

REPORT OF THE AUDIT COMMITTEE

EVOLVING
GOVERNANCE
AND SYSTEMS

Lorraine Woodhouse
Independent
Non-Executive
Director

**Focus in the year**

- Enterprise Resource Planning (ERP) programme
- Provision 29 of the UK Corporate Governance Code (the 'Code')
- Governance framework review

Role of the Committee**Corporate and financial reporting**

- Ensures the integrity of the financial statements and formal announcements relating to the Group's financial performance and evaluates significant financial judgements and estimates
- Advise on the fair, balanced and understandable assessment

External Audit

- Monitors the independence, effectiveness and remuneration of the external auditor, and recommends to the Board their appointment and non-audit services policy

Internal Audit

- Monitors and reviews the Internal Audit Plan and effectiveness of the internal auditor

Risk management and internal control

- Monitors risk management and the Company's system of internal control including financial controls and reviewing the going concern and long term viability statement

Investment and development property valuations

- Monitors the effectiveness of the Company's valuers and valuation process, assumptions, judgements and resulting outcomes

The Committee's terms of reference were reviewed by the Committee in May 2026 to reflect the governance structure changes detailed on page 76.

Membership and attendance

The Committee comprises four Non-Executive Directors. Lorraine Woodhouse and Amanda James both have recent and relevant financial experience and as a whole the Committee has competence relevant to the sector. Details of the Committee members and attendance are found on pages

"Forthcoming technology changes will drive efficiency alongside ongoing improvements in the control environment."

Lorraine Woodhouse
Chair of the Audit Committee

80 to 83. The Committee met four times during 2025/26, compared to three in 2024/25. The additional meeting allowed more time to be allocated to risk management and internal control, which was a constructive use of time.

ERP programme

The Committee has provided Board-level oversight of the new ERP programme to implement Oracle Fusion. The programme will transform the systems that facilitate our core business functions, by upgrading various legacy systems into a modern, high-performing ERP tool. We received updates from management regarding the tender of the service provider, timeframe for implementation, and progress to date including design and testing processes, before it was recommended to the Board for approval. The programme will streamline processes and standardise tasks, therefore ultimately minimising risk and reducing costs.

Provision 29 of the Code

We dedicated significant time to discuss corporate governance matters, including the revised Provision 29 of the Code. In preparation for reporting under Provision 29 next year, we received an update from management on their review of our internal controls. Overall, we were impressed with the depth of preparation and maturity of the Company's risk and internal control environment.

Governance framework review

With effect from the conclusion of the 2026 AGM, oversight of Health & Safety and Main Development Contractor Risk, previously part of the ESG Committee remit, will be transferred to the Audit Committee. The Committee will be renamed the Audit & Risk Committee to better reflect its role.

Year ahead

The Committee will continue to oversee the ERP programme as it moves into its final stages. On Provision 29, we will build on the strong foundations laid this year to support the Board's first attestation in the 2027 Annual Report. We will oversee preparations for IFRS 18 which applies to British Land at the half year ending in 2028. Finally, the Committee will hold deep dives on its new areas of responsibility as the expanded Audit & Risk Committee.

As agreed at the May 2026 Committee meeting, Amanda James will Chair the Audit Committee from the end of the 2026 AGM and I wish her every success in the role. I will continue to be a member of the Committee following Amanda becoming Chair.

Lorraine Woodhouse
Chair of the Audit Committee

REPORT OF THE AUDIT COMMITTEE CONTINUED

Investment and development property valuations

The external valuation of British Land's property portfolio is a significant area of estimation as it is a key determinant of the Group's balance sheet and financial performance and the remuneration of the Executive Directors and senior management. The Group's valuers are CBRE, Knight Frank, JLL and Cushman & Wakefield. As at 31 March 2026, the portfolio was valued at £10.1bn.

Key matters discussed in the year:

- Yield movements, current and future rental levels, and benchmarking;
- Trends affecting occupational and investment retail and office sectors, logistics, life sciences and industrial markets and Canada Water;
- Macroeconomic events affecting the markets the Company operates in;
- Impact of the mandatory valuer rotation rules on the market; and
- Biannual qualitative review of valuers' service level.

The valuers present their reports biannually which include details of the valuation process, market conditions and any significant estimates made. The external auditor assesses the valuations and valuation process, having had full access to the valuers to determine that due process has been followed and appropriate information used, before separately reporting its findings to the Committee. The Group's valuers and external auditor have confirmed to the Committee that the process undertaken by British Land to ascertain the valuation of its real estate portfolio is robust. British Land has fixed fee arrangements in place with the valuers in relation to the valuation of wholly-owned assets, in line with the recommendations of the Carsberg Committee Report.

The Committee allocates time to ensure the rigorous monitoring and review of the effectiveness of its valuers as well as the valuation process itself. The biannual effectiveness review is also subject to rigorous internal review by our Analysis and Internal Audit team. In November and May, the Committee considered the following factors and determined that the valuers remained effective:

- Market testing, which involves comparing new lettings and rent reviews against the market;
- Benchmarking, which involves reviewing prime market yields and valuation movements on our assets between valuers as well as comparing valuation movements to peers;
- Availability of market evidence is assessed to understand any potential margin for error; and
- Valuation outliers are reviewed on our valuation movements with any variances analysed.

Activities during the year

MAY

Valuer reports and effectiveness
2025 Annual Report and Accounts and preliminary announcement
Going concern and viability assessments
Sustainability assurance, Internal and External audit reports
Corporate Governance Code compliance
Principal risks and internal control effectiveness review
Reappointment of external auditors, PwC and BDO
ERP update

NEW

OCT

Corporate governance changes including Provision 29 of the Code
External audit plan, fees and engagement letter
Insurance, ERP, technology and cyber security updates

NOV

Valuer reports and effectiveness
Going concern and viability assessments
2026 half year results, preliminary announcements and financial reporting judgements
Internal and external audit reports
Risk and internal control update
Cyber security update
Treasury policy approval

MAR

Going concern and viability assessments
Provision 29 compliance, sustainability reporting and ERP updates
Financial reporting judgements
Principal and emerging risks assessment and appetite review
Data privacy, tax, whistleblowing and compliance reports
Internal and external audit reports
Reappointment of internal auditor, Deloitte
Effectiveness of the Committee, Internal and External Audit

Corporate and financial reporting

The financial reporting process is overseen by the Audit Committee and assessed by the external auditor. It is managed using documented accounting policies and reporting formats supported by detailed instructions and guidance on reporting requirements.

As part of the process, the Committee reviewed the content and tone of the preliminary and half year results and the Annual Report and Accounts and made recommendations to the Board regarding their accuracy and appropriateness. In addition, the Disclosure Committee regularly reviews ad hoc events, draft financial reports and valuation information during the interim and full year reporting process and determines, with external advice from legal and financial advisers as required, whether inside information exists and the appropriate disclosure requirements.

During its review of the Annual Report and Accounts, the Committee considered the following:

- Accounting policies and practices including any new standards introduced during the year. A summary of our material accounting policies can be found in Note 2 of the financial statements;
- Key financial reporting matters including major transactions (further detail provided later in this Report) as well as other financial reporting items such as the FRC's Corporate Reporting Review and any other significant matters and accounting judgements and estimates; and
- Key messaging, particularly matters considered important to the Group by virtue of their size, complexity, level of judgement required and potential impact on the financial statements and wider business model.

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

The Committee has satisfied itself that the controls over the accuracy and consistency of the information presented in the Annual Report and Accounts are robust. The Committee reviewed the procedure undertaken to enable the Board to provide the FBU confirmation to shareholders, an overview of which is set out across the page. In particular, the Committee contemplated the specific considerations in the 2026 Annual Report and Accounts found opposite to ensure that they did not have an adverse impact on the balance and fairness of the report.

The Board is responsible for preparing the Annual Report and Accounts and confirms in the Directors' Responsibilities Statement on page 118 that it believes that the Annual Report and Accounts, taken as a whole, is FBU.

The Committee reviewed management's analysis supporting the preparation of the financial statements on a going concern basis. This included consideration of forecast cash flows, availability of committed debt facilities, sensitivity analysis and expected covenant headroom. The external auditor also reviewed management's assessment. The Committee satisfied itself that the going concern basis of preparation remained appropriate.

Fair, balanced and understandable review process

01

MANAGEMENT REVIEW

Key members of the management team independently review the Annual Report and Accounts, challenging its accuracy, consistency and appropriateness. They then come together to discuss and determine any suitable changes which are overseen by the Committee.



02

REGULAR AUDIT COMMITTEE REVIEW

The Committee reviews the Annual Report and Accounts from the early stages of the drafting process before turning to its dedicated FBU review once it is nearly finalised. This provides sufficient time for feedback prior to formal consideration by the Board.



03

VERIFICATION

A group of individuals from across the business verify all factual content and provide assurance that all data is correct.



04

RECOMMENDATION TO THE BOARD

The Board considers the Committee's recommendation that the Annual Report and Accounts as a whole is FBU.

PRIMARY CONSIDERATIONS:

- Maintaining an appropriate balance of financial and non-financial measures.
- Ensuring the Company's purpose is communicated clearly and consistently.
- Ensuring that real estate terminology was appropriately explained or clarified, where necessary.

REPORT OF THE AUDIT COMMITTEE CONTINUED

The Committee also reviewed management's assessment of whether the Group's long term viability appropriately reflects the prospects of the Group and covers an appropriate period of time. This included consideration of whether the assessment adequately reflected the Group's risk appetite and principal risks as disclosed on pages 49 to 58; whether the period covered by the statement was reasonable given the strategy of the Group and the environment in which it operates; and whether the assumptions and sensitivities identified and stress tested represented severe but plausible scenarios in the context of solvency or liquidity.

The Committee agreed with management's assessment and recommended the viability statement to the Board. The viability statement, which includes our going concern statement and further details on this assessment, is set out on page 59.

Significant matters considered during the year in relation to the financial statements are set out below and should be read in conjunction with the Independent Auditor's Report on pages 120 to 126 and the significant accounting policies disclosed in the notes to the financial statements.

The Committee received reports from management in relation to IFRS 18 which will replace IAS 1 and is effective for annual reporting periods beginning on or after 1 January 2027, with the Company's first affected reporting period being the 2028 half year reporting period. The standard introduces changes to the presentation and disclosure requirements of the financial statements intended to enhance transparency and comparability. The Committee noted that preparatory work is already underway and was satisfied that appropriate plans are in place to ensure timely and effective implementation. On this basis, the Committee was comfortable that the Company will be compliant with the new requirements and will continue to monitor progress ahead of the implementation date.

Significant issues considered

Significant matters

Outcome

Valuation of property portfolio

The valuation of investment and development properties conducted by external valuers is inherently subjective as it is undertaken on the basis of key assumptions made by the valuers which may not prove to be accurate. The outcome of the valuation is significant to the Group in terms of investment decisions, results and remuneration. Selected external valuers presented their reports to the Committee prior to the half year and full year results, providing an overview of the UK property market and summarising the performance of the Group's assets. Significant estimates made in preparing these valuations were highlighted by the external valuers and discussed by the Committee.

The Committee analysed the reports and reviewed the valuation outcomes, challenging whether the key assumptions made by the external valuers were appropriate. The Committee queried the valuers on how the challenging macroeconomic environment had impacted valuations. The Committee also challenged the valuers on the availability of transactional evidence to support their valuations, particularly within the London office market. The Committee was satisfied with the valuation process and the effectiveness of the Company's valuers. The Committee approved the relevant valuation disclosures to be included in the Annual Report.

Accounting for significant transactions

The accounting treatment of significant property acquisitions, disposals, financing and leasing transactions is a recurring risk for the Group with non-standard accounting entries required, and in some cases management judgement applied. The Committee reviewed management papers on key financial reporting matters, including those for significant transactions, as well as the external auditor's findings on these matters.

The Committee was satisfied that the accounting treatment and related financial disclosure of significant transactions was appropriate. There was no interaction with the FRC's Corporate Reporting Review team during the year.

Taxation and REIT compliance

The Group benefits from tax advantages as a REIT. Income and chargeable gains on the qualifying property rental business are exempt from corporation tax. Several tests were conducted during the year to ensure the Group remains firmly within the limits that defines it as a REIT, including in relation to forecasts. The Committee further reviewed the appropriateness of taxation provisions made, released and utilised by the Group in the year. It considered papers prepared by management and discussed the views of the external auditor to obtain assurance that amounts held were commensurate with the associated risks.

The Committee reviewed the frequency of the testing and noted the margin by which the Group complied with the REIT requirements. The Committee was satisfied that good judgement had been made.

The Committee was satisfied that the taxation provisions were appropriate. 'Our Approach to Tax', which was reviewed and updated by the Committee in the year, is available at www.britishland.com/taxstrategy.

Internal Audit

The role of Internal Audit is to act as an independent and objective assurance function, designed to improve the effectiveness of the governance, risk management and internal controls framework in mitigating the key risks to the Company. Deloitte, in their third year of appointment, provided Internal Audit services to British Land during the financial year and attended all Committee meetings to present their audit findings alongside the status of management actions.

Deloitte was reappointed as internal auditor during the year for a term of three years. Over the past three years, Deloitte has delivered a high quality internal audit programme and has worked effectively with the British Land teams, demonstrating appropriate professional challenge alongside flexibility where required.

During the year, the internal auditor reported on progress made against its three-year Internal Audit strategy covering FY24 to FY26. Internal audits completed during the year included:

1. Key controls
2. IT general controls
3. Leasing processes
4. Fraud risk management
5. Group cyber security – Asset systems
6. Payroll
7. ERP – Programme governance
8. Development procurement and supply chain resilience
9. Artificial intelligence – Strategy and governance

No material control issues were identified during the work of the Internal Audit during the year. Control findings which were identified were reported to management and actions agreed to address each finding. Actions are tracked to conclusion and verified before closure. During the year, Internal Audit reported on the Company's robust and maturing enterprise-wide controls framework and positive progress toward Provision 29 readiness. In addition, enhancements to the Company's fraud risk management processes and procedures were identified to ensure compliance with the Failure to Prevent Fraud requirements.

Effectiveness

The Committee held private sessions with the internal auditor three times during the year. These meetings are held without management present to enable the auditor to raise any issues of concern. In addition, the Chair of the Committee holds private meetings with the auditor separately before each meeting and additional meetings are held on request.

The annual evaluation of the internal auditor's performance was undertaken in March 2026. The review included: consideration of whether objectives defined in the Internal Audit charter had been met; review of the quality of the Internal Audit work undertaken; and the skills and competence of the Internal Audit teams. Key stakeholders across the Group, including Committee members, CFO, Group Financial Controller, Head of Strategy and Investor Relations, Head of Information Security, Head of Risk and Internal Control, and Reward, Talent and Performance Director, completed a questionnaire to assess the effectiveness of the internal auditor, taking into account the same four areas assessed as the external auditor effectiveness questionnaire detailed on the next page. In addition, the internal auditor completes a self-assessment paper.

The results were positive, in particular it showed that the internal auditor had further improved in quality of delivery and people, with all four assessment areas being rated in the highest category.

The Committee concluded that Deloitte had discharged its duties as internal auditor effectively throughout the year. In particular, the Committee highlighted the practical findings and insights from other organisations as a key strength.

External Audit

The Committee is responsible for overseeing the relationship with the external auditor and for considering their terms of engagement, remuneration, effectiveness, independence and continued objectivity. The Committee reviews annually the audit requirements of the Group, for the business and in the context of the external environment, placing great importance on ensuring a high quality, effective External Audit process. BDO provides audit services to a number of wholly-owned subsidiaries and several joint venture companies that are not within the scope of the Group audit. Both auditors are provided with complete access to Company staff and records to assist in their work. In addition, the Committee has cultivated a strong relationship with the auditors, and encourage them to challenge management continuously.

Audit firm	PricewaterhouseCoopers
Original date of appointment	18 July 2014
Tender completed	February 2024
Audit firm tenure	11 years
Lead partner, tenure	Saira Choudhry, 2 years
FY26 non-audit fee as % of total audit fee	57%

Non-audit services and fees

The Committee discussed the audit fee for the 2026 Annual Report with the external auditor and approved the proposed fee on behalf of the Board.

The Group has adopted a policy for the provision of non-audit services by the external auditor in accordance with the FRC's 2024 Revised Ethical Standard. The policy helps to safeguard the external auditor's independence and objectivity. The policy allows the external auditor to provide non-audit services to British Land where they are considered to be the most appropriate provider for audit related services, including formal reporting relating to borrowings, shareholder and other circulars and work in respect of acquisitions and disposals.

In some circumstances, the external auditor is required to carry out the work because of their office. In other circumstances, selection would depend on which firm was best suited to provide the services required. Further, Committee approval is required where there might be questions as to whether the external auditor has a conflict of interest. The approval limits for non-audit services are below and subject to review:

Value	Approval required
Up to £25,000	CFO
£25,001 to £100,000	Audit Committee Chair
£100,001 and above	Audit Committee

REPORT OF THE AUDIT COMMITTEE CONTINUED

In addition, the total non-audit fee in the current year is limited to 70% of the average of the audit fees paid in the last three consecutive years. The ratio of audit to non-audit fees is calculated in line with the methodology set out in the FRC's 2024 Revised Ethical Standard. The Committee is satisfied that there is sufficient headroom before reaching this upper limit.

Total fees for non-audit services, primarily relating to a review of interim financial statements and formal reporting relating to borrowings, amounted to £0.39m, which represents 57% of the total Group audit fees payable for the year ended 31 March 2026. Details of fees charged by the external auditor during the year are set out on page 140. The Committee is satisfied that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014.

Total auditor fees		Total fee
2025/26	<div style="display: flex; align-items: center;"> <div style="width: 57%; height: 15px; background-color: #003366; margin-right: 5px;"></div> <div style="margin-right: 5px;">£0.39m</div> <div style="margin-right: 5px;">57%</div> </div> <div style="display: flex; align-items: center; margin-top: 5px;"> <div style="width: 65%; height: 15px; background-color: #ccc; margin-right: 5px;"></div> <div style="margin-right: 5px;">£0.67m</div> </div>	£1.06m
2024/25	<div style="display: flex; align-items: center;"> <div style="width: 56%; height: 15px; background-color: #003366; margin-right: 5px;"></div> <div style="margin-right: 5px;">£0.36m</div> <div style="margin-right: 5px;">56%</div> </div> <div style="display: flex; align-items: center; margin-top: 5px;"> <div style="width: 65%; height: 15px; background-color: #ccc; margin-right: 5px;"></div> <div style="margin-right: 5px;">£0.65m</div> </div>	£1.01m
2023/24	<div style="display: flex; align-items: center;"> <div style="width: 37%; height: 15px; background-color: #003366; margin-right: 5px;"></div> <div style="margin-right: 5px;">£0.26m</div> <div style="margin-right: 5px;">37%</div> </div> <div style="display: flex; align-items: center; margin-top: 5px;"> <div style="width: 65%; height: 15px; background-color: #ccc; margin-right: 5px;"></div> <div style="margin-right: 5px;">£0.69m</div> </div>	£0.95m

Key

- Non-audit fees
- Audit fees

Independence

PwC provides the Committee with an annual report on its independence, objectivity and compliance with statutory, regulatory and ethical standards. In accordance with the FRC's requirements, a tender of the audit firm was conducted at 10 years in 2024 and the lead audit engagement partner and senior members of the audit team were rotated in the year. For the year ended 31 March 2026, as for the prior year, the external auditor made the following confirmations:

- At each Committee meeting, that it remains independent;
- An annual letter of confirmation stating its independence and that it maintains appropriate internal safeguards to ensure its independence and objectivity; and
- That PwC complies with the FRC's Ethical Standards.

The Committee further received confirmation that:

- Non-audit services provided by PwC as detailed above complied with the Group's non-audit policy and the requirements of the FRC's Ethical Standard;
- The Group has not employed members of the PwC audit team or any PwC partners during the year; and
- PwC confirmed compliance of its staff and partners with PwC's internal policies and process around independence.

Effectiveness

The Committee held private sessions with the external auditor four times during the year. These meetings are held without management present to enable the auditor to raise any issues of concern. In addition, the Chair of the Committee holds private meetings with the auditor separately before each meeting and additional meetings are held on request.

The annual evaluation of the external auditor's performance was undertaken in March 2026. The auditor completes a self-assessment paper and key stakeholders also complete a questionnaire, including senior members of the Finance, Strategy, IR and HR teams as well as members of the Committee, CFO and Company Secretary.

The questionnaire took into account the following:

- Robustness of the overall audit process and auditor challenge, including independence, audit strategy and plan, and quality control;
- Quality of delivery of the audit and service provided including project management and their working relationships with management and the Committee Chair;
- Quality of reporting to the Committee and management including planning and significant judgements and estimates; and
- Quality of the people on the audit team, including their experience and technical knowledge.

The scores and feedback are shared with the external auditor and compared against their self-assessment. The feedback received from the survey included good continuity in the external audit team, enabling a smooth audit process. Each category was rated 'good', being the highest rating obtainable.

PwC provides a report to the Committee to assess its performance using Audit Quality Indicators (AQIs) which are extremely useful to aid the assessment of the external auditor. The AQIs used during the half and year end include:

- Experience and continuity of the audit team;
- Percentage of total hours spent on the engagement by the audit partner, director and specialists;
- Number of audit misstatements, both adjusted and unadjusted; and
- Number of control findings or observations.

The Committee monitored any developments against the AQIs and was satisfied that no risks to the audit quality were identified.

In addition, the Committee considered the FRC's Audit Quality Review report in relation to the Group's audit. After considering the annual evaluation survey, noting those areas for improvement in the coming year, AQIs and other pertinent factors, the Committee concluded that the quality of the external auditor's work, and the level of challenge, knowledge and competence of the audit team, had been maintained at an appropriate standard during the year.

Risk management and internal control

The Board has delegated responsibility for establishing and maintaining the effectiveness of the Group's risk management and internal control framework to the Committee. The Committee's review for the year ended 31 March 2026 covered financial, operational, compliance and strategic risks.

A detailed summary of the Group's risk management and internal controls framework is set out in the 'Managing risk in delivering our strategy' section on pages 47 to 49.

The Group has adopted the Code, best practice recommendations in the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and the FRC's Minimum Standard for Audit Committees and the External Audit ('Minimum Standard'). The Committee reviewed the Group's compliance with the Minimum Standard during the year and agreed that it was aligned. In addition, the Company's internal control framework operates in line with the recommendations set out in the internationally recognised COSO Internal Control Integrated Framework.

Internal control

Internal controls remained a key focus for the Committee during FY26 as the Company prepared to comply with the new Provision 29 of the Code. The Committee devoted significant time over the year to considering the requirements of Provision 29 and its practical implications for the Company, including a dedicated deep dive at the newly introduced October Committee meeting.

As part of our roadmap, management undertook a structured process to identify controls considered 'material' in relation to the Company's principal risks, with regular updates to the Committee. The Head of Risk and Internal Control led an initial assessment of risks through reputational, financial, fraud, compliance and disruption lenses. Through iterative discussions with department leads this was refined and resulted in material controls that are categorised into entity-level, cluster-related and singular controls.

The Committee provided active oversight throughout this process, offering guidance to management and emphasising the importance of a clear, proportionate and well-defined approach to materiality that appropriately reflected the scale and scope of the Company's operations. In doing so, the Committee was mindful of the need to avoid an overly narrow set of material controls, which could result in oversight being too high-level, and therefore supported an approach that enabled an appropriate depth of scrutiny.

In addition to the standard self-certification of key controls, sample testing of internal controls was undertaken during the year, consistent with the biannual testing programme in place. The Committee reviewed and was comfortable with the assurance processes supporting the internal controls framework, noting that the combination of self-certification and independent testing provides a robust basis for scrutiny and will support the assurance required for the Board's future attestation. In the coming year, sample testing will focus specifically on the material controls identified.

Looking ahead, overseeing preparations for the Board attestation under Provision 29 in the 2027 Annual Report and Accounts will remain a priority for the Committee.

Risk Management

The Committee oversees the identification and assessment of principal and emerging risks, key risk indicators and risk appetite. The Committee received biannual assessments of the most significant risks facing the Company which indicated the exposure level and risk impact.

At the full and half year, the Committee reviewed the Group's principal and emerging risks, including consideration of how risk exposures have changed during the period. In particular, the Committee devoted considerable time to discussing macroeconomic risk, reflecting the heightened volatility and uncertainty in the wider economic environment during the year. Both external and internal risks are reviewed and their effect on the Company's strategic aims considered. The assessment of emerging risks included a bottom-up review of all business units and a deep dive by the executive-level Risk Committee. The Committee made a recommendation to the Board regarding the identification and assessment of principal and emerging risks. The Board accepted the Committee's recommendation.

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

Effectiveness

The Committee has delegated authority from the Board to monitor the effectiveness of the Company's risk management and internal control systems. The assessment was informed by discussions with the Finance team and senior management, reports from the internal and external auditor, and updates from the Risk Committee. Particular focus was placed on controls over financial reporting, IT general controls, cybersecurity and regulatory change. While opportunities for further control enhancement were identified, no material weaknesses were noted. Additional reassurance was provided through the testing of our key controls and rigorous review of our material controls as described earlier in the report.

Following its review, the Committee confirmed to the Board that it was satisfied that the Group's risk management procedures and internal control framework operated effectively throughout the period providing reasonable assurance and remaining aligned with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.