

HELPING PEOPLE THRIVE



Alastair Hughes
Chair of the ESG Committee

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	2/3
Lynn Gladden	Member	1 Apr 2019	3/3
Mark Aedy	Member	17 Nov 2021	3/3
Amanda Mackenzie	Member	1 Sep 2023	2/2

* Alastair Hughes was unable to attend the March 2024 Committee meeting due to illness. The meeting was chaired by Mark Aedy in Alastair's absence.

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. 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.

I am pleased to present the report of the ESG Committee for the year ended 31 March 2024 which sets out in detail the activity undertaken by the Committee during the year.

Key areas of focus for the coming year

This year we have seen steady progress towards achieving our 2030 Sustainability Strategy. In particular, we are pleased to be ahead of our target in achieving an A or B grade EPC by ERV across the portfolio. It is also fantastic to see the Transition Vehicle operating in full swing with a substantial amount of funding spent on carbon efficient interventions.

Our people remain central to what we do and we were delighted to be recognised for the 6th year running as a leading employer by the Social Mobility Foundation. In addition this year we achieved accreditation as a Living Wage Employer.

We are keen to continue to push ourselves to achieve and lead in sustainability which can be seen in our new social value target and Logistics Sustainability Targets.

We will continue to monitor the culture of British Land through our workforce engagement methods including those outlined in this Report. 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 whilst monitoring progress against the Diversity, Equality & Inclusion Strategy, and gender and ethnicity pay gaps.

We will also closely monitor our health and safety processes and incidents to ensure lessons learned are acted upon and that high standards continue to be demanded.

Committee effectiveness

Committee effectiveness was considered as part of the externally facilitated Board effectiveness review as detailed on page 93.

The Board reviewed the Terms of Reference of the Committee during the year and considered that they remained appropriate. They are available at britishland.com/committees.

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Committee responsibilities

The Committee organises its business under three pillars: Environment, Social and Governance. 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
- Monitor progress against our 2030 Sustainability Strategy

Social

- Oversee the delivery of the Social Impact Fund and the work of the Social Impact Committee
- Assess and monitor company culture to ensure it is aligned with strategy
- Engage with the workforce on behalf of the Board
- Review the effectiveness of workforce engagement methods
- Monitor progress against our Diversity, Equality & Inclusion Strategy
- Encourage the development of our social impact activities

Governance

- Oversee the work of the Health & Safety Committee and Sustainability Committee, which in turn is responsible for the Social Impact Committee and Transition Vehicle
- Oversee and monitor our Health & Safety systems
- Monitor our processes and mechanisms for building relationships with customers, suppliers & others

Environment

Leading by example

British Land continues to be recognised as an industry leader for our sustainability efforts. Notable accolades and achievements during the year include:

- maintained a 5 star GRESB rating for Developments and designated a Global Sector Leader for the second year running after becoming the first amongst our peers to achieve an industry-leading score of 99/100
- regained a 5 star GRESB rating for Standing Investments with a score 14 points ahead of the overall average and named a Regional Sector Leader in the listed category
- improved our CDP rating from B to A-

2030 Sustainability Strategy progress – Greener Spaces

We have continued to make excellent progress against our 10-year strategy. We achieved a further reduction in the average embodied carbon intensity of our current office developments to 625kg CO₂e per sqm during the year, and became one of the first of our peers to set a target for our logistics developments under our 2030 Sustainability Strategy. Performance against our 2030 targets for operational carbon and operational energy remains on track following further carbon efficient interventions during the year. As a result of our interventions, 58% of our portfolio has now achieved an A or B rating EPC by ERV, an improvement of 13% during the year and ahead of our FY24 stretch target of 55%.

Transition Vehicle

The Transition Vehicle has now committed a total of £13m across our portfolio, which comprises £3m on carbon offsetting and £10m on carbon efficient interventions and Renewable Gas Guarantees of Origin. A key Committee decision during the year was the increase in our internal Carbon Levy price. We were proud to be amongst the first in our peer group to introduce a Carbon Levy in 2020 of £60 per tonne in line with guidance at the time. We have now increased the Carbon Levy to £90 per tonne to better reflect the true cost of carbon and further incentivise teams to reduce embodied carbon.

Social

Social value target

Following the adoption of social value reporting by the Company for the first time in the 2023 Annual Report, a key highlight during the year was the introduction of a headline social and economic value target of £200m by 2030. Our overall target consists of £100m of direct social value, enabled by our £25m Social Impact Fund, and £100m of direct economic value which is created through spend with SMEs across the UK. We are also targeting a further £100m of indirect social and economic value by 2030 which will be achieved through our development activity, for example s.106 outcomes and provisions.

This year we have generated £29.8m direct social and economic value comprising of £9.4m direct social value and £20.4m direct economic value.

As social value is rapidly evolving, reporting requirements are not always clear. As part of setting our 2030 social value target we have committed to achieving clarity on social value boundaries and greater transparency on how this value is generated. To support this, when announcing the target we published our methodology for calculating the various components of social value to ensure that our reporting in this area is clear, meaningful and accessible.

2030 Sustainability Strategy progress – Thriving Places

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 made good progress against our 2030 social impact targets this year reaching 8,100 education and employment beneficiaries and providing £1m of affordable space. 10% of British Land employees were expert volunteers this year and we are on track to achieve 12% by 2030.

We are immensely proud that British Land has become a Living Wage accredited employer during the year.

Social Impact Fund

We oversee the Social Impact Fund which supports delivery against our targets by providing funding to charities, social enterprises and community organisations predominantly operating in and around our places. The Fund delivers against targets for our three main areas of focus: education, employment and affordable space. A total of £1.3m cash was spent in the year ended 31 March 2024 of which £1m was directed by our Social Impact Committee. We have a commitment of £25m, comprising £15m of cash contributions and at least £10m of affordable space, by 2030.

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The Committee was delighted to see the fusion of our social impact was alongside our approach to planning at Camden with the creation of the Creative Producer co-design programme. This serves a dual purpose: engaging with and understanding the local community and providing meaningful upskilling and employment opportunities, connecting people to our places.

Governance

Health & Safety

The Committee is regularly updated on management’s approach to health and safety and is kept informed of the rigour and detail of the systems in place to ensure our buildings and practices are safe. We maintained our ISO 45001 accreditation for compliance with the ISO’s Occupational Health and Safety Standard with our certification renewed to February 2027. During the year we continued our involvement in the Construction Productivity Taskforce and engagement with the British Property Federation of which British Land is a member, and also became a member of BuildUK. The Committee was also briefed on preparations ahead of the potential introduction of Martyn’s Law, relating to the preparedness of certain premises against terrorist attacks, including Action Counters Terrorism refresher training being delivered to all operations teams.

Suppliers & Partners

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 discussed. 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. We encourage open and collaborative relationships with our supplier partners and seek to promote an inclusive supply chain. Our values are embedded into our procurement processes through our rigorous tendering and onboarding processes and all of our suppliers have signed up to our Supplier Code of Conduct which seeks to promote safe and fair working conditions. During the year we achieved Living Wage Employer accreditation by closely working with our supply chain.

Diversity, Equality & Inclusion Strategy

The Committee is responsible for overseeing progress under our 2030 Diversity, Equality & Inclusion Strategy which sets out a number of quantifiable targets across five pillars:

People & Culture	Recruitment & Career Progression	Supply Chain	Leadership	Places & Communities
<ul style="list-style-type: none"> - Reduce our gender and ethnicity pay gaps - Undertake an Equal Pay Audit every two years - Provide regular equality training for our people and our leadership team 	<ul style="list-style-type: none"> - Ensure a bias free recruitment process through anonymised hiring practices - Focus on internal mobility - Create opportunities for young people from diverse backgrounds 	<ul style="list-style-type: none"> - Ensure an inclusive recruitment process by adopting a DE&I Charter - Build a responsible supply chain - Embed our values into supplier contracts via DE&I terms 	<ul style="list-style-type: none"> - Ensure a diverse leadership team through diversity targets for our Board, senior management and leadership teams - Encourage leaders to participate in reverse mentoring programme with ethnic minority colleagues 	<ul style="list-style-type: none"> - Support diverse communities in and around our places - Achieve 10% participation in our employee Expert Volunteering Programme

An update on key points of progress during the year under our DE&I Strategy can be found within the People section of the Strategic Report on page 73.

Workforce Engagement Statement

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 rather than designating a single Non-Executive Director or workforce panel. We use a range of engagement methods which are reviewed

regularly and refreshed as necessary to maximise engagement and ensure it is aligned with our culture, values and strategy.

Some of our key engagement mechanisms are described below, including impact and outcomes and any changes during the year following the Committee's review of their effectiveness. Further information on our workforce engagement can be found on page 73.



Employee Engagement Survey

90%
participation in
November 2023

Measuring impact

+22%
increase in score
on Enjoyment of
Physical Workspace
vs FY23

Employee engagement survey

We undertake regular surveys to assess employee engagement levels and identify any areas of concern. Data is thoroughly interrogated to understand trends over time and monitor the impact of any initiatives introduced in response to survey feedback.

Review of effectiveness

Employee engagement is strong, with a record participation rate of 90%, and engagement score of 78% which was 7% higher than the national benchmark, in our November 2023 survey. Following the success of the joint session with the Remuneration Committee to analyse the November 2022 survey results through a diversity lens, it was agreed that this would be repeated for all future employee engagement surveys.

Activity during the year

In response to feedback in our November 2022 survey, the following action was taken during the year:

- Refurbished our head office to refresh and increase collaborative space
- Set a corporate objective to improve IT systems and began a widescale programme of upgrades

- Relunched our Learning & Development programme to deliver mandatory management training
- Introduced additional support and new healthcare benefits to promote disability inclusion and established a working group to centralise adjustment policies and processes

Impact & outcomes

As a result of these actions, responses to our 2023 survey showed:

- Significant increase in score on Enjoyment of Physical Workspace vs FY23 (+22%)
- Increase in score on Systems and Processes vs FY23 (+7%)
- Increase in score on Learning and Development vs FY23 (+6%) with colleagues who did not attend university answering 8% higher than the Company average when asked if people from all backgrounds have equitable opportunities to advance their career at British Land
- Significant increase in positive scores given by respondents who identified as having a disability for Reward (+20%), Workload Balance (+10%) and Career Opportunities (+10%)



Company conference

Our company conferences are held every 18 months and are a rare opportunity to bring all our employees, including those at regional sites, into one venue. A theme is chosen for each conference to reflect the culture, values and strategic priorities of the business. Sessions often involve talks, panel discussions and Q&As with senior leadership, business, community partners and staff participating.

This year's conference was themed on Partnerships and Collaboration, which is a key component of the British Land operating model. Representatives of our key

collaborators attended the conference including JV partners, suppliers and social impact partners.

Review of effectiveness

Employee feedback was sought following last year's company conference as it was the first to be held post-pandemic. Staff were asked for their view on how frequently these should be held. We were delighted to hear that the majority of employees find conferences useful and engaging and supported these being held once every 18 months. Feedback on the right length of the conference and the topics discussed was taken into account when planning this year's conference.



Rewarding the workforce

Our Company-wide Share Incentive Plan and Save As You Earn Scheme continue to operate for the benefit of our employees. There is also a link

between the formulaic calculation of outcomes of the financial targets for Executive Director bonuses and the bonus outcomes for all staff.

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Employee networks

Network chairs regularly present at Executive and ESG Committee meetings to:

- Highlight social issues affecting our people and provide a forum for discussion
- Offer an additional channel of communication between leadership and the workforce and gain further insight into feedback trends
- Make requests for adjustments relating to our people
- Assist the ESG Committee with monitoring the impact of any agreed actions or initiatives to address workforce concerns

Our Networks are instrumental to many of the employee initiatives overseen by the ESG Committee, often working closely with Committee members, senior leadership and Human Resources to provide valuable input and challenge as well as fostering connections at all

levels of the business. Examples of the work of some of our Networks during the year include:

- REACH Network chair Dale Hoskins and Executive Committee member Kelly Cleveland co-authored a blog post about their experiences participating in our pilot reverse mentoring program to increase visibility of the scheme and its value
- Our NextGen Network ran a series of Fireside Chats with Executive Committee members on their 'Career Setbacks' which were open to all employees
- The EnaBLE Network ran a series of blog posts on ADHD in which employees from around the business shared their experiences to promote understanding of neurodiverse conditions

Detailed case studies on the work of two of our Networks including impact and outcomes can be found overleaf.



Internal communications

Open and honest two-way communication between leadership and the business is key to fostering a culture of openness aligned with our values:

- Our Internal Communications team sends a fortnightly companywide email summarising key business activities and organisational changes

- We have a biweekly Network News feature detailing upcoming events and our popular staff blogs covering a range of topics
- 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



Director engagement

We have a number of established methods that provide an opportunity for engagement between the workforce and the Board. This year, the Committee conducted a review of these mechanisms with the aim of strengthening Board engagement and as a result, approved the introduction of two new methods as well as the refreshment of an existing method.

NED Breakfasts (refreshed)

Our 'NED Breakfast' programme provides an opportunity for employees to share an informal breakfast with our Non-Executive Directors. These sessions have run on an 'invitation only' basis, with selected participants often being more senior. Following the Committee's review, this year the programme will be re-launched so that all employees can register their interest in attending, to allow more junior colleagues, or those who would not otherwise interact with Non-Executive Directors as part of their role, greater access to our senior leadership.

'In Conversation With' & Mentoring

This year, our women's network, EquitaBLE, arranged 'In Conversation with Lynn Gladden and Tim Score' where employees heard Lynn speak about her career, followed by a panel discussion with Tim about gender equity. Our mentoring scheme to pair highly performing senior employees with Non-Executive Directors continued for its fourth year.

NED Q&A (new)

Following the positive response to our 'In Conversation With' sessions featuring our Non-Executive Directors, this year we plan to host our first 'NED Q&A' session during one of our all-staff meetings. A panel of Non-Executive Directors will answer questions submitted by staff, and the session will be recorded and posted on our intranet to engage employees across our assets.

ESG Committee lunches (new)

This year, we will introduce a new lunch session between ESG Committee members and presenters before each Committee meeting to allow them time to interact in a social setting ahead of the meeting.

Case Study: Parents & Carers

In October 2023, the Parents and Carers Network conducted a survey to which over 10% of the workforce responded, to help the network develop their strategy and programme of events for 2024. Parents, carers and their line managers were given the opportunity to say what is working well, what could be improved and where more support could be provided. They were also encouraged to share any initiatives or ideas that could be explored by the network and/or the business.

The results of this survey were presented to the Committee at their meeting in March 2024 and an action plan was agreed to address areas for improvement:

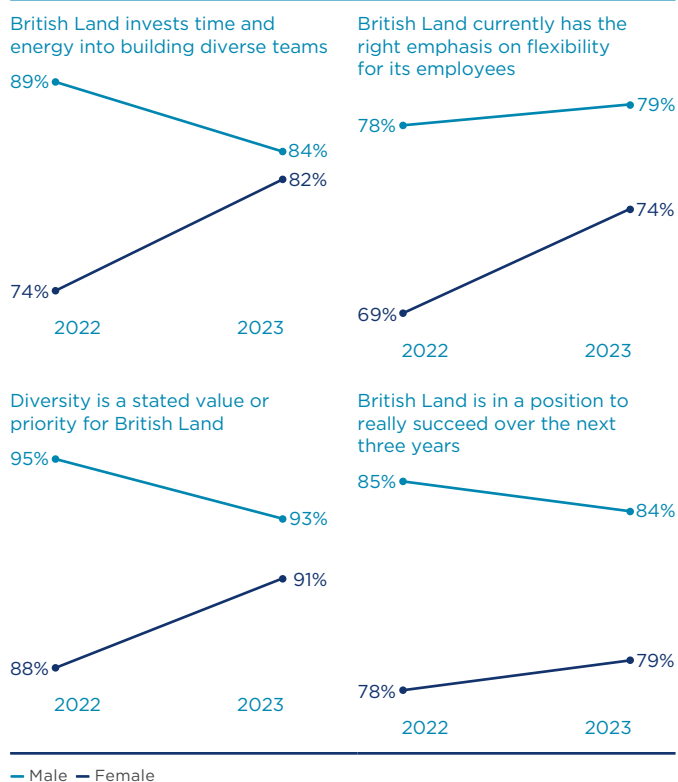
Topic/Area	Action agreed
<p>Policies – almost half of respondents found policies difficult to locate, and many felt interpretation of policies could be manager specific and therefore inconsistent</p>	<p>The network will work with HR and the Group Technology team to:</p> <ul style="list-style-type: none"> – Ensure current policies are more easily accessible and communicated clearly – Review current policies to provide greater clarity and add sections for specific caring circumstances such as blended families, end of life care and ‘exceptional circumstances’
<p>Manager Training – a number of managers surveyed wanted more training, guidance and tools to support those in their team balance their working and parental or caring responsibilities</p>	<p>The network and HR will collaborate to:</p> <ul style="list-style-type: none"> – Adapt manager training to incorporate specific guidance for managers of parents and carers including practical examples of common challenges faced – As part of this, provide an overview of policies and their implementation to ensure policies are applied consistently across teams
<p>Network Strategy & Programme – those surveyed were asked to share ideas of topics and events for the network to include in their 2024 programme</p>	<p>Our 2024 strategy and events plan will include a focus on topics identified, including:</p> <ul style="list-style-type: none"> – More support and raising awareness of blended families including stepparents and single parents – Events and support tailored for parents of children with special educational needs and disabilities

We look forward to providing an update on our progress over the next year, and will continue to work closely with management and leadership, supported by the Committee, to ensure that arrangements for parents and carers are optimal for both the business and our people.

Case Study: EquitaBLe

Last year we reported how the work of the EquitaBLe Network had reduced gendered differences in responses to our employee engagement survey results from January 2022 to November 2022. The Network has continued to build on this work, and we were pleased to see in our November 2023 employee engagement survey that the gap in perception between genders had narrowed even further, with only one survey question having a statistically significant difference in the scores given by men and women.

However, while the gap had closed for certain metrics as a result of improved scores from women, for two metrics the reduction was as a result of a decline in scores from men.



Although it is gratifying to see that scores from women around flexible working have improved even further following the work of the network to address this, a key area of focus for the coming year will be to understand why, for certain other areas, scores from men have worsened since 2022, particularly around attitudes towards diversity. It is crucial that a focus on a particular social group or demographic does not detract from the experiences of others and contributes to fostering an inclusive environment.