

NON-EXECUTIVE CHAIR'S INTRODUCTION



Tim Score
Non-Executive Chair

2023 CORPORATE GOVERNANCE REPORT

The Company has a clear and ambitious strategy to fulfil its purpose in creating Places People Prefer. By utilising our competitive advantage in active asset management and development combined with placemaking expertise and meaningful stakeholder engagement, the Company is working hard to capture growth and deliver financial returns in an increasingly sustainable way.

The macroeconomic environment changed considerably during the year under review and the Board's primary role has been to ensure the Company is able to continue to

Stakeholder engagement and principal Board decisions

The nature of our business, from investing in and developing properties to managing and curating our spaces, means we have a continuous dialogue with a wide group of stakeholders and consider our environmental and social impacts in all that we do. This cultural approach is central to our purpose and flows through all levels of the organisation. Our formal section 172 Statement is within the Strategic Report on page 62 and our Workforce Engagement Statement is incorporated within the report of the ESG Committee on page 123.

The following depicts the process that is followed for all Board decisions.

Stakeholder engagement

Engagement with our stakeholders, be that suppliers, customers, the communities we operate in, regulators, local government and more, starts from the ground up.

Whether it be the local communities that we engage with for master plan developments such as Canada Water, engaging with shareholders in the run up to a Remuneration Policy vote, or distilling employee engagement survey data in redesigning our own office space, each decision starts with relevant and meaningful stakeholder engagement.

Management action

Management prepare a paper for challenge, scrutiny and approval which is then sponsored by an Executive Committee member and scrutinised at an executive level committee before being presented to the Board.

Our Employee Networks are also often consulted on relevant matters at this stage.

Directors take comfort from the detail and diligence that management apply in preparing analysis papers, and individual Board members often take the opportunity to have additional briefings with subject matter experts to bolster their knowledge.

deliver its strategic objectives and forge a path to value creation notwithstanding the challenging environment. The Board has supported and challenged management in not only delivering strong operational performance but in ensuring the future prospects of the Company remain bright in the new normal that the world is settling into.

At this year's annual strategy offsite, the Board and management team critically re-evaluated the Company's strategy against the backdrop of an elevated cost of capital and sustained levels of higher inflation. Both are aligned on the approach of the business over the medium to long term. The Board will continue to support management in the delivery of the strategy and offer challenge as appropriate to guide the long term success of British Land. You can read more about our strategy off-site on page 114 and our strategic priorities on pages 12 to 15.

In March, the Board reviewed an investor study that had been conducted by Makinson Cowell. Non-attributable interviews were held with 20 investors including some that were not currently shareholders of British Land. The feedback highlighted trust in management, support for the strategy and the Company's balance sheet strength. The Board acknowledged the opportunity to provide greater clarity on the scale of opportunity in new sectors.

Throughout the year, the Board has been impressed with management's efforts to listen and respond to the views of our workforce. Rich and powerful data from the employee engagement survey is being used to inform all decisions impacting our people, from learning and development initiatives to office refurbishment.

Nick Macpherson stepped down from the Board at the 2022 AGM. Nick's contribution to the Board over his tenure as a Non-Executive Director was greatly appreciated. The Board will miss his contributions and wishes him well in his future endeavours.

As in previous years, examples of Board decision making during the year are described on this page along with a description of the process that is followed to ensure Directors have regard to the elements of section 172(a)-(f)

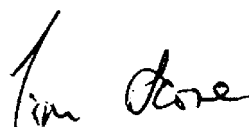
2023 Annual General Meeting

Our Annual General Meeting will once again be held at Storey Club, 100 Liverpool Street. Following shareholder feedback at the 2022 AGM, we will be starting at the later time of 11.00 on 11 July 2023. We will be returning to a physical only meeting this year after offering virtual attendance at the last two AGMs. Full details can be found within the Notice of Meeting.

of the Companies Act 2006 (the 'Act') when taking all decisions. Pages 62 to 63 outline our stakeholder groups and provide details of how we engage with them. Our formal section 172 Statement is within the Strategic Report on page 62. Our Workforce Engagement Statement is incorporated within the report on pages 121 to 126 of the ESG Committee, previously named the CSR Committee and which has been re-named during the year to reflect the up to date industry standard. Amongst other important areas, the ESG Committee is responsible for workforce engagement in accordance with Provision 5 of the UK Corporate Governance Code.

The rest of our Corporate Governance Report will describe in detail how the Company continues to uphold high standards of corporate governance. Each Committee Chair will provide a detailed review of the work that their respective Committee has undertaken.

As I look forward to the year ahead, I would like to take the opportunity to thank my colleagues on the Board and across the business for their continued hard work and dedication.



Tim Score
Non-Executive Chair

Proposal and checklist

A checklist is provided within each decision paper that details the individual subsections of section 172 and the impact that the decision is likely to have on each stakeholder group.

Board meeting and decision

Whilst all stakeholder groups are considered, the following are some examples of the principal decisions taken by the Board during the year that demonstrate the impact of the decision process on specific stakeholder groups:

The examples below show this process in operation.

Innovation Advisory Council

The idea to form the council came from a member of our Investment team. Management then prepared a proposal for the Board's consideration. It was decided that the IAC would not be part of our governance process, but would provide insight and guidance.

Chaired by our Non-Executive Director Lynn Gladden, the IAC comprises industry leaders within the innovation field. The purpose of the IAC is to work with management and the Board to provide insight into the innovation sector, how space is used and, crucially, forward thinking to enable us to provide those differentiating factors that make the very best space.

FY24 Budget & Capital Plan

This year the Board was required to allocate capital and resource to growth sectors whilst managing the Company's gearing and cost ratios within a high inflationary and turbulent macroeconomic environment.

The Board was informed by the results of the Investor Audit referred to on page 114, employee engagement survey discussed on page 123 and the occupational cost pressures on our retail customers.

The outcome is a budget that provides capacity for the business to progress our strategic themes, whilst investing in our people, maximising returns and controlling our costs.

BOARD OF DIRECTORS



1. Tim Score

Non-Executive Chair **N**

Appointed as a Non-Executive Director in March 2014 and as Chair in July 2019.

Skills and experience

Tim has significant experience in the rapidly evolving global technology landscape and brings years of engagement both with mature economies and emerging markets to the Board.

He is the Deputy Chair and Senior Independent Director at Pearson and is a Non-Executive Director at the Football Association. He is also a Non-Executive Director and Chair of the Audit and Risk Committee at Bridgepoint Group plc and sits on the Board of Trustees of the Royal National Theatre. Tim was formerly a Non-Executive Director of HM Treasury, Chief Financial Officer of ARM Holdings PLC and held senior financial positions at Rebus Group Limited, William Baird plc, LucasVarity plc and BTR plc. From 2005 to 2014, he was a Non-Executive Director of National Express Group PLC, including time as Interim Chairman and six years as Senior Independent Director.

3. Bhavesh Mistry

Chief Financial Officer

Appointed to the Board in July 2021.

Skills and experience

Bhavesh brings a broad range of financial, strategic and transformation experience to British Land gained across a number of multinational organisations. Prior to joining British Land, Bhavesh was Deputy Chief Financial Officer at Tesco plc. Bhavesh has previously held senior finance and strategy roles in a range of consumer-facing businesses including Whitbread Hotels and Restaurants, Anheuser Busch InBev and Virgin Media. Bhavesh qualified as a Chartered Accountant with KPMG and holds an MBA from London business school.

5. Laura Wade-Gery

Non-Executive Director **A N R**

Appointed as a Non-Executive Director in May 2015.

Skills and experience

Laura has deep knowledge of digital transformation and customer experience and brings her experience leading business change management to the Board.

She is Chair of Moorfields Eye Hospital NHS Foundation Trust, having previously been Chair of NHS Digital and a Non-Executive Director of NHS England. Laura is also a Non-Executive Director at Legal & General Group plc. Until April 2021, she was a Non-Executive Director of John Lewis Partnership plc. Previously, Laura was Executive Director of Multi Channel at Marks and Spencer Group plc, served in a number of senior positions at Tesco PLC including Chief Executive Officer of Tesco.com and was a Non-Executive Director of Reach PLC (formerly known as Trinity Mirror plc).

2. Simon Carter

Chief Executive Officer

Appointed to the Board as Chief Financial Officer in May 2018 and as Chief Executive in November 2020.

Skills and experience

Simon has extensive experience of finance and the real estate sector. He joined British Land from Logicor, the owner and operator of European logistics real estate, where he had served as Chief Financial Officer since January 2017. Prior to joining Logicor, from 2015 to 2017 Simon was Finance Director at Quintain Estates & Development Plc. Simon previously spent over 10 years with British Land, working in a variety of financial and strategic roles and was a member of our Executive Committee from 2012 until his departure in January 2015. Simon also previously worked for UBS in fixed income and qualified as a chartered accountant with Arthur Andersen. In May 2022, Simon was appointed to the Board of Real Estate Balance, a campaigning organisation working to improve diversity and inclusion in the real estate industry.

4. Preben Prebensen

Senior Independent Non-Executive Director **A N R**

Appointed as a Non-Executive Director in September 2017 and Senior Independent Director in July 2020.

Skills and experience

Preben has 40 years' experience in driving long term growth for British banking and insurance businesses.

He is currently the Non-Executive Chairman of Enra Specialist Finance and Non-Executive Chairman of Riverstone International, having previously been Chief Executive of Close Brothers Group plc from 2009 to 2020. Preben was formerly the Chief Investment Officer of Catlin Group Limited and Chief Executive of Wellington Underwriting plc. Prior to that he held a number of senior positions at JP Morgan.

6. Loraine Woodhouse

Non-Executive Director **A**

Appointed as a Non-Executive Director in March 2021.

Skills and experience

Loraine has extensive experience across all finance disciplines and has worked within many different sectors including real estate and retail.

Loraine is a Non-Executive Director and member of the Audit, Remuneration and Nomination Committees of The Restaurant Group plc. She is also a Non-Executive Director of Pennon Group plc. Loraine was the Chief Financial Officer of Halfords Group plc for just under four years until retiring in June 2022. Prior to joining Halfords, Loraine spent five years in senior finance roles within the John Lewis Partnership. In 2014 Loraine was appointed Acting Group Finance Director and then, subsequently, Finance Director of Waitrose. Prior to that, Loraine was Chief Financial Officer of Hobbs, Finance Director of Capital Shopping Centres Limited (subsequently Intu Plc) and Finance Director of Costa Coffee Limited. Loraine's early career included finance and investor relations roles at Kingfisher Plc.

Board Committee membership key

A Audit Committee	R Remuneration Committee
E Environmental Social Governance Committee	□ Chair of a Board Committee
N Nomination Committee	



7. Alastair Hughes

Non-Executive Director **A E N**

Appointed as a Non-Executive Director in January 2018.

Skills and experience

Alastair has proven experience of growing real estate companies and is a fellow of the Royal Institution of Chartered Surveyors.

Alastair is Chairman of Schroders Real Estate Investment Trust Limited, and a Non-Executive Director of Tritax Big Box REIT and QuadReal Property Group, with over 25 years of experience in real estate markets.

He is a former Director of Jones Lang LaSalle Inc. (JLL) having served as managing director of JLL in the UK, as CEO for Europe, Middle East and Africa and then as CEO for Asia Pacific.

9. Lynn Gladden

Non-Executive Director **E R**

Appointed as a Non-Executive Director in March 2015.

Skills and experience

Lynn is recognised as an authority in working at the interface of advanced technology and industry. Her critical thinking and analytical skills bring a unique dimension to the Board.

She is Shell Professor of Chemical Engineering at the University of Cambridge and was appointed as Executive Chair of the Engineering and Physical Sciences Research Council (UKRI) in 2018. She is also a fellow of the Royal Society and Royal Academy of Engineering.

11. Brona McKeown

HR Director, General Counsel and Company Secretary

Brona was appointed HR Director in January 2022 in addition to her responsibilities as General Counsel and Company Secretary.

Skills and experience

Before joining British Land in January 2018 Brona spent four years at The Co-operative Bank plc, playing a key role in its restructuring as part of the executive committee and General Counsel and Company Secretary. Prior to that her experience included a period as Interim General Counsel and Secretary of the Coventry Building Society and a variety of roles over 13 years at Barclays, including Global General Counsel of its Corporate Banking division. Brona trained as a solicitor and spent a number of years at a large London law firm.

8. Irvinder Goodhew

Non-Executive Director **N R**

Appointed as a Non-Executive Director in October 2020.

Skills and experience

Irvinder brings over 25 years of experience through operational, strategic and digital transformation roles in a broad range of sectors including retail, consulting, financial services and real estate.

She is currently a Managing Director at Alvarez & Marsal and was previously a Transformation Director at Lloyds Banking Group plc. Irvinder held several senior executive positions in the UK and Australia in consumer facing industries, across supply chain operations, strategy and transformation for FTSE 100/ASX organisations including J Sainsbury plc, Coles Group and BOC Group. Irvinder's industry experience is complemented with a career in global strategy consulting including her role as a Partner with AT Kearney leading their consumer and retail practice in Australia and New Zealand.

10. Mark Aedy

Non-Executive Director **E**

Appointed as a Non-Executive Director in September 2021.

Skills and experience

Mark is a Managing Director and Head of Moelis & Company EMEA & Asia Investment Banking. Prior to 2009, Mark was on the Global Executive Committee of Corporate & Investment Banking at Bank of America Merrill Lynch and before that was Head of Investment Banking EMEA at Merrill Lynch. Aside from his executive career Mark holds various non-profit and public sector board roles, including being a Trustee of the HALO Trust. He is also a Visiting Fellow at Oxford University.

Board Committee membership key

A Audit Committee	R Remuneration Committee
E Environmental Social Governance Committee	□ Chair of a Board Committee
N Nomination Committee	

A STRATEGIC ENABLER

Our governance structure ensures that the right people have access to the right information. Delegated authorities throughout our organisation enable effective decision making at appropriate levels.

Board attendance

Director	Meeting attendance
Tim Score	7/7
Simon Carter	7/7
Bhavesh Mistry	7/7
Preben Prebensen	7/7
Mark Aedy	7/7
Lynn Gladden	7/7
Irvinder Goodhew	7/7
Alastair Hughes	7/7
Nicholas Macpherson ¹	1/1
Laura Wade-Gery	7/7
Loraine Woodhouse	7/7

1. Nicholas Macpherson stepped down from the Board on 12 July 2022.

The Board continues to demonstrate individual and collective commitment to British Land by devoting sufficient time to discharge its duties and each year the Directors are asked to report their time spent on British Land commitments. In addition to formal meetings, the Board met collectively with management in March for the annual strategy offsite as well as for informal networking events throughout the year.

Governance framework



→ Further information about the different Committees can be found here britishland.com/committees.

CORPORATE GOVERNANCE REPORT

Code compliance

We are reporting against the 2018 UK Corporate Governance Code (the 'Code') available at frc.org.uk.

The Board considers that the Company has complied with all relevant provisions of the Code during the year with the exception of Provision 19, which relates to the tenure of the Chair exceeding nine years. A full explanation of the Company's departure from the Code in this instance is provided on page 129 by the Senior Independent Director.

The Governance Review summarises how the Principles of the Code have been applied on pages 114 to 120, and further detail on each Principle can be found at the pages noted in the table below.

Reporting Against Code Principles

1. Board leadership and Company purpose

A	Effective Board	106 to 107
B	Purpose	1
	Values and culture	64 to 69
C	Governance framework and Board resources	112
D	Stakeholder engagement	62 to 63
E	Workforce policies and practices	162
2. Division of responsibilities		
F	Board roles	108 to 111
G	Independence	128 to 129
H	External appointments and conflicts of interest	115
I	Key activities of the Board in 2023	120

3. Composition, succession and evaluation

J	Appointments to the Board	128
K	Board skills, experience and knowledge	130
L	Annual Board evaluation	117

4. Audit, risk and internal control

M	Financial reporting	134 to 136
	External auditor & internal audit	136 to 138
N	Review of the 2023 Annual Report and Accounts	118
O	Internal financial controls	139 to 140
	Risk management	46 to 50

5. Remuneration

P	Linking remuneration with purpose and strategy	141 to 143
Q	Remuneration Policy	144
R	Performance outcomes in 2023	147 to 155



Board leadership and Company purpose

The Board has determined that the Company's purpose is to create and manage outstanding places to deliver positive outcomes for all our stakeholders on a sustainable basis. We call this Places People Prefer.

We do this by understanding the evolving needs of the people and organisations who use our places every day and the communities who live in and around them. The changing way people choose to work, shop and live is what shapes our business, enabling us to drive demand for our space, in turn creating value over the long term.

The Board, supported by an expert management team, continues to maximise the competitive advantages of the Company by utilising a deep history of stakeholder engagement to produce Places People Prefer and maximise sustainable value for shareholders. The Company is led by the Board in its entrepreneurial approach to place making and continues to innovate and produce world class destinations.

As at 31 March 2023, the Board comprised the Chair, the CEO, the CFO and seven independent Non-Executive Directors. We continue to have a strong mix of experienced individuals on the Board. The majority are independent Non-Executive Directors who are not only able to offer an external perspective on the business, but also constructively challenge Executive Directors and the wider management team, particularly in the execution and development of the Company's strategy.

Our governance structure is designed to ensure that decisions are taken at the appropriate level and with the proper degree of oversight and challenge. Elements of our business require quick decision making and this is enabled by an agile Board and management team that collaborate effectively on complex issues.

Strategy days

The Board was able to hold its two-day annual strategy off-site in London in March 2023. The event was attended by the full Board and Executive Committee and was structured to allow for the critical evaluation of the Company's strategy against the context of a higher rates environment, sustained periods of higher inflation and an elevated cost of capital.

The CEO, senior executives and external guests delivered presentations to attendees, providing in-depth analysis on aspects of the business and the external environment before a deep dive into each of our strategic priorities.

Culture and stakeholder engagement

The Company's purpose is core to every decision taken by the Board. As detailed on pages 12 to 15, the Company has a framework of values and strategic measures that underpin our purpose to ensure the strategy and culture of the Company are aligned. Led by the ESG Committee, we have a broad range of workforce engagement mechanisms to ensure the Board can assess the culture of the organisation. Our workforce engagement mechanisms are described on page 123.

Although the ESG Committee has general oversight of and responsibility for workforce engagement, it collaborates with other Board Committees as appropriate to the extent that issues identified fall under the remit of a different Committee.

Each Non-Executive Director participates in our mentoring scheme which demonstrates direct engagement with employees.

The Board has delegated oversight of the Company's whistleblowing arrangements to the Audit Committee but retains overall responsibility and receives updates on cases as appropriate.

The British Land Leadership Team consists of the Executive Committee and its direct reports in senior management roles who meet regularly both formally and informally to ensure there is a direct and visible link across the business, and act as a channel for workforce views to reach the Board.

As well as workforce engagement, the ESG Committee has formal responsibility for engagement with the Company's wider stakeholders. Stakeholder engagement is integral to creating Places People Prefer and the decisions taken by the Board to maximise shareholder value are enhanced by the views of the diverse range of stakeholders and wider communities that we serve. The mechanisms that ensure effective stakeholder engagement are detailed on pages 62 to 63.

→ **Further information on British Land's contribution to wider society can be found on pages 70 to 89.**

Engagement with major shareholders

Institutional investors and analysts receive regular communications from the Company, including investor relations events, one-to-one and group meetings with Executive Directors, and tours of our major assets. We have a dedicated investor relations team which manages our day-to-day shareholder engagement and provides regular feedback to the Board.

Throughout the year we have hosted a number of investor events, both virtually and in person. The CEO, CFO and Head of Real Estate have delivered their usual half year and full year results presentations as well as participating in a number of virtual and in-person roadshows and private client roadshows.

The Chair is committed to ensuring that shareholder views, both positive and negative, are relayed back to the Board and is assisted by the executive team in doing so. The Chair, Senior Independent Director, CEO and CFO are available to address any concerns our stakeholders may wish to raise. The Chair and Chair of the Remuneration Committee played a key role in engaging with shareholders during the formulation of the 2022 Remuneration Policy, adopted by shareholders at the 2022 AGM. The Chair remains available for shareholder engagement throughout the year.

The Board commissioned an investor audit to be conducted by Makinson Cowell during the year. A group of 20 investors, not all of which were invested in British Land, were invited to give non-attributable feedback on the Company, our strategy, management and investment proposition. Feedback was presented to the Executive Committee and Board. It has been taken into account when formulating the messaging of our annual results and supported the Board's conviction for the strategy.

The Board engages with wider shareholders via our Annual General Meeting which allows shareholders to submit comments or questions for the Board.

Conflicts of interest and external appointments

The Directors are required to avoid a situation in which they have, or could have, a direct or indirect conflict with the interests of the Company. The Board has established a procedure whereby Directors are required to notify the Chair and the HR Director, General Counsel and Company Secretary of all new potential outside interests and actual or perceived conflicts that may affect them in their roles as Directors of British Land. The Board reviewed its Conflicts of Interests Policy during the year and confirmed that it remained appropriate.

Any external appointments must be approved before they are accepted by the Directors. The Board has delegated authority to the Chair (or Senior Independent Director for appointments concerning the Chair) and any other member of the Nomination Committee to consider and provide approval for significant appointments in between scheduled Board meetings. An updated register of situational conflicts of interest is then tabled at the next scheduled Board meeting for approval by the full Board. The register is provided to the Board for review and approval at least twice a year.

The Board deems significant appointments to include appointment to the Board of any listed company and/or appointment where the expected time commitment is more than five days each year. During the year there have been several significant appointments including, in May 2022,

Simon Carter was appointed as a Board member of Real Estate Balance. In January 2023, Preben Prebensen was appointed as Non-Executive Chairman of Enra Specialist Finance. In April 2023, Laura Wade-Gery was appointed as Chair of Moorfields Eye Hospital NHS Foundation Trust. Loraine Woodhouse was appointed as Non-Executive Director of The Restaurant Group PLC and Pennon Group PLC, in July and December 2022 respectively.

In all cases the Board considered the appointments and concluded that they would not impact the Directors' ability to dedicate sufficient time to their commitments at British Land. The Board and Nomination Committee will continuously monitor all Directors' ability to commit sufficient time to the Company. Prior approval of the appointments was given, and they were subsequently noted in the register of situational conflicts which was then approved.

Non-Executive Directors' letters of appointment set out the time commitments expected from them. Following consideration, the Nomination Committee has concluded that all the Non-Executive Directors continue to devote sufficient time to discharging their duties to the required high standard. Further details on the process for appointment to the Board can be found within the report of the Nomination Committee on page 128.

British Land's policy is to allow Executive Directors to take one non-executive directorship at another FTSE company, subject to Board approval.



Storey,
6 Orsman Road



Division of responsibilities

There is a clear written division of responsibilities between the Chair (who is responsible for the leadership and effectiveness of the Board), Chief Executive (who is responsible for managing the Company) and Senior Independent Director (SID) which has been agreed by the Board and is available to view on our website britishland.com/committees.

When running Board meetings, the Chair maintains a collaborative atmosphere and ensures that all Directors have the opportunity to contribute to the debate. The Directors are able to voice their opinions in a calm and respectful environment, allowing coherent discussion.

The Chair also arranges informal meetings and events throughout the year to help build constructive relationships between Board members and the senior management team. The Chair meets with individual Directors outside formal Board meetings to allow for open, two-way discussion about the effectiveness of the Board, its Committees and its members. The Chair is therefore able to remain mindful of the views of the individual Directors.

The SID provides a sounding board to the Chair, as well as being available to shareholders and other Non-Executive Directors should they have any concerns. The Chief Executive is responsible for the Company's strategy, promoting our culture and sharing key stakeholder views with the Board.

Operation of the Board

Our governance framework set out on page 112 ensures that the Board is able to focus on strategic proposals, major transactions and governance matters which affect the long term success of the business.

Regular Board and Committee meetings are scheduled throughout the year. Ad hoc meetings may be held at short notice when Board-level decisions of a time-critical nature need to be made, or for exceptional business.

Care is taken to ensure that information is circulated in good time before Board and Committee meetings and that papers are presented clearly and with the appropriate level of detail to assist the Board in discharging its duties. The Secretariat assists the Board and Committee Chairs in agreeing the agenda in sufficient time before the meeting to allow for input from key stakeholders and senior executives. Chairs of Committees are also sent draft papers in advance of circulation to Committee members to give time for input.

Papers for scheduled meetings are circulated one week prior to meetings and clearly marked as being 'For Decision', 'For Information' or 'For Discussion'. To enhance the delivery of Board and Committee papers, the Board uses a Board portal and tablets which provide a secure and efficient process for meeting pack distribution.

Under the direction of the Chair, the HR Director, General Counsel and Company Secretary facilitates effective information flows between the Board and its Committees, and between senior management and Non-Executive Directors.

Board Committees

Four standing Committees have been operating throughout the year: Audit, Nomination, Remuneration and Environmental Social Governance, to which certain powers have been delegated. Committee Chairs provide an update at each Board meeting, so that the full Board is aware of the business of each Committee. Membership of the Remuneration, Audit and ESG Committees comprises solely independent Non-Executive Directors, and the Nomination Committee comprises the Chair of the Board who chairs the Committee and independent Non-Executive Directors. The reports of the standing Committees are set out in the following pages. The terms of reference of each Committee and the matters reserved for the Board are available on our website at britishland.com/committees.

The Board has delegated authority for the day-to-day management of the business to the Chief Executive. Executive Directors and senior management have been given delegated authority by the Board to make decisions within specified parameters. Decisions outside these parameters are reserved for the Board, although management will often bring decisions within their delegated authority to the Board for scrutiny and challenge.

Executive Committees

Executive Committee

The Chief Executive is supported by the Executive Committee in discharging his duties which have been delegated by the Board. Comprised of the senior management team, the Committee's main areas of focus are the formulation and implementation of strategic initiatives, business performance monitoring and evaluating and overseeing culture and stakeholder engagement.

Investment Committee

Principal investment decisions are reserved for the Board; however, it has delegated authority to the Investment Committee to make decisions within specified financial parameters. The Investment Committee is chaired by the Head of Investment and Strategy. Its membership comprises the majority of the Executive Committee including the CEO and CFO. The Investment Committee also reviews investment proposals that fall outside its delegated authority and provides recommendations to the Board for its consideration.

Risk Committee

The Chief Financial Officer chairs the Risk Committee which comprises all members of the Executive Committee and senior management across the business. The Committee has overall accountability for management of risks across the business in achieving the Company's strategic objectives.

Sustainability Committee

The Chief Operating Officer chairs the Sustainability Committee which comprises the Chief Financial Officer, Head of Developments, Head of Real Estate and Joint Head of Canada Water & Head of Residential. The Committee is attended by several members of the British Land Leadership Team and has management responsibility for the execution of the Company's 2030 Sustainability Strategy and the Company's response to evolving regulation in this area. The Committee was re-formed during the year to an Executive level Committee to reflect its responsibilities and ensure thorough accountability.

Management committees

The Executive Committees are supported by several management committees as detailed in our governance framework on page 112.



Composition, succession and evaluation

Our rigorous and transparent procedures for appointing new Directors are led by the Nomination Committee. Non-Executive Directors are appointed for specified terms and all continuing Directors offer themselves for election or re-election by shareholders at the AGM each year provided the Board, on the recommendation of the Nomination Committee, deems it appropriate that they do so, taking into account various factors including the length of concurrent service. The procedure for appointing new Directors is detailed in the Nomination Committee report on page 128.

The Nomination Committee is responsible for reviewing the composition of the Board and its Committees and assessing whether the balance of skills, experience, knowledge and diversity is appropriate to enable them to operate effectively. More detail can be found in the Nomination Committee report on pages 130 to 131.

As well as leading the procedures for appointments to the Board and its Committees, the Nomination Committee oversees succession planning for the Board and senior management with reference to the Board Diversity and Inclusion Policy. Further details on the work of the Nomination Committee and the Diversity and Inclusion Policy are within its report on page 130.

The Notice of Meeting for the 2023 Annual General Meeting details the specific reasons that the contribution of each Director seeking re-election is and continues to be important to the Company's long term sustainable success. The biographies of each Director on pages 108 to 111 set out the skills and expertise that each Director brings to the Board.

Following a recommendation from the Nomination Committee, the Board considers that each Non-Executive Director remains independent in accordance with provisions of the Code.

Internal Board evaluation

The internal evaluation of the Board was conducted by the Head of Secretariat circulating questionnaires, seeking quantitative and qualitative feedback and reporting the outcomes to the Board.

The Senior Independent Director held a meeting of the Non-Executive Directors without the Chair to appraise the Chair's performance and running of the Board.

The internal evaluation concluded that the Board, its Committees and its individual members all continue to operate effectively and with due diligence. The evaluation considered the Board's composition, including diversity, and its effectiveness. It also confirmed that progress was made as a result of the internal Board effectiveness evaluation in 2022 as follows:

Recommendation

A review of the competitor peer group's significant activity was to be included in the regular update to the Board from the Chief Executive.

Progress: Investor feedback and reports on main competitor activities occupy part of each management report at the Board.

Recommendation

Management to provide the Board regularly with more detailed feedback from investor and analyst engagement to build on the process already in place.

Progress: Investor feedback is a standing item within the CEO Letter at every Board meeting. The results of the investor audit were also presented to the Board.

Recommendation

Continue to invite external speakers to Board meetings as appropriate.

Progress: External speakers attended meetings and dinners throughout the year. The Board was particularly pleased with the thought provoking insights of the external speakers at the annual strategy off-site.

Recommendation

Management succession plans to be brought to the Board as a recurring agenda item.

Progress: The Board has been integral to the development and implementation of management succession during the year in which several senior management changes have taken place.

Specific actions were drawn from the results of the recent internal evaluation, including:

- A deep dive into the succession plan for the Executive Committee and their direct reports;
- Specific Board training in respect of strategic themes and the evolving regulatory landscape;
- Further information on industry competitors and the wider real estate market; and
- A deep dive into the principal and emerging risk identification process against the backdrop of the FRC's anticipated revision of the Code.

Outcomes will be reported in the 2024 Annual Report. The next external Board evaluation will conclude in March 2024.



Audit, risk management and internal control

Audit, risk management and internal control

The key risk management and internal control procedures over financial reporting include the following:

Operational risk management framework: operational reporting processes are in place to mitigate the risk of financial misstatement. Key controls are owned by senior managers who report on compliance on a six-monthly basis to the Risk Committee. All key internal financial controls are reviewed on a two-yearly cycle by Internal Audit. In addition, the risk and control team carries out sample testing biannually across all key operational and financial controls and reports exceptions to the Risk and Audit Committees;

Financial reporting: our financial reporting process is managed using documented accounting policies and reporting formats supported by detailed instructions and guidance on reporting requirements. This process is subject to oversight and review by both the external auditors and the Audit Committee; and

Disclosure Committee: membership comprises the Chief Executive, Chief Financial Officer, Head of Investor Relations, HR Director, General Counsel and Company Secretary and Head of Secretariat. The Committee regularly reviews ad hoc events, draft financial reports and valuation information during the interim and full year reporting process and determines, with external advice from the Company's legal and financial advisers as required, whether inside information exists and the appropriate disclosure requirements.

Going concern and viability statements

Disclosures on our use of the 'going concern' basis of accounting and our viability statement can be found in the viability statement on page 61.

Audit Committee

The Audit Committee is responsible for monitoring the integrity of the financial statements and results announcements of the Company as well as the appointment, remuneration and effectiveness of the external and internal auditors. The detailed report of the Audit Committee is on pages 132 to 140.

Financial and business reporting

The Board is responsible for preparing the Annual Report and confirms in the Directors' Responsibilities Statement set out on page 163 that it believes that the Annual Report, taken as a whole, is fair, balanced and understandable. The process for reaching this decision is outlined in the report of the Audit Committee on page 134. The basis on which the Company creates and preserves value over the long term is described in the Strategic Report.

Risk management

The Board determines the extent and nature of the risks it is prepared to take to achieve the Company's strategic objectives. It also has ultimate responsibility for the Company's approach to risk management and internal controls. The Board is assisted in this responsibility by the Audit Committee which, in conjunction with the Risk Committee, makes recommendations in respect of the Group's principal and emerging risks, risk appetite, key risk indicators and the operation and effectiveness of the internal control environment. Further information on the Group's risk management processes and role of the Board and the Audit Committee can be found on pages 139 to 140.

During the course of its review for the year ended 31 March 2023, and to the date of this Report, the Audit Committee has not identified, nor been advised of, a failing or weakness which it has determined to be significant.

Pages 135 to 136 set out the confirmations that the Audit Committee made to the Board as part of the risk management and internal control assurance process for the full year.

Internal control over financial reporting

As well as complying with the Code, the Group has adopted the best practice recommendations in the FRC 'Guidance on risk management, internal control and related financial and business reporting' and the Company's internal control framework operates in line with the recommendations set out in the internationally recognised COSO Internal Control Integrated Framework.

→ Remuneration

The Company's remuneration policies and practices are designed to support our strategy and promote the long term sustainable success of the business. We have a clear strategy which positions our business for growth. Delivering against this strategy creates the inputs for future value creation for all our stakeholders. In our Directors' Remuneration Report we explain our approach to incentivise and reward employees to deliver value creation whilst also managing the business on a day-to-day basis. We also explain how we create alignment with shareholders and measure our performance over the longer term.

Our current Remuneration Policy was approved by shareholders at the 2022 AGM with 96.24% of the votes in favour. The new policy introduced environmental targets which are linked to executive remuneration. The Remuneration Committee is also responsible for establishing remuneration of the members of the Executive Committee.

The Committee is authorised to use discretion in determining remuneration outcomes for Executive Directors.

→ Further details on the Committee's use of discretion this year can be found in the Directors' Remuneration Report starting on page 141.

Key investor relations activities during the year

May 2022

- Full Year Results Presentation
- Full Year Results Roadshow
- Kempen Real Estate Conference (Amsterdam)

June 2022

- Morgan Stanley Europe & EEMEA Property Conference (London)

July 2022

- AGM
- Virtual US roadshow
- Private client roadshow (London)

September 2022

- BofA Global Real Estate Conference (New York)
- Virtual US roadshow

November 2022

- Half Year Results Presentation
- Half Year Results Roadshow
- JP Morgan Best of British Conference (London)
- UBS CEO Conference (London)

December 2022

- Analyst and Investor social
- Virtual US roadshow

January 2023

- Barclays Real Estate Conference (London)

February 2023

- Private client broker roadshow (London)

March 2023

- Citi Global Property Conference (Miami)
- Kempen Property Conference (New York)

Board activity in FY23

The Board meets regularly with people from across British Land and interacts with a range of advisers including corporate brokers and valuers to implement our strategic priorities.

The Board has focused on several areas during the year and made a number of key decisions that enable the Company to execute its strategy.



Paddington Central

Strategy



- Strategy off-site with the full Board and Executive Committee
- Canada Water progress and the approval of funding
- Investor Audit

Finance



- Approval of new financing including new Revolving Credit Facilities
- Approval of the FY24 Budget and Capital Plan
- Macroeconomic updates from external advisers
- A deep dive into the impact of higher interest rates on our financial metrics

People



- Outcomes and actions from the employee engagement survey
- The creation of a fifth value: Deliver at Pace
- Non-Executive Director mentoring programme
- Processes and systems review
- York House refurbishment

Sustainability



- Embodied and operational carbon
- GRESB performance
- Social Impact Fund
- Supply chain and procurement

Governance



- Introduction of the Innovation Advisory Council
- Technology and processes roadmap
- Modern Slavery Act
- Tax policy
- Annual General Meeting and shareholder engagement
- Board diversity and succession

REPORT OF THE ENVIRONMENTAL SOCIAL GOVERNANCE COMMITTEE



Alastair Hughes
Chair of the ESG Committee

HELPING PEOPLE THRIVE

We seek to ensure the Company is a first-class employer that builds and manages best in class buildings for its communities and occupiers and delivers this in a sustainable way.

I am pleased to present the report of the ESG Committee for the year ended 31 March 2023.

The Committee assists the Board in overseeing its engagement with employees and other stakeholders and monitors the Company’s wider contribution to society and the environment.

This report sets out in detail the activity undertaken by the Committee during the year ended 31 March 2023.

Committee composition

The Committee is composed solely of independent Non-Executive Directors. Attendance at Committee meetings during the year is set out in the following table:

Director	Position	Date of Committee appointment	Attendance
Alastair Hughes	Chair	1 Apr 2019	4/4
Lynn Gladden	Member	1 Apr 2019	4/4
Mark Aedy	Member	17 Nov 2021	4/4

Senior managers, including the Chief Executive Officer, Chief Financial Officer, HR Director, General Counsel and Company Secretary, Chief Operating Officer and Head of Secretariat are invited to each Committee meeting, and other members of our leadership team such as the Head of Developments, Head of Environmental Sustainability, Head of Social Sustainability and Head of Employee Relations are invited to attend the sections of the meetings that are relevant to their work.

Committee effectiveness

The Committee’s effectiveness was reviewed as part of the wider internal Board evaluation which concluded that the Committee had operated effectively. The Committee reviewed its terms of reference during the year, and no changes were made. They are available at britishland.com/committees.

Committee responsibilities

The Committee is responsible for workforce engagement under Provision 5 of the Code. We believe that having a committee responsible for engagement with the workforce provides greater resource at Board level dedicated to engagement than designating a single Non-Executive Director or workforce panel.

The Committee has embraced its new name and now organises its business under three pillars: Environmental, Social and Governance, so this report is structured accordingly. As a Committee, we make sure that our key stakeholders are at the core of every discussion and decision made in order to create Places People Prefer. Our responsibilities are listed below.

Environment

- Understand the impact of our operations on the environment, including monitoring the execution of the 2030 Sustainability Strategy

Social

- Oversee the delivery of the Community Investment Fund and the work of the Community Investment Committee
- Assess and monitor our culture to ensure it aligns with our purpose, values and strategy
- Engage with the workforce on behalf of the Board
- Review workforce engagement mechanisms, including considering their outputs and assessing their effectiveness
- Monitor the development of gender and ethnic diversity of the senior management pipeline, including monitoring the execution of the 2030 Diversity, Equality & Inclusion Strategy which can be found at britishland.com/DEI
- Encourage the development of our charitable activities

Governance

- Oversee the work of the Sustainability Committee, Community Investment Fund, Health and Safety Committee and the Transition Vehicle
- Oversee and monitor our Health & Safety systems
- Monitor the processes and mechanisms for building relationships with customers, suppliers and other key stakeholders

Environment

2030 Sustainability Strategy progress

This year we have continued progress against our 10-year strategy. In our Office assets we achieved a 40% reduction in operational carbon intensity and a 22% improvement in energy intensity compared with our FY19 baseline. However, a significant part of these reductions are due to altered working patterns because of Covid-19. We expect some of these improvements to unwind as office use and occupancy further normalises. 45% of assets in our portfolio have now achieved an A or B grade EPC which is an improvement of 9% during the year. In developments, the continued focus on embodied carbon and low carbon materials is yielding results with the average embodied carbon intensity of current office developments now at 646kg CO²e/m². We also implemented an engagement strategy with our occupiers to understand their energy reduction plans. More information can be found in the Sustainability section on pages 70 to 89.

Transition Vehicle

The Transition Vehicle was created to fund initiatives to reduce operational carbon emissions from the standing portfolio. This year it deployed £1.1m on sustainable initiatives, and committed £5.9m, with the majority of funding going towards the installation of heat pumps and LED lights at our Broadgate, Regent's Place and Paddington Central Campuses. A significant sum was also spent on our retail assets with the majority being spent on upgrading LED lights. The Transition Vehicle currently holds £13.3m which will be used in future years to implement sustainable initiatives and offset carbon.

The Transition Vehicle oversees the funding of purchasing of carbon credits; this year it helped to fund the purchasing of carbon credits equivalent to 67% of the embodied carbon in our committed development pipeline.

Leading by example

Our sustainability efforts have been recognised through the award of various certifications and environmental credentials:

- GRESB: maintained a 5 star rating for Developments and designated a 'Global Sector Leader' for Developments,

ranking top of our peer group, as well as achieving a 4 star rating for Standing Investments

- Building Research Establishment: recognised the first large-scale use of a materials passport at 1 Broadgate which will enable us to track materials used during construction to increase the potential to reuse materials
- WiredScore: awarded a Platinum SmartScore for smart building technology that collects real time data to improve operational efficiency and user experience at 1 Broadgate, 100 Liverpool Street, and Plots A1 and A2 at Canada Water

We are also piloting earth friendly concrete at Canada Water and have completed feasibility studies to introduce onsite solar energy at several assets. These are just a few examples to show how British Land intends to be a market leader in sustainable construction and development. We will endeavour to maintain our efforts and contribution to sustainability in years to come.

Social

2030 Sustainability Strategy progress

The Thriving Places pillar of our 2030 Sustainability Strategy focuses on creating a long-lasting positive social impact by collaboratively addressing local priorities through a Place Based approach.

We were pleased to see that all targets for the year had been met. A key development during the year was the renaming of the Community Investment Fund as the Social Impact Fund, through which we have committed £25m, comprising £15m of cash contributions and at least £10m of affordable space by 2030.

The Fund delivers against targets for our three main areas of focus: education, employment and affordable space. The affordable space commitment builds on British Land's long history of engaging with its local communities providing a range of space types and opportunities. Recent examples include the Really Local Stores initiative providing affordable retail space to 15 local small businesses across four of our retail assets, demonstrating the success of this initiative.

New Diorama Theatre (NDT), Regent's Place



Measuring our impact

This year we commissioned a social impact report evaluating the contribution of the New Diorama Theatre at Broadgate. Results showed that this partnership boosted the UK economy with over £40m of additional revenue and supported over 1,000 full-time jobs during the pandemic.

Social value reporting

This year we introduced social value reporting which measures the value generated by our social impact strategy and helps us focus our efforts to create real and long-lasting benefit for our communities. Next year, we aim to introduce a social value target for 2030 that can be reported against. Further information about our social value reporting can be found in the Sustainability Review on pages 81 to 83.

Community

The Committee was impressed by the quick response of the Company and its people to emerging issues. During the year a cost of living fund was created that ringfenced £200,000, £25,000 of which was committed to Shelter's Hardship Fund, to mitigate the effects of inflation on existing core programmes. Another excellent example was the provision of free space to the Ukraine Institute language school which was driven by the Estate Director at Paddington Central. To date the Company has supported 627 students with space and funding.

We oversee the Community Investment Fund which supports delivery against our targets by providing funding to charities, social enterprises and community organisations operating in and around our places. A total of £1.5m was spent in the year ended 31 March 2023. Over the past year the Community Investment Fund has been renamed the Social Impact Fund to reflect our 2030 commitment and we will report under this going forward.

Workforce Engagement Statement

The Committee's responsibility to monitor Company culture is crucial to ensure it is aligned with our purpose, values and strategy.

How we engage

A collaborative approach with a clear flow of information between leadership and the workforce is critical to the alignment of culture and strategy. We use a range of methods which are under constant review so that we can adapt where necessary to maximise engagement.

As a direct result of the engagement methods described in this report, the Board made the following principal decisions during the year:

- to publicly state a target of having 17.5% BAME employees
- to mitigate the cost of living by targeting the least well remunerated colleagues with the highest percentage salary increases in the annual pay review
- to introduce a corporate objective to improve IT systems and processes

Employee Networks

Network chairs have the opportunity to present at the Committee's meetings, providing a valuable forum to highlight the social issues impacting our people and address areas where we have challenged ourselves to improve.

Outcomes:

- implement initiatives overseen by the Committee
- provides connection, lively discussion and vital education for the Committee, Board and organisation as a whole

See overleaf case studies on two of our networks and their work. Further information on how our Employee Networks support our strategy can be found in the People and culture section of the Strategic Report on page 68.

Financial awareness

Regular updates are provided in our staff meetings to ensure that employees are fully informed on the position and strategic aims of the Company.

Outcomes:

- the Wellbeing Network ran a Financial Wellbeing Survey to gauge employee sentiment and, based on the responses, we will hold a series of financial education webinars

Employee engagement survey

We conducted a survey in November 2022 and were encouraged by the positive response. Our overall engagement score rose to 78%, exceeding the score in the previous survey and national benchmark. Our scores for Social Connection, Engagement and Leadership also exceeded benchmarks significantly, and 93% of employees reported that they were proud to work for British Land. The ESG and Remuneration Committees participated in a deep dive session to analyse themes and trends, including through a diversity lens.

Outcomes:

- relaunching our Learning and Development Portal
- refurbishment of our head office to reflect the need for more collaboration/social space and quiet places to take video calls
- relaunching in-house management training

Company Conference

The theme of our first Company Conference post-pandemic was Innovation and it included a session for employees to share their ideas.

Outcomes:

- two employee generated initiatives have been implemented including a 'Hats On' channel where staff can suggest new ideas and improvements for the business, and an Innovation Advisory Council as detailed on page 107
- unveiling of our new Company value, deliver at pace, which enshrines our employees' abilities to quickly adapt, innovate and problem solve which they demonstrated throughout the pandemic

Feedback indicated that employees found the conference to be both useful and engaging so we will resume staging these annually going forward.

Internal communication

Our Internal Communications team provides a weekly email summarising key business activities and organisational changes. We also have biweekly Network News featuring upcoming events to raise awareness of social issues, and staff blogs which provide a space for employees to share their personal experiences. Monthly staff meetings in a hybrid format are led by members of the Executive Committee and feature news and updates from all areas of the business, including our regional offices.

Outcomes:

- Executive Committee members follow up at team level to answer questions and address concerns in a less formal setting and feedback is discussed at Executive Committee meetings

Director engagement

We host regular 'NED Breakfasts' where employees have the opportunity to share breakfast with some of our Non-Executive Directors and ask questions, engage in discussion and hear about their careers and experience. Our women's network, EquitaBLLe, arranged 'In Conversation with Loraine Woodhouse' where employees heard Loraine speak about her career and participated in a Q&A session. Our mentoring scheme to pair highly performing senior employees with Non-Executive Directors also continued for its third year.



Network case study: EquitaBLE

Driving positive change through engagement

“Networks are incredibly valuable in championing diversity and supporting management by getting under the skin of employee views and opinions to help inform and drive change. EquitaBLE’s work this year was a great example of the tangible impact effective engagement can have.

Our January 2022 staff engagement survey revealed that for three of the questions, there were statistically significant differences in the scores given by men and women. We arranged a series of focus groups, open to all, to provide a forum for sharing personal insights and really understand where the Company could make meaningful differences.

Based on the high quality discussions and feedback, with the support of HR and leadership, we rolled out several initiatives during the year to address some of the concerns raised, including:

- Collaborating with HR and the NextGen network to launch the speed mentoring scheme, which was promoted to senior women with the result that over 50% of the mentors that signed up were women
- Arranging a programme of events for Women’s History Month with women in senior management participating
- Working with HR to introduce a Menopause Policy
- Launching our FlexiBLE blog, which raises awareness of flexible ways of working amongst both women and men at various levels of the business to bust myths around progression and shared parental leave

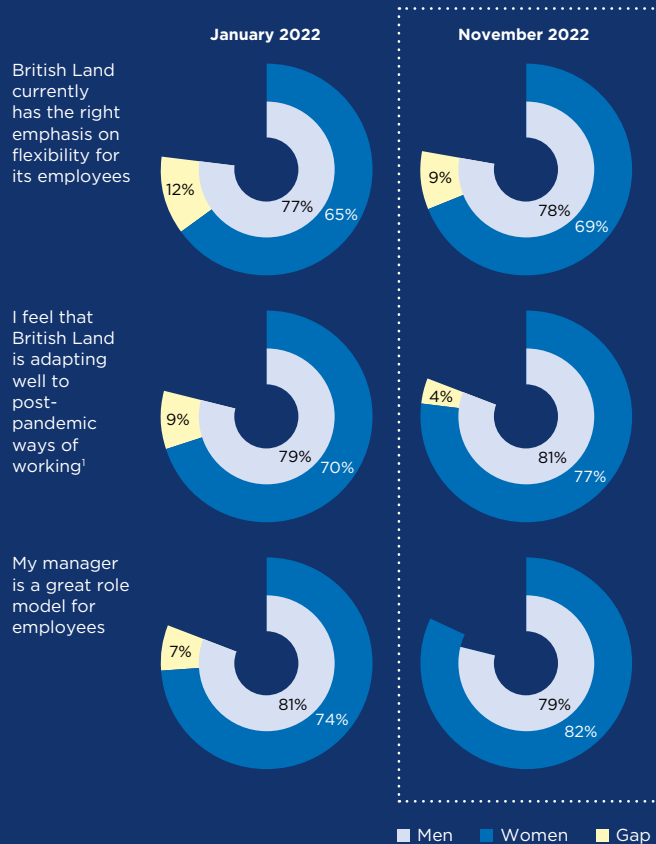
We were pleased to see the substantial impact of our work in the November 2022 engagement survey results. Not only was there a considerable reduction in the difference between scores given by men and women for two of the questions, for the last, women scored more positively than men.

In the coming year, we plan to build on our work, identifying areas of priority from the November survey results such as career progression opportunities for women, ensuring British Land offers the right levels of flexibility for working parents and collaborating with our management team to reduce the gender pay gap.

As the data shows, targeted initiatives can effect real change, but there is always more we can and should do and our networks are key in supporting leadership to achieve equitable outcomes for all.”

Jess Ford, Chair of EquitaBLE

Our impact



1. January 2022 phrasing: I feel that British Land will be able to adapt well to post-pandemic ways of working.



Progress against our Diversity, Equality & Inclusion Strategy

Last year we identified diversity and inclusion as a key area of focus for the Committee, and we introduced our Diversity, Equality & Inclusion Strategy that brings together our initiatives in this space and sets quantifiable targets. The Committee has received regular updates throughout the year, and we are pleased to report on the progress made under each of our five pillars.

- **Further information on initiatives under our DE&I Strategy can be found in the People and culture section of the Strategic Report on page 66.**

People and culture

The Equal Pay audit ensures parity and consistency in our remuneration process. Our ethnicity pay gap has reduced for the second year running. During the year the median ethnicity pay gap reduced by 5%. We also introduced a target of having 17.5% BAME employees by 2025.

- **Further information on our gender and ethnicity pay gap reporting can be found in the Directors' Remuneration Report on page 142.**

Recruitment and career progression

We use blind CVs wherever possible to ensure bias free candidate selection for interviews and launched our Early Careers Strategy in May 2022, which aims to attract and retain young diverse talent. This year we welcomed eight work experience students through Pathways to Property, five interns through 10,000 Black Interns and one intern through Leonard Cheshire. We are thrilled to see the tangible results of this work having been ranked as the top property company and 16th overall on the Social Mobility Employer Index 2022, rising 45 places from our position last year.

- **Further information on our Early Careers Strategy can be found in the People and culture section of the Strategic Report on page 68.**

Supply chain

We have added a requirement to our tender process for potential suppliers to demonstrate examples of an inclusive culture and introduced an 'Inclusive Business' award at our Supplier Awards. We also staged a DE&I themed supplier conference in September 2022 where suppliers showcased their DE&I commitment. We were proud to receive Disability Smart Accreditation from the Business Disability Forum in recognition of our procurement team's work to implement new tools improving digital accessibility.

Leadership

To embed our values at every level of the organisation, our Board and Executive Committee members set themselves specific objectives on diversity and inclusion and progress against them was assessed as part of our annual performance review process.

- **A review of performance against these targets can be found in the Directors' Remuneration Report on pages 149 and 150.**
- **A summary of progress on our diversity targets in respect of Board composition can be found within the report of the Nomination Committee on page 131.**

Places and communities

Work is underway to align our Early Careers and Social Sustainability strategies by establishing community recruitment partnerships at our places and working with local authority stakeholders to support local residents into the industry. This year headline KPIs have been created to track our progress.

- **Further information on initiatives under our DE&I Strategy can be found in the People and culture section of the Strategic Report on page 66.**

Network case study: REACH

Dale Hoskins, chair of REACH, says: "REACH stands for Race, Equality and Celebrating Heritage. The network was rebranded in 2019 to increase the wellbeing and success of BAME employees at British Land and to support, celebrate and encourage ethnic minority employees. Networks provide valuable input and accountability to the business and help make the spirit of policies a reality. REACH contributes by tapping into the unique perspectives, skills and experiences that BAME employees bring. The support and encouragement from leadership demonstrates British Land's commitment to social responsibility. In keeping with our values, much of our work allows employees to bring their whole selves and share their lived experiences to educate, stimulate discussion and promote inclusivity around the business."

Initiatives:

Employee diversity target: we proposed the adoption of a Company-wide target of 17.5% BAME employees which was approved by the ESG Committee and incorporated into the Company's DE&I Strategy.

Reverse mentoring: working with HR, we launched a pilot reverse mentoring program that paired Executive Committee members with REACH members to share their experiences within British Land and beyond to foster open and honest conversations and build a more inclusive future.

Blog posts: numerous blog posts on the staff intranet where employees write about their cultural identity to educate the wider business, provide guidance on supporting colleagues (for example, during Ramadan) and connect people from around the business.

Events: included a livestream on 'How to talk to children about race' in collaboration with the Parents & Carers Network; an art exhibition during Black History Month showcasing black artists at York House; and cultural celebrations throughout the year to acknowledge festivities such as Diwali and Hanukkah.

During the year we received reports that showed how we are mitigating the inflationary pressures experienced by the construction industry, driven by commodity volatility, material supply constraints, supply chain uncertainty and the conflict in Ukraine. The impact of these external factors on our decision making, procurement routes and contractor selection were brought to our attention and challenged appropriately. We were reassured by the diligent approach taken by management in response to the challenges of the macro environment.

The Committee receives annual updates from the Head of Procurement to allow Directors to have regard to engagement with suppliers and partners. This year British Land hosted its first Supplier Partner Conference since the start of the Covid-19 pandemic. Here we restated, alongside our partners, our commitment to responsible procurement and the importance of the relationships we have with our suppliers, big or small. The close ties and collaboration with our suppliers are paramount to the work we do, and it is comforting to know that our suppliers are aligned with our 2030 Sustainability Strategy and lead with the same values as our own.

Overall, we are satisfied that British Land continues to demonstrate best in class construction and health and safety practices alongside our commitment to sustainable developments.

Key areas of focus for the coming year

This year we have seen steady progress towards achieving our 2030 Sustainability Strategy. In particular, we were pleased to see how clearly the social sustainability strategy has been implemented through the real life effects of our social impact. We were also encouraged by the number of projects funded by the Transition Vehicle. A key focus for the year will be to invest in our standing portfolio via the Transition Vehicle with the aim of improving our GRESB rating for Standing Investments.

Our people remain central to what we do. We will continue to monitor the culture of British Land through our workforce engagement methods including those outlined in this report. The Committee will monitor the progress of the proposed changes closely following the outcomes of the employee engagement survey. Diversity will continue to be a point of focus for the Committee, and we will oversee the processes in place to facilitate a diverse pipeline of talent for the future. Importantly, we will monitor progress against the Diversity, Equality & Inclusion Strategy, gender and ethnicity pay gap, and race equality objectives. We hope that together these objectives will add to the good work already carried out in enabling our people to bring their whole selves to work, which is a foundation of our culture at British Land.

We will also maintain best in class construction and health and safety whilst steering the business through the challenges of the macro environment.



Alastair Hughes
Chair of the ESG Committee

Governance

The Committee took time to understand management's approach to health and safety and as always was impressed with the rigour and detail of the systems in place to ensure our buildings and practices are safe. We were glad to see the proactivity demonstrated by the management team throughout the year. Following the introduction of the Building Safety Act 2020, the team efficiently investigated the implications for our assets, undertook studies to understand them thoroughly and put in place measures to address the requirements of the new legislation. British Land was also involved in collaborating with leading UK construction and development businesses to contribute to and chair the Construction Productivity Taskforce, which again shows the dedication and energy of the team.

REPORT OF THE NOMINATION COMMITTEE



Tim Score
Non-Executive Chair

ENSURING A BALANCED AND DIVERSE BOARD

The Nomination Committee supports the Board on composition, succession and diversity matters.

I am pleased to present the report of the Nomination Committee for the year ended 31 March 2023.

The development and execution of our long term strategic objectives, embedding of our culture and values and promotion of the interests of our stakeholders are all dependent upon effective leadership at both Board and executive level. It is the Committee's responsibility to maintain an appropriate combination of skills and capabilities amongst the Directors.

The Nomination Committee continues to play a key role in supporting British Land's long term sustainable success. This year we have focused on our Board Diversity and Inclusion Policy, strategic priorities and succession, all of which are naturally considered in parallel to each other.

Diversity has underpinned the Committee's work throughout the year. British Land strongly believes in diversity as a business and seeks to improve and lead in this area. As a Committee we are mindful that this must be led from the top of the business. The Board and management team have spent significant time during the year considering our approach to improve diversity throughout the Company and how to extend our quantifiable targets. Assisted by the work of the ESG Committee in ensuring a diverse pipeline for succession, consideration was given to the benefits of diversity in its widest sense including gender, social and ethnic backgrounds, personal and cognitive strengths, particularly in view of the Company's purpose and strategy. We are proud to see the continued impact British Land's diversity policies and initiatives are having both at Board level and in the wider business, and we report on this progress both in this report and in the People and culture section of the Strategic Report.

Succession planning at Board level continues to be a priority for the Committee. The Committee is mindful of Non-Executive Directors approaching nine years in post and the search process for appropriate successors is ongoing. As Directors approach their nine-year limits, the Committee has an opportunity to consider more broadly the skill set and diversity of the Board as a whole. It is a key consideration for all Board roles that alongside appropriate knowledge and expertise Directors will embody and demonstrate our values and aim to strengthen our commitment to sustainability and diversity.

In the year ahead, the Committee will continue to focus on the medium to long term succession of the Board. I hope you find the following report interesting and illustrative of our focus on ensuring that the Board and its Committees remain well equipped with the expertise and capabilities needed to drive the sustainable success of British Land.

A handwritten signature in black ink that reads "Tim Score". The signature is fluid and cursive.

Tim Score
Chair of the Nomination Committee

Committee composition and governance

The Committee has five members. As at the 31 March 2023 year end the Committee comprised: Tim Score, Preben Prebensen, Alastair Hughes, Laura Wade-Gery and Irvinder Goodhew.

Details of the Committee's membership and attendance at meetings during the year are set out in the table below.

Director	Position	Date of Committee appointment	Attendance
Tim Score	Chair	1 Apr 2017	3/3
Alastair Hughes	Member	29 July 2020	3/3
Irvinder Goodhew	Member	18 Nov 2020	3/3
Laura Wade-Gery	Member	18 Nov 2020	3/3
Preben Prebensen	Member	19 July 2019	3/3

Responsibilities

Director search, selection and appointment process

The Committee oversees the search, selection and appointment process for Board appointments which is summarised below. The process is conducted in accordance with the Board Diversity and Inclusion Policy and the Selection and Appointment Process, which are both explained later in this report. Russell Reynolds Associates, the executive search firm appointed, has no other relationship to the Company or individual Directors. The firm has adopted the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice.

Induction, Board training and development

Each new Director is invited to meet the HR Director, General Counsel and Company Secretary and Head of Secretariat to discuss their induction needs in detail, following which the programme is tailored specifically to their requirements and adapted to reflect their existing knowledge and experience.

Each induction programme would ordinarily include:

1. meetings with the Chair, Executive Directors, Committee Chairs, external auditor and remuneration consultants (as appropriate);
2. information on the corporate strategy, the investment strategy, the financial position and tax matters (including details of the Company's REIT status);
3. an overview of the property portfolio provided by members of the senior management team;
4. visits to key assets;
5. details of Board and Committee procedures and Directors' responsibilities;
6. details of the investor relations programme; and
7. information on the Company's approach to sustainability.

The Committee also has responsibility for the Board's training and professional development needs. Directors receive training and presentations during the course of the year to keep their knowledge current and enhance their experience.

Board and Committee composition reviews and appointments

During the year the Committee reviewed the broader composition and balance of the Board and its Committees, their alignment with the Company's strategic objectives and the need for progressive refreshing of the Board.

The Committee is satisfied that, following the internally facilitated Board effectiveness evaluation, the Board and its Committees continue to maintain an appropriate balance of skills and experience required to fulfil their roles effectively.

Details of external appointments taken on by Directors during the year can be found on page 115. These appointments are expected to enhance the Non-Executive Directors' expertise and allow them to bring greater insight to their role at British Land. All external appointments are subject to approval prior to being accepted.

Independence and re-appointment

The independence of all Non-Executive Directors is reviewed by the Committee annually, with reference to their independence of character and judgement and whether any circumstances or relationships exist which could affect their judgement. The Board is of the view that the Non-Executive

Role brief

The Committee works only with external search agencies which have adopted the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice. The Committee and agency work together to develop a comprehensive role brief and person specification, aligned to the Group's values and culture. This brief contains clear criteria against which prospective candidates can be objectively assessed.

Longlist review

The external search agency is challenged to use the objective criteria for the role to produce a longlist of high quality candidates from a broad range of potential sources of talent. This process supports creation of a diverse longlist. The Nomination Committee selects candidates from this list to be invited for interview.

Interview

A formal, multi-stage interview process is used to assess the candidates. For each appointment the choice of interviewer is customised to the specific requirements of the role. All interview candidates are subject to a rigorous referencing process.

Review and recommendation

The Committee ensures that, prior to making any recommendation to the Board, any potential conflicts and the significant time commitments of prospective Directors have been satisfactorily reviewed.

Directors each remain independent. The Committee also considers the time commitment required and whether each reappointment would be in the best interests of the Company. Consideration is given to each Director's contribution to the Board and its Committees, together with the overall balance of knowledge, skills, experience and diversity.

The Committee concluded that each Non-Executive Director continues to demonstrate commitment to his or her role as a member of the Board and its Committees, discharges his or her duties effectively and that each makes a valuable contribution to the leadership of the Company for the benefit of all stakeholders.

Accordingly, the Committee recommended to the Board that all serving Directors be put forward for re-appointment at the 2023 AGM.

→ Biographies for each Director can be found on pages 108 to 111.

Succession planning

The Committee is responsible for reviewing the succession plans for the Board, including the Chief Executive. We recognise that successful succession planning includes nurturing our own talent pool and giving opportunities to those who are capable of growing into more senior roles.

The Committee considered the gender balance of the Board over the next two years specifically when considering Directors approaching tenure limits and the requirement to have a woman in one of the four main Board roles.

The Board completes a skills matrix periodically to determine which skills and expertise are held by the Board and where we can strengthen our skill set for current and future strategic needs. The skills matrix is summarised on the following page. Life sciences and innovation will be important for the Committee to consider when making appointments. Importantly, the creation of the Innovation Advisory Council will help guide management in this area. We will also seek to ensure succession for the Board's expertise in audit, finance, remuneration and governance over the long term.

The Chief Executive prepares succession plans for senior management for consideration by the Committee with the rest of the Board invited to be involved as appropriate. The Committee notes that the remit of the ESG Committee includes consideration of the extent to which the business is developing a diverse pipeline for succession to senior management roles.

Succession plans for executive management, which would typically be dealt with by the Committee, were discussed with the full Board during the year. Sally Jones, previously our Head of Strategy, Digital & Technology, stepped down from the Company and Nigel Webb, currently our Head of Developments, will retire in 2023. Sally and Nigel have made significant contributions to the Company during their time at British Land. Nigel has been at the Company for over 30 years and has quite literally changed the London skyline. Their responsibilities have been assumed by existing members of our Executive Committee. The Board is confident that the management team is the right group of people to deliver on the stretching operational targets that are in place.



Chair successor

Following a recommendation from the Committee, the Board has agreed to extend Tim Score's appointment as Chair by one year to the 2024 AGM. Therefore, Tim will stand for re-appointment by the shareholders at the 2023 AGM. Tim has been a Non-Executive Director since March 2014 and Chair since June 2019. In this time the Company has made significant changes to its strategy and senior leadership, including a new CEO and CFO during Tim's tenure as Chair. Given the current macroeconomic challenges and focus of the management team to deliver our ambitious plans for growth, the Committee agreed that it was in the best interests of the Company to retain Tim as Chair for one year beyond the nine-year limit set out in Provision 19 of the Code.

Tim has brought expertise and leadership to British Land which has benefited immeasurably from his guidance and knowledge. A thorough process to find an appropriate candidate will be led by me as Senior Independent Director with the intention of appointing a successor by the 2024 AGM.

Preben Prebensen
Senior Independent Director

Non-Executive tenure as at 31 March 2023 (years)

Mark Aedy	1.6
Lorraine Woodhouse	2.1
Irvinder Goodhew	2.5
Alastair Hughes	5.2
Preben Prebensen	5.6
Laura Wade-Gery	7.9
Lynn Gladden	8.0
Tim Score	9.0

Demonstrating our skills

The skills matrix shows the level of expertise our Chair and Non-Executive Directors have across a range of disciplines. All Directors appear in more than one category. Directors were marked on a grading scale from one to three for each skill or experience. The maximum score is 24.

People/Talent/Culture	23
Remuneration	20
Other Listed PLC Experience	20
Retail/Customer Orientation	19
Public & Private Capital Markets	19
Accounting/Finance/Risk	19
M&A/Transactions	18
Real Estate	17
Strategy & Data Usage	16.5
Digital and Technology	16
Policy/Government Relations	15
Sustainability & ESG	14
CEO Experience	13.5
Marketing	13

Board Diversity and Inclusion Policy

The Board's Diversity and Inclusion Policy was amended during the year to reflect the enhanced diversity requirements of the FCA Listing Rules and the recommendation from the FTSE Women Leaders review. The policy applies to the Board and its Committees.

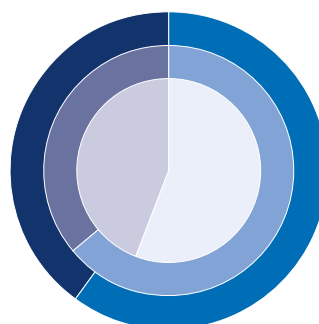
The policy recognises the benefits of diversity in its broadest sense and sets out the Board's ambitions and objectives regarding diversity at Board and senior management level. We believe that in order to achieve Places People Prefer we need a diverse Board to reflect the diverse places we develop and manage. The policy notes that appointments will continue to be made on merit against a set of objective criteria, which are developed in consideration of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The policy also describes the Board's firm belief that in order to be effective a board must properly reflect the environment in which it operates and that diversity in the boardroom has a positive effect on the quality of decision making.

The objectives from the policy in force for the year ended 31 March 2023 included:

- the intention to maintain a balance such that at least 40% of the Board are women.
- the intention to maintain at least two Directors from an ethnic minority background.
- the intention for at least one of the Chair, Chief Executive Officer, Chief Financial Officer or Senior Independent Director to be a woman.
- to achieve a gender balance such that at least 40% of senior management are women. Senior management is defined as the Executive Committee and their direct reports in leadership roles.
- to ensure that there is clear Board-level accountability for diversity and inclusion for the wider workforce.

The Board has decided to go beyond the regulatory requirements in adopting the revised policy, in order to drive positive change and lead from the front. In setting stretching targets, the Board recognises that there will be times when they are not met. British Land is a relatively small

Board gender balance



31 March 2023	
Male	60%
Female	40%
31 March 2022	
Male	64%
Female	36%
31 March 2021	
Male	56%
Female	44%

organisation in terms of numbers of employees and therefore changes at the senior end of the business can have a disproportionate effect on outcomes.

As at 31 March 2023, the Board had met a majority of its targets on gender and ethnic diversity balance. One of the four senior Board roles outlined above was not occupied by a woman at the year end. This policy came into effect after the current Chair, CEO, CFO and SID were appointed. This target is at the forefront of the Committee's mind as we plan for the succession of key roles during the year ahead.

As at 31 March 2023, the gender diversity for senior management, as previously defined, was 35% women, down from 37% in 2022. This is driven first by changes to our Executive Committee during the year and the reorganisation of internal reporting lines. Gender diversity is an industry-wide concern. The most recently published data by the Royal Institute of Chartered Surveyors (RICS) shows that only 4% of female chartered surveyors in the UK are RICS fellows. This makes it more challenging to improve the gender balance of our property teams, especially in senior roles, which comprise a significant portion of our workforce. The Board and management are acutely aware of the need for more senior women and this year we have introduced targeted development programmes for mid-level women to help them achieve their full potential and develop our pipeline. We also introduced a Group-wide target of having 17.5% BAME employees by 2025.

Clear accountability for diversity and inclusion is delivered through the ESG Committee, which monitors progress on diversity and inclusion objectives and relevant initiatives within British Land.

Our Board Diversity and Inclusion Policy and Company Diversity, Equality & Inclusion Strategy together enable

us to bring in people of wide-ranging talent and experience, diversity of thought and bolstering decision making allowing us to continue to create Places People Prefer.

→ **The policy can be found on our website britishland.com/committees.**

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
Men	6	60	4	7	70
Women	4	40	-	3	30
Other	-	-	-	-	-
Prefer not to say	-	-	-	-	-

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
White British or other White (including minority-white groups)	8	80	3	9	90
Mixed/Multiple ethnic groups	-	-	-	-	-
Asian/Asian British	2	20	1	1	10
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

The table above sets out the ethnic background and gender identity of the Board and Executive Committee as at 31 March 2023 which is our chosen reference date in accordance with the Listing Rules. The data was collected by the Head of Secretariat via individual questionnaires. The forms set out the table as it is above and individuals were asked to indicate which categories are applicable to them. There have been no changes in Board composition since the reference date.

Board and Committee effectiveness

The process followed for the internally facilitated Board effectiveness evaluation conducted during the year is described in the Governance review on page 117.

The Committee's effectiveness during the year was evaluated as part of the internal Board evaluation which concluded that the Committee operated effectively.

Board composition review

The Committee reviews annually the structure, size and composition of the Board. This review considers the skills and qualities required by the Board and its Committees as a whole in light of the Group's long term strategy, external environment and the need to allow for progressive refreshing of the Board. The review identifies the specific skills required by new appointees and guides the Committee's long term approach to appointments and succession planning.

The Committee also reviewed its terms of reference during the year and no changes were recommended. The terms are available on our website britishland.com/committees.

Key areas of focus for the coming year

As well as the regular cycle of matters that the Committee schedules for consideration each year, over the next 12 months we will continue to focus on succession planning both for the Board, specifically the Chair, and at senior management level, and further develop a strong talent pipeline and associated leadership programmes in line with the Board Diversity and Inclusion Policy.

REPORT OF THE AUDIT COMMITTEE



Loraine Woodhouse
Non-Executive Director

I am pleased to present the report of the Audit Committee for the year ended 31 March 2023.

The Committee plays a key role in the governance of the Group's financial reporting, risk management, internal controls and assurance processes and the external audit. As well as our main areas of responsibility, throughout the year the Committee paid particular attention to the internal audit tender and the upcoming external audit tender, further details of which are provided in the case studies throughout this report.

I hope that readers will find the information set out on the following pages useful in understanding the Committee's work over the last year.

Committee composition and governance

The Committee continues to be composed solely of independent Non-Executive Directors with sufficient financial experience, commercial acumen and sector knowledge to fulfil their responsibilities.

Members' attendance at Committee meetings is set out in the following table:

Director	Position	Date of Committee appointment	Attendance
Loraine Woodhouse	Chair	31 Mar 2021	3/3
Alastair Hughes	Member	1 Jan 2018	3/3
Nicholas Macpherson ¹	Member	1 Apr 2017	1/1
Preben Prebensen	Member	1 Jan 2021	3/3

1. Nicholas Macpherson stood down as a Director of the Company effective from 12 July 2022.

MONITORING QUALITY AND INTEGRITY

FY23 calendar

The calendar below gives an overview of the key matters considered by the Committee during the year.

The key shows the main areas that the Committee focused on and can be used to see how we have spent our time during the year.

Key

- Investment and development property valuations
- Corporate and financial reporting and fair, balanced and understandable assessment
- Risk management and internal controls
- External Audit and Internal Audit

> May 22

- Valuation reports, effectiveness and rotation
- 2022 draft Annual Report and Accounts and preliminary announcement
- Fair, balanced and understandable assessment
- Going concern and viability assessments
- Assessment of principal and emerging risks, key risk indicators and risk appetite
- Internal controls effectiveness
- Internal Audit update
- Information security update
- External Audit report
- Sustainability assurance report
- Corporate Governance Code review
- Auditor reappointment and subsidiary auditor approval
- Non-audit services policy recommendation
- Internal Audit tender
- External Audit tender

> July 22

AGM

Authority for the Audit Committee to determine the auditor's remuneration and the reappointment of the external auditor were approved by shareholders

For the purposes of the Code and FCA Handbook, the Board is satisfied that the Committee as a whole has competence relevant to the real estate sector, and I am deemed to meet the specific requirement of having recent and relevant accounting experience. Further information about members' qualifications can be found in the Directors' biographies on pages 108 to 111.

The Committee meets privately with both external and internal auditors after each scheduled meeting and continues to be satisfied that neither is being unduly influenced by management. As Committee Chair, I additionally hold regular meetings with the Chief Executive Officer, Chief Financial Officer and other members of management to obtain a good understanding of key issues affecting the Group and am thereby able to identify those matters which require meaningful discussion at Committee meetings. I also meet the External Audit partner, Internal Audit partner and representatives from each of the valuers privately to discuss key issues as well as giving them the opportunity to raise any concerns they may have.

Committee effectiveness

The Committee reviewed its effectiveness as part of the wider internal Board evaluation which concluded that the Committee continued to operate effectively.

The Committee reviews its terms of reference on an annual basis and this year concluded that no changes were required, the terms are available on our website at britishland.com/committees.



Loraine Woodhouse
Chair of the Audit Committee

Responsibilities and key areas of focus

Corporate and financial reporting

Monitoring the integrity of the Company's and Group's financial statements and any formal announcements relating to financial performance, and considering significant financial reporting issues, judgements and estimates. Considering the appropriateness of the accounting treatment of significant transactions, including asset acquisitions and disposals, and the viability and going concern statements. Reviewing the content of the Annual Report and preliminary announcement ahead of publication, including sustainability related disclosures and related assurance.

Fair, balanced and understandable assessment

Assessing whether the Annual Report is fair, balanced and understandable.

External Audit

Oversight and remuneration of the external auditor, assessing effectiveness and independence, and making recommendations to the Board on the appointment of, and policy for non-audit services provided by, the external auditor.

Internal Audit

Monitoring and reviewing the Internal Audit plan, reports on the work of the internal auditor, and reviewing its effectiveness, including its resourcing.

Risk management and internal controls

Reviewing the system of internal control and risk management. Reviewing the process for identification and mitigation of principal and emerging risks, assessment of risk appetite and key risk indicators, and challenging management actions where appropriate.

Investment and development property valuations

Considering the valuation process, assumptions and judgements made by the valuers and the outcomes. Monitoring the effectiveness of the Company's valuers and the proportion of the portfolio for which each valuer has responsibility.

November 22

- Valuer report, effectiveness and appointment policy update
- 2023 half year results and draft preliminary announcement
- Key financial reporting judgements
- Going concern assessment
- External Audit review
- Risk management update
- Information security update
- Corporate governance reforms
- Internal Audit update
- Internal controls effectiveness
- External Audit plan, fees and engagement letter
- Internal Audit tender update

March 23

- Assessment of principal and emerging risks, key risk indicators and risk appetite
- Annual fraud and anti-bribery and corruption update
- Whistleblowing report
- Data privacy compliance update
- Corporate governance reforms
- Internal Audit report
- Financial reporting judgements
- Going concern and viability assessments
- Annual tax update including tax planning and risk relating to tax
- TCFD update, including reflecting the risk of climate change in our financial reporting
- Effectiveness of Audit Committee, internal and external auditors
- External Audit tender update

Focus for the coming year:

- Processes by which the Board identifies, assesses, monitors, manages and mitigates risk, particularly in the context of the current economic uncertainty and the high inflationary environment;
- Monitor key risk areas, particularly those scheduled for review by Internal Audit including, but not limited to, key financial, operational and IT controls, development appraisal governance, ESG reporting and Digital Placemaking;
- Continue to prepare and enhance our readiness for the proposed corporate governance reforms;
- Consider the impact of the evolving review of investment valuation standards undertaken by RICS on the valuation processes of the Group; and
- Complete the External Audit tender process, following the strategy setting and preparations undertaken this year.

Corporate and financial reporting

The Committee continues to review the content and tone of the preliminary results, Annual Report and Accounts and half year results and make recommendations to the Board regarding their accuracy and appropriateness. Drafts of the Annual Report and Accounts are reviewed by the Committee as a whole prior to formal consideration by the Board, with sufficient time provided for feedback.

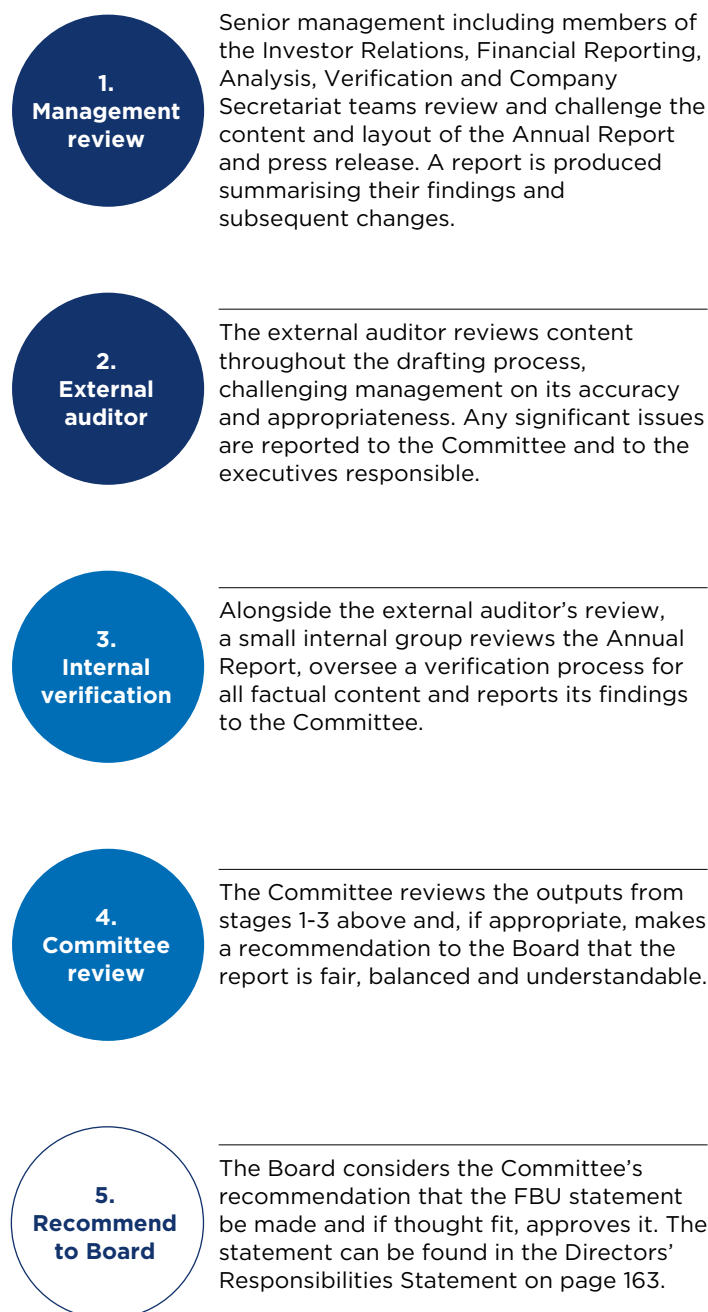
The Committee reviewed the key messaging included in the Annual Report and Accounts and half year results, paying particular attention to those matters considered to be important to the Group by virtue of their size, complexity, level of judgement required and potential impact on the financial statements and wider business model.

The Committee has satisfied itself that the controls over the accuracy and consistency of the information presented in the Annual Report and Accounts are robust. The Committee reviewed the procedure undertaken to enable the Board to provide the fair, balanced and understandable confirmation to shareholders.

Fair, balanced and understandable (FBU) reporting

The Committee considers annually whether, in its opinion, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and whether it provides the information necessary for stakeholders to assess the Company's position, performance, business model and strategy.

The following process is followed by the Committee in making its assessment:



The significant issues considered by the Committee in relation to the financial statements and broader work it has undertaken during the year ended 31 March 2023, and the actions taken to address these issues, are set out in the following table:

Significant issues considered and how these issues were addressed	Outcome
Going concern and viability statement	
<p>The Committee reviewed management’s analysis supporting the preparation of the financial statements on a going concern basis. This included consideration of forecast cash flows, availability of committed debt facilities and expected covenant headroom.</p> <p>The Committee also reviewed management’s assessment of whether the Group’s long term viability appropriately reflects the prospects of the Group and covers an appropriate period of time. This included consideration of whether the assessment adequately reflected the Group’s risk appetite and principal risks as disclosed on pages 48 to 60; whether the period covered by the statement was reasonable given the strategy of the Group and the environment in which it operates; and whether the assumptions and sensitivities identified, and stress tested, represented severe but plausible scenarios in the context of solvency or liquidity.</p> <p>The Committee received a report from the external auditor on the results of the testing undertaken on management’s analysis in both cases.</p>	<p>The Committee satisfied itself that the going concern basis of preparation remained appropriate. In doing so, the Committee requested that a reverse stress test be undertaken, in addition to the severe but plausible scenarios conducted. The Committee agreed with management’s assessment and recommended the viability statement to the Board. The viability statement, which includes our going concern statement and further details on this assessment, is set out on page 61.</p>
Provisioning	
<p>The Committee considered management’s approach in determining appropriate provisioning levels for rental arrears and tenant incentives, challenging assumptions and methodology where appropriate. The Committee also received a report from the external auditor.</p>	<p>The Committee was satisfied that the provisioning approach was appropriate and proportionate for the Group.</p>
Accounting for significant transactions	
<p>The accounting treatment of significant property acquisitions, disposals, financing and leasing transactions is a recurring risk for the Group with non-standard accounting entries required, and in some cases management judgement applied. The Committee reviewed management papers on key financial reporting matters, including those for significant transactions, as well as the external auditor’s findings on these matters. In particular, the Committee considered the accounting treatment of the formation of a joint venture with GIC in respect of Paddington. The external auditor separately reviewed management’s judgements in relation to these transactions and determined that the approach was appropriate.</p>	<p>The Committee was satisfied that the accounting treatment and related financial disclosure of significant transactions was appropriate.</p>
Valuation of property portfolio	
<p>The valuation of investment and development properties conducted by external valuers is inherently subjective as it is undertaken on the basis of assumptions made by the valuers which may not prove to be accurate. The outcome of the valuation is significant to the Group in terms of investment decisions, results and remuneration. The external valuers presented their reports to the Committee prior to the half year and full year results, providing an overview of the UK property market and summarising the performance of the Group’s assets. Significant judgements made in preparing these valuations were highlighted.</p>	<p>The Committee analysed the reports and reviewed the valuation outcomes, challenging assumptions made where appropriate. The Committee challenged the valuers on how the changing macroeconomic environment, including rapidly rising interest rates, had impacted valuations. The Committee also challenged the valuers on the methodology applied in respect of development costs at Canada Water as well as the availability of comparable yields. The Committee was satisfied with the valuation process and the effectiveness of the Company’s valuers. The Committee approved the relevant valuation disclosures to be included in the Annual Report.</p>

Significant issues considered and how these issues were addressed	Outcome
Taxation provisions	
<p>The Committee reviewed the appropriateness of taxation provisions made and released by the Group during the period. It considered papers prepared by management and discussed the views of the external auditor to obtain assurance that amounts held were commensurate with the associated risks.</p>	<p>The Committee was satisfied that the taxation provisions were appropriate. 'Our Approach to Tax', which was reviewed by the Committee in the year, is available at britishland.com/taxstrategy.</p>
Corporate simplification and restructure	
<p>The Committee reviewed a corporate simplification and restructuring exercise conducted in the year. It considered the analysis prepared by management, supported by external advice received from lawyers and accounting and tax experts. The external auditor also provided their view on the proposed transactions and outcomes ahead of execution. The Audit Committee requested the external auditor to provide special focus to this exercise, given its nature as a one-off and non-standard matter.</p>	<p>The Committee was satisfied that the appropriate steps had been undertaken by management and key considerations taken into account as part of the transaction steps, including the findings of the external auditor who provided a supplementary report on the matter.</p>
Risk appetite and principal risks	
<p>The Committee received reports from management which included a review of key risk indicators in the context of our risk appetite and updates on our operational risks.</p>	<p>The Committee challenged management's assessment of the principal and emerging risks, as well as the appropriate optimal and tolerable ranges for relevant key risk indicators for monitoring these risks, given wider macroeconomic volatility. The Committee resolved that management's assessment of the principal and emerging risks and risk appetite be recommended to the Board.</p>
Assessment of internal controls	
<p>This year we have again operated in the context of the proposed corporate governance reforms and are continually seeking to enhance our internal control environment. Management provided biannual confirmation of the effectiveness of internal controls.</p>	<p>The Committee reviewed management's biannual confirmation of the effectiveness of internal controls. This includes internal control testing of operating effectiveness for the Group's key controls, providing an additional level of assurance. The Committee reviewed noted control exceptions and challenged management on remediation actions, where necessary.</p>
TCFD	
<p>The Committee reviewed management's continuing compliance with the TCFD requirements for this year's Annual Report and Accounts. It considered any changes proposed to both the Strategic Report and financial statements.</p>	<p>The Committee continued to review and provide comment on the revised TCFD disclosure, along with discussing the level of assurance provided over key sustainability related metrics, ahead of the final recommendation of the Annual Report and Accounts for approval by the Board. The Committee satisfied itself that the Group's resulting TCFD disclosure was appropriate.</p>

External Audit

PricewaterhouseCoopers LLP (PwC) was appointed as the Group's external auditor for the 2015 Annual Report and Accounts following a formal competitive tender process. Given the continuing robustness and effectiveness of PwC in their role as external auditor the Committee believes it is in the best interests of shareholders for PwC to remain in role for the following financial year and for a competitive tender process to be completed in early 2024 ahead of the 2025 year-end audit.

The year under review is Sandra Dowling's fourth year as engagement partner following a mandatory rotation at the conclusion of the 2019 audit. As part of the External Audit

tender process PwC have identified a proposed successor audit partner who will lead their tender bid. The individual was interviewed by members of the Audit Committee and senior management ahead of the proposal.

The Committee is responsible for overseeing the relationship with the external auditor and for considering their terms of engagement, remuneration, effectiveness, independence and continued objectivity. The Committee reviews annually the audit requirements of the Group, for the business and in the context of the external environment, placing great importance on ensuring a high quality, effective External Audit process.

BDO LLP provides audit services to a number of wholly owned subsidiary and joint venture companies.

External Audit tender

Timetable

PwC was first appointed as external auditor in the financial year ending 31 March 2015. As the 10-year anniversary of their appointment approaches, planning for the required competitive tender process is underway and is being led by the Audit Committee Chair. British Land's primary objective is to ensure a fair and transparent tender process and to appoint the audit firm that will provide the highest quality in the most effective and efficient manner. To ensure shadowing (if required) through the External Audit for the year ending 31 March 2024, our planned process anticipates a recommendation to the Board in early 2024.

Planning and preparation

As part of planning the tender process, the Committee has taken due regard of the current FRC guidance on audit tenders and has considered the relevant sections of the draft 'Minimum Standards for Audit Committees' published by the FRC in November 2022. In selecting a long list of firms to be considered to invite to tender the Committee's selection considerations included:

1. Independence criteria
2. Audit capability and competence
3. Audit Quality Review performance
4. Real estate experience and breadth of subject matter experts
5. Capacity to provide a robust audit

Tender process

1. Before the formal process begins
 - Selecting firms to involve
 - Consider the audit team of each firm
 - Define critical success factors
2. Tender process period
 - Issue Request for Proposal
 - Provide access to management and data room
 - Consider technical challenges
3. Selected firms provide a proposal document for consideration
4. Selected firms present to management and the Audit Committee
5. Decision making and recommendations made to the Board

Fees and non-audit services

The Committee discussed the audit fee for the 2023 Annual Report with the external auditor and approved the proposed fee on behalf of the Board.

In addition, the Group has adopted a policy for the provision of non-audit services by the external auditor in accordance with the FRC's 2019 Revised Ethical Standard. The policy helps to safeguard the external auditor's independence and objectivity. The policy allows the external auditor to provide the following non-audit services to British Land where they are considered to be the most appropriate provider for audit

related services, including formal reporting relating to borrowings, shareholder and other circulars and work in respect of acquisitions and disposals. In some circumstances, the external auditor is required to carry out the work because of their office. In other circumstances, selection would depend on which firm was best suited to provide the services required.

In addition, the following protocols apply to non-audit fees:

- total non-audit fees are limited to 70% of the audit fees in any one year. Additionally, the ratio of audit to non-audit fees is calculated in line with the methodology set out in the FRC's 2019 Revised Ethical Standard;
- Committee approval is required where there might be questions as to whether the external auditor has a conflict of interest; and
- the Audit Committee Chair is required to approve in advance each additional project or incremental fee between £25,000 and £100,000, and Committee approval is required for any additional projects over £100,000.

Total fees for non-audit services amounted to £0.03m, which represents 5% of the total Group audit fees payable for the year ended 31 March 2023. Details of all fees charged by the external auditor during the year are set out on page 188.

The Committee is satisfied that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014.

Effectiveness

Assessment of the annual evaluation of the external auditor's performance was undertaken by way of a questionnaire completed by key stakeholders across the Group, including senior members of the Finance team. The review took into account the quality of planning, delivery and execution of the audit (including the audit of subsidiary companies), the technical competence and strategic knowledge of the audit team and the effectiveness of reporting and communication between the audit team and management.

PwC provide the Committee with an annual report on its independence, objectivity and compliance with statutory, regulatory and ethical standards. For the year ended 31 March 2023, as for the prior year, the external auditor confirmed that it continued to maintain appropriate internal safeguards to ensure its independence and objectivity. PwC also confirms at each Committee meeting that it remains

Internal Audit transition to Deloitte LLP

In consideration of the length of time EY had been in place and in connection with the upcoming competitive tender process for the External Audit it was decided during the year to hold a competitive tender process for the Internal Audit provision. Interested and qualified parties were invited to submit proposals and the tender process considered both large and challenger audit firms. Following a detailed selection process overseen by the Audit Committee Chair, Deloitte LLP were appointed as the new internal auditor effective from the financial year beginning 1 April 2023.

independent, and signs a letter of confirmation stating its independence annually.

The Committee concluded that the quality of the external auditor's work, and the level of challenge, knowledge and competence of the audit team, had been maintained at an appropriate standard during the year.

The Committee therefore recommended to the Board that a resolution to reappoint PwC as external auditor of the Company be put to shareholders at the 2023 AGM.

Internal Audit

The role of Internal Audit is to act as an independent and objective assurance function, designed to improve the effectiveness of the governance, risk management and internal controls framework in mitigating the key risks of British Land. Ernst & Young LLP (EY) provided Internal Audit services to British Land during the financial year and attended all Committee meetings to present their audit findings alongside the status of management actions. During the year it was decided to conduct an Internal Audit tender and Deloitte LLP were appointed as internal auditor effective from the financial year beginning 1 April 2023. Since the conclusion of the tender a handover process has been underway to ensure continuity of the Internal Audit provision.

During the year, the Committee reviewed, made suggested amendments to and approved the annual Internal Audit plan, including consideration of the plan's alignment to the principal risks of the Group and its joint ventures. Internal audits completed during the year included those in relation to key financial controls, financial reporting system upgrades, health and safety processes, IT disaster recovery and general controls, risk management, business continuity, and the Group's purchase to pay system. Overall, no significant control issues were identified although several process and control improvements were proposed, with follow up audits scheduled where necessary.

Effectiveness

The annual effectiveness review of the internal auditor included consideration of the Internal Audit charter which defined EY's role and responsibilities, review of the quality of the audit work undertaken and the skills and competence of the audit teams. Key stakeholders across the Group, including Committee members, Head of Secretariat, Head of Financial Reporting and other senior employees, completed a questionnaire to assess the effectiveness of the internal auditor. The Committee concluded that, notwithstanding the decision to tender the Internal Audit role in order to focus on more strategically targeted audits, EY had discharged its duties as internal auditor effectively throughout the year.

Feedback to inform the Committee's review of the effectiveness of the Internal and External Audit

Internal Audit/External Audit	Management	Audit Committee
<ul style="list-style-type: none"> - Assessed audit resource and expertise. - Reviewed the quality of audit work, skills and competence of the audit teams. - Considered feedback from PwC in relation to the External Audit process. - Considered feedback from EY in relation to their performance during the year. - Reviewed EY's confirmations relating to the Internal Audit including their independence, composition, and interaction with external auditor, Committee and Board. - Assessed the Internal Audit plan. 	<ul style="list-style-type: none"> - Reviewed the work carried out by the Risk Committee. - Reviewed the questionnaires completed by key stakeholders regarding the Committee, and external and internal auditors' effectiveness. - Received assurance that the provision of information to the external auditor complied with the relevant disclosure processes. 	<ul style="list-style-type: none"> - Considered the views from members, the Finance team and regular attendees of the Audit Committee. - Assessed the output from the Committee evaluation and surveys conducted during this process. - Reviewed the External Audit reports provided to the Committee during the year, with a specific focus on the demonstration of professional scepticism and challenge of management assumptions. In particular the Committee noted the significant challenge provided by External Audit to management regarding the Canada Water development valuation assumptions in light of the volatile macroeconomic environment. - Assessed progress against the previous year's focus areas.

Outcome

Following a review of the outputs from each source outlined above, the Committee concluded the internal and external auditors had operated effectively. Considering the previous year's objectives and progress made during the year, the key areas of focus for the Internal Audit function for the upcoming year would be the establishment of Deloitte LLP in their new internal auditor role, establishing a working relationship with management and providing the Committee with

detailed information about the Internal Audit programme as well as setting a longer term three-year Internal Audit strategy. The key focus of the External Audit function would be to inform the Committee about key industry trends, work with management to improve the response time to conclude accounting issues, and provide further external advice and input into our overall risk management and internal controls processes.

Investment and development property valuations

The external valuation of British Land's property portfolio is a key determinant of the Group's balance sheet, its performance and the remuneration of the Executive Directors and senior management. The Committee is committed to the rigorous monitoring and review of the effectiveness of its valuers as well as the valuation process itself. The Group's valuers are CBRE, Knight Frank, Jones Lang LaSalle (JLL) and Cushman & Wakefield.

The Committee reviews the effectiveness of the external valuers biannually, focusing on a quantitative analysis of capital values, yield benchmarking, availability of comparable market evidence and major outliers to subsector movements, with an annual qualitative review of the level of service received from each valuer.

The valuers attend Committee meetings at which the full and half year valuations are discussed, presenting their reports which include details of the valuation process, market conditions and any significant judgements made. The external auditor reviews the valuations and valuation process, having had full access to the valuers to determine that due process had been followed and appropriate information used, before separately reporting its findings to the Committee. The valuation process is also subject to regular review by Internal Audit. The Group's valuers and external auditor have confirmed to the Committee that the process undertaken by British Land to accommodate the valuation of its real estate portfolio is best in class. British Land has fixed fee arrangements in place with the valuers in relation to the valuation of wholly-owned assets, in line with the recommendations of the Carsberg Committee Report.

Risk management and internal controls

A detailed summary of the Group's risk framework as well as additional information on our systems of internal control is set out in the 'Managing risk in delivering our strategy' section on pages 46 to 50. The Board has delegated responsibility for overseeing the effectiveness of the Group's risk management and internal control systems to the Committee. The Board confirms that the systems have been in place for the year under review and up to the date of approval of the Annual Report and Accounts and have been regularly reviewed throughout the year. The Board are satisfied that the internal controls and systems of risk management are effective. An overarching view of the internal controls system, and the role of the Board and Committee, is set out on the next page. The Committee has oversight of the activities of the executive Risk Committee, receiving minutes of all Risk Committee meetings and discussing any significant matters raised.

At the full and half year, the Committee reviewed the Group's principal and emerging risks including consideration of how risk exposures have changed during the period. Both external and internal risks are reviewed and their effect on the Company's strategic aims considered. The assessment of emerging risks includes a bottom-up review of all business units and a deep dive by the Risk Committee. The Audit Committee made a recommendation to the Board regarding the identification and assessment of principal and emerging risks. The Board accepted the Committee's recommendation.

Half yearly, in conjunction with the internal auditor, management reports to the Committee on the effectiveness of internal controls, highlighting control issues identified through the exceptions reporting and key controls testing across all key operational and financial controls. Risk areas identified are considered for incorporation in the Internal Audit plan and the findings of Internal Audits are taken into account when identifying and evaluating risks within the business. Key observations and management actions are reported to, and debated by, the Committee. For the year ended 31 March 2023, the Committee has not identified, nor been advised of, a failing or weakness which it has deemed to be significant.

At the request of the Remuneration Committee, the Committee considers annually the level of risk taken by management and whether this affects the performance of the Company. The Remuneration Committee takes this confirmation into account when determining incentive awards granted to the Executive Directors and senior management. Taking into account reports received on internal key controls and risk management, and the results of the Internal Audit reviews, the Committee concluded that for the year ended 31 March 2023 there was no evidence of excessive risk taking by management which ought to be taken into account by the Remuneration Committee when determining incentive awards.

The Group's whistleblowing arrangements enable all staff, including temporary and agency staff, suppliers and occupiers, to report any suspected wrongdoing. These arrangements, which are monitored by the HR Director, General Counsel and Company Secretary and reviewed by the Committee annually, include an independent and confidential whistleblowing service provided by a third party. The Committee received a summary of all whistleblowing reports received during the year and concluded that the response to each report by management was appropriate. The whistleblowing reports were also relayed to the Board by the Committee Chair.

System of internal control

The elements that make up the system of internal control are:

Governance Framework: Structured with three lines of defence, the governance structure enables the efficient prioritisation of key risks and actions to mitigate risk. An illustration of the governance framework can be found on page 112.

Strategic Risk Management: A holistic view ensures that risk management is underpinned by our strategic objectives, taking into consideration our priorities and the external environment.

Operational Risk Management: Each business unit is supported to manage its own risk to ensure that potential risks are identified and mitigated at an early stage. This embeds the responsibility of risk management at a business unit level. Further detail can be found on page 47.

Assurance Framework: An element of internal control that is independent of business functions and Executive Committee and Board members.

Standards and Quality Framework: The overarching standards and codes that the Company and its employees adhere to in performing its duties.

Internal Control Framework

Governance	Strategic Risk Management	Operational Risk Management	Assurance	Standards and Quality Framework
Board, Audit Committee and ESG Committee	Determine strategic action points and risk appetite Set strategic and financial goals Assess the extent and nature of principal risks	Review effectiveness of risk management and internal control systems	External Audit Internal Audit	Group policies and ethical standard e.g. Whistleblowing Policy, Risk Management Policy, Internal Control framework aligns with COSO Internal Control Integrated Framework, FRC Guidance
Executive Committee and Risk Committee	Identify principal risks Monitor key risk indicators	Aggregation of risk exposure and adequacy of risk mitigation Going concern and viability statement	Group Compliance Group Health & Safety Business leads report on key controls biannually	Review and approve business unit policies where relevant
Business units and Risk and Control team	Execute strategic actions	Risk register Day-to-day responsibility for internal controls	Risk and Control team oversees the business unit process including sample testing	Business unit policies, procedures, processes and systems

338 Euston Road,
Regent's Place



DIRECTOR'S REMUNERATION REPORT



ALIGNING INCENTIVE WITH STRATEGY

Our Remuneration Policy aligns management incentives with our strategy.

Dear Shareholders

During the year under review the Committee has focused on three main areas: implementing our 2022 Remuneration Policy; working with management to re-frame the Company's reward and recognition proposition with a relaunched portfolio of benefits during the year; and being mindful of the need to mitigate the disproportionate impact of the cost of living crisis on our junior colleagues.

Directors' Remuneration Policy

The Committee and Board as a whole were pleased to receive overwhelming support for the Directors' Remuneration Policy at the 2022 AGM with a vote of 96.24% in favour. As discussed later in this report, the Committee made its first grant of LTIP shares under the new policy in July 2022 and has begun to assess the performance of management against the revised performance measures. The assessment of performance under the new Annual Incentive Plan has been undertaken for the first time this year.

The Committee holds management to account robustly by setting and measuring performance conditions that stretch

performance in key areas. We are confident that the 2022 policy and the performance conditions within it incentivise the management team to deliver the right outcomes for the Company, shareholders and our wider stakeholders alike.

The Committee has responsibility under its terms of reference to ensure that reward at British Land incentivises the right culture. This overlaps with the responsibility of the ESG Committee, which is responsible for overseeing the culture of British Land as a whole. Accordingly, both Committees held a joint session for the first time this year to understand the rich data that came from our employee engagement survey, particularly through a diversity lens, and remain informed about the evolving benchmarks for sustainability in real estate in order to assess the Company's relative performance.

The data showed that people of different ethnicity, gender or sexual orientation did not feel that their characteristics had any impact on the fairness of their compensation. Importantly, those different groups were also generally aligned on their job performance being fairly evaluated and on receiving recognition for good work. The Committees therefore concluded that the data showed those groups did not feel unfairly treated because of their characteristics. The Committees were impressed with the skill and expertise within the management team with regards to sustainability. Both Committees will work closely with management to monitor the emerging area of sustainability benchmarks and ensure that the measures we use to assess the Company's relative performance remain appropriate.

Company Performance & Bonus

Operationally, the Company has performed strongly during a year of macroeconomic uncertainty. In a year that has been dominated by market forces and international, economic and geopolitical turbulence, management have acted decisively to maximise performance in areas under their control. The Company is reporting another very strong year of leasing on the back of record levels in 2022. Management have also worked hard to recover £18m of rental arrears, whilst reducing our EPRA cost ratio down from 25.6% in 2022, to 19.5% this year. As a result, the Company has exceeded the underlying profit stretch target for the year by £34m.

Higher interest rates and the corresponding returns required from property investments have impacted the value of real estate generally. However, we are estimating that British Land has outperformed the MSCI March Annual Universe Benchmark as a result of the strategic direction of the Company to pivot towards growth and management's sector and asset allocation. The final outcome against MSCI will be known later in the year and we will update our disclosures in due course. Financial performance is important, but we are similarly pleased with the progress the Company has made against our 2030 Sustainability Strategy. Similarly, we are delighted to see the very strong engagement scores up 9% year on year to 78% overall, with 93% of employees proud to work for British Land. This is a significant achievement in such a volatile environment.

The Annual Incentive Plan performance targets that were in operation for the first time this year reward Executive Directors for operational out-performance on matters within their control whilst reflecting the macroeconomic driven valuation movements. The Committee considers that the 2022 policy has operated as intended both in terms of company performance and quantum during the year.

The Committee therefore considers the estimated formulaic outcomes under the Annual Incentive Plan (adopting the estimated MSCI metric) are appropriate and has not exercised its discretion.

The achieved performance for the year under review results in an estimated bonus of 93% of salary for Simon Carter and 95% of salary for Bhavesh Mistry against a maximum of 150%. This performance outcome is in line with the bonus outcome for the workforce as a whole and is explained in more detail on page 148.

The 2020 Long Term Incentive award is expected to vest partially on 22 June 2023. The final outcome of the performance conditions, as described on page 151, will be known after the finalisation of this report and will be confirmed by the Committee in due course with details to be provided in the 2024 Annual Report. The current estimated vesting proportion is 11%.

Reward and Recognition

The Committee recognises that junior colleagues and less well remunerated colleagues throughout our business are inevitably feeling the impact of the cost of living crisis far more acutely than others.

In seeking to mitigate the cost of living the Company has taken a multi-year approach. At the end of the 2022 pay review in May last year, we targeted materially higher percentage pay rises of 7% for our lowest paid staff, with more senior colleagues receiving a pay rise of 3%. This year we have also awarded an average pay rise of 6% for staff below Executive Committee level.

The Committee will continue to monitor the impact of higher inflation on our workforce and ensure the overall reward package at British Land remains appropriate.

In addition to the cost of living concerns, management have worked hard to reform the reward and recognition proposition at British Land during the year. Within the existing framework, more focus has been applied to using reward to incentivise the successful delivery of key objectives; and the retention of our top talent.

We are rolling out a new management training programme for our leaders which includes modules on how to help their team members develop their careers. In tandem, we have relaunched our learning and development portal to give everyone the self-help tools to develop their own portfolio of skills and experience.

Remuneration in respect of the year commencing 1 April 2023

Salaries

The Committee reviewed salaries for the Executive Directors during the year and concluded that a 3% increase was appropriate.

The Executive Directors and Chair of British Land considered the fees for the Non-Executive Directors during the year and concluded that a 3% increase to the basic fee was appropriate. The Chair's fee was reviewed by the Remuneration Committee and was considered to remain appropriate. Both fees were benchmarked against the market and against the salary increases across the wider business.

Annual Incentives & Long Term Incentives

Executive Directors are eligible for a maximum bonus of 150% of salary and maximum Long Term Incentive Award of up to 300%. The Committee does not intend to grant LTIP awards above 250% of salary.

Pensions

We are committed to ensuring that pension contributions across our workforce are equitable. Executive Directors receive the same pension benefit rate applicable to the majority of the wider workforce at 15% of salary.

Gender and ethnicity pay gap

The gender pay and bonus gaps increased slightly during the year on a consolidated basis across the business. The 5 April 2023 snapshot shows the median gender pay gap for the British Land Company PLC increased by 2.7% from 19.2% last year to 21.9%. The British Land Property Services Limited (formerly Broadgate Estates) median pay gap reduced by 3.1% from 29.3% to 26.2%. The combined median gender pay gap across our business increased by 1.7% compared with last year.

The increase in the British Land Company PLC gender pay gap is due to a number of senior women leaving the business. The absolute numbers of senior women leavers were similar to the number of men leaving, but due to timing of departures and because the total population had more senior men, the pay gaps were negatively affected.

The ethnicity pay and bonus gaps both reduced on a consolidated basis across the business reflecting our success in increasing the ethnicity disclosure rate of our employees and the ongoing impact of a number of very senior hires. On an entity level the British Land Company PLC median ethnicity pay gap reduced by 5% from 19.2% last year to 14.2%. The British Land Property Services Limited ethnicity pay gap has reduced by 11.5% over the course of the year from 29.4% to 17.9% as at the 5 April 2023 snapshot.

More information can be found at britishland.com/gender-pay-gap

Recommendation

British Land is committed to listening carefully to shareholder feedback and to applying best practice to its remuneration policies and approach. We hope that you will continue to support our approach to remuneration and will vote in favour of this Report at the 2023 AGM.

Yours sincerely,



Laura Wade-Gery
Chair of the Remuneration Committee

Remuneration at a glance

How we align rewards to delivering our strategy

As set out in the Strategic Report, we have a clearly defined business model and a range of competitive strengths. We target strategic themes that have strong structural tailwinds and currently see opportunities in:

- Development of best in class sustainable space on our campuses
- Retail Parks
- London Urban Logistics

Delivering against these areas lays the foundation for future value creation. Each year, Executive Directors are set objectives by the Board, which are then cascaded through the Executive Committee and on to the whole organisation. These objectives are focused on maximising opportunities within the strategic themes below as well as continued strong operational performance, progress against our sustainability ambitions and the continued enhancement of our best in class platform.

We take a long term approach to running our business; our focus is to deliver positive outcomes for all of our stakeholders on a long term, sustainable basis which can mean that actions taken in any one year take time to deliver value.

Over the longer term, we measure our performance against selected financial and sustainability market benchmarks as well as absolute return metrics that are set at the start of the three year cycle. We only reward our people where the business at least matches those benchmarks and we share a small percentage of any outperformance. We tailor these performance measures to be as relevant as possible to the composition of our business but we recognise that there may inevitably be a degree of mismatch.

The chart below illustrates the alignment between (i) what we are focusing on doing (our strategic objectives), (ii) what we measure and report on and (iii) what we reward Executive Directors for delivering.

Our strategic themes:



2022 Remuneration Policy

	1 year performance	3 year performance
Annual profitability	- Profit targets	
Development Profit	- Targets for Development Profit	
Property valuation changes	- Relative Total Property Return performance	- Relative Total Property Return performance
Total Accounting Return		- Absolute Total Accounting Return performance against a target range
Environmental Measures	- EPC ratings across estate - GRESB Real Estate benchmark	- Operational carbon reduction - Operational energy reduction
Development of Sustainable Space	- Objectives aligned with our strategic themes, sustainability ambitions, continued strong operational performance and continuing to enhance our best in class platform	
Retail Parks		
London Urban Logistics		
People, Sustainability & Operational Execution		

Summary of the Remuneration Policy and how we apply it

The Remuneration Policy was approved by shareholders on 12 July 2022. The Policy will apply until the AGM in July 2025. The Remuneration Policy is set out in full in the 2022 Annual Report and is available on our website britishland.com/committees.

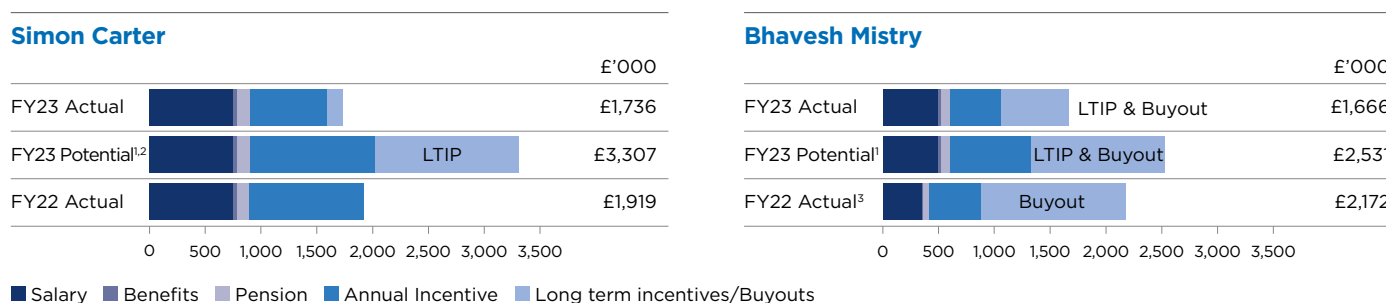
Element of remuneration	Link to strategy	Framework
Fixed	Basic salary	Attracts and retains expert people with the appropriate degree of expertise and experience to deliver agreed strategy
	Benefits	Reviewed annually and increases typically in line with the market and general salary increases throughout the Group
	Pension contribution	Benefits are restricted to a maximum of £20,000 per annum for car allowance and the amount required to continue providing agreed benefits at a similar level year on year
Variable	Annual Incentive	Defined contribution arrangements - cash allowances in lieu of pension are made to the CEO and CFO at 15% of salary
	Long term incentive	Maximum opportunity is 150% of basic salary. 2/3 rd is paid in cash with the remaining 1/3 rd (net of tax) used to purchase shares on behalf of the Executive Director (Annual Incentive Shares) which must be held for a further three years whether or not the Executive Director remains an employee of British Land
		Total Property Return (TPR) links reward to the Company's relative gross property performance
		Total Accounting Return (TAR) links reward to absolute financial returns
		ESG Carbon and Energy Reduction link remuneration outcomes to the Company's 2030 Sustainability Strategy

Executive Directors' remuneration

The tables below show the 2023 actual remuneration against potential opportunity for the year ended 31 March 2023 and 2022 actual remuneration for each Executive Director. The figures for Bhavesh Mistry's actual and potential 2022 remuneration are pro-rated to reflect part service during the year.

Full disclosure of the single total figure of remuneration for each of the Directors is set out in the table on page 147.

2023 actual remuneration v 2023 on-target potential (£'000)



1. FY23 potential assumes that both annual and long term incentives pay out in full, with the LTIP value taking into account share price change since grant

2. Simon Carter - FY23 Potential pay based on 2020 LTIP Awards and as such this was in respect of his award in the CFO role

3. Bhavesh Mistry - FY22 pay based on pro-rata remuneration since appointment in July 2021. FY22 and FY23 pay also includes buyout awards granted to replace incentives that were forfeited upon leaving previous employer.

How we intend to apply our Remuneration Policy during the year commencing 1 April 2023

The following pages set out how the Committee intends to apply the Remuneration Policy during the coming year.

Executive Directors' remuneration

Basic salaries

The Executive Directors have not received a salary increase since appointment. Noting market trends and the overall salary increases that have been made for the workforce over the past two years, the Remuneration Committee considered it appropriate to increase Executive Director salaries by 3% for the year beginning 1 April 2023. This compares with an average salary increase across the workforce of 6% in respect of the same period.

Director	Basic salary £000
Simon Carter	773
Bhavesh Mistry	505

Pension and benefits

Both Executive Directors will receive a 15% of salary pension contribution/allowance. Benefits will be provided in line with the policy and include a car allowance and private medical insurance.

Annual Incentive awards

The maximum bonus opportunity for Executive Directors remains unchanged at 150% of salary. The performance measures for the Annual Incentive awards were reframed last year to align more closely to the Company's new strategic direction and reflect our sustainability agenda.

The detailed targets that the Committee sets are considered to be commercially sensitive and as such the specific targets for the quantitative measures for the coming year will be disclosed in the 2024 Remuneration Report. In assessing how the Executive Directors perform during the year commencing 1 April 2023, the Committee will take into account their performance against all of the measures and make an assessment in the round to ensure that performance warrants the level of award determined by the table below.

This year, once again, the Committee will assess performance in the context of the wider stakeholder experience and overall corporate outcome. Discretion may be exercised by the Committee and, if this is the case, a full explanation will be set out in next year's Report.

As disclosed previously, the Committee agreed that for Annual Incentive awards, the sector weighted MSCI March Annual Universe benchmark (which includes sales, acquisitions and developments and so takes into account active asset management as well as a more representative peer group) would be most suitable.

In line with best practice, two-thirds of any amount earned will be paid in cash with the remaining one-third (net of tax) used to purchase shares which must be held for a further three years.

	Measure	Target	Weighting
Quantitative Financial Measures: 60% reward weighting	Annual profitability	Financial budget targets for profitability 0% payout for meeting a threshold level rising to 100% payout for at least matching a stretch level	30%
	Total Property Return vs MSCI (weighted by sector)	Total Property Return outperformance target 17% payout for matching the MSCI benchmark index rising to 100% payout for outperforming by 1.25%	20%
	Development profit	Financial budget targets for development profit 0% payout for meeting a threshold level rising to 100% payout for at least matching a stretch level	10%
Quantitative Environmental Measures: 20% reward weighting	The Global Real Estate ESG Benchmark (GRESB)	Benchmark score targets for GRESB rating. 0% payout for meeting a threshold score, rising to 50% payout for matching the score that achieves a 5 star rating and rising to 100% payout for at least matching a stretch level score	20%
	EPC rating across estate	A&B rating across the estate. 0% payout for meeting a threshold level, rising to 100% payout for at least matching a stretch level	
Strategic/personal/customer objectives measures 20% reward weighting	Development of Sustainable Space	Commercially sensitive so these will be fully disclosed and explained in next year's Report	20%
	Retail Parks		
	London Urban Logistics		
	People, Sustainability & Operational Execution		

Long term incentive awards

LTIP awards will be granted to Executive Directors during the year commencing 1 April 2023. The size and timing of the award will be determined by the Committee at a later date and disclosed in an RNS announcement. Full details will be included in next year's Annual Report.

Measure	Link to strategy	Measured relative to	Weighting
Total Accounting Return (TAR) The growth in British Land's EPRA Net Tangible Asset Value (NAV) per share plus dividends per share paid over the LTIP performance period.	The TAR measure is designed to link reward to performance at the net property level that takes account of gearing and our distributions to shareholders.	TAR performance will be assessed against targets set in the context of the business plan and investor expectations over the long term Threshold: 4% per annum Maximum: 10% per annum	50%
Total Property Return (TPR) The change in capital value, less any capital expenditure incurred, plus net income. TPR is expressed as a percentage of capital employed over the LTIP performance period and is calculated by MSCI.	The TPR measure is designed to link reward to strong performance at the gross property level.	TPR performance will be assessed against the performance of an MSCI sector weighted benchmark. Threshold: Equal to Index Maximum: Index +1.00% per annum	25%
Environmental, Social, Governance (ESG) Operational Carbon Reduction (CO ₂ e per sqm) Operational Energy Reduction	The ESG measure is designed to link reward to delivering our 2030 ESG commitments measured against a 2019 baseline	ESG performance will be assessed against targets set in line with achieving our sustainability vision Operational Carbon Reduction (12.5% of total weighting) Threshold: 44% reduction Intermediate: 48% reduction Maximum: 53% reduction Operational Energy Reduction (12.5% of total weighting) Threshold: 17% reduction Intermediate: 19% reduction Maximum: 21% reduction	25%

For all performance measures, there is no vesting below threshold performance. At threshold performance, vesting is at 20%. There will be straight-line vesting between threshold and intermediate (if applicable) and stretch performance targets.

The Committee retains the discretion to override the formulaic outcomes of incentive schemes. The purpose of this discretion is to ensure that the incentive scheme outcomes are consistent with overall Company performance and the experience of our stakeholders.

Non-Executive Directors' fees

Fees paid to the Chair and Non-Executive Directors for their Board roles are positioned around mid-market with the aim of attracting individuals with the appropriate degree of expertise and experience. The fee structure set out below is unchanged since being applied in 2019 except that the Non-Executive Directors' annual fee has been increased by £2,000 to £66,000 from 1 April 2023. The Chairs of Committees also receive a membership fee.

Chair's annual fee	£375,000
Non-Executive Director's annual fee	£66,000
Senior Independent Director's annual fee	£10,000
Audit or Remuneration Committee Chair's annual fee	£20,000
Audit or Remuneration Committee member's annual fee	£8,000
ESG Committee Chair's annual fee	£14,000
Nomination or ESG Committee member's annual fee	£5,000

How we applied our current Remuneration Policy during the year ended 31 March 2023

The following pages set out how we implemented the Directors' Remuneration Policy during the year ended 31 March 2023 and the remuneration received by each of the Directors.

Single total figure of remuneration (audited)

The following tables detail all elements of remuneration receivable by British Land's Executive Directors in respect of the year ended 31 March 2023 and show comparative figures for the year ended 31 March 2022.

	Salary	Taxable benefits	Pension or pension allowance	Other items in the nature of remuneration ¹	Annual Incentives ²	Long term incentives ³	Total	Fixed remuneration	Variable remuneration
Executive Directors	2023 £000	2023 £000	2023 £000	2023 £000	2023 £000	2023 £000	2023 £000	2023 £000	2023 £000
Simon Carter	750	20	113	13	698	142	1,736	896	840
Bhavesh Mistry	490	20	74	555	466	62	1,666	595	1,071

- £543,144 of the amount shown for Bhavesh relates to the partial vesting of a joining award of British Land shares made to him on 19 July 2021 to replace a pre-existing PSP award granted by Tesco plc in 2019 that lapsed upon him joining the Company. It is regarded as variable pay for the purposes of this table. Of the 124,948 shares that were awarded, 107,705 shares (equivalent to 86.2% of the award) vested at 504p per share on 20 June 2022. The remaining balance of 17,243 shares lapsed. The performance condition outcome of 86.2% is reported on page 78 of the 2022 Tesco plc Annual Report under the heading '2019 PSP Outturn (audited)'.
- Estimated outcomes. 2023 Annual Incentive outcomes are subject to the publication of final MSCI results.
- Estimated outcomes based on the Volume Weighted Average Price of 425.81p in respect the last quarter of the year ended 31 March 2023. 2023 Long Term Incentive outcomes are subject to confirmation of final vesting levels in June 2023. The amount shown for Bhavesh Mistry relates to a joining grant that was made to him to replace pre-existing awards from his previous employer that lapsed upon him joining the Company. Attached to the grant are the same performance conditions that apply to the LTIP grant made to British Land Executive Directors on 22 June 2020, as detailed on page 151.

Details of all the joining awards that were made to Bhavesh on 19 July 2021 can be found on page 146 of the 2022 Annual Report.

	Salary	Taxable benefits	Pension or pension allowance	Other items in the nature of remuneration ²	Annual Incentives ³	Long term incentives ³	Total	Fixed remuneration	Variable remuneration
Executive Directors	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000
Simon Carter	750	20	113	11	1,026	0	1,919	893	1,026
Bhavesh Mistry ¹	346	14	52	1,292	469	0	2,172	415	1,757

- Bhavesh Mistry was appointed as a Director on 19 July 2021. Amounts paid are time apportioned accordingly.
- £1,288,044 of the amount paid to Bhavesh Mistry represents awards made to Bhavesh under the Company's Long Term Incentive Plan to replace pre-existing awards from his previous employer that lapsed when he left to join the Company.
- Confirmed outcomes. Actual Annual Incentive and Long Term Incentive outcomes are confirmed after publication of the Annual Report each year. Forecast estimated figures were published in the 2022 Report; the actual outcomes, which were unchanged from the estimated figures, are reflected in the table above.

Notes to the single total figure of remuneration table (audited)

Fixed pay

Taxable benefit

Taxable benefits for both Executive Directors include a car allowance £16,700 and private medical insurance of £3,125.

Other items in the nature of remuneration

Other items in the nature of remuneration include: life assurance, permanent health insurance, annual medical check-ups, professional subscriptions and the value of shares awarded under the all-employee Share Incentive Plan (comprising a free share award of £3,600 and matching share awards during the year of £3,600 for both Directors).

Pensions

Simon Carter is a member of the Defined Contribution Scheme and utilises his Annual Pension Allowances; the remaining amount of his pension is paid in cash, for him to make his own arrangements for retirement. Simon Carter is also a deferred member of the British Land Defined Benefit Pension Scheme in respect of his employment with British Land earlier in his career. The table below details the defined benefit pensions accrued at 31 March 2023. Bhavesh Mistry does not participate in any British Land pension plan. Instead he receives a cash allowance in lieu of pension to make his own arrangements for retirement.

Executive Director	Defined benefit pension accrued at 31 March 2023 £000	Normal retirement age years
Simon Carter	43	60

There are no additional benefits that will become receivable by a Director in the event that a Director retires early.

Annual Incentives FY23 (audited)

The level of Annual Incentive award is determined by the Committee based on British Land's performance and Executive Directors' performance against quantitative and strategic targets during the year. For the year ended 31 March 2023 the Committee's assessment and outcomes against these criteria (before exercising any discretion) are set out below. Quantitative measures are a direct assessment of the Company's financial performance and in the very long term business we operate are a reflection of many of the decisions taken in prior years. The delivery of strategic objectives positions the future performance of the business so payouts under this part of the Annual Incentive Plan will not necessarily correlate with payouts under the quantitative measures in any year. The level of bonus calculated by applying the criteria below generated an outcome of 93% of salary for Simon Carter and 95% of salary for Bhavesh Mistry against a maximum opportunity of 150% for both Directors.

Quantitative Measures	Weighting	Performance in line with minimum expectations (0% Payout except TPR of 17% Payout)	Performance in line with expectations	Performance in line with maximum expectations (100% Payout)	Final outcome (% of max)	Final outcome (% of salary)	Performance achieved against target range
Net Asset Value changes	20%						
Total Property Return vs MSCI Benchmark	20%	0bps	+60bps*	+125bps	11.3%	17.0%	17% payout for matching the MSCI Benchmark rising to 100% payout for outperforming by 125bps
Annual Profitability	40%						
Underlying Profit	30%	£228m	£230m	£239m	30%	45%	0% payout for meeting a threshold level rising to 100% payout
Development Profit	10%	£125m	£145m	£175m	0%	0%	0% payout for meeting a threshold level rising to 100% payout
Environmental Measures	20%						
Global Real Estate ESG Benchmark (GRESB)	10%	85	86	87	0%	0%	0% payout for meeting a threshold level rising to 100% payout for at least matching a stretch level
EPC Rating	10%	36%	41%	45%	10%	15%	0% payout for meeting a threshold level rising to 100% payout for at least matching a stretch level
Sub-total	80%				51.3%	77.0%	

* The above chart is an estimate of the 2023 TPR outcomes which will depend on performance against MSCI figures that will only become available after the finalisation of this Report and as such, represent an estimate of the final figures. The final performance will be reported within the 2024 Annual Report.

Simon Carter

Measure	Weighting	Outcome	% award	Final outcome (% of max)	Final outcome (% of salary)
Active capital recycling	3.0%	£17m of Office sales exchanged post-year end. Steady planning progress made on Euston Tower development; public consultation commenced.	0.7%		
Realising the value opportunities in Retail	2.0%	Good progress on Retail Park purchases; £94m purchases with a further £54m completed post year end.	1.5%		
Realising the potential of campuses	3.0%	Invested £33m in innovation assets and continue to make progress on longer term master plan opportunities. Re-positioned towards innovation occupiers at Regents Place and Canada Water; lab space being enabled at Regents Place and under offer to an affordable workspace operator. Modular labs at Canada Water due to PC in Q1 FY24.	1.5%		
Progressing value accretive development	3.0%	Resolution to grant planning achieved on West One, 1 Appold, Ealing 10-40 The Broadway and 5KS Logistics. Achieved pre-let at Norton Folgate, with 103k - 127k sq ft exchanged with Reed Smith, and good engagement with potential occupiers at 2FA.	1.7%	10.8%	16.2%
Building our exposure in urban logistics	3.0%	Completed on £22m of urban logistics asset purchases. Good progress on Logistics planning; achieved planning on 5KS and a further 1.5m sq ft (Thurrock, Verney Road, Mandela Way and Enfield).	1.7%		
Delivering our residential strategy	2.0%	Residential development underway at Aldgate and Canada Water; good progress on forward sale of Aldgate and CW residential sales in line with underwriting.	1.0%		
Deliver our place based approach	1.0%	On track to deliver two initiatives with plans developed and reviewed with asset managers at appropriate assets	0.7%		
People & Sustainability	3.0%	DE&I action plans underway. Joint Gender & Ethnicity pay gap report produced and published. Engagement survey completed with a group engagement score of 78%	2.0%		

DIRECTOR'S REMUNERATION REPORT *continued*

Bhavesh Mistry

Measure	Weighting	Outcome	% award	Final outcome (% of max)	Final outcome (% of salary)
Active Capital Recycling	5.0%	Clear investor narrative developed identifying key drivers of return, both near and long term. Good investor engagement with positive feedback on operational delivery, strength of balance sheet and liquidity. Maintained refinancing date of > 2 years with no requirement to refinance until 2026.	2.7%	12.1%	18.0%
Realising the value opportunities in Retail	3.0%	Exchanged £51m of leasing, ahead of full year target of £34m, with outperformance driven by regears and renewals.	3.0%		
Realising the potential of our campuses	3.0%	Leased £39m in the Office standing portfolio, ahead of full year target of £35m. Storey occupancy of 93% and renewals of 76%.	2.0%		
Delivering operational efficiency and effectiveness	5.0%	Delivered improvements in systems, technology, and processes. Detailed Technology strategy work underway, with year one milestones initiated and progressing to plan. BL Connect delivered at 100LPS with work underway at Portman Cluster. All campus apps live following launch at Regents Place. New business plan process in place and operating as BAU. Data & Reporting use cases, financial processes and risk mapping.	1.7%		
Deliver our place based approach	1.0%	On track to deliver two initiatives with plans developed and reviewed with asset managers at appropriate assets.	0.7%		
People & Sustainability	3.0%	DE&I action plans underway. Joint Gender & Ethnicity pay gap report produced and published. Engagement survey completed with a group engagement score of 78%	2.0%		
Total Payout					
Simon Carter			62.1%	93.2%	
Bhavesh Mistry			63.4%	95.0%	

One third of the annual bonus (after tax has been paid) is used to purchase shares which are then held for three years by the Executive Director.

2022 comparative: In June 2022, the Committee confirmed that the outperformance of TPR compared to the MSCI benchmark was +270bps, which represents a marginal improvement from an estimated +240bps within the 2022 Annual Report. The reported figure of +240bps already exceeded the maximum performance range and therefore there were no impacts on the amounts paid to Directors.

Long term incentives (audited)

The information in the long term incentives column in the single total figure of remuneration table (see page 147) relates to vesting of awards granted under the following schemes, including, where applicable, dividend equivalent payments on those awards. The below note outlines forecasts of the 2023 long term incentive outcomes. The actual outcomes will only become available after the finalisation of this Report.

Long Term Incentive Plan (audited)

The awards granted to Executive Directors on 22 June 2020, and which will vest on 22 June 2023, were subject to three performance conditions over the three-year period to 31 March 2023. Bhavesh Mistry was granted LTIP shares upon joining British Land to replace pre-existing awards granted by previous employers that lapsed when joining the Company as disclosed in full on page 146 of the 2022 Annual Report. The award listed in the table below was granted to Bhavesh on 19 July 2021 and is subject to the same performance conditions as the 2020 LTIP grant made to Executive Directors of British Land as detailed below. The award will vest on 3 July 2023.

The first condition (40% of the award) measured British Land's Total Property Returns (TPR) relative to the funds in the sector weighted MSCI Annual Universe (the Benchmark) previously the IPD UK Annual Property Index; the second (20% of the award) measured Total Accounting Return (TAR) relative to a comparator group of FTSE 350 property companies; while the third (40% of the award) measured Total Shareholder Return (TSR), half of which was measured against the FTSE 100 and the other half measured against the comparator group of FTSE 350 property companies.

The TPR element is expected to lapse, based on British Land's adjusted TPR of -1.9% per annum when compared to the estimated Benchmark of -1.8% per annum. The TAR element is also expected to lapse based on British Land's TAR of -6.5% per annum compared to an estimated 4.7% per annum for the property company index. The actual vesting of the TPR and TAR elements can only be calculated once results have been published by MSCI and all the companies within the comparator group respectively. The actual percentage vesting will be confirmed by the Committee in due course and details confirmed in the 2024 Remuneration Report. Korn Ferry has confirmed that 11% out of the 20% of the award assessed against the TSR of the Property companies index will vest as British Land's TSR performance of -8.8% outperformed the sector Index of -12.6%. The portion assessed against the FTSE 100 Index will however lapse as British Land's TSR performance was below the Index performance of 25.3%. The current estimated vesting level of the 2020 Awards is therefore 11% of maximum.

Executive Director	Performance shares or options	Number of performance shares awarded	Estimated value of award on vesting £000	Estimated dividend equivalent value £000	Increase in value as a result of share price movement between grant and vesting £000
Simon Carter	Shares	272,812	128	15	4
Bhavesh Mistry	Shares	121,787	57	5	0

2022 comparative: As set out in the 2022 Annual Report, the 2019 LTIP awards lapsed in full on 25 July 2022 as expected.

Share scheme interests awarded during the year (audited)

The total face value of LTIP awards made to Executive Directors for the year ended 31 March 2023 was equivalent to 250% of basic salary at grant.

The share price used to determine the face value of performance shares, and thereby the number of performance shares awarded, is the average over the three dealing days immediately prior to the day of award. The share price for determining the number of performance shares awarded to Executive Directors was 456.07p. The performance conditions attached to these awards are set out in the Remuneration Policy approved by shareholders in July 2022 and summarised on the next page.

Performance shares

Executive Director	Grant date	Number of performance shares granted	Face value £000	End of performance period	Vesting date	Percentage vesting on achievement of minimum performance threshold %
Simon Carter	19/07/22	411,121	1,875	31/03/25	19/07/25	20%
Bhavesh Mistry	19/07/22	268,599	1,225	31/03/25	19/07/25	20%

DIRECTOR'S REMUNERATION REPORT *continued*

Performance against the LTIP will be assessed over a period of three years. No more than 20% of the award will vest if the minimum performance threshold is achieved. Performance below the minimum threshold will result in the relevant proportion of the LTIP award lapsing. 100% of the proportion of each element of award attached to each measure will vest if British Land's performance reaches the stretch level. Those stretch levels are: relative TPR performance against the MSCI March Annual Universe Benchmark of +1.00% pa (25% weighting); absolute TAR of 10.00% pa (50% weighting); 30% reduction in Operational Carbon Intensity (12.5% weighting); and 14% reduction in Operational Energy (12.5% weighting). TAR will be measured on the basis of a three year average over the performance period. TPR will be measured on a straight line basis between the index and stretch performance. Both sustainability metrics will be measured against the 31 March 2019 base level disclosed within our 2030 Sustainability Strategy, which can be found at britishland.com/sustainability.

Save As You Earn Options

Executive Director	Grant date	Number of performance shares granted	Option price pence	Face value at grant £000	Subject to performance measures	Date becomes exercisable	Exercisable until
Simon Carter	22/06/22	4,275	421	18	No	01/09/25	28/02/26
Bhavesh Mistry	22/06/22	4,275	421	18	No	01/09/25	28/02/26

1. The option price of 421p represents a 20% discount to the three day Volume Weighted Average Price between 24 and 26 May 2022.

Payments to past Directors & payments for loss of office (audited)

There were no payments to past Directors or payments to Directors for loss of office during the year ended 31 March 2023.

Directors' shareholdings and share interests (audited)

The table below shows the Directors' shareholdings, including shares held by connected persons, as at year end or, if earlier, the date of retirement from the Board.

Although there are no shareholding guidelines for Non-Executive Directors, they are each encouraged to hold shares in British Land. The Company facilitates this by offering Non-Executive Directors the ability to purchase shares quarterly using their post-tax fees. During the year ended 31 March 2023, Mark Aedy, Irvinder Goodhew and Tim Score have each received shares in full or part satisfaction of their fees.

Director	Outstanding scheme interests as at 31 March 2023			Total shares subject to outstanding share plan awards	Shares held		Total of all share plan awards and shareholdings as at 31 March 2023
	Unvested share plan awards (subject to performance measures)	Unvested share plan awards (not subject to performance measures)	Unvested share plan option awards		As at 1 April 2022	As at 31 March 2023	
Simon Carter	1,061,599	3,238	4,275	1,069,112	227,728	263,203	1,332,315
Bhavesh Mistry	629,331	83,659	4,275	717,265	78,001	164,288	881,553
Tim Score (Chair)					100,526	124,283	124,283
Mark Aedy ¹					2,072	9,491	9,491
Lynn Gladden					18,339	18,339	18,339
Irvinder Goodhew ¹					9,746	21,487	21,487
Alastair Hughes					7,371	7,371	7,371
Nicholas Macpherson ²					5,600	5,600	5,600
Preben Prebensen					20,000	20,000	20,000
Laura Wade-Gery					9,585	9,585	9,585
Loraine Woodhouse					8,760	12,123	12,123

1. The shareholdings for Mark Aedy and Irvinder Goodhew as at 1 April 2022 have been restated from the 2022 Annual Report. The amounts shown on page 147 of the 2022 Annual Report under 'as at 31 March 2022' incorrectly included 1,916 shares for Irvinder Goodhew and 1,544 shares for Mark Aedy that were allotted to the Directors on 5 April 2022 in full satisfaction of their respective NED Fees.

2. Nicholas Macpherson retired from the Board on 12 July 2022. The figure of 5,600 shares was his shareholding at that date.

Acquisitions of ordinary shares after the year end

In addition, on 5 April 2023, the following Non-Executive Directors were allotted shares at a price of 385.85 pence per share in full or part satisfaction of their fees:

Non-Executive Director	Shares allotted
Tim Score	6,480
Irvinder Goodhew	3,581
Mark Aedy	2,241

The Executive Directors have purchased or been granted the following fully paid ordinary British Land shares under the terms of the partnership, matching and dividend elements of the Share Incentive Plan:

Executive Director	Date of purchase or award	Purchase price	Partnership shares	Matching shares	Dividend shares
Simon Carter	14/04/23	393.17p	38	76	-
	15/05/23	371.70p	41	82	-
Bhavesh Mistry	14/04/23	393.17p	38	76	-
	15/05/23	371.70p	41	82	-

Other than as set out above, there have been no further changes from 31 March 2023 up to the date this Annual Report was approved by the Board on 16 May 2023.

Shareholding guidelines

The shareholding guidelines (as a percentage of salary) for Executive Directors are 200% for the Chief Financial Officer and 225% for the Chief Executive. In addition, Executive Directors are required to retain shares equal to the level of this guideline (or if they have not reached the guideline, the shares that count at that time) for the two years following their departure. There is no set timescale for Executive Directors to reach the prescribed guideline but they are expected to retain net shares received on the vesting of long term incentive awards until the target is achieved. Shares that count towards the holding guideline are those which are unfettered and beneficially owned by the Executive Directors and their connected persons, conditional Share Incentive Plan shares and all vested awards count towards the requirement on a net of tax basis. Any LTIP performance shares or share options do not count.

The guideline shareholdings for the year ending 31 March 2023 are shown below based on the Volume Weighted Average Price for 31 March 2023 of 387.8p:

Executive Director	Guideline as percentage of basic salary	Guideline holding	Holding counting toward guidelines at 31 March 2023	% of Salary Held (Based on 31 March 2023 Shareholding)
Simon Carter	225%	435,147	263,203	136%
Bhavesh Mistry	200%	252,708	164,288	130%

Unvested share awards (subject to performance)

Executive Director	Date of grant	Number outstanding at 31 March 2023	Subject to performance measures	End of performance period	Vesting date	
Simon Carter	LTIP performance shares	22/06/20	272,812	Yes	31/03/23	22/06/23
	LTIP performance shares	22/06/21	377,666	Yes	31/03/24	22/06/24
	LTIP performance shares	19/07/22	411,121	Yes	31/03/25	19/07/25
Bhavesh Mistry	LTIP performance shares	19/07/21	121,787	Yes	31/03/23	03/07/23
	LTIP performance shares	02/08/21	238,945	Yes	31/03/24	02/08/24
	LTIP performance shares	19/07/22	268,599	Yes	31/03/25	19/07/25

Unvested share awards (not subject to performance)

Executive Director	Date of grant	Number outstanding at 31 March 2023	Subject to performance measures	Vesting date	
Bhavesh Mistry	LTIP performance shares	19/07/21	44,273	No	29/05/23
	LTIP performance shares	19/07/21	28,209	No	27/05/24
	LTIP performance shares	19/07/21	9,403	No	26/05/25

Unvested option awards (not available to be exercised)

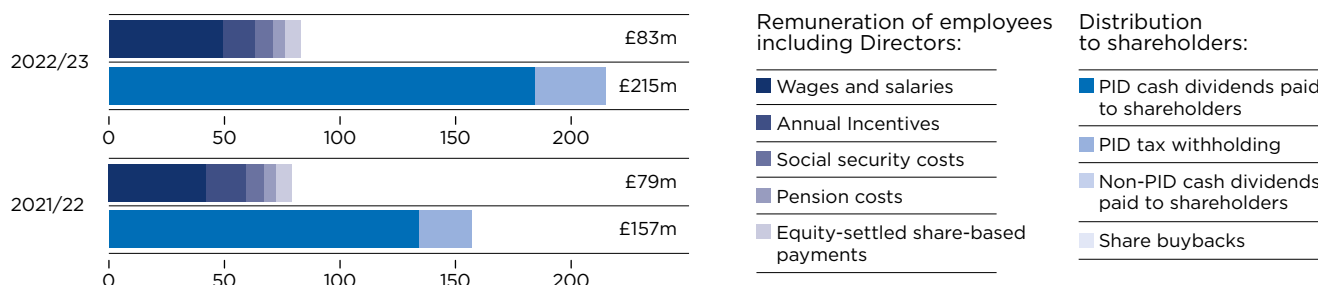
Executive Director	Date of grant	Number outstanding at 31 March 2023	Option price pence	Subject to performance measures	End of performance period	Date becomes exercisable	Exercisable until	
Simon Carter	Sharesave options	22/06/22	4,275	421	No	N/A	01/09/25	28/02/26
Bhavesh Mistry	Sharesave options	22/06/22	4,275	421	No	N/A	01/09/25	28/02/26

On 2 March 2023, 4,137 options granted to Simon Carter on 18 June 2019 under the Company's SAYE share scheme lapsed in full.

Other disclosures

Relative importance of spend on pay

The graph below shows the amount spent on the remuneration for all employees (including Executive Directors) relative to the amount spent on distributions to shareholders for the years to 31 March 2023 and 31 March 2022. Remuneration of employees increased by 5.1% relative to the prior year. This is largely attributable to improved company performance resulting in larger bonus payments across the business. Distributions paid to shareholders during the year increased by 37% relative to the prior year. This increase is a result of the delayed impact of the Company paying full dividends in 2022/23, compared with the prior year whereby the effects of the Covid-19 pandemic had a material impact on the level of dividends that were paid.



Total shareholder return and Chief Executive's remuneration

The graph below shows British Land's total shareholder return for the 10 years from 1 April 2013 to 31 March 2023 against that of the FTSE All-Share Real Estate Investment Trusts (REIT) Total Return Index for the same period. The graph shows how the total return on a £100 investment in the Company made on 1 April 2013 would have changed over the 10-year period, compared with the total return on a £100 investment in the FTSE All-Share REIT Total Return Index. This index has been selected as a suitable comparator because it is the index in which British Land's shares are classified.

The table below sets out the total remuneration of the Chief Executive over the same period as the Total Shareholder Return graph.

The Annual Incentive awards against maximum opportunity and LTIP vesting percentages represent the year end awards and forecast vesting outcome for the Chief Executive. The quantum of Annual Incentive awards granted each year and long term incentive vesting rates are given as a percentage of the maximum opportunity available.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 ²	2022/23 ³
Chief Executive	Chris Grigg	Chris Grigg	Chris Grigg	Chris Grigg	Chris Grigg	Chris Grigg	Chris Grigg	Chris Grigg	Simon Carter	Simon Carter
Chief Executive's single total figure of remuneration (£000)	5,398	6,551	3,623	1,938	2,279	1,653	1,534	1,644	1,919	1,736
Annual Incentive awards against maximum opportunity (%)	90	96	67	33	63	36	28	53	91	62%
Long term incentive awards vesting rate against maximum opportunity (%)	98	93	54	15	16	0	0	0	0	11%

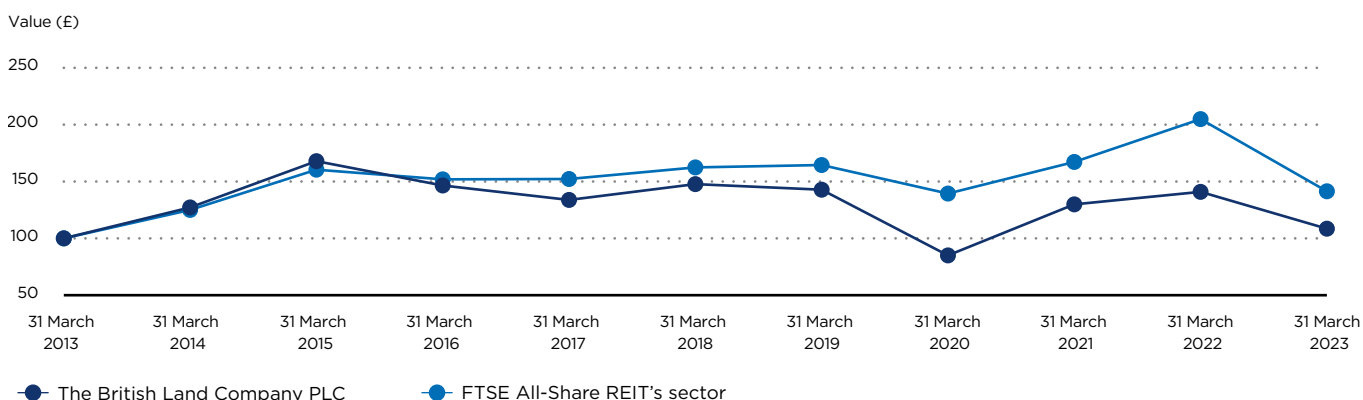
1. The amount shown for the 2020/2021 year is a blended figure, representing the remuneration paid to Chris Grigg and Simon Carter for the respective periods that they served as CEO.

2. Confirmed outcome.

3. Estimated outcome.

Total shareholder return

The graph below shows British Land's total shareholder return for the 10 years to 31 March 2023, which assumes that £100 was invested on 1 April 2013. The Company chose the FTSE All-Share REIT's sector as an appropriate comparator for this graph because British Land has been a constituent of that index throughout the period.



CEO pay ratio

The 2022/23 CEO pay ratio, prepared in line with Method A of the reporting regulations, is set out below, along with historic data. In line with the method used last year, this method is considered to be the most comparable approach to the Single Figure calculation used for the CEO. The pay data is based on employees as at 31 March 2023 and has been analysed on a full-time equivalent basis, with pay for individuals working part-time increased pro-rata to the hours worked. Employees on maternity/paternity leave have been included in the analysis.

The table below shows the movement in median ratio since 2019/20. The median ratio has decreased in 2022/23 due to the lower bonus payout for the CEO and an increase in the total pay figure for the median employee which is driven by higher variable pay. The median ratio is considered to be consistent with the pay and progression policies within British Land as the remuneration policy for the CEO is set based on the same principles as the policy for the wider employee population. As such, salaries for all employees are set to reflect the scope and responsibilities of their role and take into account pay levels in the external market. The majority of staff are also eligible to receive a bonus, and whilst variable pay represents a larger proportion of the CEO's package, in all cases, there is a strong link between payouts and the performance of both the Company and the individual. The Committee Chair has provided an explanation of the relationship between reward and performance on page 141.

CEO pay ratio	2019/20	2020/21 ¹	2021/22	2022/23
Method	A	A	A	A
CEO single figure (£000)	1,534	1,644	1,919	1,736
Upper quartile	14:1	16:1	17:1	15:1
Median	22:1	23:1	26:1	22:1
Lower quartile	33:1	35:1	38:1	33:1

1. The 2020/21 single total figure of remuneration represents a blended amount calculated by reference to the amounts paid to Chris Grigg and Simon Carter for the respective periods that they served as Chief Executive during the year.

The salary and total pay for the individuals identified at the Lower quartile, Median and Upper Quartile positions in 2022/23 are set out over the page. Having reviewed the pay levels of these individuals it is felt that these are representative of the structure and quantum of pay at these points in the distribution of employees' pay.

DIRECTOR'S REMUNERATION REPORT *continued*

2022/23 Employee pay	Salary	Total pay £
Upper quartile	77,595	118,239
Median	65,000	77,980
Lower quartile	40,076	52,829

Directors' remuneration compared to remuneration of British Land employees

The table below shows the percentage changes in different elements of the Directors' remuneration relative to the previous financial year and the average percentage changes in those elements of remuneration for employees of the listed parent company The British Land Company PLC. An explanation of the changes between 2022 and 2023 is provided below, with the explanation of changes in prior periods available in the relevant Annual Report and Accounts.

- CEO: Simon did not receive a salary increase between 2022 and 2023, nor since his promotion to CEO in November 2020. The annual bonus for Simon Carter decreased between 2022 and 2023 mirroring corporate performance over this period and the reduction in taxable benefits is driven by a reduction in the company's private medical insurance premium.
- Other Directors: The fees receivable by the Non-Executive Directors did not change between 2022 and 2023 as the rates and responsibilities remained the same across the period with the exception of Irvinder Goodhew who was appointed to the Remuneration Committee during the year and stepped down from the ESG Committee. Taxable benefits relate to transport and accommodation which increased in the year ended 31 March 2023 compared with the prior year due to a reduced level of overnight stays during the tail end of Covid-19.
- Employee average: The increase in employee salaries was due to inflationary and promotional increases during the year. The reduction in the average employee annual bonuses is as a result of lower performance outcomes in 2023 compared to 2022, although this was slightly mitigated by salary increases during the year, of which bonuses are a multiple. The reduction in benefits is largely driven by changes in employee choices of benefits.
- Methodology: Bhavesh Mistry and Mark Aedy are not included in the table below as they were appointed during the year ended 31 March 2022 and therefore do not have two full years' worth of fees to compare. They have not received an increase in salary or fees during the period beyond those attributable to changes in Committee responsibilities for Non-Executive Directors. Bhavesh's pay arrangements are unchanged over the relevant periods (from his appointment on 19 July 2021 until 31 March 2023).

Remuneration element	2023 vs 2022			2022 vs 2021			2021 vs 2020		
	Base salary/fees % change	Benefits % change	Annual bonus % change	Base salary/fees % change	Benefits % change	Annual bonus % change	Base salary/fees % change	Benefits % change	Annual bonus % change
Simon Carter	0%	-2%	-32%	35%	-2.8%	117%	n/a	n/a	n/a
Tim Score	0%	0%	n/a	7%	0%	n/a	20%	0%	n/a
Lynn Gladden	0%	98%	n/a	7%	100%	n/a	-6%	0%	n/a
Irvinder Goodhew	3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Alastair Hughes	0%	n/a	n/a	9%	0%	n/a	-3%	0%	n/a
Preben Prebensen	0%	n/a	n/a	12%	0%	n/a	12%	0%	n/a
Laura Wade-Gery	0%	n/a	n/a	13%	0%	n/a	0%	0%	n/a
Loraine Woodhouse	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average employees	9	-7%	-17%	6%	-7%	50%	2%	1%	84%

The Committee reviews, takes advice and seeks information from both its independent adviser and the Human Resources department on pay relatively within the wider market and the Company throughout the year. The CEO pay ratio, ethnicity and gender pay ratio help to inform the Committee in its assessment of whether the level and structure of pay within the Company is appropriate. The Committee is satisfied with the current Policy and feels the opportunity and alignment are appropriate at the current time.

Non-Executive Directors' remuneration (audited)

The table below shows the fees paid to our Non-Executive Directors for the years ended 31 March 2023 and 31 March 2022:

	Fees ¹		Taxable benefits ²		Total	
	2023 £000	2022 £000	2023 £000	2022 £000	2023 £000	2022 £000
Chair and Non-Executive Directors						
Tim Score (Chair)	375	375	0	0	375	375
Mark Aedy	69	39	0	0	69	39
Lynn Gladden	77	77	4	2	81	79
Irvinder Goodhew	77	75	0	0	77	75
Alastair Hughes	96	96	0	0	96	96
Nicholas Macpherson ³	20	72	0	0	20	72
Preben Prebensen	95	95	0	0	95	95
Laura Wade-Gery	97	97	1	0	98	97
Loraine Woodhouse	92	92	1	0	93	92

1. Fees include the basic fee of £64,000 paid to each Non-Executive Director as well as Committee membership and Chair roles, with exception of the Chair.
2. Taxable benefits include the expenses incurred by Non-Executive Directors. The Company provides the tax gross up on these benefits and the figures shown above are the grossed up values. There is no variable element to the Non-Executive Directors' fees.
3. Nicholas Macpherson stepped down from the Board on 12 July 2022.

Remuneration Committee membership

As at 31 March 2023, and throughout the year under review, the Committee was comprised wholly of independent Non-Executive Directors. The members of the Committee, together with attendance at Committee meetings, are set out in the table below:

Director	Position	Date of appointment (to the Committee)	Attendance
Laura Wade-Gery	Chair	13 May 2015	6/6
Lynn Gladden	Member	20 March 2015	6/6
Irvinder Goodhew	Member	17 November 2021	6/6
Preben Prebensen	Member	1 September 2017	6/6

During the year ended 31 March 2023, Committee meetings were also part attended by Tim Score (Chair), Simon Carter (Chief Executive Officer), Bhavesh Mistry (Chief Financial Officer), Brona McKeown (HR Director, General Counsel and Company Secretary), Kelly Barry (Reward Director) and Gavin Bergin (Head of Secretariat) other than for any item relating to their own remuneration. A representative from Korn Ferry also routinely attends Committee meetings.

The Committee Chair holds regular meetings with the Chair, Chief Executive and HRD, GC and Company Secretary to discuss all aspects of remuneration within British Land. She also meets the Committee's independent remuneration advisers, Korn Ferry, prior to each substantive meeting to discuss matters of governance, Remuneration Policy and any concerns they may have.

How the Committee discharged its responsibilities during the year

The Committee's role and responsibilities have remained unchanged during the year and are set out in full in its terms of reference which can be found on the Company's website britishland.com/committees. The Committee's key areas of responsibility are:

- developing the performance conditions relating to the Company's 2030 Sustainability Strategy within the approved 2022 Directors' Remuneration Policy, in respect of which the Committee received in-depth technical briefings from subject matter experts from the business;
- reviewing the Remuneration Policy and strategy for members of the Executive Committee and other members of executive management, whilst having regard to pay and employment conditions across the Group;
- determining the total individual remuneration package of each Executive Director, Executive Committee member and other members of management;
- monitoring performance against conditions attached to all annual and long term incentive awards to Executive Directors, Executive Committee and other members of management and approving the vesting and payment outcomes of these arrangements; and
- selecting, appointing and setting the terms of reference of any independent remuneration consultants.

DIRECTOR'S REMUNERATION REPORT *continued*

In addition to the Committee's key areas of responsibility, during the year ended 31 March 2023, the Committee also considered the following matters:

- reviewing and recommending to the Board the Remuneration Report to be presented for shareholder approval;
- remuneration of the Executive Directors and members of the Executive Committee including achievement of corporate and individual performance; and pay and Annual Incentive awards below Board-level;
- the extent to which performance measures have been met and, where appropriate, approving the vesting of Annual Incentive and long term incentive awards;
- granting discretionary share awards; reviewing and setting performance measures for Annual Incentive awards and Long Term incentives;
- reviewing the Committee's terms of reference;
- feedback from the HRD, GC and Company Secretary and Remuneration Consultants following consultation with a workforce panel set up to discuss Executive remuneration;
- the Committee was made aware of the results of engagement surveys and any general themes that are impacting employees. All-employee communications were sent from Executive Committee members, including the CEO, relating to wider Company remuneration;
- considering gender and ethnicity pay gap reporting requirements; and
- receiving updates and training on corporate governance and remuneration matters from the independent remuneration consultant.

The Committee's terms of reference have been reviewed by the Committee during the year and no changes were made.

Remuneration consultants

Korn Ferry was appointed as independent remuneration adviser by the Committee on 21 March 2017 following a competitive tender process. Korn Ferry is a member of the Remuneration Consultants Group and adheres to that group's Code of Conduct. The Committee assesses the advice given by its advisers to satisfy itself that it is objective and independent. The advisers have private discussions with the Committee Chair at least once a year in accordance with the Code of Conduct. Fees, which are charged on a time and materials basis, were £109,440 (excluding VAT). Korn Ferry also provided general remuneration advice to the Company during the year.

Voting at the Annual General Meeting

The table below shows the voting outcomes of the resolutions put to shareholders regarding the Directors' Remuneration Report and Remuneration Policy at the AGM in July 2022.

Resolution	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld
Directors' Remuneration Report (2022)	633,429,298	96.49	23,012,044	3.51	656,441,342	678,007
Directors' Remuneration Policy (2022)	631,747,807	96.24	24,675,598	3.76	656,423,405	695,944

Service Contracts and Letters of Appointment

The letters of appointment of Non-Executive Directors are subject to renewal on a triennial basis. In accordance with the UK Corporate Governance Code, all Directors stand for election or re-election by the Company's shareholders on an annual basis. The Directors' service contracts and letters of appointment are available for inspection during normal business hours at the Company's registered office and at the Annual General Meeting.

Executive Director Service Contracts

All Executive Directors have rolling service contracts with the Company which have notice periods of 12 months on either side.

Director:	Length of service contract	Date of service contract	Normal notice period to be given by either party
Simon Carter	12 months	18 November 2020	12 months
Bhavesh Mistry	12 months	19 July 2021	12 months

Executive Directors' external appointments

Executive Directors may take up one non-executive directorship at another FTSE company, subject to British Land Board approval. The Executive Directors do not currently hold any paid external appointments.

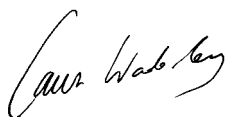
Chairman and Non-Executive Directors Letters of Appointment

The unexpired terms of the Chairman's and Non-Executive Directors' letters of appointment are shown below:

Director:	Original date of appointment	Effective date of appointment in most recent letter of appointment	Unexpired term at 16 May 2023 (months)
Tim Score (Chairman)	20 March 2014	15 May 2023	14
Preben Prebensen (SID)	1 September 2017	1 September 2020	14
Mark Aedy	1 September 2021	1 September 2021	26
Lynn Gladden	20 March 2015	24 May 2021	14
Irvinder Goodhew	1 October 2020	1 October 2020	14
Alastair Hughes	1 January 2018	1 January 2021	14
Laura Wade-Gery	13 May 2015	24 May 2021	14
Lorraine Woodhouse	1 March 2021	1 March 2021	14

Although the Chair's and Non-Executive Directors' appointments are for fixed terms, their appointments may be terminated immediately without notice if they are not reappointed by shareholders or if they are removed from the Board under the Company's Articles of Association or if they resign and do not offer themselves for re-election. In addition, their appointments may be terminated by either the individual or the Company giving three months' written notice of termination (or, for the current Chairman, six months' written notice of termination). Despite these terms of appointment, neither the Chair nor the Non-Executive Directors are entitled to any compensation (other than accrued and unpaid fees and expenses for the period up to the termination) for loss of office save that the Chair and Non-Executive Directors may be entitled, in certain limited circumstances, such as corporate transactions, to receive payment in lieu of their notice period where the Company has terminated their appointment with immediate effect.

This Remuneration Report was approved by the Board on 16 May 2023.



Laura Wade-Gery
Chair of the Remuneration Committee

DIRECTORS' REPORT AND ADDITIONAL DISCLOSURES

The Directors present their Report on the affairs of the Group, together with the audited financial statements and the report of the auditor for the year ended 31 March 2023.

The Directors' Report also encompasses the entirety of our Corporate Governance Report from pages 106 to 163 and Other Information section from pages 246 to 253 for the purpose of section 463 of the Companies Act 2006 (the 'Act'). The Directors' Report and Strategic Report together constitute the Management Report for the year ended 31 March 2023 for the purpose of Disclosure and Transparency Rule 4.1.8R. Information that is relevant to this Report, and which is incorporated by reference and including information required in accordance with the Act and or Listing Rule 9.8.4R, can be located in the following sections:

Information	Section in Annual Report	Page
Future developments of the business of the Company	Strategic Report	18 to 35
Dividends	Strategic Report	39
Financial instruments - risk management objectives and policies	Strategic Report	43 to 45
Viability and going concern statements	Strategic Report	61
Employment policies and employee involvement	Strategic Report	66 to 69
Sustainability governance	Strategic Report	91 to 92
Greenhouse gas emissions, energy consumption and efficiency	Strategic Report	102 to 103
Governance arrangements	Governance	112 to 119
Long term incentive schemes (LR 9.8.4 (4))	Directors' Remuneration Report	146
Capitalised interest (LR 9.8.4 (1))	Financial Statements	188 and 193
Exposure to risks	Financial Statements	209 to 218
Additional unaudited financial information (LR 9.8.4 (2))	Other Information (unaudited)	246 to 253

Annual General Meeting (AGM)

The 2023 AGM will be held at 11:00 on 11 July 2023 at 100 Liverpool Street, EC2M 2RH.

A separate circular, comprising a letter from the Chair of the Board, Notice of Meeting and explanatory notes on the resolutions being proposed, has been circulated to shareholders and is available on our website britishland.com/agma.

Articles of Association

The Company's Articles of Association (the 'Articles') may only be amended by special resolution at a general meeting of shareholders. Subject to applicable law and the Articles, the Directors may exercise all powers of the Company.

→ **The Articles are available on the Company's website britishland.com/governance.**

Board of Directors

The names and biographical details of the Directors and details of the Board Committees of which they are members are set out on pages 108 to 111 and are incorporated into this Report by reference. Changes to the Directors during the year and up to the date of this Report are set out on page 107. The Company's current Articles require any new Director to stand for election at the next AGM following their appointment. However, in accordance with the Code and the Company's current practice, all continuing Directors offer themselves for election or re-election, as required, at the AGM.

Details of the Directors' interests in the shares of the Company and any awards granted to the Executive Directors under any of the Company's all-employee or executive share schemes are given in the Directors' Remuneration Report on pages 152 to 153. The service agreements of the Executive Directors and the letters of appointment of the Non-Executive Directors are also summarised in the Directors' Remuneration Report and are available for inspection at the Company's registered office.

The appointment and replacement of Directors is governed by the Articles, the Code, the Act and any related legislation. The Board may appoint any person to be a Director so long as the total number of Directors does not exceed the limit prescribed in the Articles. The Articles provide that the Company may by ordinary resolution at a general meeting appoint any person to act as a Director, provided that notice is given of the resolution identifying the proposed person by name and that the Company receives written confirmation of that person's willingness to act as Director if he or she has not been recommended by the Board. The Articles also empower the Board to appoint as a Director any person who is willing to act as such. The maximum possible number of Directors under the Articles is 20. In addition to any power of removal conferred by the Act, the Articles provide that the Company may by ordinary resolution (and without the need for any special notice) remove any Director from office. The Articles also set out the circumstances in which a person shall cease to be a Director.

The Articles require that at each annual general meeting each person who is a Director on a specific date selected by the Board shall retire from office. The date selected shall be not more than 14 days before, and no later than, the date of the notice of annual general meeting. A Director who retires at an annual general meeting shall be eligible for reappointment by the shareholders.

Directors' interests in contracts and conflicts of interest

No contract existed during the year in relation to the Company's business in which any Director was materially interested.

The Company's procedures for managing conflicts of interest by the Directors are set out on page 115. Provisions are also contained in the Articles which allow the Directors to authorise potential conflicts of interest.

Directors' liability insurance and indemnity

The Company maintains Directors' and Officers' liability insurance cover in respect of any potential legal action brought against its Directors.

'Qualifying third party indemnity' provisions (as defined by Section 234 of the Companies Act 2006) were in force during the course of the year ended 31 March 2023 for the benefit of the then Directors of the Company, and at the date of this Report, are in force for the benefit of the Directors of the Company in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, power or office.

Share capital

The Company has one class of shares, being ordinary shares of 25p each, all of which are fully paid. Holders of ordinary shares are entitled to attend and speak at general meetings of the Company and to appoint one or more proxies or, if the holder of shares is a corporation, one or more corporate representatives. On a show of hands, each holder of ordinary shares shall have one vote, as shall proxies. On a poll, every holder of ordinary shares present in person or by proxy shall have one vote for every share for which they are a holder. There are no restrictions on voting rights or the transfer of shares except in relation to Real Estate Investment Trust restrictions.

The Directors were granted authority at the 2022 AGM to allot relevant securities up to a nominal amount of £77,237,612 as well as an additional authority to allot shares to the same value again for a rights issue. This authority will apply until the conclusion of the 2023 AGM or the close of business on 29 September 2023, whichever is the sooner. At this year's AGM, shareholders will be asked to renew the authority to allot relevant securities.

At the 2022 AGM a special resolution was also passed to permit the Directors to allot shares for cash on a non-pre-emptive basis both in connection with a rights issue or similar pre-emptive issue and, otherwise than in connection with any such issue, up to a maximum nominal amount of £11,585,641. A further special resolution was passed to permit the Directors to allot shares for cash on a non-pre-emptive basis up to the same amount for use only in connection with an acquisition or a specified capital investment. At this year's AGM, shareholders will be asked to renew such powers.

At the 2022 AGM a special resolution was passed to permit the purchase of up to 92,685,134 ordinary shares. This authority will expire at the earlier of the conclusion of the 2023 AGM or close of business on 29 September 2023. The Company made no purchases of its own shares into treasury during the year pursuant to the above authority. The Company continued to hold 11,266,245 ordinary shares in treasury during the whole of the year ended 31 March 2023 and to the date of this Report.

→ **Further details relating to share capital, including movements during the year, are set out in Note 20 to the financial statements on pages 220 to 222.**

Rights under an employee share scheme

Employee Benefit Trusts (EBTs) operate in connection with some of the Company's employee share plans. The trustees of the EBTs may exercise all rights attached to the Company's ordinary shares in accordance with their fiduciary duties other than as specifically restricted in the documents which govern the relevant employee share plan.

Waiver of dividends

Blest Limited and Equiniti Share Plan Trustees Limited act as trustees (Trustees) of the Companies discretionary Employee Share Trust (EST) and Share Incentive Plan respectively. The EST holds and, from time to time, purchases British Land ordinary shares in the market, for the benefit of employees, including to satisfy outstanding awards under the Company's various executive employee share plans. Dividend waivers are in place from the Trustees in respect of all dividends payable by the Company on shares which they hold in trust.

Substantial interests

All notifications made to British Land under the Disclosure and Transparency Rules (DTR 5) are published on a Regulatory Information Service and made available on the Investors section of our website.

As at 31 March 2023, the Company had been notified of the interests noted below in its ordinary shares in accordance with DTR 5. The information provided is correct at the date of notification.

	Interests in ordinary shares	Percentage holding disclosed %
BlackRock, Inc.	111,736,660	12.04
Norges Bank	72,963,230	7.87
APG Asset Management N.V.	55,244,122	5.96
Invesco Ltd.	45,871,686	4.95
Brookfield Asset Management Inc.	29,409,577	3.17

Since the year end, and up to 16 May 2023, the Company had been notified of the following interests in its ordinary shares in accordance with DTR 5. The information provided is correct at the date of notification:

	Interests in ordinary shares	Percentage holding disclosed %
BlackRock, Inc.	115,899,477	12.48

Change of control

The Group's unsecured borrowing arrangements include provisions that may enable each of the lenders or bondholders to request repayment or have a put at par within a certain period following a change of control of the Company. In the case of the Sterling bond this arises if the change of control also results in a rating downgrade to below investment grade. Further details on our unsecured borrowing arrangements can be found on page 45.

There are no agreements between the Company and its Executive Directors or employees providing for compensation for loss of office or employment that occurs specifically because of a takeover, merger or amalgamation with the exception of provisions in the Company's share plans which could result in options and awards vesting or becoming exercisable on a change of control. All appointment letters for Non-Executive Directors will, as they are renewed, contain a provision that allows payment of their notice period in certain limited circumstances, such as corporate transactions, where the Company has terminated their appointment with immediate effect.

Payments policy

We recognise the importance of good supplier relationships to the overall success of our business. We manage dealings with suppliers in a fair, consistent and transparent manner.

→ For more information please visit the Suppliers section of our website at britishland.com/suppliers.

Events after the balance sheet date

→ Details of subsequent events, if any, can be found in Note 26 on page 225.

Political donations and expenditure

The Company and its subsidiaries did not make any political donations or incur any expenditure during the year ended 31 March 2023 (nil).

Inclusive culture

British Land employees are committed to promoting an inclusive, positive and collaborative culture. Our 2030 Diversity, Equality & Inclusion Strategy sets out our commitments and goals to make British Land the most inclusive organisation it can be. We treat everyone equally irrespective of age, sex, sexual orientation, race, colour, nationality, ethnic origin, religion, religious or other philosophical belief, disability, gender identity, gender reassignment, marital or civil partner status, or pregnancy or maternity. As stated in our Equal Opportunities Policy, British Land treats 'all colleagues and job applicants with equality. We do not discriminate against job applicants, employees, workers or contractors because of any protected characteristic. This applies to all opportunities provided by the Company including, but not limited to, job applications, recruitment and interviews, training and development, role enrichment, conditions of work, salary and performance review'. The Company ensures that our policies are accessible to all employees, making reasonable adjustment when required.

Through its policies and more specifically the Equal Opportunities, Disability and Workplace Adjustment and Recruitment policies, the Company ensures that entry into, and progression within, the Company is based solely on personal ability and competence to meet set job criteria. Should an employee, worker or contractor become disabled in the course of their employment/engagement, the Company aims to ensure that reasonable steps are taken to accommodate their disability by making reasonable adjustments to their existing employment/engagement.

Community investment

Our financial community investment during the year totalled £2.2m (for the year ended 31 March 2022: £1,813,909). Of this, £1.5m came from the Social Impact Fund which is managed by the Social Impact Committee and overseen by the ESG Committee.

The Company also supports employee fundraising and payroll giving which are included in the figures above. For the year ended 31 March 2023 this covered:

- 50% uplift of British Land staff payroll giving contributions (capped at £5,000 per person and £50,000 per annum for the whole organisation); and
- A staff matched funding pledge, matching money raised for community organisations by British Land staff up to £500 per person per year.

Our community investment is guided by our Local Charter, working with local partners to make a lasting positive difference:


- connecting with local communities
- supporting educational initiatives for local people
- supporting local training and jobs
- supporting local businesses
- contributing to local people's wellbeing and enjoyment

Through our community investment and Local Charter activity, we connect with communities where we operate, make positive local contributions, help people fulfil their potential, help businesses grow, and promote wellbeing and enjoyment. This all supports our strategy to create Places People Prefer.

Auditor and disclosure of information

PwC has indicated its willingness to remain in office and, on the recommendation of the Audit Committee, a resolution to reappoint PwC as the Company's auditor will be proposed at the 2023 AGM.

The Directors' Report was approved by the Board on 16 May 2023 and signed on its behalf by:



Brona McKeown
HR Director, General Counsel and Company Secretary

The British Land Company PLC
Company number: 621920

Directors' Responsibilities Statement

The Directors' Responsibilities Statement below has been prepared in connection with the Annual Report and financial statements for the year ended 31 March 2023. Certain parts of the Annual Report and financial statements have not been included in this announcement as set out in Note 1 to the financial information.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Act.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in Corporate Governance Report on pages 108 to 111, confirms that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted International Accounting Standards and IFRSs issued by IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company and profit of the Company; and
- the Strategic Report and Directors' Report, which represent the management report, include a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

By order of the Board.



Bhavesh Mistry
Chief Financial Officer

16 May 2023