2018 Non-Financial Data Report

In addition to the information contained in this 2018 Non-Financial Data Report, you can download our 2018 Review and the 2018 Financial Statements to find out more about our progress during the year.

Contents

GROSVENOR

Introduction

This document provides information on the data published in Grosvenor's 2018 Review. This report is split into two parts. The first, on pages 2–14, provides the results and methodology for the environmental metrics that we have been reporting on since 2010. The second section, on pages 15–16, sets out the results and methodology for a selection of socio-economic metrics, first introduced in our 2015 reports.

This is the ninth year that we have published our environmental data. Minimising the energy, water and waste used and generated by our buildings remains important to us for many reasons. These help us fulfil our business' purpose to improve property and places to deliver commercial and social benefit. These include:

- To enhance the value and quality of our property portfolio.
- To reduce the risk of obsolescence over the long term.
- To enable compliance with incoming legislation.
- To save costs.
- Because respecting the environment and efficiently using natural resources is the right thing to do.

We are also finding additional benefits to occupiers from our energy-efficient retrofitting programme, such as improving temperature comfort and internal air quality, and making homes quieter (through improved window glazing).

Our environmental energy, carbon, water and waste footprint data relate to the properties that we directly manage. In 2018, this totalled 423, out of the 1,472 properties in our investment portfolio. Many properties, particularly in the UK, are let out on long term or full repairing and insuring leases, for which we have limited visibility of the utility consumption data and limited operational control. Grosvenor Britain & Ireland is working towards more accurately estimating the tonnes of carbon its energy-efficient retrofits have saved tenants on the London estate in many of these properties. A total of 760 tenanted units have been retrofitted since 2013, saving an estimated 4,700 tonnes of carbon. We are working towards incorporating this into our results in this document, selected aspects of which are assured by Deloitte. Our business travel is included in our carbon footprint reported on page 3.

We have a consistent governance approach that oversees the collection and validation of all our environmental data. Each Operating Company has a Sustainability Leader responsible for tracking and improving the results. They work closely with the asset and property managers, and the retrofit and finance teams throughout the year to budget and implement measures to better the environmental performance of the portfolio. An Executive Sponsor for each Operating Company signs off these annual results.

We have once again published our adjusted carbon footprint in line with the 'scope 2 dual reporting requirements'. This follows the Greenhouse Gas Protocol guidelines, the global standard for corporate carbon emissions, as certified by the International Standards Organisation. The adjusted carbon footprint takes into account our energy procurement rather than just the average national grid conversion factors, when measuring the energy consumption in carbon tonnes.

We have continued to evolve our non-financial reporting with metrics highlighted throughout our 2018 Review, in addition to those reported on page 10, which provide some demonstration of our delivery to lasting commercial and social benefit.

In addition to qualitative statements, we aim to incorporate quantitative evidence fitting the following criteria:

- Whether it is material to our business activity in 2018.
- Whether it is of relevance and interest to our stakeholders (surveys, including a reputational survey completed during 2015, are used to inform us on this point).
- Whether it demonstrates our 'Living Cities' approach in practice.
- Whether it is a significant aspect of our societal contribution.
- How viable the data collection is for this and subsequent Annual Reviews.
- Whether it is in alignment with our strategy.

We annually review the parameters of our reporting and seek to disclose further. As such, we anticipate that the metrics reported in subsequent Annual Reviews will continue to change. We aim to align more closely with the principles of the International Integrated Reporting Framework, and the Global Reporting Initiative, although we are not seeking to comply with every aspect of these standards, as not all requirements are proportionate to our Operating Companies' specific circumstances, nor appropriate to the wishes of their stakeholders. The detailed methodology ensures robustness in our published metrics as we continue along this reporting journey.

Energy consumption

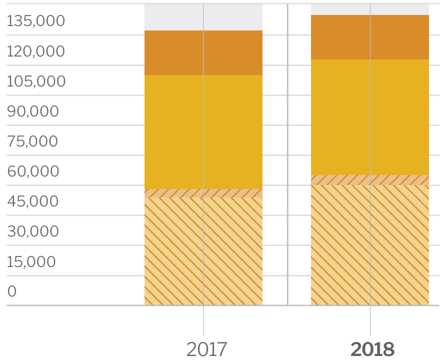
Energy consumption

In 2018, our like-for-like energy consumption increased for the first time in eight years (since our records began).

Performance in focus

	Absolute energy consumption					Like-for-like energy consumption				
	2017 MWh	2017 Properties	**2018 MWh**	**2018 Properties**	Change %	2017 MWh	2017 Properties	**2018 MWh**	**2018 Properties**	Change %
Grosvenor Britain & Ireland	22,005	305	**22,143**	**366**	1%	17,025	229	**15,704**	**229**	-8%
Grosvenor Americas	56,740	42	**57,370**	**44**	1%	45,830	34	**49,040**	**34**	7%
Grosvenor Asia Pacific	4,353	3	**5,061**	**4**	16%	4,353	3	**4,077**	**3**	-6%
Grosvenor Europe	53,237	12	**59,502**	**9**	12%	53,990	7	**56,662**	**7**	5%
Grosvenor Group total	136,335	362	**144,075**	**423**	6%	121,198	273	**125,484**	**273**	4%

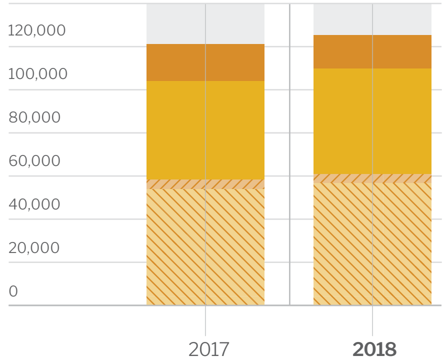
Absolute (MWh)



Absolute energy use

	2017 MWh	**2018 MWh**
Grosvenor Group total	136,335	**144,075**
Grosvenor Europe	53,237	**59,502**
Grosvenor Asia Pacific	4,353	**5,061**
Grosvenor Americas	56,740	**57,370**
Grosvenor Britain & Ireland	22,005	**22,143**

Like-for-like portfolio (MWh)



Like-for-like energy consumption

	2017 MWh	**2018 MWh**
Grosvenor Group total	121,198	**125,484**
Grosvenor Europe	53,990	**56,662**
Grosvenor Asia Pacific	4,353	**4,077**
Grosvenor Americas	45,830	**49,040**
Grosvenor Britain & Ireland	17,025	**15,704**

Commentary

The increase in our like-for-like energy consumption of 4% was driven primarily by higher demand for heating and cooling during the unusually cold winter and warmer summer in some regions in which we operate.

Grosvenor Britain & Ireland achieved an 8% decrease in like-for-like energy consumption. Boiler upgrades and refurbishments across Eaton Square Properties and upgrades to the thermostat controls at 36 Grosvenor Gardens contributed to a 26% reduction in natural gas consumption. Improvements to the HVAC system and upgrades to light fittings at 70 Grosvenor Street contributed to an 11% reduction in electricity consumption.

The increase in like-for-like energy consumption for Grosvenor Americas was caused by an increase in occupancy but masked the fact that numerous assets achieved reductions in energy usage due to efficiency projects put in place.

Upgrades to heating and ventilation systems at 1701 Pennsylvania Avenue, 3500-18 Connecticut Avenue and 19th and M Street demonstrated electricity reductions of 4%, 27% and 10%, respectively. The Kiko water system was installed at The Rise and has created year-on-year savings of 5% on electricity and 27% on natural gas.

The increase in like-for-like energy consumption in Grosvenor Europe was driven by weather anomalies and construction works at Swedish sites. 3,000m² of retail space was added to the Skarholmen Centrum at the end of 2017 which increased demand from the site's district heating and cooling systems. Efficiency projects were undertaken to help temper the increased demand on energy use. Carbon Credentials', Collaborative Asset Performance Programme ('CAPP'), was implemented at Liverpool ONE, and resulted in a year-on-year decrease in electricity consumption through greater monitoring.

Grosvenor Asia achieved a 6% reduction in like-for-like energy consumption by monitoring the supply of air conditioning, replaced defective VAV actuators which improved the HVAC system efficiency and adopted energy-efficient lighting at the PCCW Tower.

Our absolute usage increased by 6%. The development and acquisition of several new assets namely, Lidingo Centrum, Sweden and Grosvenor Ambleside in Vancouver, has contributed to this increase. Additionally, we have reported on 61 extra Great Britain & Ireland assets this year, as we work to improve our coverage of tenant demise meters in our reporting.

Carbon emissions

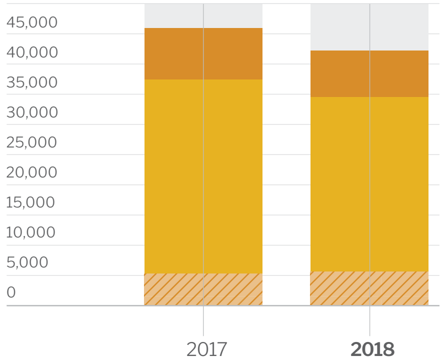
Carbon emissions

In 2018, we reduced our like-for-like carbon emissions for the ninth consecutive year, this time by 5%

Performance in focus

	Absolute carbon emissions					Like-for-like carbon emissions			
	2017 tCO₂e	2017 Properties	**2018 tCO₂e**	**2018 Properties**	Change %	2017 tCO₂e	**2018 tCO₂e**	**2018 Properties**	Change %
Grosvenor Britain & Ireland	7,697	305	**7,649**	**366**	-1%	5,968	**5,671**	**229**	-5%
Grosvenor Americas	23,772	42	**21,096**	**44**	-11%	18,078	**17,514**	**34**	-3%
Grosvenor Asia Pacific	3,125	3	**3,505**	**4**	12%	3,125	**2,962**	**3**	-5%
Grosvenor Europe	11,368	12	**9,988**	**9**	-12%	10,647	**9,630**	**7**	-10%
Grosvenor Group total*	45,962	362	**42,237**	**423**	-8%	37,818	**35,778**	**273**	-5%

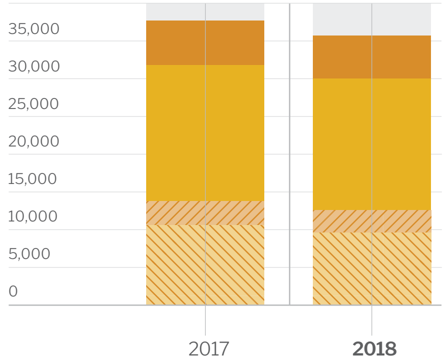
Absolute (tCO_2e)



Absolute carbon emissions by scope in accordance with the Greenhouse Gas Protocol

	2017 tCO₂e	**2018 tCO₂e**
Scope 3	8,495	**7,682**
Scope 2	32,226	**28,910**
Scope 1	5,241	**5,645**

Like-for-like portfolio (tCO_2e)



Like-for-like carbon emissions

	2017 tCO₂e	**2018 tCO₂e**
Grosvenor Group total	37,818	**35,778**
Grosvenor Europe	10,647	**9,630**
Grosvenor Asia Pacific	3,125	**2,962**
Grosvenor Americas	18,078	**17,514**
Grosvenor Britain & Ireland	5,968	**5,671**

Notes:

- Scope 1: Direct emissions from sources owned or controlled by Grosvenor. This includes gas boilers and Grosvenor-owned vehicles.
- Scope 2: Indirect emissions from electricity and district heating we purchased. These emissions are considered indirect because the emissions physically occur at the point of energy production. The above emissions from purchased electricity were calculated using the location-based method only.
- Scope 3: Other indirect emissions. This includes: emissions from energy that are exclusively sub-metered to tenants; electricity and district heat and steam transmission; emissions from the supply and treatment of water; and distribution losses and emissions from other Company activities within the organisational boundary, such as from business travel.

* The Group totals for absolute carbon emissions include business travel of 1,860 tCO_2e in 2018, and 1,260 tCO_2e in 2017. These results were calculated for the calendar year.

Commentary

Our carbon emissions are calculated using location-based emission factors. Each geographic region in which we operate has an emission factor that represents the carbon intensity of the local grid. Our energy consumption is multiplied by this factor to calculate our carbon emissions. We also calculate our market-based emission factors to demonstrate the impact that our energy procurement decisions have on our carbon emissions.

Our reduction in like-for-like carbon emissions despite the increase in energy consumption across the Group reflects the decarbonisation of national grids in which we operate. The UK grid emissions factor in particular has reduced by 19% compared with 2017 as a result of using less coal to produce electricity. This has had a positive result on our absolute scope 2 carbon impact in Grosvenor Britain & Ireland, which saw a reduction of 11%.

The number of properties that we have reported on in 2018 is 423 compared to 362 reported in 2017. Despite this increase in number of properties, our total carbon footprint has decreased by 8%, reflecting the cleaner grid mix.

Carbon emissions
(continued)

Impact of our renewable electricity consumption on our carbon emissions

In 2018, our renewable electricity consumption reduced our 'scope 2' carbon emissions by 38%.

Performance in focus

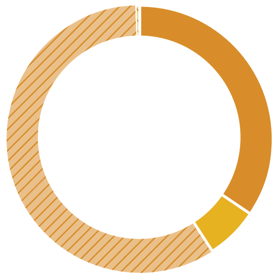
	Scope 2 GHG emissions from purchased electricity	
	Location-based method emissions (tCO_2e) 2018	Market-based method emissions (tCO_2e) 2018
Grosvenor Britain & Ireland	3,605	490
Grosvenor Americas	15,511	15,856
Grosvenor Asia Pacific	1,077	1,079
Grosvenor Europe	8,717	428
Grosvenor Group total	**28,910**	**17,853**
Impact of our renewable energy		-38%

Aligned to the Greenhouse Gas Protocol guidance on reporting scope 2, we have reported two different values to reflect the 'location-based' and 'market-based' emissions resulting from our purchased electricity.

The location-based method uses an average emissions factor for the entire national grid on which electricity consumption occurs. If a nation reduces its reliance on coal-fired power stations, for example, in favour of cleaner energy generation methods, this emissions factor improves.

The market-based method uses an emissions factor that is specific to the electricity which has been purchased. It therefore takes into account renewable energy we have purchased or generated on site and is a more accurate reflection of our carbon emissions.

In 2018, we have continued to report carbon emissions from electricity using both methods. For UK properties held by Grosvenor Britain & Ireland and Grosvenor Europe where we mostly have 100% renewable electricity contracts in place, we were able to report market-based emissions from the emission factor specific to our contracts. Where supplier-specific factors were not available, national or regional 'residual mix' factors were applied, and this calculation method results in marginally higher emissions calculated for Grosvenor Americas. In the absence of either supplier or residual-mix factors for Grosvenor Asia Pacific, location-based factors were used.



Grosvenor Group total electricity use by source (%)

	2018
100% Renewable Tariff	**31%**
Supplier Specific Tariff	**7%**
Residual Mix	**61%**
On-site Renewable	**0.3%**

Notes:

- **100% Renewable Tariff:** electricity purchased through energy suppliers via a 100% renewable tariff contract.
- **Supplier Specific Tariff:** electricity purchased through energy suppliers via a contractual energy mix.
- **Residual Mix:** Supplier energy mix is unknown, national grid average used.
- **On-site Renewable:** electricity generated on site through our solar panel installations.

Commentary

We recognise that how we purchase and generate our energy has a material effect on our environmental impact. Grosvenor Britain & Ireland procure 100% renewable electricity for all properties under their direct control. In Grosvenor Europe, renewable electricity is purchased for Liverpool ONE, Belgrave House and the following shopping centres in Sweden: Balsta, Haninge, Vasby and Burlov Centre.

0.3 MWh of renewable energy was generated on site from solar PV's installed on assets in Grosvenor Britain & Ireland and Belgrave House and Liverpool ONE in Grosvenor Europe.

In Grosvenor America, 1500K Street procured renewable energy.

Water consumption

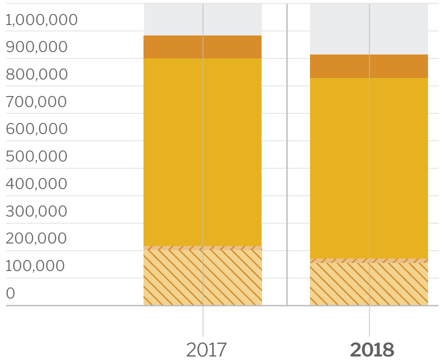
Water consumption

In 2018, our like-for-like water consumption decreased 4%.

Performance in focus

	Absolute water consumption					Like-for-like water consumption			
	2017 m³	2017 Properties	**2018 m³**	**2018 Properties**	Change %	2017 m³	**2018 m³**	**2018 Properties**	Change %
Grosvenor Britain & Ireland	84,112	90	**85,798**	**102**	2%	59,436	**56,607**	**58**	-5%
Grosvenor Americas	684,346	50	**658,616**	**53**	-4%	528,609	**543,021**	**40**	3%
Grosvenor Asia Pacific	14,049	3	**16,740**	**4**	19%	14,049	**13,077**	**3**	-7%
Grosvenor Europe	202,371	12	**154,110**	**9**	-24%	185,167	**143,963**	**7**	-22%
Grosvenor Group total	984,878	155	**915,264**	**168**	-7%	787,261	**756,669**	**108**	-4%

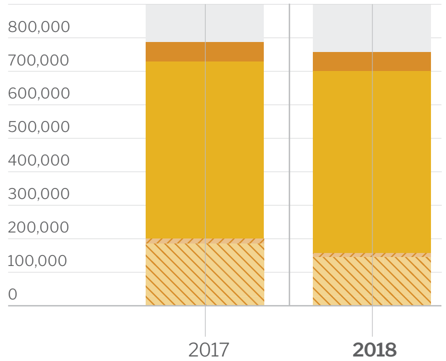
Absolute (m³)



Absolute water consumption

	2017 m³	**2018 m³**
Grosvenor Group total	984,878	**915,264**
Grosvenor Europe	202,371	**154,110**
Grosvenor Asia Pacific	14,049	**16,740**
Grosvenor Americas	684,346	**658,616**
Grosvenor Britain & Ireland	84,112	**85,798**

Like-for-like portfolio (m³)



Like-for-like water consumption

	2017 m³	**2018 m³**
Grosvenor Group total	787,261	**756,669**
Grosvenor Europe	185,167	**143,963**
Grosvenor Asia Pacific	14,049	**13,077**
Grosvenor Americas	528,609	**543,021**
Grosvenor Britain & Ireland	59,436	**56,607**

Commentary

Absolute and like-for-like water consumption has decreased at Group level by 7% and 4%, respectively.

Grosvenor Europe reduced like-for-like usage by 22%. A new cooling tower was installed in August 2018 at the Burlov Centre in Malmo which contributed to the decrease in water consumption and there was also a change in tenancy (the anchor tenant, a large supermarket, reduced their occupancy by 50%). Liverpool One achieved a 5% decrease in water usage as a result of using water-efficient cleaning machines.

In Grosvenor Americas, asset level water reductions have been made by improved control of landscape irrigation and management of on-site water features. The WeatherTrak irrigation weather forecast monitoring system was installed in May 2018 at Parklands Northcreek, which led to a 51% decrease in water used for irrigation.

A change of tenant at the Annacis Business Park, has decreased water consumption by 83% (a food manufacturing occupier was replaced by an inventory storage business). The sale of West Ridge Apartments impacted on the absolute decrease.

Grosvenor Britain & Ireland reduced like-for-like water consumption by 5%. Several factors affected this reduction, most notably the upgrades to the flushing systems at 70 Grosvenor Street, which has led to an 11% decrease in water consumption at this site.

Grosvenor Asia achieved a 7% reduction in like-for-like water consumption which is a result of installing water saving taps in the PCCW Tower, the largest asset in Grosvenor Asia's portfolio.

Across the Grosvenor Group, the number of properties reporting on water has increased since 2017. Great Britain & Ireland is a significant contributor to this as they continuously improve the coverage of tenant demises. Due to the nature of billing cycles for water, typically received on a six-monthly basis, estimation for water data is higher than that for energy. This year, we have estimated for 11% of our total water footprint which is less than 19% estimated in 2017.

Waste disposal

Waste disposal

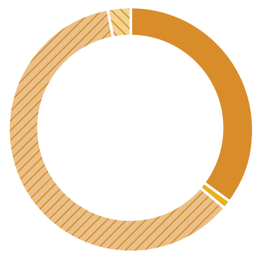
In 2018, we diverted 76% of operational waste from landfill. We also extended our reporting to centrally measure construction waste, of which 97% was diverted from landfill.

Performance in focus

	Operational waste footprint by mass			Construction waste footprint by mass		
	2018 Footprint by mass (metric tonnes)	2018 Properties	2018 Waste diverted from landfill % (mass)	2018 Footprint by mass (metric tonnes)	2018 Properties	2018 Waste diverted from landfill % (mass)
Grosvenor Britain & Ireland	1,370	29	100%	4,465	45	98%
Grosvenor Americas	4,407	31	46%	1,780	5	83%
Grosvenor Asia Pacific						
Grosvenor Europe	4,166	6	99%	19,866	2	98%
Grosvenor Group total	9,943	66	76%	26,112	51	97%

Operational waste footprint by mass (metric tonnes)

	2018
Recycled	**4,171**
Incinerated (with energy recovery)	**2,876**
Landfill	**2,404**
Composted	**492**
Total	**9,943**



Construction waste footprint by mass (metric tonnes)

	2018
Recycled	**9,229**
Incinerated (with energy recovery)	**206**
Re-used	**15,926**
Landfill	**751**
Total	**26,112**

Commentary

Operational waste

In 2017, The BBP Managing Agent Partnership released a standardised reporting framework for waste. In support of this effort to create greater transparency and accuracy in waste reporting, we have utilised the volume to weight conversions from the framework to convert all our volume waste data to mass. Measuring waste by weight is a more accurate method and allows for greater comparability across our regions.

Our coverage of waste reporting has increased and now includes a further nine Grosvenor Americas assets. The quality and accuracy of Grosvenor America's waste data has improved. This involved working with local waste providers to collect weight data rather than volume data where possible. Camera-based sensors, in all large on-site bins were installed at Coventry Hills Centre, which track the amount as well as the type of waste collected.

The Skarholmen Centrum in Grosvenor Europe implemented organic waste programmes in order to improve waste segregation on site.

Grosvenor Britain & Ireland has had a focus on increasing recycling in 2018. The waste bins at the large waste-producing sites, Halkins Estate, Grosvenor Square and Brown Hart Gardens, have been replaced with high-quality recycling bins. The result has been an increase in recycling rates and a reduction in the absolute waste produced.

Construction waste

As in the 2017 report, we are including construction waste in our coverage of waste reporting. On assets that are not operational but are undergoing either major refurbishment or development, we have worked with our project teams to capture the disposal route of the waste generated. Construction waste is typically made up of wood, metal, concrete and other materials associated with significant redevelopment work. This year, we have captured data from 25 of our major projects across Grosvenor Britain & Ireland and Grosvenor Americas and now includes Grosvenor Europe's construction waste data.

Standardised environmental reporting

Environmental

This table, alongside the subsequent tables on pages 8 and 9, provides additional information on our results in the standardised environmental reporting format of the European Public Real Estate Association ('EPRA').

Directly-managed properties – absolute measures

Impact area	EPRA code	Indicator		Units of measurement	2017	2018
Energy	Elec-Abs, Elec-LFL	Electricity	for landlord-shared services	MWh	89,355	**87,915**
			(sub)metered exclusively to tenants		12,057	**13,118**
			Total landlord-obtained electricity		101,412	**101,033**
	DH&C-Abs, DH&C-LFL	District heating and cooling	for landlord-shared services		18,919	**25,748**
			(sub)metered exclusively to tenants			
			Total landlord-obtained district heating and cooling		18,919	**25,748**
	Fuels-Abs, Fuels-LFL	Fuels	for landlord-shared services		28,061	**30,412**
			(sub)metered exclusively to tenants		347	**788**
			Total landlord-obtained fuels		28,408	**31,200**
	No. of applicable properties		**Energy and associated GHG disclosure coverage**		362	**423**
	%		**Proportion of energy and associated GHG estimated**		8%	**3%**
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1**	tonnes (CO_2e)	5,241	**5,645**
	GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2**		32,226	**28,910**
			Scope 3*		8,495	**7,682**
Water	Water-Abs, Water LfL	Water	for landlord-shared services	cubic metres (m^3)	984,878	**915,264**
			(sub)metered exclusively to tenants		36,695	**49,333**
			Total landlord-obtained water		1,021,573	**964,597**
	No. of applicable properties		**Water disclosure coverage**		155	**168**
	%		**Proportion of water estimated**		19%	**11%**

* Scope 3 includes landlord-obtained (only if sub-metered to tenants), tenant-obtained, all transmission and distribution losses, emissions from the supply and treatment of water, and business travel.

Standardised environmental reporting (continued)

Environmental

Directly-managed properties – intensity measures

Impact area	EPRA code	Indicator	Units of measurement	2017	2018
Energy	Energy-Int	Building energy intensity	kWh/m²/year	172	**173**
Greenhouse gas emissions	GHG-Int	Greenhouse gas intensity	kg CO_2e/m²/year	44	**39**
Water	Water-Int	Building water intensity	m³/m²/year	1.07	**1.05**

Directly-managed properties – waste measures

Impact area	EPRA code	Indicator	Units of measurement	2017	2018
Waste (landlord-handled)	Waste-Abs	Waste by disposal route	metric tonnes	8,418	**9,943**
		Composted/anaerobic digestion	proportion by weight (%)	4%	**5%**
		Recycled		40%	**42%**
		Off-site Materials Recovery Facility		37%	**29%**
		Incineration with energy recovery			
		Incineration with no energy recovery			
		Hazardous waste treatment facility			
		Landfill		19%	**24%**
		Waste disclosure coverage	No. of applicable properties	54	**66**

Calculating our energy, water and carbon intensities allows us to assess how efficient our properties are per m² of floor space. We calculate the intensity based upon floor space as this allows us to understand asset efficiency irrespective of its size.

Our intensity calculations are based on our absolute consumption for a given year. This allows us to include more assets than our like-for-like consumption, increasing the validity and robustness of our intensity figures. Assets that do not have a full year's worth of data or accurate floor area have been excluded from the calculations. In the 2017 calculations, we have excluded 71 properties and in the 2018 calculations we have excluded 70 properties. As our new programme matures, we expect this figure to reduce as we focus on obtaining more accurate floor area for our smaller assets.

Standardised environmental reporting (continued)

Environmental

Occupied offices – absolute measures

Impact area	EPRA code	Indicator		Units of measurement	2017	2018
Energy	Elec-Abs, Elec-LFL	Electricity	for landlord-shared services	MWh	350	**268**
			(sub)metered exclusively to tenants			
			Total landlord-obtained electricity		350	**268**
	DH&C-Abs, DH&C-LFL	District heating and cooling	for landlord-shared services			
			(sub)metered exclusively to tenants			
			Total landlord-obtained district heating and cooling			
	Fuels-Abs, Fuels-LFL	Fuels	for landlord-shared services		212	**246**
			(sub)metered exclusively to tenants			
			Total landlord-obtained fuels		212	**246**
	No. of applicable properties		**Energy and associated GHG disclosure coverage**		12	**12**
	%		**Proportion of energy and associated GHG estimated**		15%	**40%**
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1***	tonnes carbon dioxide emissions (CO_2e)		
	GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2**			
			Scope 3**		136	**140**
Water	Water-Abs, Water LfL	Water	for landlord-shared services	cubic metres (m^3)	2,305	**2,960**
			(sub)metered exclusively to tenants			
			Total landlord-obtained water		2,305	**2,960**
	No. of applicable properties		**Water disclosure coverage**		8	**8**
	%		**Proportion of water estimated**		56.6%	**82%**
Waste (landlord-handled)	Waste-Abs		Waste by disposal route	metric tonnes	2	**2**
			Composted/anaerobic digestion	proportion by weight (%)		
			Recycled		7%	**7%**
			Off-site Materials Recovery Facility			
			Incineration with energy recovery			
			Incineration with no energy recovery			
			Hazardous waste treatment facility			
			Landfill		93%	**93%**
			Waste disclosure coverage	No. of applicable properties	2	**2**

In this disclosure, estimation refers to filling invoice gaps, not to whether invoices are based on 'estimated' or 'actual' readings.

* Scope 1 includes direct emissions from sources owned or controlled by Grosvenor. This includes gas boilers and Grosvenor-owned vehicles.

** Scope 3 includes landlord-obtained (only if sub-metered to tenants), tenant-obtained, all transmission and distribution losses, emissions from the supply and treatment of water, and business travel.

Environmental metrics methodology

The scope of this report relates to Grosvenor's energy and associated greenhouse gas emissions, water and waste for the period 1 December 2017 to 30 November 2018. This reflects a decision in 2015 to shift reporting back by a month compared to our financial year reporting period to reduce the amount of estimated data, necessitated by the time lag prevalent when receiving utility bills.

We have included data from all investment assets that we directly own or manage and where we have responsibility for the procurement of utilities and/or waste collection. We have also included the utilities and waste data, where known, from our leased occupied offices; these assets are excluded from our absolute and like-for-like analyses but included in the standardised environmental reporting section of this report. The exception is 70 Grosvenor Street which we occupy and partly own. All assets in our indirect investment portfolio have been excluded as we do not have any operational control of these assets.

We collect data directly from our suppliers and are reliant upon them for the completeness and accuracy of this data. Our data is hosted on our environmental consultant's (Carbon Credentials') database and they undertake further validation checks for data completeness and accuracy. Where we have been unable to collect data, we have applied estimations using a robust, replicable estimation methodology and have stated where this has been done. For properties where we have concerns about the quality of data, we undertake a structured query process with the supplier to ensure accurate data is received.

Energy and water

Absolute energy and water analysis

The absolute energy analysis records total energy consumption from the activities under our control in the buildings which we directly manage or own, from our corporate offices and from business-related travel. It excludes utilities exclusively sub-metered to tenants.

All directly-managed properties are reported in this analysis, including assets acquired or sold during the reporting year. Assets would be excluded from the analysis if insufficient data was present, meaning less than 90 days of the utility data was available, however for this reporting year zero properties were excluded for this reason.

In total, we reported on the absolute energy data for 423 properties compared to 362 in 2017. This increase is accounted for by Grosvenor Britain & Ireland where efforts have been made to increase data coverage of tenant demises. 3% of the total energy consumption across these properties was estimated and zero properties were excluded from the analysis because of questionable energy data.

We carried out a similar analysis for water and have reported on the absolute water data for 168 properties compared to 155 in 2017. The increase was for the same reasons as above. 11% of the total footprint was estimated and zero properties were excluded from the analysis because of questionable water data.

Like-for-like energy and water analysis

The like-for-like analysis uses a consistent portfolio approach, which includes only those directly-managed properties that were in the portfolio for the period 1 December 2016 to 30 November 2018. It therefore allows us to compare exactly the same group of properties year-on-year and it shows the total energy and water consumption from the activities under Grosvenor's control within those buildings. Any properties for which we do not have sufficient data for either year (at least 90 days' worth) have been excluded from this analysis.

This measure excludes business travel, utilities sub-metered to tenants, consumption from Grosvenor's own offices (with the exception of 70 Grosvenor Street which we partly own) and any assets for which the data quality was in question. This year, 273 properties are included in the like-for-like energy and 108 properties in the water analysis. The number of like for-like reporting assets has increased in 2018 as a result of the improved data management programme implemented at the start of 2017.

Carbon footprint methodology

Our footprint is calculated according to the accounting and reporting principles of the Greenhouse Gas ('GHG') Protocol. The GHG Protocol's defined organisational boundary has been determined using the 'operational control' approach and therefore only includes emissions within our direct control. The carbon footprint covers the GHG-Protocol-defined scopes for setting operational boundaries.

In 2015, the GHG Protocol guidance was updated advising organisations to provide separate figures to reflect the market and location–based emissions resulting from purchased electricity. The location–based method uses average emissions intensity of the electricity grids from which consumption is drawn; the market–based method uses emissions specific to each electricity supply/contract. For market–based emissions we followed the GHG Scope 2 reporting hierarchy. See page 4 for more details.

Where we purchase energy as the landlord and recharge it to our tenants on a non-metered basis, we have reported this as part of our own Scope 1 and 2 emissions. Where we are able to sub-meter tenant consumption, we have reported this as Scope 3 in line with European Public Real Estate Association ('EPRA') guidelines and Appendix F of the GHG Protocol. We have also recorded emissions from our business travel as Scope 3.

We use the 2018 DEFRA emissions factors in order to calculate our carbon footprint, with the exception of non-UK electricity emission factors that are sourced from the International Energy Agency ('IEA') from its 2016 inventory. Residual mix factors for market-based reporting were sourced from the Association of Issuing Bodies (2017) for Grosvenor Europe and Green-e (2018) for Grosvenor America.

The 2018 footprint is reported against a baseline year of 1 December 2016 to 30 November 2017 in absolute terms and on a like-for-like basis.

Environmental metrics methodology (continued)

Waste

Continuing on from last year, we have reported all our operational waste by mass. Measuring waste by mass is a more accurate method of recording waste quantity. Where waste data was only available in volume, we have converted to mass using the BBP Volume to Weight Conversions 2017. This year, we have reported on 66 sites and where waste data is not available, we have not estimated it, as waste movements vary more significantly than metered utilities.

The number of reporting assets has increased from 54 in 2017. Grosvenor Americas accounts for the increase where data collection has increased by nine assets to 31. This has been due to a focus on increasing the waste data coverage in 2018.

In 2018, we have collected construction waste from our development projects for the second year running. This data has been provided directly by the project teams and represents construction waste generated during the reporting year.

Environmental metrics adviser’s statement

Carbon Credentials has continued to lead Grosvenor’s global sustainability data management programme in 2018. Building on the data collection process that was deployed across Grosvenor’s global portfolio in 2017, Carbon Credentials has supported the continuing maturity of this programme as it has become fully embedded in everyday practice. Throughout the year, Carbon Credentials has collated and validated Grosvenor’s energy, business travel, greenhouse gas emissions, water and waste data. For this report, all data has been prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and European Public Real Estate Association (‘EPRA’) Guidelines.

As the programme has evolved throughout the year, the dissemination of performance data and engagement at a property level has led to more effective energy management of assets. Continual sharing of best practice is a significant focus for the programme and has helped to ensure all assets within the portfolio have considered potential saving opportunities. The contextual information gathered at the asset level has led to greater insight at Operating Company level, equipping management with the information to make effective decisions and the structure to execute in a timely manner.

Data has continued to be collected directly from utility providers which has reduced the risk of data handling errors and provides greater confidence in reporting an accurate representation of Grosvenor’s footprint and impact. These efforts have resulted in a reduced estimation percentage year-on-year for the second year running with 3% being estimated in 2018 compared to 8% in 2017 for energy. The data collected was subject to Carbon Credentials’ rigorous data validation process before being passed on to the site teams for commentary on a quarterly basis. This ensures that the data has the right checks and balances in place to ensure the highest possible level of data quality.

The weather in 2018 has had a significant impact on consumption. Despite a continued effort to improve the energy performance in each Operating Company, the increased heating and cooling demand has led to a year-on-year increase, with assets in Sweden and Washington DC being hit the hardest. These factors have led to a 3.5% increase in Group like-for-like energy consumption for landlord-shared services. Despite this impact, there have been a number of successful energy projects, referenced in full on page 3.

Heating and Cooling Degree Days are tracked as a part of the quarterly reporting process to give context to the impact of the weather on asset level performance. Degree days are a measure of how much (in degrees), and for how long (in days), the outside air temperature was below, for Heating Degree Days, or above, for Cooling Degree Days, 15.5°C. For example, when the weather is colder, indicated by the number of Heating Degree Days, more natural gas is required to heat an asset and conversely when the weather is warmer, indicated by the number of Cooling Degree Days, more electricity is required to cool an asset. When comparing Heating Degree Days in 2018 against 2017, the total number was 19% higher in Washington DC and 6% higher in London which means it was colder in 2018. When comparing Cooling Degree Days in 2018 against 2017, the total number was 3% higher in Washington DC and 65% higher in London which means it was hotter in 2018.

In 2018, there has been a focus on increasing the visibility of asset performance for building managers and embedding a structured framework for effectively delivering energy savings and sharing best practice in each region. This focus will continue in 2019 to build upon the successes of the programme to date.

Joe Pigott
Associate Director, Carbon Credentials Energy Services

Environmental metrics independent adviser's statement

Independent assurance statement by Deloitte LLP to Grosvenor Group Limited ('Grosvenor') on selected environmental indicators for inclusion in the 2018 Review and the 2018 Non-Financial Data Report.

Scope of our work

Grosvenor Group Limited ('Grosvenor') engaged us to provide limited assurance on the following selected key performance data for inclusion in the 2018 Review and the 2018 Non-Financial Data Report:

Carbon

- Absolute carbon emissions (Scopes 1 and 2) (tCO_2e)
- Absolute carbon emissions (Scope 3) (tCO_2e)

Energy

- Total energy consumption (MWh)
- Total electricity consumption (MWh)
- Total natural gas consumption (MWh)
- Like-for-like energy consumption (MWh)

Water

- Total water consumption (m^3)
- Like-for-like water consumption (m^3)

Waste

- Total waste (metric tonnes)

Our assurance opinion

Based on the assurance work performed we have concluded that for the indicators described in the scope of our work, nothing has come to our attention that causes us to believe that the indicators have not been prepared, in all material respects, in accordance with Grosvenor's Reporting Criteria, as disclosed on page 10 of the 2018 Non-Financial Data Report.

Basis of our work and level of assurance

We carried out limited assurance on the selected key performance indicators in accordance with the International Standard on Assurance Engagements 3000 (Revised) ('ISAE 3000'). To achieve limited assurance the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. This is designed to give a similar level of assurance to that obtained in the review of interim financial information. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limited assurance procedures performed

To form our conclusions we undertook the following procedures:

- Interviewed the Group Sustainability Team to understand the governance and review process for data management and collection, the expectations around reporting, the progress made on prior year assurance findings, the review and challenge made internally over the data and expectations of year end performance given the understanding of the operations during the year;
- Interviewed key personnel involved in the data collection, management and reporting processes, including how the information is captured at site level and how this feeds up to business level and to Group;
- Performed testing to corroborate the results of these interviews, including seeking supporting evidence for the statements made, such as a group structure that reflects the proposed boundary, documentation of reporting processes, minutes of relevant meetings, and communications with Property and Asset Managers; and
- Understood, analysed and tested on a non-statistical sample basis the key structures, systems, processes, procedures and controls related to the collation, validation and reporting of sustainability performance data.

Environmental metrics independent adviser's statement (continued)

Responsibilities of Directors and independent assurance provider

Grosvenor's responsibilities

The Directors are responsible for the preparation of the 2018 Review, the 2018 Non-Financial Data Report and for the information and statements contained within them. They are responsible for determining the sustainability targets and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte's responsibilities, independence and team competencies

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Federation of Accountants' *Code of Ethics for Professional Accountants* in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the 2018 Review and the 2018 Non-Financial Data Report. The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have confirmed to Grosvenor that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

Our team consisted of a combination of Chartered Accountants with professional assurance qualifications and professionals with a combination of environmental, CR and stakeholder engagement experience, including many years' experience in providing corporate responsibility report assurance.

Our responsibility is to independently express conclusions on the subject matters as defined within the scope of work above to Grosvenor in accordance with our letter of engagement. Our work has been undertaken so that we might state to the Firm those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Grosvenor for our work, for this report, or for the conclusions we have formed.

Deloitte LLP
London, United Kingdom

Deloitte LLP

Mike Barber
Partner | Deloitte LLP

22 March 2019

Socio-economic metrics methodology

One of our three strategic objectives is to:

"Earn a reputation for quality, integrity, social leadership and responsibility."

To help evidence how our work supports this goal, we continue to report a number of robust metrics.

These are outlined on pages 10 and 11 of our 2018 Review. The methodology behind them is explained below.

All data is for the period 1 January 2018 to 31 December 2018, unless otherwise stated. All data was collected in local currency, and the closing foreign currency exchange rate at 31 December 2018 has been applied. Any 2017 and earlier numbers have been rolled forward from the 2017 Annual Review. The data has not been adjusted for inflation. The data has been collected from a number of sources including: general ledgers, property management systems, and manual collation. A central team has reviewed all figures for robustness. The data is not subject to audit.

The following pages give more detail behind each metric and the data collection methods used. We outline data sources, any scope limitations and key assumptions or estimations made where applicable.

Operational Highlights

Re: pages 10-11, 2018 Review

Like-for-like energy and water results published since 2010

These are the results we have published each year in our Environment Reviews and subsequently in our Annual Reviews since 2010. They do not take into account any re–stated data or amends in our methodology as we do not recalculate the like-for-like results for historic years.

Please refer to pages 2 and 5 of this report.

Connectivity

"100% of our properties are within a 15-minute walk of public transport connections promoting walkability and more vibrant places."

For metrics regarding our property portfolio, we have reported data for all assets where we have a proprietary interest, or operational or management control. This comprises our directly-owned assets via our Operating Companies, including those we share the ownership of with a joint venture partner, and assets Grosvenor Europe manage on behalf of investors, including Grosvenor Group. Our figures do not include properties of the companies we invest in via our Indirect Investment portfolio.

Green space

"The number of hectares of green space we look after in our international portfolio remained constant in 2018 and equivalent to 3,983 tennis courts."

This is the total of all green space related to assets we manage and comprises the number of hectares of various types of green spaces. This includes: green roofs, managed gardens and squares, country parks (outside of the London estate), and areas of significant planting. These are based on the entire footprint, so this includes footpaths for example.

Where the amount of green space is not detailed on the plans of an asset or development, an estimate of the percentage of green space has been applied to the overall plot size. All these areas are designated as green space and we have no plans to build upon them.

Public realm

"We improved the quality of public realm, spending a total of £31m over and above planning requirements since 2010."

This metric includes all spaces between buildings that can be freely accessed by members of the public. It comprises only outdoor areas, including: roads, parks, squares, pedestrian routes and cycle ways. This public space is government owned, apart from Brown Hart Gardens, London, which sits above an electricity generator plant in which we have proprietary interests.

These figures do not include expenditure required as part of the planning obligations agreed with the local councils.

Community events

"368 community events supported, including 336 that we organised."

Grosvenor-supported events include those we have facilitated, allowed use of Grosvenor–owned land/buildings for, and/or provided a financial contribution towards.

We have classified the event as organised by us if we initiated or co-ordinated the marketing for the event, and provided a substantial amount of the funding. Corporate events which we have merely sponsored have not been included.

Socio-economic metrics methodology (continued)

Charitable donations

"£4.8m charitable donations."

At Grosvenor, we strive to make a positive difference to the communities in which we work.

One way that we do this is through our philanthropic activities, fundraising and volunteering efforts to support local charities, organisations and causes to bring about sustainable change.

Grosvenor Group primarily contributes to the Westminster Foundation, a grant-making foundation which manages the philanthropic activities of the Duke of Westminster, the Grosvenor family and the Grosvenor Estate in the UK. In 2018, the Group paid a total of £2.6m (2017: £2.5m) to charitable causes via the Westminster Foundation. The Grosvenor Group contributed £2.2m (2017: £1.7m) directly to other charities.

Each of the Grosvenor Group Limited Operating Companies contributes a percentage of equity to charity every year. Grosvenor Britain & Ireland, Grosvenor Asia Pacific and Grosvenor Europe channel the majority of their giving via The Westminster Foundation. Grosvenor Americas organises its charitable giving independently from The Westminster Foundation.

Through our international network, our Operating Companies also (exclusively by Grosvenor Americas) provide direct financial support to charities, selected by our offices and in locations where we commit to third-party managed investments.

Included in the £2.2m is the value determined for the use of 70 Grosvenor Street, Mayfair, our London office, as an event space for charitable events. Each year, the cost of holding an event in Mayfair is researched and applied to the number of events held by charities at 70 Grosvenor Street.

Furthermore, in South Belgravia, a portfolio of approximately 20,000 sq. ft. of office space accommodates around 20 charities in small office units. This portfolio is managed by Grosvenor Britain & Ireland and each charity receives a contribution, typically amounting to 50% of its rent, from the Westminster Foundation. This is funded by the Group and in 2018 totalled £550,000. These charities tell us that they find the central location very helpful and their presence in the portfolio enables us to develop constructive longer-term relationships with them.

Glossary

Absolute carbon emissions
Total tonnes of carbon emissions attributable to Grosvenor's directly-owned and managed properties for a 12-month period.

Better Building Partnership ('BBP')
The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock.

Carbon footprint
A measure of the amount of carbon dioxide, and equivalent greenhouse gases, emitted by Grosvenor's activities during a 12-month period.

DEFRA
The UK Government Department for Environment, Food & Rural Affairs.

Directly-managed
Properties under Grosvenor's operational control, where Grosvenor is responsible for procuring the utilities and/or waste collection. Our properties are either internally or externally managed. This does not include minority interests in joint ventures, indirect investments or properties with full repairing and insuring leases (where the tenant is responsible for utility procurement and waste collection). This is in line with the Greenhouse Gas Protocol.

EPRA
European Public Real Estate Association, an industry body that has published best practice sustainability reporting guidelines.

Global Reporting Initiative ('GRI')
This is a non-profit international organisation, associated with the United Nations, that promotes economic, environmental, social and governance reporting through providing a comprehensive framework.

Greenhouse Gas ('GHG') Protocol
International best practice accounting tool for greenhouse gas emissions.

Greenhouse Gas
A gas in the atmosphere that contributes towards global warming.

Grosvenor Group
Grosvenor Group Limited and its wholly-owned subsidiaries.

Like-for-like
A comparison of assets that have been in our management control for at least two years.

London estate
Grosvenor's portfolio of office, retail and residential properties in the Mayfair and Belgravia areas of London's West End.

Operating Companies
Grosvenor's four regional investment and development businesses: Grosvenor Britain & Ireland, Grosvenor Americas, Grosvenor Asia Pacific and Grosvenor Europe.

Renewable energy
Energy that comes from resources which are continually replenished such as sunlight, wind, rain, tides, waves and geothermal heat.

tCO_2e
Tonnes of carbon dioxide emissions. This is the best practice metric for measuring a carbon footprint and aligns with the Greenhouse Gas Protocol.

Waste footprint
The volume or mass of waste produced by Grosvenor's activities during 2018.