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 of our Annual Reports and Accounts 2025 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 climaterelated risks and opportunities and (b) delegates the responsibility for assessing and managing our response to material climaterelated 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 climaterelated 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 climaterelated 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.

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 Audit Committee

- 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).

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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

- 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.

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 climaterelated 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.

Trans	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	Orderly	RCP2.6	Sustainable	Below 2°C	<2°C	\$53 to \$82	2070
	(2°C) scenario	Disorderly	SSP1	Development Scenario	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 rise²	Sea level rise	River flood modelling sources	Coastal flood modelling sources
Up to 2030	Current climate		410ppm	1.1°C	0.20m	Munich Re NATHAN³ 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	Munich Re climate hazard sea level rise data
	Hothouse world >4°C scenario	RCP8.5 SSP5	>1,000ppm	4.3°C	>0.78m	Model Intercomparison Project Phase 5	combined with storm surge

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	

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

Material climate-related risks Short term risks (<12 months)

Short term risks (<12 months)

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.

Climate Likelihood	Description	Potential	Explanation and mitigation
scenario	of impact	financial impact	

#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)	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
		Increased capital expenditure (cost) to repair damaged		and potential losses are shown before the impact of insurance.
		assets Potential increased		Since 2007, our (insured) actual annual mean loss below the modelled value of £1.5m.
		insurance costs		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	Likelihood	Description	Potential	Explanation and mitigation
scenario		of impact	financial impact	

#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	£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 $c.300,000 \text{ tCO}_2 e$ by 2030 across the committed and near term development pipeline.
		credits, resulting in higher and/or volatile carbon credit prices		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.

#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.	£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
		Potential loss of revenue as we are unable to lease		development pipeline recovered through the service charge as part of the standard life cycle replacement.
		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		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.
		MEES legislation.		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	Likelihood	Description	Potential	Explanation and mitigation
ominato	2	Beeenperen	· ocontial	Explanation and malgadion
scenario		of impact	financial impact	

#4 Future physical damage to assets from river and flash flooding (extreme weather events)

RCP2.6 Low to High Poter (2°C) rever RCP8.5 busin (>4°C) interr	Potential loss of revenue from business interruption	RCP2.6 (2°C) Mean loss: £2m (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).	
(>4°C)	·4°C)	(closure of operations).	Losses in a bad representative year: £61.5m	Mean losses are the average loss of modelled events weighted by the probability of their occurrence. For
		Increased capital expenditure (cost) to repair damaged assets. Potential increased insurance costs.	(pre-insurance)	the 'representative bad year', the losses are based on
			RCP8.5 (4C) Mean loss: £3.3m (pre-insurance)	low likelihood flood events for a 'bad' year, which is assumed to be a 1/100 annual likelihood across the simulations, post-2050.
			Losses in a bad representative year: £93.1m (pre-insurance)	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 Likelihood	Description	Potential	Explanation and mitigation
scenario	of impact	financial impact	

#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,	£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.	
		highly rated green buildings may let quicker and at a premium to market rents.		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.	

(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 climaterelated 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' 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 stakeholders². 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

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 prepurchase 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 CO2e 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-re	lated ri	sks (KRIs)
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		2025	2024	2023
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
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%
	Risk #3 Risks #1, 4	Risk #3 EPCs rated A (by ERV) EPCs rated B (by ERV) EPCs rated C (by ERV) EPCs rated D (by ERV) EPCs rated E (by ERV) EPCs rated F (by ERV) EPCs rated G (by ERV) Certificate currently not available (by ERV) Risks #1, 4 Percentage of portfolio located in 100-year flood zones (by British Land % ownership of total insured value) Assets in high flood risk areas with flood management plans (by British Land % ownership of total insured value) ²	2025Risk #3EPCs rated A (by ERV)13%EPCs rated B (by ERV)55%EPCs rated C (by ERV)21%EPCs rated D (by ERV)5%EPCs rated E (by ERV)5%EPCs rated E (by ERV)4%EPCs rated G (by ERV)0%EPCs rated G (by ERV)1%Certificate currently not available (by ERV)1%Risks #1, 4Percentage of portfolio located in 100-year flood zones (by British Land % ownership of total insured value)3%Assets in high flood risk areas with flood management plans (by British Land % ownership of total insured value)2100%	Risk #3EPCs rated A (by ERV)13%8%EPCs rated B (by ERV)55%50%EPCs rated C (by ERV)21%23%EPCs rated D (by ERV)5%12%EPCs rated E (by ERV)4%5%EPCs rated F (by ERV)0%1%EPCs rated G (by ERV)1%1%Certificate currently not available (by ERV)1%nrRisks #1, 4Percentage of portfolio located in 100-year flood zones (by British Land % ownership of total insured value)3%3%Assets in high flood risk areas with flood management plans (by British Land % ownership of total insured value)2100%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 ₂ e per sqm)	615	625	608
	Opportunity75% reduction in managed portfolio whole building#1intensity 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	Opportunity #1	Electricity purchased from renewable sources	97%	94%	88%
sources		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 DNV⁴.

 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 sciencebased 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:

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Simon Carter Chief Executive