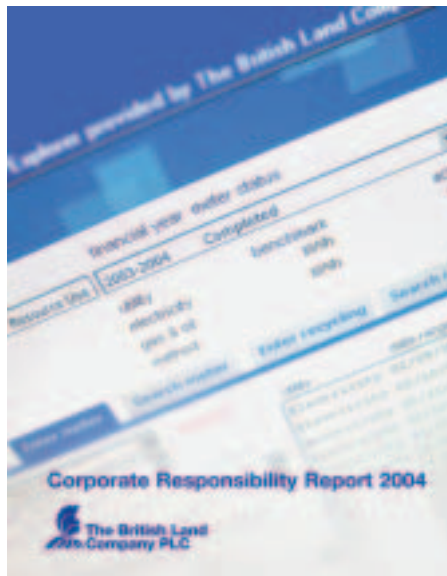


# Corporate Responsibility – Benefits, Risks and Controls



## Corporate responsibility benefits

The British Land Board takes regular account of the significance of social, environmental and ethical matters to the business of the Company. Corporate Responsibility (CR) brings real benefits to the business. It builds relationships with stakeholders, improves the Company's reputation with analysts, the media, investors, lenders, employees, local communities and tenants, and helps to reduce risk.

## Corporate responsibility risks

The Board has identified and assessed the significant risks to the Company's short and long-term value arising from CR matters and is ensuring that the Company takes the opportunities to enhance value that arise from appropriate actions. The Board is informed on these activities and CR matters are covered in the training of directors. The detailed paragraphs which follow describe effective systems in place for managing significant risks, opportunities, and performance management systems, more fully reported in the Company's separate Corporate Responsibility Report 2004. In reviewing remuneration for individuals dealing with these matters, their personal CR performance is a factor.

The Company is in compliance with its current policies and procedures for managing CR risks and is constantly moving forward by setting new targets for attainment in the future. Progress in the past year, as reported in the 2004 CR report, has been subjected to independent professional review by the Ashridge Centre for Business and Society as the Company felt it appropriate to have an objective, external assessment of what it is doing. The entire spectrum of risks perceived as applying to British Land is subject to regular review by the Board.

Corporate responsibility initiatives play a major role in the way British Land manages risks to its business. Members of the senior management team and Board take direct responsibility for and manage each area of CR risk.

## Resource use

### Principal risk

Sustainable buildings which use resources efficiently in their design, construction and occupation bring obvious business benefits in terms of the Company's cost management. Energy efficient buildings are also attractive to tenants. Moreover, with the introduction of energy labelling of buildings to enforce the EU Building Energy Performance Directive in January 2006, the costs associated with the energy performance of buildings will become more transparent.

### Principal control

#### Property development

British Land launched its Sustainability Brief in November 2004. The Brief outlines the process for setting sustainability objectives and targets at the design and construction stages of developments. This process ensures options for sources of energy and minimizing energy use are considered from the outset. At 51 Lime Street, in the City of London, currently being built, objectives set include designing the building with carbon targets 5% better than Part L requirements, and incorporating optimised lighting controls.

The Brief can be downloaded from the British Land website, [www.britishland.com](http://www.britishland.com)

#### Property management

British Land has been working with the Carbon Trust to establish energy benchmarks for all multi-let properties' common areas, with targets being set to reduce energy consumption. Managing agents input resource consumption data on-line to aid the benchmarking process using the Company's own, in-house created, Resources Website.

## Waste disposal and recycling

### Principal risk

Risks associated with waste include; prosecutions as a result of legal non-compliance, increased costs of landfill tax and efficient use of space. Compacting waste can save space which is often at a premium in – for example – shopping centres.

### Principal control

The Company employs reliable contractors and legal waste requirements are written into contracts. The Company has also prepared waste management plans to encourage recycling initiatives and reduce costs. At Meadowhall Shopping Centre in Sheffield no waste is now sent to landfill. This type of good practice is shared by Eastgate Shopping Centre and Broadgate and is being extended across the portfolio.

## Biodiversity

### Principal risk

The protection and enhancement of animal and plant habitats associated with development projects and investment properties in managing reputation risk.

### Principal control

A biodiversity programme has been developed to increase the ecological value of sites and guide teams working on development projects. The Sustainability Brief's process ensures that biodiversity is fully considered. Biodiversity Action Plans have been developed for Teesside Retail Park and Regent's Place.



*"The nature trail is easy to get to from the Retail Park and is increasingly popular with visitors and staff. It's great to see people enjoying the natural environment as part of their shopping trip or working day."*

**Mick Clarke** Teesside Retail Park/Groundwork Trust with Keith Matthews, Stockton Borough Council

## Supply chain and procurement

### Principal risk

Unethical acts by suppliers could affect the Company's reputation.

### Principal control

A Head Office working group is developing a process for assessing suppliers and working with them to reduce risks. The working group will be concentrating on first tier suppliers and defining the risk associated with the goods and services which are purchased.

## Health and safety

### Principal risk

Risk of injury to contractors, staff or other individuals on our sites and investment properties.

### Principal control

All development contractors and managing agents are required to provide policy and procedures of health and safety management and to report on incidents to British Land. Safe working practices are designed to ensure that employees, tenants and the general public are not harmed by the Company's activities. All staff receive a copy of the Company's Health and Safety procedures in the Staff Handbook together with training.

## Community

### Principal risk

Risk of lack of inadequate consultation or relationship with neighbouring communities can cause delay in the development planning process and affect property values.

### Principal control

Community consultation is carried out at the early stages of design and continues throughout the project. As a part of the Lower Don Valley Masterplanning project in Sheffield, early consultations with local groups and residents gave insight into the processes and events that shaped the area, and into identifying its future prospects.

## Land contamination

### Principal risk

Risk of inadequate remediation of contaminated land.

### Principal control

Environmental studies are carried out before buying new properties and before undertaking developments. At Theale, a former gravel pit, partially backfilled with waste from the railway industry, remediation for appropriate use was achieved on site, by combining soil remediation and groundwater pump and treat methods.

British Land's latest Corporate Responsibility Report, which has full details of British Land's corporate responsibility activities in 2004, has been widely circulated, and copies are available from:

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The Report is also available on the British Land website  
[www.britishland.com](http://www.britishland.com)