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INTRODUCTION

FOR US, CORPORATE RESPONSIBILITY IS ABOUT REDUCING OUR USE OF RESOURCES, MEETING OUR CUSTOMERS' NEEDS, SUPPORTING OUR COMMUNITIES AND GETTING THE BEST OUT OF OUR STAFF AND SUPPLIERS.

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AWARD

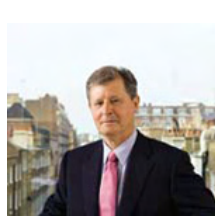
Property Company of the Year.

EIGHT

new long-term targets to drive performance.

17

British Land Award Winners.



“British Land has long held a deep commitment to advancing the sustainability agenda in both property development and management. We all need to transform how we use energy and how we source it. This is something that we have taken seriously for a long time, as we seek to manage the issues that face our business, and indeed our society.”

**Dr Chris Gibson-Smith**  
Chairman, British Land



“We aim to be the partner of choice and to lead the property sector. Corporate responsibility plays an important role in our efforts to achieve this — doing business the right way.”

**Chris Grigg**  
Chief Executive, British Land

[Find out more](#)

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## Chief Executive's statement

**“We aim to be the partner of choice and to lead the property sector. Corporate responsibility plays an important role in our efforts to achieve this – doing business the right way.”**



**Chris Grigg**  
Chief Executive,  
British Land

“Our business success depends on our ability to develop and manage buildings that offer enduring appeal, at the same time as operating efficiently and effectively for the hundreds of businesses which occupy the buildings we own and manage. Treating local people properly, particularly where we are building on their doorsteps, and being fair in our dealings with our staff and suppliers, are not just box-ticking exercises, they are part of our core ethos as a company.

In recent times, we have heard about ‘sustainability’ more and more often. The problem with words like this is that they may mean different things to different people. Where possible, we prefer to be more specific — and more measurable. We aim to be energy and water efficient, to send as little waste as possible to landfill, to keep our customers happy, to build good relationships with local communities, and to attract and retain appropriately skilled and experienced staff.

Our efforts continue to be underpinned by our strong customer focus. We were pleased to be recognised as the real estate sector leader in Oekom’s Corporate Responsibility Review 2010, as well as one of Corporate Knights’ Global 100 Most Sustainable Corporations 2009. However, if we developed a green building that nobody wanted to occupy, we would not be meeting the needs of our customers — or our investors. If we turned off lights inappropriately at our retail parks, we may save energy but we could cost our retailers footfall and shopper spend. Many of the issues concerned with sustainability are complex and inter-related, so we have to take a common sense approach to fit each business circumstance.

For instance, our premium office estate, Regent’s Place, where we recently completed the latest phase of our plans for the area, adjoins one of the most deprived neighbourhoods in London. Here, community engagement and regeneration are critical to our ability to develop and manage our investment. Elsewhere, whilst these activities are still important, other aspects may rise up the agenda; for instance, managing flood risks in the River Don District or conserving water in areas prone to drought.

At our Head Office, we have worked closely with our building management team and occupiers to improve energy efficiency, supported by a new energy management system. The result was a 32% reduction in British Land controlled energy use, saving nearly 1 million kWh and £50,000 on energy bills. We are now working with occupiers and managing agents across our portfolio to implement similar schemes elsewhere. Given that we managed 128 million kWh of energy on behalf of occupiers across our multi-let portfolio this year, with an estimated energy bill of £10 million, the opportunity for savings is significant.

Corporate responsibility is, without doubt, a critical part of our approach to property development and management. This is why we are able to build developments that are 27% more energy efficient than the norm, and how we reduced energy use by 12% across our like-for-like portfolio. I’m pleased with the progress we have made this year, but I also recognise that we still have further to go to ensure that every member of our Head Office team and supply chain understands our partnership approach to corporate responsibility, and recognises that it is a central part of how we do business — the right way.”

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## Introductory statement

**“I am delighted to be taking on the brief for developing and implementing our partnership approach to corporate responsibility strategy, having been actively involved at a senior level for a number of years.”**



**Adrian Penfold**  
Head of Planning  
and Environment

“As a business we have a responsibility to all those people whose lives we affect, to businesses which occupy our properties, to people who work or shop at our properties, or who live nearby, to our own staff and those of our suppliers, to our shareholders who have invested their funds in our business and to future generations who will be affected by the way in which we treat our planet and its finite resources.

We are already working with our partners to generate significant savings in energy and water use, at the same time as meeting and anticipating our customers' needs. However, the extent to which we rely on others also presents challenges, as partnerships can sometimes lead to inaction and we can only achieve results by managing our relationships with suppliers and occupiers effectively. We will continue to drive all aspects of our performance and respond to the needs of our partners.

We are getting significant buy-in from our occupiers on our efficiency initiatives, which are delivering cost reductions, for instance through less energy and water use, and focused security and cleaning contracts. We have also helped occupiers to build strong relationships with local people at properties such as Regent's Place in London and Glasgow Fort Shopping Park. We continue to anticipate occupiers' future demands, for instance developing 60,000 sq ft of green roof space in central London to encourage biodiversity and provide our occupiers with a pleasant environment to work in or look out upon. The response from occupiers is very encouraging and we firmly believe that by addressing customers' existing and future requirements in this way we will achieve a business advantage.

In terms of developments, over the last couple of years we have benefited from the chance to review our approach to sustainable developments during a quieter period, for instance, reviewing embodied carbon and exploring environmental and social impacts. As we move back towards more development activity, this provides a firm base for our approach to sustainability. Next year, we will be updating our Sustainability Brief for Developments to reflect feedback from our project teams, as well as best practice and regulatory requirements.

Going forward, we will maintain our partnership approach, embedding corporate responsibility amongst our staff and suppliers, at the same time as working closely with our customers and local people. We will be carrying out independent surveys over the next year or two, to identify further opportunities to raise performance and increase the satisfaction levels of our staff, customers and local communities, as well as to improve customer satisfaction with our suppliers. We already work intensively with investors and will look at ways to communicate with them more closely on corporate responsibility, exploring what issues matter to them most, as well as doing more work to understand the links between corporate responsibility and business success.

When we started targeting BREEAM Excellent ratings for all of our office developments several years ago, we correctly anticipated future occupier demand for more sustainable commercial buildings. We are now seeing financial and business service companies competing with each other on the sustainability credentials of their offices. Similarly, our commitment to carbon neutrality has prepared us to deal with the financial and administrative implications of the Government's CRC Energy Efficiency Scheme which came into effect this year.

Thanks to our rigorous approach to managing and monitoring issues such as energy efficiency, water use, recycling and customer satisfaction, we are well placed to meet more demanding regulatory requirements, financial pressures and stakeholder expectations. Ultimately the test of whether our corporate responsibility strategy is working is our ability to offer enduring occupier appeal.

We recognise that the calibre of organisations which select us as their partner of choice will reflect our success in providing a sustainable environment in which modern business can thrive.”

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## Who we are

**British Land manages, owns finances and develops prime commercial property to achieve superior long-term growth in shareholder value. We aim to be the partner of choice.**

### Prime property portfolio

2010: £8,539 million<sup>1</sup>



|          |     |
|----------|-----|
| ■ Retail | 65% |
| ■ Office | 32% |
| ■ Other  | 3%  |

**+13.5%** Portfolio valuation  
**97%** Overall occupancy rate

<sup>1</sup> Including share of funds and joint ventures

- Focus on high-quality prime retail and London office assets.
- Best placed to capture customer demand and rental growth.
- Invest in property assets strategically and opportunistically.
- Recycle capital to ensure optimal asset allocation.

Our portfolio focuses primarily on out-of-town retail properties and central London offices, which offer attractive risk-adjusted growth prospects. We have also gained valuable expertise in the residential and leisure sectors with the increase in mixed use developments. Our portfolio includes directly held properties as well as properties held through investment funds and joint ventures.

British Land became a Real Estate Investment Trust (REIT) in 2007.



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## Our approach to corporate responsibility

The key material issues managed and monitored through our partnership approach to corporate responsibility are:

### NATURAL RESOURCES

We aim to improve energy efficiency, reduce water use and cut waste to landfill. This reduces our costs and those of our occupiers, as well as conserving precious natural resources.

### CUSTOMERS

We aim to build closer relationships with our customers to help them to achieve their goals, and to help us to achieve ours.

### COMMUNITIES

We aim to foster economic regeneration and to demonstrate the highest standards of ethical behaviour in our dealings with communities and the built environment.

### STAFF AND SUPPLIERS

We aim to treat our suppliers and staff as members of a single team who work together to ensure the success of our business and delivery of excellent service to our customers.



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## Medium-term targets

**We launched our partnership approach to corporate responsibility in 2007. This year, we added even more challenging targets for the next few years.**

This data is independently assured, so you can be confident that we are reporting accurately – on those issues most material to our business. All data in the Report covers the period from 1 April 2009 until 31 March 2010, unless otherwise stated.



### NATURAL RESOURCES

**To reduce managed energy use by 20% per m<sup>2</sup> for each property type by 2012, compared to 2009.**

- We used 15% less energy per m<sup>2</sup> in our offices this year, 17% less in our shopping centres and 12% less in our retail parks. We used 12% more in our Continental European properties and will work with our agents to address this.

**To send zero managed waste to landfill from all our properties and developments by 2012.**

- We diverted 83% of managed waste from landfill this year, and 86% of development waste.

**To reduce managed water use by 20% per m<sup>2</sup> for each property type by 2015, compared to 2009.**

- We used 38% less water per m<sup>2</sup> in our retail parks this year and 19% less in our Continental European properties. There was no change in our offices and an increase to 0.9 cubic metres per m<sup>2</sup> in our shopping centres from 0.5, largely due to the inclusion of new properties.

**To achieve planning consent for a zero carbon commercial building by 2015.**

- Our developments are designed to have 27% lower carbon emissions on average than current standards.

### CUSTOMERS

**To achieve 80% customer satisfaction with us and our managing agents by 2013.**

- 82% of our UK customers rated us as good or excellent in 2009, up from 73% in 2007. 43% rated our managing agents as good or excellent, up from 40% in 2007.

### COMMUNITIES

**To set a 2015 target for local satisfaction with British Land as a developer.**

- Next year, we will establish a methodology to measure local satisfaction with British Land as a developer.

### STAFF

**To set a 2015 target for staff satisfaction with British Land as an employer.**

- Next year, we will carry out a survey to measure staff satisfaction.



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## Awards we've won

We thank our staff and suppliers for delivering value and making a difference to our customers and communities, as well as saving precious natural resources.

### Oekom Corporate Responsibility Review 2010

– Real Estate Sector Leader - British Land

### NATURAL RESOURCES

#### Global 100 Most Sustainable Corporations 2009

– British Land, for the second year

#### Green 500 and the Better Buildings Partnership Awards 2009

- **Gold Portfolio Award** - British Land
- **Owner Occupier Partnership Award** - 201 Bishopsgate and The Broadgate Tower
- **Platinum Award** - 350 Euston Road

#### UK GBC Sustainable Development Awards 2009

– **Highly Commended for Sustainable Project of the Year** - Ropemaker

#### The Sunday Times 60 Best Green Companies Index 2010

– British Land, for the second year running

### CUSTOMERS

#### Estates Gazette Awards 2009

– **National Property Company of the Year** - British Land

#### Property Managers Association Awards 2009

- **Voted Landlord of the Year** by UK retailers
- **Voted Best Service Charge Provider** by UK retailers, for the second year

#### Ethical Corporation Awards 2010

– **Highly Commended for Authentic Communications** - Occupiers Survey 2009

### COMMUNITIES

#### Business in the Community Big Tick Awards 2010

- **Active Communities Award** - The Source at Meadowhall, for the second year running
- **Education Award** - The Schools Programme at The Source for the second year running

#### BCSC Purple Apple Awards 2009

– **Merit Award** - Eastgate Shopping Centre for community relations

#### ICSC Foundation Awards 2009

– **Community Award** - The Source at Meadowhall

#### Lord Mayor's Dragon Awards 2009

- **Lord Mayor's Award** for our long-term commitment to West Euston
- **Social Inclusion Award** - Broadgate Estates and Knightsbridge Guarding

#### Regeneration and Renewal Awards 2009

– **Mixed-use Project of the Year Award** - St Stephen's Shopping Centre

### INVESTORS

#### Property Week Awards 2009

– **City Deal of the Year Award** - Bank of Tokyo Mitsubishi pre-let at Ropemaker

#### IR Magazine UK and Continental Europe Awards 2009

– **Real Estate Award** - British Land



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## British Land awards

Each year we recognise our employees and suppliers for delivering value, and making a difference to our customers and communities.

### NATURAL RESOURCES

#### Energy Reduction

– **Fort Kinnaird Shopping Park in Edinburgh** reduced energy use by 28%, saving our occupiers £13,000 and cutting carbon emissions by 80 tonnes.

#### Energy Reduction

– **York House in London W1** reduced total energy use by 1.1 million kWh, saving us and our occupiers £63,000 and cutting carbon emissions by 400 tonnes.

#### Water Reduction

– **Parkgate Shopping in Rotherham** reduced water use by 42%, saving 2.1 million litres of water and cutting costs for occupiers by £2,640.

#### Waste Management

– **Eastgate Shopping Centre in Basildon** sent zero waste to landfill, recycling 79% and incinerating the remainder, saving £32,000 in landfill taxes.

#### Waste Management

– **8Build at 1 Pilgrim Street in London** recovered 97% of development waste, saving £19,500 in landfill taxes.

#### Resource Management in Continental Europe

– **Nassica Retail and Leisure Park in Madrid** reduced energy use by 1%, saving 41,500 kWh of energy, €6,000 on energy bills and 277 tonnes of carbon.

### CUSTOMERS

#### Sustainability Collaboration

– **Western Asset Management**, one of our occupiers at 10 Exchange Square, actively engaged in our Environmental Working Group, introducing a range of initiatives to cut energy and water use.

#### Cost Reduction

– **Smith Young**, managing agent at Meadowhall Shopping Centre in Sheffield, cut forecast service charge costs by 18%, saving retailers £2.3 million.

#### Customer Service

– **Colliers CRE**, managing agent for five of our shopping parks, was rated as 'excellent' for service, communication and responsiveness by more than half of our staff surveyed.

#### Customer Service

– **Michael Urban (Ultimate Security Services)**, security guard at 350 Euston Road in Regent's Place, received outstanding feedback for his attitude and efforts.

### COMMUNITIES

#### Fundraising

– **Eastgate Shopping Centre** raised £130,000 for good causes, including local hospices and the Poppy Appeal. 15 members of the team even cycled from London to Paris for charity.

#### Community Contribution

– **Christine Tona (Broadgate Estates)** works with East London Business Alliance to help jobseekers to find employment at Broadgate, helping them to turn their lives around.

#### Community Collaboration

– **Jean Hurman (West Euston Partnership)** is a tireless campaigner for the residents of West Euston, where Regent's Place is located.

### STAFF AND SUPPLIERS

#### Staff Volunteering

– **Miles Price (Planning Executive)** has been championing Capital Kids Cricket for several years, as well as volunteering in local schools, generously giving his own time.

#### Staff Environmental Engagement

– **Scott Jackson (Business Analyst)** cut his home energy use by 33% after installing an energy monitor, and is now encouraging our staff to take this step, with British Land funding the monitors.

#### Finance Team

– **Colliers CRE Finance Team** was rated as 'excellent' for responsiveness, accuracy, problem solving, communication and understanding of our needs by more than half of our staff surveyed.

#### Supplier of the Year

– **Mace** was a skilled and efficient project manager at Ropemaker Place, delivering this premium 600,000 sq ft office development on time and under budget.