TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

CLIMATE-RELATED FINANCIAL DISCLOSURES

This statement aligns with the TCFD framework, as required under FCA UK Listing Rule 6.6.6R(8). It is consistent with the TCFD recommendations and relevant recommended disclosures. In addition, we have considered the sector-specific guidance and recommended disclosures for Materials and Buildings Group.

TCFD Pillar	TCFD Recommended Disclosure	Page
Governance	a) Describe the Board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	65
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	65
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks. b) Describe the organisation's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	71 and 72
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	72

Introduction

We consider climate change within our principal risk 'Environmental and Social Sustainability' see pages 60 and 61. Sustainability is embedded throughout our business and for more than a decade we have been recognised for this approach. We understand our responsibility and opportunity to support an equitable transition to a low carbon economy and to create resilient places for our customers. In addition, we believe that delivering on these sustainability targets will create value for our business as demand from occupiers and investors gravitates towards the best, most sustainable space.

Through our TCFD-aligned disclosures, we aim to provide transparent, decision-useful insights into how climate-related risks and opportunities inform our strategic direction, operational planning and long term value creation. These disclosures are intended to help investors, customers and wider stakeholders understand the resilience of our business in a changing climate, as well as the actions we are taking to support a just and orderly transition to a low carbon economy.

In FY26, we continued to make good progress against our 2030 Sustainability Strategy. To remain aligned with the latest climate science and evolving definitions of net zero, we reviewed our Science Based Target initiative (SBTi) targets in line with forthcoming Buildings Guidance, while maintaining our 2030 goals as consistent markers of ambition. We have submitted our targets and awaiting SBTi validation, and will report progress from FY27.

This year, we refreshed our Nature Strategy, setting out new commitments to trial embodied carbon ecological assessments and enhance access and enjoyment of green space at our places. Furthermore, we report against Taskforce on Nature-related Financial Disclosures (TNFD) recommendations for the first time in the 2026 Sustainability Progress Report.

We have progressively taken action to prepare for future reporting developments. This includes monitoring the introduction of the UK Sustainability Reporting Standards (UK SRS S1 and S2). We are also continuing work to align with emerging guidance from the Transition Plan Taskforce as expectations around transition planning evolve. These steps ensure we remain well prepared as disclosure standards continue to develop.

READ MORE
about our approach to decarbonisation and nature climate resilience in our 2026 Sustainability Progress Report on pages 7 to 18 www.britishland.com/SPR

Governance

(a) Board oversight

The Board has ultimate accountability for the Group's strategy and risk management, which includes oversight of climate-related risks and opportunities. Oversight is exercised through direct Board engagement, the work of its Committees and delegation to the Chief Executive. The Board receives an update on climate-related issues and progress against our targets several times per year. The Board monitors principal risks, including 'Environmental and Social Sustainability', to ensure appropriate controls and processes are in place for effective management as recommended by the Audit Committee. The Board approves our TCFD disclosure as recommended by the Audit Committee.

The ESG Committee oversaw the delivery of our Sustainability Strategy. The Remuneration Committee is responsible for setting ESG targets for executive remuneration and receives progress updates against these targets three times a year. The Long Term Incentive Plan for Executive Directors includes targets linked to the reduction of operational carbon and operational energy, and the Annual Incentive Plan includes targets linked to our progress on portfolio EPC ratings and our performance in GRESB. These targets are set out in the summary of the Remuneration Policy (see page 102). The Audit Committee reviews and approves the effectiveness of risk management and internal control processes for climate-related risks throughout the year. In addition, it assesses principal and emerging climate-related risks following recommendation by the Risk Committee twice a year.

(b) Management's role

The Board provides oversight of climate-related risks and opportunities and delegates day-to-day responsibility for implementation of the Group's strategy to the Chief Executive, supported by the Executive Committee, with management responsible for operating the systems, processes and controls through which climate considerations are integrated into business activities.

Executive responsibility

The Chief Financial Officer is the Board Director with responsibility for climate-related matters and chairs the Risk Committee, while the Chief Operating Officer leads delivery of the Sustainability Strategy and chairs the Sustainability Committee. Climate-related considerations are embedded within investment and development decision making and are reviewed by the Investment Committee, chaired by the Head of Real Estate and Investment. The Risk Committee oversees management's approach to identifying, assessing and managing material climate-related risks, escalating significant and emerging risks to the Audit Committee to support effective Board oversight.

Sustainability team responsibility

The Sustainability team is responsible for the day-to-day monitoring and management of climate-related issues and works with business functions to identify risks and opportunities through horizon scanning and stakeholder engagement.

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further information on our approach to Governance and changes to our Governance structure with the effect from the conclusion of our 2026 AGM can be found on page 76

FY26 Governance in action:

- COO sustainability training: our COO was previously Joint Head of Canada Water, and so is knowledgeable on our Sustainability Strategy and climate-related issues, and has completed the Business & Sustainability Programme course at Cambridge Institute for Sustainability Leadership (CISL).
- CFO sustainability training: previously as the COO, our CFO led the delivery of the Sustainability Strategy so has extensive knowledge of our climate-related issues and has also completed formal sustainability training by completing the Business & Sustainability Programme course at CISL.
- ESG Committee activities: outlined on pages 84 to 87 including the sustainability-related updates provided to the Board by the ESG Committee Chair.

Strategy

(a) Our identified climate-related risks and opportunities over our short, medium and long term time horizons.

Material risk and opportunities identification

TCFD divides climate-related risks into two categories – (1) Risks associated with the transition to a low carbon economy (e.g., policy and legal risks); and (2) The risks related to the physical impacts of climate change – both acute (event-driven e.g., floods: river, flash, coastal; windstorm, extratropical cyclone) and chronic (longer term shifts in climate patterns e.g., heat stress, precipitation, drought, sea level rise).

We work with Willis Towers Watson (WTW) to identify and assess our exposure to climate-related issues including existing and emerging regulatory requirements. Where relevant, this modelling has included input from key internal business areas. In FY24, we updated our physical issues modelling and in FY25 we updated our transition issues modelling.

We used the climate exposure diagnostic metric and value at risk (VaR) to assess our portfolio's risk from climate-related physical impacts. The climate exposure diagnostic metric assesses an asset's exposure based on its location and the severity and intensity of potential impacts. VaR is the financial impact quantification of asset damage and business interruption from acute physical risks. The VaR analysis considers both exposure to physical risks and evaluates potential vulnerabilities and consequences in terms of financial impact. These results are considered a 'residual' measure, as risk adaptation measures could mitigate potential financial impacts.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Time horizons and scenarios

Transition risks were modelled in two climate scenarios across two time horizons – short term (<12 months) and medium term (5-10 years, up to 2030). When quantifying transition risks beyond a 10-year timeframe, the underlying assumptions become increasingly significant to the resulting values. These assumptions have significant levels of uncertainty so we have only presented transition risks in the short and medium term.

For physical risks we modelled risks in the current climate and in potential future climates across the short term (<12 months), medium term (5-10 years, up to 2030) and long term (post-2050). Physical risks are shown in the short term time horizon, both to align with our annual financial planning and to outline potential acute risks. Post-2050 was chosen for the long term time horizon as this is when future climate scenarios start to differentiate from the current climate when we can expect more frequent and severe climate-related impacts. This aligns with the portfolio's standard 60-year building life.

Transition risk scenarios and parameters

Time horizon	Scenario name		IPCC scenarios	IEA scenarios	NGFS scenarios	Temperature rise[1]	2030 UK carbon price	Global net zero achieved by
Up to 2035	Net Zero World (1.5 °C) scenario	Orderly	RCP1.9 SSP1	NEZ2050	Net Zero 2050	<1.5°C	$118 to $263	2050
	Paris Consistent (2°C) scenario	Orderly	RCP2.6 SSP1	Sustainable Development Scenario	Below 2°C	<2°C	$53 to $82	2070
		Disorderly			Delayed Transition		$0 to $25	

1. Temperature rise in 2100 compared to pre-industrial levels

Physical risk scenarios and parameters[1]

Time horizon	Scenario name	IPCC scenarios	Atmospheric CO_2	Temperature rise[2]	Sea level rise	River flood modelling sources	Coastal flood modelling sources
Up to 2030	Current climate		410ppm	1.1°C	0.20m	Munich Re NATHAN[3] based on JBA flood maps	WTW proprietary coastal flood exposure model
Post-2050	Paris Consistent (2°C) scenario	RCP2.6 SSP1	450ppm	1.6°C	>0.55m	Munich Re climate hazard conditioned based JBA flood maps & Coupled Model Intercomparison Project Phase 5.	Munich Re climate hazard sea level rise data combined with storm surge
	Hothouse world >4°C scenario	RCP8.5 SSP5	>1,000ppm	4.3°C	>0.78m		

1. These scenarios assess the risk of increasing frequency and severity of acute weather events as recommended in the Section E Materials and Buildings group sector-specific guidance.
2. Temperature rise in 2100 compared to pre-industrial levels.
3. Munich Re NATHAN is a tool for assessing physical risks based on hazard zones.

Defining a material risk and/or opportunity

We define a 'material' risk or opportunity in line with the combination of its potential impact, both financial and/ or reputational, and its likelihood. This approach is used across the business to assess all types of risk, and so climate risk is embedded into our broader risk framework. We generally deem a climate-related risk or opportunity as material if it would have at least a medium financial and/or reputational impact.

	Low	Medium	High
Financial impact thresholds (£)	Less than £10m	£10m to £100m	Greater than £100m
Likelihood thresholds (chance of occurrence in a given year)	Unlikely to occur and/or there are limited instances of occurrence observed in the past 5+ years	Could happen and/or a few instances of occurrence observed in past 3-4 years	Likely to occur and/or there is a recent history of occurrence of this threat within the last 2 years
Reputational impact thresholds	Limited reputational impact	Significant temporary or limited sustained impact	Significant sustained impact

Material risk and opportunities heat map

The most material risks and opportunities are shown in the heat map to the right, with these issues detailed in the next section.

The Likelihood of mean flood risk increased in FY24 following a change to our risk management Likelihood categories. The change meant that low financial impact regularly occurring flooding events now fall within the High Likelihood category. The potential financial impact also slightly increased as we combined river flooding and flash flooding. The increasing customer demand for green, low carbon buildings is an ongoing opportunity as it is occurring now and should continue for the foreseeable future.

In FY26 we downgraded the potential financial impact of MEES compliance from high to medium high risk. This is because we have made excellent progress towards MEES compliance. We have spent £34m[1] out of an expected £100m and 75% of our portfolio, by ERV, is now rated EPC B or above.

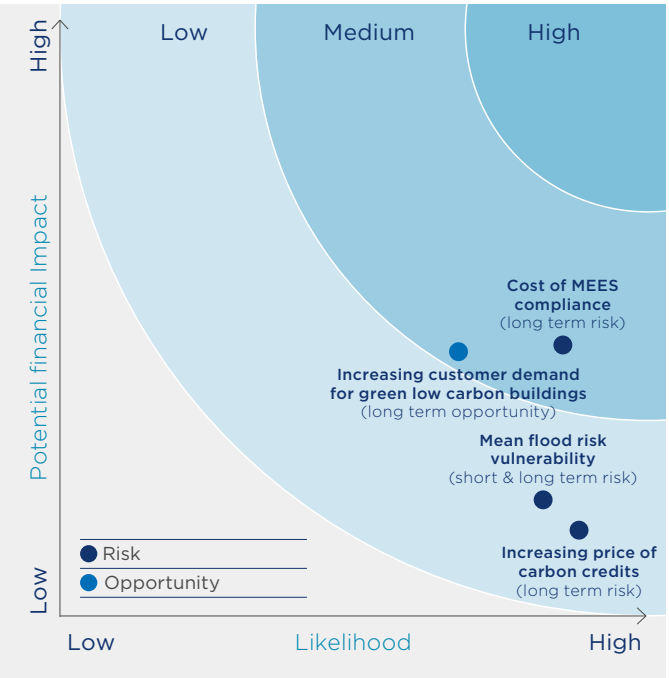
Identified climate risks and opportunities

Continue to monitor

Our 'Continue to monitor' risks and opportunities are not currently material but have the potential to be in the coming years, so we review them on an ongoing quarterly basis. We believe that some of these risks, such as the 'Increased costs of raw materials', may provide opportunity for further exploration in the realm of innovative low carbon materials that minimise our environmental impact.

Risks	Opportunities
Customer demand for sustainable space results in a 'brown discount' to rents at less sustainable assets	Premium pricing for sustainable space results in 'green' premium
Occupier business model impacted by transition	Increased access to capital for sustainable businesses
Increased costs of raw materials	
Increased costs of capital	
Potential carbon taxes and levies	
Flash flooding	

Material risk and opportunities heat map



1. Comprises capital expenditure, service charge and occupier spend, including commitments from the Transition Vehicle.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Material risks and opportunities

The following section considers the impact of the identified material climate-related risks and opportunities on our business, strategy and financial planning over the short, medium and long term. It considers the resilience of our strategy and seeks to quantify impacts where possible. We do not anticipate any of these material climate-related risks to have a major impact on our financial position, financial performance and/or cash flows.

Material climate-related risks

Short term risks (<12 months to five years up to 2030)

Climate scenario	Likelihood	Description of impact	Potential financial impact	Explanation and mitigation
#1 Current physical damage to assets from river and flash flooding (Extreme weather events)				
Current climate	Low to High	This is the physical damage to assets from river and flash flooding. Potential loss of revenue from business interruption (closure of operations). Increased capital expenditure (cost) to repair damaged assets. Potential increased insurance costs.	Mean loss: <£1.5 m (pre-insurance). Since 2007, our (insured) actual annual mean loss is below the modelled value of £1.5m.	WTW performed climate risk modelling for our portfolio, simulating many thousands of events based on current and future climate scenarios using the assets' total insured value (British Land share of ownership). Mean losses are the average loss of modelled events weighted by the probability of their occurrence. These losses are fully insured and potential losses are shown before the impact of insurance. Since 2007, our (insured) actual annual mean loss is below the modelled value of £1.5m. Since 2011, we have commissioned periodic portfolio-wide flood risk assessments and issued flood management plans to high risk assets. In the future we plan to build on these plans by creating detailed flood mitigation plans for our high risk assets.

Medium term risks (five to fifteen years 2030 to 2040)

Climate scenario	Likelihood	Description of impact	Potential financial impact	Explanation and mitigation
#2 Increasing price of carbon credits (carbon pricing mechanisms)				
Current climate	High	Increased capital expenditure as net zero commitments by global corporates lead to increased demand for carbon credits, resulting in higher and/or volatile carbon credit prices.	£0.75m for every 100% increase in the price of carbon.	We have committed to offsetting the embodied carbon of all new developments and major refurbishments. In FY22, when our transition risk modelling was conducted, we estimated this to be c.300,000 tCO_2e by 2030 across the committed and near term development pipeline. We estimated the annual additional cost of carbon credits between FY22 and FY30 to be £0.75m if the price rose by 100% from our FY22-FY24 price of £20 per tonne. At our new price of £30 per tonne, a 100% rise in price would increase this annual additional cost to £1.1m. To mitigate this risk we pre purchase carbon credits for our developments at the point of commitment. We have now purchased sufficient carbon credits to offset the embodied carbon in 67% of our committed development pipeline. In addition, our internal carbon levy would cover a carbon credit price increase of up to £90 per tonne.
#3 Cost of complying with minimum EPC standards (changes to national legislation)				
Current climate	High	Increased capital expenditures based on the cost of upgrading assets to comply with the proposed MEES legislation. Potential loss of revenue as we are unable to lease space with an EPC rating below a 'B'. We do not anticipate this to be a risk as we will ensure that all space complies with the MEES legislation.	£12.5m per year (significant proportion service charge recoverable).	Proposed Minimum Energy Efficiency Standard (MEES) legislation is expected to require all commercial property to be a minimum EPC B. While earlier proposals referenced 2030, the government has not yet confirmed the final target date. The estimated cost across our managed portfolio to implement our existing decarbonisation and to be MEES compliant is £100m, implying an annual cost of £12.5m excluding assets in our near and medium term development pipeline. Our Transition Vehicle (see page 38) was established to finance the retrofitting of our portfolio, which aligns (but goes beyond) proposed MEES requirements. To date £34m[1] has been spent on carbon efficient interventions, of which approx. 60% is recovered through the service charge and 75% of our portfolio by ERV is now EPC A or B. We expect to derive energy efficiency benefits and related cost savings from these upgrades. In addition, in line with Opportunity #1, we could gain increased revenue from price premiums for green space.

1. Comprises capital expenditure, service charge and occupier send, including commitments from the Transition Vehicle.

Material climate-related risks continued

Long term risks (post-2050)

Climate scenario	Likelihood	Description of impact	Potential financial impact	Explanation and mitigation
#4 Future flood risk vulnerability of assets (extreme weather events)				
RCP2.6 (2C) RCP8.5 (>4C)	Low to High	This is the physical damage to assets from river and flash flooding. Potential loss of revenue from business interruption (closure of operations). Increased capital expenditure (cost) to repair damaged assets. Potential increased insurance costs.	RCP2.6 (2°C) Mean loss: £2m (pre-insurance). Losses in a bad representative year: £61.5m (pre-insurance). RCP8.5 (4°C) Mean loss: £3.3m (pre-insurance). Losses in a bad representative year: £93.1m (pre-insurance).	WTW performed climate risk modelling for our portfolio (simulating many thousands of events) based on current and future climate scenarios using the assets' total insured value (by British Land share of ownership). Modelling was completed in FY24, and as such it does not include our newly purchased assets. Mean losses are the average loss of modelled events weighted by the probability of their occurrence. For the 'representative bad year', the losses are based on low likelihood flood events for a 'bad' year, which is assumed to be a 1/100 annual likelihood across the simulations, post-2050. Under current market conditions these losses are insured against and would not be suffered by the Company under normal circumstances, although we recognise that in the long term specific assets could face cost increases or difficulty obtaining insurance.

Material climate-related opportunities

Climate scenario	Likelihood	Description of impact	Potential financial impact	Explanation and mitigation
#1 Increasing customer demand for green, low carbon buildings (changing customer behaviour and shifts in consumer preferences)				
Current climate	High	Increased revenue resulting from price premiums. An increasing number of our customers have announced net zero commitments. As our portfolio decarbonises, the most efficient, highly rated green buildings may let quicker and at a premium to market rents.	£7m.	Our scenario analysis considered market research such as a Knight Frank study in FY22 which indicated that there was a >10% rental premium above prime Central London office rents for BREEAM Outstanding space. More recent research by JLL has reached similar conclusions. This enhanced financial impact estimates British Land's share of the increased rental income if 20% of our offices (by ERV) transition to BREEAM Outstanding. The portfolio's environmental credentials will be further strengthened as we deliver against our 2030 ambitions to enhance the portfolio's energy and carbon performance.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

(b) The impact of climate-related risks and opportunities on our business, strategy and financial planning

We do not anticipate any of the identified material climate-related risks to have a major impact on our financial position, financial performance and/or cash flows in the current climate and/or any of the future climate scenarios. We prioritise the mitigation and management of the identified material climate-related risks, which are monitored as key risk indicators within our Environmental and Social Sustainability risk (see page 56). In the short term, we anticipate that the transition risks will be more material to us through increasing climate-related policy and legislation and enhanced sustainability requirements from investors and customers. We recognise that we are dependent on operating in a tolerable and safe climate that we also have an impact on climate-related risks and opportunities. We recognise our role in supporting the equitable transition to a low carbon economy, and have embedded sustainability throughout our business. Material climate-related risks and opportunities have affected the delivery of our corporate strategy (see pages 5 and 14 to 15), and financial planning including:

Area	Theme	Impact on strategy	Impact on financial planning
Products and services Adaptation and mitigation activities Operations	Upgrading the standing portfolio (Risk #3 & Opportunity #1)	– Environmental audits completed across our standing portfolio. – Asset and campus-level business plans incorporate energy savings interventions and climate resilience actions. These plans gain approval from our senior leaders including the CEO, CFO and joint venture partners where relevant. – Progress against our 2030 energy efficiency and carbon reduction targets are monitored quarterly. – 2030 energy efficiency and carbon reduction targets are included within executive remuneration, see page 103.	– Annual asset-level business plans include capex requirements for energy savings interventions. – Medium term forecasting incorporates initiatives which support our 2030 energy efficiency and carbon reduction targets. – Development decisions incorporate the environmental impacts of alternative schemes, including refurbishment and redevelopment. – Transition Vehicle enable carbon efficient interventions.
Products and services Adaptation and mitigation activities Investment in research and development Access to capital	Developing sustainable buildings (Risks #1, 2, 3 & Opportunity #1)	– Our Sustainability Brief for our Places[1] and Sustainability Brief: Office Fit Out sets stretching targets for our major developments, refurbishments and fit outs. – Low Carbon Materials Working Group established to identify innovative materials and technology to lower embodied carbon. – Adopting NABERS UK for all new office developments. – Established our Transition Vehicle in 2020 to incentivise reduction in embodied carbon and to enable the decarbonisation of our portfolio.	– Sustainable building certifications can provide access to green finance. – Our portfolio of green buildings is reviewed regularly by our Treasury team when considering options to issue green debt and establish ESG-linked revolving credit facilities.
Value chain Capital expenditure	Internal price of carbon (Risk #2)	– Internal levy of £90 per tonne of embodied carbon on developments incentivising low carbon development. – Pre purchase carbon credits for our developments at the point of commitment to provide greater certainty over costs.	– Funding generated by the levy is available pay for the carbon credits to offset residual embodied carbon in developments and decarbonisation interventions on the standing portfolio, managed by our Transition Vehicle, see page 38.
Acquisitions or divestments Operations	ESG criteria assessed as part of acquisitions (Risks #1, 3, 4 & Opportunity #1)	– ESG criteria are integrated into our due diligence procedure for new acquisitions, including flood risk exposure, presence of gas and EPC rating.	– British Land would only buy low rated assets if they offered significant redevelopment potential at attractive returns. The cost of delivering a higher rated product is integrated within our appraisals. – To manage specific risks like flood, formal flood risk assessments are funded as part of the acquisition's due diligence where necessary.

1. Read our Sustainability Brief for our Places at www.britishland.com/sustainability-brief

(c) Resilience of our strategy in the different climate-related scenarios and alignment with the just transition to a low carbon economy

We believe that our strategy is resilient to climate-related risks and opportunities and is supportive of the transition to a low carbon economy consistent with a 2°C or lower scenario. Therefore, our strategy has evolved to ensure that we mitigate climate-related risks whilst benefitting from climate-related opportunities.

Physical risk:
In the current climate, based on the VaR analysis, our portfolio's exposure to high river flood risk (1/100-year flood risk) is limited to 3% (by British Land share of ownership of total insured value). Any potential losses from flooding at our assets in high river flood risk areas are fully insured.

In the two post-2050 scenarios assessed, only river flood risk (1/100-year flood risk) was classified as 'material'. In the 2°C scenario, 4% are exposed to high river flood risk (by British Land share of ownership of total insured value). In the 4°C scenario, the high-emissions scenario where no additional action is taken to protect assets or London, exposure to high river flood risk could be 6% (by British Land share of ownership of total insured value).[1] Under current market conditions potential losses from flooding at these assets in high river flood risk areas are insured against and would not be suffered by the Company under normal circumstances, although we recognise that in the long term specific assets could face cost increases or difficulty obtaining insurance.

We consider resilience to long term flood risk through the requirements of the Climate Resilience section of our Sustainability Brief for our Places. At our high flood risk assets, we plan to implement flood mitigation interventions to reduce the risk and impact of any flooding. To align with our wider Sustainability Strategy, we will seek to prioritise nature-based solutions. The joining of decarbonisation pathways with adaptation plans is key for achieving resilient places and so far, we have completed climate resilience studies at three of our London campuses. These studies identify future climate-related physical risks, asset-level vulnerability to the risks and potential adaptation measures. The campuses and associated assets were found to not be at significant threat from climate-related risks or are already appropriately resilient to them. We plan to roll out these studies across our portfolio and implement adaptation measures where needed.

Transition risk:
Through our Pathway to Net Zero Carbon and our 2030 targets we have a clear plan to improve the energy efficiency of our portfolio which will result in the upgrading of EPCs in line with the proposed MEES legislation.

Our internal carbon levy, coupled with our Transition Vehicle, provides us with a formal price for carbon and introduces a governance structure which supports our focus on procuring high quality carbon credits while managing cost risk. Our internal carbon price is £90 per tonne. We have now pre purchased carbon credits equivalent to 95% of the embodied carbon in our committed development pipeline.

Transition opportunities:
Our customers increasingly want space that is energy efficient, to reduce operational costs and assist with their own targets. As a response, our use of NABERS energy star ratings and the upgrading of standing assets as part of our Pathway to Net Zero Carbon will support our ability to generate higher rents, as occupiers are prepared to pay a premium for more sustainable space. Our assets' sustainability credentials will be further evidenced by the forecasted BREEAM ratings of our development pipeline and our programme for upgrading the ratings of our standing portfolio, driven in part by our Sustainable Finance Framework.

Risk management

a) Processes of identifying and assessing climate-related risks

We consider climate change within our principal risk 'Environmental and Social Sustainability', with the external aspects of climate-related risks being incorporated within our 'Major Events/Business Disruption' and 'Political, Legal and Regulatory' principal risks. Therefore climate-related risks are fully integrated in our internal risk identification, assessment and management process, see pages 47 to 50. We determine the materiality of potential risks (including climate-related) using the corporate risk thresholds noted on page 67.

Our risk register tracks:

- Description of the risk (identification)
- Impact-likelihood rating (evaluation enabling prioritisation)
- Mitigants (mitigation)
- Risk owner (monitoring)

Our process for identifying and assessing risks is outlined in our risk management section, see pages 47 to 50. The Governance and Strategy sections of our TCFD disclosure outlining this process for climate-related issues, see page 65. In FY23 we worked with JLL to conduct a double materiality assessment of the most material ESG issues to our business and stakeholders[2]. We do these double materiality assessments on a regular basis with the next planned for FY27.

1. Post-2050 flood exposure percentages are based on modelling completed in FY24; this modelling is scheduled to be updated in FY27.
2. Read about our FY23 materiality review here – www.britishland.com/materiality

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b) Managing climate-related risks

Climate-related risks are managed in line with our internal risk management process, see pages 47 to 50. This section outlines our process for mitigating, accepting and controlling principal risks, including climate-related risks. The Governance Framework for Climate-Related Issues outlines our process of managing climate-related risks see page 65.

Our identified material climate-related risks are monitored as key risk indicators within our principal 'Environmental and Social Sustainability risk', see page 56. In line with our risk matrix we prioritise the mitigation and management of identified material risks.

Transition risks and opportunities (Risks #2–3, Opportunity #1) are addressed through the delivery of our Pathway to Net Zero Carbon, which affects all aspects of our business and is monitored through performance targets (see the Metrics and Targets section). In addition, we maintain asset-level business plans which include provisions for identifying climate-related risks and opportunities, such as flood risk assessments and environmental audits to identify carbon efficient interventions. We have a sustainable fit out brief to ensure that any fit outs are in line with the building's decarbonisation strategy (Risks #2, 3). Our Transition Vehicle provides funding for the carbon efficient interventions (Risk 3). We pre purchase carbon credits for our committed developments to provide greater certainty over the costs. Our internal carbon price increased to £90 per tonne in FY24 to better reflect the true cost of carbon (Risk #2).

Physical climate risks (Risks #1, 4) are managed through our key policies including our Sustainability Brief for our Places and our Sustainability Checklist for Acquisitions.

Our Sustainability Brief for our Places sets out our environmental criteria for new constructions and renovations, including requirements for energy efficiency (Risks #2, 3), flood risk (Risks #1, 4) and embodied carbon reductions (Risk #3). Our Sustainability Checklist for Acquisitions sets out our environmental criteria for acquiring a new asset, including energy efficiency (Risk #3) and flood risk categories (Risks #1, 4).

c) How processes for identifying, assessing, and managing climate-related risks are integrated in the organisation's overall risk management

This is covered in the above sections (see page 71) and in our internal risk management process (see pages 47 to 50).

Metrics and targets

To enable our shareholders to make informed decisions we set a broad range of environmental targets and detail progress against them alongside a comprehensive set of climate and energy performance data in our 2026 Sustainability Progress Report. This includes other metrics associated with climate-related risks including water consumption, energy consumption and waste management.

Our key targets are set out below:

Embodied carbon
50% reduction in upfront embodied carbon intensity across our office developments to below 500kg CO_2e per sqm from 2030
100% of developments' residual embodied carbon emissions offset
Operational carbon
75% reduction in operational carbon intensity of managed assets by 2030 vs 2019
25% reduction in whole building operational energy intensity of managed assets by 2030 vs 2019

We align to externally recognised frameworks including the Sustainability Accounting Standards Board (SASB), the EPRA Sustainability Best Practices Recommendations on Sustainability Reporting and with reference to the GRI. These disclosures align with the Section E recommended disclosures for Materials and Buildings Group companies.

We also participate in international indices including CDP 2025: A, GRESB 2025: 5* Standing Investments and 5* Development and FTSE4Good 83rd percentile.

Environmental measures are included in executive remuneration including GRESB performance and EPC A and B ratings by ERV across the portfolio. The Long Term Incentive Plan for Executive Directors includes key performance indicators linked to the reduction of operational carbon and improvement of operational energy efficiency. More details of these can be found on page 103.

(a) Our metrics to assess climate-related risks and opportunities in line with our strategy and risk management process

Climate-related risks (KRIs)

			2026	2025	2024
Policy and legal[1]	Risk #3	EPCs rated A (by ERV)	**21%**	13%	8%
		EPCs rated B (by ERV)	**54%**	55%	50%
		EPCs rated C (by ERV)	**16%**	21%	23%
		EPCs rated D (by ERV)	**4%**	5%	12%
		EPCs rated E (by ERV)	**3%**	4%	5%
		EPCs rated F (by ERV)	**0%**	0%	1%
		EPCs rated G (by ERV)	**0%**	1%	1%
		Certificate currently not available (by ERV)	**2%**	1%	nr
Extreme weather	Risks #1, 4	Percentage of portfolio located in 100-year flood zones (by British Land % ownership of total insured value)	**3%**	3%	3%
		Assets in high flood risk areas with flood management plans (by British Land share of ownership of total insured value)[2]	**100%**[3]	100%	100%

1. EPC data includes retail assets located in Scotland.
2. These values only include occupied British Land managed properties.
3. Two flood management plans were completed in May 2026.

Climate-related opportunities (targets and KPIs)

			2026	2025	2024
Resource efficiency	Risk #2	50% reduction in upfront embodied carbon intensity across our office developments completed from April 2020 (kg CO_2e per sqm) vs 2019	**587**	615	625
	Opportunity #1	75% reduction in operational carbon intensity of managed assets by 2030 vs 2019	**47%**	38%	36%[1]
		25% reduction in whole building operational energy intensity of the managed assets by 2030 vs 2019	**24%**	19%	18%
Energy sources	Opportunity #1	Electricity purchased from renewable sources	**93%**	97%	94%
		On site renewable energy generation (MWh)	**1,273**	1,411	1,772
Products and services	Opportunity #1	Standing portfolio with green building ratings (by floor area)	**33%**	33%	48%
		Developments on track for BREEAM Excellent or higher (by floor area, offices)	**100%**	100%	98%
		Percentage of gross rental income from BREEAM certified assets (managed portfolio)	**41%**	43%	62%
	Risk #2	Internal price of carbon (£ per tonne)	**£90**	£90	£60

1. Restated scope 1 emissions for increased accuracy.

Select environmental data above is assured by DNV – specific details of scope of assurance can be found in DNV's assurance statement in our 2026 Sustainability Progress Report www.britishland.com/SPR

(b) Our scope 1, scope 2 and scope 3 greenhouse gas (GHG) emissions, and the related risks

Our total scope 1, 2 and 3 GHG emissions data is subject to 'limited assurance' by DNV.[1]

1. Details about our reporting methodology and DNV's assurance statement can be found in our 2026 Sustainability Progress Report – www.britishland.com/SPR

(c) Our targets used to manage climate-related risks and opportunities and performance against targets

Our full set of sustainability targets, including our science-based targets, are detailed in our 2026 Sustainability Progress Report. Our headline climate-related targets are listed above in the Opportunities table within the 'Resource efficiency' section.

The Strategic Report was approved by the Board on 19 May 2026 and signed on its behalf by:

Simon Carter
Chief Executive