



Stakeholder Engagement Report 2013

IDENTIFYING THE SUSTAINABILITY ISSUES THAT MATTER MOST



To help us make the right decisions, we listen to those who matter most to our business.

INTRODUCTION



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The range of ethical, environmental and social challenges facing us all continues to grow in scope and complexity. Business is increasingly seen as having an important role in providing what is right for society as a whole; it cannot, therefore, focus only on narrow, short-term financial objectives. We need to take a wider view or we will be in danger of missing serious threats, as well as opportunities for our business.

We can't do everything everywhere, and so we have to prioritise. We have gone through a rigorous process, involving our external stakeholders, internal team and independent experts, to identify where to focus our efforts.

In this Report, we are pleased to provide more information on our stakeholder engagement, and on what we believe matters most to our business and our key stakeholders.

We welcome your feedback.

ADRIAN PENFOLD
HEAD OF PLANNING AND CORPORATE RESPONSIBILITY AT BRITISH LAND
adrian.penfold@britishland.com

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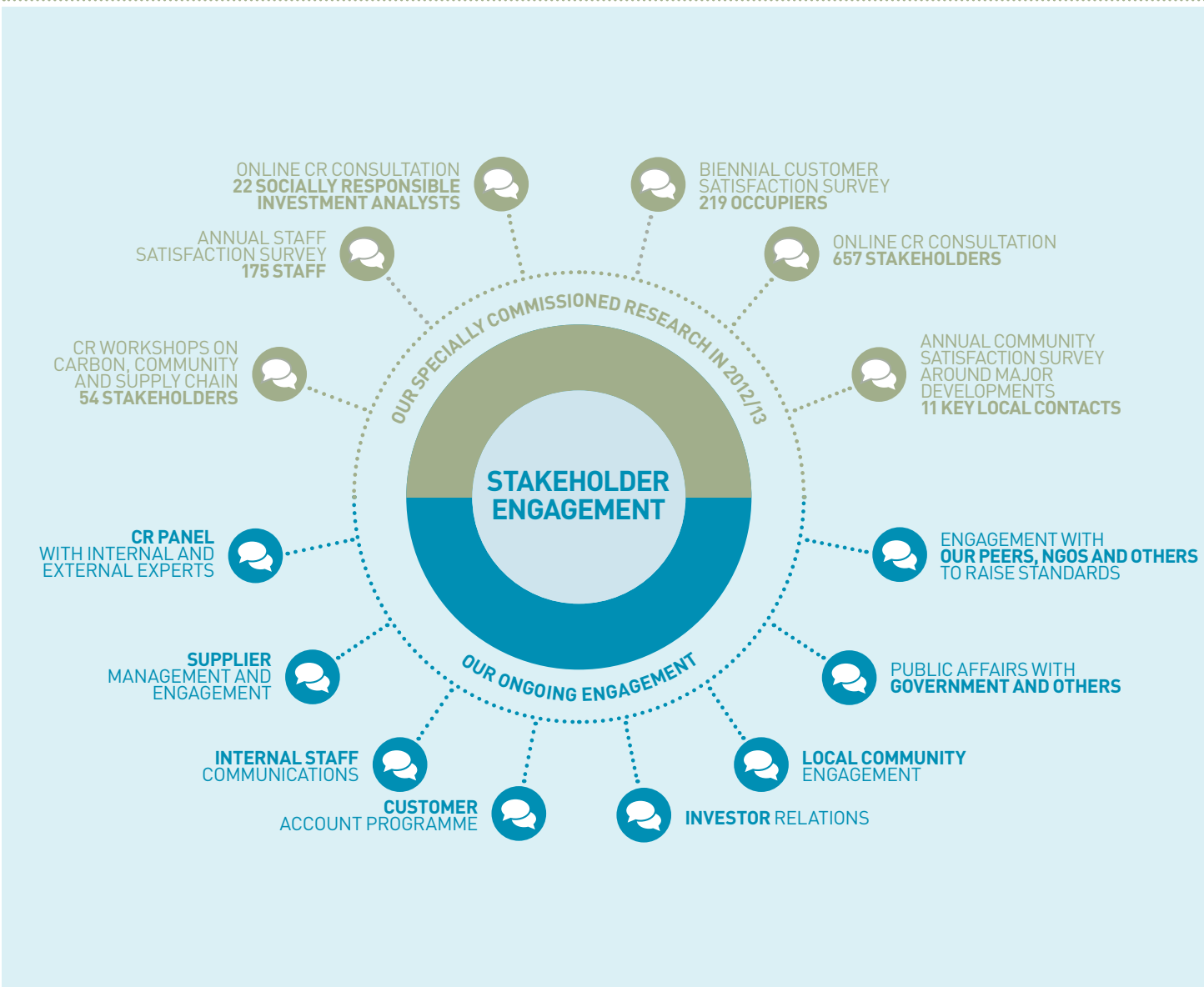
ABOUT US

British Land is one of Europe's largest Real Estate Investment Trusts (REITs) and our vision is to be the best. We invest in and develop high-quality buildings in prime locations and then manage them to a high standard with a focus on occupier

needs at every stage. It's an approach that's proved successful; each year our properties attract over 300 million visits and are home to over 1,000 different organisations and retail brands.



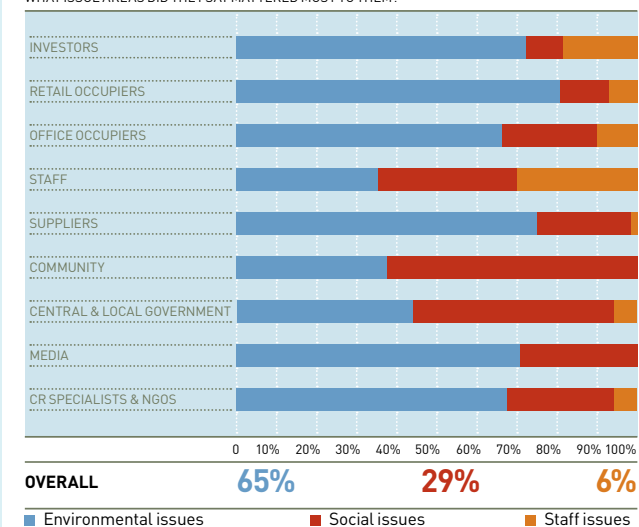
HOW WE ENGAGE WITH OUR STAKEHOLDERS



We aim to be the best at the corporate responsibility issues that matter most to us and our key stakeholders.

ISSUE AREAS FOR OUR STAKEHOLDERS

WHAT ISSUE AREAS DID THEY SAY MATTERED MOST TO THEM?*



* Based on feedback from over 650 stakeholders. For more detail, please see our Stakeholder Engagement Report 2013: www.britishland.com/stakeholders

WHAT MATTERS MOST?

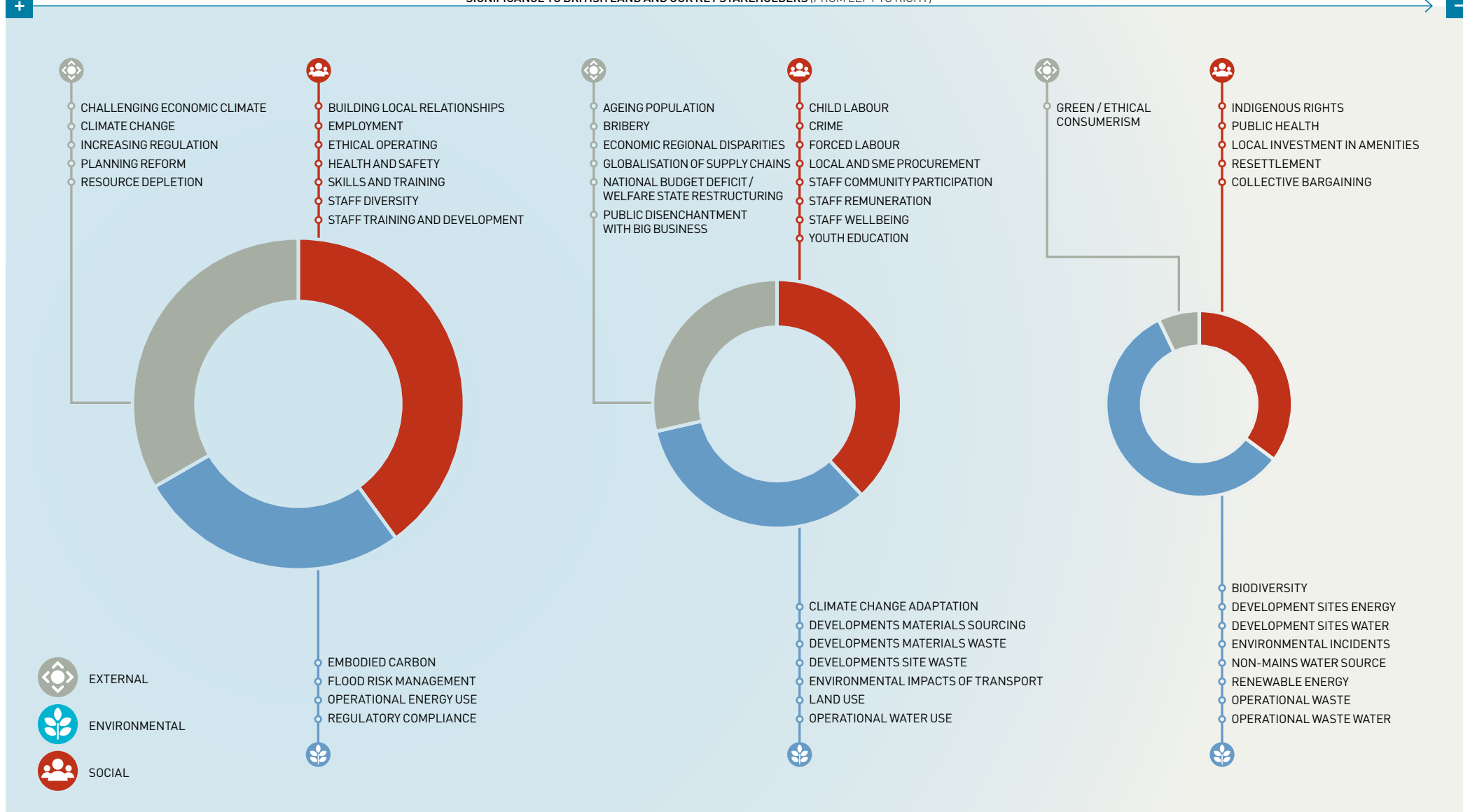


As the diagram below shows, there are many issues that matter. We can't do everything everywhere, and so we have to prioritise based on significance to our business and key stakeholders. We have gone through a rigorous process, involving our stakeholders and independent experts, to identify where to focus our efforts. In the coming year, we will use this to review where we will be focusing in the future. We welcome your feedback on how we have prioritised these important external factors and environmental and social topics. If you think we've got it wrong, please let us know.

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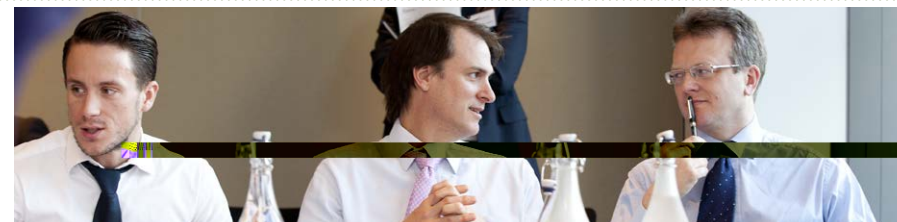


SIGNIFICANCE TO BRITISH LAND AND OUR KEY STAKEHOLDERS (FROM LEFT TO RIGHT)



This diagram reflects our latest assessment, as at 31 March 2013. We will continue to review how we prioritise issues, as we receive further feedback from stakeholders and experts, and as the external environment changes.

STAKEHOLDER FEEDBACK OVERVIEW



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Leadership looks like British Land taking responsibility for something that it does not have to take responsibility for.

ROBERT TATE
DEVELOPMENT DIRECTOR, MEMBERSHIP
AT BUSINESS IN THE COMMUNITY

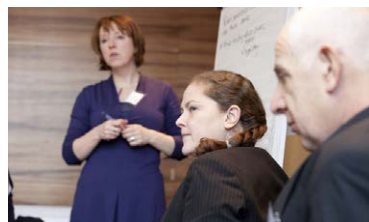
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Corporations need to step in to push for sustainability where governments are falling short. Companies should have the highest possible ambitions, rather than seeking to limit the impact of regulations, or sidestepping regulation.

MEDIA CONTACT

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A company like British Land has such a huge opportunity to make a difference within the area of its developments. Contractors need to be pushed as much as possible to start a development off as you mean to go on.

CONTRACTOR

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Here, we are pleased to share some of the interesting ideas we heard from our stakeholders, together with information about how this feedback is influencing our thinking.

WHAT OUR STAKEHOLDERS SAID

Use scale to influence others, including regulators, occupiers, lower tier suppliers, individuals within a community and the industry.

Put data to good use, using it to prioritise opportunities to improve sustainability performance and demonstrate opportunities to the supply chain.

Set targets that stretch the supply chain and support commercial objectives; suppliers are ready to rise to the challenges set by British Land, whilst balancing the costs. These could include targets to cut embodied carbon against a baseline design in a cost neutral manner.

OUR THINKING

In principle we agree with this. We also know that there is a fine line between appropriate and inappropriate influence, and we are careful not to cross that line. A good example of influence in promoting good regulation, based on our experience, is our work with the Better Buildings Partnership to encourage the voluntary introduction of landlord energy ratings in buildings.

We believe we already do this, but recognise that we could do more. For example, we use socio-economic data to influence our local community programmes and energy consumption data to prioritise efficiency initiatives where they will realise the greatest reductions.

We agree that demanding targets can be delivered through innovation in the supply chain. We acknowledge the need for some prescription but also think that innovation is better encouraged where targets are set collaboratively. We will continue to use our Sustainability Briefs to work with our supply chain to agree targets which are both demanding and meet our commercial priorities.



54

CONTRIBUTORS

took part in British Land's independently facilitated workshops and interviews on corporate responsibility in 2013.

STAKEHOLDER FEEDBACK ON CARBON



If you're not engaging with occupiers, nothing will ever change... It is something that British Land should be doing for sure.

KATHLEEN JOWETT
GLOBAL REAL ESTATE MULTI-MANAGER
AT AVIVA INVESTORS



Things have moved on from five years ago, when we were discussing three to eight years hence; we are now discussing inter-generationally in our time horizons.

PATRICK BELLEW
DIRECTOR OF ATELIER TEN



DEMAND ON NATURAL RESOURCES

has doubled since 1966. According to WWF's Living Planet Index, even two planets will not be enough by 2030 – unless we change course.



36%
OF THE UK'S
CARBON
EMISSIONS

come from buildings and we expect 70% of current buildings to still be here in 2050.



30%
OF TOTAL BUILDING
EMISSIONS

over a 60-year lifespan tend to come from embodied carbon from the manufacture of construction materials and their transport to site.



We look forward to working with British Land to practise our green lease agreements on the ground, with regular dialogue and joint initiatives.

MUNISH DATTA
HEAD OF PROPERTY PLAN A AT MARKS & SPENCER



WHAT OUR STAKEHOLDERS SAID

Manage across the value chain, looking beyond those carbon emissions we control directly to those we may be able to influence, notably engaging more actively with occupiers on their energy use in our buildings and with our supply chain on embodied carbon in our developments.

Be visionary, with a long-term approach that could include accounting for whole life value and costs in commercial decisions, designing for deconstruction, and future-proofing buildings.

Foster innovation by investing in experimental research and development, for instance developing a showcase retail building in collaboration with an occupier; this will also demonstrate opportunities to the supply chain.



OUR THINKING

We will review and publish a revised carbon strategy this year.

We have a 2015 target to secure planning permission for a showcase sustainable building. Collaboration, whether with an occupier or the wider industry, will be critical to delivering this. In addition, in the coming year we intend to fund work to encourage innovation around embodied carbon.

STAKEHOLDER FEEDBACK ON COMMUNITY



If British Land didn't ask for this we might not do any of this.

CONTRACTOR



2.5m
OUT OF WORK

In early 2013, some 2.5 million people across the UK were jobless, with more than one in five young people out of work.



It needs to be longer term than putting up a building. We cannot just invest in the short term.

ANN CADMAN
MANAGING DIRECTOR OF THE SOURCE
SKILLS ACADEMY



15%
DECLINE

Recent Government figures identified construction as the worst performing sector for apprenticeships, with a year-on-year fall of 15% in 2011/12.



WHAT OUR STAKEHOLDERS SAID

Recognise community uniqueness, using local knowledge to truly understand the communities where we operate.

Build long-term relationships when developing and managing buildings and recognise the differences in community impact.

Work in partnership to create training, education and skills opportunities in local communities, collaborating with NGOs, charity partners, government agencies and other businesses.

Use storytelling to communicate the legacy of our investment in local communities.

Review what local means in terms of procurement, the role of local procurement in job creation and economic growth, our contribution to the national economy as an international business, and the link between local procurement and SMEs.

OUR THINKING

We recognise that this is important. There will, however, always be limits on resources at a local level, so our on-site teams need guidance and support. In light of this, we try to focus on priority assets, carrying out analysis to understand socio-economic indicators in the area and local priorities.

We agree. We are increasingly focusing our charitable funding on long-term local relationships. We are also working on initiatives to assess the long-term impact of our community activities. This includes a ten-year review of the social return on investment of The Source Skills Academy, the retail training centre we set up with Sheffield City Council in 2003.

Our Community Charter already includes a focus on this, but we need to find ways to maximise our impact. We believe that we will achieve this through a greater focus in fewer locations and by working collaboratively with national organisations, such as The Prince's Trust, the Construction Youth Trust and the National Literacy Trust.

We agree that we have not done enough to communicate what we do and have not focused as much as we could have on legacy. We want to be more effective in learning the lessons and telling the story, particularly with local communities. In the coming year, we will explore the Regent's Place story where we have been working with the community for 20 years.

We agree that this is important. We have struggled to drive local procurement as much as we wanted, but it remains a priority. Progress to date includes writing requirements into tender documents on our developments and supporting initiatives such as 'meet the buyer' events which help upskill local businesses. Our Socio-Economic Contributions Report findings have taught us that non-local procurement can also benefit communities elsewhere in the UK, and we are looking at a wide range of opportunities to support small businesses, encouraging growth.

STAKEHOLDER FEEDBACK

ON SUPPLY CHAIN



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Supply chain management has to be absolutely at the heart of what corporate responsibility is for this company.

CATHERINE HOWARTH
CHIEF EXECUTIVE OF FAIRPENSIONS

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Social and environmental factors are interlinked, so addressing both is necessary for robust, sustainable business behaviour.

SPECIALIST

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Pick a few things that are important, be consistent, follow up and have a plan and strategy to make sure people are achieving them.

INVESTOR

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WHAT OUR STAKEHOLDERS SAID

Tackle priority areas first, notably environmental and resource issues, which dominated the materiality debate across all stakeholder groups – don't try to do too much too quickly.

Develop a long-term strategy to engage and up skill the supply chain, whilst pursuing immediate opportunities that demonstrate value, increase support and gain momentum.

Consider conflicting agendas, as the rise of the localism agenda in the UK challenges the increasing globalisation of supply chains.

OUR THINKING

Our supply chain engagement is already focused primarily on environmental risks. In the coming year, we will complete a supply chain risk assessment to identify any gaps and help prioritise our future supply chain management. We are not convinced that our focus will be exclusively on environmental issues.

We will revise our Sustainability Brief for Developments in 2013. Our strategy will remain focused around this Brief. We will also use our supply chain risk assessment review (mentioned above) to inform our strategy.

We recognise the need to balance competing demands. This, however, will not divert us from our focus on local communities and on aligning this with our commercial priorities.

STAKEHOLDER FEEDBACK ON REPORTING



657
ONLINE
PARTICIPANTS

657 people participated in British Land's first online consultation on corporate responsibility in 2012.



There is a great opportunity to take learnings to the wider corporate social responsibility community on best practice in building management, and to non-related sectors such as FMCG and retail, so there is shared learning in managing efficiency and sustainable design.

SPECIALIST



It's great to see British Land make significant progress in their corporate social responsibility strategy and take leadership within their industry on these issues. I would like to see them branch out into more indirect impacts – as well as get involved in wider debates on sustainable cities.

SPECIALIST

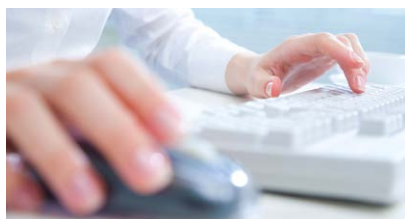


WHAT OUR STAKEHOLDERS SAID

Use online methods as the main way we communicate corporate responsibility.

More communication around our socio-economic contributions.

Produce a stand-alone, rather than integrated, report.

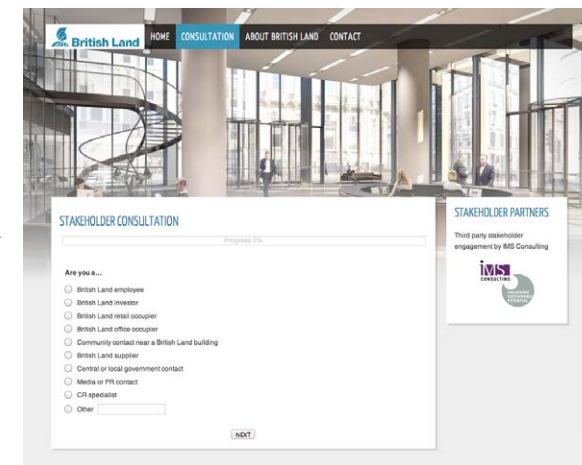


OUR THINKING

We will publish all our 2013 communications online. We will also continue to produce a printed Corporate Responsibility Report as some of our stakeholders expressed a preference for this and because only communicating online can exclude some individuals and communities.

We are pleased with this feedback, as in 2012 we communicated the socio-economic contributions of our construction programme. In the coming year, we will publish socio-economic contributions reports for The Source Skills Academy and Regent's Place. We will also continue to work collaboratively with others to explore ways to develop socio-economic reporting.

Before our stakeholder engagement, we had thought that we might produce one integrated report. In light of this feedback, we continue to produce a stand-alone Corporate Responsibility Report, whilst also integrating environmental and social factors into our Annual Report and Accounts.



**Contact us**

We hope you find this Report interesting. If you have any questions or comments about our approach to stakeholder engagement or the future of our corporate responsibility strategy, please contact us: cr@britishland.com

Want to know more?

For more information on our approach to corporate responsibility and our performance: www.britishland.com/responsibility

Head Office and Registered Office
York House, 45 Seymour Street,
London W1H 7LX
T. +44 (0) 20 7486 4466 F. +44 (0) 20 7935 5552

Design

Red Letter Design

