

CORPORATE RESPONSIBILITY

This is our fifth year of corporate responsibility reporting. This section provides a summary of our corporate responsibility activity. Our full Corporate Responsibility Report is available online in a format that is designed to be widely accessible and provide easy navigability for users. This corporate responsibility section contains an overview of our:

- approach to corporate responsibility management;
- focus areas of risk and opportunity: resource use, waste management, regeneration, biodiversity, British Land people, community and occupiers and suppliers;
- progress against a selection of 2006 targets; and
- key performance indicators, objectives and targets for 2007.

View our full Corporate Responsibility Report at www.britishland.com/crReport/2006

Managing corporate responsibility

As one of the UK's largest property investment companies we finance, develop and manage property for the long term.

Our **integrated approach** to corporate responsibility helps in our development and management of sustainable, commercially viable properties that are attractive to occupiers, leading to better returns for our shareholders. Taking our corporate responsibilities seriously helps us meet existing and potential regulatory requirements, and also protects and enhances our reputation.

The **Board** regularly reviews risks to the business, including those arising from corporate responsibility issues. Peter Clarke, Executive Officer, chairs the Corporate Responsibility Committee, and reports to the Executive Committee and Board.

The **Corporate Responsibility Committee**, consisting of heads of department and senior representatives, takes direct responsibility for targets. This Committee also oversees **working groups**, each focusing on a key area, such as the supply chain.

In 2006 we continued to focus on the seven areas of **risk and opportunity** agreed in 2005 following a two year consultation process with shareholders, employees, occupiers, local communities, suppliers and experts. These focus areas will be reviewed again in 2007.

Our approach to corporate responsibility is underpinned by **policies and documents** including our Corporate Responsibility Policy, Sustainability Briefs for Developments and Refurbishments, Service Commitment for Occupiers, Waste Management Plan, Biodiversity Programme and sustainable Travel Plans. You can download these at www.britishland.com/downloads.htm

Resource use

Carbon neutral company

Earlier this year we announced the decision to become carbon neutral by 2008/9. The target will be achieved through on-going measurement and reduction of carbon dioxide emissions, by maximising energy efficiency, increasing the use of renewable energy and by using offsetting as a final step to achieve carbon neutrality. We will also continue to work in close partnership with suppliers and customers to help them to reduce their carbon footprints.

Reporting resource use

We use energy to power lighting, heating, ventilation and cooling, and for cleaning activities. We use water for domestic facilities, cooling and landscape watering.

We record **energy and water information** for the common (landlord-controlled) areas of our multi-let properties. These are the areas where, as landlord, we control usage and can directly effect improvements. Information for April 2005 to March 2006 is compared to information for the same period in 2004/5, according to Department for Environment, Food and Rural Affairs ('DEFRA') guidelines. Information was reported from properties with a total common floor area of 1.49 million square metres (m²) in 2005/6, a 42% increase on 2004/5.

Total **water use** decreased by 16% to 417,926 cubic metres (m³) in 2005/6. Approximately 60% of our total reported water usage was in offices and over 30% was in shopping centres. Overall intensity of water use decreased from 0.82 m³ per m² in 2004/5 to 0.51 m³ per m² in 2005/6. Residential properties used water most intensely per m² compared with other property types. During 2006 we sold our residential portfolio and so our water management activities now focus on our shopping centre and office portfolios.

Total **consumption of all energy** types (electricity, gas and oil) decreased by 4% to 66,041,930 kWh in 2005/6. Associated **CO₂ emissions** also decreased by 2.7% to 22,527 tonnes in 2005/6. This slight decrease reflects year on year changes in the composition of the property portfolio as well as year on year reductions in reported resource use by properties.

Electricity use accounts for almost 80% of the total CO₂ emissions from the property portfolio and represents our most intensive source of CO₂ per m². **Gas use** accounts for almost all of the remaining CO₂ emissions and is our most intensively used energy source per m². **Oil use**, which was reported in only one of our properties, makes a minor contribution to our CO₂ emissions and remains consistent with 2004/5.

Total CO₂ emissions associated with electricity use in offices decreased by 16.6% to 6,938 tonnes in 2005/6, largely due to the energy management activities at Broadgate. Total CO₂ emissions for electricity in shopping centres increased by 10% to 9,787 tonnes in 2005/6, largely due to data from two additional properties and a significant increase in electricity reported from one shopping centre. Total CO₂ emissions for electricity in 'other' properties increased by 56% to 1,154 tonnes in 2005/6, due to the inclusion of one retail property which reported high consumption; the accuracy of this property's data will be reviewed in 2007.

Total CO₂ emissions associated with gas use in offices decreased by 13% to 4,043 tonnes in 2005/6, largely due to properties reporting a decrease in use and fewer reporting properties. Total CO₂ emissions for gas use in shopping centres increased by 16% to 605 tonnes in 2005/6 due to more centres reporting gas use and an increase in gas use. However, CO₂ emissions per m² for gas use in shopping centres decreased by 65% to 1.9 kilograms in 2005/6, largely due to newly reporting properties reporting a low consumption relative to common floor area.