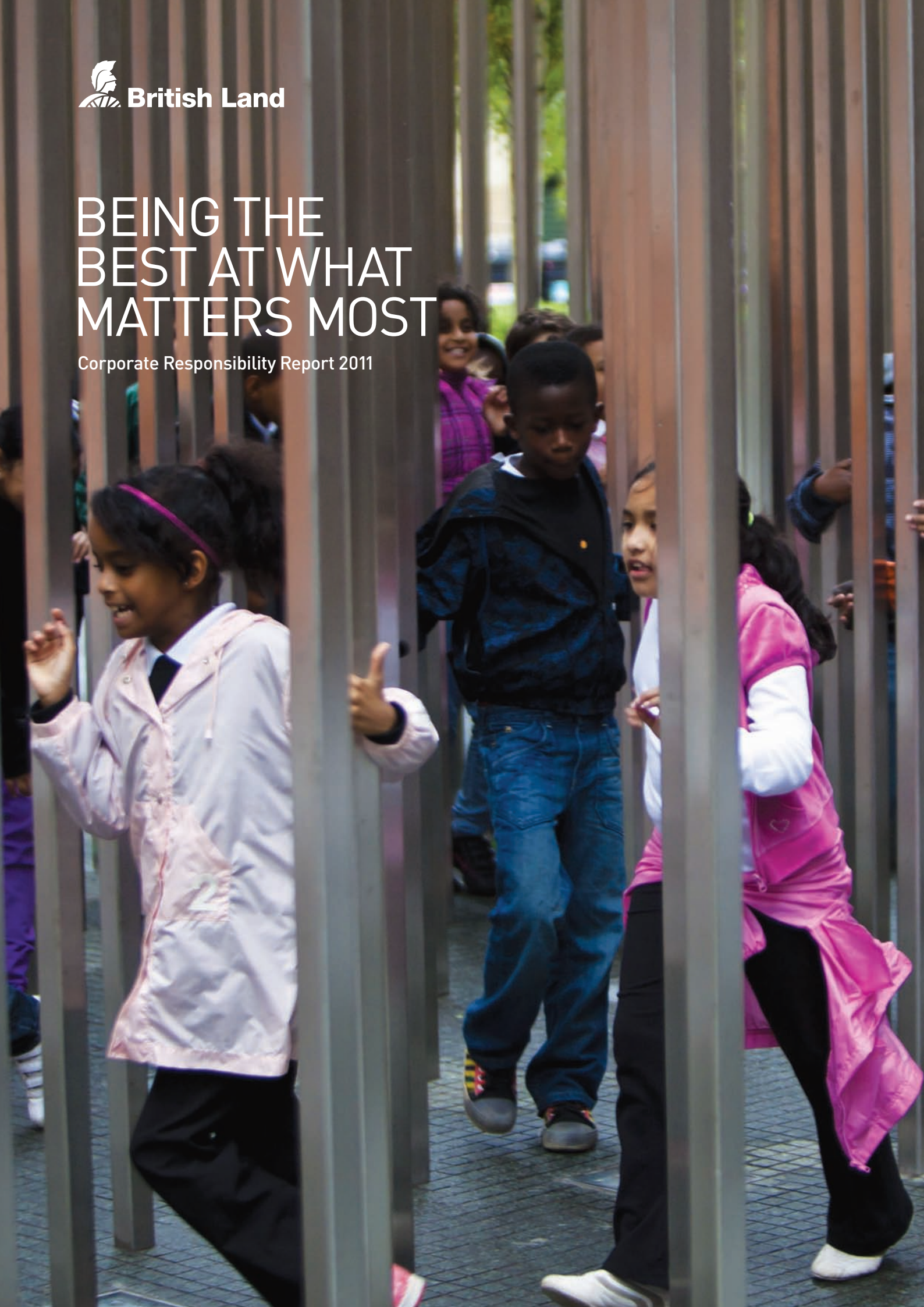


BEING THE BEST AT WHAT MATTERS MOST

Corporate Responsibility Report 2011



OUR CORPORATE RESPONSIBILITY STRATEGY



“WE’RE COMMITTED TO DOING BUSINESS THE RIGHT WAY; MANAGING, DEVELOPING AND FINANCING BUILDINGS IN ENVIRONMENTS WHERE BUSINESS AND LOCAL COMMUNITIES CAN THRIVE.” **Chris Grigg**, Chief Executive



THIS YEAR, WE CARRIED OUT A THOROUGH REVIEW OF OUR CORPORATE RESPONSIBILITY STRATEGY AND ACTIVITIES.

We commissioned independent research to get the views of occupiers, investors, employees, local people, local authorities, Government and other key stakeholders. We also consulted experts on a range of issues, reviewed best practice and benchmarked our performance.

Through this review, we identified five focus areas as being the most important for us and our key stakeholders. They are also core to our corporate aim of building the best Real Estate Investment Trust (REIT) in Europe:

- 1 Managing buildings efficiently
- 2 Developing sustainable buildings
- 3 Enhancing biodiversity
- 4 Exceeding customers’ expectations
- 5 Focusing on local communities

In implementing these focus areas we face a number of challenges, from bringing about behavioural change to providing capital investment in technologies and initiatives that will lead to savings and create asset value. We identify some of these key challenges throughout this report. Information on our key corporate responsibility risks can also be found on page 15 and in our Annual Report and Accounts 2011.

We are the first major UK REIT to sign the United Nations Global Compact, an international commitment which aims to “ensure markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere”.

Our progress against our medium-term targets is generally good. We’re on track to achieve all of them, except our zero waste to landfill by 2012 target; for more information see page 15.

We welcome your feedback.
cr@britishland.com

Adrian Penfold

Head of Planning and Corporate Responsibility

KEY 2011 DATA IN THIS REPORT HAS BEEN INDEPENDENTLY ASSURED UNDER THE ISAE 3000 STANDARD BY PWC, SO YOU CAN BE CONFIDENT THAT WE ARE REPORTING ACCURATELY ON THE ISSUES THAT MATTER MOST TO OUR BUSINESS AND OUR KEY STAKEHOLDERS.



Where you see this symbol 2010/11 data has been assured by PwC. Their assurance statement is on page 18. Earlier data was assured by another provider.

ABOUT US

We are one of the UK’s largest 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 250 million visits.

DRIVERS FOR CR

Our corporate responsibility strategy is core to our corporate aim of building the best REIT in Europe, ensuring we:

- Do the right thing – as individuals and as a company
- Manage physical, fiscal and regulatory risks
- Enhance and care for our reputation
- Protect and create asset value

GOVERNANCE

Adrian Penfold reports directly to Chris Grigg on corporate responsibility, meeting fortnightly. The Board is updated each quarter on key issues, opportunities and our performance. Our strategy is presented to the Board annually.

Key members of our Corporate Responsibility Committee meet fortnightly to maintain momentum on our action plans. They also hold regular meetings with other members of our Head Office team and consultants, and six-monthly meetings with our supply chain partners for managed properties and developments. Corporate responsibility activities and reporting are now well integrated into our day-to-day management processes.



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WHAT WE'RE PROUDEST OF THIS YEAR

15% LESS ENERGY



15% less energy use and 14% less water use across our like-for-like portfolio than our baseline two years ago, saving 13.2 million kWh, 59 million litres of water, 6,775 tonnes of carbon and almost £1 million on occupiers' energy and water bills.

EXCELLENT DESIGN



On track to achieve BREEAM Excellent sustainability ratings for all seven of our major office developments and two of our retail developments, with 30% better carbon efficiency on average than current standards across all our developments.

140,100



TONNES DIVERTED FROM LANDFILL

96% of managed waste on our developments diverted from landfill and 84% at our properties (2010: 86% and 83% respectively).

80% CUSTOMER SATISFACTION

80% of our customers rate us good or excellent (significantly outperforming industry averages) and 67% rate our managing agents good or excellent (2009: 43%).

92% STAFF RATE US HIGHLY

92% of our staff rated us highly as an employer, in our first independent staff satisfaction survey and 91% agree we deliver quality in performance.

91% LOCAL SUPPORT

In a pilot study, 91% of local contacts independently surveyed around our three major developments rated us as very good.

AWARD WINNING

HEAD OFFICE ENERGY REDUCTIONS

We won Property Week's Sustainability Achievement Award 2011 and a Chartered Institution of Building Services Engineers Award 2011 for energy reductions at our Head Office, York House, in cooperation with all other occupiers.



REGENERATION AT REGENT'S PLACE

We won the Royal Town Planning Institute's Sustainable Communities Award 2010 for regeneration at Regent's Place, recognising our successful transformation of this area of London's West End.



COMMUNITY PROGRAMME AT THE SOURCE

The Source at Meadowhall won a Business in the Community Big Tick Award 2011, for the sixth year running, as well as the 2010 International Community Support Award by the International Council of Shopping Centers Foundation.



GUARDIAN SUSTAINABLE BUSINESS AWARDS 2011

We won the **Built Environment Award** for our transformation of Regent's Place and the **Biodiversity Award** for our biodiversity programme and creation of 60,000 sq ft of green roof space. We also received an **Energy Commendation** for successfully reducing consumption across our portfolio, in collaboration with occupiers.



EXTERNAL CORPORATE RESPONSIBILITY RANKINGS

We aim to be the best at the issues that matter most, benchmarking our performance against our peers and others.

- Ethibel Register 2011 – Pioneer
- Ethisphere's World's Most Ethical Companies 2011 – leading UK REIT
- Oekom CR Review 2010 – real estate leader
- The Sunday Times 60 Best Green Companies 2010
- Justmeans Global Sustainable Performance Leaders 2009 – leading UK REIT
- DowJones Sustainability Index
- FTSE4Good Index

1. MANAGING BUILDINGS EFFICIENTLY

↓ HEAD OFFICE CASE STUDY

At our Head Office, York House, we reduced British Land influenced energy use by 38% compared to two years ago, and occupiers reduced energy use in their areas by 11%. The total savings over the last two years are 2.4 million kWh, cutting emissions by over 1,000 tonnes and saving £141,000.

This won the Property Week Sustainability Achievement Award 2011 and CIBSE Building Operation Award 2011 and a Commendation in the Guardian Sustainable Business Awards 2011. It was largely the result of effective day-to-day management by the Building Engineer, Netza Jack (pictured), and the introduction of our energy metering system and optimisation process which, with occupier agreement, we are now rolling out across our office portfolio and piloting at two shopping centres.



Watch a film on how we are managing and developing sustainable buildings for occupiers at www.britishland.com/crvideo. Alternatively, use a smartphone with a QR reader app to scan this symbol.

WHY THIS MATTERS

Key stakeholders such as our occupiers, employees and investors expect us to lead on energy efficiency to cut costs for our occupiers, at the same time as reducing carbon emissions.

WHAT WE DID THIS YEAR

Offices account for 72% of the energy use we control across our managed portfolio. Across our office portfolio, we used 12% less like-for-like energy than our baseline two years ago, saving office occupiers £460,000.

In nine of our multi-let office buildings, with occupier agreement, we installed a new energy metering system and implemented a remote monitoring process to optimise efficiency, following a successful pilot at our Head Office. This will reduce base-build energy (common parts and shared services) by at least 10% in each building. We expect to recoup capital costs within three years through energy savings.

We continued to work with office occupiers to drive reductions in the areas they control, sharing information, providing support and meeting with interested occupiers each quarter. We now also provide them with six-monthly building environmental statements, which include year-on-year building management and occupier performance comparisons. Our green building groups, with occupiers and building management teams, were recognised with a 2010 Better Buildings Partnership award, for the second year running.

Across our retail portfolio, we continued our energy efficiency drive, for instance replacing lighting with energy efficient alternatives. This has reduced like-for-like consumption by 20% since its introduction two years ago, saving retail occupiers £440,000.

We also supported efforts to improve industry knowledge. Head of the Business Group, Justin Snoxall, chaired a Better Buildings Partnership working group which developed a Green Building Management Toolkit designed to help owners and occupiers work together more effectively to reduce energy, water and waste. We co-sponsored a UK Green Building Council (UK-GBC) task group which produced a series of recommendations on Display Energy Certificates for occupiers and landlords, and on the CRC Energy Efficiency Scheme.



At Teesside Shopping Park in Stockton-on-Tees, we cut energy use by 26%, saving occupiers £17,000 – thanks to the on-site team reducing lighting levels out of hours.

NEXT YEAR'S CHALLENGE

→ Supporting a change in building management culture to deliver ongoing energy reductions.

NEXT YEAR, WE WILL:

- Roll out our energy optimisation process at more office buildings and pilot it at two shopping centres.
- Work closely with building management teams to achieve projected energy reductions where we have implemented our optimisation process.
- Undertake selective base-build energy and water reviews which will highlight opportunities for capital investment to drive further reductions in each building assessed, factoring viable initiatives into service charge budgets or asset plans.
- Where office occupiers are committed to energy reductions, offer to fund energy reviews in their areas, which will highlight initiatives they can implement to drive reductions.
- Undertake waste management reviews at properties which are not achieving our 55% recycling target.

For our 2011/12 targets see page 17.

2010/11 PERFORMANCE

15% LESS ENERGY



15% less energy use across our like-for-like portfolio than our baseline two years ago, saving 13.2 million kWh, 6,775 tonnes of carbon and £900,000 on occupiers' energy bills.

53% RECYCLING



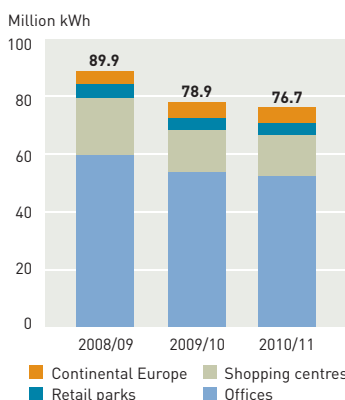
53% recycling of managed waste at our properties, an increase from 43% last year. We managed more occupiers' waste at several of our properties, increasing the amount of waste we report, at the same time as making it easier for occupiers to reduce waste to landfill and increase recycling.

14% LESS WATER

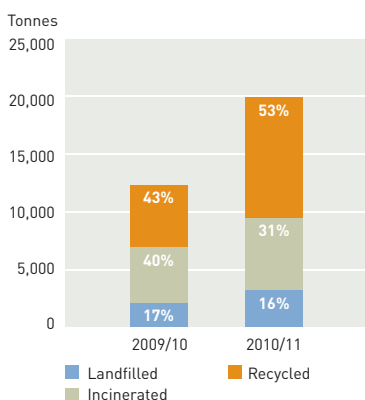


14% less water use across our like-for-like portfolio than our baseline two years ago, saving 59 million litres of water and £70,000 on occupiers' water bills.

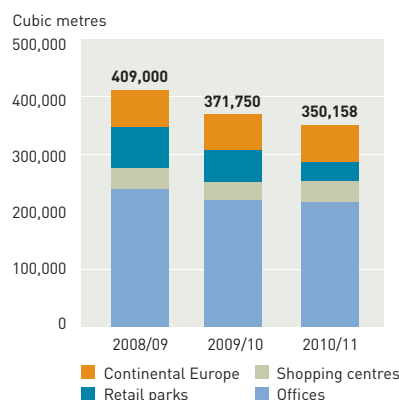
MEDIUM-TERM LIKE-FOR-LIKE ENERGY USE



WASTE MANAGEMENT AT OUR PROPERTIES



MEDIUM-TERM LIKE-FOR-LIKE WATER USE



2. DEVELOPING SUSTAINABLE BUILDINGS

↓ REGENT'S PLACE CASE STUDY

At Regent's Place, we won the Guardian Sustainable Business Award for the Built Environment 2011. The longevity and depth of our local engagement, combined with high-quality design and best practices in sustainability are delivering a sustainable built environment for local people and our occupiers.

Construction has now commenced on the North East Quadrant of Regent's Place to provide a 500,000 sq ft mixed-use scheme. The new buildings are designed to be up to 54% more carbon efficient than current standards. Our contractors and sub-contractors are applying our high standards for procurement and site management. This year, almost 25% of construction materials by value came from recycled sources, 99.7% of waste was diverted from landfill, and two apprenticeships were created for local people.



See webcams of our Regent's Place development at www.britishland.com/NEQwebcams. Alternatively, use a smartphone with a QR reader app to scan this symbol.

“WE RECOGNISE THAT OUR £1.5 BILLION DEVELOPMENT PORTFOLIO HAS SIGNIFICANT ENVIRONMENTAL AND SOCIAL IMPACTS. WE WORK HARD TO HAVE A POSITIVE IMPACT ON EACH AND EVERY PROJECT, THROUGH SUSTAINABLE DESIGN AND RESPONSIBLE CONSTRUCTION.”

Nigel Webb
Head of Developments at British Land

WHY THIS MATTERS

Buildings that are efficient, sustainable and meet business needs have a competitive advantage, giving occupiers tangible cost savings and supporting their corporate responsibility policies. In our experience, this means they let more quickly and hold long-term value better.

WHAT WE DID THIS YEAR

In February 2011, we published version three of our Sustainability Brief for Developments, which we have been applying to our major projects since 2004. This followed consultation with industry experts, a review of changing regulation, and feedback from our project teams.

Our new Sustainability Brief provides clarity to our supply chain on what we expect from them, at the same time as encouraging innovation and stretching project-specific targets. We include the sustainability standards and reporting requirements from this Brief in all our supply chain contracts, and set ethical procurement standards for major projects.

We continue to apply our ISO 14001 certified Environmental Management System across our expanding development programme, with processes in place to make sure we learn quickly from each project – getting better all the time. We thank our design and construction teams for their positive response to the challenges we face, as we work together to realise sustainable design,

ethical procurement and responsible construction through our Sustainability Brief processes.

NEXT YEAR'S CHALLENGE

→ Transforming building design and engineering across our diverse supply chain, against a rapidly changing regulatory framework.

NEXT YEAR, WE WILL

- Explore opportunities to achieve our zero-carbon target on development projects.
- Work with our project teams to improve procurement standards for sustainable materials, monitoring their performance and raising the bar each time.
- Work with our contractors to reduce resource use on site, and measure their energy, waste and water usage.
- Reduce our embodied carbon footprint through changes to our designs and procurement of materials.

For our 2011/12 targets see page 17.



↑ As part of the tender process for The Leadenhall Building, we are evaluating how potential contractors propose to manage environmental and social issues, making sure that this 47-storey tower meets our stringent sustainability standards.



↑ Our £35 million refurbishment of 199 Bishopsgate at Broadgate will deliver 142,000 sq ft of high-quality office accommodation, a BREEAM Excellent rating and 35% better carbon efficiency than current standards – without major façade changes.

2010/11 PERFORMANCE

30% LESS CARBON

Our new developments are designed to be 30% more carbon efficient than current standards on average (2010: 27%). Our offices performed particularly well, with 36% better carbon efficiency on average than current standards.



EXCELLENT DESIGN

We are set to achieve BREEAM Excellent sustainability ratings for all seven of our new office developments and two of our retail developments.



125,700

TONNES DIVERTED FROM LANDFILL
We diverted 96% of managed waste on our developments from landfill (2010: 86%).



NEW BRIEFS

New Sustainability Brief for Acquisitions and Sustainability Brief for Developments published.



↑ The 302,000 sq ft retail development at Whiteley Village in Fareham is designed to be 35% more carbon efficient than current standards and to achieve BREEAM Excellent. We intend to incorporate 2,850 sq ft of photovoltaic panels and will provide occupiers with Green Building Guides.

3. ENHANCING BIODIVERSITY

↓ BEYOND THE HIVE CASE STUDY

In the summer of 2010, together with the City of London Corporation, we delivered 'Beyond the Hive', a competition to encourage biodiversity in the built environment. This saw five-star insect hotels created in parks across the City.

The Beevarian Antsel and Gretel Chalet (pictured) won the public vote. It was made by the German Women in Property team, using materials collected within the City. Arup Associates won the judges' award for their Insect Hotel.

We continue to monitor how many beetles, bees, butterflies and other invertebrates stay in each hotel, with a view to introducing similar structures on some of our green roofs in London.



Find out more about Beyond the Hive at www.britishland.com/beyondthehive. Alternatively, use a smartphone with a QR reader app to scan this symbol.

WHY THIS MATTERS

Biodiversity is essential for many of the Earth's natural systems to function, and biodiversity initiatives present opportunities to improve landscaping, reduce flood risks and engage with occupiers and local people.

WHAT WE DID THIS YEAR

We published a review by ecologists of the biodiversity impacts of our developments in central London. This showed that we have positively contributed to local biodiversity over the last few years, notably through our green roofs at Broadgate in the City of London and Regent's Place in London's West End.

The study also identified opportunities to improve biodiversity, which we have since incorporated into the guidance we provide to our staff and supply chain. We continue to focus on setting the standard for green roofs, incorporating them in most of our new developments, and working with our occupiers and property managers to retrofit them to some existing buildings, including our own Head Office, York House.

At 20 Triton Street in Regent's Place, we are working with occupier Lend Lease to retrofit a further 2,700 sq ft of green roof, and at Exchange House in Broadgate we are retrofitting almost 2,000 sq ft of green roof.

At a number of our retail properties, we continued to work with local schools and community organisations to encourage biodiversity and raise awareness.

In Bradford, where our Forster Square Shopping Park is located, we are providing £40,000 of funding for Habitat Heroes over two years to develop outdoor educational resources that will last. Thanks to this funding, almost 100 local schoolchildren took part in a range of biodiversity initiatives, including creating bog gardens, hedgehog boxes, mini-beast hotels and bird feeders.

Based on stakeholder feedback, we have decided to increase our biodiversity efforts.

NEXT YEAR'S CHALLENGE

→ Engaging on biodiversity with our occupiers, local people, supply chain and peers.

NEXT YEAR, WE WILL:

- Review and update our Biodiversity Programme and related guidance, in partnership with our property management teams and landscape architects.
- Commission further studies into our green and brown roofs to track their performance and identify further opportunities to enhance their effectiveness.

For our 2011/12 targets see page 17.



↑ Volunteers from Fort Kinnaird Shopping Park in Edinburgh got together with local schoolchildren and teachers to plant Scottish wildflowers, focusing on nectar-rich species that appeal to birds, bees, butterflies and other bugs.



↑ At 155 Bishopsgate at Broadgate, we helped occupier Baring Asset Management to retrofit a green roof, with a focus on mature species, such as a Cork Oak which has pride of place in the new European garden and a Japanese Red Pine in the Asian garden.



↑ Since 2004, we have created more than 60,000 sq ft of new green roof space in central London, at seven buildings. These include the new roofs at Regent's Place (pictured), which have already attracted the rare black redstart and the attention of a pair of peregrine falcons.

“THE BLACK REDSTART WAS ONE OF THE PRINCIPAL TARGET SPECIES OF THE TERRACE DESIGN AND HABITATS AT REGENT'S PLACE. IT IS FANTASTIC NEWS THAT IT HAS BEEN SIGHTED ON THE TERRACES, MAKING A SIGNIFICANT CONTRIBUTION TO THE AIMS OF THE CAMDEN AND LONDON-WIDE BIODIVERSITY ACTION PLANS.”

Neil Harwood
Associate at Arup

2010/11 PERFORMANCE

34% ACTION PLANS

34% of all our managed assets are covered by Biodiversity Action Plans (2010: 31%)

90% IMPROVEMENT

90% of our major developments are on track to result in a net positive improvement in site biodiversity (2010: all)



AWARD

We won the Guardian Sustainable Business Award for Biodiversity 2011.

4. EXCEEDING CUSTOMERS' EXPECTATIONS

↓ GLASGOW FORT SHOPPING PARK CASE STUDY

Glasgow Fort attracts 13 million shoppers each year. It won a BCSC Achieving Customer Excellence Award 2011, as assessed by mystery shoppers.

During one of the coldest winters in recent years, the team often worked through the night to clear snow using shovels and snow-ploughs, saving retailers £25,000 compared to the cost of external suppliers, and keeping the Park trading during the busiest shopping period of the year.

We plan to increase significantly the size and range of the offer through a two phase, 220,000 sq ft extension. An eight-screen cinema is already pre-let to Vue Entertainment, and 80,000 sq ft of retail space is pre-let to Marks & Spencer.



WHY THIS MATTERS

Excellent customer service and outstanding buildings are good for financial performance, helping to maximise occupancy rates.

“BRITISH LAND IS A FIVE-STAR LANDLORD THAT VALUES HIGHLY THE RELATIONSHIP BETWEEN THEMSELVES AND THEIR CLIENT OCCUPIERS.”

Mayer Brown
Office occupier

WHAT WE DID THIS YEAR

We carried out our fourth independent UK customer survey. Feedback from occupiers demonstrated the effectiveness of many of our efforts to address the priorities they identified in our 2009 survey, particularly around value for money on service charges and satisfaction with our managing agents.

We worked with the Property Managers Association (PMA), British Property Federation (BPF), Investment Property Databank (IPD) and Royal Institution of Chartered Surveyors (RICS) on service charge initiatives and benchmarking, to raise standards across the sector.

We also expanded our in-house team to engage more actively with occupiers on day-to-day property management.

NEXT YEAR'S CHALLENGE

→ Continuing to understand and anticipate occupiers' needs as the business environment changes, and supporting our retailers in a difficult economic climate, as well as delivering our new developments to plan whilst minimising the impacts on neighbours.

NEXT YEAR, WE WILL:

- Reinvigorate our key account programme and invest in customer relationship management tools, making sure we liaise with the right people, as often as they want and in the way that they want.
- Drive service excellence by developing a new Retailer Charter and tailored Customer Charters for individual office buildings.

- Enhance the transparency of our mid-year reviews, year-end statements and insurance renewal reports, in line with our new, more reader-friendly service charge budgets.
- Continue to actively manage costs whilst maintaining high standards, through smart procurement, efficient management and creative thinking.

For our 2012/13 targets see page 17.

Find out more about what we are doing to address the priorities identified by our occupiers:

🌐 www.britishland.com/occupiers

2010/11 PERFORMANCE

80% SATISFACTION

80% of our customers on average rate us good or excellent (2009: 82%)

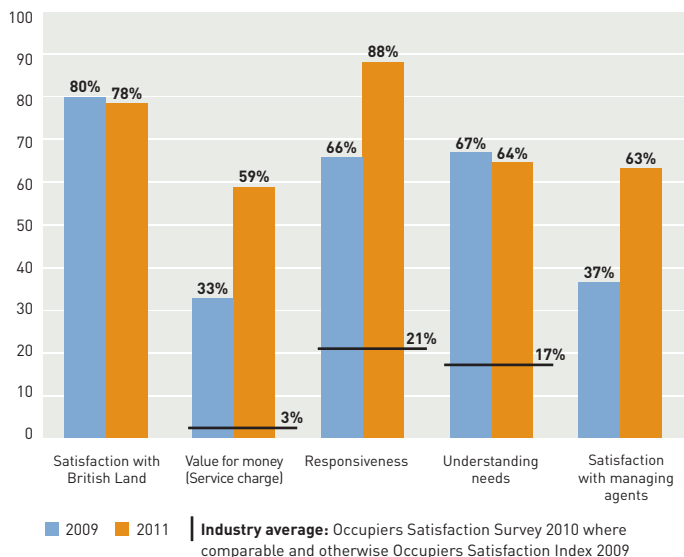
67%

67% of our customers on average rate our managing agents good or excellent (2009: 43%)

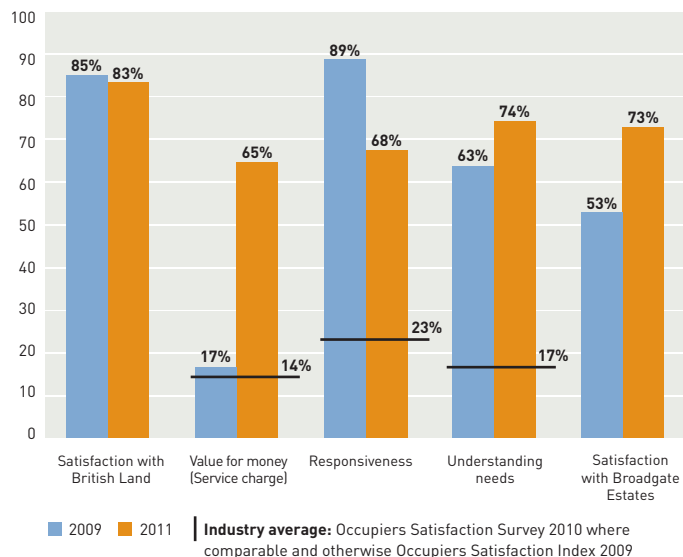
“BRITISH LAND IS A VERY FLEXIBLE COMPANY THAT UNDERSTANDS RETAIL. THEY PROVIDE A SERVICE TO HELP US MAXIMISE OUR BUSINESS.”

Retail occupier

RETAIL OCCUPIERS RATING AS GOOD OR EXCELLENT (%)



OFFICE OCCUPIERS RATING AS GOOD OR EXCELLENT (%)



5. FOCUSING ON LOCAL COMMUNITIES

↓ ST STEPHEN'S SHOPPING CENTRE CASE STUDY

St Stephen's in Hull ran its award-winning Get into Retail programme for the fourth year, in partnership with The Prince's Trust and retailers. Following two weeks of training and a week's work experience, 14 of the 20 young people went on to positive outcomes, such as employment, education or training. St Stephen's also sponsors the Gérard School of Football, which promotes a fitter, healthier lifestyle for youngsters.

Other British Land properties supporting retail training programmes include Birstall Shopping Park in Leeds and Fort Kinnaird Shopping Park in Edinburgh. The Source Skills Academy is also supporting retailers at Meadowhall Shopping Centre in Sheffield and Parkgate Shopping in Rotherham.



← Craig Purvis, who gained work experience with Tesco at St Stephen's, then got a job with a local telecommunications firm. He comments that, although he is working hard, he loves the 'employed lifestyle'.

WHY THIS MATTERS

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 will become more so with the Government's Big Society agenda.

WHAT WE DID THIS YEAR

We introduced two new people to our Head Office team to focus on community engagement and planning. We also carried out a pilot stakeholder survey to evaluate local satisfaction with us and our suppliers, and to identify opportunities to improve satisfaction further. 91% of participants rated us as very good. Going forward, we will evaluate our performance on all major developments.

We continued to support a range of charities and community initiatives, through cash contributions, in-kind donations and time spent supporting local projects. These included our national charity Fairbridge, Capital Kids Cricket, arts charity Create, the East London Business Alliance (ELBA), Habitat Heroes, LandAid, and The Prince's Regeneration Trust.

Thanks to the generosity of our staff, occupiers, suppliers, shoppers and other visitors to our properties, we raised £771,000 for good causes, up from £492,000 last year, benefiting charities such as the British Heart Foundation, Fairbridge, Help for Heroes, Marie Curie Cancer Care and the Poppy Appeal.

We commissioned a review of our economic impacts by PwC, to improve

understanding of how we affect local communities and the UK economy. Our occupiers contributed £10.6 billion to the UK economy through their business activities at our properties in 2009/10 (gross value added), supporting 142,000 jobs across the UK through direct employment and spending with suppliers. Our own activities contributed almost £900 million, supporting 10,200 jobs.

NEXT YEAR'S CHALLENGE

→ Managing local expectations set by our new Community Charter.

NEXT YEAR, WE WILL:

- Publish a Community Charter, setting out our commitment to local communities. This will be available at www.britishland.com/crpolicies
- Work with suppliers, local people, community groups, local authorities and other partners to implement our Community Charter.
- Review our stakeholder satisfaction survey results and develop a plan for future surveys.
- Explore further opportunities to support apprenticeships and employment initiatives.

For our 2011/12 targets see page 17.



↑ We sponsored the Primary Voices programme delivered by Quicksilver, giving over 150 London schoolchildren the chance to create their own plays and then perform them in the New Diorama Theatre at Regent's Place. We won the Royal Town Planning Institute's Sustainable Communities Award 2010 for regeneration at Regent's Place.



↑ A 'bounceathon' at Beaumont Shopping Centre in Leicester raised over £1,000 for young carers. British Land is also providing this good cause with £35,500 of funding over three years.

2010/11 PERFORMANCE

31% VOLUNTEERING

31% of our Head Office team volunteered during work time (2010: 27%).

£877,000

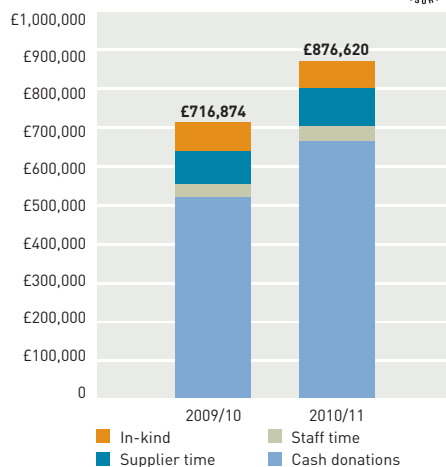
COMMUNITY INVESTMENT

We invested £877,000 in good causes through cash contributions, in-kind donations and time spent supporting community projects (2010: £717,000).

£4.9M LOCAL INVESTMENT

We contributed £4.9 million to local infrastructure and initiatives through the planning process. This included improving public spaces, enhancing pedestrian links and creating community facilities (2010: £11.2m due to more development activity).

COMMUNITY INVESTMENT



↑ Our volunteers worked with youngsters in a series of events organised by our national charity Fairbridge, which helps disadvantaged young people to change their lives. Members of our Head Office team and property management teams around the UK have also been actively fundraising for the charity and providing pro-bono support to their local Fairbridge centres.

"WE ARE STEPPING UP OUR EFFORTS TO ENGAGE WITH LOCAL COMMUNITIES AROUND ALL OUR MAJOR PROPERTIES AND DEVELOPMENTS, TO CREATE ENVIRONMENTS IN WHICH BUSINESSES, COMMUNITIES AND INDIVIDUALS CAN THRIVE."

Anna Devlet
Communities Executive at British Land

OUR CARBON FOOTPRINT

WE HAVE PARTICIPATED IN THE INVESTOR-LED CARBON DISCLOSURE PROJECT SINCE 2006, WITH A SCORE OF 70% IN 2010, UP FROM 54% IN 2009.

We were carbon neutral across the common parts of our managed portfolio for the third year running. We continued to focus on improving energy efficiency and increasing use of low-carbon or zero-carbon energy sources, before purchasing £65,000 of carbon credits to offset our remaining 13,900 tonnes of Scope 1 and 2 emissions (2010: 18,000 tonnes). This is the last year we will offset emissions because next year the Government's CRC Energy Efficiency Scheme will require us to start buying carbon allowances for all energy we purchase. Our forecast 2012 to 2014 exposure to the scheme is £0.8 million per annum, rising to £1.1 million in 2015.

We use the World Resource Institute's Greenhouse Gas Protocol methodology to calculate our carbon footprint.

For our detailed Greenhouse Gas Emissions Report, which also features our reflections on offsetting, visit www.britishland.com/crreport2011

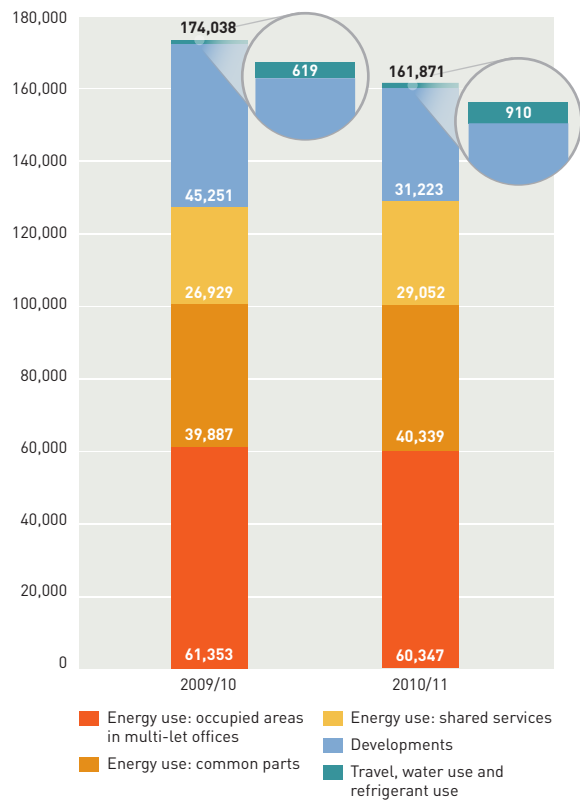


This year, British Land was awarded the Carbon Trust Standard, recognising our achievements in reducing carbon emissions from energy use across our portfolio.

Thanks to our ongoing engagement with occupiers across our multi-let office portfolio, our Carbon Trust Standard also includes energy used by office occupiers in their areas.

GREENHOUSE GAS EMISSIONS BY SOURCE

This is our total carbon footprint, including our Scope 3 emissions, such as embodied carbon on our developments and energy use in our occupiers' areas.



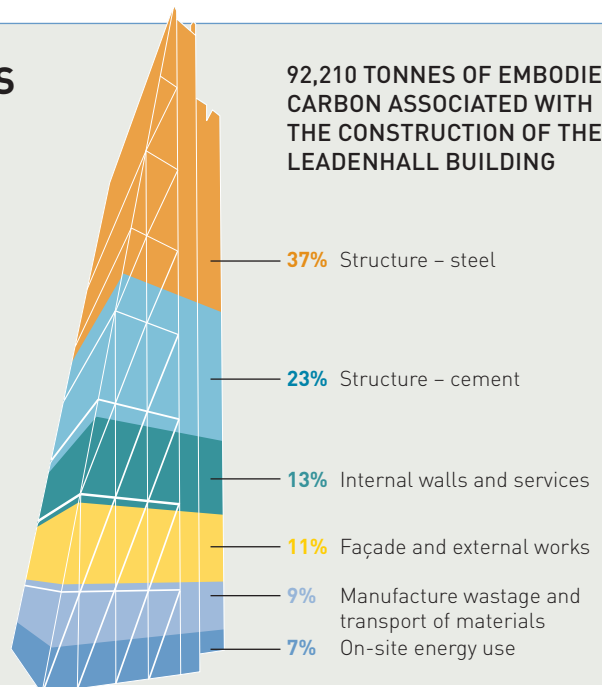
EMBODIED CARBON IN OUR DEVELOPMENTS

We are leading the industry in working to reduce the carbon footprint of our development activity.

Over the last few years, we have commissioned a series of studies to improve understanding of carbon emissions throughout the lifecycle of a building, from extraction of materials through to eventual demolition.

The embodied carbon associated with construction materials on our sites this year alone was some 26,211 tonnes, around a quarter of our total carbon footprint. We expect this to grow significantly next year, with our expanding development programme, and are challenging our development teams to address this, particularly focusing on cutting emissions associated with steel and concrete. They are working to achieve this through innovative structural design and careful specification, for instance of cement replacements and steel from non-coal powered production facilities.

92,210 TONNES OF EMBODIED CARBON ASSOCIATED WITH THE CONSTRUCTION OF THE LEADENHALL BUILDING



OUR PEOPLE

TO DELIVER OUR BUSINESS STRATEGY WE LEVERAGE THE EFFORTS, SKILLS AND JUDGEMENT OF OUR HEAD OFFICE TEAM OF 179 PEOPLE ACROSS OUR EXTENSIVE PORTFOLIO.

This year, we launched a number of initiatives at our Head Office to create a more integrated approach across the business.

We held our first company-wide staff away day, introduced monthly all-staff meetings and commissioned our first independent staff satisfaction survey. The overall results of this survey, to which 92% of our Head Office team responded, were very good, demonstrating the effectiveness of our efforts to create an environment in which people can thrive. We are now putting together a comprehensive action plan based on the findings of the survey.

In April 2010, we signed up to the Government's new Prompt Payment Code as part of our efforts to treat our supply chain partners with the same fairness and respect we show our staff. We are committed to an ethical approach to business.



↑ At our Head Office, we provide secure cycle spaces, a drying room and lockers. Based on feedback from our staff travel survey, we have introduced two pool bikes and a cycle to work loan scheme. We also provide staff with access to key fobs for the Barclays cycle hire scheme, cycle helmets, reflective clothing and cycle maps.

2010/11 PERFORMANCE

92% RATE US HIGHLY

92% of our Head Office staff rate us highly as an employer, 80% are very satisfied and 91% agree British Land delivers quality in performance.

99% APPRAISALS

99% of the 437 people employed by us and our subsidiaries received regular performance and career development reviews (2010: 98%)*.

6,100 HOURS TRAINING

Together with our subsidiaries, we provided our people with 6,100 training hours, equivalent to 14 hours per person (2010: 9 hours).

SAFETY

Number of reportable accidents across our portfolio

	2009/10	2010/11
Amongst our Head Office staff	0	0
Amongst our subsidiary staff	1	0
At our managed properties	52	43
Rate per 100,000 hours worked on our developments [†]	0.26	0.46

[†] On our developments, there was 1 reportable accident across 205,581 working hours in 2010/11, compared to 14 reportable accidents across 1.9 million hours in 2009/10.

*We report human resources data for the 258 people employed by our subsidiaries Acuity and Broadgate Estates, as well as for our 179 Head Office staff.

OUR KEY RISKS

These are the corporate responsibility risks we have identified as having the highest likelihood of occurrence and greatest potential impact on our business and key stakeholders. For other risks, including those relating to our staff, as well as health and safety, please see our Annual Report and Accounts 2011.

RISK DESCRIPTION	IMPACT AREAS	KEY MITIGANTS
MANAGING BUILDINGS EFFICIENTLY Failure to manage utility consumption at each asset we manage	<ul style="list-style-type: none"> - Fiscal burden from environmental taxes - Adverse impact on our reputation and ability to let assets 	<ul style="list-style-type: none"> - Building energy and water audits - Energy metering system and optimisation process - Sustainability Brief for Management
Failure to implement flood risk adaptation strategy for each asset either during development or in our existing portfolio	<ul style="list-style-type: none"> - Inability to sell an asset for full value - Difficulty in securing flood insurance cover - Increased insurance rates for flood cover 	<ul style="list-style-type: none"> - Portfolio flood assessment plan - Flood defence investment where required - Sustainability Brief for Developments - Sustainability Brief for Acquisitions
DEVELOPING SUSTAINABLE BUILDINGS Failure to design and build environmentally sustainable buildings in a rapidly changing regulatory and commercial environment	<ul style="list-style-type: none"> - Difficulty in securing planning and building permissions - Difficulty in letting the asset - Risk of accelerated asset value depreciation - Fiscal burden from environmental taxes 	<ul style="list-style-type: none"> - Sustainability Brief for Developments - ISO 14001 certified Environmental Management System
EXCEEDING CUSTOMERS' EXPECTATIONS Failure to understand occupiers' needs to design and manage buildings with enduring appeal	<ul style="list-style-type: none"> - Increased voids and falling rents - Assets under-performing financially - Adverse impact on our reputation 	<ul style="list-style-type: none"> - Effective occupier engagement and consultation - Rigorous and frequent performance review - Service Charge and Lease Code compliance
FOCUSING ON LOCAL COMMUNITIES Poor engagement with local communities where we own or plan to develop assets	<ul style="list-style-type: none"> - Adverse impact on our reputation - Failure or delay in securing planning approval 	<ul style="list-style-type: none"> - Community Charter - Community stakeholder survey - Effective local engagement

OUR TARGETS

PROGRESS AGAINST MEDIUM-TERM TARGETS

In 2009/10, we set a series of medium-term targets to drive performance. We monitor our progress closely and benchmark our performance against that of our peers and others. We also set further annual targets. We will review our medium-term targets in 2011/12.

MEDIUM-TERM TARGETS	2010/11 PROGRESS
To reduce managed energy use by 20% per m ² for each property type by 2012, compared to 2009.	We are on track to achieve this target, having reduced energy use (common parts and shared services) by 15% across our like-for-like portfolio in 2010/11, compared to 2008/09. Across our entire managed portfolio, we reduced energy intensity per m ² by 12% in our offices, 28% in our shopping centres and 22% in our retail parks. Intensity per m ² increased by 21% in our Continental European properties, and we are working with our managing agents to address this.
To send zero managed waste to landfill from all our properties and developments by 2012.	We made good progress on this target, having diverted 96% of all managed waste from landfill on our developments in 2010/11 (up from 86% in 2009/10) and 84% at our properties (up from 83% in 2009/10). We do not expect to achieve this challenging target by 2011/12 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.
To reduce managed water use by 20% per m ² for each property type by 2015, compared to 2009.	We are on track to achieve this target, having reduced water use by 14% across our like-for-like portfolio in 2010/11, compared to 2008/09. Across our entire managed portfolio, we reduced water intensity per m ² by 7% in our offices, 1% in our shopping centres, 52% in our retail parks and 2% in our Continental European properties.
To achieve planning consent for a zero-carbon commercial building by 2015.	We made some progress towards this target and believe that we will achieve it by 2015, in advance of the Government's aim for all new non-domestic buildings to be zero-carbon from 2019. Our developments are designed to have 30% lower carbon emissions on average than current standards. Next year, we will be exploring opportunities to achieve this target on specific projects and will work with the Government to refine the emerging definition of zero-carbon.
To achieve 80% customer satisfaction with us and our managing agents by 2013.	In the UK, we successfully achieved the target for satisfaction with us, as 80% of our customers surveyed in 2011 rated us good or excellent. Our managing agents also made excellent progress, with 67% of our customers rating them good or excellent, up from 43% in 2009.
To set a 2015 target for local satisfaction with British Land as a developer.	We commissioned independent pilot surveys at three of our projects, with 91% of participants rating us as very good. Going forward, we will evaluate our performance on all major developments. As part of our efforts to tailor our approach at individual properties and developments to suit local circumstances, we have decided to set local targets rather than a target for overall satisfaction. This is based on local feedback, expert advice and internal review. We will also continue to set annual targets as appropriate.
To set a 2015 target for staff satisfaction with British Land as an employer.	92% of our Head Office employees rated us highly as an employer and 80% are very satisfied at work. We have set an ongoing target to maintain 80% staff satisfaction, as measured in our next independent survey.

OUR TARGETS

PROGRESS AGAINST 2010/11 TARGETS

For progress statements against each 2010/11 target please see our Full Data Report, available for download at www.britishland.com/crreport2011

1. MANAGING BUILDINGS EFFICIENTLY

ENERGY USE

- Reduce British Land controlled energy intensity per m² by 5% for each property type. 80%
- Reduce total building energy intensity per m² by 3% across our office portfolio. 100%
- Pilot a system to collect energy data from occupiers where we do not provide the supply. 100%
- Provide occupiers with detailed energy statements for their buildings, where data is available. 100%

WASTE MANAGEMENT

- Recycle 55% of managed waste. 96%
- Divert 90% of managed waste from landfill. 93%
- Ask all occupiers to apply our guidelines to their fit-out projects, targeting 50% acceptance. 40%

WATER

- Reduce total mains water use by 2% per m². 100%

2. DEVELOPING SUSTAINABLE BUILDINGS

SUSTAINABLE DEVELOPMENT

- All major office developments and refurbishments to achieve BREEAM Excellent ratings. 100%
- All major retail developments to support BREEAM Very Good ratings in areas we control. 75%
- All residential developments to achieve Code for Sustainable Homes Level Four or Ecohomes Excellent ratings. 100%
- Apply our Sustainability Brief, or an equivalent, to developments conducted through joint ventures or partnerships, and all developments with a construction cost over £500,000. 96%
- Update the Sustainability Brief for Developments. 100%

WASTE MANAGEMENT

- Divert 97% of demolition and strip-out waste from landfill. 95%
- Divert 90% of construction and fit-out waste from landfill. 100%
- 25% of materials by value in new buildings to comprise recycled content. 50%

SUPPLIERS

- Participate in the Corporate Health and Safety Performance Index. N/A
- Reportable accident rate on our development sites not to exceed 0.25 per 100,000 hours worked, and lost-day accident rate not to exceed 0.20. 50%

3. ENHANCING BIODIVERSITY

- Invest £30,000 in initiatives to improve biodiversity. 100%
- All major developments to result in a net improvement in site biodiversity. 90%

4. EXCEEDING CUSTOMERS' EXPECTATIONS

CUSTOMERS

- 90% of UK customers to rate us as an owner as good or excellent. 89%
- 60% of UK customers to rate our managing agents as good or excellent. 100%
- 70% of all customers surveyed to rate our understanding of their needs as good or excellent. 97%

SUPPLIERS

- Achieve 100% compliance on the Service Charge Code, as defined by the RealService benchmark. 99%
- All Property Managers Association retail service charge audits to achieve Gold or better, with each managing agent achieving at least one Platinum. 82%

PROGRESS AGAINST 2010/11 TARGETS (continued)

5. LOCAL FOCUS ON COMMUNITIES

- Make cash contributions of £650,000 to support good community causes. 100%
- All office estates and retail properties with on-site management to engage in at least two community initiatives. 82%
- All properties to support local fundraising, with each shopping centre raising more than £50,000 and all office estates and shopping parks with on-site management raising over £20,000 each. 53%
- Evaluate stakeholder and community satisfaction with at least 50% of our significant development activity. 100%

OUR PEOPLE

- Undertake an independent staff survey and publish the results. 100%
- 25% of all Head Office staff to participate in community volunteering. 100%
- Reduce Head Office electricity use by 5% per person (full-time equivalent). 100%
- Reduce Head Office managed waste by 5% per person (full-time equivalent). 100%
- Recycle 75% of Head Office managed waste. 100%
- Provide guidance to staff and suppliers on appropriate modes of business travel. 100%

TARGETS FOR 2011/12

We have reduced the number of targets we set, to focus more on the things that matter most. We also set challenging targets for each of our major properties and developments.

MANAGING BUILDINGS EFFICIENTLY

- Reduce like-for-like energy use (common parts and shared services) by 6% across our managed office portfolio, 4% in our shopping centres and 2% in our retail parks.
- Reduce like-for-like water use by 2% across our managed portfolio.
- 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.

DEVELOPING SUSTAINABLE BUILDINGS

- 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.
- 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.
- 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.
- Accident frequency rates for reportable accidents and lost day accidents on construction sites not to exceed 0.25 and 0.20 respectively.

ENHANCING BIODIVERSITY

- Achieve a net positive improvement in site biodiversity on all major developments.
- Invest at least £45,000 in biodiversity enhancement across our portfolio, and report on the results.

FOCUSING ON LOCAL COMMUNITIES

- 40% of all Head Office staff to participate in community volunteering.
- Make cash contributions of £750,000 to support good community causes.
- Get involved in at least two community initiatives, at all office estates and retail properties with on-site management.
- 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.

TARGETS FOR 2012/13

EXCEEDING CUSTOMERS' EXPECTATIONS*

- 85% customer satisfaction with us.
- 75% customer satisfaction with our managing agents.

*Our next portfolio-wide customer survey is due to take place in early 2013.


INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF BRITISH LAND PLC

We have been engaged by the directors of British Land plc (British Land) to perform an independent assurance engagement in respect of British Land's Corporate Responsibility (CR) performance, disclosed in its Corporate Responsibility Report 2011 (the CR Report) and its Full Data Report 2011 (FDR).

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 conclusions on the Corporate Responsibility (CR) Information.

WHAT WE ARE ASSURING (CR INFORMATION)

- The selected corporate responsibility data for the year ended 31 March 2011 marked with the symbol  presented in the 2011 FDR and CR Report (the CR Data).
- British Land's declared Global Reporting Initiative (GRI) application level of B+ of the GRI "G3" Guidelines as stated on page 1 of the CR Report.

The scope of our work was restricted to the CR Information for the year ended 31 March 2011 and does not extend to information in respect of earlier periods or to any other information in the CR Report or FDR.

HOW THE INFORMATION IS ASSESSED (REPORTING CRITERIA)

British Land's Reporting Criteria and accompanying Data Notes set out in the FDR at www.britishland.com/crreport2011, and the GRI G3 Guidelines at <http://www.globalreporting.org/reportingframework/g3guidelines/> set out how the CR Information is measured, recorded and reported.

ASSURANCE STANDARD APPLIED¹

ISAE 3000.

LEVEL OF ASSURANCE²

Limited Assurance.

UNDERSTANDING BRITISH LAND'S REPORTING AND MEASUREMENT METHODOLOGY

There is not yet an established practice for evaluating and measuring CR performance information. The range of different, but acceptable, techniques used can result in materially different reporting outcomes which may affect comparability with other organisations. It is therefore important to read and understand the Reporting Criteria set out in the FDR at www.britishland.com/crreport2011 and the GRI G3 Guidelines at <http://www.globalreporting.org/reportingframework/g3guidelines/> that British Land has used to evaluate and measure the CR Information.

WORK DONE BY OUR INDEPENDENT, MULTI-DISCIPLINARY TEAM OF CR AND ASSURANCE SPECIALISTS³

We performed the following activities:

- Evaluated the design and implementation of key processes and controls over the CR Information;
- Assessed the source data used to prepare the CR Data for 2010/2011, including re-performing a sample of calculations;
- Checked the computation of percentage movements in the CR Data between 2009/10 and 2010/11, excluding assuring the 2009/10 CR Data itself;
- Carried out analytical procedures over the CR Data;
- Examined on a sample basis the preparation and collation of the CR Data, as well as making inquiries of management and others;
- Performed site visits to three sites: one office, one retail and one development site, to review systems and processes in place for managing and reporting on CR activities, and examined source documentation on a sample basis;
- With respect to the embodied carbon figures disclosed in Fig 2.36 in the FDR, we evaluated the methodology and basis of the independent valuation of the embodied carbon in developments, but did not test in detail the underlying calculation models and assumptions;
- With respect to the CR Data concerning project ratings in sustainability schemes (Targets 4 in the FDR), developments' carbon efficiency (Fig 2.15 in the FDR) and all major developments to result in a net improvement in site biodiversity (Targets 4 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;
- Reviewed the CR Information disclosures; and
- Assessed the GRI Index on British Land's website www.britishland.com/crreport2011 for compliance with the GRI application level requirements for B+.

OUR CONCLUSIONS

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

- the CR Data for the year ended 31 March 2011 is not 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.

BRITISH LAND'S RESPONSIBILITIES

The directors of British Land are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the CR Information;
- establishing objective assessment and Reporting Criteria for preparing the CR 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:

- forming independent conclusions, based on our limited assurance procedures;
- reporting our conclusions to the directors of British Land; and
- reading the other information included in the CR Report and FDR, and considering the consistency of that other information with the understanding gained from our work, and considering the implications for our report if we become aware of any material inconsistencies. Our responsibilities do not extend to any information other than the CR Information in the CR Report and FDR.

This report, including our conclusions, has been prepared solely for the directors of British Land as a body in accordance with the agreement between us, to assist the directors in reporting British Land's corporate responsibility performance and activities. We permit this report to be disclosed in the CR Report and FDR for the year ended 31 March 2011, to enable the directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the CR 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 plc for our work or this report except where terms are expressly agreed between us in writing.



PricewaterhouseCoopers LLP,
Chartered Accountants, London
2 June 2011

Notes

1. International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' issued by the IAASB.
2. Assurance, defined by the International Auditing and Assurance Standards Board (IAASB), gives the user confidence about the subject matter ("CR Information") assessed against the Reporting Criteria. Reasonable assurance gives more confidence than limited assurance. The evidence gathered to support a reasonable assurance conclusion is greater than that gathered to support a limited assurance conclusion.
3. We comply with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics.

FRONT COVER IMAGE

Local schoolchildren weave in and out of the Regent's Place Pavilion as part of a theatrical guided walk organised by the New Diorama Theatre team, drawing on a wealth of local stories from members of the Bengali Workers Association, Regent's Park Residents Association and Third Age Project. The award-winning Regent's Place Pavilion by Carmody Groake marks the new western entrance to the estate. Our transformation of this area of London's West End was recognised recently by awards from the Royal Town Planning Institute and the Guardian Sustainable Business.

Front cover image photographer: Richard Davenport

For our online report: britishland.com/crReport2011

Also available for download:

- Full CR Data Report 2011
- Greenhouse Gas Emissions Report 2011
- Retail and Office Case Study Highlights 2011

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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