPONSIBILITY IN OUR BUSINESS

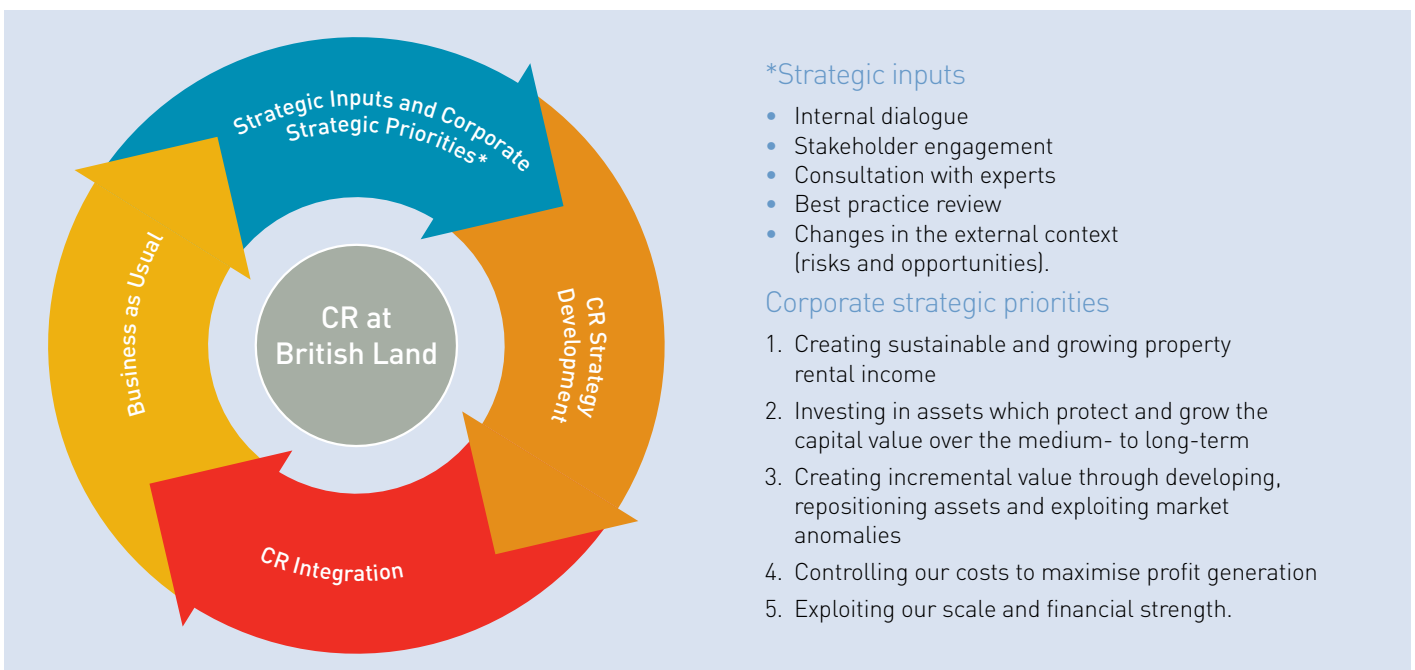
Corporate responsibility is an increasingly challenging area for businesses today.

Our corporate responsibility team develops and manages our strategy in line with corporate priorities. It acts as a catalyst for change, exploring new concepts and trends, testing them and, where appropriate, helping to embed them in business as usual.

Members of the British Land team and our suppliers then take on responsibility for implementation. For instance, good energy management has become business as usual for our building management teams.

After testing, we put some concepts to one

side, focusing on the areas where we can achieve the greatest impacts. For example, over 80% of our energy consumption takes place in just 27 assets, out of more than 100. We're therefore focusing on energy reductions in these priority assets.





A British Land stakeholder workshop. Ronald Herbst, Global Head of Energy and Sustainability at Deutsche Bank, one of our key occupiers, alongside other senior representatives from our occupiers, community partners, suppliers, investors, central and local government, and NGOs.

GOVERNANCE AND REPORTING

Our corporate responsibility team develops and manages our strategy.

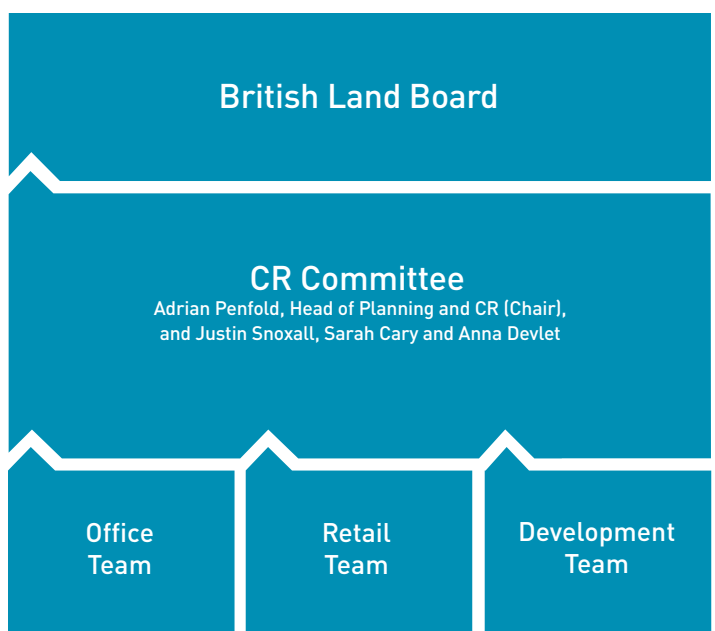
Our Corporate Responsibility Committee meets each month to review progress against our strategy, as well as holding regular meetings with staff and suppliers across our business. These include monthly meetings with our retail and office teams and twice yearly meetings with all managing agents and construction project teams.

Adrian Penfold, as Chair of our Corporate Responsibility Committee, meets Chief Executive Chris Grigg at least monthly to report on progress against agreed goals. He provides update reports to our Board each quarter and a review of performance and strategy each year. Chris Grigg is the Board representative for corporate responsibility. The remuneration of members of the Corporate Responsibility Committee is in part related to achievement of our corporate responsibility targets.

Our new Corporate Responsibility Panel, which met for the first time in February 2012, will meet twice annually. Chaired by Chris Grigg and involving our Finance Director, Lucinda Bell, and external advisers, this Panel is not a decision-making body but will challenge us and provide insights in a fast changing landscape.

In addition to this Report, we publish frequent updates on corporate responsibility initiatives across our portfolio, all of which are available on our website.

www.britishland.com/responsibility



Corporate responsibility information is also integrated throughout our Annual Report and Accounts. This reflects how managing our environmental, economic and social impacts is central to the way we do business. It also provides readers with insights into the critical linkages in our thinking and activity, and greater clarity on the relationship between our financial and non-financial key performance indicators.

MATERIALITY

We aim to be the best at what matters most to us and our key stakeholders.

We assess the issues that matter most to us and our stakeholders (page 03). This year, we commissioned a study of our carbon footprint (page 15) and the second review of our socio-economic contributions (page 10).

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

by incorporating it into our corporate responsibility drivers (page 01).

Our focus areas for 2013 are:

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

Of these, supporting communities will be our highest priority. Managing buildings efficiently and developing sustainable buildings are more mature activities, where we've achieved good results but recognise there is more that we can do. Engaging staff reflects work already begun in 2011 and our desire to improve staff

engagement further. For each of our focus areas, we target our efforts and resources at the properties, developments and initiatives where we can achieve the biggest impacts. Next year, we'll also work with our stakeholders to further prioritise issues within each of our focus areas.

Below are the key opportunities and risks for each of our focus areas, as well as key recent regulations that have increased business exposure to corporate responsibility risks. For other risks, including those relating to customers and to health and safety, please see our Annual Report and Accounts 2012.

OPPORTUNITIES	RISKS	HOW WE MANAGE THIS
<h3>Managing buildings efficiently and developing sustainable buildings</h3>		
<p>Buildings that are efficient, sustainable and meet business needs have a competitive advantage, giving occupiers tangible cost savings and building corporate reputations. In our experience, this means they let more quickly and hold long-term value better. Key stakeholders particularly expect us to lead on energy efficiency.</p>	<p>Failure to future proof our buildings against extreme weather occurrences or legislation may result in reduced investor and occupier interest in our buildings, disruption for our occupiers, and additional costs for us and our occupiers to adapt buildings or meet new legislative requirements.</p> <p>Key recent regulations: Building Regulations Part L2A, Energy Act (2011) and local planning policies.</p>	<ul style="list-style-type: none"> - Flood assessment and defence where required - Energy reduction strategy - Energy Performance Certificate (EPC) portfolio review - Government engagement and review on future legislation - ISO 14001 Environmental Management System for developments. <p>Key guidance: Sustainability Briefs for Developments, Management and Acquisition.</p>
<h3>Supporting communities</h3>		
<p>We have a responsibility to the communities in which we build and manage properties. Local support is also an essential part of the planning process and is becoming more so with the Government's Big Society agenda.</p>	<p>Poor long-term engagement with communities where we own or plan to develop assets may impede our ability to obtain planning permission for new developments and impact the financial performance of our assets.</p> <p>Key recent regulation: Localism Act (2011).</p>	<ul style="list-style-type: none"> - Charity funding - Ongoing local engagement by British Land and our property and development teams around the UK - Development stakeholder surveys. <p>Key guidance: Community Charter.</p>
<h3>Engaging staff</h3>		
<p>To deliver our corporate strategy we need to attract and retain the best people, whose efforts, skill and judgement we can leverage across our extensive portfolio. This is true for all aspects of our business, including corporate responsibility.</p> <p>We believe that staff engagement is a major competitive advantage and that engaged employees help us deliver a differentiated and high level performance.</p>	<p>Failure to recruit, develop and retain staff and Directors with the right skills and experience may result in significant underperformance.</p> <p>Key recent regulation: Bribery Act (2011).</p>	<ul style="list-style-type: none"> - Succession planning regularly evaluated - Director and employee remuneration and incentives aligned with appropriate peer group and regularly benchmarked - Regular performance appraisal process with a focus on continuous personal development - Employee surveys every two years and programme of employee events to build a culture aligned with our company values. <p>Key guidance: Staff Handbook (internal).</p>

MANAGING BUILDINGS EFFICIENTLY

27%

Less landlord-influenced energy use across our like-for-like portfolio than our 2009 baseline – saving occupiers £3.3 million over the last three years and cutting carbon emissions by 24,500 tonnes, with capital investment of £1.5 million over the last two years.

For individual building data, please see Full Data Report Figs 12 and 13: www.britishland.com/crdata2012

What we've done this year

- Increased recognition amongst our property management teams of the opportunities and the importance of efficiency, driving culture change (energy case study on page 08)
- Worked with our occupiers to support their own efforts to reduce resource consumption
- Achieved zero waste to landfill at 35 properties, with several retail assets renegotiating waste management contracts to increase recycling and reduce waste to landfill
- Identified and fixed major water leaks through increased monitoring and management
- Invested £47,800 in biodiversity projects around our properties, such as an open-air laboratory around Teesside Shopping Park in Stockton-on-Tees.

How we're learning and improving

- Voluntary rollout of landlord energy ratings in 18 buildings, sharing our data with others
- Ecologists' review of our green roofs, which confirmed their positive contributions to biodiversity.

What's been challenging

- To achieve water reductions, largely due to a lack of sub-metering. Although our water monitoring programme identifies big leaks, it does not enable us to optimise water performance. In light

"Whilst we ensure that all new developments meet high standards of sustainability from the outset, efficient management of existing buildings and retrofitting can present bigger challenges and opportunities. Even buildings designed to be energy efficient need rigorous management to deliver these savings. We're passionate about our work in this area and have been leading the way actively for some time."

Justin Snoxall, Head of the Business Group at British Land

of this, we will explore ways to optimise water use in our multi-let offices and continue to work with our development teams on water sub-metering

- To achieve zero waste to landfill, largely due to lack of waste management facilities in some areas of the UK. We will, however, continue to focus on reducing waste, increasing recycling rates and diverting waste from landfill – as outlined in our plans for the coming year
- To install photovoltaic panels at our shopping parks, supplying retailers' own needs. Reductions announced to the Government's Feed-in Tariffs in late 2011 meant our plans were no longer financially viable.

What's become business as usual

- Property management teams implementing our energy optimisation process, lighting upgrades and, where appropriate, accelerated plant replacement
- Collaborating with occupiers, notably through Green Building Management Groups in our multi-let offices
- Key British Land guidance: Sustainability Brief for Management.

Focus on Energy Performance Certificates (EPCs)

From April 2018, it will be unlawful to lease commercial premises with EPC ratings of F or G (Energy Act 2011). We own two office buildings with ratings below E, both of which are planned for sale. Next year, we'll

review our UK retail assets and establish whether we can improve any assets with ratings of F or G through refurbishments at re-letting. We will not normally purchase assets with F or G ratings, without a clear asset plan to improve this rating.

Focus on flood risk management




In 2012, we commissioned a review of flood risks across 419 assets, applying recognised standards for commercial planning permissions to define high flood risk assets. For the limited number of assets with high flood risks, we'll work to mitigate these risks. We'll also review our remaining assets and share our findings with our insurer.

Key contact

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OUR 2012 PERFORMANCE

THREE YEAR PERFORMANCE	LANDLORD-INFLUENCED LIKE-FOR-LIKE ENERGY USE Full Data Report Figs 9 and 10	LIKE-FOR-LIKE WATER USE Full Data Report Figs 22 and 23	WASTE MANAGEMENT Full Data Report Figs 25 and 26
Performance	27% reduction, compared to 2009 baseline (2011: 15%) 	10% reduction, compared to 2009 baseline (2011: 14%) 	87% diverted from landfill (2011: 86%) 
Cumulative environmental savings	24,500 tonnes less carbon	45.5 million litres less water	23,100 tonnes diverted from landfill through recycling
Cumulative financial savings	£3.3 million energy cost savings	£141,700 water cost savings	£1.1 million landfill tax savings through recycling
Sustainability investment since 2011 Full Data Report Fig 38	£1.5 million	£134,800	£215,500

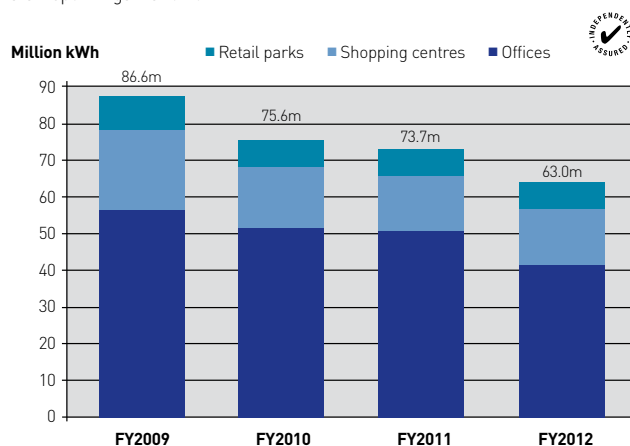
For our Full Data Report visit: www.britishland.com/crdata2012

AWARD WINNING

- CIBSE Client of the Year for Energy Management 2012
- Property Week Sustainability Achievement Award 2011 – for energy reductions at York House
- Guardian Sustainable Business Awards 2011 – highly commended for energy management
- Global Real Estate Sustainability Benchmark 2011 – Green Star.

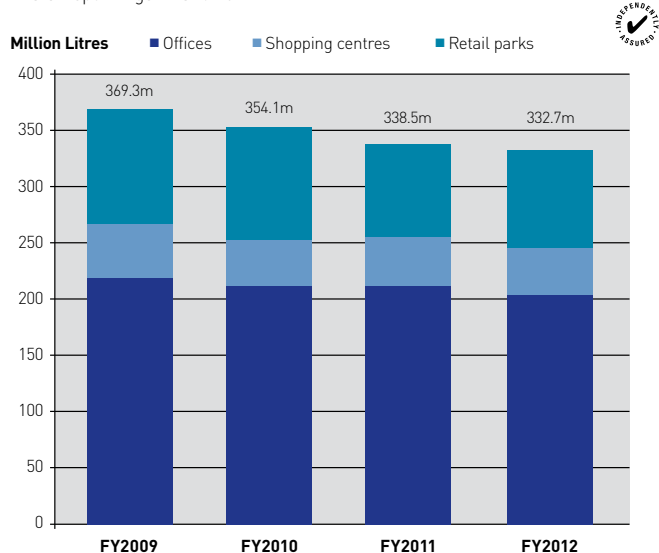
Like-for-like landlord-influenced energy use

Full Data Report Figs 9 and 10



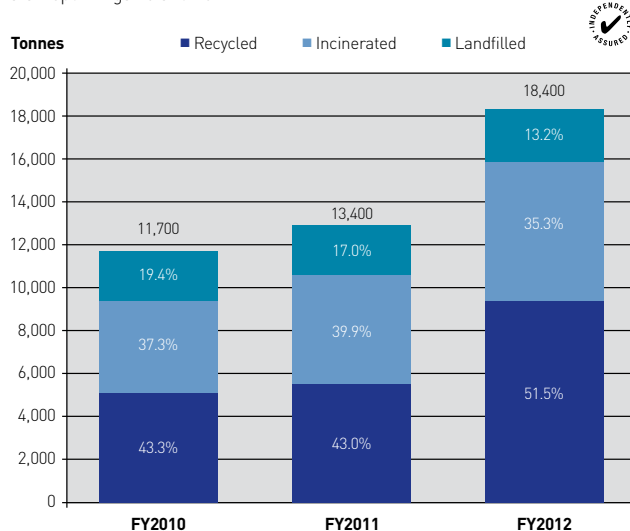
Like-for-like water use

Full Data Report Figs 22 and 23



Waste management

Full Data Report Figs 25 and 26



In recent years, we've managed more occupiers' waste at several of our properties, increasing the amount of waste we report, at the same time as making it easier for occupiers to reduce waste to landfill and increase recycling.

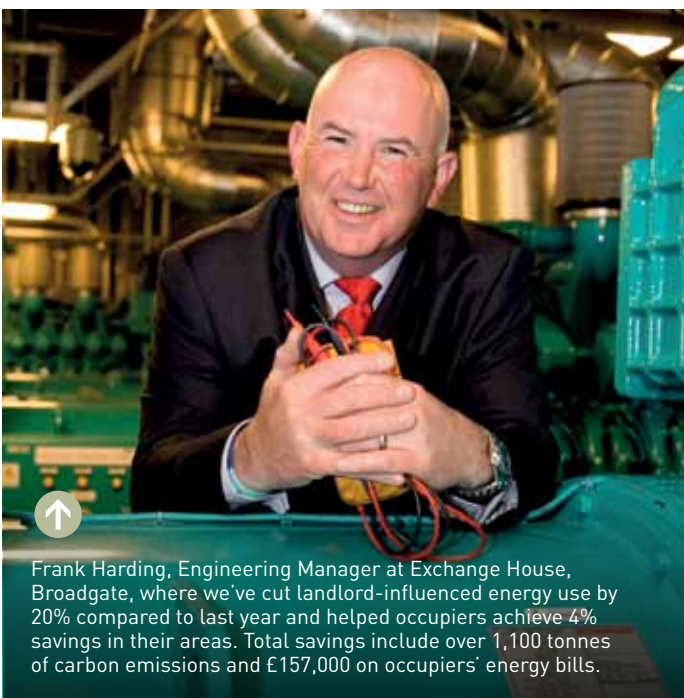
FOCUS ON ENERGY REDUCTIONS

In our office assets, we've achieved energy cost savings for occupiers of £1.6 million since 2009. We estimate that over half of this is through more rigorous management, made possible by the extensive sub-metering system and optimisation process we piloted at our Head Office and subsequently rolled out elsewhere, at a cost to us and our occupiers of around £1 million. Remaining reductions are due to around £475,000 of investment in lighting replacement programmes and other initiatives with payback periods of three years or less. We've achieved year-on-year reductions in landlord-influenced energy use in 12 out of 13 major multi-let offices.

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

"Working in conjunction with the team at 10 Exchange Square, we have implemented some fantastic energy initiatives that have reduced our energy consumption and allowed us to focus on running a better, more efficient building, and also allowed us to concentrate on creating a working environment suitable for a world-class, leading law firm."

Andy Mason,
Building Operations Manager
at Herbert Smith



In our retail assets, we've achieved energy cost savings for retailers of £1.6 million through a three-year programme to replace lighting, costing an estimated £260,000 and by changing management regimes to ensure lighting is turned off out of trading hours.





SUPPORTING COMMUNITIES

OUR COMMUNITY CHARTER

Sets out our commitments to the people who live near our major properties and developments, covering our approach to community engagement and local issues, such as training, employment and education.

Download a copy at:
www.britishland.com/crpolicies

“We want to be the best neighbour we can be. This year, we continued our efforts to ensure the scale of our activities brings benefits to local communities, supporting employment, regenerating local areas and contributing to the UK economy.”

Anna Devlet, Communities Executive



What we've done this year

- Launched our Community Charter at a breakfast briefing at Regent's Place in London's West End, where we have an award-winning community programme*. This was attended by local community partners and guest speaker Eric Pickles MP, Secretary of State for Communities and Local Government
- Worked with staff, suppliers, local people, community groups, local authorities and other partners to begin to implement our ten Charter commitments
- Published community investment data for our largest properties, in response to stakeholder feedback (Full Data Report Fig 48)
- Promoted apprenticeships across our properties and developments (Charter commitment 5 - page 11).

How we're learning and improving

- Second independent review of our socio-economic contributions, exploring jobs, training and regional impacts in more depth

- Independent surveys of local satisfaction with us as a developer at 5 Broadgate in the City of London and Parkgate in Rotherham, with reviews underway to identify opportunities to improve our performance.

What's been challenging

To focus our efforts – recognising that we can't fulfil all ten Charter commitments, everywhere, from day one. We've therefore identified 38 priority assets and carried out a baseline review at each one. For engaging with communities (commitments 1-3) and supporting training (commitment 5), we've got some well-established initiatives but need to do more to share best practice. For local procurement (commitment 4) and involving suppliers and occupiers in community programmes (commitment 7), we need to raise performance beyond pockets of good practice – and this is reflected in our plans for next year.

What's become business as usual

- Engaging with local people, community groups, local authorities and other key partners, and consulting with them on our development plans as part of the planning process

- Supporting charities and local initiatives, including our national charity The Prince's Trust's Fairbridge programme, as well as Capital Kids Cricket, Community Connections Scotland, the East London Business Alliance (ELBA), LandAid, the National Literacy Trust, The Prince's Regeneration Trust and Shelter.

Key contact

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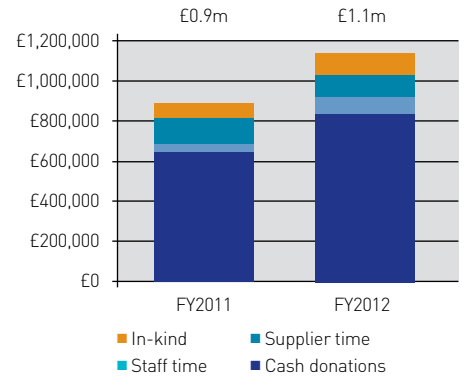
*Our creative projects at Regent's Place won a Business in the Community Big Tick Award 2012. Our regeneration of Regent's Place and community programme won the Guardian Sustainable Business Built Environment Award 2011 and Royal Town Planning Institute Sustainable Communities Award 2010.



With the support of WH Smith and our local property teams, 1,000 children from disadvantaged areas got the chance to choose three free books to keep. This was made possible by our funding for National Literacy Trust projects at our properties in Glasgow, Liverpool, Rotherham and Stockton-on-Tees.

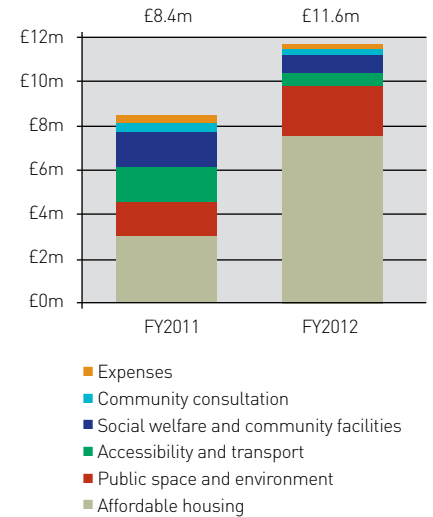
Community investment

Full Data Report Figs 40 and 41

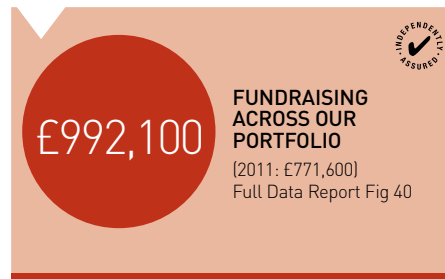
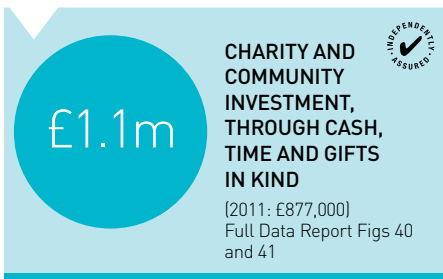
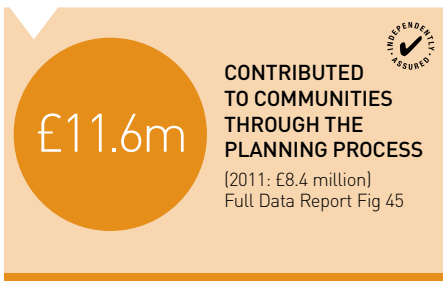


Community contributions through planning

Full Data Report Fig 45



OUR 2012 PERFORMANCE



For our Full Data Report visit: www.britishland.com/crdata2012

OUR SOCIO-ECONOMIC CONTRIBUTIONS

As part of our efforts to understand and manage our most material impacts, this year we commissioned the second review of our socio-economic contributions. To pre-order our Socio-Economic Contributions Report, please email: cr@britishland.com

Full Data Report Fig 47	2012		FUTURE (Through our committed development programme)	
	OUR OCCUPIERS (Through their business activities at our properties)	BRITISH LAND	OUR OCCUPIERS	BRITISH LAND
Overall contribution to the UK economy (Gross Value Added)	£11.7 billion	£850 million	£1.1 billion per annum	£790 million (total committed costs, of which our share is £491 million)
Jobs supported (through direct employment and spending with suppliers)	177,000 jobs	7,000 jobs	10,200 jobs per annum	7,400 construction jobs (of which 4,600 are attributable to British Land)
Total Tax Contribution	£1.5 billion (payroll taxes, business rates and corporation taxes only)	£121 million	N/A	N/A

The information in this table has been extracted from a detailed PwC report. All figures are estimated using modelling techniques, except for British Land's Total Tax Contribution. Occupier contributions are a portion of those generated by their business activities at our properties, on the basis of our percentage ownership of each property.

FOCUS ON APPRENTICESHIPS



↑ Our Chief Executive, Chris Grigg, meets some young apprentices at Meadowhall.

“The management and staff at Parkgate have been a credit to the local community over the past few years with a stream of useful initiatives. Their apprentice programme with Rotherham United is a fine example of this work, and is giving young people in this area some wonderful opportunities.”

Mayor of Rotherham, Councillor Shaun Wright

In addition to supporting jobs, we're actively involved in a number of training schemes, including apprenticeships.

At Meadowhall Shopping Centre in Sheffield, we're co-funding six new apprenticeships. Altogether the Centre has recruited 10 apprentices this year through The Source Skills Academy, an innovative £5.5 million training and development centre set up by British Land and Sheffield City Council in 2003.

At Parkgate Shopping in Rotherham, we're sponsoring an award-winning apprenticeship programme with Rotherham United Community Sports Trust and have agreed to co-fund a new apprenticeship for the Shopping Park.

We're also in active discussions with other property management teams about more apprenticeships to support local young people and enhance on-site services for retailers and shoppers.

Other British Land properties supporting training schemes include Fort Kinnaird Shopping Park in Edinburgh and St Stephen's Shopping Centre in Hull.

Our major developments are also supporting local employment and training initiatives.

Over the last two years, 12 apprentices have been involved on the North East Quadrant project at Regent's Place in London's West End, with four already moving on to further placements. At 5 Broadgate in the City of London, we've employed a dedicated person to focus on creating employment and training opportunities, as well as promoting apprenticeships.

At The Leadenhall Building in the heart of the City of London's insurance district, Laing O'Rourke has achieved National Skills Academy for Construction status. This will give local people the chance to receive training at all levels directly on site. At least 40 apprentices, five graduates and 65 NVQ students will work on the construction site and additional apprenticeships will be supported through the supply chain.



Bruce Ewen, one of 12 young apprentices learning while he earns at Regent's Place.



DEVELOPING SUSTAINABLE BUILDINGS



BREEAM Excellent sustainability ratings for all new office developments and two retail developments.

“At Morrisroe, we are experienced in delivering BREEAM Excellent projects, but British Land’s approach and commitment took things to another level. We were able to help them drive higher environmental standards through our supply chain using their Sustainability Brief and external auditing, which was something we hadn’t seen before. We will be taking these best practice initiatives on to our next projects.”

Dan Bannister, Group Health, Safety, Environment and Quality Director at Morrisroe

What we’ve done this year

- Consistently outperformed our sector on waste management, one of the most material impacts for construction sites, diverting 97% of waste sent off site from landfill (industry good practice benchmarks 70% to 90%)
- Incorporated environmental and community requirements in our tendering process and contractual documents on 21 major projects, through our Sustainability Brief for Developments
- Leveraged our scale (we manage a £2.1 billion development programme, of which our share is £1.4 billion) to change procurement procedures for architects and main contractors, leading to companies throughout our supply chain improving the sustainability of their product offering. At 5 Broadgate, our cladding contractor adopted a new approach to procurement to achieve our high standards, looking at recycled content levels in each component part of the cladding
- Promoted sustainable materials, notably querying high impact items such as stonework and timber, and changing our selection where necessary. At Regent’s Place, we changed the landscaping design to guarantee that the decorative stone was ethically sourced
- Became a Client Partner of the Considerate Constructors Scheme, with all our major sites required to be audited

through the scheme and this year averaged a score of 34 out of 40 (industry average 33)

- Reduced embodied carbon in our developments through design changes and materials procurement. At Marble Arch House, we set embodied carbon targets for the new façades.

How we’re learning and improving

- Independent review of waste management, energy use and water use on our development sites, which confirmed waste as a key issue and highlighted that we’re outperforming industry benchmarks
- Training for our Head Office development team on changes to BREEAM and efficient mechanical, electrical and plumbing systems
- Seminars on our Sustainability Brief for Developments and BREEAM, attended by over 100 architects, contractors, consultants and project managers.

What’s been challenging

To develop designs for a zero carbon building (our 2015 target, which we set last year), when there is still no clear Government definition or industry consensus for zero carbon. In this context, and also given that zero carbon does not encompass a number of key sustainability issues, we’ve revised our target to the more comprehensive one of getting planning permission for a showcase sustainability building by 2015 (page 18).

What’s become business as usual

- Monthly reporting of environmental, community and health and safety performance
- Quarterly project updates through our ISO 14001 certified Sustainability Brief for Developments
- Main contractors accredited through third-party auditing and certification system, Building Confidence
- Key guidance: Sustainability Brief for Developments.

Key contact

- Sarah Cary
- 020 7467 3380
- sarah.cary@britishland.com



OUR 2012 PERFORMANCE

85% OF OCCUPIERS IN OUR NEW BUILDINGS RATE THE EXTENT THE BUILDING MEETS THEIR SUSTAINABILITY NEEDS AS EXCELLENT OR GOOD

Full Data Report Fig 88

20% MORE CARBON EFFICIENT DESIGN THAN RELEVANT BUILDING REGULATIONS ACROSS OUR DEVELOPMENT PROGRAMME

(2011: 30%)
Full Data Report Fig 51

100% OF MAJOR DEVELOPMENTS ON TRACK TO RESULT IN A NET POSITIVE IMPROVEMENT IN SITE BIODIVERSITY

(2011: 90%)
Full Data Report Fig 58

0.14 LOST-DAY ACCIDENTS PER 100,000 HOURS WORKED AND 0.35 REPORTABLE ACCIDENTS PER 100,000 HOURS WORKED

(2011: 0.46 for both)
Full Data Report Fig 59

850,000 KWH OF CLEAN POWER WILL BE GENERATED EACH YEAR BY OVER 40,000 SQ FT OF PHOTOVOLTAIC PANELS ON FOUR OF OUR DEVELOPMENTS, EQUIVALENT TO CUTTING CARBON FROM 120 HOMES

Our refurbishment of 199 Bishopsgate is set to reduce regulated carbon emissions by 60%, compared to the existing building, whilst retaining most of the building's structure and façade. The building is also on track to achieve a BREEAM Excellent sustainability rating. →

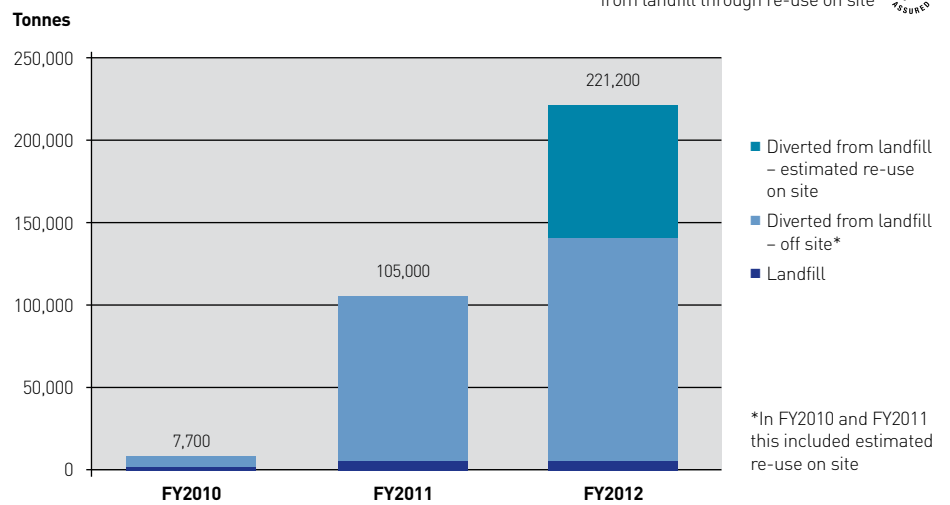
FOCUS ON WASTE

As shown in the chart, this year saw a significant increase in the amount of development waste we manage, due to a major increase in our development activity. At the same time, thanks to the efforts of our contractors, we increased both the proportion of waste we re-used on site and the amount we sent off site diverted from landfill. This saved an estimated £541,700 in landfill tax costs. For instance at Whiteley in Fareham, where we demolished a shopping centre to create space for an exciting new retail scheme, we diverted 98% of waste from landfill. We re-used almost 90% on site, diverting an estimated 60,600 tonnes of brick, tarmac, concrete and clay materials from landfill, saving 5,300 lorry journeys and minimising our impact on local air quality.

Waste management

Full Data Report Figs 54 and 55

2012 assurance excludes waste diverted from landfill through re-use on site



"It has been a positive experience working with the British Land team to create a sustainable working environment at 5 Broadgate. Through the use of materials and construction methods that reduce embodied carbon, designs that maximise efficiency and renewable energy systems, 5 Broadgate will reflect the benefits of effective collaboration between UBS and British Land."

Paul Cranfield, Head of Global In-House Environmental Management at UBS





ENGAGING STAFF

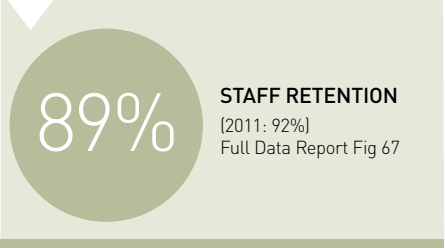
OUR STRATEGY
MANAGING BUILDINGS EFFICIENTLY
SUPPORTING COMMUNITIES
DEVELOPING SUSTAINABLE BUILDINGS
ENGAGING STAFF
OUR CARBON FOOTPRINT
THE FUTURE
PROGRESS AGAINST TARGETS
EPRA AND INDEPENDENT ASSURANCE



In 2011, we held our first independent staff satisfaction survey, to which over 90% of staff responded. Overall results were outstanding, with 92% of staff rating us highly as an employer and 80% very satisfied.

OUR 2012 PERFORMANCE

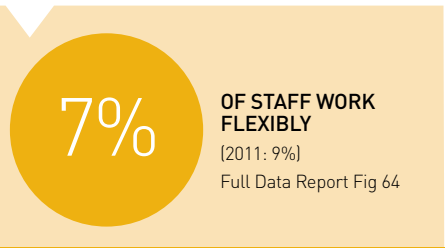
THE SUNDAY TIMES BEST COMPANIES TO WORK FOR, ONE STAR ACCREDITATION



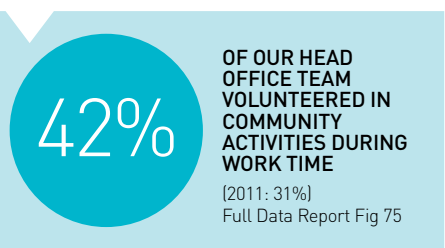
STAFF RETENTION
(2011: 92%)
Full Data Report Fig 67



OF STAFF RECEIVED PERFORMANCE AND PERSONAL DEVELOPMENT REVIEWS
(2011: 100%)
Full Data Report Fig 73



OF STAFF WORK FLEXIBLY
(2011: 9%)
Full Data Report Fig 64



OF OUR HEAD OFFICE TEAM VOLUNTEERED IN COMMUNITY ACTIVITIES DURING WORK TIME
(2011: 31%)
Full Data Report Fig 75

For our Full Data Report visit:
www.britishland.com/crdata2012

OUR APPROACH

We employ a relatively small in-house team of around 200 people. This is a major distinction and provides a cost advantage between us and our key competitors and most other FTSE 100 companies. We recruit small teams of experts in their fields who procure additional specialist resource as needed. As a result, the structure and processes of the business are effectively aligned with our strategy. Management levels are limited and individuals have exposure to senior people through a wide range of activities and the opportunity to make real impact in the business.

In addition to our Head Office team, 280 people are employed through our subsidiary, Broadgate Estates Ltd, and The Source Skills Academy, an employment and training centre we set up with Sheffield City Council.



What we've done this year

- Engaged with our staff to articulate our corporate values, Integrity, Excellence, One Team and Commercial Acumen, and integrated them into the 360° feedback questionnaires used as part of our appraisal process
- Improved our appraisal process, outlined new company teamship rules that will be confirmed during 2012, and introduced a new staff social committee.

How we're learning and improving

We participated in The Sunday Times Best Companies to Work For 2012 to gain further useful feedback from our staff, building on the findings of our first independent staff survey in 2011.

What's been challenging

To attain a high level of consistency in approach across the company, so that everyone has the same access to personal growth and development. To help address this, we're revising our training programme and reinforcing our company values through our recruitment and personal development processes.

What's become business as usual

- Monthly all-staff meetings, annual company conferences and ad-hoc events and celebrations
- Key guidance: Staff Handbook (internal).

Key contact

- Claire Bolsover
- 020 7467 2896
- claire.bolsover@britishland.com



90%

In 2011, our good management of carbon data and understanding of climate change issues affecting our business were recognised by the Carbon Disclosure Project (CDP). We were the leading UK REIT in the CDP FTSE 350 Carbon Disclosure Leadership Index, scoring 90% for disclosure (up from 70% in 2010) and A- for carbon reductions.

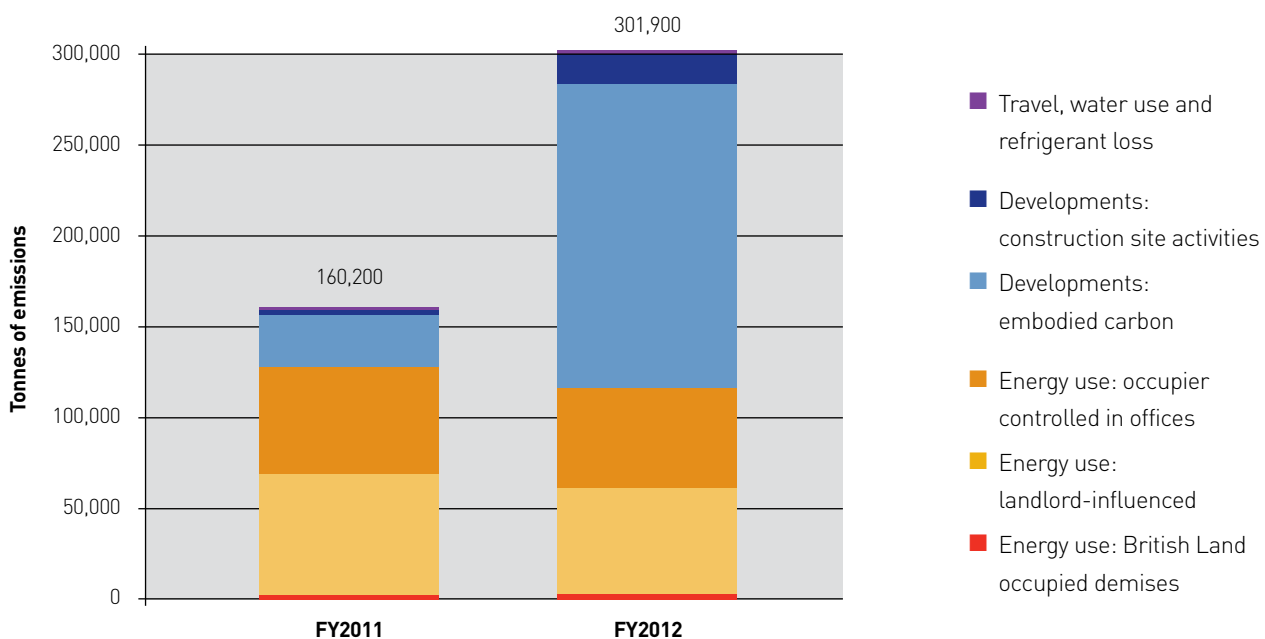
Energy use in commercial buildings is responsible for almost 20% of UK carbon emissions. We've been measuring and reporting our carbon emissions for ten years. We've also been actively managing our carbon footprint, successfully reducing carbon emissions by 24,500 tonnes across our existing portfolio over the last three years.

In recent years, we've expanded the scope of our carbon footprint reporting beyond Scope 1 (direct, controlled emissions) and Scope 2 (indirect, controlled emissions). We've worked to understand and reduce Scope 3 (other indirect emissions), relating to energy use for shared services in our office buildings, energy use by our office occupiers in their areas, embodied carbon on our developments, waste and business travel.

Whilst we've reduced like-for-like emissions from energy use, our overall carbon footprint has increased due to significantly more development activity (see chart below). Together with PwC, we're exploring how these development activities also support jobs and contribute to the UK economy.

Greenhouse gas emissions by source

Full Data Report Fig 81



This chart uses the same methodology in FY2012 and FY2011 for measuring Scope 1, 2 and 3 emissions.

CARBON TRUST STANDARD



British Land has held the Carbon Trust Standard since early 2011, recognising our ongoing achievements in reducing carbon emissions from energy use across our portfolio. Thanks to engagement with occupiers across our multi-let office portfolio, our Carbon Trust Standard also includes energy used directly by office occupiers in their areas.

CRC LEAGUE TABLE

2011 was the first year of the Government's CRC Energy Efficiency Scheme League Table. We disaggregated our portfolio wherever we could to increase performance transparency for each major asset. All of our managed CRC entities attained the Carbon Trust Standard and were in the top quartile of the League Table. In total, we procured 111,100 tonnes of carbon within the Scheme, generating a financial exposure of £1.3 million to the CRC.

HOW WE'RE LEARNING AND IMPROVING

We commissioned a study by Arup, in light of the new Greenhouse Gas Protocol Scope 3 guidance from the World Resources Institute and the World Business Council for Sustainable Development, published in October 2011.

Our aim was to check that we're focusing on the right issues, and to identify potential gaps in our carbon reduction strategy.

We're the first property company to use Arup's Beacon analysis tool, which assesses Scope 3 emissions by evaluating expenditure.

This study confirmed that our main emissions relate to energy use in our office buildings and embodied carbon on our developments (see chart below).

It also identified and quantified additional Scope 3 emissions we have not previously captured, notably those relating to service charge spend on behalf of occupiers, property acquisition and Head Office property outgoings. This would expand the size of our footprint by 46% compared to our previous methodology.

The study also identified two further sources of Scope 3 emissions that we weren't able to quantify this year, emissions relating to travel to and from

our properties by occupants and the public, and energy procured directly by occupiers for their own direct use.

Our ability to influence Scope 3 emissions varies. However, they represent over 90% of our carbon footprint and so offer potentially significant opportunities. Next year, we'll explore ways to extend Scope 3 carbon reporting (page 18).

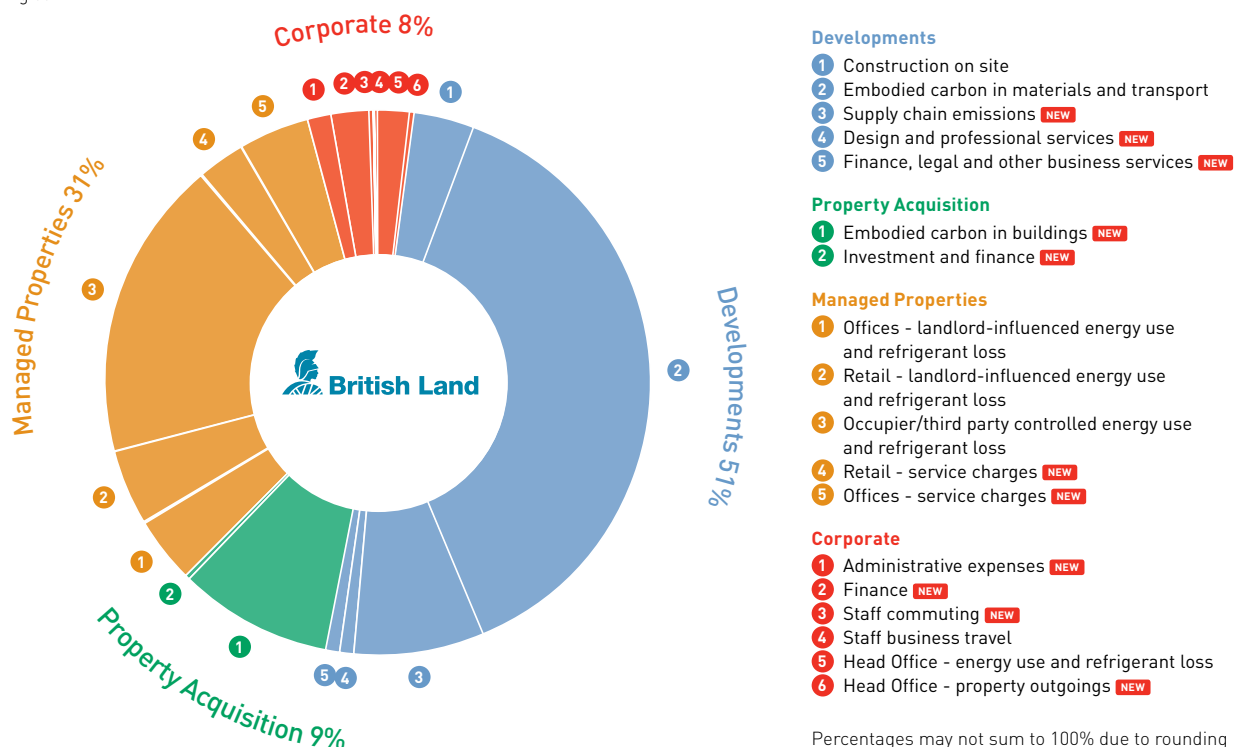
For detailed data, view our Full Data Report: www.britishland.com/crdata2012

"We are pleased to see that British Land is working to disclose Scope 3 emissions in line with the new Greenhouse Gas Protocol. A detailed understanding of Scope 3 emissions is vital in today's business, to identify hotspots and target reductions to save both carbon and money."

Dexter Galvin, Head of CDP Supply Chain at the Carbon Disclosure Project

Greenhouse gas emissions using Arup's Beacon analysis tool: 441,300 tonnes

Full Data Report Fig 80



Percentages may not sum to 100% due to rounding

THE FUTURE

2012 saw the culmination of our long-term targets to cut managed energy use by 20% compared to 2009 and to send zero waste to landfill from all our properties and developments. In this context, we reviewed all our long-term targets, working with people across the business, engaging with

external stakeholders, consulting experts, reviewing best practice, benchmarking our performance and exploring changes in the external context, notably regulation and EPRA Best Practice Recommendations on Sustainability Reporting.

This resulted in us setting more challenging long-term targets that we'll report progress against annually, and identifying key performance indicators, as shown below. We also monitored progress against our previous targets (pages 19 to 20).

MANAGING BUILDINGS EFFICIENTLY		
2015 TARGETS	2013 MANAGEMENT ACTIONS	KEY PERFORMANCE INDICATORS
<p>To achieve 40% less landlord-influenced energy use across our existing portfolio by 2015, compared to 2009.</p> <p>Where we take on management responsibility for major new buildings, to achieve 30% less landlord-influenced energy use within five years.</p> <p>To send zero managed waste to landfill by 2015.</p> <p>To reduce managed water use by 20% for each property type by 2015, compared to 2009.</p>	<ul style="list-style-type: none"> → Continue to implement environmental action plans to reduce energy use, save water, manage waste responsibly and enhance biodiversity at 27 priority assets, representing 83% of our energy consumption → Work with other landlords through the Better Buildings Partnership to introduce a landlord energy rating scheme that enables landlord performance to influence letting and drive market change → Explore recycling solutions for food waste at our shopping centres and offices and implement where feasible → Pilot ways to optimise water use in our multi-let offices and continue to work with our development teams on water sub-metering. 	<ul style="list-style-type: none"> → Total energy use: kWh by fuel source, % for each fuel source → Energy intensity: kWh per m², kWh per person* → Total waste: tonnes by disposal route, % for each disposal route → Total water use: m³ withdrawal by source, % for each source → Water intensity: m³ per m², m³ per person*.

*Full Time Equivalents for offices and shoppers for retail

SUPPORTING COMMUNITIES		
2015 TARGET	2013 MANAGEMENT ACTIONS	KEY PERFORMANCE INDICATORS
<p>To implement our Community Charter at all our major properties and developments by 2015.</p>	<ul style="list-style-type: none"> → Develop and implement community plans at all major properties and developments, focused on our Charter commitments → Establish and implement local procurement policies at all major properties and developments → Implement training, education or local employment schemes at all major properties and developments → Pilot a supply chain initiative at Broadgate to maximise local employment and apprenticeship opportunities. 	<ul style="list-style-type: none"> → % of major assets with community plans → % of major assets with local procurement → % of major assets with training, education or local employment schemes → Total number of apprentices at our assets, employed by us or our suppliers.

DEVELOPING SUSTAINABLE BUILDINGS

2015 TARGETS	2013 MANAGEMENT ACTIONS	KEY PERFORMANCE INDICATORS
<p>To get planning permission for a showcase sustainable building by 2015 (please see below for more information).</p> <p>To send zero managed waste to landfill by 2015.</p>	<ul style="list-style-type: none"> → Develop and get agreement for a business plan for the showcase project → Continue to apply our Sustainability Brief for Developments, or an equivalent, to all developments over £300,000, where British Land is funding at least 50% of the development → Develop and trial a tool to predict energy use in developments to inform leasing discussions with potential occupiers → Review procurement on current developments to drive responsible procurement on future developments, focusing on embodied carbon, ethical standards and environmental standards → Work with the UK GBC and other industry bodies to influence the development of building regulations for energy efficiency. 	<ul style="list-style-type: none"> → % energy efficiency of new developments against relevant Building Regulations → % of developments on track to achieve BREEAM Excellent for offices and Very Good or better for retail → Total waste: tonnes by disposal route, % for each disposal route → Considerate Constructor Scheme average score → Reportable accident rate and lost day accident rates.

WHAT DO WE MEAN BY SHOWCASE SUSTAINABLE BUILDING?

<p>A building that will:</p> <ul style="list-style-type: none"> → Deliver innovative resource efficiency, to reduce energy use, water use, carbon emissions and waste to landfill → Link the design and operational phases to improve occupiers' experiences → Promote responsible sourcing to reduce embodied carbon and enhance ethical standards 	<ul style="list-style-type: none"> → Raise understanding of socio-economic contributions, such as jobs → Address local environment impacts, for instance air quality, flood risks and biodiversity. <p>This will help us and the wider property sector to raise sustainability standards for other buildings.</p>
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ENGAGING STAFF

2015 TARGET	2013 MANAGEMENT ACTIONS	KEY PERFORMANCE INDICATORS*
<p>To achieve 85% overall staff satisfaction by 2015.</p> <p>To continue annual appraisals and 360° feedback for all staff, and introduce more regular feedback throughout the year by 2015.</p>	<ul style="list-style-type: none"> → Revise our training programme, to reflect our company values, and meet our skills and governance requirements → Reinforce our company values through our recruitment and personal development processes → Continue to undertake staff surveys every two years → Work to understand diversity issues within the business better and develop a plan to address them, where appropriate → Improve our induction programme, providing more information about our industry and opportunities for interaction with other teams. Where appropriate, also offer to existing staff → Develop a new Staff Handbook, reviewing all policies and procedures, and making it more accessible for all → Achieve 50% staff volunteering (up from 42%), focusing on skills-based opportunities. 	<ul style="list-style-type: none"> → % of staff satisfied with British Land as an employer → % of staff receiving appraisals → Total days of training provided and hours per person → % staff retention → % staff volunteering.

*All staff indicators relate to Full Time Equivalents

CARBON

2013 MANAGEMENT ACTIONS	KEY PERFORMANCE INDICATORS
<p>Explore opportunities to extend Scope 3 carbon reporting to include:</p> <ul style="list-style-type: none"> → Travel to and from our properties by occupants and the public → Energy use procured directly by occupiers. 	<ul style="list-style-type: none"> → Total greenhouse gas emissions: tonnes CO₂e for direct and indirect → Greenhouse gas emissions intensity: tonnes CO₂e per m² and per person*.

*Full Time Equivalents

PROGRESS AGAINST TARGETS

Progress statements and percentage completions are developed by external consultants Arup. Key performance data is assured by PwC. For more detailed progress statements, please visit our Full Data Report 2012: www.britishland.com/crdata2012

LAST YEAR'S TARGETS

MANAGING BUILDINGS EFFICIENTLY

TARGET	PERFORMANCE	PROGRESS
Reduce like-for-like landlord-influenced energy use (common parts and shared services) by 6% across our managed office portfolio.	We exceeded this target, achieving a 12% year-on-year reduction across our like-for-like office portfolio.	100%
Reduce like-for-like landlord influenced energy use (common parts) by 4% in our shopping centres.	We exceeded this target, achieving a 10% year-on-year reduction across our like-for-like shopping centre portfolio.	100%
Reduce like-for-like landlord influenced energy use (common parts) by 2% in our retail parks.	We exceeded this target, achieving an 8% year-on-year reduction across our like-for-like retail park portfolio.	100%
Reduce like-for-like water use by 2% across our managed portfolio (offices – whole building water use; retail – common parts water use).	We've found this target a challenge. Water use increased by 8% across our like-for-like managed portfolio. In our office buildings, increased consumption was driven by higher occupancy levels. Looking at consumption normalised per person (full time equivalent), we achieved an 8% year-on-year reduction. In our retail assets, consumption was adversely affected by three major leaks that were detected by our monitoring programme and have been repaired.	0%
Divert 95% of all managed waste from landfill, achieving a minimum 70% recycling rate in each of our managed office buildings and a minimum 60% recycling rate in each of our managed retail assets.	Our ability to achieve this target is constrained by the availability of alternatives to landfill. However, we consistently improved performance compared to last year. We diverted 87% of managed waste from landfill (up from 81%). We recycled 59% of managed waste in our office buildings (up from 51%), and 47% in our retail assets (up on 46%). Altogether, we recycled 9,450 tonnes of managed waste, saving £529,200 in landfill tax costs.	57%
Invest at least £45,000 in biodiversity enhancement across our portfolio, and report on the results.	We exceeded this target, investing £47,800 in biodiversity initiatives across our managed portfolio, with further investment on our developments.	100%

DEVELOPING SUSTAINABLE BUILDINGS

TARGET	PERFORMANCE	PROGRESS
Divert a minimum of 98% of demolition and strip-out waste from landfill and a minimum of 96% of construction and fit-out waste from landfill.	Across 18 demolition projects, we diverted 98% of demolition and strip-out waste (105,200 tonnes) from landfill, including an estimated 56,800 tonnes re-used on site. Across 28 construction projects, we diverted 97% of construction and fit-out waste (116,000 tonnes) from landfill, including an estimated 83,290 tonnes re-used on site.	100%
Achieve a minimum BREEAM Excellent rating on all major office developments and refurbishments and support a minimum BREEAM Very Good rating on all major retail developments and refurbishments.	All eight of our major office developments and refurbishments achieved BREEAM Excellent ratings, or are designed to do so. Of our six major retail developments and refurbishments, two are on track for Excellent, three for Very Good and one for Good. We're reviewing how to raise the cinema project at Glasgow Fort Shopping Park from Good to Very Good.	50%
Apply our Sustainability Brief, or an equivalent, to developments conducted through joint ventures or partnerships, and all developments with a construction cost over £300,000.	Across 65 applicable projects, 62 applied our Sustainability Brief for Developments, or an approved equivalent. Of the remaining projects, two are long-standing joint ventures and one is a recently commenced development that has not yet applied the Brief process.	95%
Accident frequency rates for reportable accidents and lost day accidents on construction sites not to exceed 0.25 and 0.20 respectively.	We only met one of our challenging targets for health and safety. The frequency rate per 100,000 working hours was 0.35 for reportable accidents and 0.14 for lost day accidents.	50%
Achieve a net improvement in site biodiversity on all major developments.	All 17 applicable projects are designed to improve site biodiversity.	100%

SUPPORTING COMMUNITIES

TARGET	PERFORMANCE	PROGRESS
Make cash contributions of £750,000 to support good community causes.	We exceeded this target, as we made cash contributions of £835,948 to support good community causes.	100%
Get involved in at least two community initiatives, at all office estates and retail properties with on-site management.	19 out of 21 office estates and retail properties with on-site management engaged in at least two community initiatives. A number of these won prestigious awards.	90%
Support local fundraising at all managed properties with on-site management, setting individual property targets to raise from £5,000 to £85,000, at each shopping centre, retail park and office estate.	These fundraising targets were very challenging for most sites. 11 out of 21 properties with on-site management achieved their fundraising targets. Altogether, we raised £992,100 across our portfolio, up from £771,600 the year before.	52%

ENGAGING STAFF

TARGET	PERFORMANCE	PROGRESS
40% of all Head Office staff to participate in community volunteering.	We exceeded this target, with 42% of all Head Office staff participating in community volunteering.	100%

PREVIOUS LONG-TERM TARGETS

2012 saw the culmination of our three-year targets to cut managed energy use by 20% and to send zero waste to landfill. In this context, we reviewed all our long-term targets. We also continued to monitor our progress closely and benchmarked our performance against that of our peers and others. For more detailed progress statements, please visit our Full Data Report 2012: www.britishland.com/crdata2012. For our new long-term targets and key performance indicators, please see pages 17 to 18.

MANAGING BUILDINGS EFFICIENTLY AND DEVELOPING SUSTAINABLE BUILDINGS

PREVIOUS TARGET	PERFORMANCE
To reduce managed energy use by 20% for each property type by 2012, compared to 2009.	We're pleased to have exceeded this target. Over the last three years, we've reduced landlord-influenced energy (common parts and shared services) by 27% across our like-for-like portfolio, compared to our 2009 baseline. Across our like-for-like portfolio, we've cut landlord-influenced energy intensity per m ² by 26% in our offices, 31% in our shopping centres and 25% in our retail parks. As part of our efforts to report transparently, we've published individual building data for our largest 33 properties (Full Data Report Figs 12 and 13).
To send zero managed waste to landfill from all our properties and developments by 2012.	On our developments, 97% of waste sent off site was diverted from landfill (135,600 tonnes), outperforming industry good practice benchmarks of 70% to 90%. In addition, a further 81,100 tonnes were re-used on site. At our properties, 87% of managed waste was diverted from landfill (15,900 tonnes). In the three years since setting this target, we've recycled or re-used 23,100 tonnes of waste, avoiding £1.1 million in landfill tax costs. We continue to seek zero waste to landfill, with a target date of 2015.
To reduce managed water use by 20% for each property type by 2015, compared to 2009.	We still have three years to go for this target. To date, we've reduced water use by 10% across our like-for-like portfolio, compared to our 2009 baseline. Across our like-for-like portfolio, we've cut water intensity per m ² by 8% in our offices, 11% in our shopping centres and 13% in our retail parks. Next year, we will pilot ways to optimise water use in our multi-let offices.
To achieve planning consent for a zero carbon commercial building by 2015.	Given the lack of a clear Government definition or industry consensus for zero carbon, and the fact that zero carbon does not encompass a number of key sustainability issues, we've revised our target to the more comprehensive one of getting planning permission for a showcase sustainability building by 2015. As well as delivering innovative resource efficiency, this will improve occupiers' experiences, promote responsible sourcing, raise understanding of socio-economic contributions and address local environmental impacts.

ENGAGING STAFF

To achieve 85% overall staff satisfaction by 2015.	Based on our 2011 staff survey, to which over 90% of our Head Office staff responded, 80% are very satisfied at work and 92% rate us highly as an employer. We carry out staff surveys every two years.
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EXCEEDING CUSTOMERS' EXPECTATIONS

To achieve 80% customer satisfaction with us and our managing agents by 2013.	In the UK, we've achieved the target for satisfaction with us, as 80% of our customers surveyed in 2011 rated us excellent or good, outperforming the industry average of 31%. Moreover, 95% of customers in our new buildings rated British Land as a landlord and developer as good or excellent, marking positive progress on our efforts to build a brand which sees prospective occupiers choose our space because it is owned and managed by us. Our managing agents also made strong progress, with 67% of our customers rating them excellent or good, up from 43% in 2009.
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INTERNATIONAL STANDARDS

We report to the Global Reporting Initiative B+ standard, using the G3.1 Guidelines and Construction & Real Estate Sector Supplement. Our sustainability reporting is also aligned with the new European Public Real Estate Association (EPRA) Best Practice Recommendations on Sustainability Reporting, published in September 2011. We took part in the EPRA group that established these recommendations.

For our complete GRI index and EPRA index, please see our Full Data Report: www.britishland.com/crdata2012

Next year, we will report EPRA core performance measures through our key performance indicators (pages 17 to 18).

EPRA BEST PRACTICE RECOMMENDATIONS

These cover 66% of our total investment portfolio of £15.8 billion, as we focus on our managed portfolio and developments, where we can influence performance.

- 3.1 Total energy consumption from electricity (kWh)***
Full Data Report Figs 1 and 78
208,509,841 (2011: 204,171,126, this excludes energy purchased directly by occupiers)
- 3.2 Total energy consumption from district heating and cooling (kWh)***
Full Data Report Fig 78
134,661 (2011: 499,943, this includes oil use figures)
- 3.3 Total energy consumption from fuels (kWh)***
Full Data Report Fig 78
25,714,169 (2011: 31,759,995, this excludes oil use figures)
- 3.4 Building energy intensity (kWh per m²)**
Full Data Report Figs 3 and 4
Office common parts 40, office shared services 103, British Land occupied demises 179, shopping centres 61, retail parks 10 (2011: Office common parts 45, office shared services 118, British Land occupied demises 203, shopping centres 65, retail parks 10)
- 3.5 Total direct greenhouse gas emissions (tonnes CO₂e)**
Full Data Report Fig 81
1,821 (2011: 1,942)
- 3.6 Total indirect greenhouse gas emissions (tonnes CO₂e)**
Full Data Report Fig 81
29,525 (2011: 31,976)
- 3.7 Greenhouse gas intensity from building energy (kg CO₂e per m²)**
Full Data Report Figs 83 and 85
0.017 (2011: 0.018)
- 3.8 Total water withdrawal by source (m³)***
Full Data Report Fig 78
785,567 (2011: 638,029, this excludes retail occupier controlled)
- 3.9 Building water intensity (m³ per m²)**
Full Data Report Figs 16 and 17
Offices 0.8, shopping centres 0.3, retail parks 0.3 (2011: Offices 0.7, shopping centres 0.2, retail parks 0.3)
- 3.10 Total weight of waste by disposal route (tonnes)**
Full Data Report Fig 26
9,451 recycled, 6,473 incinerated, 2,429 landfilled (2011: 7,916 recycled, 5,743 incinerated, 3,143 landfilled)
- 3.11 Proportion of waste by disposal route**
Full Data Report Fig 26
51% recycled, 35% incinerated, 13% landfilled (2011: 47% recycled, 34% incinerated, 19% landfilled)

* As per EPRA Best Practice Recommendations, this data covers energy and water procured by British Land.

GLOSSARY

BREEAM (Building Research Establishment Environmental Assessment Method) assesses the sustainability of buildings against a range of criteria.

CRC Energy Efficiency Scheme (previously known as the Carbon Reduction Commitment) is the UK Government's new mandatory scheme for carbon emissions reporting and pricing.

Gross Value Added (GVA) provides a snapshot of a company's overall contribution to the UK economy, both directly through activities and indirectly through spending.

Landlord-influenced energy use comprises energy use in common parts in offices, shopping centres and retail parks, as well as for shared heating, ventilation and air conditioning services in multi-let offices.

Real Estate Investment Trust (REIT) status was established by the UK Government in 2007 to remove tax inequalities between different real estate investors and improve overall investor access to real estate.

Total Tax Contribution is a more comprehensive view of tax contributions than the accountancy-defined tax figure quoted in most financial statements. It comprises taxes and levies paid directly, as well as taxes collected from others which we administered.

INDEPENDENT ASSURANCE


Independent Assurance Report to the Directors of The British Land Company PLC

We have been engaged by the Directors of The British Land Company PLC (British Land) to perform an independent limited assurance engagement in respect of the information set out below and contained in British Land's Corporate Responsibility Report 2012 (the CR Report) and its Full Data Report 2012 (FDR) for the year ended 31 March 2012.

What we did and our conclusions

We planned and performed our work, summarised below, to obtain the evidence we considered necessary to reach our assurance conclusion on the Selected Information (as defined below). The scope of our work was restricted to the Selected Information for the year ended 31 March 2012 and does not extend to information in respect of earlier periods or to any other information in the CR Report or FDR.

What we are assuring (together, the "Selected Information")

- The selected corporate responsibility (CR) data for the year ended 31 March 2012 marked with the symbol  presented in the CR Report and FDR (the CR Data).
- British Land's declared Global Reporting Initiative (GRI) application level of B+ of the GRI "G3.1" Guidelines and Construction & Real Estate Sector Supplement, as stated on page 1 of the CR Report.

How the information is assessed ("Reporting Criteria")

British Land's Reporting Criteria as set out in the FDR www.britishland.com/crdata2012[†] set out how the Selected Information is prepared and reported.

Professional standards applied^{††} and Level of assurance^{†††}

ISAE3000 and ICAEW Code of Ethics.
Limited assurance.

Understanding reporting and measurement methodologies

There is not yet generally established practice for evaluating and measuring the Selected Information. The range of different, but acceptable, techniques used can result in materially different reporting outcomes that may affect comparability with other organisations. It is therefore important to read and understand the Reporting Criteria that British Land has used to evaluate and prepare the Selected Information.

Work done

We performed the following activities:

- Making enquiries of relevant British Land management;
- Evaluating the design of the key processes and controls for managing, recording and reporting the Selected Information. This did not extend to testing that the controls operated as intended for the period under review;
- Limited substantive testing on a selective basis of the Selected Information. This included conducting site visits to one office, one retail and two development sites and British Land's corporate Head Office;
- With respect to the developments carbon footprint data disclosed in Fig 81 in the FDR, we evaluated the methodology and basis of the independent valuation of the developments carbon footprint, but did not test in detail the underlying calculation models and assumptions;

→ With respect to the CR Data concerning project sustainability ratings [Fig 62 in the FDR], developments energy efficiency [Fig 51 in the FDR] and all major developments designed to achieve a net improvement in site biodiversity [Fig 58 in the FDR], we have examined underlying reports produced by external consultants and engineers, but have not tested in detail the underlying calculation models and assumptions;

→ Assessing the disclosure and presentation of the Selected Information; and

→ Assessing the GRI Index on British Land's website www.britishland.com/crreport2012 for compliance with the GRI application level requirements for B+.

British Land's responsibilities

The Directors of British Land are responsible for:

- Designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- Establishing objective assessment Reporting Criteria for preparing the Selected Information;
- Measuring British Land's performance based on the Reporting Criteria; and
- The content of the CR Report and FDR.

Our responsibilities

We are responsible for:

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

Our conclusions

As a result of our procedures nothing has come to our attention that indicates:

- the selected CR Data for the year ended 31 March 2012 has not been prepared in all material respects with the Reporting Criteria; and
- British Land's declared GRI application level of B+ on page 1 of the CR Report is not fairly stated in all material respects.

This report, including our conclusions, has been prepared solely for the Directors of British Land as a body in accordance with the agreement between us, to assist the Directors in reporting British Land's CR performance and activities. We permit this report to be disclosed in the CR Report and FDR for the year ended 31 March 2012, to enable the Directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and British Land for our work or this report except where terms are expressly agreed between us in writing.



**PricewaterhouseCoopers LLP,
Chartered Accountants, London
21 May 2012**

[†]The maintenance and integrity of British Land's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on British Land's website.

^{††}We comply with International Standard on Assurance Engagements 3000 - 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' issued by the IAASB, and with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. To comply with those standards, our work was carried out by an independent and multi-disciplinary team of sustainability and assurance specialists.

^{†††}Assurance, defined by the International Auditing and Assurance Standards Board (IAASB), gives the user confidence about the subject matter assessed against the reporting criteria. Reasonable assurance gives more confidence than limited assurance, as a limited assurance engagement is substantially less in scope in relation to both the assessment of risks of material misstatement and the procedures performed in response to the assessed risks.

FRONT COVER IMAGE shows members of our construction team installing high performance glazing on 10 Brock Street, which forms part of our NEQ development at Regent's Place. This 340,000 sq ft office building, which has achieved a BREEAM Excellent sustainability rating, is designed to be energy efficient, cutting carbon emissions and reducing operational costs for future occupiers. On completion in summer 2013, Debenhams will occupy just over half of the office space, consolidating its operations in one location.

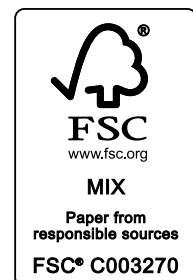
For our online CR Report and Full Data Report:
britishland.com/crReport2012

Want to know more?

If you would like to know more about our approach to corporate responsibility or let us know your views, please email us at cr@britishland.com

Or write to:

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