BRITISH LAND ANNUAL REPORT AND ACCOUNTS 2025

PLACES PEOPLE PREFER

Presentation of financial information

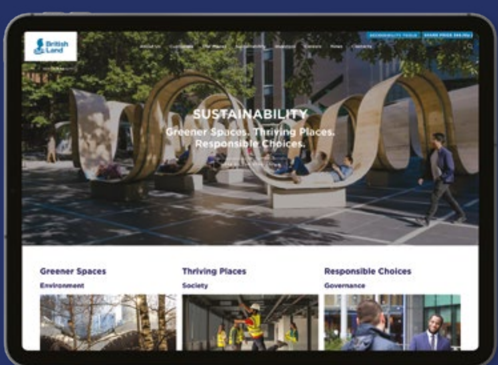
The financial statements for the year ended 31 March 2025 have been prepared on the historical cost basis, except for the revaluation of properties, investments classified as fair value through profit or loss and derivatives. The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. As outlined in Note 1 of the financial statements, the Group has adopted a number of new standards and amendments to standards for the year ended 31 March 2025, none of which have had a material impact on the Group. The accounting polices used are consistent with those contained in the Group's previous Annual Report and Accounts for the year ended 31 March 2024.

Management considers the business principally on a proportionally consolidated basis when setting the strategy, determining annual priorities, making investment and financing decisions and reviewing performance. This includes the Group's share of joint ventures on a line-by-line basis and excludes non-controlling interests in the Group's subsidiaries. The financial key performance indicators are also presented on this basis. Further analysis of the IFRS results has been disclosed in the Financial Review. We supplement our IFRS figures with non-GAAP measures, which management uses internally. IFRS measures are labelled as such. See our supplementary disclosures which start on page 207 for reconciliations, in addition to Note 2 in the financial statements and the glossary found at www.britishland.com/glossary

Integrated reporting

We integrate environmental and social information throughout this Report in line with the International Integrated Reporting Framework. This reflects how sustainability is integrated throughout our business. Our approach is focused on three key pillars: Greener Spaces, Thriving Places and Responsible Choices. For detailed social and environmental case studies and data, see our Sustainability Progress Report found at www.britishland.com/SPR

READ MORE
about our approach to sustainability on our website at **www.britishland.com**



Elliott's Field Retail Park, Rugby

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HIGHLIGHTS AND KPIs

FINANCIAL HIGHLIGHTS

Underlying EPS (diluted)	Dividend per share	EPRA NTA per share	Refinance date
28.5p	**22.80p**	**567p**	**2028**
2024: 28.5p	2024: 22.80p	2024: 562p	2024: 2027
IFRS EPS (diluted)	**IFRS profit after tax**	**IFRS net assets**	**Senior unsecured credit rating**
35.0p	**£338m**	**£5,710m**	**A**
2024: (0.1)p	2024: £1m	2024: £5,312m	2024: A

OPERATIONAL HIGHLIGHTS

Leasing activity	Gross capital activity	ERV growth	Occupancy[1]
3.3m sq ft	**£1.7bn**	**4.9%**	**98%**
2024: 3.3m sq ft	2024: £0.9bn	2024: 5.9%	2024: 97%

Queen's Shopping Park, Stafford

1. Occupancy excludes space under offer or subject to asset management initiatives and recently completed developments

FINANCIAL KPIs

Links to remuneration: LTIP Long Term Incentive Plan AI Annual Incentive Plan

Underlying Profit AI **£279m** 2024: £268m	**Net Debt to EBITDA** (Group) **8.0x** 2024: 6.8x	**Loan to value (LTV)** (proportionally consolidated) **38.1%** 2024: 37.3%
Total property return LTIP AI **6.9%** 2024: 2.0%	**Total shareholder return** **(1.0)%** 2024: 9.2%	**Total accounting return** LTIP **5.0%** 2024: (0.5)%

NON-FINANCIAL KPIs

GREENER SPACES

GRESB rating

5*

GRESB for Development and Standing Investments
2024: 5*

EPC rated A or B[1]

68%

2024: 58%

Improvement in energy intensity of managed portfolio since FY19

19%

2024: 18%

READ MORE
about our environmental strategy on page 37 and at **www.britishland.com/SPR**

THRIVING PLACES

Direct social value generated

£11.3m

2024: £9.7m[2]

Number of social impact beneficiaries

18,500

2024: 15,000

Value of affordable space provided

£1.2m

2024: £1m

READ MORE
about our social impact strategy on page 40 and at **www.britishland.com/SPR**

RESPONSIBLE CHOICES

Staff engagement

79%

2024: 78%

Ethnicity pay gap

20.0%

2024: 17.4%

Gender pay gap

13.6%

2024: 19.4%

READ MORE
about our people on page 42 and at **www.britishland.com/SPR**

1. Measured by ERV
2. FY24 restated to include an additional £0.3m of direct value subsequently identified in FY25

BRITISH LAND AT A GLANCE

Our purpose is to create and manage outstanding places that deliver positive outcomes for all our stakeholders on a long term, sustainable basis.

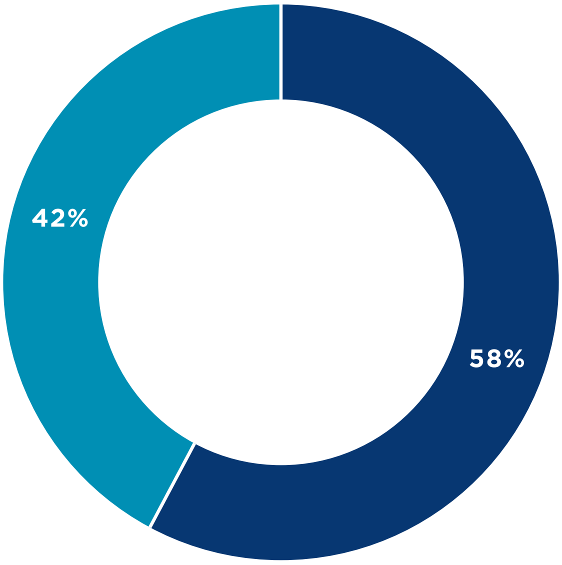
We do this by understanding the evolving needs of the people and the organisations who use our places as well as the communities who live around them.

The deep connections we create between our customers, communities, partners and people help our places and businesses to thrive.

100 Liverpool Street, Broadgate

OUR PORTFOLIO

Our portfolio of high quality UK commercial property is focused on office-led campuses in Central London, retail across the UK and London urban logistics. We own or manage a portfolio valued at £14.6bn (British Land share: £9.5bn).



Portfolio by value (British Land share)

Campuses	£5.5bn
Retail & London Urban Logistics	£4.0bn

→ BUSINESS REVIEW
from page 18

WHAT WE DO

We are a diversified business and invest in subsectors with strong rental growth prospects where we can leverage our strengths to generate an income-led total accounting return (TAR) of 8-10% through the cycle.

→ BUSINESS MODEL
from page 14

HOW WE DO IT RESPONSIBLY

Sustainability is embedded throughout the business. Our approach is focused on three key pillars where British Land can create the most benefit: Greener Spaces, Thriving Places and Responsible Choices.

→ SUSTAINABILITY REVIEW
from page 36

CHAIR'S STATEMENT

> Looking ahead, we are focused on driving income and delivering sector-leading total accounting returns.
>
> **William Rucker**
> Chair

William Rucker
Chair

Dear Shareholder,

It is a privilege to present this Annual Report, my first as Chair of British Land, following a year of strategic progress, robust operational and financial performance and a series of Board and Executive leadership changes.

My first year as Chair has been spent meeting shareholders, a wide range of other stakeholders and visiting British Land properties across the UK. During this time, I have been struck by the excellent quality of our assets, the pace at which we are delivering against our strategy and the calibre of people within the business.

Good progress in FY25

The real estate sector has faced a myriad of challenges in recent years, from the Covid-19 pandemic and working from home, inflation and rising interest rates to recent uncertainty over the impact of global tariffs. Against this backdrop, all of us at British Land continue to concentrate on the things we can control.

I am therefore encouraged by our operational and financial performance this year. Driven by the strong occupational fundamentals within our core sectors, we continue to lease space at rents significantly ahead of valuers' expectations, for example setting a new high water mark for City pre-lets at 2 Finsbury Avenue. This leasing momentum, combined with good cost control and successful asset management, means we have maintained our underlying earnings per share, despite significant development activity. Alongside this we have continued to be disciplined in our balance sheet management, and I am comfortable with leverage being towards the higher end of our range at this stage in the real estate cycle.

The strategic calls made in 2021 to invest in retail parks and continue to build best-in-class office developments are paying off, and we have achieved a lot in the year. The reshaping of our portfolio continues, with £1.7bn of gross capital activity, including the sale of Meadowhall and 50% of our stake in 2 Finsbury Avenue, the proceeds of which have been invested into higher yielding retail parks and best-in-class developments where rental growth is strongest.

Capitalising on favourable market conditions, in October 2024, we successfully raised equity to part fund the acquisition of a £441m portfolio of retail parks, a deal that was earnings accretive from day one. The Board was delighted with the level of support from shareholders and the wider market for this transaction, marking our first equity raise in 10 years.

Looking ahead, we are focused on driving income and delivering sector-leading total accounting returns, as we continue to recycle capital out of mature and non-core assets into earnings accretive opportunities.

Executive leadership and Board changes

This year has been marked by significant Executive leadership and Board changes. In November 2024, David Walker succeeded Bhavesh Mistry as Chief Financial Officer; in September 2024, Kelly Cleveland was appointed to a new combined role of Head of Real Estate and Investment; and in December 2024, Emma Cariaga was appointed as Chief Operating Officer, with David Lockyer assuming responsibility for Canada Water as Head of Development, alongside Roger Madelin. Each person has held a number of roles within the business and brings significant expertise and wisdom, which will be invaluable as we continue to execute our value add strategy.

At Board level, we were delighted to welcome Amanda James as Non-Executive Director in July 2024. Amanda brings not only deep expertise in finance, but also strong consumer, retail and multi-channel experience. In the same month, Laura Wade-Gery stepped down as Non-Executive Director and Chair of the Remuneration Committee and was succeeded by Amanda Mackenzie. In January 2025, Preben Prebensen stepped down as Senior Independent Director and was succeeded by Loraine Woodhouse and in March 2025, Irvinder Goodhew stepped down as Non-Executive Director. I'd like to thank them for their significant contribution to the Board and wish them well for the future.

I strongly believe that we need a diverse Board that reflects the places we develop and manage, and that diversity in the boardroom has a positive effect on the quality of decision making. While I am pleased that the Board has a gender balance of 50% female, we are working hard to improve the ethnic diversity of the Board at the next appropriate opportunity.

You can read more about our Board changes and Board Diversity & Inclusion Policy on pages 94 to 98.

Sustainability

We are, and continue to be, rightly focused on the transition to a greener economy. Not only is this the right thing to do but it drives tangible commercial benefit, enabling us to let space quicker, secure enhanced rents and makes our assets more valuable.

Progress has been made in all areas of our Sustainability Strategy. The percentage of the portfolio which is rated EPC A or B increased to 68%, up from 58% at FY24. We are a sector leader in sustainable development, retaining our 5-star rating in GRESB's annual sustainability assessment for both standing investments and developments, outperforming last year's scores on both metrics.

In addition, we have achieved a Top 75 Social Mobility Employer rating from the Social Mobility Employer Index, for the seventh consecutive year, and Living Wage Employer accreditation, providing external recognition of our commitment and action on ESG issues.

Concluding remarks

The last 12 months have demonstrated the strength of British Land's platform and our ability to deliver against an uncertain macroeconomic and geopolitical backdrop. The strategic calls made in 2021 to invest in retail parks and continue to build best-in-class office developments are delivering, and looking ahead, we are focused on driving earnings growth and delivering sector-leading income focused total accounting returns.

Our performance is a result of the hard work and dedication of the British Land team, and I would like to thank colleagues across the business. I am excited to be working with them, our shareholders and other stakeholders in the coming years.

William Rucker
Non-Executive Chair

CHIEF EXECUTIVE'S REVIEW

> The continued occupational strength of our key markets and the resulting above inflation rental growth gives us confidence for the future, despite ongoing macro volatility.

Simon Carter
Chief Executive

Simon Carter
Chief Executive

Overview

Our operational and financial performance has been strong this year as we've focused on the controllable elements of the business and executing our strategy.

Good levels of leasing ahead of ERV, active cost discipline and our earnings accretive retail parks acquisition partially funded via a £301m equity placing, enabled us to grow Underlying Profit by 4% and maintain Underlying earnings per share (EPS) despite significant development activity. Strong demand for our retail parks and campuses continued in FY25 and translated into ERV growth of 4.9%, at the top end of our guidance range, and 3% like-for-like net rental growth on the standing portfolio.

Portfolio values were up by 1.6%, with growth accelerating in the second half of the year. Encouragingly campus values passed an inflection point with values up 0.8% in the second half compared to a valuation decline of 1.7% in the first half of the year. This was largely driven by a valuation uplift of our best-in-class campus development pipeline, which increased by 3.2% in the second half, and we expect that our developments will be a key driver of earnings growth going forward.

Overall EPRA Net Tangible Assets (NTA) per share was up 5p as increased property valuations and retained profits more than offset the slightly dilutive NTA impact of the placing. Including dividends paid in the year of 22.88p per share, total accounting return was 5.0%. We continue to deliver good ERV growth, which we expect to be a key driver of value going forward, and reiterate our guidance of 3-5% per annum rental growth across the portfolio.

We have been nimble in seizing opportunities this year. Since 1 April 2024, we have disposed of £597m of assets, on average 2% ahead of March 2024 book value. The most notable disposals were the sale of Meadowhall and 50% of our stake in 2 Finsbury Avenue, the proceeds of which have been invested into £738m of retail parks and our best-in-class campus development pipeline.

It is the continued occupational strength of our key markets that gives us confidence for the future and in our strategy, despite continued macro volatility. 'Return to office' is in full swing, with utilisation (Tuesday-Thursday) back at pre-Covid levels and retailers continue to expand their presence on retail parks due to their affordability and strong trading. Looking forward, we feel confident that we are deploying capital into the right markets.

Operational update

Operational momentum in the business continues, with 3.3m sq ft of leasing across the portfolio, 8.6% ahead of ERV, with a further 0.9m sq ft under offer, 15% ahead of ERV. In the year, we delivered 3% like-for-like net rental income growth across the portfolio, driven by strong leasing at good rental levels. Occupancy was 98%, excluding asset management initiatives and developments completed in the last 12 months.

On our campuses, we completed 1.5m sq ft of leasing, 7.5% ahead of ERV, the second highest volume of leasing in 15 years. 1m sq ft of these were new deals including to Citadel at 2 Finsbury Avenue and Akin at 155 Bishopsgate and 0.5m sq ft were renewals and regears, demonstrating demand for existing assets in our core locations. As at 31 March 2025, there is a further 0.3m sq ft under offer, 9.2% ahead of ERV. Occupancy on our campuses is 97%, excluding asset management initiatives and developments completed in the last 12 months. On an EPRA basis, occupancy is at 83%, where the majority of vacancy is concentrated in new space on our campuses. Demand for this space is strong, and we are making good progress on leasing.

Retail parks continue to be the preferred format for many retailers due to their affordability, adaptability and accessibility. The portfolio remains virtually full at 99% occupancy and ERV growth in the year was 6.0%, above our guided range of 3-5%. Leasing volumes in the year were 1.1m sq ft, 9.6% ahead of ERV. There was a significant increase in leasing transactions in the second half of the year and a further 0.5m is under offer, 11% ahead of ERV, demonstrating continued competitive tension for space and the formats' resilience in the wake of the Autumn Budget.

Strategy

Five years on from the first Covid lockdown, it is striking how differently things have played out from the perceived wisdom at the time. Many were convinced that work from home would be the norm and the majority of shopping would be done online, delivered to front doors. We were not so sure, and so we stayed close to our customers, followed the data, looked at what we were doing in our own lives and across British Land. Based on this we became increasingly convinced that we could generate good returns by taking a contrarian position. So over the next five years, we bought £1.2bn of retail parks and committed to 3m sq ft of best-in-class campus developments, at a time when there was very little new supply coming into both markets.

Fast forward to today, the 'return to office' trend is clear, and our retail parks have never been busier or more highly occupied. This has driven strong net absorption of space, particularly over the past year, and as a result we are seeing above inflation rental growth as well as renewed investor demand across both markets, enhancing our conviction in our strategy.

Campuses

'Return to office' trends have accelerated this year, with many large businesses mandating their staff back to the office between three and five days a week. We are seeing this play out on our campuses, where office utilisation is back to pre-Covid levels on Tuesday to Thursday, and Monday is increasingly catching up with those days.

So, what does this mean for our portfolio? Previously, we have spoken about the strength of demand for best-in-class developments in core Central London locations i.e. HQ space in the most central locations next to key transport infrastructure that we deliver on our campuses. The strength of this demand continues with the number of active requirements over 100,000 sq ft in Central London reaching a record high of 36 at the end of March 2025.[1] This together with a tight supply picture is resulting in very strong rental growth.

Take the City as an example, where there is a 5.3m sq ft shortfall of new or substantially refurbished space to 2029.[2] At Broadgate, we have seen asking rents for pre-lets of best-in-class developments like 2 Finsbury Avenue increase by c.10-15% since the deal with Citadel signed in April 2024 and Cushman & Wakefield are forecasting rents for this type of space to grow by a further c.8% per annum to 2028. To capitalise on these dynamics, we have committed to upgrading Broadgate Tower. The scheme is expected to complete in late 2026, where the supply picture is particularly tight with only 12 tower floors available in the City.[3] We expect to attract occupiers looking for well located, high quality office space in a thriving campus environment and are already in conversations on 100,000 sq ft of space.

So, for the very best space the picture is positive, but what about the rest? Importantly, we are now seeing unfulfilled demand target good 'existing stock' in these core Central London locations. Vacancy for this space in the City has declined by 21% since 2023, and rents are increasing.[4] This is beneficial for our standing campus portfolio and is highlighted by 0.5m sq ft of renewals and regears completed on our campuses this year. We expect this trend to continue with unfulfilled demand for best-in-class space in core locations gravitating to good existing buildings in these locations. However, some occupiers still want to secure a new building and are adding emerging locations to their searches which can meet their demand for high quality workspace, with good amenities, and transport connectivity, but at a lower price point. These markets have been quiet since Covid, but leasing activity for new space here has more than doubled since 2023, albeit from a low base, and we are seeing increasing enquiries and negotiations for the new space we have just delivered at Canada Water.

1. JLL
2. CBRE / Cushman & Wakefield
3. Cushman & Wakefield: New and newly refurbished City availability, level 17 and above
4. Cushman & Wakefield

CHIEF EXECUTIVE'S REVIEW CONTINUED

Science and technology

Targeting fast growing occupiers is a key part of our campus strategy. The science and technology sector continues to grow driven by the rise of AI. Demand from these businesses is concentrated in the Golden Triangle (London, Oxford and Cambridge), which benefits from a strong ecosystem of academic and research institutions and a deep pool of talent. In the year we let the entirety of The Optic, a new 100,000 sq ft office and lab building located on the Peterhouse Technology Park to ARM Holdings, demonstrating the strength in demand from science and tech occupiers for new space in Cambridge.

In London, the Knowledge Quarter is the centre of this activity, as businesses cluster around world leading institutions like The Francis Crick Institute, University College London, University College London Hospital and The Turing Institute. Given its location in the heart of the Knowledge Quarter, we believe that Regent's Place has huge potential, and our aim is to replicate the success of Broadgate on this campus, through the delivery of world class buildings, public realm and amenities. We were therefore pleased to secure planning for Euston Tower in March 2025 to deliver a 560,000 sq ft office and innovation tower in the West End.

Retail parks

A key strategic call in 2021 was to deploy capital into retail parks, which have become the preferred physical format for many retailers, due to their affordability, accessibility and adaptability. This decision is paying off. Over the last four years, retail parks have been the best performing subsector in UK real estate and we have delivered a total property return of 12.7% per annum, outperforming the wider retail park sector by 380 bps.

The affordability of parks is highlighted by their low occupancy cost ratio (rent, rates and service charge as a percentage of total sales) which has reduced from 17.7% in 2016 to 9.2% today. Their location on major arterial roads on the outskirts of towns and cities with ample free car parking, means they are both highly accessible and ideal for click and collect, returning goods to store and increasingly shipping from store. The adaptability of a retail park unit, which is essentially a steel framed box, is an important feature for retailers who face significant challenges in remodelling stores on the high street and in shopping centres.

Retailers are increasingly wanting to expand on parks. Since 2016, there have been net store closures of -4,488 on the high street and -1,003 within shopping centres, but +792 net store openings at retail parks, reflecting this incremental demand.[1] With increasing retailer costs following the Autumn Budget, our conversations with key retailers suggest they are looking to offset these with efficiencies, therefore we expect the shift to parks to accelerate, as businesses opt to take more affordable space. This is already playing out on our retail parks, where leasing volumes in the second half were 2.5 times that of the first, and we have a further 0.5m sq ft of deals under offer, 11% ahead of ERV.

These strong occupational fundamentals combined with low capital expenditure requirements, pricing below replacement cost and 6-7% cash yields on day one, make retail parks an attractive investment. Since 1 April 2024, we have deployed £738m of capital into this subsector including the seven retail parks partially funded via a £301m equity placing in October 2024. Our leading scalable platform means that when we acquire retail parks, minimal additional overheads are required to operate more assets and our relationships with retailers gives us confidence in our ability to drive above market rental growth. Retail parks now make up 32% of our portfolio, up from 15% when we set out our strategy in 2021.

London urban logistics

London urban logistics is a small part of the portfolio today, but our 1.2m sq ft pipeline provides good optionality for us to grow this in the future. Our urban logistics strategy is development-led, focused on densification and repurposing opportunities in London. The sequencing of our development programme means the first schemes we'll deliver are located in London's Zone 1 and 2, where the occupational fundamentals are strong. The first is Mandela Way, a 144,000 sq ft multi-storey facility in Southwark, which we will be delivering later this year.

Capital allocation

Actively recycling capital is an important way we create value. We dispose of dry assets where we have completed our asset and development management activities and redeploy capital into opportunities with higher returns. We currently see the strongest occupational fundamentals and most attractive returns in retail parks and best-in-class developments on our campuses. Since we launched our strategy in 2021, we have recycled £3.8bn of gross capital and 93% of our portfolio is now in our chosen markets.

Since 1 April 2024, we have disposed of £597m of assets, on average 2% ahead of March 2024 book value, including the sale of our 50% stake in the Meadowhall Shopping Centre for £360m, completed in July 2024. We have an excellent track record of using joint ventures to accelerate returns, stretch our equity, share risk and earn high margin development management fees. Partners are attracted by our strong capabilities in development and asset management and our excellent track record of delivery. In January 2025, Broadgate REIT, owned equally by British Land and GIC, entered into a 50:50 joint venture agreement with Modon Holding to deliver the 750,000 sq ft 2 Finsbury Avenue development. Our share of cash proceeds received were £100m.

We have also taken advantage of opportunities to deploy £738m into high quality retail parks since 1 April 2024. This included the acquisition of seven retail parks for £441m partially funded via a £301m equity placing, which combined, added 0.2p to Underlying EPS this year and will add 0.4p in FY26. These acquisitions further build upon our market leading position in retail parks and we will look to continue to acquire in the future, but will remain disciplined on price.

1. Local Data Company, a Green Street Company

In the London office investment market, there are early signs that liquidity is increasing with £2.6bn of transactions in Q1 2025, up by nearly 30% on the previous quarter. Demand for larger lot sizes is also increasing with seven deals over £100m transacted in Q1 2025 compared to ten deals in the whole of 2024. If this trend continues, we will look to recycle capital out of our mature, lower returning office assets.

The resilience of our balance sheet is of utmost importance as it gives us the ability to navigate macroeconomic uncertainties and the flexibility to invest in opportunities as they arise. Loan to value (LTV) on a proportionally consolidated basis was 38.1% at 31 March 2025 (37.3% at 31 March 2024) and Group Net Debt to EBITDA was 8.0x (6.8x at 31 March 2024). We remain disciplined in our management of leverage and whilst these metrics are at the upper end of our internal ranges, they remain comfortable at this point in the cycle. With values inflecting, income to come from our development pipeline and a continued focus on recycling capital, our expectation is these metrics will reduce over time. For example, Group Net Debt to EBITDA would be c.7x taking into account the annualised impact of FY25 net purchases and upcoming financing of joint venture developments post completion.

We have continued to be active in debt markets, on new and extended transactions with debt providers across a range of markets. During the year, our total financing activity amounted to £2.2bn, comprising £1.3bn of new finance raised, £700m of facility extensions, and £150m of existing debentures repurchased. These strategic transactions have maintained the diverse sources of our finance and extended the debt maturity profile. As a result of this activity, at March 2025 we have £1.8bn of undrawn facilities and cash. Based on these facilities and our current commitments we have no requirement to refinance until late 2028.

Based on our policy of setting the dividend at 80% of Underlying EPS, the Board are proposing a final dividend of 10.56p, bringing the total dividend to 22.80p per share for the year, in line with the prior year.

Sustainability

We continue to make good progress against our sustainability strategy, which is focused on areas that drive commercial advantage, such as stronger occupational and investment demand for buildings with lower carbon. The percentage of the portfolio which is rated EPC A or B increased to 68%, up from 58% at FY24.[1] We remain on track to meet the proposed Minimum Energy Efficiency Standard of EPC B by 2030, and the cost of this is estimated to be around £100m, of which around two thirds will be recovered through the service charge. Since FY19 we have spent a cumulative £26m on these initiatives, c.70% of which has been recovered via service charges.

We are a sector leader in sustainable development, retaining our 5-star rating in GRESB's annual sustainability assessment for both standing investments and developments, outperforming last year's scores on both metrics. Our standing investments scored 90/100 and we scored a maximum 100/100 on our developments. Both scores are 14 points ahead of the GRESB average.

1. Measured by ERV

Outlook

Sentiment towards real estate and liquidity in our markets continued to improve during the year supported by falling inflation and interest rates, however heightened geopolitical and macroeconomic uncertainty persists, in particular with regard to global trade disputes. Against this backdrop, our cash flow predictability and the above inflation rental growth characteristics of our portfolio are increasingly important.

We are encouraged by the strong occupational fundamentals which are reducing vacancy in our markets. As such, we reiterate our guidance of 3-5% per annum rental growth across the portfolio.

Assuming medium term interest rates do not increase materially from here, we expect investment markets to continue to improve. We are already seeing good activity for retail parks and there are early signs of increasing liquidity for larger lot size offices as the investment market responds to the strong rental growth prospects for high quality space.

We expect FY26 Underlying earnings per share to be broadly flat, which equates to Underlying Profit growth of 2%. The full year benefit of the earnings accretive retail parks acquisition and associated equity placing, like for like rental growth of 3-5%, the lease up of completed developments, further reductions in admin expenses to below £80m and increased fee income are expected to offset the impact of onsite development and a 20-30 bps increase in our weighted average interest rate.

Going forward we expect to deliver 3-6% per annum earnings growth utilising our identified five levers:

- Driving like-for-like rental growth on our portfolio
- Income from committed developments (c.5p of EPS per annum, with c.80% of this to be delivered by the end of FY27)
- Increased fee income
- Disciplined cost control; and
- Continued recycling of capital from mature office assets into higher returning opportunities

Volatility creates opportunities for those that can be nimble as we showed with our opportunistic acquisitions, disposals and capital market issuances this year. With 3-5% ERV growth per annum, a portfolio yield over 6%, and development upside, we expect to deliver income focused total accounting returns of 8-10% through the cycle.

Simon Carter
Chief Executive

OUR PORTFOLIO

OFFICE-LED CAMPUSES IN CENTRAL LONDON (58% OF TOTAL PORTFOLIO BY VALUE)

Paddington Central
Located in London's West End, next to Paddington Station with access to the Elizabeth Line and Heathrow Express. Its central location and accessibility attracts a range of corporates in financial services, telecommunications and technology.

Size: 11 acres

Ownership: 25:75 JV with GIC owning 75%

Regent's Place
Located in London's Knowledge Quarter, close to academic and research institutions, including University College London, The Wellcome Trust and The Francis Crick Institute. It has excellent transport links with Euston and King's Cross stations nearby and is fast developing into one of London's leading science, technology and AI clusters.

Size: 13 acres

Ownership: 100% ownership (except 1 Triton Square 50:50 JV with Royal London Asset Management)

Broadgate
Located in the City of London, with excellent connectivity, next to Liverpool Street Station and the Elizabeth Line. Its proximity to Shoreditch attracts a breadth of customers from financial services, law firms, fintech, media and other growth sectors.

Size: 32 acres

Ownership: 50:50 JV with GIC (except 2 Finsbury Avenue 25:25:50 JV with British Land, GIC and Modon Holding)

% of total portfolio by value

Broadgate	23%
Regent's Place	17%
Paddington	3%
Canada Water	4%
Other	11%

Canada Water
One of the largest mixed use developments in the UK, located on the Jubilee Line and the London Overground. The Masterplan is highly flexible and will deliver a mix of workspace, retail, leisure, entertainment, education and community space, as well as residential (including affordable housing).

Size: 53 acres

Ownership: 50:50 JV with AustralianSuper

Our portfolio of high quality UK commercial property is focused on office-led campuses in Central London, retail across the UK and London urban logistics. We own or manage a portfolio valued at £14.6bn (British Land share: £9.5bn).

RETAIL AND LONDON URBAN LOGISTICS INCLUDING 54 RETAIL PARKS (42% OF TOTAL PORTFOLIO BY VALUE)

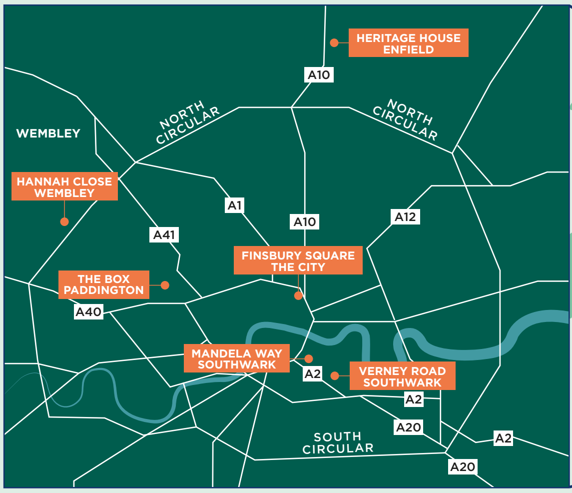
% of total portfolio by value

Retail Parks	32%
Shopping Centres and other retail	7%
London Urban Logistics	3%

Retail Parks
We are one of the UK's largest owners and operators of retail parks with a total of 54 parks representing c.10% of the retail park market. Parks are the preferred format for many retailers due to their affordability, adaptability and accessibility.

Occupancy rate: 99%

LONDON URBAN LOGISTICS



London Urban Logistics
We own six development-led urban logistics sites in Zone 1 of London and within the M25. Our pipeline will deliver best-in-class logistics space in a highly constrained market. In the meantime, the portfolio continues to generate good rental income.

Occupancy rate: 100%

Shopping Centres and Other Retail
We own a small, non-core portfolio of shopping centres, high street retail and other small standalone retail assets, which generate good income.

Occupancy rate: 98%

BUSINESS MODEL

OUR STRENGTHS ARE:

01

Portfolio of high quality assets
Our portfolio of office-led campuses in London appeals to a broad range of businesses. We are one of the largest owners and operators of retail parks in the UK and we are building a unique portfolio of urban logistics schemes in London.

02

Best-in-class platform
We leverage our experience across the real estate life cycle from design, planning, development and construction through to asset and property management to drive returns. We also have industry leading specialists in investment and finance.

03

Partnerships with investors
Our strong relationships with sovereign wealth funds and large pension funds give us the ability to stretch our equity and crystallise value through asset sales and joint ventures.

04

Financial strength
We have a strong balance sheet and we use leverage appropriately. We aim to deliver returns through the property cycle by having a disciplined approach to risk and capital allocation.

05

Leadership in sustainability
Sustainability is embedded throughout the business. Our approach is focused on three key pillars where British Land can create the most value: Greener Spaces, Thriving Places and Responsible Choices.

OUR LEVERS OF EARNINGS GROWTH:

- LIKE-FOR-LIKE GROWTH
- DEVELOPMENTS
- COST CONTROL
- CAPITAL RECYCLING
- FEE INCOME

SUPPORTED BY OUR VALUES:

DELIVER AT PACE

BE SMARTER TOGETHER

We are a diversified business and invest in subsectors with strong rental growth prospects. We leverage our strengths in development and asset management, with the aim of generating an income focused total accounting return (TAR) of 8-10% through the cycle.

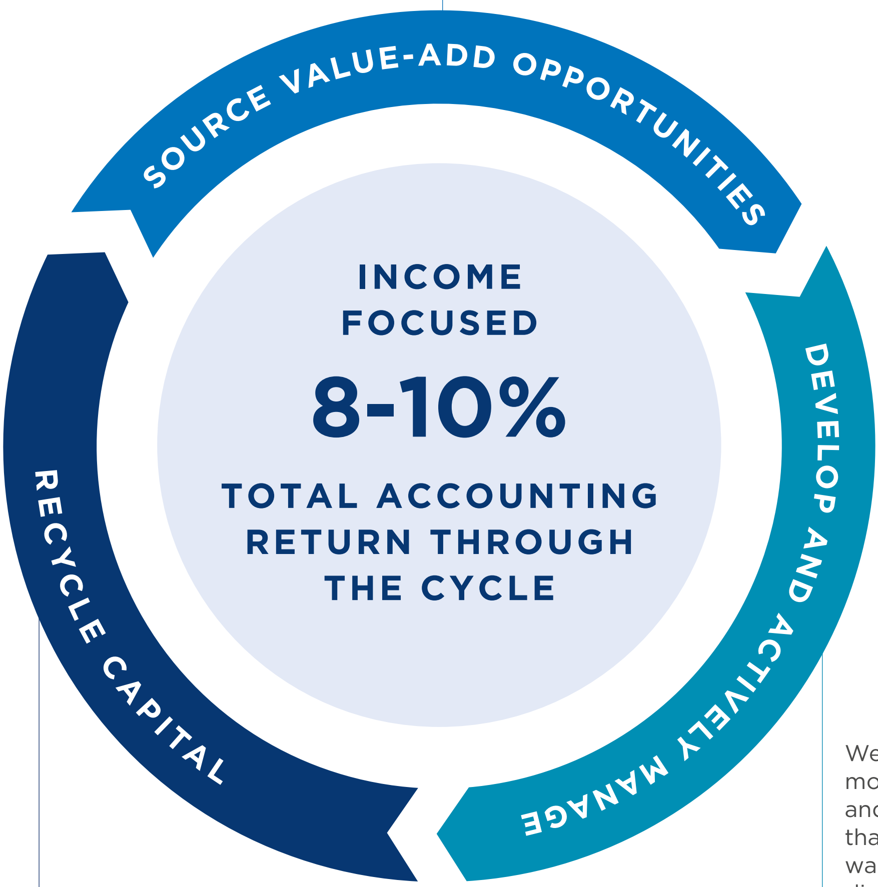
READ MORE
About how we create value for our stakeholders on page 16

READ MORE
About how our approach to risk underpins our strategy on pages 47 to 58

READ MORE
About how our approach to remuneration aligns with our strategy on pages 107 to 129

THIS FEEDS INTO HOW WE MANAGE THE BUSINESS TO CREATE VALUE FOR ALL OUR STAKEHOLDERS:

We target acquisitions in our chosen subsectors as well as development opportunities.



We actively sell mature assets to crystallise returns and reinvest capital into opportunities where we can drive stronger returns through development or asset management.

We create and manage modern, high quality and sustainable spaces that our customers want to lease and that direct investors such as sovereign wealth funds and pension funds want to own.

BRING YOUR WHOLE SELF | BUILD FOR THE FUTURE | LISTEN AND UNDERSTAND

STAKEHOLDER ENGAGEMENT

Our investors
The people and institutions who own British Land shares or debt holders

Outcomes:

50%
of share register met and 235 investor meetings completed

£301m
raised via an equity placing in October 2024

What matters to them?
- Financial performance (including income and cost control), returns and dividends
- Strong balance sheet and disciplined capital allocation
- Clear strategy and business model
- Leading ESG performance
- Risk management
- Strong leadership

How we engage
- Investor relations programme including meetings, roadshows, conferences and video calls
- Investor seminars, capital markets days, debt investors presentations
- Regulatory reporting, including the Annual Report, full and half-year results and our annual general meeting (AGM)

Priorities for 2025/26
- Continue to have an open and engaged dialogue with investors
- Consistently deliver sector-leading income focused total accounting returns
- Investor seminars
- Maintain strong balance sheet and disciplined approach to capital allocation

Our customers
The users of our buildings and spaces

Outcomes:

3.3m sq ft
of space leased in the year including 1.5m sq ft of regears

78%
of customers stated BL are 'the best' or 'better than most' other providers

What matters to them?
- High quality, well-connected, sustainable space that fulfils their needs
- Healthy and safe spaces that promote wellbeing
- Fair and appropriate lease terms
- Property management and maintenance
- Affordability, adaptability and accessibility

How we engage
- Regular dialogue with customers
- Annual customer satisfaction surveys to gain insight into how our places are performing
- Customer networks across our campuses

Priorities for 2025/26
- Continue to be the partner of choice for headquarter office space in London
- Maintain high levels of customer retention
- Work with existing customers to upgrade buildings to meet shared environmental objectives

Our joint venture partners
Institutions we partner with, usually where we share ownership, returns and risk

Outcomes:

11
Key joint venture partners, including with sovereign wealth and large pension funds

New joint venture with Modon Holding at 2 Finsbury Avenue

What matters to them?
- Financial performance and returns
- Clear strategy and business model
- Asset management and development expertise
- Long term, trusted relationships
- Aligned objectives and values
- Best-in-class assets

How we engage
- Agreed business plan
- Regular meetings to discuss activities
- Working groups on a project or topic basis
- Board meetings to assess performance, progress and agree future objectives
- Quarterly joint venture reporting

Priorities for 2025/26
- Leverage our strong joint venture relationships to grow our third party capital business
- Continue to earn fee income and look to accelerate developments in a capital light-way

Section 172 statement:

Understanding our stakeholders is critical to the long term success of our business. Regular engagement with them helps to shape our strategy and ultimately informs our decisions so that we can deliver outstanding places and positive outcomes for our stakeholders.

The nature of our business means that we have a continuous dialogue with a wide group of stakeholders and their views are taken into account before proposals are put to the Board for a decision. Our Section 172(1) statement for the purposes of the Companies Act 2006 (the Act), describing how the Directors have had regard to the matters set out in section 172(1) (a) to (f) of the Act when performing their duty to promote the success of the Company under section 172, can be found within our Governance section on page 78.

Our people

Everyone employed by British Land

Outcomes:

79%
employee engagement score

93%
employees proud to work at British Land

What matters to them?

- Diverse and inclusive culture with strong leadership
- Career progression and development opportunities
- Healthy and safe spaces that promote wellbeing
- Fair pay and reward
- Ethical business with a clear Sustainability Strategy

How we engage

- Internal communications channel, including newsletters and intranet
- Regular team meetings and half-yearly appraisals
- Annual employee engagement survey
- CEO breakfast series open to all employees
- Biennial Company Conference
- Employee networks

Priorities for 2025/26

- Continue leadership and management training
- Focus on DE&I objectives
- Advancing professional development
- Enhance digital skills
- Continue to drive a performance-orientated culture

Our communities and local authorities

People who live in and around our places; local organisations and enterprises

Outcomes:

£32.5m
direct social and economic value generated in the year

18,500
people benefitting from social impact partnerships

What matters to them?

- Collaboration and engagement on local initiatives
- Long term, collaborative, trusted relationships
- Places that foster social connections and enhance wellbeing
- Providing a relevant mix of services such as education, jobs and space

How we engage

- Our Local Charter
- Our Social Impact Fund and Customer Community Funds
- Aligning on local programmes such as employment opportunities
- Engagement and participation in local networks
- Expert volunteering

Priorities for 2025/26

- Facilitate the impactful use of our spaces by small local businesses and community organisations
- Support educational initiatives for local people
- Support local talent essential to the UK's growth industries

Our suppliers and partners

Those who have a direct contractual relationship with us to provide goods and services

Outcomes:

100%
of suppliers signed up to the Supplier Code of Conduct

Achieved Living Wage Employer accreditation

What matters to them?

- Long term, collaborative, trusted relationships
- New business opportunities
- Fair commercial and payment terms
- Aligned objectives and values

How we engage

- Operating a rigorous onboarding and tendering process
- Supplier Code of Conduct articulates what we stand for, how we work and the commitments we expect them to share with us in relation to social, sustainable and ethical practices

Priorities for 2025/26

- Focus on working with suppliers who align with our values and ESG targets
- Maintain our commitment to creating social value through SME classified suppliers
- Widen Scope 3* capture beyond construction-related emissions

* (Scope 3 covers indirect emissions across our value chain)

BUSINESS REVIEW

Key metrics

Year ended	31 March 2025	31 March 2024
Portfolio valuation	**£9,486m**	£8,684m
Occupancy[1,2]	**97.7%**	97.2%
Weighted average lease length to first break	**5.3 yrs**	5.2 yrs
Total property return	**6.9%**	2.0%
– Yield shift	**-4 bps**	+33 bps
– ERV movement	**4.9%**	5.9%
– Valuation movement	**1.6%**	(2.6)%
Lettings/renewals (sq ft) over 1 year	**2.8m**	2.8m
Lettings/renewals over 1 year vs ERV	**+8.6%**	+15.1%
Gross capital activity	**£1,729m**	£869m
– Acquisitions	**£738m**	£55m
– Disposals	**£(597)m**	£(410)m
– Capital investment	**£394m**	£404m
Net investment/(divestment)	**£535m**	£49m

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Where occupiers have entered CVA or administration but are still liable for rates, these are treated as occupied. If units in administration are treated as vacant, then the occupancy rate would reduce from 97.7% to 97.0%
2. Occupancy excludes recently completed developments at Norton Folgate, Aldgate, The Priestley Centre, The Optic and Dock Shed at Canada Water

Portfolio performance

At 31 March 2025	Valuation £m	H1 valuation movement %	H2 valuation movement %	FY valuation movement %	ERV movement %	Yield shift bps	Total property return %	Net equivalent yield %
Campuses	**5,501**	**(1.7)**	**0.8**	**(0.8)**	**4.3**	**+14**	**3.1**	**5.6**
City	2,646	(1.7)	1.8	0.2	6.0	+14	4.2	5.5
West End	2,097	(1.5)	0.4	(1.2)	3.1	+14	3.2	5.7
Canada Water & other Campuses (incl. resi)	758	(2.3)	(1.4)	(3.6)	(5.0)	+39	(1.0)	6.0
Retail & London Urban Logistics	**3,985**	**3.0**	**2.5**	**5.0**	**5.6**	**-27**	**13.2**	**6.6**
Retail Parks	3,018	5.1	2.8	7.1	6.0	-32	16.0	6.4
Shopping Centres & other retail	643	(0.3)	3.8	2.1	5.1	-23	12.3	8.0
London Urban Logistics	324	(2.6)	(2.6)	(4.9)	0.8	+13	(2.4)	5.0
Total	**9,486**	**0.2**	**1.5**	**1.6**	**4.9**	**-4**	**6.9**	**6.1**

See supplementary tables for detailed breakdown

Kelly Cleveland
Head of Real Estate and Investment

The value of the portfolio was up 1.6%, with valuation growth accelerating in the second half of the year (H2: +1.5% vs H1: +0.2%). The majority of the valuation performance was driven by strong ERV growth of 4.9%, at the upper end of our guidance range, with yields moving marginally in by -4 bps.

Campus valuations were down 0.8% in the year, but there was an inflection point in H2 where values increased by 0.8% vs a 1.7% decline in H1. Yield movements stabilised in H2 with a +2 bps yield shift vs +12 bps in H1. ERV growth across our campuses was 4.3% reflecting strong leasing activity and limited supply. The value of our West End portfolio was down 1.2%, with +14 bps yield shift partially offset by ERV growth of 3.1%. In the City, portfolio values were up 0.2% with ERV growth of 6.0% offsetting +14 bps yield expansion. Values declined marginally on our standing assets, while the values of our best-in-class developments such as 2 Finsbury Avenue and 1 Broadgate were up 8% and 5% respectively.

The value of our retail park portfolio increased 7.1% in the year, with continued strong ERV growth of 6.0%, driven by continued occupier demand and high occupancy on our parks, and inward yield shift of -32 bps. London urban logistics values declined by 4.9% based on outward yield shift of +13 bps. ERV growth on the standing portfolio was 0.8% in the year, with performance impacted by the small size of the portfolio, where there were limited lease events.

The retail portfolio outperformed the MSCI All Retail benchmark by 390 bps on a total return basis for the year to 31 March 2025, whilst our campuses outperformed the MSCI benchmark for All Offices by 120 bps. Overall, our portfolio outperformed the MSCI All Property total return index by 50 bps.

Capital activity

From 1 April 2024	Campuses £m	Retail & London Urban Logistics £m	**Total £m**
Purchases	–	738	**738**
Sales	(147)	(450)	**(597)**
Development Spend	275	35	**310**
Capital Spend	57	27	**84**
Net Investment	185	350	**535**
Gross Capital Activity	479	1,250	**1,729**

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

We have been active in the investment market with gross value of our capital activity totalling £1.7bn in the year. We have sold £450m of non-core retail and shopping centres, including our 50% stake in the Meadowhall Shopping Centre joint venture for £360m, which completed in July 2024. In January 2025, we also sold 50% of our stake in the 750,000 sq ft 2 Finsbury Avenue development to Modon Holding and received cash proceeds of £100m, retaining a 25% interest.

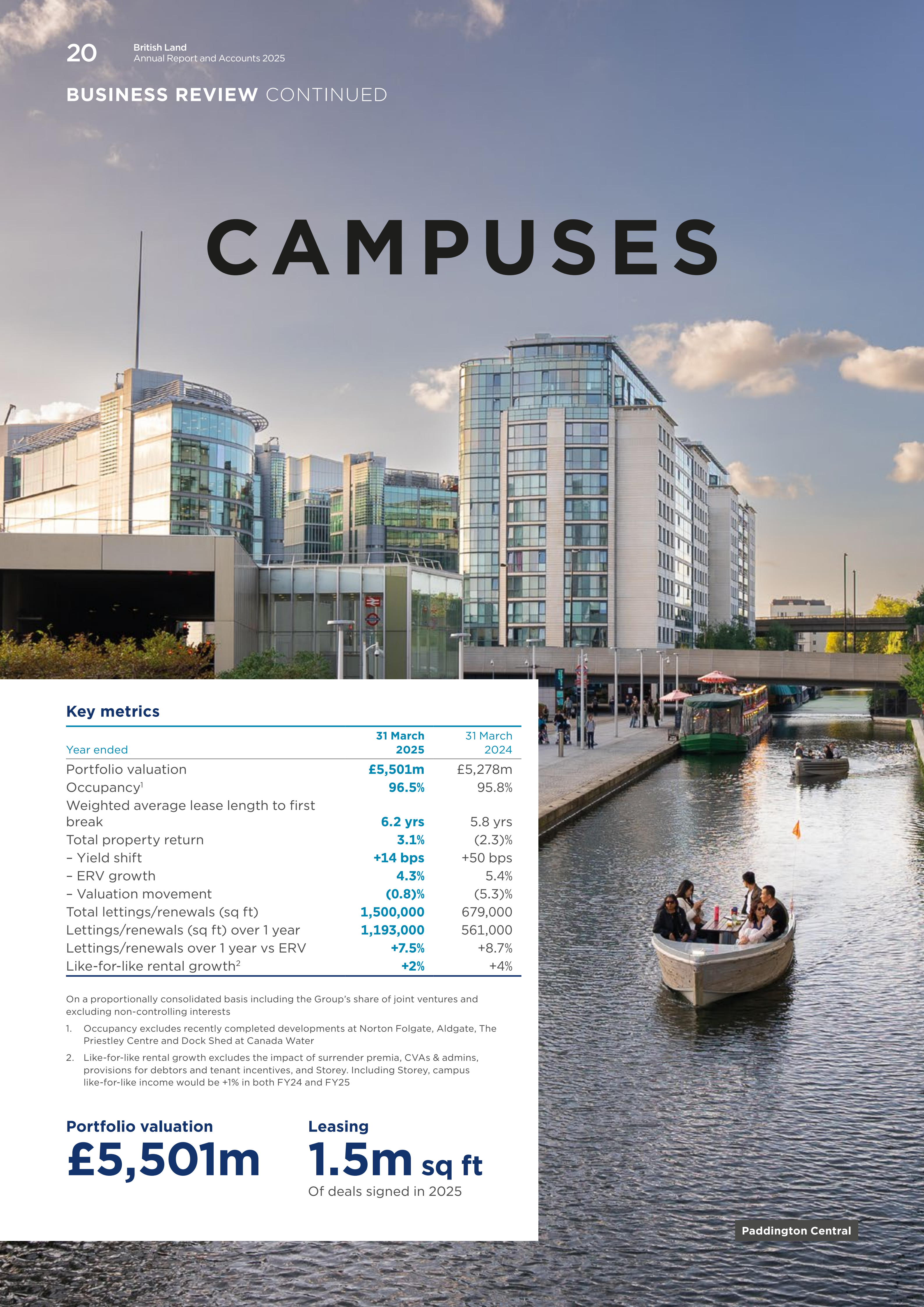
In the year, we acquired a total of 15 retail parks located across the UK, for £738m, as well the remaining 12.5% interest in New Mersey Retail Park in Speke. These parks were earnings accretive from day one and partially funded through our equity placing in October 2024.

We also invested £394m in our best-in-class development pipeline and asset management initiatives on the standing portfolio.

New Mersey Retail Park, Speke

BUSINESS REVIEW CONTINUED

CAMPUSES



Key metrics

Year ended	31 March 2025	31 March 2024
Portfolio valuation	**£5,501m**	£5,278m
Occupancy[1]	**96.5%**	95.8%
Weighted average lease length to first break	**6.2 yrs**	5.8 yrs
Total property return	**3.1%**	(2.3)%
– Yield shift	**+14 bps**	+50 bps
– ERV growth	**4.3%**	5.4%
– Valuation movement	**(0.8)%**	(5.3)%
Total lettings/renewals (sq ft)	**1,500,000**	679,000
Lettings/renewals (sq ft) over 1 year	**1,193,000**	561,000
Lettings/renewals over 1 year vs ERV	**+7.5%**	+8.7%
Like-for-like rental growth[2]	**+2%**	+4%

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Occupancy excludes recently completed developments at Norton Folgate, Aldgate, The Priestley Centre and Dock Shed at Canada Water
2. Like-for-like rental growth excludes the impact of surrender premia, CVAs & admins, provisions for debtors and tenant incentives, and Storey. Including Storey, campus like-for-like income would be +1% in both FY24 and FY25

Portfolio valuation
£5,501m

Leasing
1.5m sq ft
Of deals signed in 2025

Paddington Central

Campuses operational review

Campuses were valued at £5.5bn, down 0.8%. This was driven by outward yield shift of +14 bps, partly offset by ERV growth of 4.3%, which is at the upper end of our guided range of 3-5% for the year.

Lettings and renewals (including Storey) totalled 1.5m sq ft, 7.5% ahead of ERV. As at 31 March 2025, we had a further 250,000 sq ft under offer, 9.2% ahead of ERV. As of 16 May 2025, we had 1.7m sq ft in negotiations on 1.5m sq ft of space. The weighted average lease length to break is 6.2 years and the weighted average lease length of lettings in the year is 9.3 years.

Occupancy on our campuses is 97%, which excludes new developments and recently refurbished space. On an EPRA basis, occupancy is at 83%, where the majority of vacancy is concentrated in new space on our campuses, where demand is most concentrated, and we are making good progress on leasing.

Campuses like-for-like rental growth was 2%[1], with our core campuses of Broadgate, Regent's Place and Paddington Central growing by 3%[1], driven by strong leasing and asset management initiatives. Overall, leasing was 21.8% ahead of previous passing rent and fully offset the impact of expiries and breaks.

Broadgate

Broadgate's central location next to Liverpool Street Station, high quality workspace, excellent range of amenities and public realm continue to attract and retain occupiers at the campus with occupancy remaining high at 97%.

Leasing activity (excluding Storey) covered 712,000 sq ft, of which 638,000 sq ft were long term deals, 10.0% ahead of ERV. Significant deals include:

- 261,000 sq ft pre-let with Citadel at 2 Finsbury Avenue, with options to lease up to another 121,000 sq ft, meaning the building is already 33% pre-let at a minimum and c.50% pre-let if the option space is taken into account
- 77,000 sq ft new letting to US law firm, Akin on recently surrendered, newly refurbished floors at 155 Bishopsgate
- 85,000 sq ft regear with Marex at 155 Bishopsgate, upsizing from 75,000 sq ft in the building
- 101,000 sq ft with A&O Shearman exercising their option on space at 1 Broadgate and signing an additional 7,000 sq ft to maximise their space take
- 56,000 sq ft of retail leasing at Broadgate Central, the ground floors of 1 Broadgate and 100 Liverpool Street, to brands including Ralph Lauren, Mango, Luca Faloni, Hobbs and Whistles

Broadgate saw a valuation increase of 0.8%, with ERV growth of 7.3% offsetting outward yield shift of +15 bps.

Regent's Place

Regent's Place continues to gain momentum as a science and technology hub, capitalising on its location in London's Knowledge Quarter where technology meets science, close to leading academic and research institutions including University College London, The Wellcome Trust and The Francis Crick Institute.

Leasing activity (excluding Storey) covered 124,000 sq ft, of which 120,000 sq ft were long term deals, 1.6% ahead of ERV. Key activity includes:

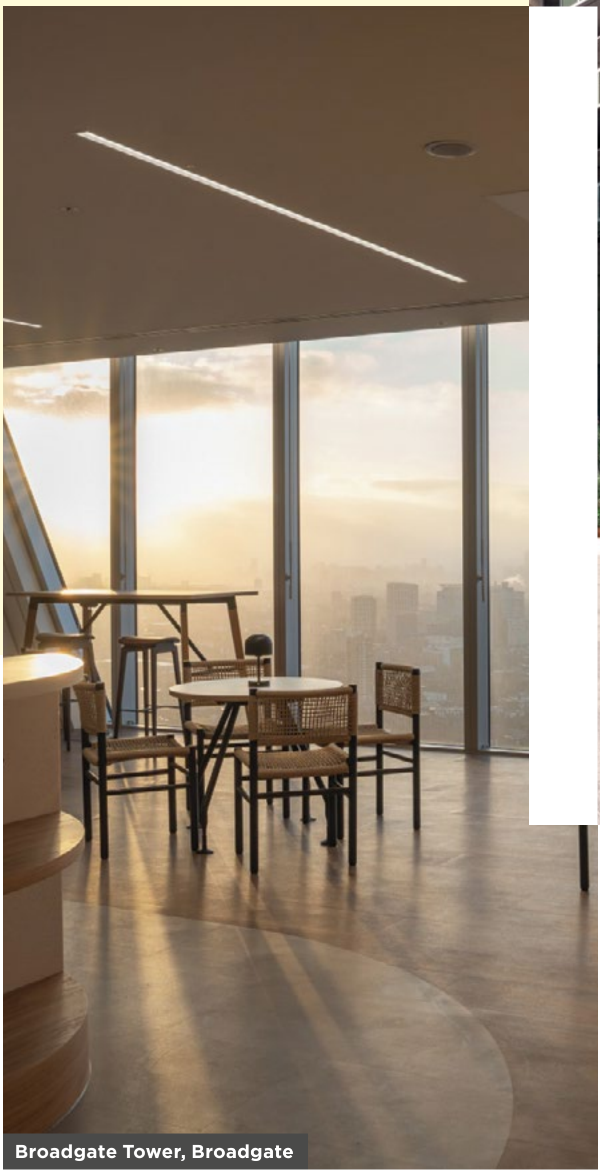
- The completion of lab space at 20 Triton Street and a 20,000 sq ft letting to Synthesia, the UK's most valuable generative AI media company. They bring the total number of AI occupiers on the campus to 7
- Relation Therapeutics, an end-to-end biotech business developing transformational medicines, doubling their space take at 338 Euston Road to 13,000 sq ft. The business has already upsized twice on the campus, initially taking 6,000 sq ft at 338 Euston Road in 2022, growing to 7,000 sq ft in 2024 and then doubling their space take in 2025
- The launch of a 6,700 sq ft lab incubator space at Drummond Street in partnership with Co-Laboratories, a dynamic, community-led incubator built for life science startups. The space is already c.30% let to four fast growing organisations since its launch in April

Regent's Place valuation was marginally down 0.8%, with ERV growth largely offsetting outward yield shift of +12 bps. Occupancy at the campus is 96%.

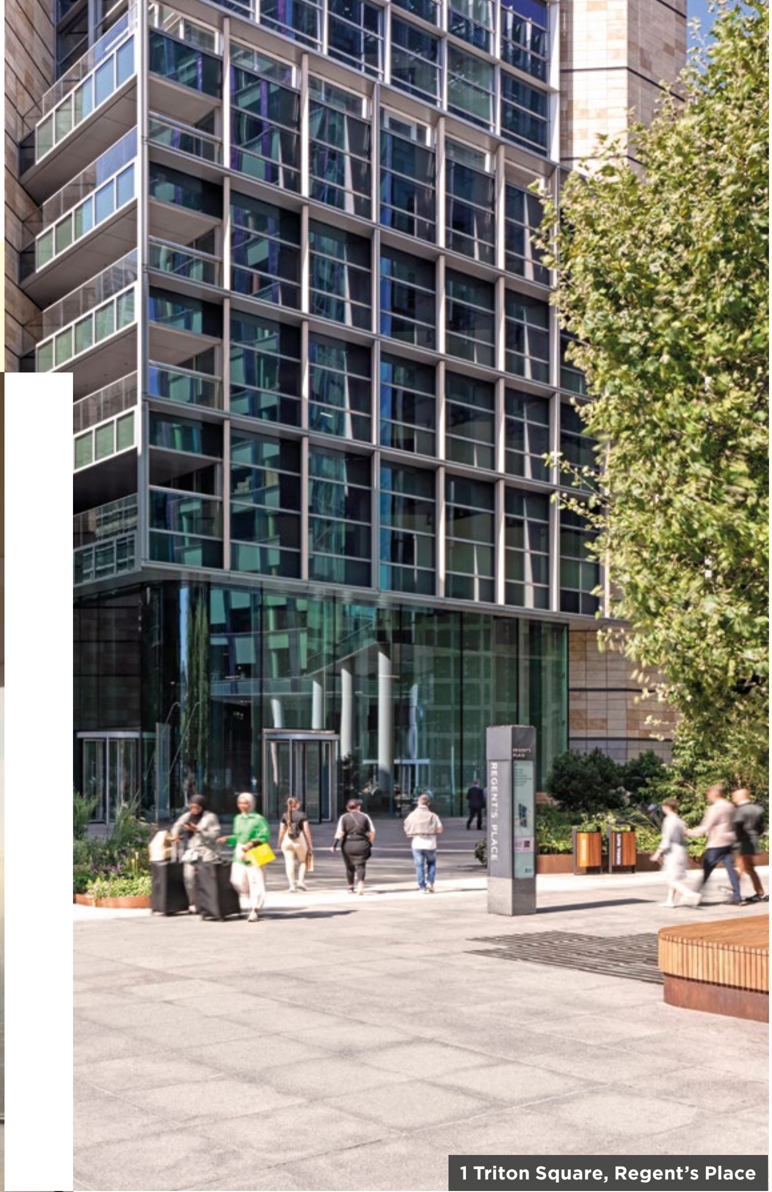
1. Excludes Storey

Exchange Square, Broadgate

BUSINESS REVIEW CONTINUED



Broadgate Tower, Broadgate



1 Triton Square, Regent's Place

Portfolio valuation

£9,486m

ERV growth

4.9%

across the portfolio

Paddington Central

Paddington Central's location and excellent connectivity, next to Paddington Station with access to the Elizabeth Line and Heathrow Express, continues to attract and retain occupiers, with occupancy remaining high at 99%.

Leasing activity (excluding Storey) covered 212,000 sq ft, 172,000 sq ft of which were long term deals, 1.3% ahead of ERV. Key deals include:

- Two regears with Vertex and a global technology business covering 142,000 sq ft at 2 and 4 Kingdom Street

Paddington Central saw valuation declines of 1.9% driven by outward yield shift of +10 bps. This has been partially offset by ERV growth of 2.9%.

2. JLL

Storey: flexible office space

Storey is a key part of our campus proposition and provides occupiers with the flexibility to expand and contract depending on their requirements. The quality of the space, central location and access to campus amenities make the space appealing to scale up and overseas businesses looking to open a UK Headquarters.

Storey is currently operational across 258,000 sq ft and leasing activity covered 157,000 sq ft across 43 deals in the year. Occupancy is at 97%, above our target of 90%.

Canada Water

Momentum at Canada Water has continued during the year with the first phase of the Masterplan nearing completion. Dock Shed, which includes a mix of workspace with a leisure centre on the ground floors is now complete. Three Deal Porters Way, comprising 119,000 sq ft of workspace and The Founding, comprising 186 homes is due to complete this summer. Notwithstanding this progress, the valuation of Canada Water declined 6.5% in the year, largely reflecting the higher sensitivity of development sites to yield movements.

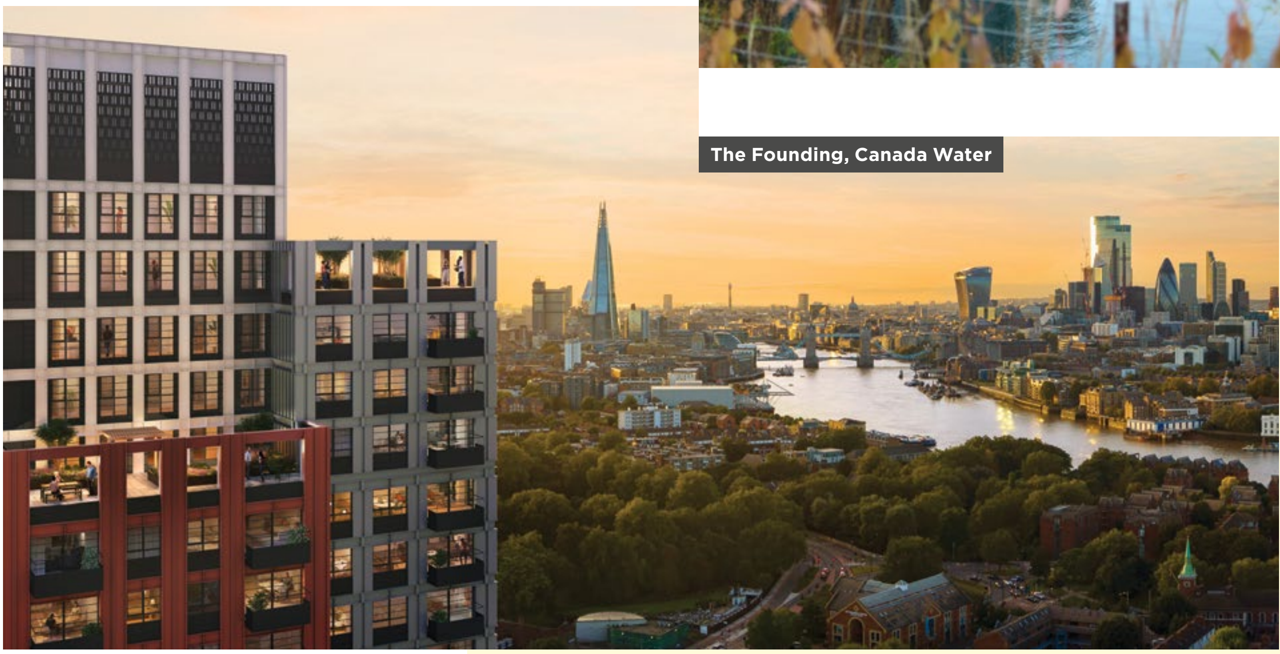
Placemaking initiatives are taking shape. In November 2024, we unveiled a new, Asif Khan designed boardwalk, across Canada Dock connecting Canada Water tube station to Surrey Quays Shopping Centre, and what will be the new town centre. April 2025 saw the opening of Corner Corner, a 55,000 sq ft cultural hub located in Surrey Quays Shopping Centre overlooking Canada Dock. The space is operated by Broadwick live, the former operator of Printworks London, and features collaborative workspaces, live music, and food and beverage outlets alongside London's largest indoor urban vertical farm. The venue welcomed 100,000 visitors in its first month of operation, with another 500,000 visitors expected by the end of the year.

Dock Shed, which includes 180,000 sq ft of workspace on the upper floors and a leisure centre built for Southwark Council on the lower floors is now complete. Across the office space at both Dock Shed and Three Deal Porters, we have seen increasing levels of interest from a variety of businesses looking for brand new workspace at a lower price point, and we have 6,000 sq ft of space under offer with our first occupier and 180,000 sq ft of space in negotiations.

At The Founding, we have sold 46 residential units to date at an average price of £1,250 psf, above target pricing levels and attractive relative to competing schemes. We expect sales velocity to increase when we reach practical completion this summer.

A key benefit of the Canada Water planning consent is that it provides significant flexibility over the mix of uses we can deliver, allowing us to flex our plans in response to changing market conditions. Looking forward, the next phases of the Masterplan are likely to have a higher residential element. For example, we are currently seeing strong demand from student housing developers, so we will likely partner or sell some plots to them to benefit from their expertise and accelerate returns.


Canada Water Dock


The Founding, Canada Water

BUSINESS REVIEW CONTINUED

RETAIL AND LONDON URBAN LOGISTICS

Key metrics

Year ended	31 March 2025	31 March 2024
Portfolio valuation	**£3,985m**	£3,406m
– Of which Retail Parks	**£3,018m**	£2,128m
– Of which Shopping Centres	**£435m**	£753m
– Of which London Urban Logistics	**£324m**	£313m
Occupancy[1]	**98.6%**	98.5%
Weighted average lease length to first break	**4.6 yrs**	4.7 yrs
Total property return	**13.2%**	9.6%
– Yield shift	**-27 bps**	+15 bps
– ERV growth	**5.6%**	6.3%
– Valuation movement	**5.0%**	2.1%
Total lettings/renewals (sq ft)	**1,766,000**	2,628,000
Lettings/renewals (sq ft) over 1 year	**1,577,000**	2,282,000
Lettings/renewals over 1 year vs ERV	**+10.5%**	+17.8%
Like-for-like rental growth[2]	**+5%**	+1%

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Where occupiers have entered CVA or administration but are still liable for rates, these are treated as occupied. If units in administration are treated as vacant, then the occupancy rate for retail would reduce from 98.6% to 97.4%
2. Like-for-like rental growth excludes the impact of surrender premia, CVAs & admins and provisions for debtors and tenant incentives

Portfolio valuation

£3,985m

Like-for-like rental growth

5%

Elliott's Field Retail Park, Rugby

Retail & London Urban Logistics operational review

Valuations in these subsectors increased by 5.0% in the year, with retail parks up 7.1%, shopping centres and other retail up 2.1% and London urban logistics values down 4.9%. ERV growth across the three subsectors was 5.6%, driven by retail parks, where ERVs grew by 6.0%, exceeding our ERV growth guidance of 3-5%.

We continue to lease well, with 1.8m sq ft of lettings and renewals signed in the year, 10.5% ahead of ERV, with a further 622,000 sq ft under offer, 18.4% above March 2024 ERV. Excluding a small number of outliers (12 out of 208 deals) related to space previously let at very high legacy rents, leasing was ahead of previous passing rents (8.6% behind if these are included). Weighted average lease length is 4.6 years.

Overall occupancy in the three subsectors remained high at 99%. Like-for-like rental growth for retail & London urban logistics was 5% for the year. This was a result of the continued strong performance of our retail parks, the preferred format for many retailers, and an improved market at our shopping centres. Like-for-like growth at our retail parks contributed an additional £6m to net rental income. The over rent on our portfolio has narrowed significantly over the last 3 years given strong ERV growth and we continue to lease ahead of ERV.

Retail Parks

Retail parks are the preferred format for many retailers due to their affordability, adaptability and accessibility. Despite being virtually full, we continue to see significant leasing momentum with 1.1m sq ft of deals signed in the year, 9.6% above ERV. There was a significant increase in leasing transactions in the second half of the year, with 802,000 sq ft completed compared to 311,000 sq ft in H1, and we have a further 0.5m under offer, 11.0% ahead of ERV, demonstrating continued competitive tension for space. Occupancy remains high at 99%, driven in part by a 93% retention rate for those with break or expiries in the year and reflecting strong demand and limited supply. Key activity in the year includes:

- Leading omni-channel retailers continue to expand on retail parks, with 78,000 sq ft let or under offer to Marks and Spencer and 54,000 sq ft let or under offer to Next
- Smyths Toys signed four deals covering 63,000 sq ft, including a new 15,000 sq ft unit at Biggleswade
- JD Sports signed four deals across 37,000 sq ft including new units at Colchester and Giltbrook
- Mango signed two new leases at Teesside and Broughton totalling 10,000 sq ft
- Mountain Warehouse signed two new leases at Milton Keynes and Didcot totalling 16,000 sq ft
- B&Q signed the 43,000 sq ft former Homebase unit at Biggleswade
- Following the opening of InHealth in FY24 at Denton, we have further diversified the occupier line up on the park, including MyDentist, and CVS Vets signing 5,000 sq ft and 2,000 sq ft leases respectively

Shopping Centres

We continue to actively manage our shopping centres, maintaining occupancy and driving rents forward. We have completed 522,000 sq ft of deals, 8.4% ahead of ERV and occupancy is now at 98%.

We prefer the occupational fundamentals of retail parks and have said we will reduce our exposure to covered centres at the right time and price. In line with this, we completed the sale of our 50% stake in the Meadowhall Shopping Centre joint venture to our partner Norges Bank Investment Management for £360m in the year.

London Urban Logistics

In London urban logistics we have assembled a 1.2m sq ft pipeline. We are making good progress on site with our first development at Mandela Way in Southwark, building a 144,000 sq ft urban logistics scheme in Central London. Construction is progressing to plan and is due to complete in Q3 2025. This multi-storey logistics facility is the first of its kind. It is set across four floors, serviced by five goods lifts large enough for a fork-lift truck and three separate cargo bike lifts, with ample loading space at ground level. Marketing began in October 2024 and, whilst it is early days, interest has been broad with a mix of traditional and non-traditional logistics occupiers. In the year, we also achieved planning consent for a multi-storey logistics hub at Verney Road, located approximately a mile from Mandela Way. This means that 3 out of 5 sites in our pipeline now have consent.

Retail footfall and sales

	31 March 2024 – 5 April 2025	
	% growth on prior year[1]	Performance vs benchmark[2,3]
Footfall		
– Portfolio	0.1%	+30 bps
– Retail Parks	0.3%	+50 bps
Sales		
– Portfolio	1.6%	+120 bps
– Retail Parks	1.9%	+150 bps

1. Compared to the equivalent weeks in the prior year
2. Footfall benchmark: Springboard MRI overall
3. Sales benchmark: BRC UK total instore retail sales

Glasgow Fort

BUSINESS REVIEW CONTINUED

DEVELOPMENTS

Developments

At 31 March 2025	Sq ft '000	Current Value £m	Cost to complete £m	ERV £m	ERV Let & under offer £m
Committed	2,405	929	330	83.5	29.9
Near term	698	116	309	31.1	–
Medium term	7,040	671	3,641	259.4	–
Total pipeline	**10,143**	**1,716**	**4,280**	**374.0**	**29.9**

On a proportionally consolidated basis including the Group's share of joint ventures (except area which is shown at 100%)

Committed pipeline
2.4m sq ft

Committed development ERV
£84m

2 Finsbury Avenue, Broadgate

David Lockyer
Head of Development

Development Pipeline

Developments are a driver of long-term value creation. In FY24, higher interest rates caused yields to move out and funding costs to rise. As a result, we increased the return hurdles for our new developments and now target IRRs of 12-14% on our campuses and mid teens on our London urban logistics developments. We are in the right markets with good supply demand tension, and are securing higher rents, and our new developments are exceeding these hurdles.

Construction cost inflation appears to be levelling off and higher funding costs have resulted in limited new supply coming on stream. We expect our committed and recently completed developments, in addition to asset management initiatives, to deliver c.5p of future Underlying earnings per share growth, with 80% to be delivered by the end of FY27.

We are currently on site with 2.4m sq ft of space, delivering £83.5m of ERV, of which 36% is already let or under offer. Total development exposure is now 3.5% of portfolio gross asset value. Speculative exposure, which is based on ERV and includes space under offer is 8.2% and within our internal risk parameter of 12.5%. Development valuations were up 2.3%.

Completed Developments

We completed five developments totalling 905,000 sq ft in the year. At Norton Folgate, we completed the fit out of 56,000 sq ft of fully fitted floors in July. Unlike HQ space with large floorplates that we deliver on our campuses, this type of space typically leases after completion given the smaller floorplates and target customer. We are 56% let or under offer on space within the scheme and are seeing good interest in the rest, with 56,000 sq ft of deals in negotiations and a high velocity of viewing numbers.

Aldgate Place also reached practical completion in the year. The scheme comprises 159 premium rental apartments with 19,000 sq ft of office space and 8,000 sq ft of retail and leisure space. It is well located, adjacent to Aldgate East and between Liverpool Street and Whitechapel stations. The apartments launched in September, and we are 38% let.

We recently completed The Optic on the Peterhouse Technology Park, a 101,000 sq ft office and lab building, which we have let in its entirety to Arm Holdings. We also completed the development of The Priestley Centre in Guildford. The building was 63% pre-let to LGC, a leading global life sciences company, and we are in discussions with potential occupiers on the remainder.

At Canada Water, we completed Dock Shed, which consists of 180,000 sq ft of office space on the upper floors and a leisure centre built for Southwark Council on the lower floors. Across the office space at both Dock Shed and Three Deal Porters, we have seen increasing levels of interest from a variety of businesses looking for brand new workspace at a lower price point, and we have 6,000 sq ft of space under offer with our first occupier and 180,000 sq ft of space in negotiations.

Completed Developments

At 31 March 2025	Sector	BL Share %	100% sq ft '000	PC Calendar Year	ERV £m
Norton Folgate	Office	100	335	Q3 2024	26.3
Aldgate Place: Phase 2	Residential	100	138	Q2 2024	6.9
The Priestley Centre	Science & technology	100	86	Q2 2024	3.5
The Optic	Science & Technology	100	101	Q1 2025	4.5
Canada Water: Dock Shed (Plot A2)	Mixed use	50	245	Q1 2025	5.6
Total Completed			**905**		**46.8**

BUSINESS REVIEW CONTINUED

Committed Developments

Our committed pipeline stands at 2.4m sq ft. At Broadgate, we committed to 2 Finsbury Avenue and Broadgate Tower, best-in-class office schemes to capitalise on the favourable demand, supply fundamentals in the City and at Regent's Place we committed to 1 Triton Square, a world class science and technology building, to capitalise on its location in London's Knowledge Quarter.

We are currently on site at Mandela Way, where we are leveraging our planning and development expertise to deliver an urban logistics facility in Southwark, in London's Zone 2. Construction is progressing on programme and the building is due to complete in Q3 2025.

The development of 1 Broadgate is progressing on programme and, with the exception of one floor, the office space is fully pre-let to JLL and A&O Shearman.

Committed Developments

As at 31 March 2025	Sector	BL Share %	100% sq ft '000	PC Calendar Year	ERV £m[1]	Gross Yield on Cost%[2]
1 Triton Square	Science & Technology	50	306	Q3 2025	17.3	6.8
Mandela Way	Logistics	100	144	Q3 2025	4.2	5.8
1 Broadgate	Office	50	546	Q2 2025	20.2	5.8
2 Finsbury Avenue	Office	25	749	Q2 2027	19.7	7.8
Broadgate Tower	Office	50	396	Q4 2026	18.5	8.3
Canada Water: Plot A1[3]	Mixed use	50	264	Q2 2025	3.6	7.3
Total Committed			**2,405**		**83.5**	

1. Estimated headline rental value net of rent payable under head leases (excluding tenant incentives)
2. Gross yield on cost is the estimated annual rent of a completed development divided by the total cost of development including the site value at the point of commitment and any actual or estimated capitalisation of interest, expressed as a percentage return
3. Canada Water Plot A1 includes Three Deal Porters Way and The Founding


Mandela Way, Southwark

The Optic, Cambridge

Near Term Pipeline

Our near term pipeline covers 698,000 sq ft, including the development of 1 Appold Street at Broadgate into a 404,000 sq ft best-in-class office building; Verney Road, an urban logistics development in Southwark, located approximately a mile away from Mandela Way and a 92,000 sq ft office development at West One, located over Bond Street station.

Medium Term Pipeline

Our medium term pipeline covers 7m sq ft. This includes Euston Tower, where we have achieved planning consent to deliver a 560,000 sq ft office and innovation tower in London's Knowledge Quarter; Botley Road in Oxford, where we have achieved planning to build 235,000 sq ft of science and technology facilities; three urban logistics developments covering 0.9m sq ft including The Box at Paddington Central, Finsbury Square Car Park and Hannah Close in Wembley, as well as future phases of the Canada Water Masterplan.

FINANCIAL REVIEW

> We have a consistent, clear strategy and deliverable levers of earnings growth that play to our competitive strengths.

David Walker
Chief Financial Officer

Year ended	31 March 2025	31 March 2024
Underlying Profit[1,2]	**£279m**	£268m
Underlying earnings per share[1,2]	**28.5p**	28.5p
IFRS profit after tax	**£338m**	£1m
Dividend per share	**22.80p**	22.80p
Total accounting return[1]	**5.0%**	(0.5)%
EPRA Net Tangible Assets per share[1,2]	**567p**	562p
IFRS net assets	**£5,710m**	£5,312m
Loan to value[3,4,5]	**38.1%**	37.3%
Net Debt to EBITDA (Group)[3,6]	**8.0x**	6.8x
Weighted average interest rate[4]	**3.6%**	3.4%
Senior Unsecured credit rating	**A**	A

1. See Note 2 of the financial statements for definition and calculation
2. See Table B within supplementary disclosures for reconciliations to IFRS metrics
3. See Note 16 of the financial statements for definition, calculation and reference to IFRS metrics
4. On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests
5. EPRA Loan to value is disclosed in Table E of the financial statements
6. Net Debt to EBITDA on a Group basis excludes joint venture borrowings, and includes distributions and other receivables from joint ventures

Overview

Underlying Profit was £279m, up 4% on the prior year as strong demand for our retail parks and campuses continued through FY25 and translated into 3% like-for-like net rental growth on the standing portfolio. This was further supported by our capital activity, increased fee income and a disciplined approach to costs. We remained active in recycling capital with the sale of £597m of assets, whilst re-investing £738m into retail parks and maintaining good momentum on our pipeline of best-in-class developments. Our accretive retail park purchases were partially funded through a successful £301m equity placing in October 2024. Underlying earnings per share (EPS) were flat for the year at 28.5p despite the increase in Underlying Profit, primarily as a result of taking a number of properties into development which are expected to drive future earnings growth. Based on our policy of setting the dividend at 80% of Underlying EPS, the Board are proposing a final dividend of 10.56p, bringing the total dividend to 22.80p per share for the year, in line with the prior year.

IFRS profit after tax for the year to 31 March 2025 was £338m, compared with a profit after tax for the prior year of £1m, reflecting the improved valuation performance of the Group's properties and those of its joint ventures, partly offset by the one-off capital receipt from the surrender premium received at 1 Triton Square in the prior year.

Notwithstanding recent uncertainties relating to global trade disputes, sentiment towards real estate and liquidity in our sub-markets continued to improve during the year, supported by falling inflation and interest rates. This improvement in sentiment was evident in our own activity with the recent joint venture sell down of a share in 2 Finsbury Avenue at Broadgate, one of the largest London office transactions in the market over the past 12 months, as well as our successful equity placing and concurrent purchase of seven retail parks in October 2024. Whilst the placing was earnings accretive, EPRA Net Tangible Assets (NTA) per share was diluted by 11p, which was more than offset by increases in property values on a proportionally consolidated basis of 1.6% or 13p. Overall, EPRA NTA per share was up 5p in the year, at 567p, and including dividends paid of 22.88p per share, total accounting return was 5.0%.

Balance sheet strength continues to be of utmost importance and underpins our capital allocation framework, providing the business with a platform to grow and remain front footed. Loan to value (LTV) on a proportionally consolidated basis was 38.1% at 31 March 2025 (37.3% at 31 March 2024) and Group Net Debt to EBITDA was 8.0x (6.8x at 31 March 2024). Both metrics remain within our internal ranges as we continue to recycle capital from mature assets into our best-in-class developments and higher returning opportunities.

We have continued to be active in financing with debt providers across a range of markets. During the year, our total financing activity amounted to £2.2bn, comprising £1.3bn of new finance raised, £700m of facility extensions, and £150m of existing debentures repurchased. These transactions have maintained the diverse sources of our finance and extended the debt maturity profile. As a result of this activity, at March 2025 we have £1.8bn of undrawn facilities and cash. Based on these facilities and our current commitments we have no requirement to refinance until late 2028.

Fitch Ratings, as part of their annual review in July 2024, affirmed all our credit ratings with a stable outlook, including the Senior Unsecured rating at 'A'. This rating has been held since 2018.

Presentation of financial information and alternative performance measures

The Group financial statements are prepared under IFRS (UK-adopted International Accounting Standards) where the Group's interests in joint ventures are shown as a single line item on the income statement and balance sheet and all subsidiaries are consolidated at 100%.

Management considers the business principally on a proportionally consolidated basis when setting the strategy, determining annual priorities, making investment and financing decisions, and reviewing performance. This includes the Group's share of joint ventures on a line-by-line basis and excludes non-controlling interests in the Group's subsidiaries. The financial key performance indicators are also presented on this basis.

A summary income statement and summary balance sheet which reconcile the Group income statement and balance sheet to British Land's interests on a proportionally consolidated basis are included in Table A within the supplementary disclosures.

Management uses a number of performance metrics in order to assess the performance of the Group and allow for greater comparability between years, however, does not consider these performance measures to be a substitute for IFRS measures. See our supplementary disclosures for reconciliations, in addition to Note 2 of the financial statements and the glossary found at www.britishland.com/glossary.

Management monitors Underlying Profit as it is an additional informative measure of the underlying recurring performance of our core property rental activity and excludes the non-cash valuation movement on the property portfolio when compared to IFRS metrics. It is based on the Best Practices Recommendations of the European Public Real Estate Association (EPRA) which are widely used alternate metrics to their IFRS equivalents, with additional Company adjustments when relevant (see Note 2 of the financial statements for further detail).

Management monitors EPRA NTA as this provides a transparent and consistent basis to enable comparison between European property companies. Linked to this, the use of Total Accounting Return allows management to monitor return to shareholders based on movements in a consistently applied metric, being EPRA NTA, and dividends paid.

Loan to Value (proportionally consolidated) and Net Debt to EBITDA (Group and proportionally consolidated) are monitored by management as key measures of the level of debt employed by the business to meet its strategic objectives, along with a measurement of risk. It also allows comparison to other property companies who similarly monitor and report these measures. The definitions and calculations of Loan to Value and Net Debt to EBITDA are shown in Note 16 of the financial statements.

FINANCIAL REVIEW CONTINUED

Income statement

1.1 Underlying profit

Underlying Profit is the measure that we use to assess income performance. This is presented below on a proportionally consolidated basis. No company adjustments were made in the year to 31 March 2025. In the year to 31 March 2024, £120m was excluded from the calculation of Underlying Profit (see Note 2 of the financial statements for further details) in relation to the lease surrender at 1 Triton Square.

Year ended	Section	31 March 2025 £m	31 March 2024 £m
Gross rental income		**484**	476
Property operating expenses		**(45)**	(36)
Net rental income	1.2	**439**	440
Net fees and other income		**25**	23
Administrative expenses	1.3	**(82)**	(87)
Net financing costs	1.4	**(103)**	(108)
Underlying Profit		**279**	268
Underlying tax		**(4)**	(3)
Non-controlling interests in Underlying Profit		**-**	1
EPRA and Company adjustments		**63**	(265)
IFRS profit after tax	2	**338**	1
Underlying EPS		**28.5p**	28.5p
IFRS basic EPS	2	**35.1p**	(0.1)p
Dividend per share	3	**22.80p**	22.80p

1.2 Net rental income

	£m
Net rental income for the year ended 31 March 2024	**440**
Disposals	(30)
Acquisitions	29
Developments	(11)
Like-for-like net rent	10
Surrender premia	9
Provisions for debtors and tenant incentives	(8)
Net rental income for the year ended 31 March 2025	**439**

The disposal of non-core assets over the past 24 months has resulted in a reduction of net rents by £30m for the year, primarily due to the sale of our share in the Meadowhall Shopping Centre joint venture in July 2024.

Proceeds from disposals have subsequently been deployed into income producing retail parks and our developments. We acquired one retail park for £55m in FY24 and were significantly more active in FY25, post the Meadowhall disposal, acquiring a total of £738m of retail parks. As a result, net rents increased by £29m in the year.

To drive future value, we have an active development pipeline and properties moving into this pipeline reduced net rents by £11m, largely driven by the surrender of the 1 Triton Square lease in September 2023 and subsequent commitment to the development. Additional reductions came from Broadgate Tower moving to development, as well as 1 Appold Street which is now vacant and classified as a development. These reductions were partially offset by leasing space in our recently completed developments at Norton Folgate and 3 Sheldon Square. Our committed developments and significant asset management initiatives are expected to deliver c.5p of EPS per annum, with c.80% of this to be delivered by the end of FY27.

Like-for-like net rental growth across the portfolio was 3% in the year, adding £10m to net rents.

Campus like-for-like net rental growth was 2%, with our core campuses of Broadgate, Regent's Place and Paddington Central growing by 3%. Growth was driven by strong leasing at Regent's Place, including the impact of new lettings to AI and other innovation businesses across various floors at 338 Euston Road and 350 Euston Road, as well as positive leasing momentum we are seeing on existing stock at Broadgate including 155 & 199 Bishopsgate and 10 Exchange Square. Overall, leasing was 21.8% ahead of previous passing rent and fully offset the impact of a tenant break at 1 Finsbury Avenue, as well as the impact of breaks and expires on non-core assets in the portfolio, such as 54 The Broadway in Ealing, which reduced campus like-for-like net rental income by £2m.

Like-for-like net rental growth for retail & London urban logistics was 5% for the year. This was a result of the continued strong performance of our retail parks, the preferred format for many retailers, and an improved occupational market at our Shopping Centres. Like-for-like growth at our retail parks contributed an additional £6m to net rental income and included upsides from successful new store openings at Glasgow Fort and Teesside. The over rent on our portfolio has narrowed significantly over the last 3 years with strong ERV growth, and we continue to lease ahead of ERV given the strong demand for space and profitability of the retail park format for retailers.

Surrender premium receipts, which are excluded from like-for-like growth, added £9m to net rental income as we negotiated the surrender of space at 155 Bishopsgate and 20 Triton Street in order to quickly capture positive reversion on these assets. This space is now 88% let significantly above previous passing rents.

The impact of provisions made against debtors and tenant incentives on net rents was negative £8m compared to the prior year. This was primarily due to the one-off benefit from the collection of arrears relating to Arcadia in FY24.

1.3 Administrative expenses

We have continued our disciplined approach to cost control and administrative expenses decreased £5m or 6% to £82m. We have also capitalised on the existing British Land platform, adding property acquisitions and onboarding new developments with minimal incremental cost. Fee income also increased in the year as we continue to work closely with third party capital, earning the full fee from managing Meadowhall whilst continuing to earn fees on our joint venture assets and developments. As a result, the Group's EPRA cost ratio was 17.5% (FY24: 16.4%), with the prior year benefitting from the one-off Arcadia collection of arrears noted above.

1.4 Net financing costs

	£m
Net financing costs for the year ended 31 March 2024	**(108)**
Net divestment	19
Developments	(15)
Financing activity, market rates and other movements	1
Net financing costs for the year ended 31 March 2025	**(103)**

Net financing costs decreased by £5m to £103m. Disposals of £1bn over the last 24 months reduced costs in the year by £33m, partially offset by the £14m impact from £0.8bn of acquisitions, and the equity placing, made over the same period.

Funding of our committed development pipeline and other maintenance capex increased financing costs by £15m, after interest on development expenditure being capitalised. Our interest was capitalised on development spend at an average rate of 3.4% during the year, below our marginal cost of borrowing.

The interest rate on our debt is 97% hedged for the year ending 31 March 2026, and 77% hedged on average over the next 5 years, with a gradually declining profile. Our interest rate hedging, which includes fixed rate debt, interest rate swaps, and interest rate caps (where the strike rates are below current SONIA) has continued to mitigate the impact of higher market rates on our interest costs. Our weighted average interest rate will gradually trend towards market rates over time, as we have the benefit of our existing hedging and our active approach to interest rate management.

2. IFRS profit after tax

IFRS profit after tax includes the valuation movements on investment properties, fair value movements on financial instruments and associated deferred tax, Capital financing costs and any Company adjustments. These items are not included in Underlying Profit. In addition, the Group's investments in joint ventures are equity accounted in the IFRS income statement but are included on a proportionally consolidated basis within Underlying Profit.

The IFRS profit after tax for the year ended 31 March 2025 was £338m, compared with £1m in the prior year. IFRS basic EPS was 35.1p, compared to (0.1)p in the prior year. The IFRS profit after tax for the year primarily reflects the Underlying Profit of £279m, the increase in value of the Group's properties of £148m, £43m capital and other finance costs being the fair value movement on derivatives and hedge accounted debt, a £42m loss on disposal of investment properties, joint ventures and revaluation of investments, and Underlying and Capital taxation for the year.

The basic weighted average number of shares in issue during the year was 965m (31 March 2024: 927m), an increase on the prior year following the issuance of a further 71m ordinary shares via the £301m share placing in October 2024.

3. Dividends

Our dividend is semi-annual, and in line with our dividend policy, is calculated at 80% of Underlying EPS based on the most recently completed six-month period. Applying this policy, the Board are proposing a final dividend for the year ended 31 March 2025 of 10.56p per share, bringing the total dividend to 22.80p per share for the year. Payment will be made on Friday 25 July 2025 to shareholders on the register at close of business on Friday 20 June 2025. 8.56p will be payable as a Property Income Distribution and 2.00p will be payable as a non-Property Income Distribution. A Dividend Reinvestment Plan (DRIP) is provided by Equiniti Financial Services Limited which enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at www.shareview.co.uk/info/drip.

Balance sheet

As at	Section	31 March 2025 £m	31 March 2024 £m
Property assets		**9,489**	8,688
Other non-current assets		**64**	73
		9,553	8,761
Other net current liabilities		**(218)**	(248)
Adjusted net debt	6	**(3,637)**	(3,261)
EPRA Net Tangible Assets		**5,698**	5,252
EPRA NTA per share[1]	4	**567p**	562p
Non-controlling interests		**–**	13
Other EPRA adjustments[1]		**12**	47
IFRS net assets	5	**5,710**	5,312

On a proportionally consolidated basis

1. See Note 2 of the financial statements for definition and calculation

4. EPRA net tangible assets per share

	pence
EPRA NTA per share at 31 March 2024	**562**
Valuation performance	13
Underlying Profit	27
Dividend	(23)
Other	(1)
Equity placing	(11)
EPRA NTA per share at 31 March 2025	**567**

The 1% increase in EPRA NTA per share reflects a valuation increase of 1.6%, retained earnings and other movements, partially offset by the earnings accretive equity placing in October 2024.

Campus valuations were down 0.8% for the year, driven by outward yield shift of 14 bps to 5.6% net equivalent yield offset by ERV growth of 4.3%. The strong ERV growth performance reflects our successful leasing activity and the premium customers are placing on our best-in-class London campuses. Campus valuations inflected in the second half of the year with values up 0.8% (H1: -1.7%) as ERV growth accelerated to 2.6% and yields remained broadly stable.

Retail & London urban logistics valuations were up 5.0%, driven by yield compression of 27 bps to 6.6% net equivalent yield supported by ERV growth of 5.6%. Retail parks were the strongest performer with values up 7.1%, as parks remain an attractive investment proposition given that they are the preferred physical format for many retailers and supply remains restricted.

FINANCIAL REVIEW CONTINUED

5. IFRS net assets

IFRS net assets at 31 March 2025 were £5,710m, an increase of £398m from 31 March 2024. This was primarily due to the IFRS profit after tax of £338m, the October 2024 equity raise of £301m, partially offset by dividends paid in the year of £221m.

Cash flow, net debt and financing

6. Adjusted net debt

	£m
Adjusted net debt at 31 March 2024	**(3,261)**
Disposals	590
Acquisitions	(738)
Proceeds from equity placing	294
Development & asset management initiatives	(466)
Net cash from operations	270
Dividend	(220)
Other[1]	(106)
Adjusted net debt at 31 March 2025	**(3,637)**

1. Other includes financing activity, working capital and other cash movements

Adjusted net debt is a proportionally consolidated measure including our share of joint ventures. It represents the principal amount of gross debt, less cash, short term deposits and liquid investments and is used in the calculation of proportionally consolidated LTV and Net Debt to EBITDA. A reconciliation between the Group net debt as disclosed in Note 16 of the financial statements and adjusted net debt is included in Table A within the supplementary disclosures.

We have continued to actively recycle capital in the year, with disposals and the proceeds from the equity placing, offset by acquisitions reducing adjusted net debt by £146m. We also continued to invest in our best-in-class development pipeline as well as asset management initiatives on the standing portfolio which combined, increased adjusted net debt by £466m.

Net cash from operations offset by the dividend payment reduced net debt by £50m and was offset by movements in working capital and other cash movements.

7. Financing

	Group			
	31 March 2025	31 March 2024	**31 March 2025**	31 March 2025
Net debt / adjusted net debt[1,2]	**£2,647m**	£2,081m	£3,637m	£3,261m
Principal amount of gross debt	**£2,740m**	£2,225m	£3,738m	£3,443m
Loan to value[2]	**31.7%**	28.5%	38.1%	37.3%
Net Debt to EBITDA[2,3]	**8.0x**	6.8x	9.3x	8.5x
Weighted average interest rate	**3.2%**	2.6%	3.6%	3.4%
Interest cover	**5.7x**	5.9x	3.7x	3.5x
Weighted average maturity of drawn debt	**5.2 years**	6.1 years	5.0 years	5.8 years

1. Group data as presented in Note 16 of the financial statements. The proportionally consolidated figures include the Group's share of joint ventures' net debt and represents the principal amount of gross debt, less cash, short term deposits and liquid investments
2. Note 16 of the financial statements sets out the calculation of the Group and proportionally consolidated LTV and Net Debt to EBITDA
3. Net Debt to EBITDA on a Group basis excludes joint venture borrowings, and includes distributions and other receivables from joint ventures

We have continued to be active in financing with debt providers across a range of markets. During the year, our total financing activity amounted to £2.2bn, comprising £1.3bn of new finance raised, £700m of facility extensions, and £150m of existing debentures repurchased. These strategic transactions have maintained the diverse sources of our finance and extended the debt maturity profile.

The new £1.3bn of unsecured debt has been raised incorporating our standard unsecured financial covenants, in public bond and bank markets:

- £300m Sterling bond issued in March 2025, with 7 year maturity, at a spread 98bps above Gilts;
- £100m bi-lateral bank revolving credit facility (RCF) signed in March 2025;
- £730m syndicated RCF with a group of 14 banks including two new relationships, signed in October 2024. This RCF replaced a £525m syndicated RCF due to mature in May 2025; and
- £200m in two bi-lateral RCFs with banks who were also new relationships for us, signed in May and July 2024.

Our public unsecured sterling bond, issued under our EMTN programme, generated strong support from debt investors, with an order book more than three times covered at the issuance price of Gilts + 98bps (5.25% coupon). Alongside this issuance we conducted a tender for our legacy secured debentures, repaying a total of £150m, including £72m of the 5.357% 2028s and £78m of the 5.264% 2035s, with security released accordingly from the related collateral asset pool.

The new RCFs have initial 5 year maturities and may be extended by a further two years at our request and with the agreement of each bank for its participation. Sustainability KPIs are included in all these RCFs, linked to BREEAM ratings and Energy Performance Certificates, aligned with our Sustainability Strategy. In British Land and our joint ventures we have now have a total of £2.7bn (£2.4bn British Land share) of Green and Sustainability/ESG linked loans and facilities.

Extensions by one year of a number of existing RCFs and term loans, in total £700m, have been agreed during the year, to maturities in 2029/30.

As a result of this activity, at March 2025 we have £1.8bn of undrawn facilities and cash. Based on these facilities and our current commitments we have no requirement to refinance until late 2028. In keeping with our usual practice, we expect to refinance or replace debt facilities ahead of maturities and to continue to be active in financing markets.

Our weighted average interest rate at 31 March 2025 was 3.6%, a 20 bps increase from 31 March 2024. This reflects our interest rate hedging profile which reduces the impact of higher market interest rates. Our debt is 97% hedged over the year to 31 March 2026, and 77% hedged on average over the next five years.

At 31 March 2025, our proportionally consolidated LTV was 38.1%, up from 37.3% at 31 March 2024. Disposals in the year, primarily our share in the Meadowhall Shopping Centre joint venture, decreased LTV by 390 bps, whilst development spend and acquisitions, offset by the equity placing, together added 490 bps. The net impact of property valuation and other movements decreased LTV by a further 20 bps.

Net Debt to EBITDA for the Group increased to 8.0x at 31 March 2025 (6.8x at March 2024) and on a proportionally consolidated basis the ratio increased to 9.3x (8.5x at March 2024). Movements in Net Debt to EBITDA were driven by capital activity in the year and development spend.

We remain disciplined in our management of leverage and whilst these metrics are at the upper end of our internal ranges, they remain comfortable at this point in the cycle. With values inflecting, income to come from our development pipeline and a continued focus on recycling capital, our expectation is these metrics will reduce over time. For example, Group Net Debt to EBITDA would be c.7x taking into account the annualised impact of FY25 net purchases and upcoming financing of joint venture developments post completion.

We have an advantageous debt structure which gives access to diverse sources of finance through debt raised by British Land and in our joint ventures. Our debt in British Land (except for the debentures) is unsecured with no interest cover covenants. At March 2025, we retain significant headroom to our debt covenants, meaning the Group could withstand a fall in asset values across the portfolio of 36%, prior to taking any mitigating actions. Joint venture debt is arranged as required by the business of each relevant entity and secured on its assets, non-recourse to the Group, and the majority is "covenant light" with no LTV default limits.

Fitch ratings, as part of its annual review in July 2024 affirmed all our credit ratings, with stable outlook; Senior Unsecured 'A', long term IDR 'A-' and short term IDR 'F1'.

Our strong balance sheet, established lender relationships, access to different sources of finance and liquidity, all provide a platform for us to deliver on our strategy.

David Walker
Chief Financial Officer

DELIVERING OUR SUSTAINABILITY STRATEGY

PROGRESS ON OUR TARGETS

GREENER SPACES

READ MORE
about our Greener Spaces pillar
on pages 37

Targeting:

50%
lower embodied carbon intensity at our developments by 2030

on track at 39% reduction across current office developments

Target

75%
reduction in operational carbon intensity by 2030 vs 2019 baseline

on track at 38% reduction[1]

Target

25%
improvement in operational energy intensity by 2030 vs 2019 baseline

on track at 19% improvement[1]

Target

THRIVING PLACES

READ MORE
about our Thriving Places pillar
on page 40

Targeting:

£25m
Social Impact Fund to be deployed by 2030, including £10m of affordable space

£15.2m deployed since FY21

Target

90,000
education and employment beneficiaries by 2030

66,756 beneficiaries since FY21

Target

£200m
direct social and economic value generated by 2030

£120m generated since FY21

Target

RESPONSIBLE CHOICES

READ MORE
about our Responsible Choices pillar
on page 42

Targeting:

40%
(at least) female representation at senior management levels

FY25: 36%

Target

17.5%
minoritised ethnic representation across the Company by 2025

FY25: 17.9%

Target achieved

100%
of people working on our behalf at our places paid at least the real Living Wage

FY25: 100%

Target achieved

SUSTAINABILITY LEADERSHIP

READ MORE
in our Sustainability Progress Report
www.britishland.com/SPR

Targeting:

5*
GRESB for Development and Standing Investments

FY25: 5* Achieved
Global Sector Leader for Development and European Sector Leader for Standing Investments

100%
of developments on track to achieve BREEAM Outstanding (Offices); Excellent (Retail); Home Quality Mark (HQM) (Residential) minimum 3*

FY25: 100%

1 Performance is versus an indexed FY19 baseline, the methodology of which is outlined in the Sustainability Progress Report

SUSTAINABILITY REVIEW

GREENER SPACES

3 Sheldon Square, Paddington Central


2 Finsbury Avenue, Broadgate

HIGHLIGHTS

Average embodied carbon (CO_2e) per sqm in current office developments

615kg

2024: 625kg

Improvement in managed portfolio energy intensity against FY19 baseline

19%

2024: 18%

Portfolio EPC A and B rated (by ERV)

68%

2024: 58%

Spend on carbon efficient interventions since FY19

£26m

SUSTAINABILITY REVIEW CONTINUED

Delivering Greener Spaces means making choices which minimise our greenhouse gas (GHG) emissions and our wider impact on the environment.

There is clear commercial benefit to this, as our customers increasingly demand space with excellent environmental sustainability credentials. We know that this sustainable space will let more quickly at higher rents and be worth more in the investment market.

Decarbonisation

The buildings and construction sector is responsible for c.21% of global GHG emissions and over 32% of energy demand. Considering this and the sector's wider environmental impacts we have a responsibility and opportunity to act to support the equitable transition to a low carbon economy and to create resilient places for our customers.

In FY25, we remained on track to achieve our targets and actions set out in our 2020 Pathway to Net Zero (Pathway). This Pathway was created in line with best practice guidance at the time which has since evolved in line with climate science, technological advancements and policies. We have been working with specialists to update our approach and targets to reflect this latest guidance. We are now in the process of reviewing our Science Based Targets initiative (SBTi) targets in line with the Building sector guidance. Our new targets are expected to extend beyond 2030. We are a sponsor of the UK's Net Zero Carbon Buildings Standard (NZCBS) working group and have submitted development projects to the pilot testing.

Reducing embodied carbon in developments

Embodied carbon covers all emissions generated in the production, maintenance and deconstruction of a building. This year, we reduced our average upfront embodied carbon intensity across committed, near and medium term office developments to 615kg CO_2e per sqm from 625kg CO_2e per sqm in FY24. Key to this progress is our commitment to reusing existing building components and materials when possible, design efficiency and specifying low carbon materials.

Circular economy

The circular economy aims to eliminate waste by keeping materials in use for as long as possible. To facilitate this, we look to retain, reuse and upcycle materials and structure in existing buildings where possible. Our development approach acknowledges circularity as a crucial part of real estate's future. In FY25, we published our guide "Full Circle, Full Potential" developed in partnership with architect and strategic consultancy 3XN GXN. The guide details our approach to transitioning to a circular economy, including a standardised approach for each stage of the materials life cycle, to enhance circulation within the built environment and maximise material potential.

Low carbon materials

In FY25, our Low Carbon Materials Working Group continued to identify and review low carbon materials and solutions for our development projects, as well as challenging conventional building standards to reduce embodied carbon. Guided by our Carbon Primer report shared in FY24, which brings together lessons from multiple British Land projects, this year we continued to specify and procure lower carbon alternatives to traditional building materials, including low carbon steel, rebar and aluminium for integration into our developments where commercially and technically viable.

Designing for efficient operation

For new office developments, we target whole building operational energy efficiency of 90kWhe per sqm, in line with UK Green Building Council (UKGBC) 2030 targets. To deliver this, we are adopting NABERS UK Design for Performance (DfP) on all office developments. NABERS UK DfP is a framework which ensures accurate prediction of energy consumption throughout a building's life. This year, seven of our developments are targeting NABERS UK DfP, two of which have received their target rating. As early as FY23, 1 Broadgate was the first building to receive a 5* NABERS UK DfP target rating. As part of our NABERS Working Group we have developed bespoke NABERS guidance on implementing robust processes on British Land developments.

Transition Vehicle

Our Transition Vehicle was established in 2020 and is a mechanism for delivering our energy and carbon targets. It is financed by an internal levy on the embodied carbon in our developments which is currently set at £90 per tonne of carbon. The majority of the Transition Vehicle funds are used to invest in retrofitting projects and research and development with the remainder being used to purchase carbon credits. Annually we supplement our Transition Vehicle with a £5m float. So far, the Transition Vehicle has committed £20m on retrofitting projects.

Offsetting

Once we have explored reasonably practical and economically viable steps to reduce embodied carbon in our developments we offset the residual embodied carbon. We pre-purchase the carbon credits for all our committed developments, both to secure our preferred projects and to provide greater certainty over costs, as the rising price of carbon credits is one of our identified climate-related risks (see page 68). Prior to purchasing carbon credits from a new project we conduct thorough due diligence into them. We retire half of these carbon credits at commitment with the remainder being retired in line with practical completion or shortly after. We continue to consider local, certified carbon credits.

Air source heat pump installation, Broadgate

Reducing operational carbon

Operational carbon covers the emissions associated with energy, fuel and refrigerant used to operate the building or associated infrastructure. This year, our whole managed portfolio energy intensity improved to 167kWhe per sqm (19% improvement vs FY19 indexed baseline) and our carbon intensity reduced to 42kg CO_2e per sqm (38% reduction vs indexed FY19 baseline). The managed portfolio includes multi-let properties where there is management influence over operations. This has been another strong year of progress towards our 2030 targets reflecting the positive impact our carbon efficient interventions are having on a whole-building basis.

Most of these savings have been from our offices where for over a decade we have been collecting whole building utilities data, implementing carbon efficient interventions and working closely with our customers. In retail, the energy consumption within tenant spaces, where we lack control over procurement decisions and usage patterns, significantly influences our performance. We are currently exploring the most effective methods to collaborate and engage with our retail tenants to identify and implement opportunities for reducing this energy consumption.

Retrofitting our portfolio

Following a programme of environmental audits, a decarbonisation pathway has been established for nearly all our managed assets which are a fundamental part of their business plans. The estimated cost of these decarbonisation pathways is £100m and we expect that a significant part of this cost will be recovered through the service charge as part of standard life cycle replacement.

These pathways align with the proposed Minimum Energy Efficiency Standard (MEES) requirements for all non-domestic buildings, where we are targeting buildings to be either EPC A or B rated by 2030. The proportion of the portfolio rated EPC A or B by ERV is now 68%, up from 58% in FY24.

To date, £26m[1] has been spent on carbon efficient interventions across our managed assets with £9m spent in FY25. Some of the interventions funded in FY25 include the installation of heat pumps at 2 Kingdom Street, 1 Finsbury Avenue and 155 Bishopsgate and upgrading the car park lighting to LED across numerous retail parks.

1. Figure includes capital expenditure, monies recoverable through service charge and occupier spend in demised spaces

Renewable energy sources

Over the last two years we have undertaken two pilot projects to deliver landlord operated solar systems; running in-depth feasibility studies, gaining grid consent and assessing roof conditions. However, the workstream has paused due to challenges with the roofs demised to occupiers and the resource-intensive conditions of agreeing numerous power purchase agreements.

As an alternative, we are supporting our retailers with delivering their own solar with four schemes currently planned. We have engaged with minsters at the Department for Energy Security and Net Zero to guide regulatory reforms to accelerate decarbonisation of retail assets. Our retail parks have rooftop capacity for approximately 370,000 sqm of solar PV. If we were able unlock this, it could add c.69MWp of renewable capacity and generate more than 87,500MWh of energy for our customers every year. We will review this opportunity on an ongoing basis and remain supportive of our retail occupiers installing their own solar.

We are a signatory to RE100, which commits us to procuring 100% renewable energy. We purchase our energy from Renewable Energy Guarantees of Origin (REGO) and Renewable Gas Guarantees of Origin (RGGO) certified traceable sources. From April 2024, we have been trialling a new enhanced methodology for measuring and monitoring electricity consumption, which involves time matching hourly electricity demand with renewable energy production. Through understanding our renewable energy requirements on a more granular basis, we hope to support the transition to carbon free energy.

Nature

Climate change and nature loss are linked, so we consider them together and prioritise the use of nature-based solutions where relevant. Nature plays a role in supporting the health and wellbeing of customers and visitors to our places.

We have been supporting nature at our places for more than a decade, through the introduction of accessible green spaces at our assets. These green spaces include creating or retrofitting new habitats through planting and the introduction of new species and vegetation. This has been done in line with our Biodiversity Frameworks and Design Guides for our campuses and retail assets.

This year, we worked with our ecologists to refine our strategy for nature. This strategy builds on our existing work enhancing biodiversity and improving natural capital, focusing on embodied nature impacts in our supply chain, achieving biodiversity net gain on our developments and delivering nature plans for our operational assets.

READ MORE
on our nature strategy in our 2025 Sustainability Progress Report www.britishland.com/SPR

SUSTAINABILITY REVIEW CONTINUED

THRIVING PLACES

The Leith Collective, Really Local Store, Fort Kinnaird

National Literacy Trust Young Readers, Paddington Central

HIGHLIGHTS

Direct social value
£11.3m
2024: £9.7m

Direct economic value
£21.2m
2024: £20.4m

Total beneficiaries
18,500
2024: 15,000

Social impact initiatives supported
92
2024: 93

Our social impact strategy uses our assets to support our customers and communities to learn, earn and grow, generating value through impactful use of our spaces, employment and education programmes. We focus on opportunities both in our industry and at our places, and are moving towards a focus on growth sectors in green, science and tech skills.

The resulting programmes directly impact the communities living in and around our places, supporting their wellbeing and prosperity. This supports the success of our places, helping deliver developments, managing risk, attracting customers and protecting our licence to operate.

Social impact

Our £25m Social Impact Fund, which comprises £15m of cash contributions and £10m of affordable space value, is distributed across our three commitment areas of affordable space, employment and education to 2030.

In FY25, our Social Impact Fund contributed £1.2m of cash and £1.2m of affordable space. This brings our total contributions since FY21 to £8.1m of cash and £7.0m of affordable space.

Affordable space

Our strategy focuses on leveraging our space and expert knowledge to support a broad range of local organisations. This focuses on our strengths – our core business of providing high quality space and commercial expertise – to generate social, economic and commercial impact and differentiate our places.

This year, we provided £1.2m of affordable space, benefitting small businesses, social enterprises, community organisations and charities. We also published a report on the commercial return and socioeconomic impact of our retail affordable space programme, Really Local Stores. Applying a robust approach to reporting, we only count space provided for free or at a significant reduction for at least three months. Many more organisations benefit from events and pop-ups. We actively support smaller organisations through the process, removing barriers to entry wherever possible.

Employment

We support local training and jobs through Bright Lights, our skills and employment programme. Bright Lights enables local people to access opportunities in our sector and at our places. This helps secure the skills our business, suppliers, customers and communities need as we work towards an equitable low carbon future.

This year, Bright Lights delivered 32 employment initiatives including pre-employment training, virtual programmes, mentoring, work placements, graduate schemes, internships and apprenticeships. 1,189 people benefitted from meaningful employment support at our places, with 457 securing employment. This brings the number of Bright Lights beneficiaries to 6,719 since FY21, progressing towards our target of 10,000 by 2030. We have applied a robust approach to reporting, only counting people who receive meaningful life-enhancing support.

This year we began pivoting our activity to address the UK's fast-growing future skills needs. We have focused on using our existing social impact initiatives to support the development of green skills, ensuring that people can access employment opportunities for the future.

Green skills

We recognise that the transition to net zero requires an increasing range of skills, known as green skills, which support a more sustainable and resource efficient society.

Research shows that green jobs are growing twice as fast as the number of workers with the skills to fill them.[1] We see an opportunity to enable people living in our communities to access the opportunities created by the green skills gap by introducing a green focus to our education and employment initiatives where appropriate. Working with experts and partners across our business and supply chain, we are reviewing how all elements of our 2030 Sustainability Strategy can support an equitable transition to a low carbon economy.

Our long-standing commitment to addressing social mobility through education and employment initiatives, adapting our approach and programmes to suit changing circumstances and needs, has been recognised by the Social Mobility Index over seven consecutive years, and we are the only listed REIT to feature in the Index's top 75.

Education

We focus our support on needs-based education programmes – to support curriculum learning, increase local talent pools, raise awareness of careers in our sectors and support young people to access career opportunities in the future. This year, we delivered 52 education initiatives at our places, benefitting 7,596 people, often bringing together our customers, suppliers and local partners. Much of this was through our partnership with the National Literacy Trust (NLT), the UK's largest and longest running corporate literacy programme.

Social value

Our social value target to generate £200m of direct social and economic value by 2030 gives a financial value to the outcomes of our social sustainability programmes. The elements of this target were externally validated by external social value specialists. This further embeds social impact into how we do business and underscores the importance of thriving communities as linked to commercial success for us and our customers.

Our target comprises £100m of direct social value generated from our £25m Social Impact Fund, focusing on affordable space, employment and education outcomes, and £100m of direct economic value generated from our spend with small and medium-sized enterprises (SMEs).

We are also targeting £100m of indirect social and economic value by 2030, primarily through social impact activities and local spend as a result of our development activity.

In FY25, we undertook a process, working with social value specialists CHY Consultancy, to externally verify direct social and economic value data from earlier years. Since FY21 £120m of direct social and economic value was generated, of which £32.5m was generated in FY25.

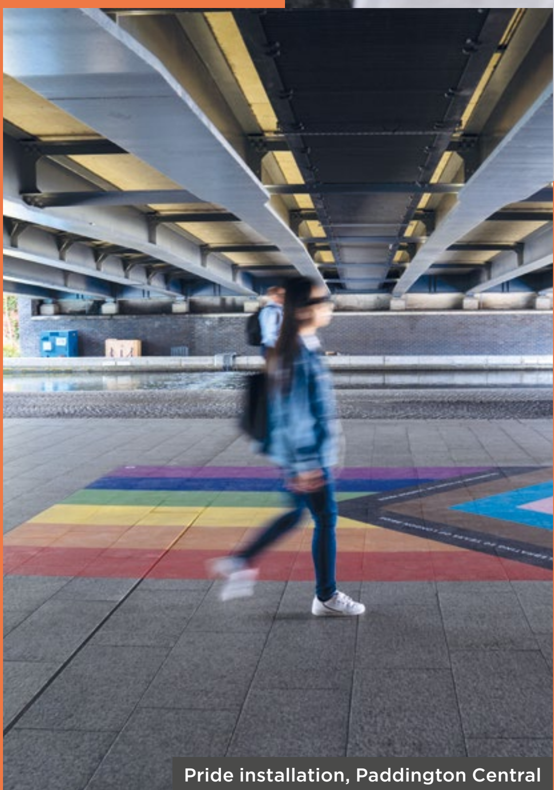
READ MORE
For a detailed breakdown, see our 2025 Sustainability Progress Report www.britishland.com/SPR.

1. www.weforum.org/stories/2024/02/green-jobs-green-skills-growth/

SUSTAINABILITY REVIEW CONTINUED

RESPONSIBLE CHOICES


Sports and Social Employee Network event


Pride installation, Paddington Central

HIGHLIGHTS

% of staff proud to work at British Land
93%
2024: 93%

Employee engagement score
79%
2024: 78%

Number of internal moves/promotions
71
2024: 90

Hours spent on employee training
8,055
2024: 11,000

We are committed to making responsible choices across all areas of our business and we encourage our customers, partners and suppliers to do the same.

Our people strategy

We continue to foster a diverse, inclusive and ambitious culture so we can attract, develop and inspire the best people to deliver our strategy. All our people-related initiatives link back to this goal.

Empowering leadership and talent development

Leadership and professional development remain at the core of our people agenda and we continued our mandatory training programme for all team leaders.

Key highlights include:

- Professional Development: 8,055 hours of learning completed, with a focus on management development.
- Nurturing Talent: committed to the career growth of our employees, with 71 internal moves such as secondments and promotions successfully completed in FY25.
- Coaching: we partnered with Circl for the sixth year running. Circl is a leadership development programme who teach coaching skills to professionals working with young adults from underrepresented backgrounds.
- Mentoring: this year we formally matched 47 mentees with mentors who provide them with valuable career guidance, insight and support, but there are many more informal mentee/mentor relationships across the business.

Commitment to diversity, equality & inclusion

Our commitment to diversity, equality & inclusion (DE&I) continues to be a core value in our organisation.

Key achievements:

- Minoritised Ethnic Representation: we have achieved 17.9% ethnic minority representation across the business, in line with our 2025 internal targets.
- Women Leaders: we have 50% women at Board level and 43% women at ExCo level, exceeding our 40% women target, and 36% women among 'ExCo and their direct reports'.
- DE&I Internal Audit: an independent assessment of the design and governance of our 2030 DE&I Strategy was carried out, and the Strategy was deemed "mature", "clear and well structured", and "linked to British Land's purpose and values". Being halfway to 2030, we will update the Strategy, to make sure it continues to challenge us.
- Social Mobility Recognition: for the seventh consecutive year, we were listed in the Social Mobility Foundation Index Top 75, reaffirming our commitment to recognising talent, whatever someone's social background.
- Company Culture: 90% of our employees agree that diversity is a stated value or priority for British Land.

Workforce gender diversity at March 2025

Engaging our workforce for a stronger future

Employee engagement is at the heart of British Land's workplace culture. By listening to our people and acting on their feedback, we continue to strengthen our work environment and drive positive change.

Key achievements:

- Employee Engagement Survey: for the second year in a row we had a record 90% participation rate in our November 2024 employee survey, with our highest ever engagement score of 79%.
- Workplace Innovation Programme: our "Hats On" initiative led to 35 employee-driven innovations being implemented in daily operations since its inception in October 2022.
- We have invested in our systems and processes to enable our people to do their work more effectively and seen employee engagement in this specific area increase by 5%.
- We have launched a digital skills drive to enable everyone to maximise the technology available to them. The aim is for everyone to make personal incremental gains as they reduce administrative burden in daily tasks.

Financial performance and investment in people

In the past year, we allocated over £400,000 towards comprehensive training and development initiatives. This investment supported leadership and management development, DE&I training and employee wellbeing initiatives. By prioritising these areas, we have empowered our workforce with the skills and resources needed to thrive in a dynamic environment.

Looking ahead: Our vision for 2025 & beyond

As we look to the future, we want to sum up our business by "small team, smart people, big ambitions" and remain committed to fostering an agile, diverse and engaged workforce. Our priorities for the upcoming year are ever continuing leadership development, continuing focus on our DE&I goals, advancing professional development and enhancing digital skills.

Responsible procurement

A strong relationship with our supplier partners plays a key role in the successful delivery of our strategy which is governed by our mandatory Supplier Code of Conduct. This sets out clear social, ethical and environmental obligations for our supply chain partners and promotes safe and fair working conditions.

Against modern slavery

We uphold the human rights of our employees and throughout the supply chain. We have provided anti-modern slavery training to all our employees. We continue to undertake audits of our key suppliers. During FY25, 10 audits took place.

Real Living Wages

We have a strong track record of paying at least the real Living Wage to British Land employees and people working on our developments and encouraging our suppliers to do the same approach. In FY24 we were accredited as a Living Wage Employer and in FY25, all people working at our assets on our behalf were paid at least the real Living Wage. This includes all people working directly for British Land and for our hard and soft service providers.

Mandating prompt payment

We are committed to paying all suppliers within 30 days. In FY25, we settled Group invoices within 20 days on average.

FINANCIAL POLICIES AND PRINCIPLES

A consistent approach to financing, with good access to debt markets, provides flexibility and capacity to deliver our strategy.

Leverage

Our use of debt and equity finance balances the benefits of leverage against the risks, including magnification of property returns. A loan to value (LTV) ratio measures our balance sheet leverage, on a proportionally consolidated basis (including our share of joint ventures) and for the Group (British Land and its subsidiaries). At 31 March 2025, proportionally consolidated LTV was 38.1% and for the Group was 31.7%. The ratio of Net Debt to EBITDA is a measure of leverage based on earnings, rather than asset valuations, which we consider primarily on a Group basis. At 31 March 2025, our Group Net Debt to EBITDA was 8.0x and the proportionally consolidated measure was 9.3x. The calculations of these ratios are set out in the Notes to the Accounts.

Our leverage is monitored in the context of wider decisions made by the business. We manage our LTV through the property cycle such that our financial position remains robust in the event of a significant fall in property values. This means that, alongside consideration of new commitments, we do not adjust our approach to leverage based only on changes in property market yields. Consequently, our LTV may be higher at the low point in the cycle and will trend downwards as market yields tighten.

Debt finance

The scale of our business, combined with the quality of our assets and rental income, means that we are able to approach a diverse range of debt providers to arrange finance on attractive terms. Good access to the capital and debt markets allows us to take advantage of opportunities when they arise. Our approach to debt financing for British Land is to raise funds on an unsecured basis with our standard financial covenants, as described on page 46, with the calculations set out in the Notes to the Accounts. This provides flexibility and low operational cost. During the year we completed £2.2bn of financing activity, including: raising £1.0bn of new unsecured bank revolving credit facilities (RCFs) in four transactions; issuing a new £300m unsecured seven-year bond; alongside the bond, conducting a tender to repay £150m of existing secured debentures; and extending £700m of existing RCFs and bank term loans.

Our joint ventures that choose to have external debt are each financed in 'ring-fenced' structures without recourse to British Land for repayment and secured on their relevant assets.

We monitor our overall debt requirement by reviewing current and projected borrowing levels, available facilities, debt maturity and interest rate exposure. We undertake sensitivity analysis to assess the impact of proposed transactions, movements in interest rates and changes in property values on key balance sheet, liquidity and profitability ratios. We also consider the risks of a reduction in the availability of finance, including a temporary disruption of the financing markets. British Land's undrawn facilities and cash amounted to £1.8bn at 31 March 2025. Based on our commitments and these available facilities, the Group has liquidity (no requirement to refinance) until late 2028.

Presented on the following page are the five guiding principles that govern the way we structure and manage debt.

Interest rate exposure

We manage our interest rate profile separately from our debt, considering the sensitivity of underlying earnings to movements in market rates of interest primarily over a five-year period. As debt finance is raised at both fixed and variable rates, derivatives (including interest rate swaps and caps) are used to achieve the desired hedging profile across proportionally consolidated net debt. As at 31 March 2025, the interest rate on our debt is 97% hedged for the year ending 31 March 2026. On average over the next five years we have interest rate hedging on 77% of our debt, with a decreasing profile over that period. Accordingly, we have a higher degree of protection on interest costs in the short to medium term. The hedging required and use of derivatives is regularly reviewed and managed by a Derivatives Committee. The interest rate management of joint ventures is considered separately by each entity's board, taking into account appropriate factors for its business.

Counterparties

We monitor the credit standing of our counterparties to minimise risk exposure in placing cash deposits and arranging derivatives. Regular reviews are made of the external credit ratings of the counterparties.

Foreign currency

Our policy is to have no material unhedged net assets or liabilities denominated in foreign currencies. When attractive terms are available, we may choose to borrow in currencies other than Sterling, and will fully hedge the foreign currency exposure.

OUR FIVE GUIDING PRINCIPLES

1. Diversify our sources of finance

We monitor finance markets and seek to access different sources of finance when the relevant market conditions are favourable. We aim to avoid reliance on any particular source of funds and have arranged unsecured and secured, recourse and non-recourse debt to meet the business requirements of the Group and joint ventures.

We develop and maintain long term relationships with banks and debt investors from different sectors and geographical areas, with around 30 debt providers in our bank facilities and private placements alone. Our reporting and disclosures enable lenders to evaluate their exposure within the overall context of the Group. A European Medium Term Note programme is maintained to enable us to access the Sterling/Euro unsecured bond markets, where we have two outstanding Sterling bonds, and our Sustainable Finance Framework enables us to issue Sustainable, Green, and/or Social finance, when it is appropriate for our business. At 31 March 2025 we have £2.7bn (British Land share £2.4bn) of Green and Sustainable/ESG linked financing.

Total drawn debt (proportionally consolidated)

£3.7bn

in over 25 debt instruments

2. Phase maturity of debt portfolio

The maturity profile of our debt is managed with a spread of repayment dates, currently between one and 13 years, reducing our refinancing risk in regard to timing and market conditions. At 31 March 2025, as a result of our financing and capital activity, based on our commitments and available facilities we have liquidity (no requirement to refinance) until late 2028, longer than our preferred period of not less than two years. In order to maintain the position and in accordance with our usual practice, we expect to extend or refinance debt in advance of relevant maturities.

Average drawn debt maturity (proportionally consolidated)

5.0 yrs

3. Maintain liquidity

In addition to our drawn debt, we aim always to have a good level of undrawn, committed, unsecured revolving bank facilities. These facilities provide financial liquidity, reduce the need to hold resources in cash and deposits, and minimise costs arising from the difference between borrowing and deposit rates, while limiting credit exposure. We arrange these revolving credit facilities in excess of our committed and expected requirements to ensure we have adequate financing availability to support business activity and new opportunities.

Undrawn facilities and cash

£1.8bn

4. Maintain flexibility

Our facilities are structured to provide valuable flexibility for investment activity execution, whether sales, purchases, developments or asset management initiatives. Unsecured revolving credit facilities provide full operational flexibility of drawing and repayment (and cancellation if we require) at short notice without additional cost. These facilities generally have initial maturities of five years (with extension options). Alongside this, our secured term debt in long-standing debentures has good asset security substitution rights, where we have the ability to move assets in and out of the security pool, as required for the business.

Total facilities

£2.4bn

5. Maintain strong metrics

We manage leverage on a through the cycle basis, considering LTV and Net Debt to EBITDA.

We maintain good access to debt markets, providing flexibility and capacity for our business requirements.

We maintained our strong senior unsecured credit rating ‘A’, long term IDR credit rating ‘A-’, and short term IDR credit rating ‘F1’, affirmed by Fitch during the year with Stable outlook.

Overall, this provides a strong platform for our business strategy.

LTV (proportionally consolidated)

38.1%

Net Debt to EBITDA (Group)

8.0x

Senior unsecured credit rating

A

FINANCIAL POLICIES AND PRINCIPLES CONTINUED

Group borrowings

Unsecured financing for the Group includes bilateral and syndicated bank revolving credit facilities and term loans (with initial maturities usually of five years, often extendable for a further two years); US Private Placements with maturities up to 2034; and Sterling unsecured bonds maturing in 2029 and 2032.

Secured debt for the Group comprises British Land debentures with maturities up to 2035.

£2.2bn of the Group's RCFs and term loans are sustainably linked and include two KPIs referring to developments and assets under management, aligned with our Sustainability Strategy. There is provision for an adjustment to the interest margin payable, based on our performance relative to these KPIs, which are published in our Sustainability Progress Report.

Unsecured borrowing covenants

There are two financial covenants which apply across all of the Group's unsecured debt. These covenants, which have been consistently agreed with all unsecured lenders since 2003, are:

- Net Borrowings not to exceed 175% of Adjusted Capital and Reserves
- Net Unsecured Borrowings not to exceed 70% of Unencumbered Assets

There are no income or interest cover covenants on any of the unsecured debt of the Group.

The Unencumbered Assets of the Group, not subject to any security, stood at £5.2bn as at 31 March 2025.

Although secured assets are excluded from Unencumbered Assets for the covenant calculations, unsecured lenders benefit from the surplus value of these assets above the related debt and the free cash flow from them. During the year ended 31 March 2025, these assets generated £36m of surplus cash after payment of interest. In addition, while investments in joint ventures also do not form part of Unencumbered Assets for the covenant calculations, our share of free cash flows generated by these ventures is regularly passed up to the Group.

Financial covenants

As at 31 March	**2025 %**	2024 %	2023 %	2022 %	2021 %
Net Borrowings to Adjusted Capital and Reserves	**47**	40	38	36	33
Net Unsecured Borrowings to Unencumbered Assets	**43**	38	32	30	25

Secured borrowings

Secured debt with recourse to British Land is provided by long standing debentures with limited amortisation. These are secured against a combined pool of assets with common covenants: the value of the assets is required to cover the amount of the debentures by a minimum of 1.5 times and net rental income must cover the interest at least once. We use our rights under the debentures to actively manage the assets in the security pool, in line with these cover ratios.

We continue to focus on unsecured finance at a Group level.

Borrowings in our joint ventures

External debt for our joint ventures has been arranged through long-dated securitisations or secured bank loans, according to the requirements of the business of each entity, summarised below.

Joint venture	Debt type	Covenants summary
Broadgate	Securitisation bonds	To meet interest and scheduled amortisation (one times cover) No LTV covenant
	Secured Green bank loan	Interest cover ratio LTV ratio
Paddington	Secured bank loan	Interest cover ratio LTV ratio (Cash trap only)
Canada Water	Secured Green development loan facility	Loan to development cost LTV ratio
West End Offices	Secured bank loan	Interest cover ratio LTV ratio

There is no obligation for British Land to remedy any breach of these covenants or ratios in the debt arrangement of joint ventures.

RISK MANAGEMENT

MANAGING RISK IN DELIVERING OUR STRATEGY

Effective risk management is fundamental to our business. Our ability to identify, assess and effectively manage current and emerging risks is critical to our strategy and how we position the business to create value, whilst delivering positive outcomes for all our stakeholders on a long term, sustainable basis.

Risk management framework

We maintain a comprehensive and well-established risk management and internal control framework, focused on proactive risk awareness and effective risk oversight across the business. We clearly define our risk appetite, respond quickly to changes in our risk profile and foster a strong risk management culture across the business, with clear roles and responsibilities. Our framework integrates a top-down strategic perspective with a complementary bottom-up operational process, as illustrated in the diagram below. This approach enables us to effectively identify, assess and manage both financial and non-financial risks – including principal risks that could impact solvency and liquidity, as well as emerging risks. Our objective is not to eliminate risk entirely, but to manage exposures within our defined risk appetite, while at the same time maximising opportunities.

Governance

The Board has ultimate responsibility for risk management and maintaining a robust internal control framework. It determines the nature and extent of the principal risks the Group is willing to take to achieve its strategic objectives, assessing risk tolerances within the context of strategic priorities and the external environment – referred to as our risk appetite (as detailed overleaf). To support the Board, the Audit Committee provides essential oversight and assurance. Throughout the year, it specifically reviews the effectiveness of risk management and internal control processes. At the strategic level, this top-down approach ensures our risk management focuses on the principal risks facing our business, considers them collectively and identifies emerging risks.

Our integrated risk management approach

Strategic risk management	Operational risk management	
Board/Audit Committee/ESG Committee →		**Third line of defence**
– Review the external risk landscape – Robust assessment of principal risks – Define risk appetite and parameters	– Evaluate the effectiveness of risk management and internal control frameworks – Report on principal and emerging risks	Internal Audit serves as an objective assurance function, independently evaluating the effectiveness of our risk management and internal control processes
Risk Committee/Executive Committee →		**Second line of defence**
– Identify principal and emerging risks – Guide strategic decision making in line with risk appetite – Monitor key risk indicators – Set risk tolerance levels	– Assess the completeness of risk identification and the adequacy of mitigation measures – Review the aggregation of risk exposures across the business	The internal risk and control team supports the Risk Committee by coordinating risk management activities. This includes ensuring that risk management practices and internal controls are embedded across operations, culture and decision-making processes. The team also provides oversight and constructive challenge
Business units →		**First line of defence**
– Implement strategic initiatives – Report on key risk indicators	– Provide updates on current and emerging risks – Identify, assess and mitigate operational risks tracked in the risk register	Business units are responsible for the day-to-day management of operational risks. They take ownership by implementing appropriate mitigations and internal controls to manage these risks effectively

RISK MANAGEMENT CONTINUED

The Executive Directors and Risk Committee (comprising the Executive Committee and senior leaders from across the business, and chaired by the Chief Financial Officer), oversee risk management and internal controls throughout the business. They are supported by the internal risk and control team, which coordinates our risk management activities and integrates risk management and internal controls into the Group's operations, culture and decision-making processes.

At the operational level, risk management is embedded within our business units and core operations. This bottom-up approach enables early identification and timely escalation of potential risks. Each business unit has designated risk representatives who ensure operational risks are managed at source, and appropriate mitigations including internal controls, are implemented. These representatives maintain a detailed risk register, which is regularly reviewed by the internal risk and control team. Significant and emerging risks are formally reported to the Risk and Audit Committees. Internal Audit provides objective, independent assurance by evaluating the effectiveness of our key risk management and internal control processes.

Through this approach, the Group operates a 'three lines of defence' model to manage risk effectively:

1. Operational management is responsible for the day-to-day identification and mitigation of risks.
2. The Risk Committee and internal risk team oversee and integrate risk management practices across the Group.
3. Internal Audit provides independent assurance on the effectiveness of the Group's risk management and internal control processes.

This model supports a comprehensive, proactive and resilient risk management framework across British Land.

READ MORE
about the Board and Audit Committee's risk oversight, see pages 99 to 106

Progress with our risk priorities in the year

Strengthening environmental and social sustainability controls

We have enhanced our environmental and social sustainability control framework, including testing of key controls during the year. Going forward, we will continue to refine and strengthen these controls to align with evolving regulatory requirements and industry best practices.

Enhancing risk management practices

We conducted a survey of Risk Committee members and key stakeholders to enhance our risk management practices. Feedback was very positive, with all members agreeing that the Committee adds value and supports strategic objectives. Additionally, the Head of Risk and Internal Control has engaged with leadership teams across the business to clarify risk responsibilities, promote timely risk escalation, assess key business unit risks, and foster a strong risk-aware culture.

We have also continued to actively enhance our internal control and risk management frameworks in preparation for compliance with the revised UK Corporate Governance Code, including the forthcoming requirements of Provision 29, which will take effect for the Group's financial year ending 31 March 2027.

Monitoring macroeconomic and geopolitical uncertainties

We continue to evaluate the impact of macroeconomic and geopolitical uncertainties on our risk profile, with a particular focus on persistent inflation, interest rate volatility, geopolitical challenges arising from the ongoing conflicts in Ukraine and the Middle East and, more recently, the potential impact of global tariffs. In response we have maintained a risk focused approach to managing our business, particularly in relation to capital allocation and maintaining a strong financial position.

Tracking emerging risks including AI

We proactively monitor emerging risks, assessing their potential impact and identifying opportunities. Our AI working group continues to track technological advancements, assess opportunities within our operations and manage associated risks to ensure responsible implementation.

Refining business continuity plans

Our business continuity plans have been further refined to ensure the ongoing resilience of critical operations. Key improvements include assessing IT system recovery time objectives, identifying necessary resources, and disaster recovery testing on key systems to strengthen our preparedness for potential disruptions.

Improving information security framework

We have made significant progress in enhancing our technology infrastructure, cyber security environment and IT control framework to align with the ISO 27001 Information Security Management System (ISMS) global standard. We intend to pursue formal ISO 27001 certification in FY26.

Our priorities for 2025/26

1. **Strengthening Internal Controls and Governance:** Monitor compliance with the revised UK Corporate Governance Code, including Provision 29. Focus on material controls to enhance Board oversight and formalise assurance processes. Identify opportunities to streamline and improve processes, driving both efficiency and added value.
2. **Responding to Economic and Market Volatility:** Proactively manage the impacts of prolonged inflation, interest rate uncertainty and geopolitical tensions. Maintain financial resilience through disciplined leverage, strong liquidity management and scenario planning.
3. **Enhancing Technology and Cyber Resilience:** Achieve full ISO 27001 certification to reinforce information security practices. Leverage digital tools to enhance decision-making and operational efficiency. Continue to explore opportunities of emerging technologies, particularly AI, while assessing associated risks to ensure responsible implementation.
4. **Continued Technology Transformation:** Evaluate and oversee the risks associated with the Group's ongoing transformation projects, including, where feasible, the automation and streamlining of control processes.

Our risk-aware culture

We seek to foster a risk-aware culture throughout our business by emphasising risk awareness, education and training. Guided by our values, we promote an open and accountable culture. We actively encourage employees to report risk weaknesses and exceptions, enabling us to implement preventive measures. With our flat organisational structure, senior management is actively involved in key decisions and directly oversees our development, asset management and property management activities. This approach integrates risk management principles into our daily operations, encouraging employees to actively contribute to risk identification and mitigation efforts.

Our internal control framework

Our internal control framework is embedded within our risk management process, encompassing our policies, procedures and practices. Key controls are implemented across all business areas, including financial, operational and compliance areas. The framework, detailed below, incorporates risk assessment, control activities, and continuous monitoring and testing to ensure operational effectiveness, accurate financial reporting and adherence to legal and regulatory requirements.

Internal control framework

Our risk appetite and tolerance

Our risk appetite is at the core of our risk management approach, guiding business planning, decision making and strategy execution. Reviewed annually and approved by the Board, it is embedded within our policies, procedures and internal controls. We monitor our risk appetite using a dashboard with key risk indicators (KRIs) for each principal risk, with defined tolerances, helping us assess alignment with our risk appetite and strategic priorities. These KRIs, both leading and lagging are detailed for each principal risk on pages 52 to 58.

Whilst our risk appetite may evolve over time and in response to property cycle shifts, our overall risk appetite remains balanced, with a low appetite for financial and compliance risks, and a balanced appetite for property and operational risks. We have established clear risk appetite statements and tolerances for each internal principal risk, categorised into three levels: Risk Averse, Balanced, and Risk Taking.

Risk appetite tolerance levels

Risk Averse:
A cautious approach, prioritising risk avoidance and mitigation.

Balanced:
A moderate risk approach, accepting a controlled level of risk with appropriate mitigation to pursue strategic objectives.

Risk Taking:
A greater risk taking approach, justified by the potential benefits in pursuit of strategic objectives, but falling within acceptable tolerance levels.

READ MORE
to see our risk appetite levels for each internal principal risk, see pages 55 to 58

Our balanced risk appetite is supported by:

- A diversified business model focused on prime, well-located campuses, retail parks and London urban logistics assets.
- A disciplined approach to development, managing speculative exposure and risks through timing, pre-lets, cost control and joint ventures.
- Strong financial discipline underpinned by a resilient balance sheet and robust liquidity.
- A diverse and high quality occupier base with strong covenant strength, providing income stability.
- A highly experienced leadership team, including the Board, senior management and the Risk Committee.

RISK MANAGEMENT CONTINUED

Our risk focus

Throughout the year, we have maintained close focus on both key external risks and operational risks, particularly in the context of ongoing macroeconomic and geopolitical uncertainties. While the UK economy has been relatively resilient, the overall risk environment remains elevated due to persistent inflation, higher interest rates and changes in the global geopolitical environment, including the potential impact of global tariffs. The Board, alongside key committees, continues to maintain close oversight of these risks through a measured, risk-aware approach, especially with regard to capital allocation, financial stability, and managing development and financing activities. Further detail on the potential impacts and our mitigation strategies can be found in the principal risks table.

Over the course of the year, the Risk Committee has maintained its focus on key operational risk areas, including:

- Strengthening financial reporting, operational and compliance processes and controls to support robust governance.
- Overseeing health, safety and environmental risk management, including successful re-certification under ISO 45001.
- Actively monitoring occupier covenant strength, while taking appropriate measures to protect and support income resilience.
- Monitoring environmental risks and opportunities, with a focus on energy performance ratings (EPCs).
- Reviewing development-related risks, including inflationary pressures on construction costs and the covenant strength of key contractors and subcontractors.
- Managing procurement and supply chain exposures to ensure continuity and resilience.
- Implementation of enhanced information security controls and processes.
- Supporting Internal Audit activity and ensuring timely implementation of control recommendations and process enhancements.

Our robust risk management process, alongside the Group's continued ability to be flexible in adapting to both principal and emerging risks, remains critical to sustaining our long term performance and strategic objectives.

Our principal risks

Our risk management framework is structured around the principal risks facing British Land. Using a risk scoring matrix, we assess risks based on likelihood, financial impact and reputational impact. This process aids in identifying both the external and internal strategic and operational principal risks with a higher likelihood and potential impact on our business.

Our principal risks comprise the 11 most significant Group risks, including four external risks primarily influenced by market factors, and seven internal strategic and operational risks which, while subject to external influence, are more under the control of management. External principal risks stem from the broader macroeconomic and political environment, as well as our core property markets. Internal principal risks relate to our capital allocation, development, customers, sustainability, people and culture, as well as key operational risks such as technology, health and safety, and fraud and compliance. The Board, supported by the Audit Committee conducts regular reviews of external principal risks to inform decision making, while internal risks are managed through strong governance, controls and operational processes.

Emerging risks

Our risk review process includes identifying and assessing emerging risks, which are those that are still evolving and not fully understood in terms of impact and likelihood. Risk representatives and Committee members are tasked with considering these risks, supplemented by formal horizon scans in our annual strategy review.

While some of these risks are already reflected within our principal risks, they are still evolving. Key emerging risks being closely monitored include:

- Structural shifts in occupier demand
- Advancements in AI and emerging technologies
- Macroeconomic and geopolitical volatility, including the impact of new global tariffs
- Deglobalisation pressures
- Long term climate change impacts
- Supply chain vulnerabilities
- Energy security challenges

READ MORE
about the impact of several evolving risk trends on our principal risks, see pages 52 to 58

PRINCIPAL RISKS

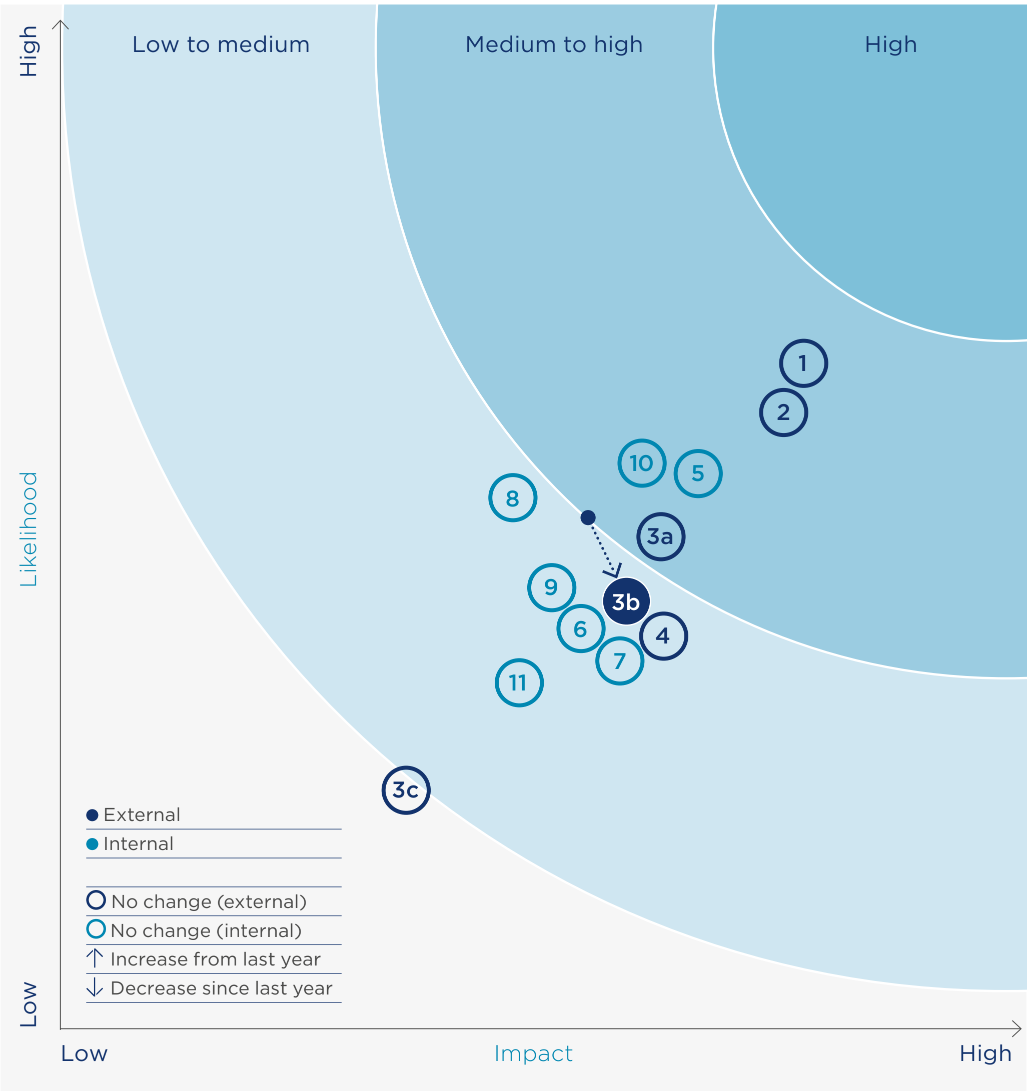
Our principal risk assessment

The Board has undertaken a robust assessment of the principal and emerging risks facing the Group, including those that could impact its business model, future performance, solvency, liquidity, or strategic priorities. The Board considers that the fundamental nature of the principal risks and uncertainties facing the Group have remained broadly unchanged over the year.

However, we have seen a reduction in the likelihood of external risks associated with the retail property market, driven by improvements in both investment and occupational markets, along with our strategic focus on retail parks. As the broader risk landscape continues to evolve, our assessment of the eleven external and internal principal risks is shown in our risk heat map below.

The main changes in the risk profile of our principal risks are outlined in the table on pages 52 to 58, along with the key impacts on our business, the mitigation measures in place, and the relevant key risk indicators to monitor these risks.

Risk heat map



Key

Principal risks

External

1 **Macroeconomic**
2 **Political, Legal and Regulatory**
3 **Property Market**
  a **Campuses**
  b **Retail**
  c **London urban logistics**
4 **Major Events/Business Disruption**

Internal

5 **Portfolio Strategy**
6 **Development**
7 **Financing**
8 **Environmental and Social Sustainability**
9 **People and Culture**
10 **Customer**
11 **Operational and Compliance**

Note: The above illustrates principal risks which by their nature are those which have the potential to significantly impact the Group's strategic objectives, financial position or reputation. The heat map highlights net risk, after taking account of principal mitigations. The arrow shows the movement from 31 March 2024.

PRINCIPAL RISKS CONTINUED

External principal risks

1 Macroeconomic

Link to strategy: A B C D

Changes in the macroeconomic environment and shifts in fiscal and monetary policy can pose risks and opportunities in property and financing markets, impacting our strategy and financial performance.

Risk mitigation
- **Board & Committees Oversight:** Regular assessment of strategy, capital allocation, and risk appetite in response to macroeconomic conditions.
- **Monitoring & Stress Testing:** Strategy team tracks key indicators, and regular stress tests to ensure flexibility and resilience to economic downturns.
- **Business Model Focus:** Prime portfolio targeting resilient submarkets; active capital recycling to maintain financial strength and mitigate risks.

Risk assessment
The macroeconomic outlook remains uncertain and risk elevated, influenced by persistent inflation, higher interest rates, and evolving geopolitical dynamics, including the potential impact of global tariffs. Throughout the year, the Board and key committees have closely monitored these macroeconomic factors and their impact on our portfolio strategy, market conditions and customers, responding proactively as needed. This has included actively managing the business through strategic capital allocation, maintaining financial strength, and mitigating development and financing risks (as outlined under their respective risks).

Emerging risk trends:
- Macroeconomic and geopolitical volatility, including the impact of new global tariffs

Opportunity/approach
Our diversified business model, financial strength and experienced leadership team positions us well to navigate ongoing market challenges and capitalise on opportunities.

Impact:
Medium to high

Likelihood (post-mitigation):
Medium to high

Change in risk assessment in year:
No change

KRIs:
- Projected Economic Metrics: including GDP growth, inflation and interest rate forecasts
- Consumer Sentiment and Labour Market Indicators: including consumer confidence levels and unemployment rates
- Market Resilience Assessment: conducting stress testing for downside scenarios to assess the impact of differing market conditions and inform our portfolio strategy

Overseen by:
Executive Committee, CEO

2 Political, legal and regulatory

Link to strategy: A B C D

Significant political events and regulatory changes, along with government policies, could impact our strategy and performance, by creating uncertainty that delays investor and occupier decisions or reduces the UK's investment appeal, especially affecting real estate or our customers.

Risk mitigation
- **Strategic Risk Consideration:** Factor political risks into business strategy, investment and financing decisions.
- **Policy & Regulatory Monitoring:** Track legislative changes and engage public affairs consultants for insights.
- **Industry Engagement:** Collaborate with industry bodies to influence policy and regulatory discussions.

Risk assessment
The political, legal and regulatory risk outlook remains uncertain and heightened. This is primarily due to macroeconomic conditions, ongoing geopolitical conflicts in Ukraine and the Middle East, renewed tensions between India and Pakistan, the recent prospect of significant global tariffs, and potential shifts in government regulations. These factors could affect interest rates, customer demand, supply chains, cyber security and compliance risks.

Emerging risk trends:
- Macroeconomic and geopolitical volatility, including the impact of new global tariffs

Opportunity/approach
We closely track political and regulatory changes to manage potential impacts and engage with Government and industry bodies on emerging policies.

Impact:
Medium to high

Likelihood (post-mitigation):
Medium to high

Change in risk assessment in year:
No change

KRIs:
- Monitor changes within the geopolitical landscape, UK policies, tax or regulations

Overseen by:
Executive Committee, CEO

Key
- Increase
- No change
- Decrease

- A Source value-add opportunities
- B Develop and actively manage
- C Recycle capital
- D Leadership in sustainability

3 Property markets

Link to strategy: A B C D

A decrease in investor demand or weakening occupier demand in our property markets could adversely affect underlying income, rental growth and capital performance. Additionally, structural changes in consumer and business practices, such as the growth of online retailing and hybrid working, could also negatively impact demand for our assets.

Risk mitigation

- **Market Outlook Assessment:** The Board, Executive Committee and Risk Committee regularly evaluate property market risks and opportunities to guide strategic decisions and capital allocation.
- **Market Insights:** The Strategy & Insights team provides dashboards tracking key investment and occupier demand indicators, supplemented with our market insights.
- **Business Model Focus & Stress Testing:** We focus on a prime portfolio targeting resilient submarkets to help withstand potential declines in occupier and investor demand. Stress testing is conducted to evaluate the impact of changes in demand, rental growth and property yields.
- **Stakeholder Engagement:** We maintain strong relationships with occupiers, agents and investors to stay informed about market trends.

Risk assessment

Campuses

The campus property market risk outlook has remained generally stable. Structural challenges persist for secondary offices due to hybrid working models and the potential effects of AI on future space requirements. Meanwhile, the prime London office market continues to show strong fundamentals, supported by low vacancy rates, a reduced development pipeline, and growing demand for premium, sustainable space. Investment volumes are rising, with a particular focus on smaller lot sizes and value add opportunities, alongside early signs of growing demand for larger lot sizes.

Opportunity/approach

Our campus model focuses on well-connected, best-in-class buildings with leading sustainability and design credentials, surrounded by attractive public spaces and amenities. This strengthens our offer as occupiers seek out the best space for their business needs.

Retail

The retail property market risk outlook has improved, driven by stronger occupational markets and positive investor sentiment in our preferred retail park sector. While challenges remain, including broader macroeconomic uncertainties, rising retailer costs following the Autumn Budget, and the potential implications of the proposed Employment Rights Bill, we anticipate the shift towards retail parks will continue, as businesses seek more affordable space.

Opportunity/approach

Our retail portfolio strategically focuses on retail parks, aligned with the growth of convenience and an omni-channel retail strategy. We will continue to seek acquisition opportunities in retail parks, leveraging our scale and asset management expertise for value creation.

London urban logistics

The risk outlook for the London urban logistics property market has stayed stable at a relatively low level, reflecting its small share of our portfolio. Although, vacancy in the broader market has increased over the past year, alongside weaker rental growth expectations, the sector's long term fundamentals remain compelling.

Opportunity/approach

Our urban logistics portfolio strategically focuses on development-led initiatives, involving the intensification and repurposing of existing buildings in London.

Emerging risk trends:
- Evolving work patterns (e.g. hybrid working)
- Macroeconomic and geopolitical volatility
- Budget NI increases

Campuses

Impact:

Medium

Likelihood (post-mitigation):

Medium

Change in risk assessment in year:

→

Retail

Impact:

Medium

Likelihood (post-mitigation):

Low to medium

Change in risk assessment in year:

↓

London urban logistics

Impact:

Low

Likelihood (post-mitigation):

Low

Change in risk assessment in year:

→

KRIs:
- Occupier and investor demand indicators within our sectors
- Spread between property yields and borrowing costs
- Online sales market trends to provide insight into consumer behaviour
- Monitor office occupational trends and campus occupancy patterns to understand occupier requirements and visitor patterns

Overseen by:
Executive Committee, CEO

PRINCIPAL RISKS CONTINUED

4 Major events/business disruption

Link to strategy: B C D

Global or national events such as civil unrest, terrorism, pandemics, cyber-attacks, extreme weather, environmental disasters or power shortages can significantly impact our business, portfolio, customers, people and supply chain. These events could result in sustained asset value or income impairment, liquidity or business continuity challenges, share price volatility, or loss of key customers or suppliers.

Risk mitigation

- **Crisis & Business Continuity Planning:** Regularly review and test response plans at both head office and asset levels.
- **Asset Emergency Preparedness:** Routine scenario testing and security risk assessments across properties and development sites.
- **Cyber Resilience:** 24x7 managed detection and response; external specialists support cyber-attack testing, alongside ongoing employee training.
- **Robust IT Security & Disaster Recovery:** Alignment to ISO 27001 ensures strong Information Security controls. Annual disaster recovery testing and business continuity plans to protect data and operations.
- **Comprehensive Insurance:** Comprehensive property damage and business interruption coverage across the portfolio.

Risk assessment

Global political and economic uncertainties remain elevated, posing potential risks to the Group's operations and stakeholders. Key concerns include conflicts, terrorism, cyber security threats, and evolving geopolitical events, all of which could disrupt economic stability and supply chains.

Emerging risk trends:

- Ongoing global tensions and trade disputes
- Increasing sophistication of cyber security threats

Opportunity/approach

The challenges faced in recent years have demonstrated the resilience of our business model and the effectiveness of our crisis management plans. We continue to remain vigilant in addressing ongoing risks posed by external threats.

Impact:

Medium

Likelihood (post-mitigation):

Medium

Change in risk assessment in year:

→

KRIs:

- Home Office terrorism threat level and accessing security threat information services inform our security measures
- Security risk assessments conducted for our assets
- Cyber security breaches
- Information Security risk register
- Flood risk vulnerability

Overseen by:
Executive Committee, CEO

Key

- ↑ Increase
- → No change
- ↓ Decrease

- A Source value-add opportunities
- B Develop and actively manage
- C Recycle capital
- D Leadership in sustainability

Internal principal risks

5 Portfolio strategy

Link to strategy:
A B C D

Inappropriate portfolio strategy and subsequent execution could lead to income and capital underperformance. This could result from incorrect sector selection and weighting, poor timing of investment and divestment decisions, exposure to developments, the wrong mix of assets, occupiers and region concentration, inadequate due diligence, or inappropriate co-investment arrangements.

Risk mitigation

- **Portfolio Strategy Oversight & Monitoring:** Annual Board review of strategy; regular monitoring by Executive and Risk Committees.
- **Capital Allocation Discipline:** Portfolio decisions aligned with risk appetite and market conditions.
- **Rigorous Investment Evaluation:** Investment Committee evaluates risk-adjusted returns; major deals require Board approval.
- **Asset Performance Review:** Individual asset business plans to manage asset risks and optimise performance.
- **Collaborative Joint Ventures:** Strong co-investor relationships to ensure interests are aligned.

Risk assessment

Our portfolio strategy risk levels remain broadly stable. Despite ongoing uncertainty, sentiment and liquidity in our sub-markets improved over the year, supported by declining inflation and interest rates. We maintained discipline in capital allocation – advancing asset sales while reinvesting in retail parks and best-in-class campus developments.

Emerging risk trends:

- Evolving work patterns (e.g. hybrid working)
- AI and emerging technologies

Opportunity/approach

We have a diversified portfolio strategy and invest in subsectors with strong rental growth prospects. We will continue to actively recycle capital out of mature assets into targeted acquisitions and developments in our chosen sectors.

Impact:
Medium

Likelihood (post-mitigation):
Medium

Change in risk assessment in year:
→

Risk appetite:
Balanced

KRIs:

- Execution of targeted acquisitions and disposals in line with capital allocation plan (overseen by the Investment Committee)
- Annual IRR process which forecasts prospective returns of each asset
- Portfolio liquidity including percentage of our portfolio in joint ventures

Overseen by:
Executive Committee, Investment Committee and Head of Real Estate and Investments

6 Development

Link to strategy:
A B C D

Development offers opportunity for outperformance but carries elevated risks, including leasing exposure, construction timing and costs, contractor failure, adverse planning decisions, and shifts in occupational or investment markets.

Risk mitigation

- **Controlled Development Strategy:** Exposure managed within defined thresholds, together with pre-lettings and fixed price contracts.
- **Robust Appraisal Process:** Investment Committee evaluates returns against risk-adjusted hurdle rates.
- **Contractor Oversight:** Rigorous selection and active monitoring of contractors.
- **Experienced Team:** In-house expertise overseeing design, construction and delivery.
- **Planning & Stakeholder Engagement:** Early engagement with authorities and communities to pre-empt planning risks.
- **Sustainable Approach:** ESG risks embedded in decision making.

Risk assessment

Development risk remains stable. New commitments at 2 Finsbury Avenue, Broadgate Tower and Mandela Way, increased our development pipeline, but we remain within risk tolerances, mitigating exposure through pre-lets, fixed price contracts and joint ventures. Return and yield targets have been adjusted to reflect higher exit yields and finance costs and future developments will be assessed against these criteria and our balance sheet capacity.

Emerging risk trends:

- Supply chain vulnerabilities
- Supply of utilities/resources

Opportunity/approach

We remain focused on driving performance through value-accretive development, particularly with joint venture partners. Our strong balance sheet, contractor relationships and development management expertise position us well to advance our pipeline while effectively managing associated risks.

Impact:
Medium

Likelihood (post-mitigation):
Medium

Change in risk assessment in year:
→

Risk appetite:
Balanced

KRIs:

- Total development exposure (<12.5% of portfolio value); Speculative development exposure (<12.5% of portfolio ERV)
- Progress on execution of key development projects against plan (including evaluating yield on cost)
- Non-income producing pipeline
- Development spend covered by fixed priced contracts

Overseen by:
Executive Committee, Investment Committee and Head of Development

PRINCIPAL RISKS CONTINUED

7 Financing

Link to strategy: A B C D

Failure to manage financing risks could result in a shortage of funds to sustain operations or debt repayments. This risk includes reduced availability of debt, higher costs, leverage impacts and covenant breaches.

Risk mitigation

- **Proactive Review of Funding Requirements:** Regularly assess funding requirements based on business plans and commitments. Debt and capital market conditions are reviewed to identify suitable financing opportunities.
- **Strong Lender Relationships:** Maintain strong, long term relationships with primary lenders.
- **Interest Rate Hedging:** Appropriate ranges of hedging on the interest rates on our debt, with a focus on shorter term protection.
- **Disciplined Leverage Management:** Balance debt and equity to optimise returns while mitigating valuation risks. Maintain financial resilience through cycles, considering LTV and Net Debt to EBITDA.
- **Covenant Monitoring:** Regularly review to ensure adequate headroom.
- **Joint Ventures:** Spread risk through JVs, including non-recourse debt.

Risk assessment

Our financing risk remained stable. Despite continued volatility in interest rates and credit markets in FY25, we have undertaken £2.2bn of financing activity, 97% of our debt is hedged through to 31 March 2026, and 77% is hedged on average over the next 5 years. Our financial position remains strong, with £1.8bn in undrawn facilities and cash. Based on these facilities and current commitments we have no requirement to refinance until late 2028.

Emerging risk trends:
- Macroeconomic and geopolitical volatility

Opportunity/approach

The macroeconomic environment underscores the importance of a strong balance sheet. Fitch reaffirmed our 'A' unsecured credit rating, with a stable outlook. With favourable access to debt capital markets, we are well positioned to support business needs and emerging opportunities.

Impact: Medium

Likelihood (post-mitigation): Low to medium

Change in risk assessment in year: →

Risk appetite:
Risk averse

KRIs:
- Period until refinancing is required (not less than two years)
- Net Debt to EBITDA (Group and proportionally consolidated)
- LTV (proportionally consolidated)
- Financial covenant headroom
- Percentage of debt with interest rate hedging (spot and average over next five years)

Overseen by:
Derivatives Committee, CFO

8 Environmental and social sustainability

Link to strategy: A B C D

This risk encompasses environmental and social factors, with potential impacts on performance, reputation, operations, assets and our 2030 sustainability goals. It includes climate-related physical risks, rising regulatory costs, declining demand for less sustainable buildings and social impacts on communities.

Risk mitigation

- **Comprehensive ESG Oversight:** Regular reviews of the ESG programme and targets by the Board, Executive and ESG Committees.
- **TCFD & Scenario Analysis:** Overseen by Risk and ESG Committees.
- **Performance Monitoring:** Guided by SBTi targets, our Net Zero Pathway, our Local Charter and the Sustainability Brief.
- **Environmental Management:** Certified to ISO 14001 and 50001 standards.
- **Integrated Strategy:** Sustainability embedded in investment and development decisions.
- **Building Standards:** Targeting BREEAM Outstanding (offices), Excellent (retail), HMQ3* (residential), and NABERS UK for new offices.
- **Data Assurance:** Independent verification supports transparency and credibility.

Risk assessment

Despite a shifting landscape, our environmental and social sustainability risk remains stable. We're making strong progress towards our 2030 Sustainability Strategy, particularly in enhancing the energy efficiency of our standing portfolio, with 68% now rated EPC A or B.

Emerging risk trends:
- Long-term climate change impacts
- Supply chain vulnerabilities
- Supply of utilities/resources

Opportunity/approach

We recognise both a responsibility and an opportunity to manage our business in an environmentally and socially responsible manner. Our Sustainability Strategy focuses on three pillars - Greener Spaces, Thriving Places, and Responsible Choices – addressing key environmental, social and governance priorities.

Impact: Medium

Likelihood (post-mitigation): Medium

Change in risk assessment in year: →

Risk appetite:
Balanced

KRIs:
- Embodied and operational carbon emissions
- Energy efficiency, including energy performance certificates (EPCs)
- Future cost of carbon credits to meet our net zero carbon transition
- Developments target BREEAM and NABERS UK standards
- Flood risk vulnerability

Overseen by:
ESG Committee, Sustainability Committee and COO

9 People and culture

Link to strategy: A B C D

Inability to attract, retain and develop talent with the right skills and mindset could impact our ability to deliver our strategy and drive performance. A thriving, inclusive culture is essential to effective decision-making and maintaining our competitive advantage, to allow us to achieve our performance driven goals. This risk includes employee engagement, talent retention, diversity and inclusion, manager effectiveness and aligning corporate values with employee initiatives.

Risk mitigation

- **Targeted Recruitment:** Direct and trusted third party hiring.
- **Talent & Performance Management:** Succession planning and outcome-focused reviews.
- **Competitive Pay & Benefits:** Annual benchmarking and a remuneration structure which rewards performance.
- **Employee Development:** Training and mandatory learning programmes.
- **Leadership Training:** Focus on leadership that enhances team performance whilst promoting wellbeing.
- **Flexible Working:** Clear hybrid/flexible policies which sets out our expectations.
- **Diversity & Inclusion:** Embedded in our 2030 strategy.

Risk assessment

People and culture risk remained stable this year, underpinned by strong employee engagement at 79% and a culture aligned with our purpose, strategy and values. While competition for top talent persists, the recruitment landscape has become more balanced.

Emerging risk trends:

- Talent and skills shortages
- AI and emerging technologies

Opportunity/approach

Our priority is ensuring we have the right talent in place to deliver on strategic goals, supported by a compelling employee value proposition. We recognise that our people and culture are critical to driving performance and maintaining British Land's position as an employer of choice.

Impact:

Medium

Likelihood (post-mitigation):

Medium

Change in risk assessment in year:

→

Risk appetite:
Balanced

KRIs

- Voluntary employee turnover and reasons cited
- Employee engagement levels
- Gender and ethnicity representation at all levels, including job applications
- Gender and ethnicity pay gaps
- Employee wellbeing indicators
- Internal job moves and promotion rates

Overseen by:
Remuneration Committee and HR Director

10 Customer

Link to strategy: A B C D

The Group's primary source of income is rent received from our customers. This could be adversely affected by non-payment of rent; occupier failures; evolving customer needs; leasing challenges; poor customer service; and potential changes in lease structures.

Risk mitigation

- **Diversified Customer Base:** Maintain a high quality, diversified occupier base to mitigate individual occupier risks.
- **Occupier Strength and Robust Rent Collection:** Conduct thorough covenant checks before deals and ongoing monitoring, with a risk watchlist reviewed by the Risk Committee. We proactively limit financial exposure to high risk occupiers.
- **Occupier Engagement and Market Knowledge:** Work closely with occupiers to understand and meet their evolving requirements.
- **Portfolio Leverage and Active Asset Management:** Strategically address lease breaks and expiries to maintain high occupancy and minimise vacancies.
- **Customer Satisfaction:** Regular surveys assess occupier experience and service levels.

Risk assessment

Our overall customer risk remains broadly stable, supported by strong rent collection and robust leasing activity. While there has been an increase in retailer administrations and restructuring plans in the market, we have proactively limited their financial impact.

Emerging risk trends:

- Macroeconomic and geopolitical volatility, including the impact of new global tariffs
- Evolving work patterns (e.g. hybrid working)
- AI and emerging technologies
- Budget NI increases

Opportunity/approach

Successful customer relationships are critical to our business growth. Our business model revolves around our customers. Our strategic positioning across campuses, retail parks and London urban logistics, along with strong collaborative relationships, is focused on providing high quality spaces, while maintaining sustainable occupancy costs.

Impact:

Medium

Likelihood (post-mitigation):

Medium

Change in risk assessment in year:

→

Risk appetite:
Balanced

KRIs

- Market letting risk, including vacancies, upcoming expiries and breaks and speculative development
- Occupier covenant strength and concentration (including percentage of rent classified as 'High Risk' and affected by insolvencies)
- Occupancy and weighted average unexpired lease term
- Rent collection

Overseen by:
Head of Real Estate and Investments and CFO

11 Operational and compliance

Link to strategy: A B C D

Failure to manage key operational risks, such as cyber security, health and safety, third party relationships and internal controls, could impact reputation, income and capital values. Additionally, compliance failures such as breaches of regulations, third party agreements, loan agreements or tax legislation could also damage reputation and our financial performance.

Risk mitigation

- **Executive Oversight:** The Executive and Risk Committees maintain strong focus on operational and compliance risks.
- **Technology and cyber security:** The InfoSec Steering Committee, led by the CFO, oversees cyber security and technology infrastructure, reporting to the Risk and Audit Committees. Cyber risks are managed through an ISO 27001 framework, supported by security tools, policies, third party risk assessments and mandatory cyber awareness training.
- **Health & Safety:** The Health & Safety Committee, chaired by the Director of Operations, governs health and safety policies and performance in terms of KPIs and reports to the Risk, Audit and ESG Committees. Annual independent risk assessments (including fire risks) are conducted for all properties, with corrective actions implemented based on risk level. All employees complete annual role-specific health and safety training.
- **Third party relationships:** A robust supplier selection process ensures contracts include service level agreements with regular performance monitoring. We maintain a portfolio of approved suppliers to ensure resilience within our supply chain. Joint venture risk management through careful partner selection, robust governance frameworks, clear contractual arrangements and ongoing oversight to ensure clear alignment on roles, responsibilities, objectives and risk-sharing.
- **Key controls:** A Three Lines of Defence model ensures oversight and effectiveness of key financial, operational and compliance controls. Senior management provides biannual attestations on key controls, with Group Finance conducting effectiveness testing. Control exceptions are reported to the Risk and Audit Committees, with corrective actions identified. Annual Internal Audit review of key controls.

Risk assessment

Operational and compliance risks remained stable, with no significant issues reported. We continuously monitor risks across people, processes, and technology, and have strengthened our cyber security, IT infrastructure, and internal control framework. We also updated our enterprise-wide risk assessments for fraud, bribery, corruption and money laundering, to enhance our mitigation measures.

Emerging risk trends:
- Increasing sophistication of cyber security threats
- Legal and regulatory changes
- Supply chain vulnerabilities

Opportunity/approach

The Risk Committee oversees and monitors our key operational and compliance risks across the business. Our goal is to optimise operational capabilities, create efficiencies in people, processes and technology, and simultaneously establish appropriate controls to mitigate risks. Moving forward, we will continue investing in enhancing our operational risk management platform, ensuring adaptability to the dynamic environment, while safeguarding the business and allowing us to seize potential future opportunities.

Impact:
Medium

Likelihood (post-mitigation):
Low to medium

Change in risk assessment in year:
No change

Risk appetite:
Risk averse

KRIs
- Information systems vulnerability score
- Cyber security breaches
- Health and safety risk assessments
- Health and safety incidents
- Risk and control exceptions

Overseen by:
Risk Committee, Health and Safety Committee, Infosec Steering Group and CFO

Key
- Increase
- No change
- Decrease

- A Source value-add opportunities
- B Develop and actively manage
- C Recycle capital
- D Leadership in sustainability

VIABILITY STATEMENT

Assessment of prospects

The Directors have worked consistently over several years to ensure that British Land has a robust financial position from which the Group now benefits.

- The Group has access to £1.8bn undrawn facilities and cash. Before factoring in any income receivable, the facilities and cash would be sufficient to cover forecast capital expenditure, property operating costs, administrative expenses, maturing debt and interest over the next 12 months
- The Group retains significant headroom to debt covenants, has no income or interest cover covenants on unsecured debt and has no requirement to refinance until late 2028
- In the year, British Land raised £1.3bn of new unsecured finance and agreed extensions by one year of existing revolving credit facilities and term loans of £700m

The strategy and risk appetite drive the Group's forecasts. These cover a five-year period and consist of a base case forecast which includes committed transactions only, and a forecast which also includes non-committed transactions the Board expects the Group to make. A five-year forecast is considered to be the optimum balance between the long term nature of property investment and the Group's long term business model to create and manage outstanding places, with our weighted average lease lengths and drawn debt maturities of around five years (5.3 and 5.0 years respectively at 31 March 2025). Forecasting greater than five years becomes increasingly unreliable, particularly given the historically cyclical UK property industry.

Assessment of viability

For the reasons outlined above, the period over which the Directors consider it feasible and appropriate to report on the Group's viability remains five years, to 31 March 2030.

The assumptions underpinning the forecast cash flows and financial covenant compliance forecasts were sensitised to explore the resilience of the Group to the potential impact of the Group's significant risks.

The principal risks table on pages 51 to 58 summarises those matters that could prevent the Group from delivering on its strategy. A number of these principal risks, because of their nature or potential impact, could also threaten the Group's ability to continue in business in its current form if they were to occur.

The Directors paid particular attention to the risk of a deterioration in economic outlook which would adversely impact property fundamentals, including investor and occupier demand, which would have a negative impact on valuations, cash flows and a reduction in the availability of finance. In addition, we have sensitised for the potential implications of a major business event and/or business disruption. The remaining principal risks, whilst having an impact on the Group's business model, are not considered by the Directors to have a reasonable likelihood of impacting the Group's viability over the five-year period to 31 March 2030.

The most severe but plausible downside scenario (the 'severe downside scenario'), reflecting a severe economic downturn, incorporated the following assumptions:

- Structural changes to the Property Market and Customer risk; reflected by an ERV decline, occupancy decline, increased void periods, development delays, no new lettings during FY26 and the impact of a proportion of our high risk and medium risk occupiers entering administration
- A reduction in investment property demand to the level seen in the last severe downturn in 2008/09, with outward yield shift to c.9% net equivalent yield

As at 31 March 2025, the Group's debt covenant headroom is 36%, being the level by which portfolio property values could fall before a financial breach occurs. Over the five-year base case forecast period the lowest headroom is 31%. Under the 'severe downside scenario' this reduces to 19%, prior to any mitigating actions such as asset sales, indicating that financial covenants on existing facilities would not be breached.

Based on the Group's current commitments and available facilities there is no requirement to refinance until late 2028. In the normal course of business, financing is arranged in advance of expected requirements and the Directors have reasonable confidence that additional or replacement debt facilities will be put in place prior to this date.

In the 'severe downside scenario' the refinancing date is brought forward to mid-2028. However, in the event new finance could not be raised, mitigating actions are available to enable the Group to meet its future liabilities at the refinancing date, principally asset sales, which would allow the Group to continue to meet its liabilities over the assessment period.

Viability statement

Having considered the forecast cash flows and covenant compliance and the impact of the sensitivities in combination with the 'severe downside scenario', the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period ending 31 March 2030.

Going concern

The Directors also considered it appropriate to prepare the financial statements on the going concern basis. Further details on the underlying assessment can be found in Note 1 of the consolidated financial statements.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

Non-financial area/ Description of business model	Risk areas[1]	Policies	Purpose and scope	Operation and outcome
Financial crime We operate a zero-tolerance approach to bribery, corruption and fraud. More information is available in the Audit Committee report on pages 99 to 106.	11	Anti-Bribery and Corruption Policy and Gifts, Hospitality and Entertainment Policy	– Details the expected conduct of all British Land staff with respect to relationships with suppliers, agents, public officials and charitable and political organisations – Outlines staff responsibilities regarding the reporting of any breaches and details consequences of breaches for staff and the Group as a whole – Provides for staff training and communication around the policy as well as monitoring and review by management	These robust policies around financial crime compliance reflect our zero-tolerance approach to such activity both in and around the business; they have been drafted to provide for education and monitoring in addition to deterrence and prevention. The policies are accessible by all employees via the intranet and mandatory training is required for all staff in relation to them. Our whistleblowing service can be accessed by all employees should they prefer to raise a concern anonymously instead of with their line manager. This is an independent and confidential telephone service and web portal. British Land carries out due diligence on counterparties to comply with legislation on money laundering and to enable it to consider how a transaction with the counterparty may reflect on British Land's reputation. In addition to sanctions screening, we also screen and monitor on an ongoing basis our occupiers and suppliers for adverse media which might indicate a fraud or bribery/corruption risk. This is taken into account when decided whether we engage or renew with an occupier or supplier. Fraud, AML and Anti-Bribery and Corruption risk assessments are also routinely conducted. The HR Director, General Counsel and Company Secretary has overall responsibility for all four policies which are regularly reviewed and approved by the Audit Committee. Any matters raised under these policies are subject to investigation by the Company.
		Anti-Fraud Policy	– Provides for fraud prevention training for all British Land staff and requires staff participation in any fraud risk assessments undertaken by the Group where relevant – Outlines protocol for the reporting of suspected fraud with reference to the Group's Whistleblowing Policy	
		Whistleblowing Policy	– Provides contact details for the Group's third party whistleblowing service – Outlines the types of concerns that can be reported to the whistleblowing service – Details safeguarding measures in place for staff and outlines how the Group will respond in cases of whistleblowing	
		Anti-Money Laundering Policy	– Lists 'red flags' detailing the kind of suspicious activity that may indicate an attempt to launder money – Details monitoring and review procedures under the policy	
Environmental matters Our long term commitment to sustainability and minimising our environmental impact is one of British Land's key differentiators. As occupiers focus on minimising their carbon footprint, our ability to deliver more sustainable space is a key advantage. See pages 37 to 39 and 64 to 73 for our climate-related financial disclosures.	4, 5, 6, 8	Sustainability Policy	– Provides for sustainable decisions to be our 'business as usual' approach – Outlines our 2030 Sustainability Strategy: our goal of making our whole portfolio net zero carbon as well as growing social value and wellbeing in the communities in which we operate	Our Sustainability Policy and Brief were comprehensively updated in 2024. Our overall commitment is to take decisions which are environmentally and socially sound and make financial sense. Our internal carbon levy funds our Transition Vehicle, and ensures that the environmental impact of our developments is costed into their budgets. The carbon levy rate is reviewed annually. As a result of our FY24 review our internal carbon levy was increased to £90 per tonne of embodied carbon, applying to developments committed after 1 April 2024. We use some of the funds from our Transition Vehicle to purchase carbon credits. We conduct due diligence into projects for all carbon credits we purchase. We participate in key ESG indices to demonstrate our progress and we publish social and environmental performance data annually. Our Head of Developments has overall responsibility for our Sustainability Brief, and our Chief Operating Officer has overall responsibility for our Sustainability Policy. Read more about our environmental commitments and KPIs on page 37 to 39 and in our 2025 Sustainability Progress Report www.britishland.com/SPR
		Sustainability Brief	– Aligns with our 2030 Sustainability Strategy – Gives effect to our Sustainability Policy – Sets out our sustainability ambitions and the KPIs and standards required to achieve them	

Non-financial area/ Description of business model	Risk areas[1]	Policies	Purpose and scope	Operation and outcome
Employees British Land requires our employees to act in ways that promote fairness, inclusion and respect in their dealings with colleagues, customers, suppliers and business partners.	9	Employee Code of Conduct	– Sets out minimum standards required of all employees in all their dealings in and on behalf of the Group – Gives effect to our core values of bring your whole self; listen and understand; be smarter together; build for the future; and deliver at pace – Comprises a number of separate policies including but not limited to our Equal Opportunities Policy; our Disabled Workers Policy; our Gender Identity and Transgender Policy; and our Bereavement, Compassionate and Emergency Leave Policy	British Land remains deeply committed to creating an environment of fairness, inclusion and respect. Our corporate values underpin our commitment to equality, diversity and integrity. We recognise our workforce needs to reflect the communities we serve in order to create spaces that are welcoming to all, and our working practices and employment policies are underpinned by our DE&I Strategy. Progress against the strategy can be found on page 43. The HR Director, General Counsel and Company Secretary has overall responsibility for our employment policies.
Social matters British Land has long recognised that a commitment to good social practices is essential to the way we operate; as occupiers increasingly consider the contribution they make to society, our ability to support them is an advantage. See pages 40 to 41.	6, 8, 9	Sustainability Policy	See previous page	We place great importance on the way we work with communities, suppliers and partners. We believe that communication is key in ensuring we meet our social obligations, and by listening to the needs and concerns of our staff and communities we are better able to provide an environment that is safe, inclusive and welcoming. Our Chief Operating Officer has overall responsibility for our Local Charter and Supplier Code of Conduct; and our Head of Development has overall responsibility for our Health and Safety Policy. All health and safety reports are provided to the Risk Committee. These executives report to the ESG Committee for their area of responsibility. Read more about our social impact commitments and KPIs on pages 40 and 41 and in our 2025 Sustainability Progress Report www.britishland.com/SPR
		Sustainability Brief	See previous page	
		Local Charter	Outlines four key focus areas where we are active in local communities: connection with local communities; supporting educational initiatives for local people; supporting local training and jobs; and providing affordable space	
		Supplier Code of Conduct	Outlines standards required of our suppliers in a number of areas, including but not limited to health and safety; working hours; responsible sourcing; community engagement; and environmental impact Details our zero-tolerance approach to: child labour; forced labour; discrimination; and bribery, fraud and corruption Provides for monitoring, corrective action and reporting under the policy. Work practice audits are carried out on our high risk suppliers	
		Health and Safety Policy	Details how British Land will meet the requirements of the Health and Safety at Work Act 1974 Provides for necessary training around display screen equipment and manual handling Outlines how health and safety matters are managed for staff, colleagues, service providers and others affected by the Company's undertakings	
Human rights British Land recognises the importance of respecting human rights and has been a signatory to the UN Global Compact since 2009. We are committed to the responsible management of social, ethical and environmental issues across our supply chain. For further information about our activities in this area, see our Sustainability Progress Report at www.britishland.com/SPR	6, 9, 11	Supplier Code of Conduct	See above	British Land operates a zero-tolerance approach to human rights infringements by any of our suppliers, occupiers or partners. We carry out due diligence on all parties that we work with and require our suppliers to demonstrate the same commitment to the prevention of human rights abuses in their operations. In the past year, 10 audits have been conducted with our highest risk suppliers. The audits returned no significant failings and recommended a small number of improvements. Improvement plans are in place for any supplier scoring less than 80% which only affects one supplier. Our Slavery and Human Trafficking Statement can be found on our website and is reviewed and updated annually at www.britishland.com/modern-slavery-statement
		Slavery and Human Trafficking Statement	Indicates higher risk areas, including the procurement of specific materials and fair treatment of workers on construction sites and in the properties we manage Outlines strategy for reduction of risk in our supply chains with regard to social, environmental and ethical issues Our anti-modern slavery training is mandatory for all directly employed staff	

1. Linkages to our principal risks can be found on pages 52 to 58.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

GREENHOUSE GAS REPORTING

FY25 in review

Context

This year, we made continued progress towards our decarbonisation targets. We have now achieved a 38% reduction in operational carbon intensity and a 19% improvement in operational energy intensity across our managed portfolio compared to our FY19 baselines.

We remain committed to reporting energy and carbon emissions on a whole-building basis in alignment with our 2030 strategy. The energy consumption in occupier spaces, where we lack control over procurement decisions and usage patterns, significantly impacts our performance. This whole-building approach requires us to effectively manage the energy consumed in areas under our control whilst continuing to engage and collaborate with our customers on optimising energy performance in their space.

Funding the low carbon transition

Our Transition Vehicle is funded by our internal carbon levy and our £5m annual float. For developments committed from FY25 we increased our levy by 50% from £60 to £90 per tonne of carbon to better reflect the true cost of carbon.

To date, £20m has been committed by the Transition Vehicle on carbon efficient interventions and RGGO. These projects combined are estimated to save c.5,400tCO_2e and c.£5m annually. The Transition Vehicle's current balance available for future commitments is £14m.

In FY25, the Transition Vehicle funded the installation of a new air source heat pump at 2 Kingdom Street which will remove gas consumption from the building and is predicted to reduce annual energy consumption by c.18% (vs FY19) once it becomes operational in FY26.

All of the figures above are presented on a proportionally consolidated basis.

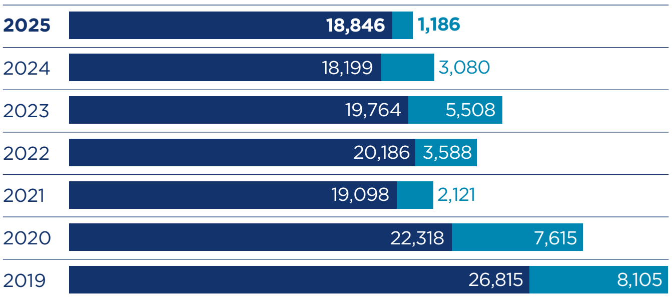
Operational performance

British Land continues to operate its energy management system, which includes ISO 50001 accreditation, at commercial offices, this year also extended to include major retail assets. We made significant progress towards our 2030 targets, despite higher footfall in retail and campuses and acquisition of £738m of retail parks. Through our development pipeline, we are designing a path to best practice operational efficiency. Our 2 Finsbury Avenue modelled operational energy intensity performance is 72kWhe per sqm, outperforming building performance benchmarks and showcasing our commitment in energy efficiency.

RE100 and procuring renewable energy

British Land has been a signatory to RE100 since 2016, which commits us to procuring 100% renewable energy. This year, 97% of landlord procured energy was from renewable sources. Our proportion of renewable gas was 98% this year, whilst renewable electricity was 97%.

Absolute emissions Scope 1 and 2 (tonnes)



Key

- Location-based methodology
- Market-based methodology

For full details on our reporting criteria and the calculation of our Scope 1 and 2 emissions, please see the methodology in our 2025 Sustainability Progress Report at www.britishland.com/SPR.

Greenhouse gas emissions – intensity

Year ended 31 March		2025	2024	2023
Total portfolio	tCO_2e per sqm	**0.042**	0.043[1]	nr
Offices	tCO_2e per sqm	**0.068**	0.068[1]	0.068
Shopping centres	tCO_2e per sqm	**0.036**	0.035	0.031
Retail parks	tCO_2e per sqm	**0.034**	0.034	0.035
Total portfolio	tCO_2e per gross rental income (£m)[2]	**31.05**	31.87[1]	34.43

1. Restated Scope 1 emissions for increased accuracy
2. This intensity only incorporates Scope 1 and 2 emissions

Scope 1 and 2 emissions and associated energy use

Year ended 31 March		Tonnes CO_2e 2025	2024	2023	MWh 2025	2024	2023
Scope 1 (fuel combustion):		**5,300**	5,446	6,902	**29,179**	32,222	37,561
Scope 1 (refrigerant loss):		**144**	126	1,123	**–**	–	–
Scope 2 (purchased electricity):	Location-based	**13,401**	12,627	11,739	**65,980**	62,806	62,733
	Market-based	**904**	1,555	3,686	**–**	–	–
Total Scope 1 and 2 emissions and associated energy use	Location-based	**18,846**	18,199	19,764	**95,159**	95,028	100,294
	Market-based	**1,186**	3,080	5,508	**–**	–	–
Proportion of Scope 1 and 2 emissions assured by an independent third party[1]		**100%**	100%	100%	**100%**	100%	100%
Proportion that is UK based		**100%**	100%	100%	**100%**	100%	100%

1. Our external assurance covers the total energy consumption; for more details on energy and assurance see our 2025 Sustainability Progress Report at www.britishland.com/SPR

Scope 3 emissions

Year ended 31 March		Tonnes CO_2e 2025	2024	2023
Purchased goods and services		**16,432**	15,533	15,698
Capital goods		**5,041**	25,546	–[1]
Fuel and energy related activities (upstream)		**5,651**	5,370[2]	5,597
Waste generated in operations		**156**	291	211
Business travel		**274**	221	236
Employee commuting and working from home		**252**	249	250
Downstream leased assets	Location-based	**93,200**	93,205[2]	107,725
Proportion of Scope 3 emissions assured by a third party		**100%**	100%	100%
Total Scope 1-3 emissions	Location-based	**139,851**	158,613	149,481

1. No developments completed in the reporting year, making this value 0
2. Restated Scope 1 emissions for increased accuracy

Accounting treatment of biogas

To reflect our procurement of renewable gas, we report a Scope 1 (market-based) figure to reflect the life cycle benefits of biogas.

In this market-based calculation, we use the UK Government's biogas factor, which includes CH_4 and N_2O emissions but zero-rates CO_2e emissions due to CO_2e absorption that occurs during the growth of biogas feedstock. However, as noted below, bioenergy feedstocks do produce CO_2e emissions during combustion, so the 'combustion emissions' are provided below for full transparency.

Biogas	UK factor (kg CO_2e per kWh)	**2025 total (tonnes CO_2e)**	2024 total (tonnes CO_2e)
Net emissions (excl CO_2e)	0.00023	**7**	8
Combustion emissions (incl CO_2e)	0.19902	**6,401**	7,089

Our methodology

We have reported on all GHG emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations). These sources fall within our consolidated financial statements and relate to head office activities and controlled emissions from our standing portfolio.

Scope 1 and 2 emissions cover 90% of our standing portfolio by value. We have used purchased energy consumption data, the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Department for Energy Security and Net Zero 2024 guidelines.

Omissions and estimations: for landlord procured utilities, where asset energy and water data were partially unavailable, we used data from adjacent or equivalent periods to estimate this missing data. In FY25, this accounts for 1% of total reported energy consumption and 1.5% of total reported water consumption.

Gross Rental Income (GRI) from the managed portfolio comprises Group GRI of £338m (FY24: £308m), plus 100% of the GRI generated by joint ventures and funds of £387m (FY24: £379m), less GRI generated assets outside the managed portfolio of £118m (FY23: £116m).

For full details on our reporting criteria and the calculation of Scope 3 value chain emissions, please see the methodology in our 2025 Sustainability Progress Report at www.britishland.com/SPR

For details of our greenhouse gas emissions boundaries, please see the Pathway to Net Zero at www.britishland.com/pathway-to-net-zero

CLIMATE-RELATED FINANCIAL DISCLOSURES

British Land Group has reported on climate-related financial disclosures for the year ended 31 March 2025 consistent with the TCFD's 2021 guidelines. We consider climate change within our principal risk 'Environmental and Social Sustainability' on page 56 and have therefore complied with all four TCFD recommendations and 11 recommended disclosures:

- Governance – recommended disclosures (a) and (b). Pages 64 to 65
- Strategy – recommended disclosures (a) to (c). Pages 66 to 71
- Risk Management – recommended disclosures (a) to (c). Pages 71 to 72
- Metrics and Targets – recommended disclosures (a) to (c). Pages 72 to 73

In addition, we have considered the sector-specific guidance and recommended disclosures for Materials and Buildings Group. The statement is consistent with the requirements of the Financial Conduct Authority's UK Listing Rule 6.6.6R.

Introduction

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. These sustainability goals are shared by our investors, customers and partners.

In FY25, we continued to make good progress against our 2030 Sustainability Strategy. To ensure that we remain aligned with climate science and the evolving definition of net zero, we plan to review our SBTi targets in line with the SBTi Building sector guidance. Our corporate 2030 targets will remain unchanged, as a sustained marker for our progress.

We are a signatory to numerous external climate commitments, including the Better Buildings Partnership's Climate Commitment, the World Green Building Council's Net Zero Carbon Buildings Commitment and the RE100 commitment to procure renewable energy. Along with these commitments we are a sponsor of the UK's Net Zero Carbon Building Standard (NZCBS).

Following full consistency with the TCFD guidelines over the past few years, we are now developing a formalised transition plan aligned to the Transition Plan Task Force recommendations.

READ MORE
about our approach to decarbonisation and climate resilience in our Sustainability Progress Report at **www.britishland.com/SPR**

Governance

(a) The Board has ultimate oversight of climate-related risks and opportunities and (b) delegates the responsibility for assessing and managing our response to material climate-related issues to the Executive Committee

Climate change is considered within our internal risk management process captured in our principal risk 'Environmental and Social Sustainability', with the external aspects of climate-related risks being incorporated within our 'Major Event/Business Disruption' and 'Political, Legal and Regulatory' principal risks (pages 51 to 58). The key risk indicators we monitor within this principal risk include EPC ratings, the portfolio flood risk vulnerability and the future cost of carbon credits.

Our process of identifying, assessing and managing known risks whilst identifying emerging risks is outlined in our risk management section pages (47 to 50).

The Governance Framework for Climate-Related Issues overleaf outlines the oversight the Board has on climate-related issues and management's role in assessing and managing them.

FY25 Governance in action:

- David Walker (CFO) sustainability training: in his previous role as the COO he led the delivery of the Sustainability Strategy so has extensive knowledge of our climate-related issues and has completed formal sustainability training.
- Emma Cariaga (COO) sustainability training: our new COO was previously Joint Head of Canada Water and a member of our Sustainability Committee so she is well-versed in our Sustainability Strategy and climate-related issues.
- Implemented the increase of our internal levy from £60 per tonne of embodied carbon to £90.
- ESG Committee activities: outlined on pages 86 to 93 including the sustainability-related updates provided to the Board by the Committee Chair.

BOARD

Sustainability Governance Framework

Board of Directors

- Has ultimate accountability for the Group's strategy and risk management.
- Updated on climate-related issues and progress against our science-based carbon and EPC ratings targets at least annually.
- 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.
- Sets our risk appetite for Environmental and Social Sustainability as 'risk averse' signalling the nature and extent of the risk the Group is willing to take in achieving its strategic objectives.
- Considers climate-related issues when making strategic and investment decisions that require Board-level approval.
- Reviews and approves our TCFD disclosure as recommended by the Audit Committee.

ESG Committee

- Meets three times a year, comprised of four independent Non-Executive Directors and attended by the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officer (COO).
- Oversees the delivery of our Sustainability Strategy including climate-related issues.
- Monitors our performance and management controls against our Sustainability Strategy (guided by our science-based carbon targets, Pathway to Net Zero and EPC ratings).

Remuneration Committee

- Responsible for setting ESG targets for executive remuneration and updated on progress against these targets three times a year.
- The Long-Term Incentive Plan for Executive Directors includes KPIs linked to the reduction of operational carbon and improvement of operational energy efficiency and the Annual Incentive Plan is linked to our progress on portfolio EPC ratings and our performance in GRESB.
- Environmental KPIs are included in the Remuneration Policy for Executive Directors (see page 109).

Audit Committee

- Reviews and approves evidence of the effectiveness of risk management and internal control processes for climate-related risks throughout the year.
- Assesses significant and emerging climate-related risks as escalated by the Risk Committee twice a year.

EXECUTIVE

Executive Committee

- The Board delegates day-to-day responsibility of delivering the Group's overall strategy to the CEO. He in turn leads the Executive Committee to ensure its delivery (including our Sustainability Strategy).
- The CFO is the Board Director responsible for climate-related issues and chairs the Risk Committee. In the CFO's previous role as the COO he led the Sustainability Strategy.
- The CEO and CFO (Board Directors) have both completed formal sustainability training.
- The COO leads the delivery of our Sustainability Strategy and chairs the Sustainability Committee and Transition Vehicle Committee. The COO gets regular updates from the Head of Environmental Sustainability on climate-related issues.
- Each Executive Committee member has at least one sustainability-related annual objective and supporting objectives are cascaded across their teams.

Sustainability Committee

- Chaired by the COO and includes the CFO, Head of Development, Head of Real Estate and Investment and other senior leaders.
- Monitors progress against our Sustainability Strategy, tracks our climate-related issues and assesses for emerging risks and regulation.
- Reports into the ESG Committee and the Remuneration Committee.
- Meets at least three times a year.

Investment Committee

- Chaired by the Head of Real Estate and Investment with membership spanning the Executive Committee (including the CEO and CFO).
- Climate change and sustainability considerations are fully integrated within our investment and development decisions and are reviewed by our Investment Committee.
- Material climate-related risks and the key risk indicators are considered during acquisition due diligence.

Risk Committee

- Chaired by the CFO with membership across the Executive Committee.
- Accountable for the effective management and reporting of our material climate-related risks.
- Tracks our climate-related key risk indicators and their performance.
- Identifies significant and emerging risks which get escalated to the Audit Committee.

MANAGEMENT

Transition Vehicle (TV) Committee

- Chaired by the COO and comprised of diverse range of senior managers.
- Meets three times a year – approving applications for funding to complete energy savings interventions (improving progress towards our climate-related performance targets and reducing climate-related risks).
- The TV is our mechanism to deliver on our operational energy and carbon targets and is financed by an internal levy on the embodied carbon in developments.

Sustainability team

- Led by the Head of Sustainability the team is responsible for the day-to-day assessment, monitoring and management of climate-related issues.
- The team works with different business areas to identify climate-related issues through a process involving formal horizon scans, trend analysis and stakeholder engagement.
- Identified climate-related risks are incorporated into our risk framework and managed by the appropriate business areas.

READ MORE
about our Group Governance Framework on page 77

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

Strategy

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

Material risk and opportunities identification

TCFD separates climate-related risks into two categories – (1) risks associated with the transition to a lower carbon economy (e.g. policy and legal risks); and (2) risks related to the physical impacts of climate change – both acute (event-driven e.g. floods) and chronic (longer-term shifts in climate patterns e.g. heat stress).

For years we have worked 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 internal key business areas. In FY24 we updated our physical issues modelling and we are now in the process of updating our transition issues modelling.

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

Time horizons and scenarios

Transition risks were modelled in two climate scenarios (see below) 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 begin to play an increasingly significant role in 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 current potential acute risks. Post-2050 was chosen for the long term time horizon as this is when future climate scenarios start to meaningfully differentiate from the current climate so when we can expect more frequent and severe climate-related impacts. This also aligns with our portfolio as the standard design life of a building is 60 years.

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 2030	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

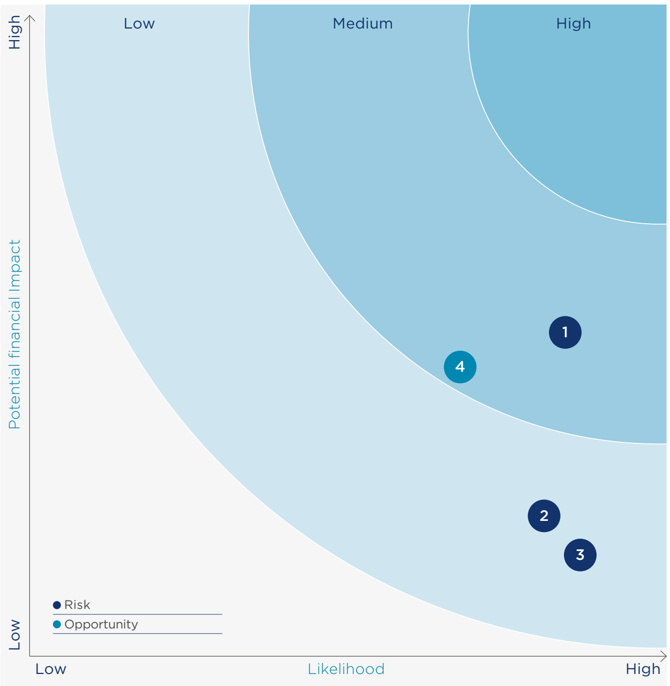
Defining a material risk and/or opportunity

We define a 'material' risk or opportunity in line with the combination of their potential impact, both financial and/or reputational, and their 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 below, with these issues detailed in the next section.



Key

Risk

1 **Cost of MEES compliance** (long term risk)

2 **Mean flood risk vulnerability** (short and long term risk)

3 **Increasing price of carbon credits** (long term risk)

Opportunity

4 **Increasing customer demand for green low carbon buildings** (ongoing opportunity)

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. In addition, 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.

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', can open doors 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	

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)

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	Potential loss of revenue from business interruption (closure of operations) Increased capital expenditure (cost) to repair damaged assets Potential increased insurance costs	Mean loss: <£1.5m (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 % ownership). Mean losses are the average loss of modelled events weighted by the probability of their occurrence. These losses are fully insured against 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 (up to 2030)

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 corporates leads 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 95% of our committed development pipeline. In addition, our internal carbon levy would now cover a carbon credit price increase of up to £90 per tonne.

Material climate-related risks continued

#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. 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 proposed 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 by 2030. The estimated retrofit cost across our managed portfolio to be MEES compliant is £100m, implying an annual cost of £12.5m excluding assets in our near and medium term development pipeline recovered through the service charge as part of the standard life cycle replacement. Our Transition Vehicle (see page 38) was established to finance the retrofitting of our portfolio, which aligns (but goes beyond) proposed MEES requirements. A significant portion of this investment will be recovered through the service charge as part of the standard life cycle replacement process. To date £26m[1] has been spent on carbon efficient interventions and 68% 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. Figure includes capital expenditure, monies recoverable through service charge and occupier spend in demised spaces

Long term risks (post-2050)

Climate scenario	Likelihood	Description of impact	Potential financial impact	Explanation and mitigation
#4 Future physical damage to assets from river and flash flooding (extreme weather events)				
RCP2.6 (2°C) RCP8.5 (>4°C)	Low to High	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 (4C) 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 % ownership). 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 Group 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 from price premiums. 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 (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 while we are dependent on operating in a tolerable and safe climate that we also have an impact on climate-related risks and opportunities. Given this and the recognition we have of our role in supporting the equitable transition to a low carbon economy we have embedded sustainability throughout our business.

Material climate-related risks and opportunities have affected delivering 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 carbon efficient interventions and climate resilience actions where relevant. – Progress against our 2030 energy efficiency and carbon-reduction targets monitored quarterly (page 36). – 2030 energy efficiency and carbon-reduction targets included within executive remuneration (page 109).	– Annual asset-level business plans include capex requirements for carbon efficient 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 funds available to pay for 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] sets stretching targets for our standing portfolio and major developments and refurbishments. – Low Carbon Materials Working Group established to identify innovative materials and technology to lower embodied carbon. – Adopting NABERS UK for all office schemes. – Established our Transition Vehicle in 2020 to incentivise reduction in embodied carbon and to fund the cost of decarbonising our portfolio.	– Sustainable building certifications can support management of our cost of capital by providing 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 (see page 45).
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 to i) pay for the cost of carbon credits to offset residual embodied carbon in developments and ii) finance carbon efficient interventions on the standing portfolio, managed by our Transition Vehicle (see page 38).
Acquisitions or divestments	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 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, where necessary formal flood risk assessments are funded as part of the acquisition's due diligence.

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 equitable 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 % ownership of total insured value). Any potential losses from flooding at our assets in high river flood risk areas are fully insured against.

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 % 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 % ownership of total insured value). 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 Group 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 investigate 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 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 seeking high quality carbon credits while managing cost risk. In FY24 we updated our internal carbon price to £90 per tonne of embodied carbon to better reflect the true cost of carbon and further incentivise development teams to reduce embodied carbon (reducing the quantity of carbon credits needed). We have now pre-purchased carbon credits equivalent to 95% of the embodied carbon in our committed development pipeline.

Transition opportunities:

Our development pipeline's use of NABERS energy star ratings and the upgrading of standing assets as part of our Pathway to Net Zero 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 (pages 47 to 51). 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 (pages 47 to 50). With the Governance and Strategy sections of our TCFD disclosure outlining this process for climate-related issues (pages 64 to 65 and 66 to 71 respectively).

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 ensure to do these double materiality assessments on a regular basis with the next planned for FY26.

2 Read about our FY23 materiality review here - www.britishland.com/materiality

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

b) Managing climate-related risks

Climate-related risks are managed in line with our internal risk management process (pages 52 to 58). 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 (page 65).

Our identified material climate-related risks are monitored as key risk indicators within our principal 'Environmental and Social Sustainability risk' (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, 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 checklist 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 now pre-purchase carbon credits for our committed developments to provide greater certainty over the costs and have increased our internal carbon price to £90 per tonne to greater 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 and in our internal risk management process (pages 47 to 51).

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 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% lower embodied carbon intensity at our offices 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% improvement in 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 GRESB 2024: 5* Standing Investments and 5* Development and FTSE4Good 91st 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 109.

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

Climate-related risks (KRIs)

			2025	2024	2023
Policy and legal[1]	Risk #3	EPCs rated A (by ERV)	**13%**	8%	3%
		EPCs rated B (by ERV)	**55%**	50%	42%
		EPCs rated C (by ERV)	**21%**	23%	30%
		EPCs rated D (by ERV)	**5%**	12%	17%
		EPCs rated E (by ERV)	**4%**	5%	6%
		EPCs rated F (by ERV)	**0%**	1%	1%
		EPCs rated G (by ERV)	**1%**	1%	1%
		Certificate currently not available (by ERV)	**1%**	nr	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%	4%
		Assets in high flood risk areas with flood management plans (by British Land % ownership of total insured value)[2]	**100%**	100%	100%

1. EPC data includes retail assets located in Scotland
2. These values only include occupied British Land managed properties

Climate-related opportunities (targets and KPIs)

			2025	2024	2023
Resource efficiency	Risk #2	50% improvement in embodied carbon intensity of current major office developments completed from April 2020 (kg CO_2e per sqm)	**615**	625	608
	Opportunity #1	75% reduction in managed portfolio whole building carbon intensity by 2030 vs 2019 (Offices)	**40%**	40%[3]	40%
		25% improvement in whole building energy intensity of the managed portfolio by 2030 vs 2019 (Offices)	**24%**	23%	22%
Energy sources	Opportunity #1	Electricity purchased from renewable sources	**97%**	94%	88%
		On site renewable energy generation (MWh)	**1,411**	1,772	2,043
Products and services	Opportunity #1	Standing portfolio with green building ratings (by floor area)	**33%**	48%	48%
		Developments on track for BREEAM Excellent or higher (by floor area, offices)	**100%**	98%	98%
		Percentage of gross rental income from BREEAM certified assets (managed portfolio)	**43%**	62%	65%
	Risk #2	Internal price of carbon (£ per tonne)	**£90**	£60	£60

3. Restated Scope 1 emissions for increased accuracy

All environmental data above except gross rental income from BREEAM and the internal price of carbon is assured by DNV – specific details of scope of assurance can be found in DNV's assurance statement in our 2025 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 greenhouse gas (GHG) emissions and associated energy consumption data are available in the Streamlined Energy and Carbon Reporting (SECR) section of this Report, pages 62 to 63. All our GHG emissions data is subject to 'limited assurance' verification by DNV[4].

4. Details about our reporting methodology and DNV's assurance statementcan be found in our 2025 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 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 21 May 2025 and signed on its behalf by:

Simon Carter
Chief Executive