



# PLACES PEOPLE PREFER

Stakeholder Engagement Report  
2014

# INTRODUCTION

We regularly engage with our key stakeholders. Stakeholder feedback informs the development of our corporate responsibility strategy and activities.

In this report, we are pleased to provide information on stakeholder feedback from corporate responsibility research we commissioned this year. For each piece of research, we outline how this feedback has informed our corporate responsibility activities.

## **CR RESEARCH COMMISSIONED IN 2013/14:**

- p2-3 Online consultation on selected social and environmental issues.
- p4 Supply chain workshops and interviews.
- p5 Crowd sourced event on energy and carbon.
- p6-7 We also provide our materiality matrix for 2014/15, which has been developed through a rigorous process.

# ONLINE CR CONSULTATION

Some 750 stakeholders participated in our online consultation on corporate responsibility this year, providing detailed feedback on selected social and environmental issues where we wanted to improve our understanding.

The choice of issues was informed by stakeholder feedback from our first online corporate responsibility survey in 2012. Both surveys were carried out by IMS Consulting. Participating stakeholders included retail and office occupiers, community contacts, investors and analysts, our staff, suppliers, local and central government, media, NGOs and CR specialists. The tables to the right show how our stakeholders rated the selected social and environmental issues for importance and how they evaluated our performance.

	OUR	
	IMPORTANCE	PERFORMANCE
Forced labour	5.30	2.46
Child labour	5.11	1.86
Fair pay	3.43	6.24
Training and skills	2.57	3.57
Local employment	2.35	3.21
Diversity	2.01	5.00
Living wage	1.70	1.62
Employment, training and education for young people	1.40	1.72
Local and SME procurement	1.28	1.67
Zero hours contracts	0.67	1.17

	OUR	
	IMPORTANCE	PERFORMANCE
Waste management in construction	8.04	18.75
Embodied carbon in development	3.44	8.40
Use of virgin materials in construction	2.29	6.06
On-site renewables	2.04	3.55
Climate change adaptation	1.60	2.42
Biodiversity on our developments	0.94	5.06
Biodiversity in our supply chain	0.59	2.69

\* All data is reported using the Net Promoter Score. This provides a ratio/comparison between the number of 'promoters' for an issue compared to the number of 'detractors'. For example, a score of 0.5 means there are half as many promoters to detractors, while a score of 18 means there are 18 times more promoters to detractors.

# ONLINE CR CONSULTATION

Continued

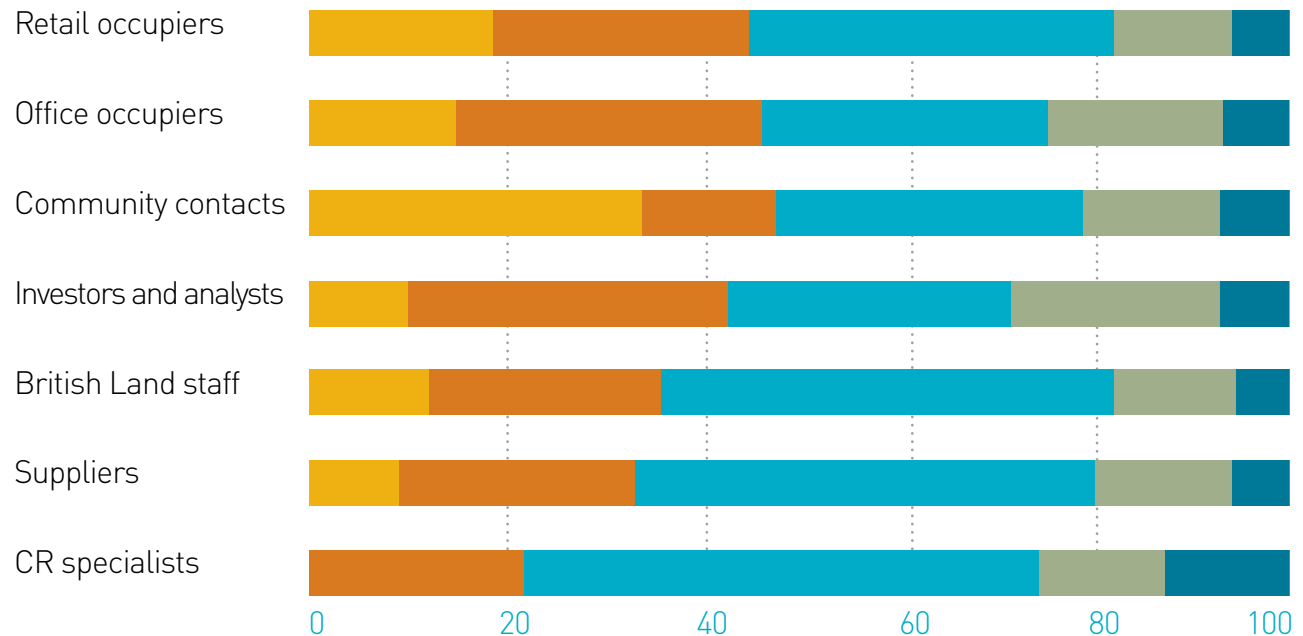
Different stakeholders have different priorities, as shown in the graphic right, and so we need to strike a balance.

## ACTIONS FOR 2014/15 INFORMED BY STAKEHOLDER FEEDBACK INCLUDE:

- + Increasing our focus on specific social issues, including labour practices in our major contracts, such as forced labour, child labour and fair pay
- + Increasing our focus on specific environmental issues, including use of virgin materials, embodied carbon and on-site renewables.



## WHAT ISSUES DO OUR STAKEHOLDERS SAY MATTER MOST TO THEM? (%)



Central and local government and media responses excluded due to small sample size



# SUPPLY CHAIN WORKSHOPS AND INTERVIEWS

Around 30 tier one suppliers and British Land staff participated in two workshops facilitated by Action Sustainability, to review our current supply chain approach and identify where we could reinforce our procedures. Several then participated in follow up interviews.

This was part of a wider review of our supply chain risks, which also involved detailed analysis of supplier spend data at ten shopping centres, six developments and one central London mixed-use campus.

The workshops and interviews focused mainly on social and ethical risks, where there are opportunities to improve consistency across our activities. Our environmental focus is better established through our Sustainability Brief for Developments and work with managing agents on energy, carbon, water and waste management.

Feedback from our managing agents, construction partners and staff helped us:

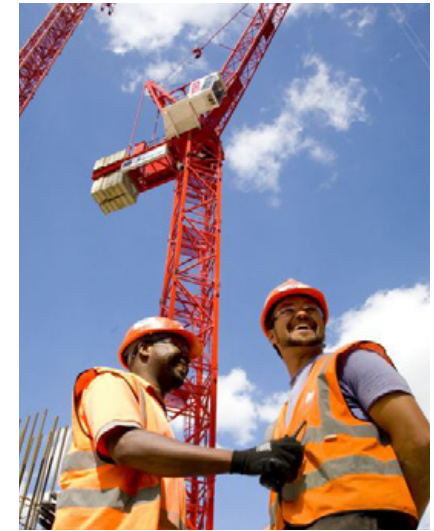
- + Determine supply chain risks, evaluating the potential impact on British Land and the likelihood of occurrence
- + Update our risk registers for developments, managed portfolio and Head Office, using heat mapping methodology to identify areas of greatest exposure
- + Agree actions to mitigate selected social and environmental risks more effectively

- + Increase focus on local procurement, providing baseline data for local procurement and spend with small and medium-sized enterprises (SMEs)
- + Develop a Supply Chain Charter to ensure that a series of key social and environmental principles are implemented throughout our supply chain.

## ACTIONS FOR 2014/15 INFORMED BY STAKEHOLDER FEEDBACK INCLUDE:

- + Launching our Supply Chain Charter
- + Further developing our supply chain key performance indicators and reporting
- + Refining procurement processes, including contractual requirements around human rights and apprenticeships
- + Carrying out Supply Chain Charter pilots at four development sites
- + Introducing local procurement plans at all major assets
- + Updating our Sustainability Brief for Management to provide additional guidance to our managing agents.

To find out more: [www.britishland.com/responsibility](http://www.britishland.com/responsibility)



As part of our supply chain review, Action Sustainability surveyed our construction partners.

# CROWD SOURCED EVENT ON ENERGY AND CARBON

Over 100 of our peers and relevant experts gave fresh insights on our energy and carbon strategy, through a 'Going Naked' session organised by The Crowd (formerly Green Mondays).

Each participant spent around 30 minutes appraising our energy and carbon strategy, including materiality, targets, reporting, organisational structure, directly controlled energy, occupier energy, embodied energy, supply chain, decentralised energy and systems thinking. The full results, including gap analysis, ratings for each area, every comment and idea were made available to all those who completed the appraisal.

Detailed gap analysis showed British Land was considered particularly strong on carbon and energy reductions, but less so on decentralised energy (renewables) and engagement with retail occupiers. Our overall rating was "significantly ahead" of comparable organisations. We also received 740 individual ratings and 480 comments on how to develop our strategy further.

## [Download the Executive Summary](#)

At the Green Corporate Energy Conference 2013, these sustainability experts asked questions of our Chief Executive, Chris Grigg, and Head of Planning and Corporate Responsibility, Adrian Penfold, on our approach to energy and carbon management. Paul Cranfield, Global Head of Environmental Management at UBS (one of our key occupiers), and Will Day, Sustainability Advisor to PwC, also provided input and responded to questions.

We then held a two-hour workshop with 30 people to review the three areas we are focusing on, informed by feedback from our 'Going Naked' review:

- + Decentralised energy
- + Occupier services and engagement
- + The Landlord Energy Rating.

## ACTIONS INFORMED BY STAKEHOLDER FEEDBACK INCLUDE:

- + Revisiting feasibility studies for local off-grid energy generation
- + Exploring innovative supply arrangements for off-grid generation and supply, ensuring that we have appropriate supply risk management plans in place
- + Continuing to work with others in the industry to advance standards for embodied carbon, as well as to understand the cost and risk implications from reducing embodied carbon in construction
- + Continuing to work with the Better Buildings Partnership and others in the industry to enable the launch of a Landlord Energy Rating and to encourage more use of operational ratings in buildings.



Members of our team responding to stakeholder questions at the Green Corporate Energy Conference 2013.

# WHAT MATTERS MOST

Stakeholder feedback is an important part of how we identify what matters most. We also monitor external trends, assess risks, benchmark our performance, review best practice, consult experts and work with people across the business.



The materiality matrix on page 7 shows how our stakeholders and British Land prioritise key social and environmental topics. This assessment will inform the development of our new corporate responsibility strategy and targets, which we will be publishing in 2015.

Our Chief Executive, Chris Grigg, responding to stakeholder questions at the Green Corporate Energy Conference 2013.

To find out more: [www.britishland.com/responsibility](http://www.britishland.com/responsibility)

We welcome your feedback: [cr@britishland.com](mailto:cr@britishland.com)




# WHAT MATTERS MOST

Continued

## MATERIALITY MATRIX 2014

CLICK ON CATEGORY FOR MORE DETAIL



-  SOCIAL
-  ENVIRONMENTAL
-  ACROSS ALL AREAS






# WHAT MATTERS MOST

Continued

## MATERIALITY MATRIX 2014


### SOCIAL

-  SOCIAL
-  ENVIRONMENTAL
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CLICK TO GO BACK 

 **WELLBEING**

Wellbeing and morale are important for our staff, suppliers, occupiers and the people who work, live or shop in our properties. Enhancing wellbeing can improve productivity, and bring social and economic benefits. Providing appropriate facilities and support for physical and mental wellbeing is therefore part of our approach to health and safety management.

 **CUSTOMER SERVICE**

Close relationships with our occupiers and a deep understanding of the people who use our places form the basis of all our activities and underpin our financial strengths. We therefore engage with our customers to understand their needs.

 **LOCAL COMMUNITY REGENERATION**

Economic growth, employment and skills are needed for social wellbeing. Local communities prefer places created with their collaboration, and local support is an essential part of the planning process. Our occupiers prefer places that have a sense of community and are well integrated into the surrounding area. We therefore work with our suppliers to address issues through initiatives such as employment, youth training, education and health.

 **HUMAN RIGHTS**

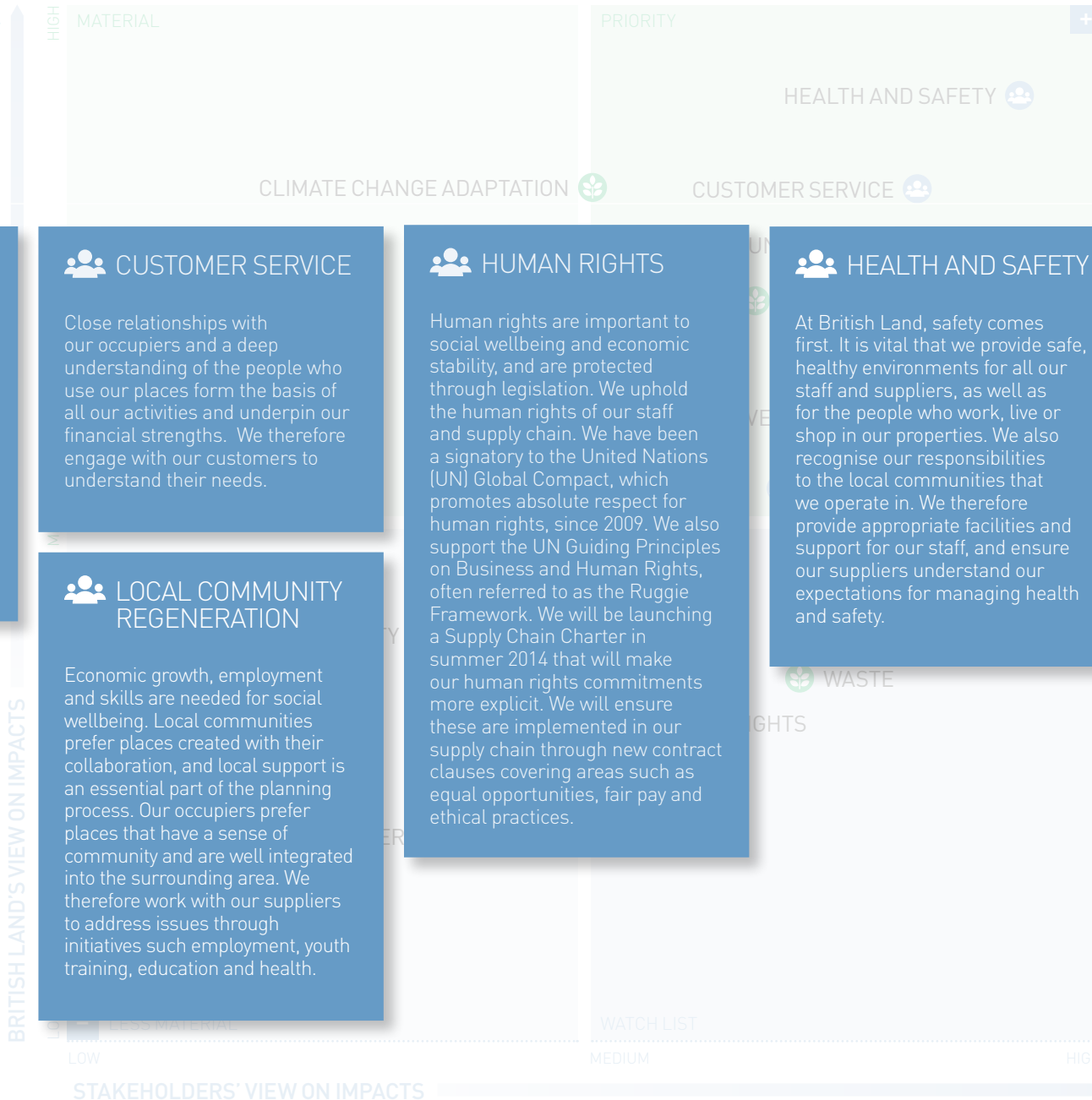
Human rights are important to social wellbeing and economic stability, and are protected through legislation. We uphold the human rights of our staff and supply chain. We have been a signatory to the United Nations (UN) Global Compact, which promotes absolute respect for human rights, since 2009. We also support the UN Guiding Principles on Business and Human Rights, often referred to as the Ruggie Framework. We will be launching a Supply Chain Charter in summer 2014 that will make our human rights commitments more explicit. We will ensure these are implemented in our supply chain through new contract clauses covering areas such as equal opportunities, fair pay and ethical practices.

 **HEALTH AND SAFETY**

At British Land, safety comes first. It is vital that we provide safe, healthy environments for all our staff and suppliers, as well as for the people who work, live or shop in our properties. We also recognise our responsibilities to the local communities that we operate in. We therefore provide appropriate facilities and support for our staff, and ensure our suppliers understand our expectations for managing health and safety.

 **SKILLS DEVELOPMENT**

To deliver our corporate strategy we need to attract and retain the best people, and make the most of their potential. Potential skills shortages in the real estate and construction sectors could also affect our future business performance. Careers development and training are therefore key aspects of our human resources strategy. We also work with our supply chain and community partners to support training and education initiatives in our sector, including apprenticeships.




# WHAT MATTERS MOST

Continued

## MATERIALITY MATRIX 2014


### ENVIRONMENTAL

 **WATER**

Water scarcity is an increasing pressure for many parts of the UK, which is likely to pose potential supply issues, and future wellbeing and regulatory risks. We therefore work with our suppliers to reduce water use and encourage sustainable sourcing of water at our properties and developments.

 **BIODIVERSITY**


Biodiversity is essential for many of the Earth's natural systems to function, and certain locations and species are protected by law. Biodiversity initiatives also present opportunities to improve landscaping, reduce flood risks and engage with occupiers and local communities. We therefore work with our suppliers to protect and enhance biodiversity.

 **CARE FOR PLACES**

Places are fundamental to our business. Use of land influences climate change patterns, water drainage, biodiversity and wellbeing. It is therefore important that we take care of our places. Land previously contaminated can also be remediated to make it suitable for new purposes and uses.

 **WASTE**


The construction sector generates significant amounts of waste, including some limited resources. It is therefore important that our suppliers support our aim to send zero waste to landfill, measuring and reducing waste at source, re-using and recycling.

 **ENERGY AND EMISSIONS**

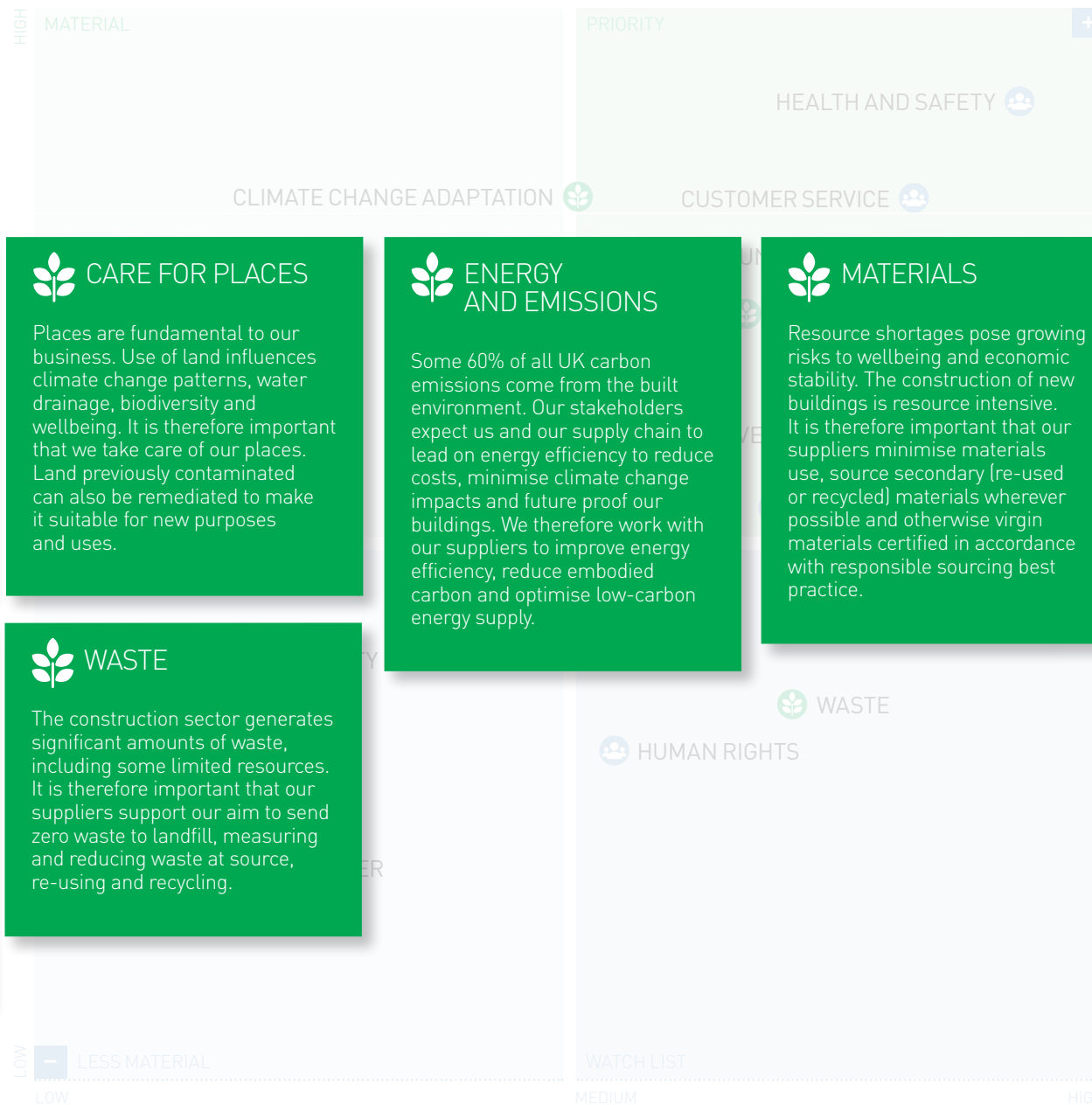
Some 60% of all UK carbon emissions come from the built environment. Our stakeholders expect us and our supply chain to lead on energy efficiency to reduce costs, minimise climate change impacts and future proof our buildings. We therefore work with our suppliers to improve energy efficiency, reduce embodied carbon and optimise low-carbon energy supply.




 **MATERIALS**

Resource shortages pose growing risks to wellbeing and economic stability. The construction of new buildings is resource intensive. It is therefore important that our suppliers minimise materials use, source secondary (re-used or recycled) materials wherever possible and otherwise virgin materials certified in accordance with responsible sourcing best practice.

 **CLIMATE CHANGE ADAPTATION**

Climate change patterns pose growing risks to wellbeing and economic stability. Our occupiers and investors prefer buildings that are future proofed against emerging issues caused by increased flooding, rising temperatures, and new climate change legislation. We therefore carry out flood risk assessments and monitor other climate change impacts.



-  SOCIAL
-  ENVIRONMENTAL
-  ACROSS ALL AREAS

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# WHAT MATTERS MOST

Continued

## MATERIALITY MATRIX 2014

### ACROSS ALL AREAS

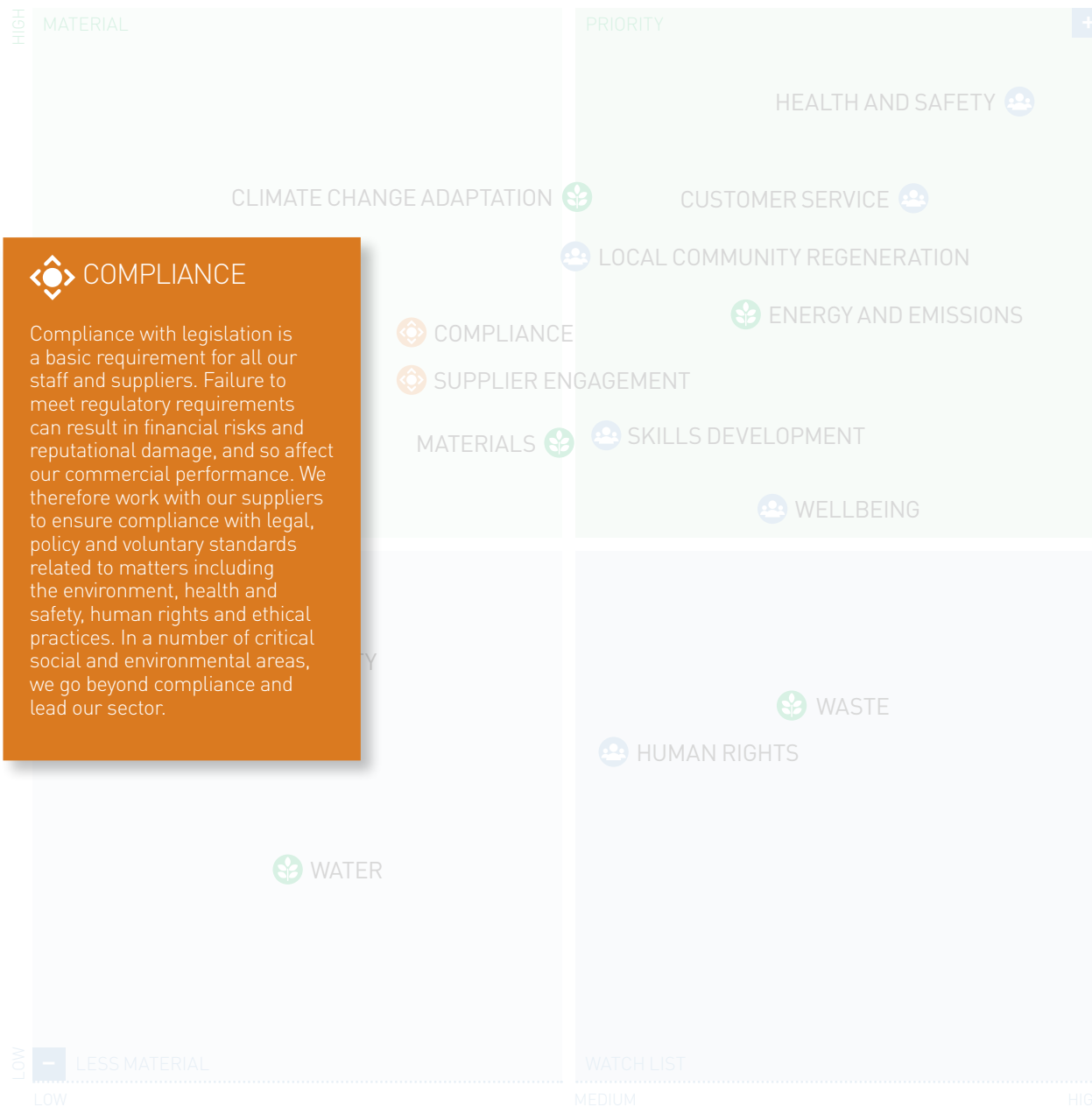
#### SUPPLIER ENGAGEMENT




We operate a heavily outsourced business model. We therefore work closely with our suppliers to achieve our social, environmental and ethical standards. Failure to do so could affect our ability to create places people prefer, damage our valuable reputation and negatively impact returns for shareholders. By working with our suppliers we can also make a bigger positive impact.

#### COMPLIANCE

Compliance with legislation is a basic requirement for all our staff and suppliers. Failure to meet regulatory requirements can result in financial risks and reputational damage, and so affect our commercial performance. We therefore work with our suppliers to ensure compliance with legal, policy and voluntary standards related to matters including the environment, health and safety, human rights and ethical practices. In a number of critical social and environmental areas, we go beyond compliance and lead our sector.

BRITISH LAND'S VIEW ON IMPACTS



-  SOCIAL
-  ENVIRONMENTAL
-  ACROSS ALL AREAS

[CLICK TO GO BACK](#) 

### WANT TO FIND OUT MORE?

We hope you find this Report interesting. For more information on our approach to stakeholder engagement and corporate responsibility:

[www.britishland.com/responsibility](http://www.britishland.com/responsibility)

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