



2017 Non-Financial Data Report



In addition to the information contained in this 2017 Non-Financial Data Report, you can download our 2017 Review and the 2017 Financial Statements to find out more about our progress during the year.

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Introduction

This document provides further information on the data published in Grosvenor's 2017 Review. This report is split into two parts: the first, on pages 2-13, provides the results and methodology for the environmental metrics that we have been reporting on since 2010; the second section, on pages 14-15, sets out the results and methodology for our chosen socio-economic metrics, first introduced in our 2015 reports.

This is the eighth 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 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 it 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 2017, this totalled 362, out of the 1,531 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 707 tenanted units have been retrofitted since 2013, saving an estimated 4,000 tonnes of carbon. We are working towards incorporating this into our results in this document 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 new 'scope 2 dual reporting requirements'. This follows the new 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 renewable energy procurement and generation, 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 new metrics highlighted throughout our 2017 Review, in addition to those reported on page 9, which demonstrate our Group Strategic aim "to uphold Grosvenor's reputation for quality, integrity and social responsibility".

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

- Whether it is material to our business activity in 2017.
- 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' philosophy 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.

We invite feedback on our reporting. This can be sent to: sustainability@grosvenor.com.

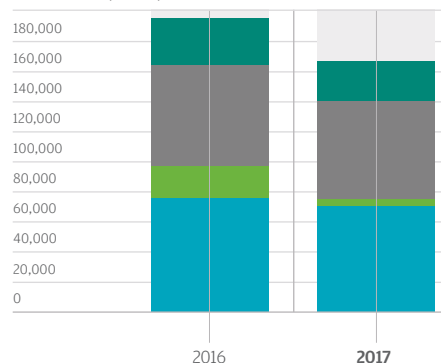
Energy consumption

Energy consumption

In 2017, we reduced our like-for-like energy consumption for the eighth consecutive year (since our records began), this time by 4%.

Performance in focus	Absolute energy consumption					Like-for-like energy consumption			
	2016 MWh	2016 Properties	2017 MWh	2017 Properties	Change %	2016 MWh	2017 MWh	2017 Properties	Change %
Grosvenor Britain & Ireland	27,462	252	23,567	305	(14)%	18,131	17,390	196	(4)%
Grosvenor Americas	60,741	49	58,349	42	(4)%	46,136	43,342	33	(6)%
Grosvenor Asia Pacific	19,090	4	4,353	3	(77)%	1,002	1,007	2	0%
Grosvenor Europe	67,546	15	62,944	12	(7)%	61,239	60,007	8	(2)%
Grosvenor Group total	174,839	320	149,213	362	(15)%	126,509	121,746	239	(4)%

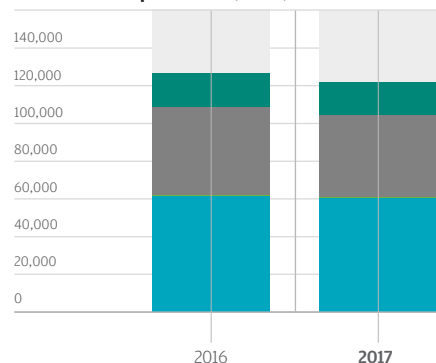
Absolute (MWh)



Absolute energy use

	2016	2017
Grosvenor Britain & Ireland	27,462	23,567
Grosvenor Americas	60,741	58,349
Grosvenor Asia Pacific	19,090	4,353
Grosvenor Europe	67,546	62,944
Totals	174,839	149,213

Like-for-like portfolio (MWh)



Like-for-like energy consumption

	2016	2017
Grosvenor Britain & Ireland	18,131	17,390
Grosvenor Americas	46,136	43,342
Grosvenor Asia Pacific	1,002	1,007
Grosvenor Europe	61,239	60,007
Totals	126,509	121,746

Commentary

Our like-for-like performance reduced across the portfolio in 2017 by 4%, demonstrating our active energy management on properties that we have held in our portfolio during 2016 and 2017.

Within our Grosvenor Britain & Ireland portfolio, we have undertaken a number of refurbishment projects on our key assets. Most notably, 110 Buckingham Palace Road has reduced its energy consumption by 19% due to the installation of a new and more efficient boiler.

In Grosvenor Americas, the upgrades to heating and ventilation systems continued from 2016, with 1500 K Street in Washington DC demonstrating further year-on-year energy savings of 19%. 1500 K Street is a sizeable asset accounting for 12% of our absolute energy consumption in Grosvenor Americas. Eight out of the top 10 consuming assets in Grosvenor Americas all reduced their consumption due to better management and upgraded equipment.

In Grosvenor Europe, Belgrave House reduced energy consumption by 16% due to data analysis on the building management system and to optimising the plant running times.

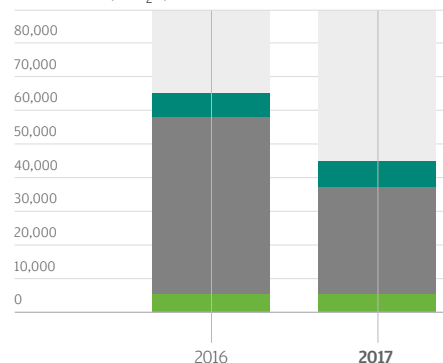
Our total impact has also reduced in 2017, with an absolute reduction across the portfolio of 15%. The sale of a number of high consuming assets has had a significant impact, most notably in Grosvenor Asia, with the sale of Parkside Plaza, Shanghai, a 126,000 sq m shopping centre, consuming nearly 18,000 MWh.

Carbon emissions

Carbon emissions

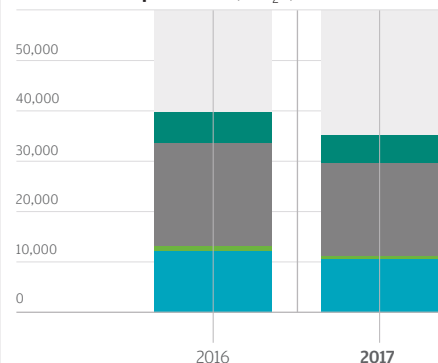
In 2017, we reduced our like-for-like carbon emissions for the eighth consecutive year, this time by 12%.

Performance in focus	Absolute carbon emissions					Like-for-like carbon emissions			
	2016 tCO ₂ e	2016 Properties	2017 tCO ₂ e	2017 Properties	Change %	2016 tCO ₂ e	2017 tCO ₂ e	2017 Properties	Change %
Grosvenor Britain & Ireland	10,037	252	7,665	305	(24)%	6,204	5,425	196	(13)%
Grosvenor Americas	26,942	49	22,987	42	(15)%	20,522	18,456	33	(10)%
Grosvenor Asia Pacific	14,102	4	3,125	3	(78)%	865	656	2	(24)%
Grosvenor Europe	14,175	15	11,365	12	(20)%	12,247	10,556	8	(14)%
Grosvenor Group total*	65,256	320	45,143	362	(31)%	39,838	35,092	239	(12)%

Absolute (tCO₂e)

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

	2016	2017
Scope 3	7,079	7,706
Scope 2	52,697	32,099
Scope 1	5,480	5,338
Totals	65,256	45,143

Like-for-like portfolio (tCO₂e)

Like-for-like carbon emissions

	2016	2017
Grosvenor Britain & Ireland	6,204	5,425
Grosvenor Americas	20,522	18,456
Grosvenor Asia Pacific	865	656
Grosvenor Europe	12,247	10,556
Totals	39,838	35,092

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 1,260 tCO₂e in 2017, and 1,357 tCO₂e in 2016. 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 – see page 4.

Our reduction in like-for-like carbon emissions is a reflection of our reduction in energy consumption across the Group. It also reflects the decarbonisation of national grids in which we operate. The carbon emissions in the UK grid, in particular, has reduced by 15% since 2016 as a result of using less coal to produce electricity. This has had a positive result on our carbon impact in Grosvenor Britain & Ireland, reducing it by 13%.

The number of properties that we have reported on in 2017 is 362 compared to 320 reported in 2016. Despite this increase in number of properties, our total carbon footprint has decreased by 31% reflecting not only the cleaner grid mix but also the change in portfolio make-up with larger consuming assets being replaced by smaller less energy intensive properties.

We have re-stated our 2016 results to minimise estimated data and through improved accuracies to sub-metered data. Also, we have been able to incorporate more scope 3 data into our scope 2 results, taking more ownership of these changes.

Carbon emissions continued

Impact of our renewable electricity consumption on our carbon emissions

In 2017, our renewable electricity consumption reduced our 'scope 2' carbon emissions by 27%.

Performance in focus	Scope 2 GHG emissions from purchased electricity	
	2017 Location-based method emissions (tCO ₂ e)	2017 Market-based method emissions (tCO ₂ e)
Grosvenor Britain & Ireland	4,094	-
Grosvenor Americas	17,677	20,703
Grosvenor Asia Pacific	543	543
Grosvenor Europe	9,785	2,163
Grosvenor Group total	32,099	23,409
Carbon reduction from renewable electricity		(27)%

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, its 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 2017, we continued to report carbon emissions from electricity using both methods. For UK properties held by Grosvenor Britain & Ireland and Grosvenor Europe where we 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 the 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 (%) 2017	
On-site renewable	0.4
100% renewable tariff	12
Supplier specific tariff	14
Residual mix	73
Total	100

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. We have continued to focus our efforts on increasing the amount of renewable energy generated on site, such as the installation of additional solar panels at Belgrave House, London, in Q4 2017.

Grosvenor Britain & Ireland procure 100% renewable electricity for all properties under their direct control.

Water consumption

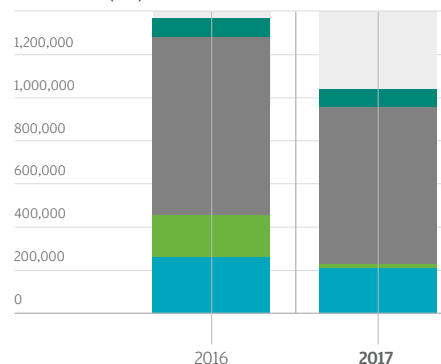
Water consumption

In 2017, our like-for-like water consumption decreased 5%.

Performance in focus

	Absolute water consumption					Like-for-like water consumption			
	2016 m³	2016 Properties	2017 m³	2017 Properties	Change %	2016 m³	2017 m³	2017 Properties	Change %
Grosvenor Britain & Ireland	88,015	98	85,732	90	(3)%	60,699	56,810	53	(6)%
Grosvenor Americas	826,001	51	728,311	50	(12)%	511,134	489,673	38	(4)%
Grosvenor Asia Pacific	192,319	4	14,049	3	(93)%	3,053	3,025	2	(1)%
Grosvenor Europe	262,034	14	210,097	12	(20)%	106,137	100,699	6	(5)%
Grosvenor Group total	1,368,368	167	1,038,189	155	(24)%	681,023	650,206	99	(5)%

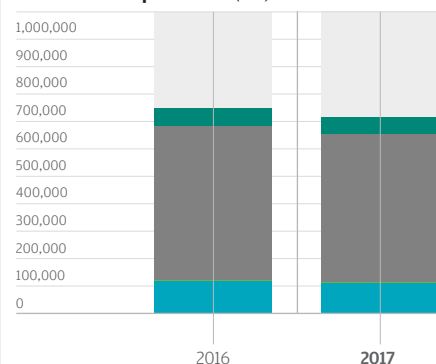
Absolute (m³)



Absolute water consumption

	2016	2017
Grosvenor Britain & Ireland	88,015	85,732
Grosvenor Americas	826,001	728,311
Grosvenor Asia Pacific	192,319	14,049
Grosvenor Europe	262,034	210,097
Totals	1,368,368	1,038,189

Like-for-like portfolio (m³)



Like-for-like water consumption

	2016	2017
Grosvenor Britain & Ireland	60,699	56,810
Grosvenor Americas	511,134	489,673
Grosvenor Asia Pacific	3,053	3,025
Grosvenor Europe	106,137	100,699
Totals	681,023	650,206

Commentary

Like-for-like water consumption has decreased at Group level by 5% from both water efficiency measures and reduced occupancy. Grosvenor Europe reduced its water consumption by 5%, most notably at Liverpool One, where a reduction of over 30% was achieved by utilising more water-efficient cleaning machines. In Grosvenor Americas, water reductions have been made by better control of the landscape irrigation and management of on-site water features. Grosvenor Britain & Ireland has reduced water consumption by 6% partly through continued installation of more water-efficient boilers, notably at 110 Buckingham Palace Road, London, a large office building, and through water conservation measures in the amenities at our largest occupied office, 70 Grosvenor Street, London.

Absolute water consumption for the portfolio has decreased significantly by 24%. In part, this is due to the water efficiency measures being undertaken but has been predominantly affected by the sale of Parkside Plaza in Shanghai. As a result of a number of sales across the Group, the number of properties reporting on water has decreased since 2016, which is in line with expectation.

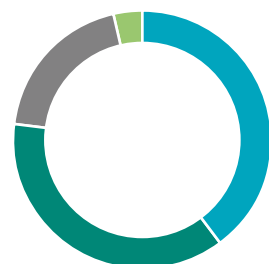
Due to the nature of billing cycles for water, typically received on a six-monthly basis, estimation for water data is higher than that for energy. For the 2017 results, we have estimated for 19% of our total water footprint.

Waste disposal

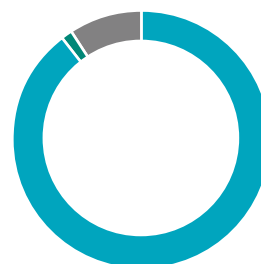
Waste disposal

In 2017, we diverted 81% of operational waste from landfill. We also extended our reporting to centrally measure construction waste, of which 91% was diverted from landfill.

Performance in focus	Operational Waste footprint by mass			Construction Waste footprint by mass		
	2017 Footprint by mass (metric tonnes)	2017 Properties	2017 Waste diverted from landfill % (mass)	2017 Footprint by volume (metric tonnes)	2017 Properties	2017 Waste diverted from landfill % (mass)
Grosvenor Britain & Ireland	1,568	27	100%	1,944	8	99%
Grosvenor Americas	2,689	22	40%	2,265	5	84%
Grosvenor Asia Pacific	-	-	-	-	-	-
Grosvenor Europe	4,161	5	100%	-	-	-
Grosvenor Group total	8,418	54	81%	4,209	13	91%



Operational waste footprint by mass (metric tonnes)		2017
Recycled		3,360
Incinerated (with energy recovery)		3,138
Landfill		1,625
Composted		295
Total		8,418



Construction waste footprint by mass (metric tonnes)		2017
Recycled		3,775
Incinerated (with energy recovery)		57
Landfill		378
Total		4,209

In 2017, the Managing Agents' Partnership of UK's Better Building Partnership (BBP) 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 mass is a more accurate method and allows for greater comparability across our regions.

For the first time this year, we also increased our coverage of waste reporting to include construction waste. 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 13 of our major projects across Grosvenor Britain & Ireland and Grosvenor Americas.

Combining our results for operational (81%) and construction waste (91%), our overall percentage of waste diverted from landfill is 84%.

Commentary

Operational Waste

GBI – Fewer sites are reported compared with last year due to some instances of double counting in 2016 and inclusion of tenant waste streams in the numbers. The volume has increased dramatically as a result of the improved data quality rather than any activity at site.

GA – Some regions in North America report on waste by volume. This year, we converted all volume data into mass utilising the recently released conversion factors by the BBP.

GEurope – We have increased our data coverage to include three Swedish shopping centres so we have a higher coverage and subsequently higher mass of waste.

We continue to have no landlord control over operational waste in GAsia.

Construction Waste

We have also collected construction waste for the first time in GBI and GA – this has been provided by the Sustainability Leaders of each region from their project teams.

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		2016	2017	
Energy	Elec-Abs, Elec-LFL	Electricity	for landlord shared services	MWh	123,234	97,849	
			(sub)metered exclusively to tenants		1,555	1,487	
			Total landlord-obtained electricity		124,789	99,335	
	DH&C-Abs, DH&C-LFL	District heating and cooling	for landlord shared services		22,261	22,805	
			(sub)metered exclusively to tenants		-	-	
			Total landlord-obtained district heating and cooling		22,261	22,805	
	Fuels-Abs, Fuels-LFL	Fuels	for landlord shared services		29,344	28,559	
			(sub)metered exclusively to tenants		7	50	
			Total landlord-obtained fuels		29,350	28,609	
	No. of applicable properties		Energy and associated GHG disclosure coverage		320	362	
%		Proportion of energy and associated GHG estimated		11%	8%		
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1	tonnes (CO ₂ e)	5,480	5,338	
			Scope 2		52,697	32,099	
	GHG-Indir-Abs, GHG-Indir-LfL	Indirect	Scope 3*		7,079	7,706	
Water	Water-Abs, Water LfL	Water	for landlord shared services	cubic metres (m ³)	1,368,368	1,038,189	
			(sub)metered exclusively to tenants		4,192	40,546	
			Total landlord-obtained water		1,372,560	1,078,735	
	No. of applicable properties		Water disclosure coverage		167	155	
	%		Proportion of water estimated		0.6%	19%	

* 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	2016	2017
Energy	Energy-Int	Building energy intensity	kWh/m ² /year	190	186
Greenhouse gas emissions	GHG-Int	Greenhouse gas intensity	kg CO ₂ e/m ² /year	53	48
Water	Water-Int	Building water intensity	m ³ /m ² /year	1.18	1.36

Directly-managed properties – waste measures

Impact area	EPRA code	Indicator	Units of measurement	2016	2017
Waste (landlord-handled)	Waste-Abs	Waste by disposal route	metric tonnes	6,308	8,418
		Composted/anaerobic digestion		-	4%
		Recycled		25%	40%
		Off-site Materials Recovery Facility		65%	-
		Incineration with energy recovery	proportion by weight (%)	7%	37%
		Incineration with no energy recovery		-	-
		Hazardous waste treatment facility		-	-
		Landfill		3%	19%
		Waste disclosure coverage	No. of applicable properties	62	54

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 2016 calculations, we have excluded 45 properties and in the 2017 calculations we have excluded 42 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		2016	2017	
Energy	Elec-Abs, Elec-LFL	Electricity	for landlord shared services	MWh	316	350	
			(sub)metered exclusively to tenants		-	-	
			Total landlord-obtained electricity		316	350	
	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		90	212	
			(sub)metered exclusively to tenants		-	-	
			Total landlord-obtained fuels		90	212	
	No. of applicable properties		Energy and associated GHG disclosure coverage		11	12	
%		Proportion of energy and associated GHG estimated	4%	15%			
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1*	tonnes carbon dioxide emissions (CO ₂ e)	-	-	
			Scope 2		-	-	
	GHG-Indir-Abs, GHG-Indir-LfL	Indirect	Scope 3**		96	136	
Water	Water-Abs, Water LfL	Water	for landlord shared services	cubic metres (m ³)	1,077	2,305	
			(sub)metered exclusively to tenants		-	-	
			Total landlord-obtained water		1,077	2,305	
	No. of applicable properties		Water disclosure coverage		3	8	
	%		Proportion of water estimated		22%	57%	
Waste (landlord-handled)	Waste-Abs		Waste by disposal route	metric tonnes	12	2	
			Composted/anaerobic digestion		5%	-	
			Recycled	57%	7%		
			Off-site Materials Recovery Facility	proportion by weight (%)	-	-	
			Incineration with energy recovery		11%	-	
			Incineration with no energy recovery		2%	-	
			Hazardous waste treatment facility		-	-	
			Landfill		24%	93%	
	</						

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

* Scope 1 includes refrigerants and owned fleet business travel emissions.

** 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 is to outline Grosvenor Group's performance regarding energy and associated greenhouse gas emissions, water and waste, for the period 1 December 2016 to 30 November 2017. This reporting period is not aligned with our financial reporting period, and other non-financial data, but is designed this way in order to reduce the amount of estimated data, frequently resulting from 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 are 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 included in this analysis, irrespective of when they entered or exited the portfolio, except for those where data quality was a concern. Where data was missing, we applied a consistent estimation methodology. If insufficient data was available for estimation, meaning less than 90 days of the utility data, we excluded the property from the analysis. This year, we were able to report on the absolute energy data of 362 properties, with 8% of the total energy consumption estimated. This year, zero directly-managed properties were excluded from the analysis because they had energy data of questionable quality.

We carried out a similar analysis for water. This year, we were able to report on the absolute water data of 155 properties, with 19% of the total footprint estimated. 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 2015 to 30 November 2017. 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, 239 properties are included in the like-for-like energy and 99 properties in the water analysis.

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 2017 DEFRA emissions factors in order to calculate our carbon footprint, with the exception of non-UK electricity emission factors that are sourced from the 2015 inventory of the International Energy Agency (IEA). Residual mix factors for market-based reporting were sourced from the Association of Issuing Bodies (2016) for Grosvenor Europe and Green-e (2017) for Grosvenor America.

The 2017 footprint is reported against a baseline year of 1 December 2015 to 30 November 2016 in absolute terms and on a like-for-like basis.

Waste

This 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 53 sites and where waste data is not available, we have not estimated it, as waste movements vary more significantly than metered utilities.

In 2017, we have also collected construction waste from our development projects. 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 been instructed in 2017 to support Grosvenor's global sustainability data management programme. Carbon Credentials has deployed a new data collection process across Grosvenor's global portfolio to collate and validate 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.

A core part of the new programme has been the regular dissemination of property level performance data to asset and building managers. This routine reporting has created a feedback loop that has increased the understanding of asset performance and trends at management level. As the programme matures, we expect a greater awareness of asset trends and deployment of on-site energy efficiency measures throughout the portfolio.

In 2017, data has been 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. A comprehensive review has been undertaken of each asset in the portfolio at the meter level, this has resulted in a better understanding of landlord and tenant responsibility and has allowed for data to be captured at the most granular level, increasing the overall data quality. These efforts have resulted in reduced estimation year-on-year with 8% being estimated in 2017 compared with 11% in 2016 for energy.

Portfolio changes in 2017 have had a significant impact on consumption. Each Operating Company has reduced its exposure to significant energy consuming assets accounting for an absolute reduction in Group energy consumption of 15%.

Substantial progress has been made in the first year of this programme; developing direct relationships with Grosvenor suppliers, undertaking comprehensive data integrity checks to improve validation, and engaging regularly with building and asset managers to review asset performance. As the programme evolves over the next year, we recommend a continued focus on increasing the visibility of asset performance for building managers and embedding a structured framework for effectively delivering energy savings in each region.



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 2017 Review and the 2017 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 2017 Review and the 2017 Non-Financial Data Report:

Carbon

- Absolute carbon emissions (Scopes 1 and 2) (tCO₂e)

Energy

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

Water

- Total water consumption (m³)
- Like-for-like water consumption (m³)

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 2017 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.

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.
- 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 2017 Review, the 2017 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 2017 Review and the 2017 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, corporate responsibility 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



Mike Barber

Partner | Deloitte LLP

23 March 2018

Socio-economic metrics methodology

We continue to report metrics in order to evidence how we achieve the strategic objective of Grosvenor Group:

“Earning a reputation for quality, integrity, and social leadership.”

This objective provides direction for activities that are material to our Group and we therefore intend to continue to invest in making this reporting as robust as possible. See page 7 of our 2017 Review for the headline results. As our reporting in this area evolves, we have streamlined the metrics on this page to headline metrics only and have integrated metrics throughout the 2017 Review. We feel that putting the metrics alongside the narrative of the text puts them into better context, and provides quantitative evidence to support our qualitative statements. This methodology covers the headline metrics on page 7, as well as the non-financial metrics pulled out in the pages throughout the 2017 Review, as required.

All data is for the period 1 January 2017 to 31 December 2017, unless otherwise stated. All data was collected in local currency, and the closing foreign currency exchange rate at 31 December 2017 has been applied. Any 2016 and earlier numbers have been rolled forward from the 2016 Annual Review. The data has not been adjusted for inflation. The data has been collected from a number of sources including: human resources’ systems, general ledgers and property management systems, as well as manual collation. A central team have 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.

Demonstrating our impact

Re: page 7, 2017 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.

“Our like-for-like energy use has reduced for the eighth consecutive year (since our records began), this time by 4%. This is equivalent to saving the typical amount of energy used by 267 UK homes.”

This was calculated using the UK Government’s figures available on page 20 of the following document: www.gov.uk/government/uploads/system/uploads/attachment_data/file/573269/ECUK_November_2016.pdf.

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. 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 2017 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 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 current intentions to build upon them.

Public realm

“We improved the quality of public realm, spending a total of £27m 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

“227 community events supported, including 74 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.

In-house training hours

“16 hours of formal training delivered on average per person.”

An in-house training course is defined as commissioned by our learning and development team. It includes courses accessed online as well as delivered in person and it does not include knowledge-sharing lunch-time briefings.

The average hours per employee utilises the total number of employees on payroll, excluding contingent workers. This is 574 people for 2017. The length of each course has been multiplied by the number of scheduled attendees; absences and early leavers have not been taken into account.

Socio-economic metrics methodology continued

Charitable donations

“£4.2m charitable donations.”

These donations are by the Grosvenor Estate, which represents all the business activities of the Grosvenor family, headed by the Duke of Westminster. There are three key elements to it: Grosvenor Group Limited, Wheatheaf Group Limited and the Family Investment Office which manages The Westminster Foundation.

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 their giving via The Westminster Foundation, which is a grant-making foundation representing the charitable interests of the Duke of Westminster, the Grosvenor family and the Grosvenor Estate, including Grosvenor Group Limited. Grosvenor Americas organises its charitable giving independently from The Westminster Foundation.

The Operating Companies also give directly to charities, including Land Aid in the UK, as well as many more internationally.

The Operating Companies give to charities through two further routes. Firstly, Grosvenor Europe's Liverpool fund has a Liverpool ONE Foundation which donates to small, grass-roots organisations across Merseyside, UK, supporting children and young people, education and employability. Secondly, Grosvenor Britain & Ireland set up the Living Communities Fund in 2014 to distribute grants to local community groups and small charities in and around our London estate.

The amount included for the Liverpool ONE Foundation is proportional to Grosvenor Group Limited's equity share of 10% in the Liverpool fund. The figure also includes a donation in-kind for the use of our event by charities for them to host events. Each year, the cost of holding an event in Mayfair is researched and applied to the number of events held by charities at our London office, at 70 Grosvenor Street.

Grosvenor Britain & Ireland

Re: pages 28–33, 2017 Review

Broadband speed

“New download speeds will be 200 times faster than the UK average for our tenants.”

Our new broadband speed available to tenants will be 1 Gigabyte per second for both upload and download. This is over 200 times the UK average upload speed of 4.3 Megabytes per second quoted in a report by OfCom, April 2017. <https://www.ispreview.co.uk/index.php/2017/04/ofcom-2017-study-average-uk-home-broadband-speeds-rise-36-2mbps.html>.

We have rounded down this result to the nearer 100.

Commercial waste recycling

“We have enabled 500+ properties to join our consolidation waste collection programme since 2015, achieving an average recycling rate of 70%.”

Grosvenor Britain & Ireland have worked closely with our waste contractor, ‘first mile’, to encourage occupiers to sign up to its service. On average, 70% of the waste from these commercial occupiers is currently recycled or composted; the remaining is diverted away from landfill.

Grosvenor Americas

Re: pages 37, 2017 Review

Energy-efficient retrofits

“1500 K is performing in the top 25% of energy-efficient commercial buildings in North America.”

ENERGY STAR® is the government-backed symbol for energy-efficient products and practices. The energy efficiency of a property is scored 0–100, and those achieving a score of 75 or over are eligible for the certification.

Homes to be developed

“With a total commitment of C\$400, our Structured Finance Programme has financed the development of 2,156 new homes since 2013.”

This includes all units for Structured Development Finance Programme (SDFP) deals entered into regardless of the project status. The programme provides flexible financing through loans to developers for residential construction projects in our North American markets. The programme is focused on achieving superior returns by partnering with established and up and coming developers to pursue projects in emerging sub-markets.

Grosvenor Asia

Re: page 43, 2017 Review

Neighbourhood research

“We listened to over 600 voices of local residents in our study to understand the rapidly changing Kennedy Town community.”

Full details of this research are available at: <http://www.grosvenor.com/news-views-research/news/2017/grosvenor-asia-pacific-research-reveals-kennedy-to/>.

Grosvenor Europe

Re: page 47, 2017 Review

Sustainability benchmark result

“58% improvement in overall GRESB score since 2012.”

GRESB, the Global Real Estate Sustainability Benchmark, offers a consistent framework for investors to compare key environmental, social and governance (ESG) indicators and related performance metrics across global real estate and infrastructure portfolios. After a rigorous data quality control process, the data is scored with each company, fund and asset receiving a GRESB Score, which is compared against peers in the region and same property type for real estate, and the same region and sector for infrastructure.

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

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.

BREEAM

Building Research Establishment Environmental Assessment Method run by BRE (UK developed). Designed to help construction professionals understand and mitigate the environmental impacts of the developments they design and build, and the assets they manage.

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 & 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.

tCO₂e

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 2017.