

SERVICE CHARGE PROCUREMENT POLICY

At British Land we recognise that the service charge procurement of products and services for our buildings by our managing agents may impact our stakeholders in different ways.

▶▶ We will work with our suppliers to raise awareness of the importance of customers, staff in the supply chain, the environment and communities in all that we do.▶▶

- ▶ For our customers we are committed to provide an effective and appropriate service which offers value for money.
- ▶ For those people who work on our behalf, our intention is to ensure they are fairly remunerated and equipped to undertake their roles effectively.
- ▶ For the environment and communities which we impact, we are committed to use our influence for their benefit and encourage purchasing of sustainable products and materials.

British Land has devolved management and procurement of products and services to outside agents who work on our behalf. This Procurement Policy sets out the key objectives and standards that we, and those acting on our behalf, intend to meet. We will monitor the performance of our agents to help ensure this. We recognise that the diversity of our portfolio is such that different service standards will be appropriate for different needs.

THE FOLLOWING REQUIREMENTS WILL BE MET IN ALL PROCUREMENT FOR BRITISH LAND.

1. PERFORMANCE STANDARDS AND MANAGING SUPPLIER PERFORMANCE

- + All appointed agents will clearly define all procurement and management policies for review if required.
- + All products and services purchased must comply with all British and EU regulatory requirements. Management must maintain systems or processes to demonstrate ongoing compliance with all regulatory requirements.
- + Products and services will be procured by agreeing explicit output performance criteria, which are measurable and relevant to the needs of both occupiers and the owner. The performance criteria will be included within the supply contract. Management must demonstrate that they have a verification process to ensure that suppliers are complying with contractual terms agreed.
- + The quality of products and services will be regularly reviewed to ensure that they are being delivered in accordance with the performance contract. The major

results of this performance review will be communicated to occupiers and the owner on a regular basis.

- + It is our intention, where feasible, to remunerate our suppliers, in part, on the basis of their achievement of explicit performance criteria.



SERVICE CHARGE PROCUREMENT POLICY

2. VALUE FOR MONEY

- + Our aim is to provide value for money and an effective service which is appropriate for the property and the location rather than the lowest price.
- + Products and services purchased will be relevant to the needs of both occupiers and the owner. Agents recognise a duty of care to all occupiers in expending each occupier's own funds carefully to manage the building through the service charge. Agents similarly recognise a duty of care to British Land in maintaining its investment as effectively as possible.
- + We must be able to demonstrate rigorously whenever asked how the products and services we have procured are competitive. All services, including management fees, must be reviewed or tendered at least once every three years.



3. SUPPORTING THE PEOPLE WHO WORK ON OUR BEHALF

- + All those companies and individuals who work on our behalf will be paid a fair wage, contribute tax and National Insurance and meet all other regulatory requirements. Our suppliers will maintain and supply documentation to our agents on a regular basis to demonstrate this.
- + Our suppliers will ensure that there is sufficient resource allocated to meet those service standards agreed.
- + All staff throughout the supply chain must be adequately skilled, briefed and trained to ensure that they can meet or exceed performance standards. Suppliers must ensure they have processes in place to verify this.



4. MINIMISING ENVIRONMENTAL AND SOCIAL IMPACTS

- + Management will develop and use environmental and social criteria alongside all other criteria for supplier appraisal. Environmental and social considerations will be a significant factor in determining who to award work to.
- + Wherever possible, the aim is to identify the environmental and social impacts of a procurement decision and seek ways to minimise them.
- + We will develop and use sustainable purchasing specifications and guidance.