GROSVENOR

Non-Financial data Report 2022

Contents

In addition to the information contained in this 2022 Non-Financial Data Report, you can download our 2022 Annual Review and the 2022 Grosvenor Group Limited Financial Statements to find out more about our progress during the year.

Introduction

Our purpose is to deliver lasting commercial, social and environmental benefit – addressing today's needs while taking responsibility for those of future generations.

This translates into five overarching objectives:

Deliver strong commercial results

Improve land, property, places, goods and services

Efficiently use natural resources, restore and enhance the environment

Make a positive impact within communities

Support long-term charitable causes

Go to page 82 of our Annual Review to learn more.

Who are we?

Grosvenor is an international organisation whose activities span urban property, food and agtech, rural estate management and support philanthropic initiatives.

We develop, manage and invest to improve property and places across many of the world's leading cities. In the food and agtech sector our growing investment portfolio includes some of the industry's most innovative businesses working towards a better food system. We manage rural estates and their environmentally sensitive habitats, while supporting charitable initiatives targeted at vulnerable young people.

As a values-led organisation, we strive to live up to the values of integrity, respect and trust – to ensure they are at the foundation of everything we do.

Our purpose is to deliver lasting commercial, social and environmental benefit – addressing today's needs while taking responsibility for those of future generations.

In this Non-Financial Data Report (NFDR), we hope to demonstrate and substantiate the progress we are making around our social and environmental objectives, providing the detail and methodology that sit behind our headline performance. For detail on our commercial performance, please see our Financial Statements and the 2022 Annual Review.

Grosvenor Property

With a track record of over 340 years, we are developers, managers and investors - promoting sustainability within the built environment and enhancing the wellbeing of our customers and communities.

Our property activities are led by two regional Operating Companies in the UK and North America, which invest directly in developing and enhancing places that are dynamic, diverse and well connected. We see these as more resilient through cycles, better able to evolve to meet the needs of customers and ideal platforms from which to diversify our rental income and sectoral mix.

Meanwhile our Diversified Property Investments business backs specialist like-minded local partners who have a clear understanding of the changing demands of real estate in their markets to further diversify our sectoral and regional property exposure.

In 2022, we made the strategic decision in our international urban property business to focus our direct investment activities in the UK and North America, changing our approach in Asia and Europe to invest indirectly, through our Diversified Property Investments business. The assets held by Grosvenor Property Asia and Grosvenor Property Europe in 2022 have been included in this report under the Asia and Europe portfolios. To the extent that we still own assets in these portfolios, we will continue to report the Scope 1 and 2 emissions associated with such investments.

Grosvenor Food & AgTech

In the food and agtech sector our growing investment portfolio includes some of the industry's most innovative businesses that are reshaping food and agriculture around the world – for the better.

We identify entrepreneurs and businesses reshaping how food is produced, distributed, and consumed, helping them lead positive change in a way that enhances human health, the environment and that enables the economic sustainability of farming and food production.

We are one of the longest established investment teams in the sector with a diverse portfolio exposure across sub-sector and stage. Actively managing a portfolio of 28 companies, we support their growth as lead investors and highly engaged board members, helping our companies harness the power of technology and deploy it through innovative business models to deliver lasting solutions that can be deployed at scale.

Grosvenor Rural Estates

We are responsible for the long-term stewardship of three rural estates in the United Kingdom. Working to protect, enhance, and restore sensitive environmental habitats, we seek to improve local property and places, contributing to the economic, social, and environmental wellbeing of our communities.

Philanthropy

Grosvenor's philanthropic activity is largely focused on supporting the Westminster Foundation – an independent organisation representing the charitable activity of the Duke of Westminster and Grosvenor businesses. The Foundation provides long-term sustainable help and direction to children and young people early in life (aged 0-25) through opportunities to thrive, build confidence and raise aspirations. It works closely with organisations which support families, schools and local communities.

In addition, through our international network of operating businesses, we also provide direct financial support to other charities. Aligning with the Westminster Foundation's early intervention focus on children and young people, these are selected by our local teams and within locations where we commit to third-party managed investments.

Introduction

Reporting our results on social and environmental benefit

Overview

Grosvenor Property has continued to evolve its non-financial reporting with metrics highlighted throughout our 2022 Annual Review. In addition to qualitative statements, we aim to incorporate quantitative evidence fitting the following criteria:

- Whether it is material to our business activity in 2022.
- Whether it is of relevance and interest to our stakeholders (surveys are used to inform us on this point).
- Whether it is a significant aspect of our societal impact.
- How viable the data collection is for this and subsequent Annual Reviews.
- Whether it is in alignment with our strategy.

This document provides information on the data published in Grosvenor's 2022 Annual Review in relation to Grosvenor Property. The report is split into two parts. The first, on pages 5-13, provides the results for the environmental metrics that we have been reporting on for over 10 years. The second section, from page 14, sets out the methodology statements for our social and environmental activities. It is clearly indicated whether these metrics relate to Grosvenor as a whole, or Grosvenor Property.

Pages 57 to 60 in the Annual Review set out our Grosvenor-wide decarbonisation strategy which spans the whole range of Grosvenor's activities.

In future, we intend to report on our progress against this strategy as a whole, including Grosvenor Diversified Property Investments, Grosvenor Food & AgTech and Grosvenor Rural Estates.

However, in this report, where 'we' is used, this refers to Grosvenor Property only, unless otherwise stated.

Governance

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, 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.

The data relating to communities is currently gathered by each Operating Company from a number of different sources. We are looking at ways to improve the current process.

Risk management

For the second year running, Grosvenor Group Limited (the legal entity responsible for our urban property assets) has made voluntary environmental risk disclosures using the Task-force for Climate Related Financial Disclosures (TCFD) framework, drawing on scenario analysis performed by Willis Towers Watson and MSCI, and a review completed by PwC assessing our progress by reference to the TCFD framework. These disclosures can be found in the respective Financial Statements.

Environmental metrics methodology

We aim to align 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 local businesses' specific circumstances. The detailed methodology ensures robustness in our published metrics as we continue along this reporting journey.

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.

Appendix A provides our results in the standardised environmental reporting format of the European Public Real Estate Association (EPRA).

SECR

As usual, this year, we have disclosed data under the UK Streamlined Energy and Carbon Reporting (SECR) regulations in both the Grosvenor Group Limited and Grosvenor Limited Financial Statements.

Environmental data: Assurance

For over a decade, we have disclosed and assured our Scope 1 and 2 emissions, as well as the emissions related to our business travel, emissions related to the supply and treatment of water, energy sub-metered by our tenants and electricity and district heat and steam transmission, across our urban property activities. This year is no exception.

We continue to report and assure the electricity, gas and water consumption, as well as operational and construction waste data to ensure transparency and accountability as we strive to meet our carbon reduction targets. We will revisit this as part of our Group carbon strategy work.

Introduction

Strategic Progress in 2022

Group carbon strategy

This year, for the first time, we measured our carbon emissions across the whole Group, including the Rural Estates and Grosvenor Food & Agtech, and prepared a future emissions forecast based on our strategic plans. We worked with each business to develop a carbon strategy, more details of which can be found in the Annual Review, on pages 57 to 60.

Sustainable financing

This year saw the alignment of Grosvenor Property's £1.1bn back-up liquidity facility with our sustainability strategy. The cost of the facility will vary with our achievement of our agreed carbon intensity targets. We also published our Sustainable Finance Framework which sets out how the providers of debt financing can help to deliver our ambitious sustainability strategy.

Social impact

Progress has been made this year to articulate and report our social impact across the Group.

Within our communities, we strive to support economic growth while upholding fair and equal opportunities for all; providing inclusive housing, educational and career opportunities to improve social mobility and enhance wellbeing.

Improving our land, property, places goods and services sees us working to create sustainable urban property and rural estates, while supporting the delivery of a better food system with Grosvenor Food & AgTech.

Specific highlights, such as the launch of our UK property business' People Positive strategy, can be found in the Annual Review on pages 41 to 55 and 72 to 81.

Pages 14 – 16 of this report provide detail on the methodology that support social metrics cited in the Annual Review.

Biodiversity

Our UK property business has committed to a 100% increase in biodiversity across our new developments by 2030. Beyond the direct benefits of reversing biodiversity loss, integrated biodiversity strategies like this support climate resilience, regulating urban heat island effects and mitigating flood risk. Recent successes include a 200% biodiversity increase at our Holbein Gardens development.

Future development

Each year, we review the parameters of our reporting, in order to disclose more accurate, relevant and in-depth data where possible.

As such, it is expected that our report will look different next year, to align with our new Group-wide carbon strategy.

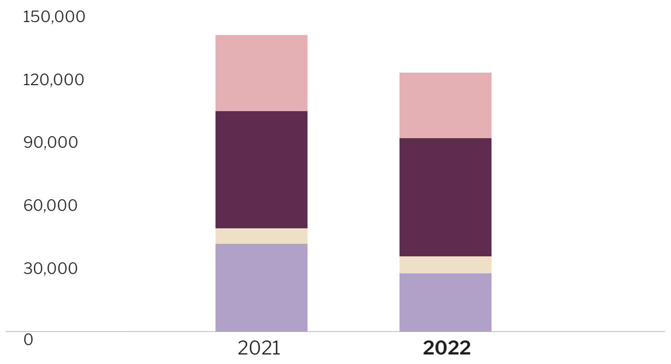
Energy consumption

Operational basis

Performance in focus

	Operational absolute energy consumption					Operational like-for-like energy consumption			
	2021 MWh	2021 properties	**2022 MWh**	**2022 properties**	Change %	2021 MWh	**2022 MWh**	**2022 properties**	Change %
Property UK	36,130	377	**31,132**	**334**	-14%	33,222	**30,774**	**311**	-7%
Property Americas	55,933	45	**56,485**	**37**	1%	53,952	**55,756**	**35**	3%
Asia portfolio	7,359	5	**8,097**	**5**	10%	2,286	**2,288**	**1**	0%
Europe portfolio	41,795	11	**27,598**	**9**	-34%	20,967	**20,227**	**3**	-4%
Grosvenor Property total	141,217	438	**123,312**	**385**	-13%	110,427	**109,045**	**350**	-1%

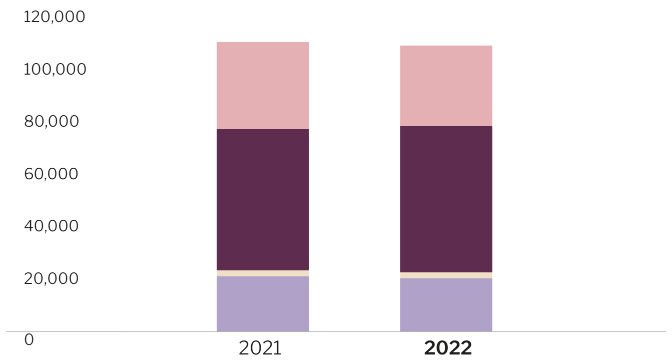
Absolute MWh



Absolute energy use

- Property UK
- Asia portfolio
- Property Americas
- Europe portfolio

Like-for-like portfolio MWh



Like-for-like energy consumption

- Property UK
- Asia portfolio
- Property Americas
- Europe portfolio

Commentary

Grosvenor Property

At Group level, we are pleased to report that our like-for-like energy consumption has decreased by 1% between 2021 and 2022, which is pleasing given that 2022 was the first year of full occupancy following the Covid pandemic.

The early part of the 2021 year still presented some lingering impacts on occupancy levels at non-residential assets following restrictions during the Covid pandemic. This was reflected in reduced consumption. In the second half of 2021 and throughout 2022 we have seen a significant recovery in the occupancy and use of facilities in office and retail properties, which has led to increased consumption.

Despite this, many material assets have avoided occupancy-driven consumption increases due to efficiency measures and renewable energy projects on site. Some of the largest properties, such as Skarholmen Centrum, Sweden, 70-72 Grosvenor Street, London and The Rise, Vancouver, have all performed excellently in 2022, reducing their consumption. This is particularly impressive given that Skarholmen Centrum and 70-72 Grosvenor Street had already achieved large consumption decreases of 8% and 13% in 2021.

-1%

In 2022, our like-for-like energy consumption decreased by 1% from 2021.

Energy consumption: Operational basis

Property UK

Grosvenor Property UK has achieved a like-for-like energy decrease of 7% mainly due to a decrease of 30% in gas consumption. This has been achieved by the removal of gas supplies from properties and the replacement of gas boilers with heat pumps in offices and residential assets.

134-138 Edmund Street, Birmingham, has seen the clearest reduction in consumption, from the second most material property consuming 3,200 MWh per year in 2021 to 1,655 MWh in 2022. While the installation of heat pumps caused a rise in electricity consumption of 11%, overall energy consumption decreased in the period, demonstrating the success of the heat decarbonisation project. This indicates that specific management decisions across the portfolio are having their desired impact on the pathway to net zero.

Grosvenor Property UK's significant absolute emissions reduction can be partially accounted for by several disposals made in 2022, alongside the significant reductions in consumption noted above.

Property Americas

Grosvenor Property Americas has experienced a like-for-like energy consumption increase of 3%, which is a modest increase given the increased occupancy with people returning back to the office post Covid. Four of the five most material assets, which are responsible for 43% of the total like-for-like consumption, all saw moderate increases in consumption of ~4%.

These increases are best explained by increased occupancy and footfall for the full 2022 period for commercial and retail assets versus 2021 which was still impacted by the pandemic.

Asia portfolio

After disposals, only PCCW tower remains in the like-for-like comparisons, which had a consistent consumption from 2021 to 2022.

Nanjing IFC entered the property portfolio in February 2021 so is not included in like-for-like analysis due to not being owned for the full period of comparison.

The absolute increase of 10% can be explained by increased occupancy in Asian assets in 2022 following Covid-related lockdowns in 2021.

Europe portfolio

The Europe portfolio has seen a like-for-like energy decrease of 4% in 2022 compared to 2021. Only three properties are included in like-for-like comparisons; two of these have decreased consumption.

Skarholmen Centrum, Sweden, the highest consuming asset in the portfolio, has decreased its energy consumption by just over 1,000 MWh. This achievement is partially due to the addition of solar roof panels at the property part way through 2022.

MB One, an office in Madrid, saw increased energy consumption due to increased occupancy and a very hot summer which led to increased use of air conditioning units.

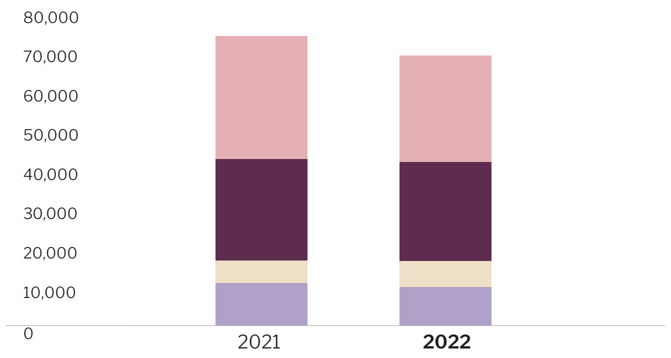
Energy consumption

Equity basis

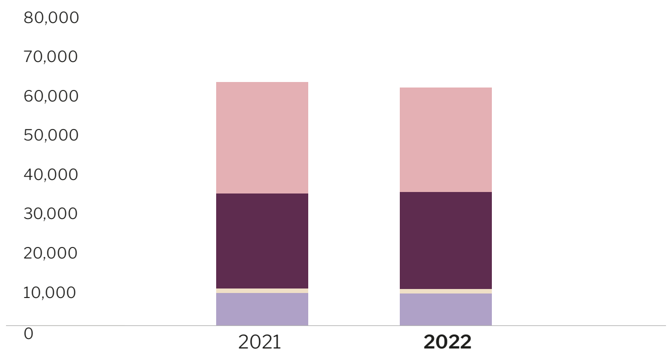
Performance in focus

	Equity absolute energy consumption					Equity like-for-like energy consumption			
	2021 MWh	2021 properties	**2022 MWh**	**2022 properties**	Change %	2021 MWh	**2022 MWh**	**2022 properties**	Change %
Property UK	31,396	377	**27,050**	**334**	-14%	28,488	**26,692**	**311**	-6%
Property Americas	25,898	45	**25,372**	**37**	-2%	24,190	**24,643**	**35**	2%
Asia portfolio	5,783	5	**6,677**	**5**	15%	1,143	**1,144**	**1**	0%
Europe portfolio	10,704	11	**9,681**	**9**	-10%	8,214	**8,124**	**3**	-1%
Grosvenor Property total	73,781	438	**68,780**	**385**	-7%	62,035	**60,603**	**350**	-2%

Absolute MWh



Like-for-like portfolio MWh



Absolute energy use

- Property UK
- Asia portfolio
- Property Americas
- Europe portfolio

Like-for-like energy consumption

- Property UK
- Asia portfolio
- Property Americas
- Europe portfolio

Commentary

As part of our Grosvenor-wide carbon reduction strategy, each Operating Company has set ambitious carbon reduction targets with supporting pathways to net zero. These pathways have been developed on an equity basis reflecting our share of emissions accurately, and more closely aligning with our financial reporting.

While we recognise the challenges of minority ownership in making significant differences to consumption, we also recognise our role in influencing our partners/other investors. For details on our work with our tenants and our supply chain please visit our website.

Across the Group, like-for-like energy consumption has decreased on an equity basis by 2% between 2021 and 2022.

-2%

In 2022, our like-for-like energy consumption decreased by 2% on an equity basis from 2021.

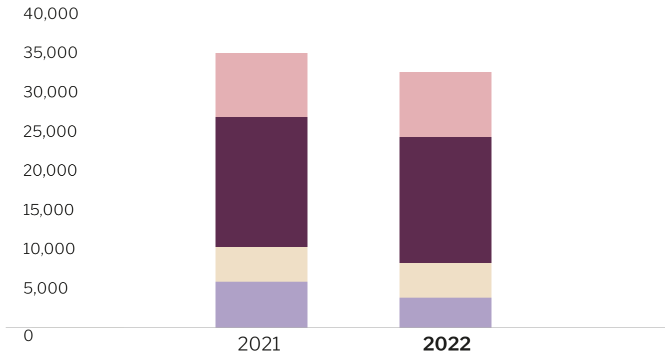
Carbon emissions

Operational basis

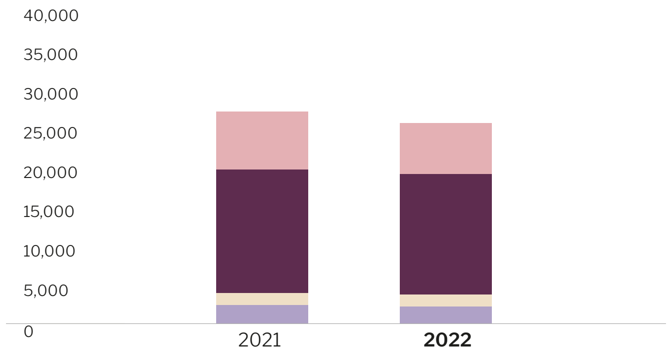
Performance in focus

	Operational absolute carbon emissions					Operational like-for-like carbon emissions			
	2021 tCO₂e	2021 properties	**2022 tCO₂e**	**2022 properties**	Change %	2021 tCO₂e	**2022 tCO₂e**	**2022 properties**	Change %
Property UK	8,130	377	**8,253**	**334**	2%	7,386	**6,512**	**311**	-12%
Property Americas	16,638	45	**16,116**	**37**	-3%	15,787	**15,363**	**35**	-3%
Asia portfolio	4,385	5	**4,427**	**5**	1%	1,502	**1,480**	**1**	-1%
Europe portfolio	5,843	11	**3,793**	**9**	-35%	2,347	**2,162**	**3**	-8%
Grosvenor Property total*	34,996	438	**32,589**	**385**	-7%	27,022	**25,517**	**350**	-6%

Absolute (tCO_2e)



Like-for-like portfolio (tCO_2e)



Absolute carbon emissions

- Property UK
- Asia portfolio
- Property Americas
- Europe portfolio

Like-for-like carbon emissions

- Property UK
- Asia portfolio
- Property Americas
- Europe portfolio

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

	2021 tCO₂e	**2022 tCO₂e**
Scope 3	4,148	**5,690**
Scope 2	25,523	**22,812**
Scope 1	5,325	**4,087**

-6%

On a like-for-like basis, we have reduced our carbon emissions by 6% from 2021.

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. Please see page 10 for market-based emissions calculations.

Absolute carbon emissions include emissions across all three scopes, including Scope 3 emissions from business travel, operational and construction waste. Please see notes for details on what is included in each scope reported.

Like-for-like carbon emissions exclude construction waste and business travel, reporting emissions associated with those assets which have been in our portfolio for a full two year period.

Reductions in 'like-for-like' and 'absolute' carbon emissions reflect reduced energy consumption across our portfolios as well as the decarbonisation of national grids in which we operate. The UK and US grid emissions factors in particular, have reduced by 10% and 8% respectively compared with 2021 as a result of using less fossil fuels to produce electricity.

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 947 tCO_2e in 2022 and 59 tCO_2e in 2021. These results were calculated for the calendar year. The increase is due to a reopening of travel post Covid. Our travel emissions have decreased by 54% from a baseline year of 2019.

Carbon emissions

Equity basis

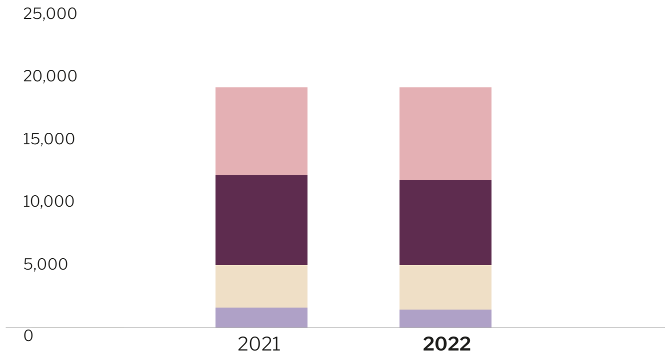
-7%

On a like-for-like basis, we have reduced our carbon emissions by 7% from 2021.

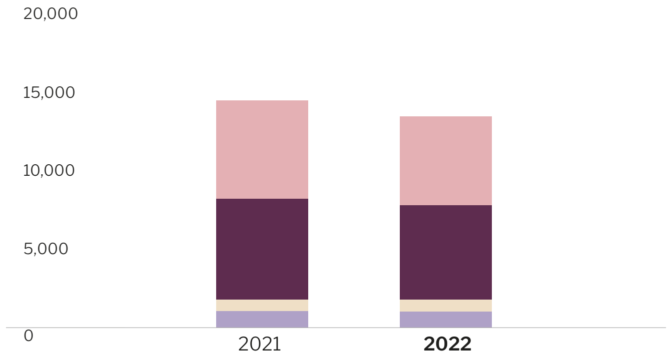
Performance in focus

	Equity absolute carbon emissions					Equity like-for-like carbon emissions			
	2021 tCO_2e	2021 properties	**2022 tCO_2e**	**2022 properties**	Change %	2021 tCO_2e	**2022 tCO_2e**	**2022 properties**	Change %
Property UK	7,019	377	**7,399**	**334**	5%	6,276	**5,657**	**311**	-10%
Property Americas	7,140	45	**6,786**	**37**	-5%	6,410	**6,044**	**35**	-6%
Asia portfolio	3,411	5	**3,548**	**5**	4%	751	**740**	**1**	-1%
Europe portfolio	1,562	11	**1,420**	**9**	-9%	1,031	**1,014**	**3**	-2%
Grosvenor Property total	19,132	438	**19,153**	**385**	0%	14,468	**13,455**	**350**	-7%

Absolute (tCO_2e)



Like-for-like portfolio (tCO_2e)



Absolute carbon emissions

- Property UK
- Asia portfolio
- Property Americas
- Europe portfolio

Like-for-like carbon emissions

- Property UK
- Asia portfolio
- Property Americas
- Europe portfolio

Absolute carbon emissions by scope in accordance with the Greenhouse Gas Protocol	2021 tCO_2e	**2022 tCO_2e**
Scope 3	2,446	**3,935**
Scope 2	11,977	**11,597**
Scope 1	4,709	**3,621**

Commentary

As part of our Grosvenor-wide carbon reduction strategy, each Operating Company has set ambitious carbon reduction targets with supporting pathways to net zero. These pathways have been developed on an equity basis reflecting our share of emissions accurately, and more closely aligning with our financial reporting.

While we recognise the challenges of minority ownership in making significant differences to consumption, we also recognise our role in influencing our partners/other investors. For details on our work with our tenants and our supply chain please visit our website.

Across the Group, like-for-like carbon emissions have decreased on an equity basis by 7% between 2021 and 2022.

Please refer to commentary on page 8 to understand the drivers behind the emissions reductions.

Carbon emissions

Scope 2 GHG emissions from purchased electricity

In line with the Greenhouse Gas Protocol guidance on reporting Scope 2 emissions, 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 reliance on coal, for example, in favour of cleaner energy, the emissions factor improves. The market-based method uses an emissions factor that is specific to the electricity which has been purchased. It takes into account renewable energy we have purchased or generated on-site and is a more accurate reflection of our emissions.

In 2022, we have continued to report carbon emissions from electricity using both methods.

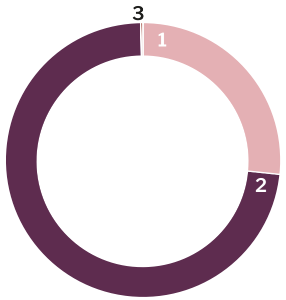
-38%

In 2022, our renewable electricity consumption reduced our Scope 2 carbon emissions by 38%.

Performance in focus

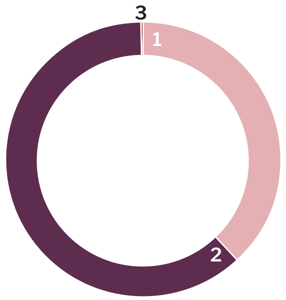
	Scope 2 GHG emissions from purchased electricity			
	Location-based emissions (Operational) (tCO_2e) 2022	Market-based emissions (Operational) (tCO_2e) 2022	Location-based emissions (Equity) (tCO_2e) 2022	Market-based emissions (Equity) (tCO_2e) 2022
Property UK	3,709	44	3,009	10
Property Americas	12,376	8,079	4,493	2,665
Asia portfolio	3,955	3,586	3,116	2,824
Europe portfolio	904	1,224	435	739
Grosvenor Property total	**20,944**	**12,933**	**11,053**	**6,238**
Impact of our renewable energy		-38%		-44%

Grosvenor Property total electricity use by source – Operational basis (%)



	2022
1 100% Renewable tariff	**26.89%**
2 Residual mix	**73.09%**
3 On-site renewable	**0.02%**

Grosvenor Property total electricity use by source – Equity basis (%)



	2022
1 100% Renewable tariff	**38.10%**
2 Residual mix	**61.89%**
3 On-site renewable	**0.01%**

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. In the absence of either supplier or residual-mix factors for our property business in Asia, location-based factors were used.

Commentary

How we purchase and generate our energy materially affects our environmental footprint. Furthermore, the purchase of renewable energy increases demand for this energy source, which in turn should increase supply, reduce prices and increase accessibility, enabling others to purchase this greener energy source. Our UK property business procures 100% renewable electricity for all properties under its direct control and our on-site solar photovoltaic cells installed on Liverpool ONE continue to generate renewable energy. In Europe, renewable electricity is purchased for our shopping centres in Sweden, and generated on-site in our Madrid assets, and at Skarholmen shopping centre.

In North America, all assets in the Washington D.C. and Vancouver areas benefit from renewable energy being purchased by districts, as part of their plans to become fully renewable by 2032. We intend to increase the scope of renewable energy coverage in future years.

Notes:

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

Water consumption

Operational basis

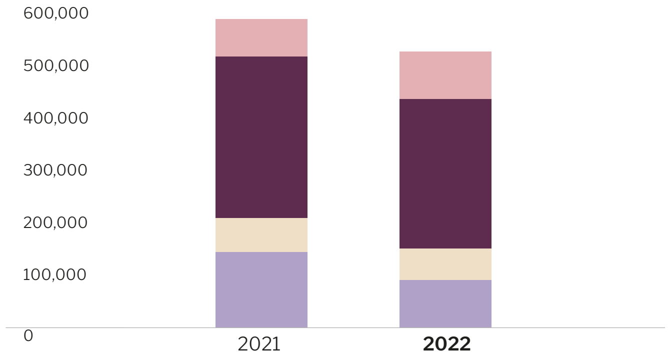
-2%

In 2022, our like-for-like water consumption decreased by 2% from 2021.

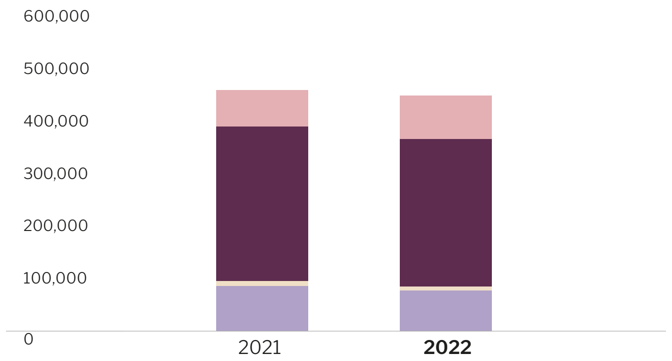
Performance in focus

	Absolute water consumption					Like-for-like water consumption			
	2021 m³	2021 properties	**2022 m³**	**2022 properties**	Change %	2021 m³	**2022 m³**	**2022 properties**	Change %
Property UK	71,628	135	**91,345**	**150**	28%	69,379	**82,805**	**110**	19%
Property Americas	309,478	40	**284,913**	**34**	-8%	296,151	**282,219**	**32**	-5%
Asia portfolio	65,239	5	**61,058**	**5**	-6%	8,625	**7,551**	**1**	-12%
Europe portfolio	143,350	11	**90,221**	**8**	-37%	85,876	**76,862**	**3**	-10%
Grosvenor Property total	589,695	191	**527,537**	**197**	-11%	460,031	**449,437**	**146**	-2%

Absolute (m³)



Like-for-like portfolio (m³)



Absolute water consumption

- Property UK
- Asia portfolio
- Property Americas
- Europe portfolio

Like-for-like water consumption

- Property UK
- Asia portfolio
- Property Americas
- Europe portfolio

Commentary

Grosvenor Property

At Group level, like-for-like water consumption has decreased by 2% between 2021 and 2022. During Q1 2021 there were significant impacts on building occupancy levels due to the varying restrictions in place due to the pandemic. The latter half of 2021 saw a significant recovery in terms of occupancy of facilities in office and retail properties which looks to have understandably increased water consumption, a trend that has largely continued at the more material properties through 2022. Despite this, an overall year-on-year decrease demonstrates that better water efficiency measures across the wider portfolios of Grosvenor Property Americas, Asia and Europe have outweighed any occupancy-driven increases, outlining the excellent performance of more moderate consuming assets in the Group portfolio such as Rice Lake Square, Chicago, Skarholmen Centrum, Sweden, and Liverpool ONE. Further details on Operating Company consumption can be found overleaf.

Water consumption: Operational basis

Property UK

Grosvenor Property UK has seen a like-for-like water increase of 19%. This increase is due to occupancy increases across the portfolio following lower consumption due to Covid in the early months of 2021 and the significant work done throughout the year to replace broken water meters which has increased the accuracy of water consumption through 2022.

The overall increase obscures some impressive water reductions across the portfolio, such as in the highest consuming asset Liverpool ONE which decreased its water consumption by ~10%.

Property Americas

Like-for-like water consumption has decreased by 5% between 2021 and 2022. This decrease was largely driven by Rice Lake Square which saw a 10,000 m^3 decrease. Two of the most material mixed use properties, The Rise, Vancouver, and Chelsea at Juanita Village, Seattle, have seen notable decreases in consumption of ~10% despite returns to normal occupancy levels due to water efficiency efforts made by property managers.

Asia portfolio

Water consumption has decreased by 12% on a like-for-like basis and is entirely driven by PCCW Tower. As with like-for-like energy analysis, Nanjing IFC has been excluded from like-for-like data due to not being owned for the full period of comparison. However, pre-acquisition data shows that Nanjing IFC has a decrease of 3% in 2022 compared to 2021, which is positive as it is by far the most material consumer.

Europe portfolio

Overall, like-for-like water consumption has decreased by 10%. Most of this decrease can be attributed to Skarholmen Centrum, Sweden. In 2022, Skarholmen installed Smartvatten to monitor its water consumption more accurately. Through this process, Grosvenor now has access to accurate and automated meter readings that have highlighted the reason for higher consumption in previous years as being due to supplier estimated data.

Waste

Waste disposal

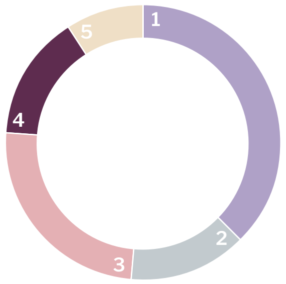
97%

In 2022, we diverted 75% of operational waste and 99% of construction waste from landfill. 97% is the weighted average across operational and construction waste.

Performance in focus

	Operational waste footprint by mass						Construction waste footprint by mass					
	2021 Footprint by mass (metric tonnes)	2021 Properties	2021 Waste diverted from landfill % (mass)	**2022 Footprint by mass (metric tonnes)**	**2022 Properties**	**2022 Waste diverted from landfill % (mass)**	2021 Footprint by mass (metric tonnes)	2021 Properties	2021 Waste diverted from landfill % (mass)	**2022 Footprint by mass (metric tonnes)**	**2022 Properties**	**2022 Waste diverted from landfill % (mass)**
Property UK	3,914	85	100%	**2,229**	**65**	**100%**	6,610	43	99%	**41,445**	**17**	**99%**
Property Americas	3,061	31	60%	**1,404**	**22**	**34%**	2,694	5	85%	**919**	**2**	**89%**
Asia portfolio		–			–		–	–	–	–	–	–
Europe portfolio	1,101	7	100%	**714**	**4**	**80%**	4,692	4	100%	**10,511**	**2**	**96%**
Grosvenor Property total	8,076	123	85%	**4,347**	**91**	**75%**	13,996	52	95%	**52,875**	**21**	**99%**

Operational waste footprint by mass (metric tonnes)



	2022
1 Recycled	**38%**
2 Incinerated (with energy recovery)	**14%**
3 Landfill	**25%**
4 Off-site materials recovery facility	**15%**
5 Composted	**9%**

Commentary

Operational waste

In 2017, the Better Buildings Partnership 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.

Operational waste data has been reported on for 91 properties compared to 123 in 2021. There has been a notable reduction in the number of properties reporting waste data and the weight of waste data that was reported. This is largely down to assets moving out of the portfolio and the ongoing variable nature of getting accurate waste data.

Construction waste

On assets that are not operational but are undergoing either major refurbishment or development, the disposal route of the waste that was generated has been captured. 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 21 of the major projects across the Group. While there has been a reduction in the number of individual projects from the previous year, the overall footprint by mass has increased significantly. This is due to two large development projects in the GPUK portfolio, Cundy Street Flats and the South Molton Triangle mixed-use redevelopment in Mayfair.

Social benefit

Methodology

Beyond respecting the environment and efficiently using natural resources, our purpose seeks to deliver social benefit by improving land, properties, places, goods and services and making a positive impact on our communities.

The following pages provide details of our activities which have helped to deliver social benefit in 2022 and have been reported in the Annual Review. We believe it is important to provide accurate, robust data to demonstrate the work we do and substantiate our commitment to social benefit. Therefore, we have provided details of the methodologies used, outlining data sources, any scope limitations and key assumptions or estimations made where applicable.

All data is for the period 1 January 2022 to 31 December 2022, unless otherwise stated. All data was collected in local currency, and the closing foreign currency exchange rate at 31 December 2022 has been applied. Any 2021 and earlier numbers are rolled forward from the 2021 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. The data is not subject to audit or assurance.

Operational highlights

Improving land, property, goods and services

Urban green space

“We protect and maintain 102 hectares of green space across the Group.

This is the total of all green space related to our urban property portfolio, 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.

Inclusive housing

“486 affordable homes in London have been secured, with the completion of lease between Grosvenor and Peabody Housing Association in 2022.

This metric relates to our UK urban property portfolio and refers specifically to our social housing portfolio in Mayfair and Belgravia. These homes are leased to Peabody Housing Association, and are protected as social housing.

Housing provision

“1,983 homes have been completed in 2022, or are under construction.

This metric refers specifically to our North American property portfolio. In Washington, D.C., City Homes (completed) and Margarite (under construction), are delivering 305 homes, of which 33 will be affordable. A further 163 homes will be delivered through our development at Shattuck (under construction) in Berkeley, CA. Further, through our Structured Development Finance programme, we will deliver a further 1,515 homes in the US and Canada.

Healthy buildings

“32 buildings with a sustainability certificate.

This metric includes assets across our urban property portfolio in the UK and North America, which have been awarded a sustainability certificate to mark their environmental and social credentials. Certifications include WELL, BREEAM and Fitwel.

Social benefit: Methodology

Making a positive impact on communities

Educational and mentoring opportunities

“We supported 194 students this year through our partnership with the Urban Land Institute.

This metric refers to our partnership with the Urban Land Institute and our UK and North American property businesses. It captures the number of students we supported with school visits, work experience, and mentoring programmes.

Commitment to our Supply Chain Principles

“52% of suppliers reporting against our Supply Chain Charter with 38 SMEs on a path to set a science-based target.

This metric refers to suppliers of our UK property business which has a supply chain charter, and runs mentoring programmes for SMEs who are looking to reduce their carbon emissions.

Apprenticeships and internships

“We enjoyed working with 20 apprentices and interns this year.

This metric includes nine apprenticeships on the Rural Estates, eight in our UK property business and three internships in our North American property business.

Social benefit: Methodology

Our people volunteering

“ This year we dedicated 2,000 hours of volunteering to our local communities and charitable partnerships.

This metric includes all volunteering hours captured through team events in the UK and North America, and logged by individuals across all of Grosvenor.

Charitable donations

“ £2.9m charitable donations and over £6m of grants awarded.

In 2022, the Group paid a total of £2.9m (2021: £3.7m) to charitable causes via the Westminster Foundation. Grosvenor contributed a further £0.4m (2021: £0.3m) directly to other charities. Each of the property Operating Companies contributes a percentage of equity to the Westminster Foundation. They are also free to donate to other local organisations. In addition, in 2022, the Westminster Foundation awarded grants of over £6m.

“ £1m charitable donation to cost-of-living emergency fund.

In 2022, the Westminster Foundation created a £1m emergency grants fund, in addition to its usual grant giving programme, to help children and families through the cost-of-living crisis.

Environmental metrics

Methodology

Metrics reported

The metrics reported in this document are:

- Absolute carbon emissions (Scopes 1 & 2) (tCO_2e)
- Absolute carbon emissions (Scope 3) (tCO_2e)
- Absolute carbon emissions intensity (Scope 1 & 2) (tCO_2e/m^2)
- Total energy consumption (MWh)
- Total electricity consumption (MWh)
- Total natural gas consumption (MWh)
- Like-for-like energy consumption (MWh)
- Total water consumption (m^3)
- Like-for-like water consumption (m^3)
- Total waste (metric tonnes)

Scope 1 emissions occur from sources controlled or owned by Grosvenor (e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles).

Scope 2 emissions are those caused indirectly through the energy we purchase and use. These will be reported using the location and market-based methodology and measured.

Scope 1 and 2 emissions fall under landlord control and will be reported using both the operational control and equity share accounting approaches. Where Grosvenor procures energy on behalf of tenants, this is included in our Scope 1 and 2 emissions unless we have the necessary information to split the consumption between landlord consumption and landlord-procured on behalf of tenant. Where we are able to split the consumption, energy procured on behalf of a tenant would fall into Scope 3.

Scope 3 emissions in this report include: emissions from energy that is exclusively sub-metered to tenants; electricity and district heat and steam transmission; emissions from the supply and treatment of water; and business travel (includes flights, rail and taxi journeys).

Reporting period

The reporting period runs from 1 December 2021 to 30 November 2022. The reporting period is shifted back by a month compared to our financial year to allow for as many utility bills to be provided as possible across the portfolio, to improve data quality and reduce the reliance on estimated data. Please note, where the 2021 reporting year is referenced, this relates to 1 December 2020 to 30 November 2021 (previous reporting period), and where the 2022, or current, reporting year is referenced this relates to 1 December 2021 to 30 November 2022.

Regulatory requirements

The metrics reported in this NFDR adhere to the GHG Protocol and satisfy the Streamlined Energy and Carbon Reporting (SECR) and European Public Real Estate Association (EPRA) requirements. As per the SECR requirements, relevant Scope 1 and 2 energy consumption and emissions, along with Scope 3 business travel emissions are reported in the Grosvenor Group Limited and Grosvenor Limited Financial Statements.

As per the GHG Protocol, where more accurate data pertaining to the prior period is received in the current year, prior year figures are recalculated and restated. Should this restatement be deemed significant, explanatory notes will be provided explaining the change. Please see the Restatement section on page 20 for more details.

Boundary and coverage

Following the Greenhouse Gas (GHG) Protocol's 'Operational Control approach', Grosvenor has used the defined organisational boundary to determine which assets to include in this dataset. Data is included from all investment assets that Grosvenor directly controls, i.e. owns or manages, where responsibility is held for the procurement of utilities and/or waste collection. Additionally, data related to the utilities and waste data from any leased occupied offices has been included where this is known.

Data related to our leased occupied offices assets is excluded from our intensity metrics reported in Appendix 1.

All assets held by Grosvenor Diversified Property Investments have been excluded as Grosvenor does not have operational control of these assets and does not have access to environmental data in respect of its investments. Grosvenor Diversified Property Investments is working with investment partners to improve the data sharing between owners and increase access to emissions data. As data quality improves, Grosvenor will increase the scope of its reporting to include Scope 3 emissions related to its GDPI real estate investments.

Environmental metrics: Methodology

Operational and equity basis
Grosvenor discloses its sustainability metrics on both an operational basis and equity basis. The Operational Control approach, in line with NFDR reporting in previous years, accounts for GHG emissions from operations over which Grosvenor has control. In addition, the reporting of metrics on an equity share approach accounts for GHG emissions from operations according to Grosvenor's ownership percentage at an asset level. Due to the nature of Grosvenor's investment model, assets included within the direct control organisational boundary are the same as those reported on an equity basis, as other than in GDPI (which are excluded from this report), either: 1) Grosvenor holds 50% or more of the asset or 2) owns a minority stake, but has management control of the asset which therefore falls into the 'operational control' boundary.

Carbon footprint methodology
Grosvenor's carbon footprint is calculated according to the accounting and reporting principles of the GHG Protocol. The GHG Protocol's defined organisational boundary has been determined using the 'control approach', including for emissions only within our direct control.

In line with GHG Protocol standards, emissions in CO_2 equivalent (CO_2e) are provided on both a location-based and market-based method. The location-based method reflects the average emissions intensity of grids on which energy consumption occurs, principally utilising grid-average emission factor data. The market-based method reflects emissions from electricity based on Grosvenor's procurement of renewable energy, deriving emission factors from contractual instruments. Where no such contracts are in place then residual mix factors specific to the location the property is domiciled have been applied.

Market-based emissions have been stated in line with the GHG Scope 2 reporting hierarchy. Where Grosvenor purchases energy as the landlord and recharges it to tenants on a non-metered basis, this has been reported as Scope 1 and 2 emissions.

Where Grosvenor sub-meters tenant consumption, this has been reported as Scope 3 in line with EPRA guidelines and the 'GHG Protocol Technical Guidance for Calculating Scope 3 Emissions'. Emissions from Grosvenor's corporate business travel are included within the Scope 3 disclosure.

The Defra UK Government GHG Conversion Factors for Company Reporting 2021 (Defra emissions factors 2021) emissions factors have been used 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 2021 inventory (this includes district heating and cooling). Residual mix factors for market-based reporting were sourced from the Association of Issuing Bodies (2021) for the Europe portfolio and Green-e (2022) for Grosvenor Property Americas.

Data collection
Grosvenor collects data direct from its contracted utility suppliers (electricity, gas, water), appointed haulers (operational waste) and contractors (construction waste), and is reliant upon this information from them for data completeness and accuracy. Data is hosted on the Envizi data platform and managed by Verco, the appointed environmental and sustainability consultant.

Data collected will be from one of the following sources: actual meter readings and supplier estimates accrued by the Envizi platform. Where no data is available, Envizi accrues data based on the most recent prior period. For example, if a meter is broken and no data is uploaded for March 2022, Envizi will accrue gas usage based on March 2021 data – this will henceforth be referred to as the Envizi accrual system. The most accurate data source is always selected (e.g. meter readings over invoices using estimates), and where appropriate, reasons for the use of accrued data will be investigated by property teams and replaced by more accurate data once the issue has been resolved. Where over 275 days of data has been accrued by Envizi, this will be excluded from the reported data in the NFDR (absolute and like-for-like), on the basis that this data cannot be verified.

Data collection routes vary across the regional Operating Companies. For Grosvenor Property UK and the Europe portfolio energy and water data is obtained through Metry, a data collection company specialising in the extraction of consumption data via utility supplier online portals or invoices/bills. From this method, data can either be directly uploaded from an automatic meter into the portal, scraped from exact readings used for billing or scraped from bills that are using supplier estimation. This data is then automatically uploaded into the Envizi platform on an ongoing basis. A similar arrangement for data collection has been conducted in North America through the company Glynt, who specialise in the American utilities market, and obtain data from utility company portals before uploading it into Envizi. For a small number of properties where automation is not currently feasible (mostly in Asia), property managers at each building provide monthly consumption data via manual upload into Envizi.

For the UK property business, waste data is provided by First Mile, automatically and directly into Envizi. For the European and American property businesses, waste data is provided directly by Property Managers into the Envizi platform via manual uploads. No waste data is currently available for reporting in Asia.

On a quarterly basis, Verco undertake validation checks for data completeness and accuracy, with Envizi 'issues' – both data health and year-on-year variances – being addressed and rectified through regional team and property level correspondence. We undertake a process of matching the raw data against what was uploaded to Envizi by our automated data providers and check for any possible manual data entry issues, such as data duplication or incorrect units, where Property Managers are responsible. Where we have been unable to collect data (e.g. an invoice has not yet been received from the supplier, or a meter is broken), we have applied estimations using Envizi's accrual system (a system estimation). We have included reference to the proportion of yearly consumption that is estimated in this way. For properties where we have concerns about the quality of data, we have undertaken a structured query process with the utility supplier to ensure that accurate data is received.

This report covers two complete 12-month periods of data to show year-on-year trends across all metrics.

Environmental metrics: Methodology

Data management

Upon receipt of the data Verco undertakes validation checks for data completeness and accuracy, with issues – both data health and variances – rectified through correspondence with the OpCo teams and property managers. Where Verco has been unable to collect data, estimations have been applied using a robust, replicable estimation methodology using the Envizi accrual system and have included reference to the proportion of yearly consumption that is accrued. For properties where Verco has concerns about the quality of data, a structured query process is undertaken with the utility supplier to ensure the accurate data is received.

Energy and water

Absolute energy and water analysis

The absolute energy analysis in this report includes the total energy consumption from the activities under Grosvenor Property's control in the buildings which they directly manage or own, and from business-related travel. This excludes utilities exclusively sub-metered to tenants and corporate office data, however, that data is included in the EPRA tables as separate items.

All properties within the operational control boundary are reported on in this disclosure, including assets acquired or sold during the reporting year. In total, we reported on the absolute energy data for 385 properties compared to 438 in 2021. This decrease is primarily driven by disposals from the Asia and Europe portfolios in 2022, along with a clearer understanding of the active meters across the Grosvenor Property UK portfolio. In this case, the understanding of data coverage of tenant demises has improved due to the automated data collection programme via Metry and the continued efforts between Verco and the GPUK energy management team, Ethos. Verco uses the Envizi accrual system to estimate data for missing electricity consumption based on the last period of actual data, and estimates missing gas consumption based on the same month last year (due to seasonal variation) where data is available. 4.16% of the total energy consumption across these properties was estimated (vs. 1.83% in 2021).

For water consumption, we have reported on the absolute water data for 197 properties compared to 191 in 2021. Of the total consumption, 9.44% was estimated for the current reporting period (vs. 3% in 2021).

Where meters have accrued over 275 days of data, they have been excluded from the calculations. Of the total dataset held on Envizi, 2% of total landlord energy consumption was excluded and 6% of landlord procured water consumption has been excluded on this basis.

Like-for-like energy and water analysis

The like-for-like analysis uses a consistent portfolio approach, which includes only properties (within the operational control boundary) that were in the portfolio for the period 1 December 2020 to 30 November 2022. By doing this, it allows us to compare identical groups of properties year-on-year and highlights any changes in the total energy and water consumption under Grosvenor's control, within those buildings. Any properties for which we do not have sufficient actual data in either 2021 or 2022 (where estimated data is in excess of 275 days), have been excluded from the calculations.

This measure excludes business travel, construction waste, utilities exclusively sub-metered to tenants, consumption from Grosvenor's occupied offices (except for 70 Grosvenor Street which we own) and any assets for which the data quality was in question. This year, 350 properties are included in the like-for-like energy analysis (385 properties in 2021) and 146 properties in the water analysis (132 properties in 2020). The number of like-for-like reporting assets for water has increased in 2022 due to successful implementation of automated data management and property management engagement processes. The number of like-for-like assets reporting energy has reduced because of portfolio changes (acquisitions and disposals) across all OpCos – with a significant number due to the change in strategy in Europe and Asia.

Intensity metrics

Intensities are provided for energy, carbon and water data. Only properties that had a full year of data were included, with any refurbishment or development projects excluded. Meters which have more than 275 days of accrued data and any property voids have also been excluded.

Energy intensity has been calculated in kWh/m^2 for all Operating Companies across Grosvenor at properties where the Scope 1 and 2 consumption (numerator) can be matched with the associated floor area it covers (denominator). For these properties, energy consumption in kilowatt hours has been summed and then divided by the sum of floor area in square meters for which the consumption relates.

GHG intensity has been calculated in kg CO_2e/m^2 for the same properties as per energy intensity by dividing the sum of energy related Scope 1 and 2 greenhouse gas emissions by the associated floor area. As noted on page 17, there are instances where we have been unable to split consumption between landlord only consumption, and landlord procured on behalf of tenant; as such, all consumption is included in Scope 1 and 2 emissions. There are 26 assets included in the intensity calculations where this is the case. For these properties, where both gas and electricity consumption can not be split out, Gross Internal Area (GIA) has been used as an appropriate floor area. For those properties where one utility type relates to landlord only consumption, and another relates to landlord and tenant consumption, we have used the common parts area as the floor area, and apportioned the tenant consumption in line with the common parts : GIA ratio.

Water intensity has been calculated in m^3/m^2 for the same properties as per energy intensity by dividing the sum of water consumption by the associated floor area.

Environmental metrics: Methodology

In most instances, Net Lettable Area (NLA) is recorded on the Envizi platform. This is because the most accurate floor area available, sourced from third party documentation such as leasing documents, is recorded in NLA. Where this is not available, internal documents such as investment decision papers are used to provide floor areas.

For assets made up of multiple units, for example, mixed-use residential and retail assets, the NLA provided is often a composite of Net Internal Area (NIA) and GIA, with GIA used for residential assets and NIA for commercial assets. This is in line with industry practice and relates to the lessees' use of common parts, with common parts in commercial assets typically being larger than that of residential assets, and shared by multiple tenants. Verco converts the NLA areas into common parts areas (CPA) in order to ensure that the floor area used matches the coverage of the numerator (energy/emissions).

To convert NLA to CPA, Verco uses industry standard ratios that GRESB has benchmarked for each property type classification. 138 properties are included in the 2022 energy and GHG intensity calculation (2021: 144).

Where more reliable and accurate evidence of floor areas has been obtained for properties across the Group the floor area records have been updated. As such, intensities have been restated for the 2021 reporting period.

Business travel

Grosvenor business travel distance data by travel type has been converted into associated carbon emissions using the 2021 Defra emissions factors.

Where distances were required to be determined these were derived from the origin and destination points, using postcodes where available. For air travel the distance between the origin airport and the destination airport was calculated from the associated latitude/longitude points assuming a spherical earth using the haversine formula.

Business travel relating to the Europe and Asia portfolios has been estimated this year, based on travel expenditure.

Waste

Across the Group all operational waste has been reported by mass, providing a higher-quality metric to determine progress in comparison with volume. Where waste data was only available in volume this has been converted to mass using the BBP Volume to Weight Conversions standardised framework. In 2022, operational waste was reported from 91 properties (132 in 2021). Waste reporting continues to present data collection hurdles, as evidenced by no data for the Asia portfolio, however continued efforts are being made across Grosvenor to increase this. For example, an automated data collection protocol has been introduced within GPUK alongside sustainability-focused waste company First Mile.

In 2022, Grosvenor collected construction waste from 21 development projects globally (52 in 2021). This data was compiled directly by the regional sustainability teams and their appointed development contractors. Where waste was recorded in different units depending on local norms, verified conversion factors were applied to report in metric tonnes.

The data provided to Verco for Grosvenor Property UK construction waste outlines the development projects being undertaken, including a value for the weight of waste produced per 100m^2 of floor area for non-hazardous recycling. Verco has used this value and the floor area of the property to calculate the weight of construction waste that was recycled at each development project. Verco used the recycled waste data to calculate the weight of construction waste that was landfilled, which was provided in the report as a percentage of the recycled waste data.

Restatements

Due to the nature of environmental data, prior year data is often restated once more accurate data is received. For example, where suppliers charge a standing monthly fee for estimated usage, credit notes might be received periodically to correct for any overpayments built up over several months. Given this is industry standard, prior year restatements are not explained unless movements are material. Where emissions have been restated for 2021 the corresponding 2021 emissions factor sets from the above sources have been used.

In 2022, following the 2021 year end, three waste invoices were received totalling 398 tonnes. These relate to the 2021 reporting period, and were not reported as such last year. As a consequence, the 2021 waste data reported was materially understated and has since been corrected and restated in this NFDR.

The 2021 energy consumption of our occupied office in Vancouver has been restated. Consumption reported in 2021 had not been correctly apportioned to the floor space occupied by Grosvenor and as such was overstated. This has been recalculated and restated to show the consumption that relates to Grosvenor's office space only.

Environmental metrics

Adviser's statement

Verco is responsible for the sustainability reporting across Grosvenor Property, inclusive of the global energy and carbon emissions data management, analysis and insights programme. Over the last decade Verco has extensive experience of delivering robust data programmes, having developed a comprehensive set of protocols to ensure data quality and completeness.

Verco has led the quarterly and annual reporting of energy, emissions, water and waste data across Grosvenor inclusive of the regional Operating Companies Grosvenor Property UK, Grosvenor Property Americas and the Asian and European portfolios, through a partnership approach alongside leading sustainability data platform and data specialists at Envizi, Metry and Glynt. Verco has delivered over 10 submissions in 2022 to GRESB - the Global Sustainability Benchmark for Real Assets – for Grosvenor which include submissions for the UK, American and European businesses as well as advising the Group on Net Zero Pathways.

Verco has been involved in the continued improvement of the programme that was introduced last year across the Group with a focus on the automation of data collection to enhance data coverage but also data quality through linking to automatic meters or obtaining data directly from utility supplier online portals or bills. Collecting data directly from utility providers has reduced the risk of handling errors and provides greater confidence in reporting an accurate representation of Grosvenor's sustainability metrics, carbon footprint and impact.

For the NFDR Verco has sourced, collated, and validated Grosvenor's energy, water and waste (both operational and construction) data, across all directly managed assets. Corporate level data at occupied offices and business travel data has also been collected, analysed and calculations undertaken.

In partnership with Deloitte this data has undergone a rigorous and extensive independent assurance process to provide confidence with our disclosure. Verco has continued to advance the coverage of data across the property portfolio, collecting as accurate a dataset as possible. Working closely with regional sustainability teams and property managers, an increased number of assets, along with an increased number of meters at some assets, have been reported on in this reporting period, evidence of the success of automating the data collection process where the option was available.

For property acquisitions or disposals across the Group, Verco has been cognisant to capture this information using standard procedures to ensure a comprehensive dataset from the outset and contribution to a continued growth in data quality moving forward.

Data collected and hosted within Envizi has been overlain with estimated data through Envizi's system estimation where feasible to do so while maintaining data quality. Positively, actual data has increased and the reliance on estimation has diminished compared to the previous year. As a secondary impact of better data quality, the increase in actual data has led to an increase in the overall percentage of estimated data in the portfolio due to more meters passing the inclusion criteria of having less than 275 days of estimated data, while still having higher percentages of estimation. This data was then used to calculate Grosvenor's global greenhouse gas emissions. These calculations have been prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, as published by the World Resources Institute.

It is our independent view that there is no evidence that the information provided within this report is inaccurate or is not a fair representation of the sustainability programme and practices at Grosvenor. The data collected was subject to Verco's quarterly data review and issues-raising process, involving multiple stages of query raising, property manager engagement, resolution and validation performed every three months.

Where data gaps or significant variances are found over set materiality thresholds (minimum consumption levels and plus or minus percentage change) issues are raised on Envizi with each regional Operating Company for review. Commentary is obtained from property and facilities teams to establish data correctness and explain variances.

Verco is continuing to collaborate with each operational company to identify data trends, asset performance against other assets within the portfolio as well as comparison to established energy and carbon intensity benchmarks including the Carbon Risk Real Estate Monitor (CRREM) and GRESB benchmarks.

Verco is working diligently on the next stages of its partnership with Grosvenor to drive further reductions and efficiencies portfolio-wide, including work to capture increased quantities of tenant data and understand their emissions under Scope 3 reporting.

As the mobilisation, digitalisation and automation of a significant proportion of the Group's sustainability data is now complete, Grosvenor is well positioned to embark on enhanced reduction and decarbonisation works across all Operating Companies in line with its pathway to net zero and associated targets.

Dave Worthington
Managing Director, Verco

Independent assurance statement

Independent Limited Assurance Report by Deloitte LLP to the Directors of Grosvenor Group Limited on selected Environmental, Social and Governance (ESG) metrics (the Selected Information) within the Non-Financial Data Report (NFDR) for the reporting year ended 30 November 2022.

Scope of our work

Grosvenor Group Limited has engaged us to provide independent limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) and Assurance Engagements on Greenhouse Gas Statements (ISAE) 3410 (ISAE 3410), issued by the International Auditing and Assurance Standards Board (IAASB) and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented on page 27.

Our assurance opinion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information, as presented on page 27 of the Non-Financial Data Report for the year ended 30 November 2022, and as listed below, has not been prepared, in all material respects, in accordance with the Applicable Criteria (referred to as Environmental Metrics Methodology in the NFDR) defined by the Directors.

We draw attention to the data collection methodology outlined within the NFDR, which describes where data is not available management calculates an estimate. In the current year 4.16% of total energy consumption and 9.44% of total water consumption were estimated. Our opinion is not modified in respect of this matter.

Basis of our work and level of assurance

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria as defined in ISAE 3000 (Revised) and ISAE 3410. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Directors' responsibilities

In respect of the Selected Information, the Directors of Grosvenor Group Limited are responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error, including over information collated by third-party experts, Verco Advisory Services Ltd.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.
- Confirming to us through written representations that they have provided us with all information relevant to our Services of which they are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

Our responsibilities

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Directors.

Our independence and competence

In conducting our engagement, we complied with the independence requirements of the FRC's Ethical Standard and the ICAEW Code of Ethics. The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied the International Standard on Quality Management 1 (ISQM 1), issued by the Financial Reporting Council. Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

What we did: key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Selected Information, we performed the following procedures:

- Evaluated the suitability of the applicable criteria as the basis for preparing the Selected Information and determined whether it will be available to the intended users of the Selected Information.

Environmental metrics: Independent assurance statement

- Through inquiries of management, obtained an understanding of the entity, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Through inquiries of management, obtained an understanding of internal controls relevant to the Selected Information, the quantification process and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We did not evaluate the design of particular internal control activities, obtain evidence about their implementation or test their operating effectiveness.
- Performed analytical review procedures and considered the risk of material misstatement of the Selected Information.
- Inspected documents relating to the Selected Information, including Board Committee minutes and internal audit outputs (if applicable) to understand the level of management awareness and oversight of the Selected Information.
- Performed procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations and assessed whether the data had been appropriately consolidated.
- Performed procedures over underlying data on a statistical sample basis to assess whether the data had been collected and reported in accordance with the Applicable Criteria, including verifying to source documentation.
- Performed procedures over the Selected Information including assessing management's assumptions and estimates (if applicable).
- Read the reports and narrative accompanying the Selected Information (including the NFDR and Annual Review) with regard to the Applicable Criteria, and for consistency with our findings.
- Accumulated misstatements and control deficiencies identified, assessing whether material.

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. 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.

Use of our report

This report is made solely to the Directors of Grosvenor Group Limited in accordance with ISAE 3000 (Revised) and ISAE 3410 and our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of Grosvenor Group Limited those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than Grosvenor Group Limited and the Directors of Grosvenor Group Limited, we acknowledge that the Directors of Grosvenor Group Limited may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Grosvenor Group Limited and the Directors of Grosvenor Group Limited as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte LLP.

Deloitte LLP
London, United Kingdom
21 March 2023

Appendix A

Standard environmental reporting

Environmental

This table 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	2021	2022
Energy	Elec-Abs, Elec-LfL	Electricity	for landlord shared services	MWh	92,884	**88,360**
			(sub)metered exclusively to tenants		3,115	**3,881**
			Total landlord-obtained electricity		95,999	**92,240**
	DH&C-Abs, DH&C-LfL	District heating and cooling	for landlord shared services		19,265	**12,568**
			(sub)metered exclusively to tenants		460	**–**
			Total landlord-obtained district heating and cooling		19,724	**12,568**
	Fuels-Abs, Fuels-LfL	Fuels	for landlord shared services		29,068	**22,385**
			(sub)metered exclusively to tenants		–	**–**
			Total landlord-obtained fuels		29,068	**22,385**
	No. of applicable properties		**Energy and associated GHG disclosure coverage**		438	**385**
		%	**Proportion of energy and associated GHG estimated**		2%	**4%**
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1**	tonnes carbon dioxide emissions (CO_2e)	5,324	**4,086**
		Indirect	**Scope 2**		25,523	**22,812**
		Indirect	**Scope 3***		4,148	**5,691**
Water	Water-Abs	Water	for landlord shared services	cubic metres (m^3)	566,129	**498,121**
			(sub)metered exclusively to tenants		23,566	**29,418**
			Total landlord-obtained water		589,695	**527,538**
	No. of applicable properties		**Water disclosure coverage**		191	**197**
		%	**Proportion of water estimated**		3%	**5%**

* 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.

Appendix A: Standard environmental reporting

Environmental

Directly-managed properties – intensity measures

Impact area	EPRA code	Indicator	Units of measurement	2021	**2022**
Energy	Energy-Int	Building energy intensity	kWh/m²/year	201.8	**192.8**
Greenhouse gas emissions	GHG-Int	Greenhouse gas intensity	kg CO_2e/m²/year	53.0	**49.5**
Water	Water-Int	Building water intensity	m³/m²/year	1.00	**1.01**

Directly-managed properties – waste measures

Impact area	EPRA code	Indicator	Units of measurement	2021	**2022**
Waste (landlord-handled)	Waste-Abs	Waste by disposal route	metric tonnes	8,076	**4,348**
		Composted/anaerobic digestion	proportion by weight (%)	3%	**9%**
		Recycled		16%	**38%**
		Off-site materials recovery facility		61%	**15%**
		Incineration with energy recovery		5%	**14%**
		Incineration with no energy recovery		–	–
		Hazardous waste treatment facility		–	–
		Landfill		15%	**25%**
		Waste disclosure coverage	no. of applicable properties	123	**91**

Appendix A: Standard environmental reporting: Occupied offices – absolute measures

Impact area	EPRA code	Indicator		Units of measurement	2021	2022
Energy	Elec-Abs, Elec-LfL	Electricity	for landlord shared services	MWh	282	**248**
			(sub)metered exclusively to tenants			
			Total landlord-obtained electricity		282	**248**
	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		135	**141**
			(sub)metered exclusively to tenants			
			Total landlord-obtained fuels		135	**141**
	No. of applicable properties		**Energy and associated GHG disclosure coverage**		6	**3**
		%	**Proportion of energy and associated GHG estimated**		0.7%	**0.4%**
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1***	tonnes carbon dioxide emissions (CO_2e)	25	**26**
		Indirect	**Scope 2**		55	**29**
		Indirect	**Scope 3****		8	**1**
Water	Water-Abs, Water LfL	Water	for landlord shared services	cubic metres (m^3)	11,468	**–**
			(sub)metered exclusively to tenants			
			Total landlord-obtained water		11,468	**–**
	No. of applicable properties		**Water disclosure coverage**		2	**–**
		%	**Proportion of water estimated**		37%	**–**
Waste (landlord-handled)	Waste-Abs		Waste by disposal route	metric tonnes	0.1	**–**
			Composted/anaerobic digestion	proportion by weight (%)	–	**–**
			Recycled		–	**–**
			Off-site materials recovery facility		100%	**N/A**
			Incineration with energy recovery		–	**–**
			Incineration with no energy recovery		–	**–**
			Hazardous waste treatment facility		–	**–**
			Landfill		–	**–**
			Waste disclosure coverage	no. of applicable properties	1	**–**

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.

Appendix B

Assured data

Selected Information	Assured data
Absolute carbon emissions (Scopes 1 and 2) (tCO_2e) (location basis)*	26,899
Absolute carbon emissions intensity (Scopes 1 and 2) (tCO_2e/m^2) (location basis)	0.0495
Absolute carbon emissions (Scope 3) (tCO_2e)	5,691
Total energy consumption (MWh)*	127,582
Total electricity consumption (MWh)	92,488
Total natural gas consumption (fuels) (MWh)	22,526
Like-for-like energy consumption (MWh) (at OpCo and Group level)*	Group: 109,045 Property UK: 30,774 Property Americas: 55,756 Asia portfolio: 2,288 Europe portfolio: 20,227
Total water consumption (m^3)	527,537
Like-for-like water consumption (m^3) (at OpCo and Group level)*	Group: 449,437 Property UK: 82,805 Property Americas: 282,219 Asia portfolio: 7,551 Europe portfolio: 76,862
Total operational waste (metric tonnes)	4,347

* Denotes that Deloitte have also assured this Information on an equity basis.

This page provides a summary of the specific data which has been assured by Deloitte, as per the agreed Scope of Services under their engagement agreement.

Under our Sustainable Financing Framework, and as part of our Sustainability Linked Loan agreement, we have reported the relevant SPT here, showing our progress against our agreed KPI. This has been assured by Deloitte as per the terms of our loan agreement.

Scope 2 emissions will be reported using the location-based methodology and measured and reported using both the operational control and equity share accounting approaches.

Scope 3 emissions include: 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 business travel (includes flights, rail and taxi journeys).

Glossary

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

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

Department for Environment, Food and Rural Affairs (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.

Equity basis
Basis of accounting for GHG emissions from operations according to share of equity in the operation. The equity share reflects economic interest.

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
A gas in the atmosphere that contributes towards global warming.

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

Grosvenor Property
Grosvenor Group Limited and Trust owned urban property assets.

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

Location-basis
A method for calculating carbon emissions from purchased electricity which reflects the average emissions intensity of grids on which energy consumption occurs, principally utilising grid average emission factor data.

Market-basis
A method for calculating carbon emissions from purchased electricity which reflects procurement decisions. For example, where renewable energy is purchased, emission factors will be derived from contractual instruments.

Net Zero Carbon (NZC)
Commitment to achieving net zero carbon emissions from all of our directly managed buildings globally.

Operating Companies
Grosvenor's two regional investment and development businesses: Grosvenor Property UK and Grosvenor Property Americas. Legacy assets remain in our Asia portfolio and Europe portfolio.

Operational control boundary
Basis of accounting for GHG emissions where a company accounts for 100% of emissions if it holds over 50% of the asset or a minority stake, but has management control the asset.

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

SDG
The United Nations' Sustainable Development Goals.

SECR
The UK Government's Streamlined Energy and Carbon Reporting.

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 operational and construction waste produced by Grosvenor's activities during 2022.

World Green Building Council (WGBC)
The World Green Building Council is a global network leading the transformation of the built environment to make it healthier and sustainable.

GROSVENOR