

REPORT OF THE ENVIRONMENTAL SOCIAL GOVERNANCE COMMITTEE

DRIVING
POSITIVE
CHANGE

Alastair Hughes
Independent Non-Executive Director

**Focus in the year**

- Overseeing progress against our 2030 Sustainability Strategy
- Continuing to engage with our workforce
- Overseeing progress against our 2030 Diversity, Equality & Inclusion Strategy

Role of the Committee

The primary role of the ESG Committee is to assist the Board in:

Community and the environment

- Understanding the Company's impact on the community and environment

Workforce engagement

- Reviewing workforce engagement mechanisms

Key stakeholders and wider society

- Understanding the views of key stakeholders of the Company
- Ensuring that the Board is aware of the processes and mechanisms used by the Company to engage with key stakeholders
- Ensuring that those processes and mechanisms are fit for purpose and assist in contributing to wider society

Our Sustainability section found on pages 36 to 43 provides greater detail on the Company's approach to sustainability, and should be read alongside this report.

Membership and attendance

The membership of the Committee comprises four independent Non-Executive Directors. Biographical details of the Committee members are found on pages 82 to 85.

The Committee met three times in 2024/25 with an additional joint meeting held with the Remuneration Committee. Attendance is set out on page 85. Senior managers from across the business are invited to attend each Committee meeting, together with our Executive Directors.



Engaging with our people to drive positive change remains a key priority for the Committee.

Alastair Hughes

Chair of the ESG Committee



I am pleased to present the report of the ESG Committee for the year ended 31 March 2025.

Sustainability Strategy

Driving forward our 2030 Sustainability Strategy remains at the forefront of our efforts. This year, the Committee was pleased to see significant progress towards our ambitious goals, such as retaining our GRESB 5* rating and the reduction of average embodied carbon intensity across committed, near and medium term office developments. Further detail on progress towards our targets is found in the Sustainability section on pages 36 to 43.

Engaging with our workforce

Our employee-led Networks continue to be instrumental in creating a sense of community and belonging. The Networks play a key role in assisting the Committee in monitoring the Company's culture and as a mechanism of engagement to understand the views of our workforce. The Committee receives regular updates from our Networks and recognises the significant efforts that they make to bring people together. We know that by listening to our people, our work environment is strengthened and positive change is driven.

Diversity, Equality & Inclusion Strategy

Progress towards our 2030 Diversity, Equality & Inclusion (DE&I) Strategy remains a key focus for the Committee, recognising that a diverse team is more representative of our customers and will design better products and make better decisions. During the year, the Committee was pleased with our progress towards our targets and with the positive results of the DE&I Internal Audit review. See page 43 for further detail.

Year ahead

The Committee will continue to oversee how the evolving ESG regulatory landscape impacts the business, in addition to monitoring progress towards our sustainability and DE&I targets. We will also closely review our health and safety processes to ensure that our high standards continue to be adhered to. Overseeing the mechanisms for engaging with our workforce and monitoring culture will remain a priority for the Committee.

Alastair Hughes

Chair of the ESG Committee

Deep dive into activities during the year

The Committee assists the Board in making decisions that are environmentally and socially intelligent, as well as making sound financial sense. This is central in delivering our purpose to create and manage outstanding places.

The Committee operates under three pillars: Environmental; Social; and Governance. These pillars are reflected in our 2030 Sustainability Strategy under Greener Spaces, Thriving Places and Responsible Choices.



**GREENER
SPACES**



**THRIVING
PLACES**



**RESPONSIBLE
CHOICES**

Environment

The Committee is responsible for understanding the impact of our operations on the environment. During the year, the Committee received updates on the Greener Spaces pillar of the Strategy, focusing on the objectives set and performance against relevant targets. The Committee discussed our sustainability accreditations and how these demonstrated that we are a leader in delivering the low carbon real estate our customers are demanding. Amongst these achievements, the Committee was pleased that we retained our GRESB 5* rating. As part of this discussion, it was agreed that the Company should aim to prioritise accreditations of strategic importance and value, acknowledging the significant business impact involved in meeting the increasing reporting criteria.

→ **READ MORE**
about our sustainability accreditations on pages
36 to 43

The Committee approved the publication of the report on British Land's approach to the circular economy, recognising the importance of informing the industry about best practices in reusing materials. The Committee received regular updates on the Transition Vehicle, a key mechanism for delivering our energy and carbon targets.

Social

As part of the Thriving Places pillar of the Strategy, the Committee oversees the delivery of the Social Impact Fund and the work of the Social Impact Committee. A key highlight presented to the Committee was that, for the seventh consecutive year, the Company was listed in the Social Mobility Foundation Index Top 75. This reaffirmed our commitment to recognising talent irrespective of an individual's social background. The Committee also received updates on our social value target to generate £200m of direct social and economic value by 2030.

Governance

As part of the Responsible Choices pillar of the Strategy, the Committee monitors progress against our DE&I Strategy and oversees the mechanism for engaging with the workforce on behalf of the Board. The Committee assesses and monitors our culture to ensure it is aligned with our purpose, strategy and values. The Committee oversees the work of the Sustainability Committee; see page 65 for further information on our sustainability governance framework. The Committee oversees the work of the Health and Safety Committee and, during the year, monitored our health and safety systems through quarterly reporting. The Committee also monitored our processes and mechanisms for building relationships with customers, suppliers and other stakeholders.

Activities during the year

MAY

Sustainability Strategy update
2024 sustainability reporting update
ESG Committee Report approval within the 2024 Annual Report and Accounts
Network presentations (Wellbeing and Pride)
Construction, health and safety update



NOV

Sustainability Strategy update
DE&I Strategy update
Network presentations (Sports & Social and Cycling)
Construction, health and safety update



MAR

Joint meeting with the Remuneration Committee to review the employee engagement survey results through a diversity lens
Sustainability Strategy update
Network presentations (NextGen and Sustainable)
Construction, health and safety update
Supplier Code of Conduct review

REPORT OF THE ENVIRONMENTAL SOCIAL GOVERNANCE COMMITTEE CONTINUED

Focus on culture

The Board sets the tone from the top to foster a culture that aligns with our purpose, strategy and values. Our culture shapes how we achieve our strategy and embodies how we operate as a business.

The Board has delegated oversight of assessing and monitoring our culture to the ESG Committee. The Chair of the Committee provides updates to the Board, allowing the Board to stay informed on cultural developments and ensure alignment with our strategic objectives.

OUR PURPOSE

Our purpose is to create and manage outstanding places that deliver positive outcomes for all our stakeholders on a long term, sustainable basis.

We do this by understanding the evolving needs of the people and organisations who use our places as well as the communities who live around them.

The deep connections we create between our customers, communities, partners and people help our places and businesses to thrive.

DRIVES OUR STRATEGY



For more information please see our Business Model on pages 14 to 15

UNDERPINNED BY OUR VALUES

Deliver at Pace, Listen and Understand, Build for the Future, Bring your Whole Self and Be Smarter Together.

TO SHAPE OUR CULTURE

We have a diverse, inclusive and ambitious culture so we can develop, attract and inspire the best people to deliver our strategy.

How the Board monitors culture

The snapshot below highlights some of the key metrics for FY25, which are aligned to our values, and that are visible to the Non-Executive Directors through our Governance structure. For further information on our Governance structure, see page 77.

The Board, through the ESG Committee, will continue to focus on using our employee-led Networks and engagement survey results as key cultural indicators.

BE SMARTER TOGETHER	BRING YOUR WHOLE SELF	LISTEN AND UNDERSTAND	BUILD FOR THE FUTURE	DELIVER AT PACE
8,055 training hours across the business	90% of employees agree that diversity is a stated value or priority for the Company	79% employee engagement score in FY25	100% of people working at our places on our behalf paid at least the real Living Wage (see page 43 for further detail)	£2.2bn of financing activity in the year
10 employee-led Networks	83% of employees felt they can be their authentic self at work	100% of Risk Committee members agree or strongly agree that the Risk Committee adds value to our risk management process	Business transformation Improved efficiency across the business by launching our end-to-end lease approval application	4 weeks to complete joint venture with Modon Holding to deliver 2 Finsbury Avenue
12 staff meetings with all employees invited to attend and members of our Executive Committee presenting	20% ethnicity pay gap	93% of employees stated they are able to arrange time out of work when needed	71 internal job movements or promotions	2 weeks to complete £301m equity raise
90% participation rate in employee engagement survey in FY25	13.6% gender pay gap	85% of employees felt they have access to the necessary learning and development needed to do their job well	75 people early on in their careers participated in our work experiences programmes	20 days was the average number of days in which we settled Group invoices during FY25
80% of employees felt that they are encouraged to be innovative even though some of their initiatives may not succeed	36% female representation at senior management level	93% of employees are proud to work for the Company	£11.3m of direct social value generated in FY25 (see page 41 for further detail on social value)	Digital skills drive launched Encouraging new technology and targeting improved productivity

REPORT OF THE ENVIRONMENTAL SOCIAL GOVERNANCE COMMITTEE CONTINUED

Workforce engagement statement

Our key engagement mechanisms are described in this section, including a review of the effectiveness and relevant impact and outcomes.

The ESG Committee is our prescribed mechanism for workforce engagement in accordance with Provision 5 of the Code. We believe that having a committee responsible for engagement with the workforce provides greater resource at Board level dedicated to engagement than designating a single Non-Executive Director.

Further information on workforce engagement can be found on pages 17 and 43.



Employee engagement survey

- We regularly survey to assess employee engagement levels and identify any areas of concern.
- The ESG Committee and Remuneration Committee hold an annual joint meeting to assess the results of the survey through a diversity lens. Trends are analysed over time and used to monitor the impact of initiatives.

Director engagement

- Our 'NED Breakfast' programme offers employees an opportunity to have an informal breakfast with our Non-Executive Directors, allowing the Board to have direct engagement with employees.
- The NextGen Network hosts the Fireside Chats series, featuring Executive Committee and Board members. These sessions are open to all employees, providing an opportunity for direct engagement with leadership.

Linking remuneration

- Our Company-wide Share Incentive Plan and SAYE schemes operate for the benefit of our employees, with 95% of eligible employees investing in British Land shares through these schemes.
- There is a link between the formulaic calculation of outcomes in respect of the financial targets for Executive Director bonuses and the bonus outcomes of the wider workforce.

Employee-led Networks

- Network chairs regularly present at our Executive Committee and ESG Committee meetings to highlight issues affecting our people and provide a forum for discussion.
- The Networks cover a wide range of topics, from promoting sports and social activities to supporting diversity and inclusion initiatives.

Internal communications

- Our Internal Communications team sends a fortnightly Company-wide email that highlights key business activities.
- We have a biweekly Network News feature detailing upcoming events.
- There are monthly staff meetings led by our Executive Committee that feature updates from across the business.

Review of effectiveness

- Employee engagement was strong, with a survey participation rate of 90%, and an overall engagement score of 79% which was 12% higher than the national benchmark.
- As a workforce engagement mechanism, having the detailed survey responses, which can be analysed through a diversity perspective, provides management and the Board with rich data through which to ensure cultural cohesion.

Impact and outcomes

- The outcome of the responses to our 2024 survey indicated that enhancing our systems and processes, as well as improving the quality of career conversations, will remain key focus areas for the business.
- From a diversity perspective, we will continue to focus on reducing the gender and ethnicity pay gaps and ensure support is provided for inclusion initiatives.

Review of effectiveness

- The Committee noted the success of the Fireside Chats series in providing an insight into the role of the Board and Executive.
- The Committee decided to implement regular employee listening sessions (outside the employee-led Network process), led by Non-Executive Directors, to further strengthen our engagement with our workforce and monitor our culture.
- The Committee Chair will report to the Committee and the Board on any key themes and priorities identified.

Impact and outcomes

- The NED Breakfast programme and Fireside Chats series will continue to allow the Board to engage with the workforce and understand employee views when making decisions.
- Two members of the Committee held the first employee listening session and reported back on key themes.
- The Committee agreed to hold employee listening sessions ahead of each meeting, covering topics on culture, recognition in the workplace, DE&I and communication from leadership.

Review of effectiveness

- The Remuneration Committee oversees the overall remuneration strategy and ensures it aligns with our purpose, culture and the long term strategic delivery of the business.
- Encouraging the involvement of employees in the Company's financial performance through share ownership continues to be an effective mechanism of engagement.

Impact and outcomes

- Our Chief Executive reports on our full-year results at our May staff meeting, allowing employees to understand our financial performance and outlook.
- The link between the financial targets and bonuses helps promote a unified approach to achieving corporate objectives and rewarding our employees.

Review of effectiveness

- Our Networks are instrumental to many of the employee initiatives overseen by the Committee.
- The Committee recognises that hearing from the Networks provides a valuable opportunity to understand how employees are collaborating and influencing the broader inclusion and equality agenda within the Company.

Impact and outcomes

- The Committee heard from seven Networks, with four example case studies featured on pages 92 to 93. In addition to those highlighted in the case studies, the Committee also heard from the Sports & Social, Cycling, and Sustainable Networks.

Review of effectiveness

- The monthly staff meetings serve as a vital platform for communication, ensuring that employees are aligned with our objectives.
- The Committee recognises the importance of our internal communications methods in fostering a cohesive work environment and promoting transparency across all levels of the business.

Impact and outcomes

- Executive Committee members' regular engagement with employees continues to have a positive impact and contribute to the collaborative culture.

REPORT OF THE ENVIRONMENTAL SOCIAL GOVERNANCE COMMITTEE

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EMPLOYEE-LED NETWORK CASE STUDIES

REACH Network

The Committee received an update from the Co-Chairs of the REACH (Race, Equality, and Celebrating Heritage) Network. The Network's purpose was to increase the wellbeing and success of minoritised ethnic colleagues throughout the Company. Key initiatives included having guest speaker events, collaborations with external businesses for Black History Month and celebrating diversity and inclusion through various cultural events. The Committee noted the various challenges that the Network faced such as, maintaining momentum, planning and resource, and attendance. The Co-Chairs were keen that the REACH Network supported the business in reviewing the 2030 DE&I Strategy at its halfway point.

Outcome:

The Committee noted the importance of the role the Network was having in supporting our DE&I Strategy. The Committee agreed the key actions were to support the Network through continued monitoring of our DE&I targets and ensuring the communication of our strategy remained prominent.

Wellbeing Network

The Committee received an update from the Chair of the Wellbeing Network. It was reported to the Committee that the Network had adopted a holistic approach to employee wellbeing, encompassing mental, physical and financial aspects. The goal of the Network was to create an environment where mental, physical and financial wellbeing is integrated into all aspects of the Company. Key initiatives included events and discussions for Stress Awareness Month, World Mental Health Day and World Wellbeing Week, alongside financial education workshops.

Outcome:

The Committee acknowledged the role of the Network in supporting employees and promoting a transparent and healthy work environment. After discussion, the Committee agreed on the importance of empowering managers to recognise signs of employee pressure and being able to have wellbeing conversations with their teams. It was agreed this message would be reinforced through refreshed manager training.

REACH Network event, celebrating Black History Month and embracing the theme for the year, Reclaiming Narratives



Pride Network

The Committee received an update from the Co-Chairs of the Pride Network. The Network's purpose encompasses community, education and celebration. It is dedicated to providing a supportive Network for LGBT+ employees, creating a sense of belonging and inclusion. Through its educational initiatives, the Network highlights critical issues and promotes awareness of relevant charities. In addition, it commemorates significant events such as LGBT+ History Month and Pride Month, enhancing visibility and recognition of the LGBT+ community. The Committee noted that several Company policies had been reviewed to ensure they used inclusive language for LGBT+ individuals.

Outcome:

The Committee recommended that HR consider collaborating with the Pride Network to expand the reverse mentoring scheme, following the success the REACH Network achieved with piloting the scheme in 2024. The Committee agreed that including reverse mentoring by LGBT+ employees would continue to promote inclusivity.

NextGen Network

The Committee received an update from the Chair of the NextGen Network. The mission of the Network was to represent and support the next generation of property professionals by helping early career starters develop necessary skills. They do this by supporting the integration of new employees, providing networking opportunities, and creating a community of support for colleagues. The Committee noted the challenges around event attendance and turnover of members. The Network Chair outlined their strategy to address these challenges, emphasising the importance of organising more focused events and developing succession plans for members.

Outcome:

The Committee recognised the need for more tailored and focused events to ensure employee engagement at an early stage of careers. The Committee members expressed their willingness to participate in the Fireside Chats series hosted by the NextGen Network, acknowledging its proven effectiveness as a workforce engagement tool.