



Materiality Review 2023

Introduction

We recognise the importance of regular materiality assessments to understand the relative importance of key sustainability issues to British Land and our stakeholders. This helps provide a framework for prioritising our efforts and our capital, both now and in the future. Given the macro events that have occurred in recent years, we felt that it was important to revisit our framework this year.

We partnered with JLL, a real estate specialist, to carry out a *double materiality assessment* identifying and assessing the impact of the most material environmental, social and governance (ESG) issues on our business. Our review involved comprehensive engagement with internal and external stakeholders at different levels of seniority to understand the issues that mattered to them.

We integrate the outcome of our materiality assessment into our risk management process. It also influences our business activities and sustainability strategy.

Double materiality evaluates not only the financial impacts of ESG issues on the company but also the impact of the company on the environment and society.

Materiality assessment – our approach

Step 1: Define scope and identify material issues and stakeholders

We agreed key material issues with JLL (detailed overleaf) and identified a broad range of internal and external stakeholders who would participate. This included occupiers, joint venture partners, suppliers, NGOs, investors and local authorities. A differentiated aspect of the review we undertook was the inclusion of a younger generation of stakeholders so each stakeholder group was represented by experts and a mirror group of young professionals, generating perspectives from both 'current' and 'future' leaders. This approach enables us to benefit from a wider range of thinking, helping us develop a better informed, long term strategy.

Step 2: Rank material issues and conduct workshops with each stakeholder group

Based on workshop discussions and questionnaires across both internal and external stakeholder groups.

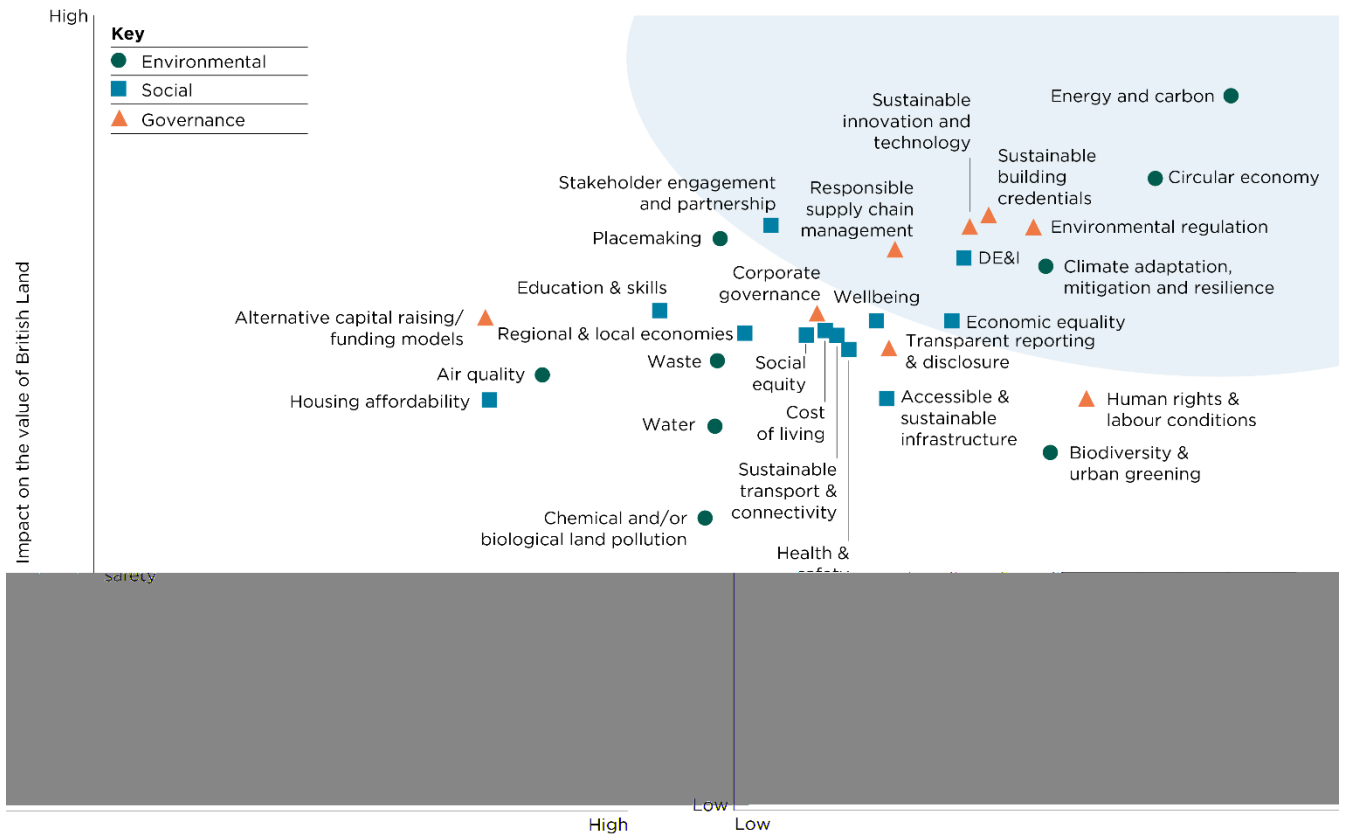
Step 3: Identify and assess sustainability-related financial risks and opportunities

Considered in a workshop with *current* and *future* leaders from our finance department.

Step 4: Create a materiality matrix and identify key issues to British Land and its stakeholders

Based on these workstreams, JLL created our materiality matrix overleaf, which was presented to our Board level ESG Committee.

2023 materiality matrix

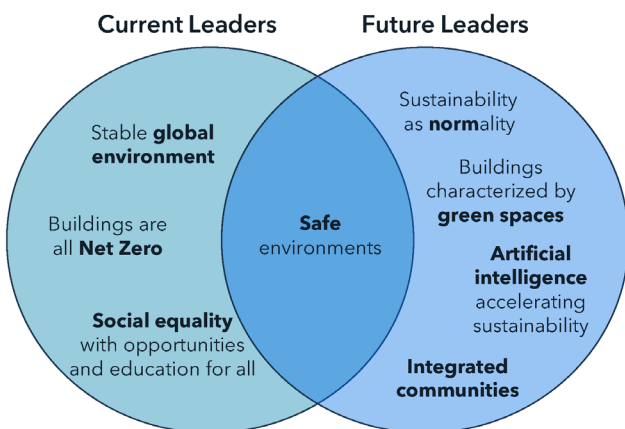


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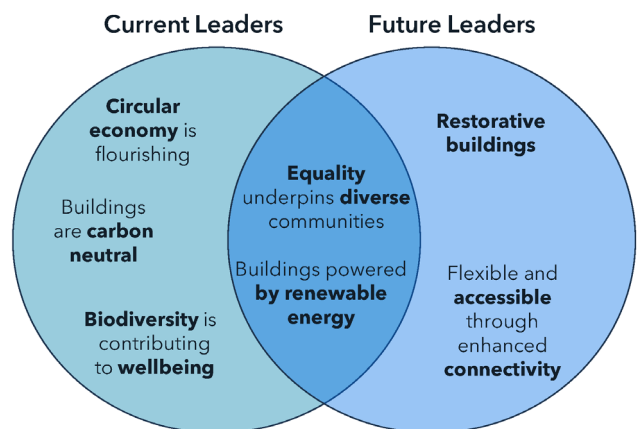
Current Leaders vs Future Leaders

A differentiated aspect of our review, from standard materiality and double materiality approaches, was the inclusion of younger stakeholders, generating perspectives from both *current* and *future* leaders. This enables us to ensure that our strategy, and its future development, focuses on future issues as well as current issues.

Internal stakeholders



External stakeholders



Next steps

Following our materiality review, we conducted a transformation workshop to identify opportunities for improvement. The following initiatives have already been delivered and we will continue to evolve our approach in line with the outcomes over the coming year.

- **Communications:** We have simplified our social impact strategy and the messaging around it. Read more about our strategy on page 4 of our 2023 Sustainability Progress Report and in our Local Charter.
- **Engagement:** We provided sustainability training for all employees this year. In addition, we are rolling out role specific sustainability training, including at Executive Committee level.
- **Circular economy:** We are committed to using the circular economy and to driving down embodied emissions in our developments. Read more on page 16-17 of our 2023 Sustainability Progress Report.
- **Biodiversity:** We have commissioned an environmental consultant to perform a scoping exercise for the Taskforce for Nature Related Disclosure (TNFD). See page 27 of our 2023 Sustainability Progress Report for a case study on biodiversity at Canada Water.

Our environmental and social sustainability teams are now progressing the opportunities identified through this workstream and we will integrate the outcome of our materiality assessment into our risk management process.

Material issues

The table below summarises sustainability matters that British Land's portfolio could affect or be affected by.

Sustainability matters	Summary
Biodiversity & urban greening	Minimising the negative effects and seeking to improve effects of development and operations on biodiversity, soil quality and land use in situ and along the value chain. 'Nature-based solutions' relates to using nature to prevent or improve resiliency to climate change.
Circular economy	Promoting a circular economy throughout the property lifecycle.
Climate adaptation, mitigation & resilience	Safeguarding against risks posed by climate change.
Energy & carbon	Reducing energy use and carbon emissions in assets, developments and business travel.
Chemical and/or biological land pollution	Eliminating or minimising the use of products on land that contain toxic and long-lived substances. This includes the inadvertent leaching of pollutants into the soil, i.e. from a lack of proper waste disposal or wastewater treatment. Furthermore, avoiding development on land in areas of nutrient stress.
Water	Managing water in assets and developments to minimise waste and avoid pollution.
Waste	Reducing resource demand and minimising waste.
Air quality	Reducing air pollution and minimising the impact on local air quality.
Housing affordability	Providing/enabling sufficient access to quality, affordable housing.
Diversity, equality & inclusion	Promoting diversity and inclusivity in the workplace and in residential communities. This includes ensuring that our interactions with stakeholders respect and encourage diversity, developing services and facilities that cater to the needs of a diverse population, offering equality of opportunity and enabling people to achieve their potential.
Health & safety	Managing stakeholder health, safety and security risks on construction sites and at managed properties, in particular for staff, customers, residents, suppliers and building users.

Sustainability matters	Summary
Wellbeing	The physical and mental wellbeing and healthy living of people at British Land's places. This includes the wellbeing of our employees, contractors, customers and their staff, and visitors to our properties.
Sustainable building credentials	Buildings which qualify for leading certifications, including BREEAM, WELL, WiredScore and EPC ratings.
Corporate governance	Ensuring processes, systems and structures are in place to manage governance risks, such as bribery and corruption, within the organisation and third-party providers. This includes data protection and privacy, including cybersecurity.
Responsible supply chain management	Selection of products, materials, suppliers and contractors based on their environmental and social credentials. Extent to which goods and services support the use of sustainable raw materials.
Human rights & labour conditions	Minimising the risk of human rights breaches within our organisation and supply chain, and active promotion of better labour standards in the UK and elsewhere.
Education & Skills	Promoting education and upskilling within schools (NVQ2 and above), the direct workforce, the wider industry and among the general public.
Sustainable innovation and technology	Ensuring that sustainability considerations are integrated into company systems, services and products. Newly adopted technologies are deployed in a way that minimises both sustainability and technology-related risks. Innovative technologies which improve efficiency and user experience of a building for the customer.
Transparent reporting & disclosure	Ensuring regular, clear, comprehensive and transparent disclosure of relevant information to all stakeholders.
Accessible & sustainable infrastructure	Enabling easy and safe access to buildings for all.
Sustainable transport & connectivity	Promoting non-fossil fuel forms of transport and reducing the need to travel. Includes proximity and accessibility to public transport.
Placemaking	Preserving heritage and using the unique qualities of the local area to create high quality developments and public spaces that demonstrably benefit the local area and local people - creating positive social and environmental impact. This includes areas outside and inside British Land's control.

Sustainability matters	Summary
Economic equality	The recognition that income, wealth and pay between different groups in society are unevenly distributed and awareness of the impact of our business in this regard. Includes considerations around diversity, inclusion and equality, fair pay (including executive remuneration) and recruitment practices at British Land and throughout our supply chain and targeted community investment.
Regional & local economies	The impact of our business on regional and local economies, including the direct and indirect economic impact of our properties, such as local sourcing and procurement, skills and employment opportunities and tax contribution. Includes considerations around regional/local government policy and spending.
Social equity	The recognition that opportunities and resources (for example, healthcare and education) in society are unevenly distributed and awareness of the impact our business may have in this regard. Includes considerations around social mobility, social infrastructure, inclusivity of our places and targeted community investment.
Stakeholder engagement & partnerships	Actively establishing and maintaining partnerships with a variety of stakeholders to promote sustainable development.
Alternative capital raising / funding models	Considering alternative funding models that promote sustainable development.
Human capital	Our exposure to skills gaps in our workforce, with specific considerations around transitioning to a low carbon economy. Includes considerations around employee training, progression, turnover and employee engagement.
Cost of living	The impact of rising prices, in particular on development appraisals, on our occupiers' business models and on the cost of living for our people, customers, suppliers and the communities around our places.
Environmental regulation	The risk that property assets will become obsolete as a result of legislative requirements. This includes Minimum Energy Efficiency Standards (MEES), which are expected to require commercial properties to be Energy Performance Certificate (EPC) B or above, or with valid exemptions registered, by 2030.

We welcome your feedback

British Land

York House, 45 Seymour Street, London W1H 7LX

sustainability@britishland.com

+44 (0)20 7486 4466

www.britishland.com/sustainability

[@BritishLandPLC](#)

About British Land

We are a leading UK property company. Our purpose is to create and manage outstanding places that deliver positive outcomes for all our stakeholders on a long term, sustainable basis - Places People Prefer.