

Positive change.

Annual Review 2022



Lasting benefit.



We take a long-term view, pursuing sustainable growth while benefiting both people and the planet...





Sustainable mixed-use developments

Mentoring our suppliers to go further and faster in getting to net zero – together

Supporting affordable early childhood education and a cost-of-living crisis emergency fund

Plant-based packaging alternatives

Indoor vertical farms growing food reliably in a climate-changed world, using less water and no pesticides

Promoting traditional skills

Enhancing biodiversity

Net zero offices

Turning cow manure into renewable energy

Sustainably grown British timber

Environmentally responsible fertiliser and crop protection solutions

Simplified leases

Protecting and enhancing wildlife, including at-risk bird species and Atlantic Salmon

Better student housing

Building an inclusive and diverse culture within our organisation

Apprenticeships and traineeships to boost youth employment

Pursuing carbon reduction targets aligned with limiting global warming to 1.5°C

High-quality affordable housing and support for vulnerable children and young people

Positive change. Lasting benefit.



Chair's foreword

Promoting successful and sustainable outcomes



As the pandemic eased and people returned to their habitual routines, we knew it would take time to adapt to new circumstances.

What we didn't know was that external forces, including the war in Ukraine and a cost-of-living crisis, would change the landscape further, placing enormous strain on both people and business.

I take great comfort in Grosvenor's resilience and the leadership we have shown to address many of the challenges that have arisen in recent years. Against these headwinds, we have delivered a relatively strong commercial performance in line with our expectations, while consistently providing support to the communities of which we are a part or work alongside, including through the provision of an emergency cost-of-living crisis fund through the Westminster Foundation.

As we conduct our business at Grosvenor, we are united by a set of common values and a shared purpose that promotes successful and sustainable outcomes, while delivering a positive and lasting benefit to society.

For example, we remain steadfastly focused on playing our part in addressing the climate emergency through our Grosvenor-wide carbon commitment that aligns with limiting global warming to 1.5°C. I am proud of the steps we are taking, and the progress made to date across the whole organisation.

I am equally energised by the creation of Grosvenor Hart Homes, a new social enterprise, which will provide high-quality affordable homes with access to wrap-around support services for vulnerable children, young people and their families. This initiative matches the long-term strategy of my charitable

Foundation, with our expertise in the property industry and long history of social housing provision.

One of Grosvenor's greatest strengths is its people. The results and stories of positive impact delivery in this Annual Review are testimony to their contribution. Despite the challenging circumstances, you will see several examples of progress. Our commercial results have demonstrated the resilience of our business activities. We have continued to pursue the highest ESG standards; the ongoing diversification of our business interests; and the sustainable management of our rural estates – while continuing to expand our support for charitable initiatives aimed at improving life outcomes of children and young people.

I am grateful to the entire Grosvenor organisation, and our partners, for everything we have achieved in 2022.

I hope you enjoy reading about our work and seeing how squaring commercial, social and environmental goals can be made to deliver both positive change and lasting benefit.

The Duke of Westminster
Chair of the Grosvenor Trustees
21 March 2023



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Wayfinding

Throughout the Review, we have included links to related content and additional information:

- 📖 Link to a page within this PDF
- 🖱️ Link to a website or online document

The financial information set out on page 31 is derived from the Grosvenor Group Limited’s statutory Financial Statements for the years ended 31 December 2022 and 2021, and management information for the same periods for the Trust-owned urban property assets. Grosvenor Group Limited’s statutory Financial Statements for 2022 and 2021 have been delivered to the Registrar of Companies and are available online. The auditors have reported on those accounts: their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006. Grosvenor Property’s non-financial data relating to carbon emissions, energy and water consumption and waste diverted from landfill, set out on page 71, is derived from the 2022 Non-Financial Data Report. These metrics and data have been independently assured.



🖱️ View our 2022 Non-Financial Data Report: www.grosvenor.com/2022nonfinancialdata



🖱️ View our 2022 Financial Statements: www.grosvenor.com/2022financialstatements





Who we are and our purpose

Delivering lasting benefit

Our international activities span urban property, food and agtech, rural estate management and support for 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.

In representing the Grosvenor family, we strive to live up to the values of integrity, respect and trust – ensuring they are at the foundation of everything we do.

We share in a **common purpose to deliver lasting commercial, social and environmental benefit** – addressing today's needs while taking responsibility for those of future generations.



CGI

In practice, delivering our purpose translates to pursuing 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

The contents of this Annual Review endeavour to demonstrate and substantiate the progress we are making against each of these objectives and how, collectively, our efforts are helping us meet the purpose we set out.



Our organisation

Our international property business invests directly in the UK and North America and also backs local like-minded property investment partners across the world.

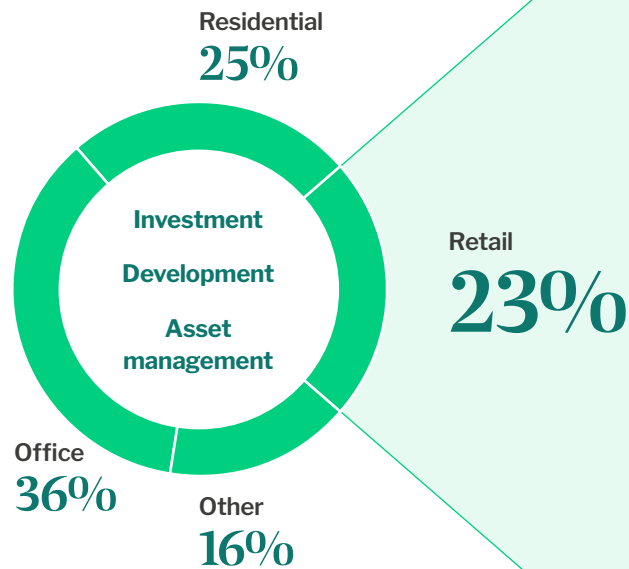
We are an international property developer, manager and investor with a track record of over 340 years. Improving property and places across many of the world's leading cities, we promote sustainability within the built environment, enhancing the wellbeing of customers and communities.

Our UK and North American property businesses 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.

Grosvenor Property

Cities	Countries	Currencies	Our portfolio
47 (2021: 43)	12 (2021: 10)	10 (2021: 10)	



Occupiers*

Traditional retail spend	69%
Services	31%

Location*

Non car-dependent	90%
Car-dependent	10%

51% of the retail portfolio is prime city centre location

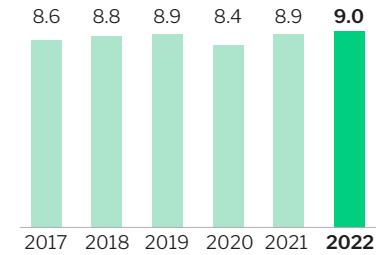
* Data for Sierra Sonae not available.

While we believe technological disruption will continue to have a significant impact on retail, we expect income from retail service occupiers to be less directly impacted than from more traditional retail operators.

Similarly, we believe that city centre and other non car-dependent locations will continue to prove, as they have done so far, to be more resilient.

Property assets**

£9.0bn



By Operating Company/Portfolio

1 Property UK	£5,008m	55.7%
2 Property Americas	£1,927m	21.4%
3 Diversified Property Investments	£1,033m	11.5%
4 Asia portfolio	£710m	7.9%
5 Europe portfolio	£312m	3.5%

By sector

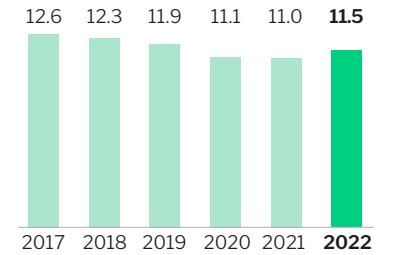
1 Office	£3,268m	36.4%
2 Residential	£2,276m	25.3%
3 Retail	£2,053m	22.8%
4 Logistics/Industrial	£775m	8.6%
5 Student accommodation	£249m	2.8%
6 Other	£369m	4.1%

By activity

1 Investment	£8,030m	89.3%
2 Development	£960m	10.7%

Assets under management**

£11.5bn



By Operating Company/Portfolio

1 Property UK	£5,770m	50.1%
2 Property Americas	£3,302m	28.7%
3 Diversified Property Investments	£1,033m	9.0%
4 Asia portfolio	£791m	6.9%
5 Europe portfolio	£614m	5.3%

By sector

1 Office	£4,107m	35.7%
2 Retail	£3,112m	27.0%
3 Residential	£2,898m	25.2%
4 Logistics/Industrial	£775m	6.7%
5 Student accommodation	£249m	2.2%
6 Other	£369m	3.2%

By activity

1 Investment	£9,736m	84.9%
2 Development	£1,774m	15.1%

** Includes assets held by Grosvenor Group Ltd. and Trust-held urban property assets.



Our organisation

Grosvenor Food & AgTech

We are an active investor in companies that are reshaping food and agriculture around the world – for the better.

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

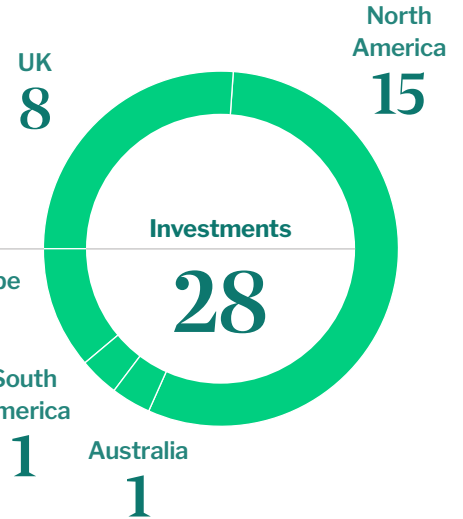
Actively managing a portfolio of over 25 companies, we support their growth as investors and highly engaged board members, helping our companies harness the power of technology and apply it through innovative business models to deliver lasting solutions that can be deployed at scale.

We are one of the longest established investment teams in the sector, with diverse portfolio exposure across sub-sector and stage.



Portfolio value

£468m



Our investment approach

Our investment approach is anchored to the belief that what we eat, and each stage of how we produce and distribute food, is part of a complex interconnected system that can positively influence our health, ecosystem and climate. How the world fulfils its food needs has become increasingly disconnected from nature and is a significant contributor to environmental decline and unhealthy dietary choices.

Food producers and growers are not adequately rewarded by the system, nor are they encouraged to invest in its long-term wellbeing.

Through significant advances in technology and analytics, we can now better understand the true impact and implications of food. We believe that producing food in a better way will help enhance our ecosystem and address the spiralling and unsustainable costs of healthcare.

Our work is to use capital, investment expertise and a deep understanding of the sector, to act on this knowledge and to advance alternative approaches which can benefit both current and future generations.



Our organisation

Grosvenor Rural Estates

We are responsible for the long-term stewardship of three rural estates in the United Kingdom: the Eaton Estate in Cheshire; the Abbeystead Estate in Lancashire; and the Reay Forest Estate, Sutherland, in the North-West Highlands of Scotland.

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 the communities we are part of.

Across our rural estates we manage and invest in three principal commercial activities:

- Grosvenor Farms, an award-winning commercial farm within our Eaton Estate in Cheshire, which typically produces over 32 million litres of fresh milk a year – enough for 430,000 people every day – and grows 2,200 hectares (5,436 acres) of forage and grains for food production and animal feed. Our ambition is to be the UK’s leading producer of milk and cereal grains, farming sustainably to reduce our emissions in line with the Grosvenor-wide carbon commitment and building on a 30% reduction in our emissions per litre of milk produced since 2014.
- The management of over 750 residential and commercial properties – including retail and leisure, offices and warehouses – the majority of which are located in rural Cheshire, with a smaller number in Chester city centre.
- Grosvenor TimberWorks, a new venture which brings together a progressive and sustainable approach to woodland management with the processing of timber products, combining a dedication to traditional methods of wood craftsmanship with a long-term commitment to UK forestry. The business currently manufactures bespoke construction timber products and is in the process of developing new specialist product lines in our state-of-the art facility based in Cheshire, England. Using trees grown in Britain, each one we harvest is replaced. Recent years have seen us plant over 100,000 additional trees per year to ensure precious woodlands can thrive for the long term.

Farms

35

Graziers

8

Residential and commercial properties, also including village halls and schools

765



Eaton Estate, Cheshire

5,272 ha

(13,029 acres)

- 725 ha of woodlands
- 71 ha of hay meadow
- 113 km of public rights of way and permissive access

Abbeystead Estate, Lancashire

11,130 ha

(27,500 acres)

- 390 ha of woodlands
- 2,919 ha of blanket bog (peatland)
- 18 ha of hay meadow
- Two-thirds of the estate is designated as a Site of Special Scientific Interest
- Almost two-thirds of the estate is open access and we maintain a significant network of public rights of way including footpaths, bridleways and permissive paths

Reay Forest Estate, North-West Highlands, Scotland

38,800 ha

(96,000 acres)

- 1,743 ha of woodlands
- 21,337 ha of wetlands comprising 7,853 ha blanket bog (peatland) and 13,484 ha of wet heath
- 7,534 ha of grassland/heathland
- Six Sites of Special Scientific Interest
- Two Special Areas of Conservation safeguarding rare habitats
- One area is designated as a Special Protection Area for endangered birds
- Almost all 38,800 ha is open access (80 km of hill paths/tracks)



Our organisation

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 recommended by our local teams and within locations where we commit to third-party managed investments.

13 cost-of-living grants awarded in 2022 worth

£573,051



58 small grants awarded in 2022 worth

£525,415



21 partnership grants awarded in 2022 worth

£2,097,429



6 Covid-19 grants awarded in 2022 worth

£299,800



Chief Executive's statement

Positive change. Lasting benefit.

2022 highlights

1. Our commercial activities proved resilient in the face of challenging economic conditions, delivering an overall performance in line with our expectations.
2. We are setting a Grosvenor-wide carbon commitment to reduce our emissions in line with limiting global warming to 1.5°C, building on and accelerating our progress in curbing our carbon emissions across our business activities.
3. We have made strong progress in advancing ambitious strategies to deliver lasting benefit.

Reflecting on 2022, I believe we emerged from the pandemic a stronger organisation. Stronger because of the way our people helped each other throughout multiple lockdowns and unprecedented challenges. Stronger because of the way we quickly acted to support the communities of which we are part, and because of the closer and better relationships that have since developed. And finally, stronger because making the right choices and doing the right thing in hard times underpins the foundations for long-term success and is true to our history as an organisation and to that of the Grosvenor family.

2022 was a story of post-Covid recovery and adjustment to new patterns of work and to a new way of living and spending our spare time in cities. Just as others have been, we have been challenged to think, plan and act in new ways as we help tackle the climate emergency, manage escalating

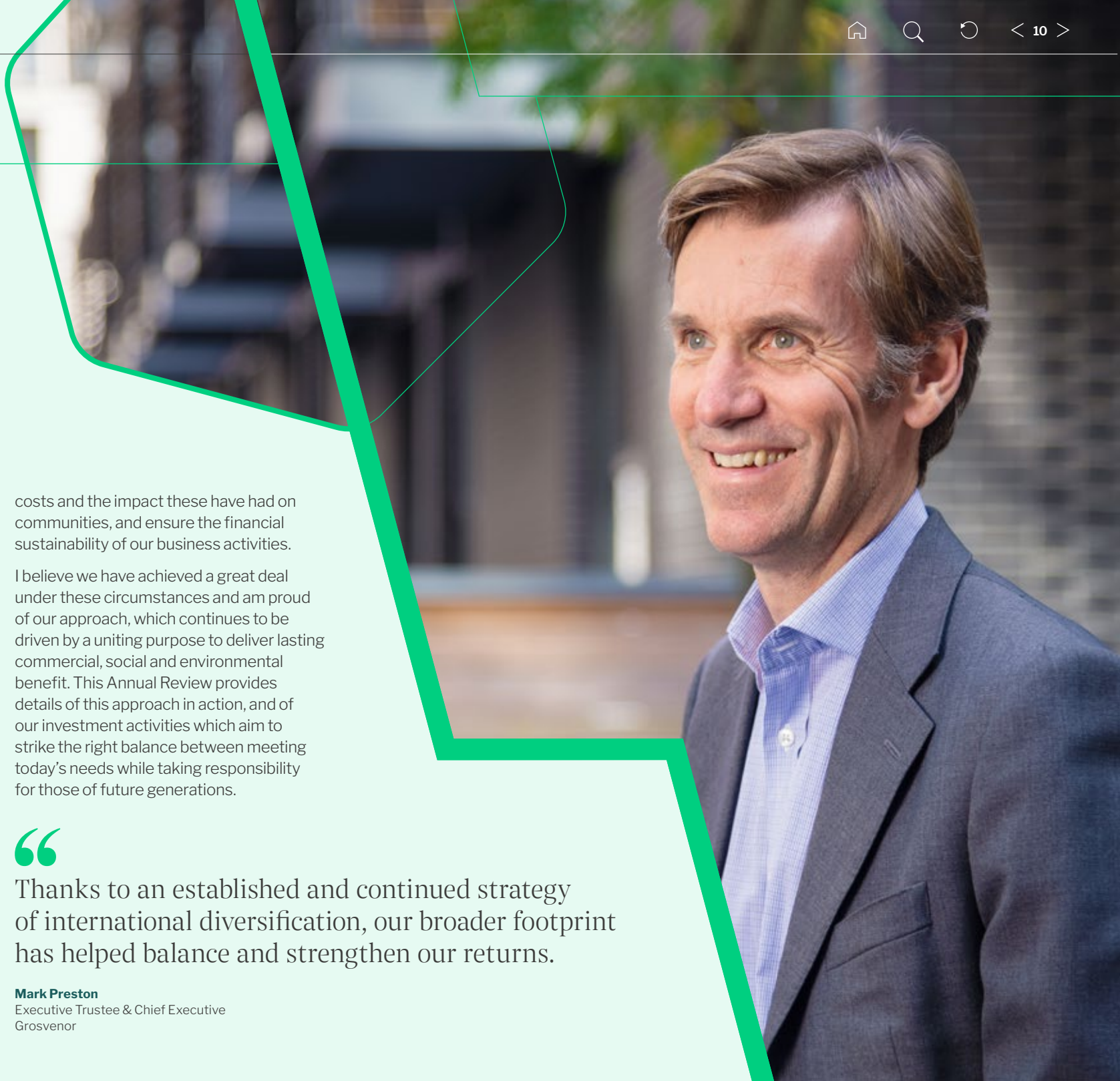
costs and the impact these have had on communities, and ensure the financial sustainability of our business activities.

I believe we have achieved a great deal under these circumstances and am proud of our approach, which continues to be driven by a unifying purpose to deliver lasting commercial, social and environmental benefit. This Annual Review provides details of this approach in action, and of our investment activities which aim to strike the right balance between meeting today's needs while taking responsibility for those of future generations.



Thanks to an established and continued strategy of international diversification, our broader footprint has helped balance and strengthen our returns.

Mark Preston
Executive Trustee & Chief Executive
Grosvenor





Chief Executive’s statement

Three key themes help define our 2022 focus and performance:



Our property activities are driven by the desire to create better places – ones that are dynamic, diverse, sustainable and well connected.

1. Our commercial activities proved resilient in the face of challenging economic conditions, delivering an overall financial performance in line with our expectations.

The overall performance of our commercial activities in 2022 proved resilient and comparatively solid against challenging economic conditions across our markets.

As economies around the world emerged from Covid to build steam for recovery, the effects of war in Ukraine and the emergence of high inflation and higher interest rates have dampened both business and consumer confidence.

Having foreseen the prospect of weaker international property markets and a consequent fall in valuations, our decision, in recent years, to slow down our development pipeline has inevitably led to lower trading profits. However, thanks to an established and continued strategy of international diversification, our broader footprint has helped balance and strengthen our returns.

Within our international urban property business, revenue profit, the main metric by which we measure our performance, stood at £52.7m compared to £99.7m in 2021, primarily as a result of weaker trading within our North American and

Diversified Property Investments businesses, both of which had very strong years in 2021, boosted by one-off trading profits that were not repeated last year.

Total return of 3.5% (2021: 5.2%) reflects the impact of higher interest rates across our key property markets, namely on higher yields and falling property valuations, especially in the UK where commercial values fell by 3.7% in 2022. By comparison, our investments in sectors such as logistics and residential experienced an overall increase, while a weaker Sterling contributed 1.6% to our total return (compared to (0.4)% in 2021). Net assets increased by £0.1bn to £6.2bn (2021: £6.1bn).

Across our **urban property activities** we achieved some notable successes:

- In the UK, we maintained extremely low vacancies across our portfolio and exceeded 50% of pre-lets for our assets under development, with our offices attracting an exceptionally high level of occupier interest. The business has continued to deliver against its investment strategy, making four regional office acquisitions and achieving good progress on some significant commercial development projects, including 65 Davies Street, a 66,000 sq ft office development above the Bond Street Elizabeth line station. Separately, we also gained unanimous approval for the transformation of Mayfair’s Grosvenor Square, the second largest square in London, into a biodiverse urban garden.

- In North America, where we ended the year with 94% occupancy across our portfolio, we acquired two new development sites and advanced eight projects in various stages of planning approval, construction and sales. Specifically, in Vancouver, we were able to make significant headway in the creation of two high-quality placemaking projects that will deliver benefit for the local communities for the long term. Meanwhile, our Structured Development Finance programme, which provides funding to leading residential and multi-family developers, agreed a new project with a long-standing developer partner.
- Our Diversified Property Investments business, which invests globally alongside specialist local partners, successfully exited from an Australian healthcare investment and committed to £300m in eight new investments, spanning five countries and five sectors. This business builds strong alignment with its partners, thanks to the patience of our capital and versatility in committing it – from the shorter to the longer term. This approach has seen it realise 16 investments across several property sectors and five continents to date, delivering an average IRR of over 20% pa.

Urban Property

Revenue profit 2022

£52.7m

Total return 2022

3.5%

Food & AgTech

Investments 2022

£111.0m

Rural Estates

Net profit* 2022

£2.1m

* Based on EBITDA per the most recently approved audited financial statements and excluding central administrative recharges.



Chief Executive's statement

Our **Food & AgTech** business includes a portfolio of 28 innovative companies whose technologies are helping to shape better outcomes for the planet, human health and the economic sustainability of farming and food producers. We continued to invest in the sector, committing a further £111m (2021: £81m) to new and existing portfolio companies whose combined values now total £468m (2021: £364m). Particular highlights in 2022 were:

- Ostara, a producer of a highly efficient and sustainable phosphate fertiliser, raised £58m from new and existing shareholders which are supporting the construction of a new manufacturing facility in the US that is expected to generate over 250,000 tons of fertiliser annually.
- TemperPack, a leading manufacturer of sustainable plant-based packaging closed a £116m fundraise to expand its production capacity to meet growing demand and expand its geographic footprint, while adding to its product range through the acquisition of a producer of starch-based insulation products.
- AeroFarms, the commercial leader in fully controlled indoor vertical farming, opened its new facility in Danville, Virginia, in the US which, when fully operational, will be the world's largest aeroponic smart farm. This expansion means AeroFarms' award-winning micro greens are now available across the US and there are plans to expand into the Middle East to meet growing demand for year-round fresh leafy green produce.
- Oxbury, the UK's only bank dedicated to serving British farmers and the rural economy, successfully raised equity from new and existing investors to support its rapid growth. The business is on track to exceed £1bn in lending by 2024 with at least 50% of funds being used by farms to transition to more climate-friendly production.

- Our **rural estates' commercial activities** are predominantly centred around Grosvenor Farms, one of the leading dairy and arable farms in the UK, a rural property portfolio of more than 750 properties and a business producing sustainably grown British timber.
- Net profits across our rural estates amounted to £2.1m (2021: £2.4m), thanks to commercial and residential property rents as well as proceeds from farming activities. The gross income from our properties improved by 8%, due to a post-Covid recovery.
- Grosvenor Farms' underlying trading performance was broadly flat year-on-year, but overall results were down due to significant exceptional expenditure on developing potential future projects.
- Asset values increased to £387m (2021: £345m), as a result of an overall +7% revaluation, particularly across our residential and agricultural properties, and also as a result of the acquisition of a commercially grown forest in mid-Wales which will support the supply of materials for Grosvenor TimberWorks.





Chief Executive's statement

2. We are setting a Grosvenor-wide carbon commitment to reduce our emissions in line with limiting global warming to 1.5°C, building on and accelerating our progress in curbing our carbon emissions across our business activities.

We believe that business, institutions and consumers need to play their part in responding to what science and the mounting evidence is showing is a climate emergency. We are determined to play our part to deliver meaningful action, following best practice, and stretching our ambition.

Our challenge is broad given the many sectors in which we operate, but so is our potential reach and impact in helping to decarbonise property; in identifying and scaling businesses and technologies able to disrupt the food industry's carbon intensive practices; and in preserving, restoring, and enhancing precious rural environments. We are proud of our action and progress to date. To mention a few examples:

- Our UK property business was the first European property company to have a net zero pathway targeting a 52%+ emissions reduction from business operations across all scopes by 2030 and 90% by 2040 independently verified by the Science Based Targets initiative. On the way to net zero it aims to be carbon neutral by 2025, offsetting any emissions it is yet to cut from its business and value chain, and carbon positive by 2050.

Over the past two years we have introduced new green lease clauses as part of our standard leases to make it easier and more cost effective for occupiers to run their business sustainably. We are working through a £90m retrofit of our historic London estate - which has so far covered one million sq ft - and targeting zero hazardous waste from our developments, recycling carbon intensive materials like steel. And with supply chain emissions accounting for almost 50% of our UK property business' carbon footprint, we are partnering with our suppliers in launching the first of its kind net zero mentor programme to help SME suppliers map and reduce their own carbon footprint. Overall, we have reduced the emissions of our UK property company by 24% and we are now working hard to tackle the rest.

- We are also investing capital in developing exciting new technologies that can play an important role in cutting carbon: from an ultra-low carbon cement alternative, to our Food & AgTech business investing in alternative meat proteins and plant-based packaging alternatives to bubble wrap and polystyrene.



We want to do more, which is why, to build on our progress so far, we are announcing a new Grosvenor-wide commitment to reduce emissions in line with limiting global warming to 1.5°C. More information is available on pages 57-60, but specifically, our commitment is to:

- Take responsibility for 100% of our direct (Scope 1 and 2) and indirect emissions (Scope 3), calculated in line with the latest Greenhouse Gas Protocol guidance¹.
- Set ambitious goals to deliver, at a minimum, a science-based reduction in carbon emissions² in line with limiting global warming to 1.5°C and the latest climate science.

¹ Taking an equity share approach where we co-invest alongside others.
² Following the Science Based Targets initiative (SBTi) methodology using the most relevant SBTi Standard - Net Zero, Financial Institutions and Forest, Land and Agriculture (FLAG) guidance.





Chief Executive's statement

3. We have made strong progress in advancing ambitious strategies to deliver lasting benefit.

In January 2022, following a strategic review, we introduced a new and simplified governance and management structure to better lead and support Grosvenor's long-term success.

Our diverse international activities spanning urban property, food and agtech, rural estate management and support for philanthropic initiatives are now presented under a single Grosvenor brand. While each part is pressing ahead in executing its respective strategy, our more cohesive structure and approach is enabling better cross-sector and team collaboration yielding new synergies, opportunities and efficiencies.

As part of a revised **international urban property strategy**, we are investing directly in the UK and North America where our Operating Companies are increasingly concentrating on places that are dynamic, diverse and well connected, diversifying our rental income and sectoral mix.

Meanwhile, we are aiming to double the size of our indirect real estate investment business, Grosvenor Diversified Property Investments, to approximately £1.5bn in equity over the next five years.

The approach sees the evolution of our direct investment approach in Europe and Asia where, going forward, our investment activity will focus on backing local partners and benefiting from projects delivered at a larger scale.

- In the UK, we are maintaining an unrelenting focus on creating value through investment in improving the positive environmental impact of our properties and places and the overall wellbeing and economic vibrancy that these generate for residents, occupiers and local workers.
- Our £500m joint venture investment with Mitsui Fudosan UK, the European operation of Japanese real estate developer Mitsui Fudosan, into the South Molton Triangle, a mixed-use scheme in London's Mayfair, is exactly the type of strategic investment we wish to pursue going forward – one that will sustainably inject new life and economic vibrancy and wellbeing into the heart of the West End.
- In North America, despite the persistence of challenging market conditions, the resilience of our business remains strong with a focus and ability to make the most of new opportunities. In particular, we continue to advance our commitment to low-carbon residential properties and on forging strategic opportunities to grow our portfolio through increased levels of like-minded third-party capital co-investment.
- Our Diversified Property Investments business includes a portfolio that encompasses a cutting-edge life sciences investment, high-quality medical facilities, environmentally market-leading office buildings, a strategic industrial logistics hub in Poland and high-quality student accommodation in Brazil. Over the near term, it will focus on expanding its partner network and identifying opportunities to build our property portfolio in Asia and Europe – two regions which remain key to furthering our international diversification aspirations.

Our **Food & AgTech** business continues to identify attractive investment opportunities into transformative solutions that meet our criteria of improving human health, environmental sustainability and to make farming and food production economically viable. A key priority remains that of helping the management teams of our portfolio companies grow and scale their businesses.



Within our **rural estates**, we are continuing to implement a long-term and ambitious Rural Estates Strategy which aims to contribute to the economic, social and environmental wellbeing of the communities we are part of.

- Over the past year we worked to understand a baseline for our 'rural' carbon emissions, developing plans for their reduction; we expanded our provision of biomass boilers to provide more estate properties with renewable energy and on Grosvenor Farms, we submitted plans for an anaerobic digester and a neighbouring biogas upgrading facility which will enable us to recycle manures into biomethane to help power more than 5,000 homes a year.
- In parallel, we are working to develop an innovative template for the eco-retrofit of our historic properties, installed a sophisticated telemetry system supporting one of the UK's largest fish monitoring exercises as part of a 10-year conservation project in Scotland and expanded our product offering of sustainably harvested British timber within Grosvenor TimberWorks.





Chief Executive's statement



Supporting children and young people

The Grosvenor family has a longstanding track record of supporting charitable initiatives and continuing this tradition is a priority of the Duke of Westminster via the Westminster Foundation.

The pandemic and the period since, have compounded many of the issues that the Foundation's activities focus on, namely providing long-term sustainable help and direction to children and young people early in life (aged 0-25) focusing on health, security and development. Included in this Review, are some great examples of how we are helping to fight the hardship that many vulnerable young people are facing. We are helping to tackle the cost-of-living crisis, boosting access to affordable early education, supporting mental health, social exclusion and financial education programmes, as well as supporting the Ukrainian Welcome Centre in the UK.

A new social enterprise

I am especially pleased that 2022 saw the creation of Grosvenor's first social enterprise – Grosvenor Hart Homes. The initiative is strongly driven by the Duke of Westminster and aims to improve outcomes for vulnerable children, young people and their families by providing high-quality affordable homes. Distinct from other providers in the market, our offering aims to build on the benefits of a safe and secure home by combining tailored support services aimed at removing barriers to employment, financial stability, health, mental health, education and wellbeing, that can help individuals thrive. I look forward to this initiative blossoming over the coming years and to the positive impact it can have on many young lives.

Looking ahead

It's in Grosvenor's DNA to think long term while not losing sight of the opportunities of the here and now. From a macroeconomic perspective, 2023 is likely to continue to be very challenging.

High inflation is causing serious issues for many people, of course, and has led to rapid increases in interest rates and falls in asset prices, meaning global property yields are generally higher and values lower. We don't expect this to reverse in the near term and while this will continue to bear down on values, it provides potential opportunities for the long-term investor. In the food and agtech sector, commodity prices are likely to remain high through a combination of high interest rates and the effects of the ongoing war in Ukraine, with company valuations in the sector remaining depressed. A combination of geopolitical and financial downside risks means a protracted stagflationary downturn is already underway, with a full-blown recession across the western world currently possible rather than likely, as energy prices come off their highs and China reignites domestic economic growth.

More optimistically, the cities around the world in which we have chosen to invest continue to thrive; unemployment remains low in many countries and bond markets appear to have stabilised. China's lifting of Covid restrictions earlier this year is also encouraging – this marking the first time that no major country has had part of its population in lockdown in almost three years: a significant global milestone. Europe has avoided energy shortages this past winter, reducing the impact of Russia's 'weaponisation' of energy as it continues its troubling war in Ukraine. There are already tentative signs that inflation has peaked, especially in the US, and a sustained moderation in 2023 could offer central banks the space to stop raising interest rates, resulting in a relatively short economic downturn.

Notwithstanding these uncertainties, I am clear and confident that we will stay the course with our strategy. Property as a tangible asset and food and agtech as a basic human need make for defensive investment options in a low growth, inflationary world. As a responsible business and employer, we will manage our operating costs prudently, maintain our focus on liquidity and cash flow protection, closely monitor gearing, stressed cash flow and minimum liquidity measures.

We will also be flexible with the pace of execution of our strategies, taking the long view as we reshape our portfolios in Asia and Europe, remaining prudent with making speculative investments while uncertainties remain heightened, yet agile where we identify potential opportunities.

Regardless of the market environment, I am confident that Grosvenor's combination of high-quality assets, innovative new investments and prudent financial management will provide the foundations for continued success, built upon by the efforts, diligence and commitment of our 1,100 people.

Mark Preston
Executive Trustee & Chief Executive
Grosvenor
21 March 2023



Local perspectives

Property UK

Since 2020, our strategy has sought to address several key challenges: the climate crisis, our role in the community and property market disruption.

We believe that, as a progressive and active property owner, balancing growth, environmental and social aims can lead to better outcomes not just for our business but for all those who rely on our neighbourhoods.

This long-term view enabled our places to exit the pandemic in good shape and has ensured their resilience and relevance at a time when occupiers are seeking more from their property partner and expectations of business' contribution to society are on the rise.

There's great momentum behind this focus and it continues to be a highly motivating factor for our people.

Particularly notable in 2022 was our progress towards net zero. A 24% reduction in our carbon footprint since 2019 has largely been achieved through our extensive retrofit programme and innovations to reduce the impact of development activity.

Our commitment to improving the quantity and quality of public green space also took a major step forward in the year with Westminster Council's unanimous approval of our plans to transform Grosvenor Square into a biodiverse urban garden.

And to support the innovation needed to meet our goals, we invested directly in the first of several young companies and technologies disrupting how the sector operates.



As an active property owner, we also sought to enhance the articulation of our social purpose in 2022, expanding our ambitious sustainability agenda to encompass social impact goals. Sustainability metrics are now built into decision making, ensuring everyone in the business considers, and can assess, the impact of our decisions holistically.

This ongoing investment in a low-carbon future, distinctive destinations that inspire and innovation has kept demand competitive. At the year-end, our onsite development pipeline was over 50% pre-let at better-than-expected rents and vacancy rates in our London and Liverpool retail portfolios stood in the low single digits.

In 2023, we continue to focus on delivery. This year, our first net zero office development will complete fully let and works will start on our two-acre South Molton Triangle scheme, supported by our new partner Mitsui Fudosan. A new residential debt strategy will support housing delivery in areas of acute need; and our retrofit programme will hit a one million sq ft milestone, helping communities by making business premises and homes more energy efficient and cost effective to run.

In all this, we remain mindful of the broader economic picture. With a focused development pipeline, new services to support occupiers and a holistic people and planet positive approach to sustainability we are well prepared for a challenging year.

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With a focused development pipeline, new services and products to support occupiers and a holistic sustainability strategy embedded into our business, we are well prepared for a challenging year.

James Raynor
Chief Executive
Grosvenor Property UK

Revenue profit

£38.3m

(2021: £36.0m)

Total return

1.8%

(2021: 3.4%)

Assets under management

£5.8bn

(2021: £5.5bn)

Total number of assets

1,348

(2021: 1,327)

Like-for-like energy consumption

-7%

(2021: -1%)

Like-for-like water consumption

19%

(2021: -56%)

Like-for-like carbon emissions

-12%

(2021: -5%)



Local perspectives

Property Americas

2022 proved to be a dramatic year of contrasts. Early in the year, we completed several successful transactions before the rapid rise in interest rates significantly stalled our activities. Despite the challenges presented, our business has proven to be resilient (again) and we have maintained our focus on advancing our commitment to the low-carbon residential properties that will define us in the future.

The rate increase impact has been significant, but our conservative financial planning and liquidity means we are well positioned. Leading up to 2022, in anticipation of increasing rates, we had secured favourable fixed-rate debt for our portfolio of owned properties.

Our Investment team built on this strong foundation with strategic acquisitions and dispositions while maintaining portfolio occupancy and

elevating our integration of carbon reduction. Our development teams acquired two new development sites and advanced eight other projects in various stages of planning, construction and sales. In Vancouver, significant progress was made on two large-scale placemaking projects that will deliver high-quality housing over many years. Our Structured Development Finance programme closed a new project with a long-standing developer partner and our Finance team forged meaningful new relationships with lenders.

These activities are reflected in our significant AUM growth in 2022. In all aspects of the business, our teams have managed the interest rate transition well; we view this time of revaluation as a chance to look for investment opportunities and as a positive force in the moderation of construction cost escalation.

As an urban owner and developer, 2022 marked the beginning of the return to offices and to the high-quality educational institutions that create the employment environment that drives our regions. Our cities have responded well, and while some (i.e. San Francisco) will take longer than others to recover, the attributes of our cities combined with a hybrid working model will ultimately improve the quality of life for the people who will make the gateway urban markets outperform again.

As we navigate this transition and seek opportunities, we will maintain and build upon our net zero carbon ambitions and our strategic focus on growing our portfolio through increased levels of like-minded third-party capital co-investment. The resilience of our portfolio, together with these ambitions, will ensure that we are well positioned to take advantage of what is ahead.



The resilience of our business allows us to seek opportunities in this time of revaluation as our gateway cities prepare to outperform.

Steve O'Connell
Chief Executive
Grosvenor Property Americas



Revenue profit

CAD\$23.7m

(2021: CAD\$66.9m)

Total return

2.9%

(2021: 12.1%)

Assets under management

CAD\$5.4bn

(2021: CAD\$4.4bn)

Total number of assets

74

(2021: 74)

Like-for-like energy consumption

30%

(2021: 7%)

Like-for-like water consumption

-5%

(2021: 14%)

Like-for-like carbon emissions

-3%

(2021: -3%)



Local perspectives

Diversified Property Investments

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We are closely watching the uncertain economic conditions that are creating buying opportunities, recognising that we will have to show considerable discipline in our choices in this market.

Chris Taite
Chief Executive
Grosvenor Diversified Property Investments

In 2022, our Diversified Property Investments business furthered our successes of 2021. Our team committed £300m in eight deals in five countries and five sectors, split between repeat business with existing international partners and three new partners. This brings our total equity committed at the year end to £700m with 13 partners across eight sectors and six countries*.

Commercially, we had several significant achievements. We sold our Australian healthcare investment with Centuria-Heathley, realising an IRR of 22.3%, an equity multiple of 1.9. We were able to capitalise on improved pricing of opportunities in 2022, deploying c.US\$100m into office investments in the US with Bridge Investment Management and c.US\$100m into prime US logistics assets with FHR Capital, both opportunities which would have been too expensive a year prior. We also continued to invest in the growth of our Australian logistics partner, Gateway Capital.

Our rigorous approach to responsible investment continues to guide our strategy, with a variety of new investments that exemplify our values. This included: a cutting-edge life sciences investment with Breakthrough Properties; the provision of high-quality medical facilities with MedProperties; market-leading environmental upgrades of office buildings with Bridge Investment Group; and furthering our investment in student accommodation management with Uliving in Brazil. Additionally, we supported our Polish partners REINO-IO in their efforts to assist Ukrainian refugees in Warsaw, providing immediate aid such as housing, medical care and food for refugees and procuring nearly 8,000 items of bedding, duvets and towels to furnish temporary refugee accommodation.

To support our objective of doubling the size of our business in the next five years, a new board was constituted and appointed, welcoming Chairman Jonathan Lane, and Independent NED, Olivier Piani. A Responsible Investment Strategy was also published, formalising how we, and our work with partners, will support the delivery of social and environmental benefit as we grow.

We made a strategic push to begin the business’s expansion into Asia, undertaking due diligence and creating contact networks across the continent to better understand the individual markets in which we plan to establish partnerships.

Looking into 2023, we are closely watching the uncertain economic conditions that are creating buying opportunities, recognising that we will have to show considerable discipline in our choices in this market. We will continue to work with our partners to deliver on our ambitious plans, securing environmental and social benefit from our investments alongside financial. And in line with the Group-wide strategy, we will further our work to articulate our approach to net zero carbon portfolio-wide.

* Excluding Sierra Sonae



Revenue profit

£16.3m

(2021: £50.5m)

Total return

5.9%

(2021: 18.7%)

Equity invested

£593.6m

(2021: £495.0m)

Total number of investments

17

(2021: 11)



Local perspectives

Food & AgTech

A better food system is one that improves human health, environmental sustainability and enables farming and food production to be economically viable.



Managing Partners
Grosvenor Food & AgTech (left to right):
**Monty Bayer, Stephan Dolezalek,
Katrin Burt, Anthony James**

During 2022, we continued to build on our commitment to invest into and support entrepreneurs and businesses who are reshaping how food is produced, distributed and consumed to improve human health, environmental sustainability and to make farming and food production economically viable.

Committing a total of £111m (2021: £81m) into new and existing portfolio companies, our portfolio value is now £468m (2021: £364m), across 28 companies.

To protect the commercial sensitivity of the businesses in which we invest, and given their wide spectrum of maturity, we do not publish aggregated financial performance metrics.

The food and agtech sector has not been immune to recent economic setbacks, however the forces of inflation, rising interest rates, decreasing valuations and rates of investment have affected our companies in differing ways. Companies with significant revenues that are at or near profitability have fared reasonably well, even if valuation multiples have declined. Companies seeking to finance large R&D budgets or build large-scale new facilities have found capital shortages to be more severe.

Against this backdrop, we continued to support our most promising portfolio companies with additional capital but chose not to commit new funds to companies facing more fundamental challenges.

Among our portfolio, four companies stood out last year for their ability to attract new investor funds that will help support the scaling up of their operations and achievement of key milestones that will deliver substantial commercial growth.

Ostara, a producer of efficient, waterway-friendly phosphate fertilisers that release nutrients naturally in response to plant demand, raised £58m in a Series C funding from new and existing shareholders at a substantially higher valuation. The funds are being used to complete construction of a new manufacturing facility in St. Louis, Missouri, in the US, enabling the company to produce 250,000 tonnes of fertiliser per year. Ostara was formerly wholly owned by Grosvenor who acquired the business in 2020.

TemperPack, a leading manufacturer of sustainable plant-based packaging alternatives to polystyrene and bubble wrap, closed a £116m fundraise to expand its production capacity to meet growing demand and grow its geographic footprint. It has also expanded its product range through the acquisition of KTM Industries, a company with complementary starch-based products.

AeroFarms, the commercial leader in fully controlled indoor vertical farming, opened its new facility in Danville, Virginia, in the US which, when fully operational, will be the world's largest aeroponic smart farm. This expansion

means AeroFarms' award-winning micro greens are now available across the US through the company's relationship with Whole Foods. The company also expanded its activities in the Middle East through the opening of an R&D centre in the UAE, the announcement of a joint venture to build farms across the region and the closing of an investment from Qatar to support both AeroFarms' operations and build farms locally.

Oxbury Bank – the UK's first and only bank dedicated to the agtech sector – successfully raised equity from new and existing investors bringing the total capital raised to £77m. The business has broken even just two years from launch, is on target for a full year of profitability in 2023 and to exceed £1bn in lending by 2024, at least 50% of which will assist farms to transition to more climate-friendly production.

Regrettably, 2022 saw Enterra, a sustainable producer of feed ingredients used in aquaculture and livestock rearing, stop trading. For all our efforts to fund and support the management team, Enterra was unable to attract the significant new amounts of capital it needed to finance its next stage of growth.

Purfresh, whose technology preserves fresh fruit in global transit, suffered from supply chain issues beyond its control, in particular container ship delays, making its business model unsustainable. The proven, ozone technology and IP has been acquired by a new company, Purfresh Clean, which will focus on non-food and agtech sectors.

Portfolio value

£468m

(2021: £364m)

Number of portfolio companies

28

(2021: 27)

2022 New investments

£45m

(2021: £38m)

2022 Follow-on investments

£66m

(2021: £43m)



Local perspectives

Rural Estates



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Alongside our efforts to improve our commercial returns during 2022, we implemented initiatives that will contribute to the sustainable production of energy, continued to play a part in maintaining the nation’s food security and furthered our efforts to reduce the environmental impact of our activities, restoring sensitive habitats to enhance biodiversity.

Nicholas Dobbs
Head of Grosvenor Family Office & Rural Estates

We are responsible for the long-term stewardship of three UK Rural Estates: in Cheshire (Eaton Estate); in Lancashire (Abbeystead Estate); and in the North-West Highlands of Scotland (Reay Forest Estate).

From the fertile agricultural land of the Cheshire plains, across the mosaic of habitats which make up our upland moorlands in Lancashire and in the foothills and mountains of the Highlands, our activities span the conservation of precious environments – a substantial proportion of which enjoy statutory protection.

We work to improve a wide range of properties and places – including houses, farms, offices, warehouses and public amenities – and, through the vibrant communities and significant

employment they enable, including our own commercial activities, we aim to be a leading example of sustainability in the rural economy.

In 2022, we continued to implement our ambitious Rural Estates Strategy which provides the direction for their future management, and which is driven by a desire to continue to contribute to the economic, social and environmental wellbeing of the communities we are part of.

In support of our environmental goals, we progressed our net zero carbon strategy on the rural estates, improving our understanding of where our carbon emissions come from and we are working to develop detailed action plans and targets to deliver ambitious carbon reductions.

Furthering our aspiration to become more energy self-sufficient, we expanded our provision of biomass boilers to provide more estate properties with renewable energy. On Grosvenor Farms, our award-winning commercial farm within the Eaton Estate in Cheshire, in addition to supporting the nation’s food security through the production of nutritious cereals and milk, we submitted plans for an anaerobic digester and a neighbouring biogas upgrading facility. This will enable us to recycle manures into biomethane – a renewable natural gas – generating enough energy to heat 5,000 homes a year.

Work has continued on an eco-retrofit of a Victorian cottage which, as well as challenging assumptions about the sustainability and energy performance of historic properties, will develop a template for our future refurbishment programme.

Sophisticated telemetry systems supporting one of the UK’s largest fish monitoring exercises were installed as part of our 10-year conservation project on the River Laxford at Reay Forest, helping to restore populations of Atlantic salmon and sea trout.

We aim to improve our commercial returns and to reinvest our surplus earnings within the rural estates to

accelerate the delivery of our goals. Last year, at Grosvenor TimberWorks, our recently opened state-of-the-art saw milling facility on the Eaton Estate in Cheshire, we became the UK’s only producer of premium, and sustainable, British C24 and C27 grade construction timber.

Our people bring a wide range of experience and expertise, helping us to achieve our ambitions. The continued success of the rural economies we are part of and the communities living and working within them is reliant on inspiring future generations to discover the variety of careers on our estates. In the last year, we have supported training programmes for endangered crafts and traditional rural skills, such as dry stone walling and planting hedgerows, engaged hundreds of school children through a programme of educational visits and attended college careers fairs.

This year, we plan to introduce a far-reaching supply chain charter, collaborating with our business communities to share our values and together deliver positive environmental, social and ethical change. The charter will clearly set out our own commitments alongside the high standards we expect of those we work with and the support we provide to help them meet these expectations.

Net profit*

£2.1m

(2021: £2.4m)

Gross value

£387m

(2021: £345m)

* Based on EBITDA per the most recently approved audited financial statements and excluding central administrative recharges.



Local perspectives

Philanthropy

Our work as the main philanthropic vehicle for the Duke of Westminster and Grosvenor businesses remains as ambitious and important as ever, as we continue our mission to help provide structure and opportunities to vulnerable young lives.

This year's challenges, compounded by the difficulties of previous years, hit children and young people hard. They also underlined the critical importance of early intervention and long-term support to a child's health, security and development. Times of crisis and hardship require all of us to draw on a deeper well of resilience than usual. That can only be built up over time and in the right environments. We passionately believe that the only way to break the cycle of intergenerational inequality is to provide long-lasting support to young people,

their families and the local communities around them.

We feel privileged to support an ever-growing number of dynamic charities who have a deep understanding of the support that children and young people need at every step of their development. In 2022, the Westminster Foundation awarded more than 200 grants worth over £6m, many of which are part of multi-year strategic investments, typically £100,000 per year over five years.

The provision of support to children in their early years was a priority for us in 2022, following our focus on teenagers and young adults in previous years. For example, our commitment to a five-year funding partnership with the London Early Years Foundation worth £750,000 will help improve access to

early years education for some of the capital's poorest children currently locked out of the additional hours of funding enjoyed by their better-off peers.

We also made our first national rural grant to UK Youth, underlying our commitment to young people in rural communities. Our £1m investment, to support youth workers to deal with the mental health challenges young people are facing after Covid, came at a critical time as youth organisations in rural communities have been disproportionately impacted by over a decade of cuts in public spending, coupled with the ongoing economic impact of the pandemic.

While we remain committed to a far-sighted approach to our grant-giving programme, we understand that communities need support right now, which is why we created a £1m cost-of-living fund to help families facing immediate food insecurity.

Starting in Autumn 2022, and covering the first half of 2023, most grants from this fund will be made to charities and foodbanks in Westminster, Chester and rural communities where the Westminster Foundation operates. This 'crisis' funding follows a similar pattern of reacting quickly to

emergencies in previous years where the Westminster Foundation provided significant support to communities affected by the pandemic or war in Ukraine.

Looking ahead, we will continue to work closely with our charity partners to improve our learning and ability to influence change. To that end, we look forward to announcing an exciting and ambitious initiative, in partnership with Grosvenor Property UK, to create a collaborative co-working space in the heart of Westminster for charities and social change organisations. The project embodies one of our core principles – to bring together like-minded organisations to grow, network and build alongside each other.

After the challenging last few years, this project comes at a crucial time. Children and young people are facing a unique set of daunting challenges. Nobody can tackle them alone. However, with the right support and collaboration, we can help children and young people build the resilience and skills to lead a happy and healthy life.



“Children and young people are facing a unique set of daunting challenges. Nobody can tackle them alone. However, with the right support and collaboration, we can help children and young people build the resilience and skills to lead a happy and healthy life.”

Kate Brown
Director
Westminster Foundation

Charitable donations

£2.9m

Amount donated to the Westminster Foundation by Grosvenor (2021: £2.7m)

£0.4m

Other charitable contributions by Grosvenor (2021: £0.3m)



Our objectives

Throughout our long history, we have always sought to take a farsighted perspective, judging success through a long-term lens.

To help guide how we meet our purpose of delivering lasting commercial, social and environmental benefit, we focus on five principal objectives. The pages that follow outline how our 2022 efforts contributed to meeting them.

23-40

Deliver strong commercial results

We strive to deliver strong commercial returns, while optimising environmental, social and governance outcomes.

41-55

Improve land, property, places, goods and services

We are working to create sustainable urban property, and rural estates, while supporting the delivery of a better food system.

56-71

Efficiently use natural resources, restore and enhance the environment

We are working to build on and accelerate our progress in significantly curbing our carbon emissions, reducing waste and actively managing, expanding and improving natural habitats.

72-81

Make a positive impact within communities

We strive to support economic growth, while upholding fair and equal opportunities for all. We provide inclusive housing, educational and career opportunities to improve social mobility and enhance the wellbeing of our customers and local communities.

82-90

Support long-term charitable causes

We support the Westminster Foundation, which represents the charitable activities of the Duke of Westminster and Grosvenor businesses. Its focus is to provide long-term sustainable help and inspiration to children and young people early in life through opportunities to thrive, build confidence and raise aspirations.



Our objectives:

Deliver strong commercial results

We strive to deliver strong commercial returns, while optimising environmental, social and governance outcomes.





Our objectives:
Deliver strong commercial results

Demonstrating our commercial resilience in a tougher environment

Grosvenor’s commercial interests span a broad range of activities, from international urban property to our growing food and agtech investment portfolio. They include an insurance broker and, within our rural estates, dairy and arable farming, rural property management and a timber works business.

This shows the diversity of our commercial businesses and, in these difficult economic times, the breadth of our exposure to different sectors and geographies is important in helping us maintain a high level of resilience.

While 2022 was a challenging year with economic confidence dented by the war in Ukraine, high inflation and rising interest rates, our commercial

businesses proved resilient, delivering an overall performance in line with our expectations – despite most key performance metrics not matching the levels seen in 2021.

There is no simple way, nor is it especially useful, to reflect our collective performance through a single set of consolidated financial metrics which have been realised by different entities, across different sectors and markets.



Our commercial businesses have been resilient and performed in line with our expectations, despite challenging conditions.

Robert Davis
Chief Financial Officer
Grosvenor

Hence, as last year, this Review outlines the individual performances of our commercial activities. While very diverse in size as well as sector, they all share our values and a common purpose, to deliver lasting commercial, social and environmental benefit, working closely with our customers, partners and communities as we continue to invest in positive change, while managing the difficult economic environment that we all face.





Our objectives:

Deliver strong commercial results

Grosvenor Property

As we had foreseen, overall profitability in 2022 was lower than the previous year. This was partly a function of the challenging economic and financial market conditions which resulted in falls in property valuations in the fourth quarter of 2022. In addition, in anticipation of weaker property markets, we had made a deliberate decision to slow down our trading development activity in recent years and, as a result, trading profits were low in 2022.

Last year, we also made the strategic decision to focus our international urban property business on our UK and North American direct investment activities and on our Diversified Property Investments business which has achieved significant success operating via a third-party investment model. This meant some one-off costs of restructuring our businesses in Asia and Europe – two markets that Grosvenor Diversified Property Investments will be focusing on in the future.

The net result was that revenue profit, the key metric by which we measure our property business, reduced to £52.7m, compared to £99.7m in 2021. The main driver of this weaker performance was that trading profits reduced significantly to £19.6m, compared with £74.8m in 2021. This was particularly noticeable in both our North American and Diversified Property Investments businesses, which had had very strong years in 2021, boosted by one-off trading profits that were not repeated in 2022. Revenue profit was also negatively impacted by restructuring costs and a one-off write down of historic Covid-19 concessions to occupiers.

Grosvenor Property's total return was 3.5% in 2022, compared to 5.2% in 2021. As interest rates rose across all our major markets, it was inevitable that this would lead to some increase in property yields and associated falls in values. This was felt most in our UK property business, where commercial values fell by 3.7% in 2022. Nevertheless, given

the scale of the economic challenges, property values were less affected than we might have expected and there were some sectors – notably logistics and residential – where values continued to increase in 2022.

The overall total return of 3.5% incorporated property returns of 1.9% (2021: 5.6%) but were boosted by the weakening of Sterling during 2022, which meant that our overseas assets were worth more in Sterling terms and therefore increased total return by 1.6% (2021: (0.4)%). Net assets increased by £0.1bn to £6.2bn (2021: £6.1bn).

Grosvenor Property UK's revenue profit of £38.3m (2021: £36.0m) was higher than last year, primarily due to income generated from acquisitions and trading profits from the sale of land in Cambridge. The business has continued to deliver against its investment strategy, making four regional office acquisitions and achieving good progress on some significant commercial development projects. These include 65 Davies St, a 66,000 sq ft office development above the Bond Street West Elizabeth line station. These activities support our commercial objective to build sustainable, recurring income. Total return of 1.8% (2021: 3.4%) reflected the challenging economic environment and the impact on capital values, particularly increased yields on commercial assets. The revaluation of -£92.3m (2021: £59.9m) was more than offset by the disposal of some non-strategic assets, delivering gains of £124.6m.

In line with expectations, performance in Grosvenor Property Americas was impacted by fewer sales of completed development units, delivering trading profits of £8.7m (2021: £36.5m) and resulting in revenue profit of £14.8m (2021: £39.1m). Recurring income from rents and fees grew by over 10%, partially offset by higher finance costs associated with increased debt on the expanding development pipeline. The lower total return of 2.9% (2021: 12.1%) is driven by more subdued revaluations (2022: £24.0m, 2021: £115.7m), with uplifts on industrial and residential assets being offset by negative movements on retail and office.



Revenue profit of £16.3m (2021: £50.5m) from Grosvenor Property Diversified Investments is consistent with last year, after adjusting for the one-off 2021 trading profits of £33.4m. In line with our property strategy, we have continued to invest in Grosvenor Diversified Property Investments with eight new and follow-on investments, for a total commitment of over £300m. These activities support the growth of future recurring income and revenue profit. Positive revaluation gains helped contribute to the total return of 5.9% (2021: 18.7%), with the reduction compared to prior year due to a combination of the lower trading profits and more moderate revaluations compared with the very strong value increases we saw in our alternative sector assets in 2021.

Excluding restructuring costs, revenue profit across our Asia and Europe property portfolios was £9.7m (2021: £6.2m), supported by trading profits realised on disposals in Hong Kong and Paris. Total return on our European assets was -2.8% (2021: 3.1%), due to negative revaluations associated with increasing yields on commercial assets. The equivalent performance in Asia was 0.9% (2021: 2.4%), supported by gains made on disposals in Japan.



Our objectives: Deliver strong commercial results

Grosvenor Food & AgTech

Despite a challenging macroeconomic environment and significant pressures within the sector during 2022, we continued to be active investors in food and agtech, committing a total of £111m (2021: £81m) into new and existing portfolio companies, bringing the total value of our portfolio to £468m (2021: £364m) across 28 investments.

To protect the commercial sensitivity of the businesses in which we invest, and given their wide spectrum of relative maturity, we have chosen not to publish aggregated financial performance metrics. However, in reviewing 2022, a year which proved challenging across the sector, several significant developments can be highlighted.

Over the year, and against challenging fundraising conditions, two of our investments were able to attract over £150m of combined new capital: Ostara, a producer of a highly efficient and sustainable fertiliser, and TemperPack, a manufacturer of sustainable plant-based packaging.

We were also delighted to see some of our other investments achieve significant milestones in their growth trajectory. For example, AeroFarms, the commercial leader in fully controlled indoor vertical farming, opened a new facility in the US which, when fully operational, will be the world's largest aeroponic smart farm. The company also has plans to develop a similar facility in the Middle East.



Regrettably, Enterra, a sustainable producer of feed ingredients used in aquaculture and livestock rearing, stopped trading. Despite our efforts to fund and support the management team, Enterra was unable to attract the significant new amounts of capital it needed to finance its next stage of growth.

Meanwhile, our investment in Purfresh, whose solutions preserve fresh fruit, suffered from supply chain issues beyond its control, such as container ship delays – which made its operations unsustainable. The company's proven ozone technology and IP has been acquired by a new company, Purfresh Clean, which will focus on alternative sectors.

Grosvenor Rural Estates

Net profits across our rural estates were £2.1m (2021: £2.4m), generated from a combination of commercial and residential properties, as well as farming activities. Rental income from our properties and the underlying trading performance from farming were broadly flat year on year. Overall results were down due to exceptional expenditure on developing potential future projects, such as an anaerobic digestion and biogas upgrading scheme to produce biomethane, a renewable natural gas, which will be exported to the national grid.

Asset values increased to £387m (2021: £345m), as a result of an overall +7% revaluation, particularly across our residential and agricultural properties, and also the acquisition of a forest in mid-Wales. This acquisition will support the supply of materials for our recently opened sawmill facility on the Eaton Estate, which will produce timber products both for use in our own properties and for commercial sale externally.



Realty Insurances

Realty Insurances Limited, Grosvenor's wholly-owned firm of independent Chartered Insurance Brokers, specialises in customised insurance solutions for real estate owners, property developers and private clients. During 2022, Realty posted strong financial results, growing annualised premiums placed by the company to £45.0m (2021: £36.4m); with commission and fee revenue of £6.9m (2021: £5.7m). Operating profit increased to £3.2m (2021: £2.6m), representing a modest increase in margin.

John Dilley joined the organisation as Managing Director on 1 April 2022, following the retirement of Graham Salmon, who successfully led the business for 21 years. John brings a wealth of real estate insurance experience and, together with an expanded senior leadership team, is intent on positioning Realty for further growth, building on the business's strong foundations.



Our objectives: Deliver strong commercial results

Maintaining resilience and supporting sustainability

It is precisely to counter times of significant economic and geopolitical stress, such as those we face currently, that we maintain a financially prudent approach. This ensures we have sufficient liquidity and balance sheet resilience under stressed scenarios. As at December 2022, our financial capacity (cash and undrawn, committed credit lines) within our urban property business remained strong at £2.3bn (2021 £2.1bn); see chart on page 29.

This financial capacity position was boosted in 2022 by the closing of a £150m US private placement by our UK property business. This 10-year debt was fixed in April at a very favourable rate of 3.23% and helped increase Grosvenor Property's overall proportion of debt that is at fixed rate to 89% at year-end 2022, thereby mitigating higher interest rates this year and beyond. This debt is also linked to the achievement of specific, stretching sustainability goals for the UK business, helping to develop the sustainable private placement market.

Building on this success, we also published our Sustainability Finance Framework which, in line with industry standards, sets out how the companies within Grosvenor Property can execute sustainable financing transactions such as bank loans and bonds and how the providers of debt financing can help us to deliver our ambitious sustainability strategy.

Looking forward

With interest rates having risen significantly, it is our expectation that property markets will reflect these yield increases and values will continue to fall during 2023. This will

inevitably impact our property business and, together with other significant macro risks, could mean that Grosvenor Property's total return is negative in 2023 for the second time in four years. In terms of profitability, our initial view is that 2023 is likely to be similar to 2022.

There will always be such market cycles and other risks which impact our commercial performance in the short term, but our prudent approach to financial and risk management is aimed at ensuring that we are well positioned to focus on the medium and longer term. By working closely with our customers, partners and lenders both to manage risks and to find opportunities, we continue to be in a strong position to fulfil our purpose to deliver lasting commercial, social and environmental benefit.

I would like to take the opportunity to thank our Grosvenor team and the many stakeholders that we work with. Their hard work, help and support is what makes it possible for us to continue to deliver these results against a background which has been both professionally and personally challenging for many. It is also this enthusiasm and dedication to Grosvenor's purpose which means we are strongly positioned to meet the challenges and opportunities ahead.

Robert Davis
Chief Financial Officer
Grosvenor
21 March 2023



Purpose-led investing

Grosvenor's investment approach is built on a commitment to long-term thinking, sustainable growth and a deep sense of responsibility towards the planet's environmental resources and the communities that depend on them. We invest with purpose – striving to make the most of today's opportunities while always maintaining a perspective that weighs the impact of our actions over the long term.

In early 2022, we set out a renewed strategic direction for the organisation's principal commercial activities. Within our international property business, in the UK and North America, we committed to increasingly concentrate on places that are dynamic, diverse and well-connected to diversify our rental income and sectoral mix.

In parallel, our Diversified Property Investments business has the ambition to double in size over the next five years by backing local specialist partners who understand the unique nature and drivers of their markets. In particular, following a strategic review, our approach in Asia and Europe, two regions we have invested directly into for several years, will now be to back local partners and benefit from projects delivered at a larger scale.

Within our food and agtech investment business we plan to continue supporting our growing investment portfolio, assisting our companies to scale up their technological solutions to help deliver a better food system. New investments will focus on areas showing strong promise against our commercial criteria as well as their ability to improve the environment, human health and enable producers to thrive.

We remain committed to the strategic course we set out just over a year ago but are clearly very aware of how the post-pandemic context has evolved and how the impact of factors such as the war in Ukraine have triggered tightening monetary policies throughout western economies. As a result, we have adopted a more cautionary stance, prioritising liquidity and cash flow protection, accelerating several strategic disposals, generating value by investing in asset management in creative ways – but always ready to quickly react to attractive new investment opportunities.

Jonathon Bond
Chief Investment Officer
Grosvenor
21 March 2023



Our objectives: Deliver strong commercial results

Urban Property commercial highlights

Urban Property

Profit before tax

£110.4m

(2021: £437.5m)

Economic gearing

22.7%

(2021: 23.9%)

Financial capacity

£2.3bn

(2021: £2.1bn)

Occupancy

95%

(2021: 92%)

Property assets

£9.0bn

(2021: £8.9bn)

Assets under management

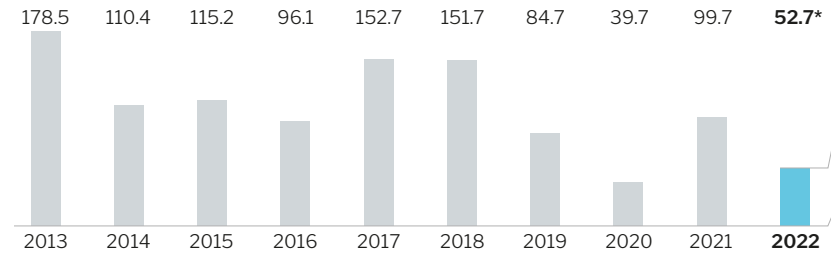
£11.5bn

(2021: £11.0bn)

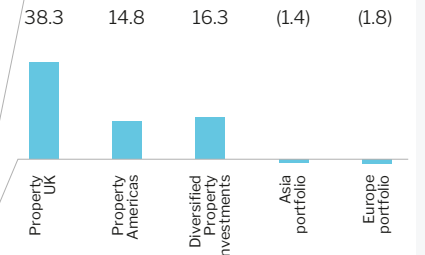
Urban Property

Revenue profit £m

£52.7m

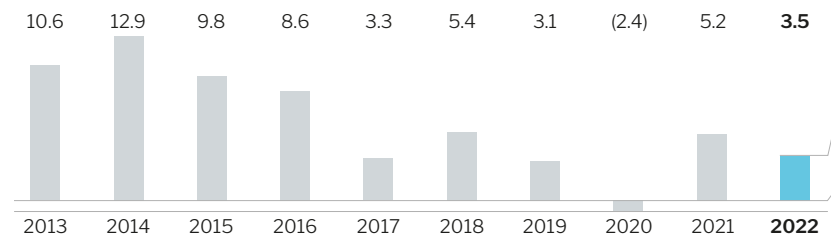


by Operating Company/Portfolio

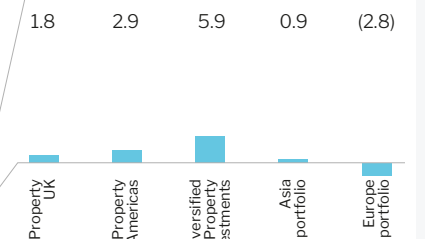


Total return %

3.5%

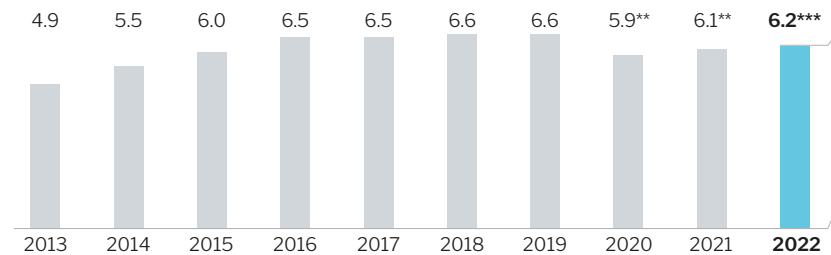


by Operating Company/Portfolio

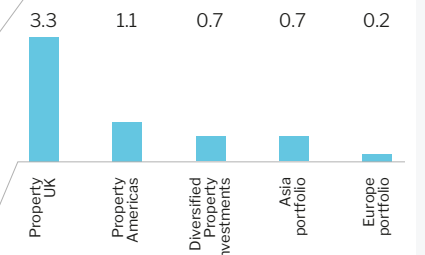


Net assets £bn

£6.2bn



by Operating Company/Portfolio



* Included within revenue profit of £52.7m is £(13.5)m related to Group.

** We have only included a deferred tax estimate in respect of the Trust-owned assets for the years 2020 to 2022.

*** Included within total net assets of £6.2bn is £0.2bn related to Group.



Our objectives: Deliver strong commercial results

Urban Property

Rent collection %

96%

By sector	Collection of 2021 rent due	Collection of 2022 rent due
Retail	86.9%	93.7%
Office	96.5%	97.8%
Residential	96.5%	98.2%
Industrial/Logistics	99.2%	98.0%
Student accommodation	98.9%	99.8%
Other	92.5%	97.6%
Total	93.1%	96.4%

By Operating Company/Portfolio	Collection of 2021 rent due	Collection of 2022 rent due
Property UK	90.2%	96.3%
Property Americas	95.2%	96.7%
Diversified Property Investments	92.2%	97.7%
Asia portfolio	99.1%	96.9%
Europe portfolio	97.1%	94.9%

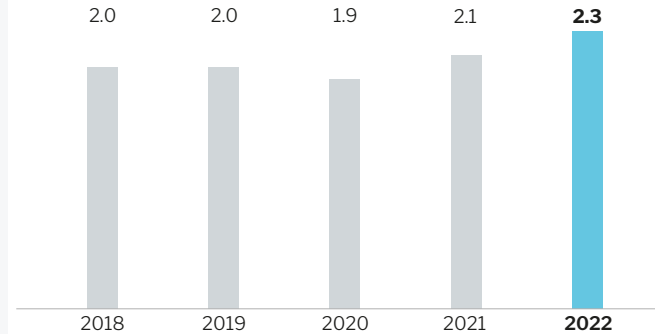
Overall collections improved to 96.4% in 2022, driven by strong performance across our property businesses in the UK and North America.

This was particularly noticeable in the UK, where collections improved from 90.2% to 96.3%, driven by impressive occupancy rates in retail, with Grosvenor Property UK closing the year with less than 1% vacancy across Mayfair and Belgravia.

In the early part of 2022, we continued to provide some financial support to the most vulnerable occupiers, including rent waivers and deferrals. Collection rates for 2022 retail rents increased to 94.0% (2021: 92.2%) after adjusting for these Covid-19 related concessions.

Financial capacity and liquidity £bn

£2.3bn

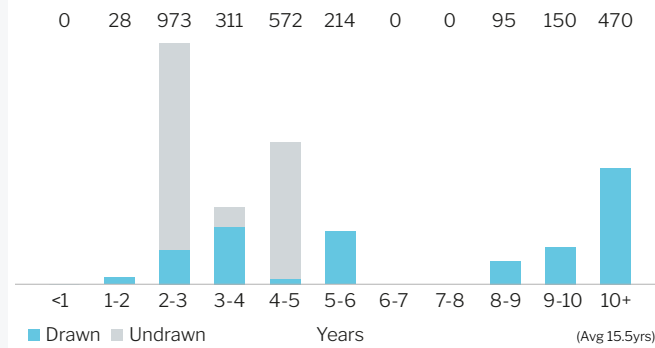


We manage our financial capacity and liquidity with the dual aim of: first, ensuring sufficient liquidity for periods of significant global economic stress; and, second, ensuring that we are positioned to take advantage of opportunities at times when others are unable to access finance.

This is achieved by securing sufficient financial capacity, i.e. available cash and undrawn, committed, general use facilities which are immediately available.

At 31 December 2022, financial capacity increased to £2.3bn from £2.1bn in 2021, largely as a result of cash generated from strategic disposals in the UK, Asia and Europe, the closing of a new £150m US private placement by our Grosvenor Property UK business and new facilities in Grosvenor Property Americas. This level is sufficient to meet the aims referred to above.

Debt maturity profile £m



This chart shows the spread of maturities of our wholly-owned debt facilities, split between those which are drawn and undrawn.

The weighted average life of these facilities has decreased to 6.0 years (2021: 6.1 years) as a result of standing facilities being one year closer to maturity, partially offset by new facilities entered into during the year.



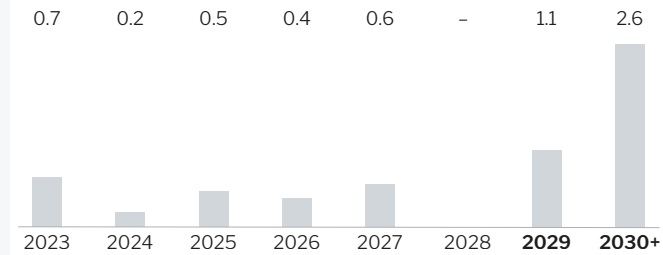
Our objectives: Deliver strong commercial results

Urban Property

Future value in our development pipeline* £bn

Total

£6.1bn



* Figures stated on an assets under management basis.

Development exposure %

13.9%

Urban Property

Monitoring our development progress

As a result of many years of planning and pre-construction activity, our property business has generated a development pipeline (see chart to the left) that at 31 December 2022 was capable of delivering gross development value of £6.1bn (2021: £3.1bn). This represents a significant increase from last year due to commitments having been made to a number of large mixed-use developments in the UK and North America. Development activity is a fundamental driver of future commercial, environmental and social value.

However, development activity usually involves increased risk which we look to mitigate through a combination of factors, including use of joint ventures, market timing and pre-sales/pre-lets. To understand the level of risk in the business, we measure and monitor our exposure to development, both in terms of the overall capital exposure but also our speculative exposure (trading and rental).

At 31 December 2022, our total development exposure (including committed costs) increased to 13.9% of the total property portfolio by value (2021: 9.1%). This is largely due to increased exposure in North America.

Our speculative exposure at 31 December 2022, was 8.1% of portfolio gross rental income (2021: 6.7%) with 33% of trading profits expected in 2023 de-risked through pre-sales (2021: 14%).

Urban Property

Taxes paid

Tax type

Tax type	Total tax borne (£m) 2022	% of whole 2022	Total tax borne (£m) 3 years to 2022	% of whole 3 years to 2022
Taxes on income and gains in urban property portfolio directly owned by Trustees	15.0	18%	83.1	26%
Corporate income tax paid in the year	23.9	28%	79.8	25%
Property transaction taxes paid in the year	8.8	10%	39.5	13%
Annual property taxes	20.7	24%	59.2	19%
Employer taxes and social security costs	11.6	14%	30.4	10%
Irrecoverable VAT (UK only)	5.6	6%	21.7	7%
Total	85.6	100%	313.7	100%

Country

Country	Total tax borne (£m) 2022	% of whole 2022	Total tax borne (£m) 3 years to 2022	% of whole 3 years to 2022
United Kingdom	45.5	53%	177.1	57%
Canada	13.7	16%	26.4	9%
United States	7.7	9%	33.5	11%
France	6.6	8%	9.5	3%
Asia	4.7	6%	29.3	9%
Spain	4.0	5%	16.0	5%
Australia	1.2	1%	10.7	3%
Portugal	1.0	1%	4.3	1%
Other	1.2	1%	6.9	2%
Total	85.6	100%	313.7	100%

In order to manage our tax obligations, we respect not only the letter of the law but also its underlying intention. We achieve this through adhering to our Tax Policy, compliance with which is reviewed annually by our Trustees and adopted by all businesses. In the case of real estate, the underlying premise is simple — property should be taxed in the jurisdiction in which it is located.

We pay taxes on realised economic gains and profits, in accordance with applicable laws.

In the spirit of transparency, we analyse and report on tax contribution by type of tax borne and by country (see tables above).

In 2022, our economic share of tax payments totalled £85.6m (2021: £119.4m). This was lower than last year, primarily due to fewer property acquisitions and a reduction in income and gains from the urban property portfolio directly owned by Trustees.

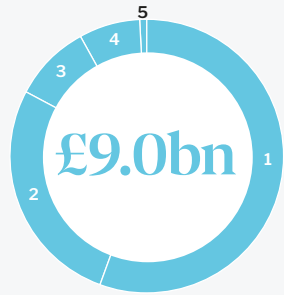
Our objectives:

Deliver strong commercial results

Urban Property

Our economic property interests by location

We develop, manage and invest in property in 47 cities around the world. This chart shows our economic property interests by location.



	2021	2022
1 United Kingdom	57.8%	55.7%
2 North America*	20.4%	27.1%
3 Asia Pacific/Australia	12.5%	9.3%
4 Continental Europe	8.5%	7.2%
5 South America	0.8%	0.7%

* Significant increase in North America notably driven by currency exchange movements from the weakening of GBP against the USD and CAD.

United Kingdom	2021	2022
🇬🇧 West End, London	53.5%	52.3%
🇬🇧 Liverpool	1.4%	1.3%
🇬🇧 Other UK	1.0%	1.8%
🇬🇧 Other London	1.9%	0.3%
Total	57.8%	55.7%

North America	2021	2022
🇨🇦 Vancouver	6.6%	8.0%
🇺🇸 Washington, D.C.	3.8%	4.5%
🇺🇸 San Francisco	2.6%	3.0%
🇺🇸 Seattle	1.5%	1.8%
🇺🇸 San Jose	1.2%	1.4%
🇺🇸 Other USA	4.2%	7.4%
🇨🇦 Other Canada	0.5%	1.0%
Total	20.4%	27.1%

Asia Pacific/Australia	2021	2022
🇭🇰 Hong Kong	4.9%	5.2%
🇨🇳 Nanjing	2.1%	2.0%
🇦🇺 Australia	1.4%	1.4%
🇯🇵 Tokyo	4.1%	0.7%
Total	12.5%	9.3%

Continental Europe	2021	2022
🇵🇱 Poland	2.3%	2.6%
🇪🇸 Spain	2.6%	2.2%
🇸🇪 Sweden	1.6%	1.4%
🇵🇹 Lisbon	0.4%	0.2%
🇵🇹 Porto	0.4%	0.2%
🇮🇹 Italy	0.2%	0.1%
🇫🇷 France	0.3%	0.0%
🇪🇺 Other Europe	0.4%	0.1%
🇵🇹 Other Portugal	0.3%	0.3%
Total	8.5%	7.2%

South America	2021	2022
🇧🇷 São Paulo	0.6%	0.6%
🇧🇷 Other Brazil	0.2%	0.1%
Total	0.8%	0.7%

Urban Property

Financial summary £m

Income statement – proportional

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net property income	396.5	332.4	336.2	315.2	378.7	387.0	306.4	254.6	310.2	284.8
Administrative and other expenses	(144.4)	(148.2)	(154.6)	(158.3)	(168.5)	(174.1)	(164.9)	(164.0)	(157.5)	(158.0)
Net financing costs	(73.6)	(73.8)	(66.4)	(60.8)	(57.5)	(61.2)	(56.8)	(50.9)	(53.0)	(74.1)
Group revenue profit/(loss)	178.5	110.4	115.2	96.1	152.7	151.7	84.7	39.7	99.7	52.7
Net gains on revaluation and sale of investment properties	590.1	795.3	639.9	151.3	180.0	163.9	230.7	(342.8)	320.1	33.2
Tax and other non-controlling interests in joint ventures	(6.4)	(20.5)	(17.1)	(27.2)	(23.3)	(17.9)	(15.4)	1.7	(5.2)	(3.7)
Other	(24.6)	(20.7)	(23.7)	(5.6)	(14.4)	(27.9)	(47.7)	(21.4)	22.9	28.2
Profit/(loss) before tax	744.0	885.0	731.4	241.8	318.3	287.7	267.7	(324.5)	437.5	110.4

Balance sheet – proportional*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total property assets including share of joint ventures	7,052.7	7,614.0	8,367.2	8,223.1	8,599.8	8,754.3	8,847.6	8,432.1	8,945.8	8,993.2
Net debt	(1,224.8)	(1,084.5)	(1,296.7)	(795.7)	(1,261.8)	(1,186.4)	(1,147.8)	(1,365.6)	(1,565.1)	(1,500.9)
Deferred tax	(661.7)	(737.6)	(763.6)	(715.3)	(726.5)	(673.8)	(632.7)	(777.6)	(930.3)	(926.7)
Other liabilities	(204.3)	(212.0)	(191.8)	(217.2)	(138.6)	(328.5)	(438.5)	(361.3)	(387.6)	(345.5)
Net assets (pre-minority assets)	4,961.9	5,579.9	6,115.1	6,494.9	6,472.9	6,565.6	6,628.6	5,927.5	6,062.8	6,220.1
Minority interests	85.2	87.6	86.5	(2.0)	(2.6)	(0.9)	0.6	(0.6)	(0.6)	62.1
Net assets	4,876.7	5,492.3	6,028.6	6,496.9	6,475.5	6,566.5	6,628.0	5,928.1	6,063.4	6,158.0

* Non-statutory basis. Incorporates both Grosvenor-controlled activities and share of joint ventures and associates. We have only included a deferred tax estimate in respect of the Trust-owned assets for 2020-2022.



Our objectives: Deliver strong commercial results

Food & AgTech commercial highlights

Our commitment to the food and agtech sector continues, with total investment into new and existing portfolio companies during the year of £111m (2021: £81m). The value of our 28-company portfolio is £468m (2021: £364m). We continue to invest into businesses at varying levels of maturity, from seed to late stage, and also have a number of listed investments within the portfolio.

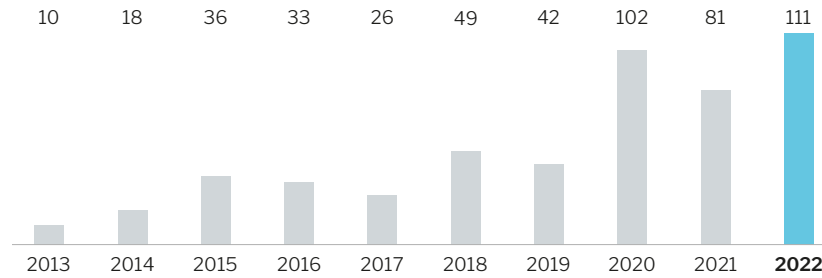
To protect the commercial sensitivity of the businesses in which we invest, we have chosen not to publish aggregated financial performance metrics.

Food & AgTech

Investments

£111m

(2021: £81m)



New investments in 2022

		Funding round	Total raise
	Gousto A leading UK recipe box company, helping people cook high-quality, fresh food at home with minimal waste.	Secondary	£172.3m
	Meati A producer of clean-label meat alternatives made from mushroom root. Its product compares to meat in protein content, while being higher in fibre and containing no cholesterol.	Series C	£124.0m
	Vestaron A developer of next generation crop protection products from peptides – naturally occurring proteins – delivering selective effective biological control of pests for use on a variety of crops.	Series C	£76.1m

Rural Estates commercial highlights

Rural Estates

Net profit*

£2.1m

(2021: £2.4m)

The property activities in the rural estates saw an improved year as the significant prior year impact of Covid began to unwind.

Grosvenor Farms' underlying trading performance was broadly flat year-on-year but overall results were down as a result of significant exceptional expenditure developing future projects.

Rural Estates

Gross value

£387m

(2021: £345m)

Asset values increased year-on-year both as a result of positive revaluations and the acquisition of a commercially grown forest in mid-Wales.

This acquisition will support the supply of materials for our recently opened sawmill facility on the Eaton Estate, which will produce timber products, both for use in our own properties and for commercial sale externally.

* Based on EBITDA per the most recently approved audited financial statements and excluding central administrative recharges.



Our objectives: Deliver strong commercial results

Grosvenor secures joint venture for £500m South Molton Triangle

Urban Property

Our UK property business confirmed Mitsui Fudosan UK, the European operation of Japanese real estate developer Mitsui Fudosan, as our joint venture partner for a key element of our £500m sustainable mixed-use South Molton Triangle development.

Focusing on the 263,000 sq ft North and South blocks of the scheme, the partnership will deliver best-in-class Grade A office space, together with a range of retail and food and beverage outlets at street level.

Grosvenor will deliver the other phases of the two-acre project, including community, residential and additional retail elements as well as a new five-star boutique hotel.



“Securing a partner with Mitsui Fudosan UK’s experience and global reach is a huge step forward for South Molton Triangle. They share our ambition to create lasting positive social, economic and environmental impact and have a strong track record, both in London and globally.”

Anna Bond
Executive Director of Development
Grosvenor Property UK





Our objectives:

Deliver strong commercial results

Forging new relationships to support future growth

Urban Property

1500 K was built in 1928 and is located in the central business district of Washington, D.C. This historic Grade A office building underwent a US\$20m refurbishment and modernisation programme and has achieved LEED Gold, Energy Star, WiredScore Gold and WELL Health-Safety certifications following the improvements.

Using a debt broker, we engaged over 50 potential lenders to refinance this jointly-owned property, introducing Grosvenor to a large number of potential future lending relationships and increasing awareness of our presence in the market. We secured an US\$82.1m loan through a new lending relationship and improved our access to the debt market to enhance our future growth requirements.





Our objectives: Deliver strong commercial results



We are delivering market-leading developments, to exceptionally high environmental standards, and our ability to drive value is evidenced by strong demand from tenants who want to be in our buildings at the heart of our London estate.

Heather Topel
Director of Development
Grosvenor Property UK



London office and retail developments snapped up

Urban Property

Grosvenor Property UK's major developments in Mayfair and Belgravia received exceptionally high interest from prospective occupiers, with all 130,000 sq ft of available office and retail space competitively pre-let during the construction phase.

In Belgravia, our Ice Factory, Holbein Gardens and Newson's Yard developments have shown the commercial and environmental value that can be created by repurposing

historic buildings to create exciting spaces with modern amenities and improved energy performance.

Built above the new Bond Street Elizabeth line station, our 65 Davies Street, one of the best-connected offices in London, has also let several floors of office space in advance of its completion in Autumn 2023.

Our pre-let success stands out against a challenging external environment and underlines the quality of the space we're bringing forward and that in a constrained market, we are a clear partner of choice.



Gravity lands at Grosvenor's Liverpool ONE

Urban Property

Gravity Active Entertainment (Gravity), the UK's fast-growing leisure and entertainment company, has announced plans for a 100,000 sq ft active experience at Grosvenor's Liverpool ONE, the UK's leading leisure and entertainment destination.

Representing a £10m investment and set to open in mid-2023, the new Liverpool ONE venue will span the two upper floors of the former Debenhams.

An evolution of Gravity Southside, Wandsworth, Liverpool ONE will be the first venue to feature an outside rooftop space that will be integrated into the overall experience.

The venue will also house a unique e-karting experience, bowling, urban golf and modern food and beverage offering with a bar concept and live entertainment. Securing what will be Gravity's UK flagship is part of Liverpool ONE's push to build its entertainment offer as it responds to post-pandemic consumer trends.



Our objectives: Deliver strong commercial results



Unlocking value from a legacy asset to create a public utility

Urban Property

On Annacis Island, working with the Greater Vancouver Regional District, we negotiated favourable terms to widen a statutory right of way to accommodate the expansion and upgrade of an aged public utility while also retaining our rights to the land.

In addition to benefiting from the immediate significant revenue creation that results from this agreement, the expanded perpetual statutory right of way will also preserve essential surface and above-grade rights to allow full utilisation, movement and parking of fully loaded tractor-trailers, shipping containers and storage of materials, all of which move daily on and off our active industrial property.



Successful divestment of Australian healthcare JV

Urban Property

In March 2022, our Diversified Property Investments business successfully divested from an Australian healthcare joint venture, held alongside two co-investors and managed by local specialist Centuria Heathley.

The joint venture was set up in 2018, acquiring income producing medical properties with attractive investment fundamentals, driven by an ageing demographic, growing healthcare demand and limited supply. The venture's assets provided essential medical and healthcare services to local communities and, through highly effective asset management, the buildings were sold with close to 100% occupancy and an average lease term of more than seven years. The investment delivered an annualised return of more than 22% over four years.

Annualised return over four years

22%



Our objectives: Deliver strong commercial results

New Sustainability Finance Framework to underpin our property transactions

Urban Property

In 2022, we developed a new Sustainability Finance Framework which sets out the ambitious sustainability outcomes that we are working to deliver across our property activities and shows how our third-party providers of debt capital can support these.

Our Group Sustainable Finance Committee will review the framework each year. We believe that the framework will help to future-proof our financing strategies and enable us to access competitively priced capital from debt providers to fund the business.

The framework was developed with advice from NatWest's ESG Finance Advisory team and DNV have provided a Second Party Opinion.



Increasing the reach of environmentally responsible fertiliser in America's midwest

Food & AgTech

Our portfolio company, Ostara, raised US\$70m in a Series C funding with investment from new and existing partners to increase production of Crystal Green® Fertilizer, an environmentally responsible plant activated fertiliser, enabling more farmers and growers to improve yields and reduce pollution.

Ostara will use the funding to complete construction of its St. Louis, Missouri, manufacturing facility in the US, which will produce and ship its unique fertiliser to more North American farmers who are looking to maximise yield, embrace sustainability, reduce applied phosphate rates per acre and decrease costs.

The plant, which will be operational in Q3 2023, is strategically located in St. Louis, in the heart of midwestern agriculture. Once complete, the facility will produce 250,000 tonnes per year, providing product in time for the 2024 growing season, as well as dozens of new jobs in the region.



“Growers are looking for more tools that increase the efficiency of applied nutrients and reduce their required application rates, operational hassles, and environmental impacts. Ostara is excited to rapidly increase our North American manufacturing base, enabling us to serve more US and Canadian farmers.”

Kerry Cebul
Chief Executive Officer
Ostara



Our objectives: Deliver strong commercial results

Enhancing the productivity and sustainability of British farming

Food & AgTech

We furthered our funding of Oxbury Bank – the UK’s first and only bank dedicated to the agtech sector – which is enabling British farmers and their supply chains to manage their finances more efficiently and effectively, to enhance their productivity and sustainability.

Oxbury raised equity from new and existing investors, including Grosvenor Food & AgTech, bringing the total capital raised to £77m. The business has

broken even just two years from launch, is on target for a full year of profitability in 2023 and to exceed £1bn in lending by 2024, at least 50% of which will assist farms to transition to more climate-friendly production.

Oxbury’s unique and proprietary agtech banking platform – Oxbury Earth – is also powering a new range of unique data solutions for its farming and supply chain customers, enabling them to gain critical new data insights to improve sustainability, provenance and productivity performance across their businesses.



Providing unrivalled insights for farmers and consumers

Food & AgTech

AgriWebb is Australia’s market leader in livestock management and software with thousands of farmers using its technology to manage more than 19 million animals and 136 million acres of farmland.

Through AgriWebb’s digital platforms, they are helping increase food producers’ efficiency, productivity and traceability, thus giving consumers confidence in food produce.

The company’s agricultural and herd software solutions enable simpler and more effective management of data-driven activities, such as farm resources, financial and health information and traceability, saving producers time and money, while giving consumers confidence. This means beef and sheep farmers can more easily manage a wide range of processes (including animal records), optimise grazing using inbuilt mapping software and prioritise tasks for employees.

In 2022, AgriWebb secured an additional AUD\$10.0m to its series B funding round, bringing the total Series B to AUD\$30.1m to further enhance their solutions and build market presence.



AgriWebb is now the world’s leading beef production platform that enables farmers to maximise productivity, eliminate waste and validate animal grazing decisions at a practice and scale that other systems can’t touch. The 2022 funding accelerated AgriWebb’s unique data to validate sustainability claims and Scope 3 emission targets of industry and government.

Justin Webb
Executive Chairman
AgriWebb





Our objectives: Deliver strong commercial results

AeroFarms expands in the Middle East

Food & AgTech

AeroFarms, the commercial leader in fully-controlled indoor vertical farming, growing unique varieties of leafy greens with a minimal environmental impact and enhanced food safety profile, expanded into the Middle East – opening a new R&D facility in the UAE and announcing plans to build indoor farms throughout the region, supported by a joint venture with PIF and financing from Doha Ventures to build a farm in Qatar.

Climate change and the commensurate changes in the volatility of weather are driving interest in indoor agriculture, despite a shaking out within the industry as companies not able to grow indoors profitably are struggling to finance their facilities in a more hostile capital environment. By bringing its new state-of-the-art farm in Danville, Virginia, to profitability by year-end, expanding in the US and the Middle East and by raising further capital, AeroFarms can look to 2023 as a key year to scale its operations, broadening the reach of its premium microgreen product, highly valued by consumers and key grocers for its nutrient density, high flavour profile, low water usage, and reliable freshness 365 days a year.



Leaders in sustainable packaging solutions come together

Food & AgTech

TemperPack, our portfolio company which produces high-performance, sustainable, thermal insulation solutions, acquired KTM Industries, creators of Green Cell Foam – one of the most environmentally sustainable and functional packaging materials available.

The partnership brings together the two industry leaders in the development of renewable materials to compete with polystyrene, bubble wrap and other harmful materials used in cold-chain and non-thermal, protective packaging.

TemperPack's curbside recyclable protective packaging, ClimaCell, is proven in a wide range of industries from food distribution to healthcare, for example to transport temperature sensitive treatments like insulin for diabetics and vaccines.

Green Cell Foam is certified compostable in industrial facilities and can be dissolved in a sink for safe and easy disposal at home.



Our objectives: Deliver strong commercial results



> The UK's only producer of premium, and sustainable, British C24 and C27 construction grade timber

Rural Estates

In 2022, we began manufacturing graded construction timber from our state-of-the-art saw milling facility at Hatton Heath on the Eaton Estate in Cheshire. In doing so, we became the UK's only producer of premium British C24 and C27 graded timber – the highest grades of softwood structural timber which can bear the heaviest loads.

Marketed through a newly launched commercial venture, Grosvenor TimberWorks, we also began producing the finest quality British solid hardwood flooring.

We're set apart by our access to a wide variety of sustainably sourced UK wood species, unrivalled provenance – to within a hectare of British woodland – and, combined with our bespoke sawmilling service, by the ability to provide more choice of textures, finishes and sizes.

Grosvenor TimberWorks brings together a progressive and sustainable approach to woodland management with the processing of innovative timber products, combining a dedication to traditional methods of wood craftsmanship with a long-term commitment to UK forestry.



“ Many people believe that C24 and C27 graded timber can only be imported from Europe – where the climate means trees grow more slowly – but with a significant carbon footprint. At Grosvenor TimberWorks, we provide the same slow grown timber sourced from sustainably managed British woodlands on our UK rural estates, reducing the embodied carbon of a project.

Greg Vickers
Head of Forestry
Grosvenor Rural Estates



Our objectives:

Improve land, property, places, goods and services

We are working to create sustainable urban property, and rural estates, while supporting the delivery of a better food system.



Alignment to the UN Sustainable Development Goals:
2 – Zero hunger
11 – Sustainable cities and communities



Our objectives:

Improve land, property, places, goods and services

Investing in urban and rural sustainability

Amount of urban green space we protect and maintain

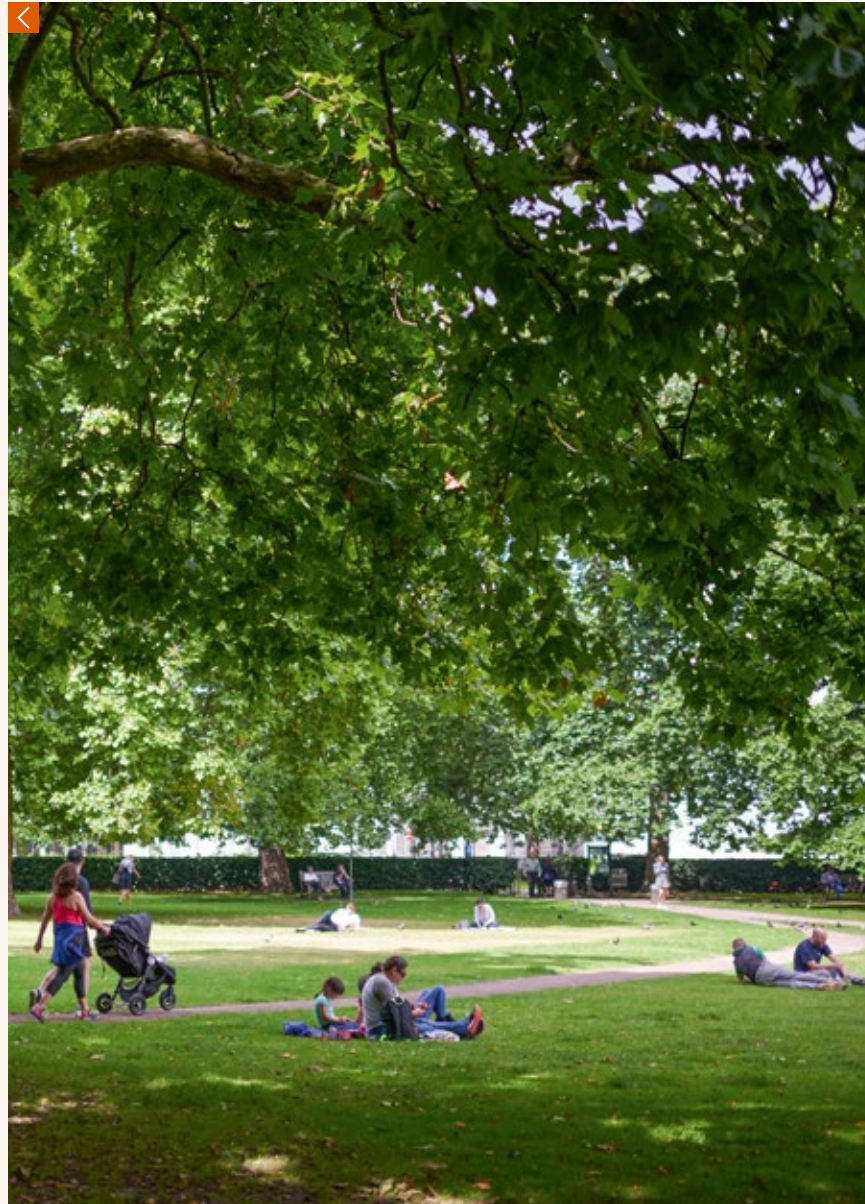
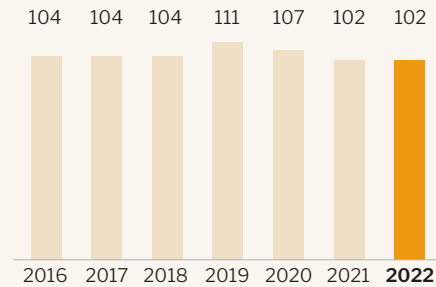
Urban Property

We continue to manage and protect green spaces in our urban areas, acknowledging the vital role that they play in supporting the health and wellbeing of our communities. Green spaces are also essential natural drainage solutions which help to reduce urban flooding.

In North America, our property business is building green space into our new developments: Neal Place Park, an 11,000 sq ft park in Washington, D.C., will be completed in 2023 and will enhance community access to nature. In our Brentwood master-planned project in Metro Vancouver, we have ensured that the development will feature a 4.5-acre pedestrianised public realm representing 60% of the site area.

Urban green space ha

102 ha



Providing equity-like capital that contributes to the housing supply

Urban Property

Through our Structured Development Finance (SDF) programme, our North American property business is supporting the construction of 126 new homes in Falls Church, Virginia. We committed US\$27.8m to Hoffman & Associates towards developing West

Falls Condo, a LEED Gold-designed development that when delivered in 2024, the master plan will provide the community with much needed housing, over 18,000 sq ft of new public open space and 24,000 sq ft of new retail offerings.

Since 2000, our SDF business has acted as a capital provider, investing a total of CAD\$817m in 78 residential development projects representing over 8,900 residential units and CAD\$4.8bn in gross development value.



Our objectives: Improve land, property, places, goods and services



Placemaking with purpose: a new inclusive, mixed-use community in Metro Vancouver

Urban Property

In June 2022, our pedestrian-only, master-planned development in the heart of Brentwood was approved by the City of Burnaby.

Now called Brentwood Block, the 7.9- acre development aims to become a thriving, inclusive, mixed-use community with approximately 3,500 new homes, including 2,450 rental homes, a new urban, multi-storey community centre and approximately 250,000 sq ft of commercial space on transit. Significantly, this will be one of the first projects of this scale to be entirely pedestrianised, with all cars accessing the underground from the site’s periphery. The master plan also incorporates an abundance of green and public space, with over half of the site designated as courtyards and plazas for both residents and the general public, including landscaped trails for pedestrians and routes for cyclists.

We will deliver approximately 2,000 market rental and 450 below-market rental homes that will meet the goals of the City of Burnaby’s non-market housing policy, with rents set at 20% below Canada Mortgage and Housing Corporation median rental rates for the area.

Brentwood Block will embrace British Columbia’s clean, renewable hydroelectricity source and exceed the City of Burnaby’s sustainability requirements through 100% electrification of in-suite appliances, space heating and cooling systems, LED lighting and smart thermostats – encouraging reduced energy use. This results in a targeted 40% Greenhouse Gas Intensity improvement beyond the required BC Step Code 2 Low Carbon Energy System and supports our net zero ambitions.

In addition to curated, community-oriented retail, restaurants and office space, a CAD\$8m+ public art programme will be located throughout the development.



Our objectives: Improve land, property, places, goods and services



> Long-term future of c.500 affordable homes in London secured

Urban Property

The future of 486 affordable homes across central London has been secured through the completion of a 150-year lease extension between Grosvenor and Peabody.

Grosvenor has let nine buildings as affordable homes to London's largest housing association since the mid-1920s and they form a large proportion of the c.700 affordable homes we support in the capital, a portfolio larger than the c.530 apartments we let on the open market.

This extension underlines our commitment to protecting affordable housing where it is most expensive to live and will also see Peabody invest in sustainability enhancements including retrofit and energy efficiency measures. These will make the largely historic portfolio of buildings more climate resilient and comfortable and help better manage energy costs.

“

In addition to providing long-term security for many people's homes, we are also delighted at Peabody's commitment to reduce the buildings' environmental impact through a programme of retrofit. This will have many benefits for resident wellbeing and our joint ambitions to reach net zero.

Amelia Bright
Executive Director of the London Estate
Grosvenor Property UK





Our objectives: Improve land, property, places, goods and services



Grosvenor and Bridge Investment Group continue partnership to create high-quality environments

Urban Property

In 2022, our Diversified Property Investments business continued its partnership with Bridge Investment Group – a multi-sector global real estate investment firm which shares our commitment to responsible investment.

Following our award-winning first partnership with Bridge (Bridge Workforce & Affordable Housing Fund)

in 2021, our second venture with Bridge focuses on creating best-in-class office assets in strategic US locations that are stellar examples of creating a high-quality built environment that also provides strong commercial returns.

Redevelopment efforts have created exceptional workplaces for businesses and employees – exemplified by achieving WELL Health & Safety certification. With a focus on social and environmental matters, they stand as prime examples of the Responsible Investment Strategy of our business.

“ We continue to look for specialist managers who, like Bridge, share our ambitions to improve the sustainability of the properties in which we invest and whose strategies respond to evolving occupier requirements.

Wei-Ting Leong
Associate Director, Investments
Grosvenor Diversified Property Investments



Homes provided/under construction

1,983

Urban Property

Across our North American development projects, in Washington, D.C., City Homes (completed) and Margarite (under construction), we are delivering 305 homes, of which 33 will be affordable. A further 163 homes will be delivered through our development at 1951 Shattuck (under construction) in Berkeley, California.

Through our Structured Development Finance (SDF) programme, Waterfront Station II (under construction) in Washington, D.C., will deliver 180 homes, with 136 at below market rent, more than twice above city requirements.

Altogether, the six projects currently under construction in the SDF programme will deliver 1,515 needed homes in the US and Canada.





Our objectives: Improve land, property, places, goods and services



Brazilian student housing venture continues to renovate ageing buildings

Urban Property

Grosvenor’s Diversified Property Investments business continued to invest into student accommodation in Brazil to redevelop functionally obsolete buildings into lively and vibrant communities. Established in 2019, our joint venture with VBI retrofits ageing properties near to university campuses into student housing facilities – placing a focus on supporting the safety, security and wellness of residents.

Despite challenging macroeconomic conditions, in 2022 our partnership with VBI opened two new locations in Santos and Pinheiros (São Paulo). Our partnership has three additional properties under construction, which on completion will supply the Brazilian student housing market with over 2,100 beds – making Uliving the largest provider of institutional student housing in the country.

Repositioning a property in our value-add programme to net zero standard

Urban Property

North Bethesda, Maryland, is a special neighbourhood, alive with energy from residents who appreciate the natural beauty and the community that’s established here over time. Adding to our multi-family value-add portfolio this year, we acquired a 237-unit apartment building which we renamed ‘The Magnolia’ as part of the value-add repositioning programme.

We are investing in the 37-year old, 21-storey building with upgrades to modernise common areas and apartment interiors. We are making strides towards our net zero commitment by improving the building management system, converting to electric heat pumps and adding electric vehicle charging stations, LED lighting and low-flow water fixtures. The supply chain diversity programme we will implement will hopefully ensure that minority and women-owned vendors are fairly represented in the remodelling work and ongoing building operations.



“

The vision and values that Grosvenor, the new owners of The Magnolia, bring to the building is reflected in the many happy residents we see each day.

Kaitlin Fisher
Property Manager
Bozzuto





Our objectives: Improve land, property, places, goods and services



“The new development guidelines have provided our team with the tools to develop a more holistic approach towards development and the impacts on our communities, stakeholders and climate. The best practice approach is a great collaboration tool we utilise with our design team to deliver better buildings.”

Whitney Christopoulos
Development Manager
Grosvenor Property Americas

An ESG guidebook is helping transform a surface parking lot into sustainable housing

Urban Property

The ESG Development Standard that our North American property business created this year is helping to ensure environmental, social and governance outcomes are considered across all projects. In addition to capturing current requirements, policies and best practices towards greenhouse gas emission reduction, the guide also describes net zero operational and embodied carbon considerations, physical and functional building characteristics and establishes criteria for performance.

Alongside our project team, TCA Architects is actively employing several strategies from the Standard during various stages of design for 2600 Telegraph in Oakland, California, where we will transform a surface parking lot and single-storey building into a new multi-family housing development, with onsite affordable homes, that will target Greenpoint Rated Gold certification and deliver 225 all-electric rental homes.



CGI



Our objectives: Improve land, property, places, goods and services



Gateway Capital submits application for 4-Star Green Star building

Urban Property

Grosvenor Diversified Property Investments partner Gateway Capital has submitted a Development Application for the Stage 1 redevelopment in Thornleigh, New South Wales, Australia – which is in the final stages of being approved.

With this development, Gateway Capital is aiming to build a 4-Star Green Star building which reflects ‘Best Practice’ environmental performance. This rating builds on the minimum expectations to deliver a building that is either climate positive in operations or a higher performer in energy, water and health-related issues.

As part of the build, Gateway will be undertaking the following works to meet this standard:

- Minimum 100kw PV solar system.
- Solar hot water system.
- Rainwater collection and reuse for toilet flushing and landscaping irrigation.
- Low Volatile Organic Compound paints, carpets and sealants.
- LED lighting throughout the facility.
- Drought resistant landscaping and smart irrigation systems.
- Building management systems to manage and report on power consumption of tenancies.
- Planting of an additional 100 locally indigenous trees and 1,000 shrubs and groundcovers to offset the ecological impact on site.



First net zero office completes

Urban Property

Our UK property business has completed its first net zero carbon office development. Holbein Gardens, an extension and refurbishment of a 1980s office building, sets a new benchmark for transforming outdated buildings into exemplary zero carbon workspaces. This was achieved by setting environmental performance as a success factor for the project from its inception.

Materials innovation including the recycling of steel from other Grosvenor projects, the use of cross-laminated timber and a zero waste to landfill policy reduced embodied carbon during construction. Day to day, power for the all-electric building will be generated through onsite solar panels and rainwater will be captured and reused on site. Significant greening and landscaping will also improve local biodiversity and aid wellbeing of occupiers.

Demonstrating the demand for highly sustainable workspaces from occupiers, Holbein Gardens has been pre-let at rent that exceeded our initial estimates.



Our objectives:
Improve land, property, places, goods and services

Supporting healthy places and food systems

Healthy buildings

Urban Property

In 2022, three of our North American properties were awarded sustainability certifications from Fitwel and WELL.

This brings our total number of properties that have been awarded sustainability certifications to 32: 23 in the UK and nine in North America.

Number of buildings with a sustainability certification

32





Our objectives: Improve land, property, places, goods and services



> Investing in sustainable and natural crop protection

Food & AgTech

Vestaron, which develops next generation crop protection products from peptides – naturally occurring proteins delivering selective, effective biological control of pests for use on fruits, vegetables, nuts and high-value field crops – raised US\$92m as part of a Series C fundraising from investors including Grosvenor Food & AgTech.

The funding is accelerating the development of Vestaron’s product pipeline as well as fuelling its expansion from specialty fruit, vegetable and nut crops into broad acre row crops and into new insect pest categories.

Crop protection is a vital part of global agricultural production and is responsible for approximately 40% of yields. Unlike traditional synthetic products, Vestaron’s do not affect bees or other beneficial insects and degrade into amino acids which are harmless to the environment, fish and mammals, helping to reduce pollution.

Vestaron’s products’ industry-leading safety enables farm workers and growers to be able to return to the field to tend to their plants or harvest crops more quickly compared with traditional crop protection treatments.



We partner with businesses that leverage innovative technology to improve the world’s production of food. Vestaron’s sustainable, people and pollinator-friendly peptide-based technologies provide growers with high-performance alternatives to synthetic chemistries, enabling continued safe and robust food production.

Monty Bayer
Managing Partner
Grosvenor Food & AgTech





Our objectives: Improve land, property, places, goods and services



Early-stage company investment supports innovation ambition

Urban Property

As part of a global innovation drive, our property businesses are deploying £65m into early-stage companies capable of accelerating the attainment of ambitious environmental, social and commercial goals while supporting product development from a customer’s perspective and accelerating revenue growth.

In 2022, two new investments were completed. Our first investment of the year was into Demand Logic, a technology platform which helps reduce building energy consumption and increase maintenance effectiveness. A trial in our portfolio enabled energy

savings of up to 30%, generating significant cost and carbon savings.

Our second investment was in Pupil, a spatial data company that has created an ecosystem to digitally map the built world. The accuracy, speed and quality of the output from Pupil’s AI-led technology can help us improve data-driven decision-making and property marketing for our own portfolio and support product development.

In addition, we made follow-on investments into two of our existing portfolio companies. The first was Dash Living, a co-living platform based in Hong Kong with operations in Australia, Japan and Singapore and the second in NearSt, a retail technology platform that connects customers to live product information in physical stores through their mobile devices.



Reshaping food supply chains

Food & AgTech

In 2022, we announced our investment in supply chain and eCommerce food technology business GrubMarket.

GrubMarket, a profitable business with over US\$1bn a year in revenue, uses an integrated suite of technologies and a global online marketplace to supply fresh foods across the United States and around the world: a ‘B2B Amazon’ for fresh food, serving many of the biggest corporates and grocery stores and connecting food producers, suppliers and customers.

The technology suite that GrubMarket has developed and acquired allows the company to reduce waste, improve distribution efficiencies and enable broader access to fresh, healthy food, often to parts of the US where affordable access to fresh produce has proven challenging to deliver. The food supply chain industry is just beginning to adopt the advances that have already reshaped the supply chains for many other consumables, in part because fresh food requires a much closer integration of markets and supplies, GrubMarket is uniquely positioned to help drive this new wave of digital transformation thanks to its expertise in world-class software development and immersive understanding of the food industry.



Our objectives: Improve land, property, places, goods and services

Transforming plant-based peptide products to improve human health and make our food system more sustainable

Food & AgTech

In 2022, we invested in biotechnology company Nuritas, based in Dublin, Ireland, and in the US. The company harnesses the power of artificial intelligence and genomics to unlock peptides – the most health benefiting components hidden within plants and natural food sources.

Plant-based peptide products are applied across functional foods in supplements, cosmetics and food ingredients to generate benefits beyond nutrition.

Nuritas has established the world's largest peptide knowledge base to help replace current unwanted ingredients and molecules with more natural and sustainable alternatives. The platform can identify and develop new bioactives 10 times faster and 500 times more accurately than traditional discovery methods, while significantly reducing costs.



Strategic partnerships driving sustainability through soybeans

Food & AgTech

Benson Hill, a food tech company taking the promise of rapid, selective seed breeding, including the benefits of Crispr technology, to develop an integrated company that is supplying high-protein soy and yellow pea ingredients to critical markets around the world, announced two strategic partnerships in 2022 and a third in January 2023.

A long-term strategic partnership with ADM, a global leader in alternative protein and nutrition products and solutions, will scale innovative soy ingredients that feature less-processed proteins with significant water and carbon sustainability benefits, helping to meet the rapidly growing demand for plant-based proteins.

A collaboration with Riverence Holdings, the largest land-based producer of steelhead and rainbow trout in the Americas, is helping to enhance the sustainability of aquaculture supply chains, offering an efficient and cost-

effective solution to sourcing plant-based, traceable ingredients which are free of deforestation for use in fish feed – a significant challenge for the industry.

A third partnership with Denmark-based BioMar, agreed to a collaboration between the two companies to advance BioMar's responsible sourcing programme by leveraging Benson Hill soy and further assessing the impact of aquaculture through the sustainability of high-performance aquafeed formulations.

Benson Hill advances sustainability goals throughout the ingredient development process – from monitoring regenerative and deforestation-free practices on the farm to producing ingredients that reduce water and energy-intensive protein concentrating steps in processing.





Our objectives:

Improve land, property, places, goods and services

Improving the sustainability of historic buildings

Rural Estates

A network of custodians of historic properties on rural estates from across the UK came together in person for the first time at the Eaton Estate in September 2022 to share knowledge on their approaches to improving the sustainability of their buildings, amidst greater energy efficiency requirements and meeting their net zero carbon aspirations.

The event, which was led by the National Trust and hosted by Grosvenor, was attended by about 30 delegates from a wide range of organisations engaged in the stewardship of historic properties, including Historic England, the Country Land and Business Association, Savills and a number of private estates.

The focus of the day was to help share examples of ongoing projects on specific properties as well as across their portfolios, develop opportunities for future working and to formalise the membership and purpose of the group.



Sensitively restoring an historic hunting lodge

Rural Estates

Works to sensitively restore Lochmore Lodge on the Reay Forest Estate to its original design, preserving its heritage while giving the building a new lease of life, began with its modern extensions being dismantled and removed.

Lochmore Lodge, Achfary, will be returned to what is believed to be the original core building, retaining its historic rooms and features, such as its timber panelled double length reception and dining room, which feature a pair of carved chimney pieces.

The property's original fittings and brassware will be restored and incorporated into the refurbished rooms, where possible.



Our objectives: Improve land, property, places, goods and services



Innovation means occupiers can be trading in days

Urban Property

A new Simplified Lease by Grosvenor Property UK is a market-first that allows occupiers to agree a lease and have access to their premises in a matter of days, allowing occupiers to be trading sooner. It's the latest in a series of initiatives we are putting in place to modernise the leasing process for businesses and redefine the role of a landlord as a partner to occupiers.

Compared to an average turnaround of three to six months, the Simplified Lease typically takes just 72 hours to line up, review and complete. Not only does it reduce time but also costs on both sides.

The simplicity and transparency of the offering has proven popular with occupiers.



Our objectives: Improve land, property, places, goods and services

Expanding our investment into US healthcare

Urban Property

In 2022, our Diversified Property business expanded its MedProperties partnership to invest more capital into high-quality medical office buildings across the US. Most recently, our partner MedProperties acquired the Mississippi Valley Health Campus in Davenport, Iowa, through its joint venture vehicle with Grosvenor.

The 120,000 sq ft medical office building campus is 91% let, with an average lease term of 11 years.

MedProperties actively works with local hospital systems, surgeries, and individual doctors to create a well-balanced ecosystem of complementary health and medical services to serve local communities. Since launching, they have invested in over 23 states acquiring or developing c.4 million sq ft of specialist space.



Our REINO-IO partnership achieves first BREEAM accreditation

Urban Property

In 2022, REINO-IO (a partnership entered into by Grosvenor Diversified Property Investments) obtained its first BREEAM accreditation, rated 'Excellent' for Building Management and 'Very Good' for Asset Performance for its asset, Logistic City. BREEAM is a globally recognised standard for assessing, rating and certifying the sustainability of existing buildings. It supports the shift towards a net zero carbon and more efficient built environment.

Logistic City was highly rated for reducing water and electricity consumption, with the biodiversity of the development's large green spaces also being highly commended.



Our objectives:

Efficiently use natural resources, restore and enhance the environment

We are working to build on and accelerate our progress in significantly curbing our carbon emissions, reducing waste and actively managing, expanding and improving natural habitats.



Alignment to the UN Sustainable Development Goals:

- 13 – Climate action
- 14 – Life below water
- 15 – Life on land



Our objectives:

Efficiently use natural resources, restore and enhance the environment

Championing climate action: a Grosvenor-wide carbon commitment

We remain on a mission to decarbonise our property holdings; to invest in businesses and technologies able to disrupt the food industry's carbon intensive practices; and to preserve, restore and enhance rural environments.

Building on our progress, we are announcing a new Grosvenor-wide commitment to reduce emissions in line with limiting global warming to 1.5°C.

Delivering environmental benefit as part of our activities sits – alongside commercial and social benefit – at the core of our purpose. We live in a climate emergency and are determined to be part of the solution, with the ambition of encouraging and inspiring our partners, property occupiers and suppliers to work alongside us, magnifying the impact of our actions.

Behind this drive is a belief that not only is this the right thing to do, but that profoundly changing how we do business and committing to the investment required to do so, is a value driver that will underpin the commercial and environmental resilience of our business, investments, places we manage and of the communities we are part of for the long term.

Helping to keep the **1.5°C** target alive

Our commitment:

Across Grosvenor's businesses, we will:

- Take responsibility for 100% of our direct (Scope 1 and 2) and indirect emissions (Scope 3), calculated in line with the latest Greenhouse Gas Protocol guidance¹.
- Set ambitious goals to deliver, at a minimum, a science-based reduction in carbon emissions² in line with limiting global warming to 1.5°C and the latest climate science.
- Report transparently on our progress, sharing our knowledge and experience externally.
- Partner with others to drive the wider industry change needed to keep the 1.5°C target alive.

Our strategy will follow the mitigation hierarchy – reducing emissions first, exploring opportunities across our international activities to increase renewable energy generation second, and developing a credible approach to carbon offsetting and removals as a last resort. Furthermore, we will look to accelerate our positive real-world impact through our indirect investment activities, working with our investment partners and portfolio companies to drive wider industry decarbonisation.

Aware of the complex relationships between climate change, biodiversity loss, inequality, social cohesion and economic growth, we will also look for opportunities to deliver our commitment in a holistic way that identifies benefits beyond carbon reduction.

 Visit www.grosvenor.com/sustainability to find out more

1. Taking an equity share approach where we co-invest alongside others.
2. Following the Science Based Targets initiative (SBTi) methodology using the most relevant SBTi Standard – Net Zero, Financial Institutions and Forest, Land and Agriculture (FLAG) guidance.



“By aligning with the Science Based Targets initiative, all of our businesses are now committed to deliver the urgent action required to help keep the 1.5°C target alive.

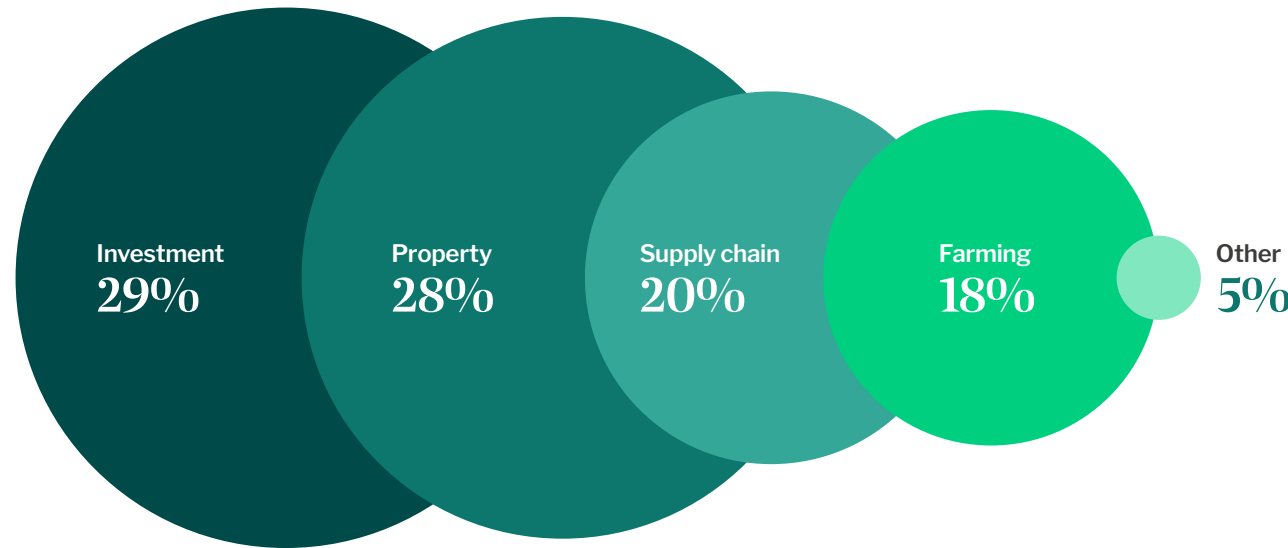
Tor Burrows
Executive Director of Sustainability & Innovation
Grosvenor



Our objectives: Efficiently use natural resources, restore and enhance the environment

Our carbon baseline

We calculated our Grosvenor-wide carbon baseline. Taking 2021 as our baseline year, our carbon emissions (across Scopes 1, 2 and 3), amounted to 267,000 tCO₂e. Of these, 15% are direct emissions (Scope 1 and 2) and 85% are indirect emissions (Scope 3).



Investment: Our share of emissions from our indirect investments in property assets and food and agtech companies.

Property: All emissions from running our direct property assets, including our occupiers' emissions, and the embodied carbon from property development.

Supply chain: The emissions created by our suppliers in providing goods and services to us.

Farming: The emissions created by farming activities, directly through Grosvenor Farms and indirectly through our tenant farmers.

Other: Includes corporate emissions such as business travel, vehicle fuel use, employee commuting and waste.

Our timeline

While we have been reporting our carbon emissions for several years, climate action across the business has accelerated since 2019:

2019

Grosvenor Property signed the World Green Building Council Commitment to become:

- Net zero carbon in operation by 2030
- Fully net zero carbon by 2050

Our UK and European property companies signed the Better Buildings Partnership Climate Change Commitment.

2020

Grosvenor Property UK and our European property portfolio published science-based carbon reduction pathways to 2030, across all scopes.

2021

SBTi verification received for our near-term science-based target for our UK and European property portfolios, and Grosvenor Property UK published a carbon offsetting strategy.

Grosvenor Property Americas and Grosvenor Diversified Property Investments baselined Scope 3 emissions.

2022

Grosvenor Diversified Property Investments updated its Responsible Investment Principles to reflect its carbon requirements and developed an engagement ladder to support partners with carbon reductions.

Grosvenor Rural Estates baselined energy and industrial and forest, land and agriculture emissions across all scopes and created a carbon reduction pathway.

2022

Grosvenor Property UK became the first European property business to receive approval for both a near-term and long-term science-based target.

Grosvenor Property Americas published its carbon reduction pathway to 2030.

Grosvenor Food & AgTech baselined carbon emissions and developed an engagement ladder to support its portfolio companies with carbon reductions.

2023

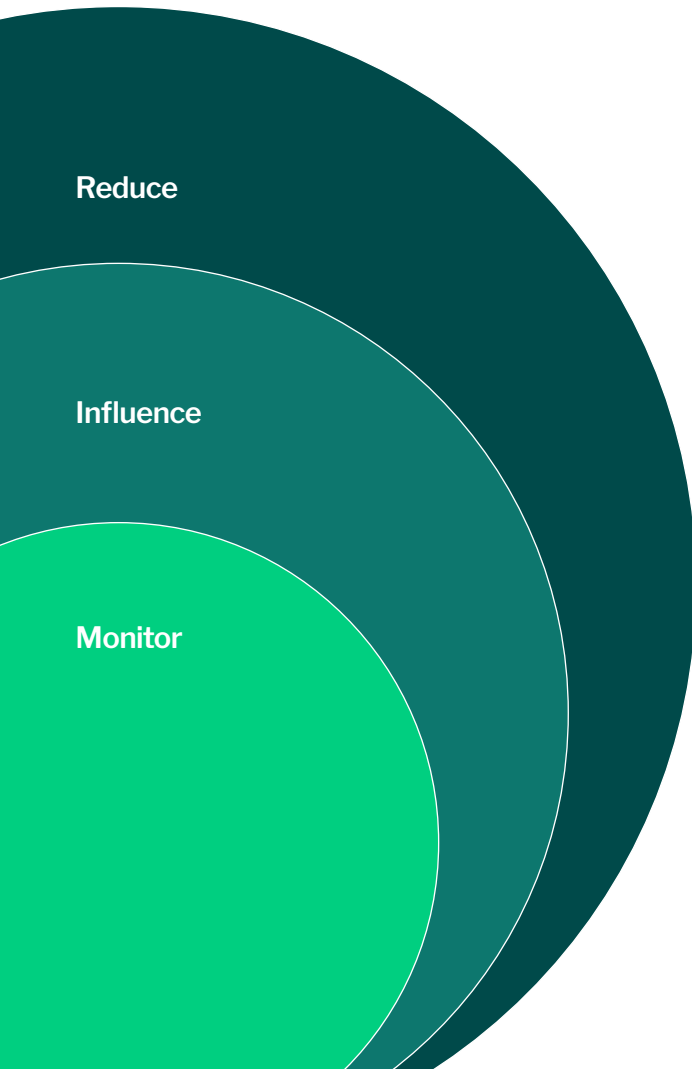
Grosvenor makes a global carbon commitment to reduce emissions in line with limiting global warming to 1.5°C.



Our objectives: Efficiently use natural resources, restore and enhance the environment

Setting targets

To ensure a consistent approach across our business activities, we are taking a three-tier approach to target setting: Reduce, Influence and Monitor.



Description and target type	Grosvenor entity	Aligned to 1.5°C	Carbon commitment
Reduce The highest level of influence – for business units who primarily invest or manage assets directly, over which they can set quantitative reduction targets and action plans. • Absolute emissions reduction targets from a baseline	Grosvenor Property UK	✓	-52% by 2030, -90% by 2040
	Grosvenor Property Americas	✓	-42% by 2030, -90% by 2050
	Grosvenor Rural Estates – energy and industrial emissions	✓	-42% by 2030, -90% by 2050
	Grosvenor Rural Estates – forest, land and agriculture emissions	✓	-30% by 2030, -72% by 2050
	Realty Insurances	✓	-42% by 2030, -90% by 2050
	Grosvenor Hart Homes	✓	Grosvenor Hart Homes will be set up as a net zero business, aligning to Grosvenor Property UK’s development and operational emissions targets, and will be able to create a 1.5°C-aligned pathway when the business is at the qualifying level of maturity.
Influence Business units who primarily invest indirectly in assets or companies, over which they have some influence but cannot act alone. • Engagement targets	Grosvenor Diversified Property Investments	✓	100% of investment partners will have 1.5°C-aligned carbon reduction pathways at the point of exit by 2040 ³ , supported by interim targets.
	Grosvenor Food & AgTech	✓	100% of qualifying portfolio companies will have 1.5°C-aligned carbon reduction pathways by 2040 ³ , supported by interim targets.
Monitor Other areas with evolving industry guidance or best practice, which will be regularly monitored. • Monitoring with aim of moving to ‘Reduce’ track	Grosvenor Rural Estates – peatland	N/A	We will monitor the latest science and industry guidance and aim to set a comprehensive carbon baseline and review our peatland restoration strategy by April 2024.

3. This is a deviation from SBTi requirements as Grosvenor would not require SBTi validation for carbon reduction pathways, allowing for flexibility in demonstrating credible 1.5°C alignment from our investment partners and portfolio companies.



Our objectives:

Efficiently use natural resources, restore and enhance the environment

Our key carbon levers

We have identified three key levers that will enable the accelerated delivery of our Grosvenor-wide carbon reductions.

These will be supported by some fundamental enablers to drive the business-wide transformation that will be required to deliver our ambitious carbon commitment. This includes integrating carbon into our decision-making, engaging with and upskilling our people and relevant stakeholders to ensure they have the tools to deliver.

The following pages explore these levers in more detail.



Integrating carbon into decision-making and working with our partners and suppliers

Environmental sustainability is already part of Grosvenor’s decision-making. Going forward, we will ensure the carbon impact of where we invest and who we work with (i.e. our occupiers and suppliers) is fully considered and embedded given the critical role these decisions play in driving most of our emissions.



Improving efficiency across our business activities

Critical to delivering absolute carbon reductions is significantly improving the energy efficiency of our existing property portfolio, while minimising the carbon emissions from developments. These activities are already underway across Grosvenor’s property business and will be further supported by setting targets, developing tools and improving knowledge sharing.



Land use

A significant proportion of our emissions come from farming activities, which is a difficult to abate sector. Land use has been identified as one of the big carbon levers and we will continue to find opportunities to reduce emissions and increase sequestration across our natural environments.



Our objectives:

Efficiently use natural resources, restore and enhance the environment

Integrating carbon into decision-making and working with our partners and suppliers

Formalising our Responsible Investment Strategy

Urban Property

In 2022, Grosvenor Diversified Property Investments developed its formalised approach to responsible investment. The Responsible Investment Strategy outlines our approach and articulates the standards we expect of ourselves and the network with which we engage.

The strategy is split into three categories, representing common areas of influence for the business, including:

- Policy and strategy
- Governance, knowledge and resourcing
- Asset management

Our approach is embedded into our day-to-day business operations and helps us to be consistent with industry best-practice related to ESG matters. Within our partner network, we believe our strategy can instigate long-term positive, practical and behavioural changes to deliver social and environmental benefit.



CGI



Grosvenor Property UK achieves European carbon first

Urban Property

In 2022, Grosvenor's UK property business became the first European property company to have a long-term net zero target approved by the Science Based Targets initiative (SBTi). This will see us meet the SBTi's new, more stretching definition of net zero: reducing emissions by at least 90% by 2040 from a 2019 baseline.

The certification is testament to the transformation of the business around our sustainability goals. We remain ahead of our net zero pathway, having reduced emissions across all scopes by almost 24% over a two-year period. Major contributors to this have been our £90m retrofit commitment, which will fund energy efficiency investments in one million sq ft of our historic portfolio by 2023, innovations such as recycling of steel which have supported carbon reductions in the development pipeline and a mentoring programme supporting SME suppliers to set science-based targets.



Our objectives:

Efficiently use natural resources, restore and enhance the environment

Improving efficiency across our business activities

Our UK property business commits to 100% biodiversity increase in developments

Urban Property

Grosvenor Property UK has launched an industry-leading biodiversity strategy, complementing its journey to reduce its carbon footprint by 90% by 2040.

Commitments include a 20% biodiversity increase on managed green space and a 100% increase in new developments by 2030 using Defra's Biodiversity Metric 3.0.

This approach enhances its longstanding support for building biodiverse communities through the creation and management of a wide range of habitat types, providing food and shelter for priority species.

Beyond the direct benefits of reversing biodiversity loss, integrated strategies like this can aid urban climate resilience, helping to regulate urban heat island effects and mitigate flood risk.

Recent successes include the approval of plans to transform Grosvenor Square into an extraordinary urban garden and a 200% biodiversity increase at our Holbein Gardens development.



Driving down emissions by investing in ultra-low carbon cement

Urban Property

Since 2015, we have been investors in DB Group, supporting the development of an ultra-low carbon cement alternative able to help decarbonise the built environment.

Cemfree is a pioneering, totally cement-free alternative to traditional Portland cement – concrete's most carbon-expensive material – and an established solution proven to deliver the largest carbon reduction in cement applications in the market.

Within Grosvenor's own property activities, Cemfree was originally used in the development of Eccleston Yards in Belgravia, resulting in a reduction of 31 tonnes of CO₂, equivalent to planting 153 trees or taking 18 cars off the road for a whole year.

The product is now also being used as part of the development of Grosvenor's first net zero carbon office development, Holbein Gardens in London.

Cemfree has been successfully used in several high-profile projects and by industry-leading organisations including High Speed Two Ltd, The Environment Agency, Thames Tideway Tunnel, Highways England's A14 £1.5bn upgrade scheme, and Network Rail's Chatham Station development.



Our objectives:

Efficiently use natural resources, restore and enhance the environment

“

We champion and support the ongoing energy improvement of office buildings. Understanding current building performance is critical in determining where improvements can be made. We congratulate Toronto Square for achieving the first NABERS UK Energy Rating and hope this achievement will encourage others on their sustainability journey. We very much look forward to continuing to work with Grosvenor.

Jennifer Dudley
Senior Product Manager
BRE



UK's first NABERS UK rating achieved at Toronto Square

Urban Property

The first NABERS UK Energy rating has been awarded to our office building, Toronto Square, in Leeds.

NABERS is a leading environmental performance tool for commercial buildings, verifying the actual energy use of operational offices. In Australia, the initiative has helped customers reduce energy use by 30%-40% on average. The rating shows that our UK property business is on the right trajectory to meet its net zero objectives and provides more information on the building's performance, helping us to target additional improvements.

NABERS UK will soon be the preferred standard for holding investors to account and guiding how to improve existing assets. The business' aim is that all office buildings over 1,000 sq m will have a NABERS UK rating above 4.5 stars by the end of 2025.





Our objectives:

Efficiently use natural resources, restore and enhance the environment

Significantly improving our GRESB reporting scores in North America

Urban Property

In North America, we've been publicly disclosing our environmental impact reduction efforts for over 15 years. 2022 marked our second reporting cycle to the Global Real Estate Sustainability Benchmark (GRESB), a globally recognised benchmarking tool.

Reflecting advancements made under our environmental, social and governance goals, we achieved considerable score increases over the prior year and exceeded benchmark averages in Leadership, Policies, Reporting and Stakeholder Engagement. Placing 1st in both GRESB score and Development score within Americas, Non-listed, Core, Closed end ranking, we saw a 17-point improvement in our Development assessment, 10 points above industry peer average of 81, and secured four Green Stars.

These results demonstrate our ongoing commitment to managing our environmental impact on the places and communities where we build and invest, providing clarity on our performance for our like-minded tenants and partners.



“

Being validated by GRESB speaks volumes and affirms the hard work, dedication and unique initiatives our business produces. I'm part of our internal GRESB reporting team and I'm proud to be part of a group so committed to moving the dial on ESG responsibilities.

Bindi Watts
ESG Analyst
Grosvenor Property Americas



Our objectives:

Efficiently use natural resources, restore and enhance the environment

Expanding our provision of biomass boilers to provide more properties with renewable energy

Rural Estates

Significant works took place across the Eaton Estate to install a biomass boiler which will provide heat to homes and offices.

As part of our efforts towards becoming net zero carbon, 27 ageing and inefficient boilers were replaced, saving an estimated 460 tonnes of CO₂ each year. The biomass boiler is fuelled with low-grade timber from our sustainably managed forestry activities.

This latest scheme is complemented by five existing biomass schemes we manage in the villages of Aldford and Eccleston which provide hot water and heat to a further 27 local properties.

While burning biomass still releases CO₂, a greenhouse gas, the wood we use as fuel captures the same amount of CO₂ which is released through energy production as the trees grow, making biomass a carbon-neutral energy source.



Challenging assumptions about the sustainability and energy performance of historic properties

Rural Estates

A retrofit of a Victorian cottage on our Eaton Estate which aims to challenge assumptions about the sustainability and energy performance of historic properties could reduce the carbon emissions for heating the home for a year by 94% to 520kg CO₂e/yr – less than a single passenger’s carbon footprint for a return flight from London to New York.

In addition, it is hoped that improvements to the home will enhance the energy performance certification

of the property, reduce its energy use intensity (the total amount of energy used in a building in a year divided by its floor area) by almost 60% and more than double the insulation quality, known as the U value.

Collaborating with leading experts, we’re aiming to make the property – which was built in the latter stages of the 1890s – more environmentally and economically sustainable, more compatible with modern family living as well as enhancing biodiversity by creating new habitats around the buildings.

By using this knowledge, we will develop a template for our future refurbishment programme, as we work towards net zero carbon.



“ Historic buildings are a store of embodied carbon. By adopting a system of repurposing over demolition and replacement, waste and the whole life carbon footprint can be minimised.

Gareth Fleming
Chartered Building Surveyor
Grosvenor Rural Estates



Our objectives: Efficiently use natural resources, restore and enhance the environment

Land use

Supporting Meati in its ambition to become the US market share leader in alternative meat by 2025

Food & AgTech

With Meati Foods, we're helping to grow a high-quality complete protein, using a fraction of the land and water compared to animal protein production and requiring fewer resources than other meat alternatives on the market today.

We invested in Meati Foods of Boulder, Colorado, US, as part of a US\$150m Series C funding round which will help Meati Foods, creators of Eat Meati™, to expand production and accessibility of its products as they aim to become the US market share leader in alternative meat by 2025.

Meati Foods produces clean-label meat alternatives made from mushroom root (mycelium), which is naturally high in protein and fibre, to produce a sustainable, whole-cut alternative to meat that contains no cholesterol.

Meati has distanced itself from others in an increasingly crowded category through its standard-setting taste, texture and clean label.



“Grosvenor has been a value-add partner, beyond the capital investment. They are passionately aligned with the mission of the company and are actively involved in helping to make strategic business decisions for the benefit of both short- and long-term success.

Tyler Huggins
CEO and Co-founder
Meati Foods



Our objectives: Efficiently use natural resources, restore and enhance the environment



Enabling people to cook high quality, fresh food at home with minimal waste

Food & AgTech

We partnered with leading recipe box company Gousto, which provides easy to cook recipes offering exciting variety at home, reducing waste and with less impact on the environment, as part of a US\$230m secondary placement.

Gousto is dedicated to reducing food waste. A study by environmental services company Foodsteps revealed that Gousto meals produced 23% fewer carbon emissions than the equivalent meals from supermarket stores, driven by minimising food waste, a tighter supply chain and reductions in plastic usage.

Each Gousto order saves 2kg of food waste and 7kg of CO₂ emissions, compared to the equivalent meal purchased at a supermarket.

Driven by its purpose to build a product that has a positive impact on people and the planet, Gousto became a certified B Corporation™, joining a global community of businesses that meet the highest standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose.

“

Gousto supports households in establishing the healthy habit of cooking from scratch by offering recipe kits that cater to a broad range of tastes and budgets. Enabling people to cook high-quality, fresh food at home with minimal waste has far-reaching benefits for both human health and the environment and we are excited to partner with this fast-growing company.

Katrin Burt
Managing Partner
Grosvenor Food & AgTech



Participating in a programme to reduce greenhouse gas emissions from beef production by 50%

Food & AgTech

We are working with Vytelle, who combine integrated monitoring systems which enable producers to identify their elite performing beef and dairy cattle, with its market-leading reproductive technologies, to fast forward genetic progress by matching traits with improved outcomes.

Vytelle is part of a five-year programme which was launched in 2022 to reduce greenhouse gas emissions from beef production by over 50% and provide

economic benefit for commercial cattle producers.

The USDA Partnership for Climate-Smart Commodities Initiative pilot project, led by Low Carbon Beef, a certification company, is implementing climate-smart methods in beef production, reducing greenhouse gas emissions, expanding climate-smart markets and generating carbon credit revenue for producers.

Specifically, Vytelle's technology will be installed in cow-calf ranches to capture mature cow weights and a feedlot to collect individual animal dry matter intake, growth, performance and behaviour data.





Our objectives: Efficiently use natural resources, restore and enhance the environment

Turning cow manure into renewable energy

Rural Estates

Grosvenor Farms has submitted plans to develop an anaerobic digester and a neighbouring biogas upgrading facility, enabling it to recycle cow manure into biomethane – a renewable natural gas – generating enough energy to heat 5,000 homes a year.

The proposed facilities at Lea Manor Farm and nearby Grange Farm in Chester will contribute to the UK’s energy resources via the national grid, helping to reduce the nation’s reliance on fossil fuels.

Anaerobic digestion (AD) is a safe and established technology which has existed since the 19th century as an integral part of sewage treatment plants.

In addition to enabling the production of renewable energy, AD improves air quality by reducing pollutants such as ammonia, removing methane and lowering greenhouse gas emissions, ultimately reducing the use of resource intensive chemical fertilisers on the farm.

The facility has been designed with the capacity to enable a further 10 AD units on neighbouring farms up to 10km away to join the network, providing a hub in the area.

If approved, in addition to supporting employment during its construction, there will be four new roles created – contributing to the local rural economy.



We already have one of the lowest carbon footprints for milk production. This investment in AD continues our adoption of innovative technologies and commitment to leading the future of sustainable dairy farming.

David Craven
Dairy Manager
Grosvenor Farms



Partnering with science-led conservation groups to boost populations of at-risk bird species

Rural Estates

Sensitive management of the environment means our rural estates are home to some of the largest populations of at-risk species, such as curlew and lapwing on our upland moorland habitats as well as barn owls in Cheshire.

We’re working with science-led organisations to support research and monitoring of these precious birds whose populations are in decline across the UK. This work is expanding our knowledge on their movements, productivity and survival.

Collaborating with a local barn owl group and specially trained volunteers from the British Trust for Ornithology, we helped ring 23 barn owl chicks which fledged on the Eaton Estate in Cheshire last year.

Curlew on the Abbeystead Estate in Lancashire were tagged as part of a nationwide study enabling researchers from The Game and Wildlife Conservation Trust’s Wader Tracking Appeal to better understand feeding areas, movements outside the breeding season and wintering sites.



Our objectives: Efficiently use natural resources, restore and enhance the environment



Continuing our programme of peatland restoration

Rural Estates

A new area of peatland on our Abbeystead Estate will be restored following £1.4m funding from the Government's Nature for Climate Peatland Restoration Grant Scheme, which will be shared by similar schemes across Lancashire.

Continuing Grosvenor's ongoing programme of peatland restoration at Abbeystead, the works at Hare Syke Crag – part of the Forest of Bowland

Area of Outstanding Natural Beauty – will cover an area of approximately an acre and include revegetating areas of bare peat, reprofiling peat hags, which are eroded by drip edges, and blocking gullies to better retain rainwater.

Specialist monitoring equipment will also be installed to automatically measure and log changes to the water table.

Soil sampling surveys help to inform sensitive land management

Rural Estates

We completed sampling surveys to better understand soil health on the Abbeystead Estate, helping to inform land management decisions and further improve outcomes for enhancing the environment, including biodiversity, conservation, reducing pollution and flood management.

Samples were taken at three sites between 10 and 50 acres in size with different habitats from established hay meadow, wader ground as well as a more intensively managed dairy farm.

The samples were analysed to assess their structure, chemistry, organic matter, biology and water infiltration and retention.

The surveys showed low input areas of land, which are more sensitively managed by the estate, had the healthiest soils and stored more carbon, had greater biodiversity, helped to reduce the risk of flooding and better supported food production.



Protecting and restoring our soil health is key to achieving climate neutrality, reducing pollution, sustainable food production and a resilient environment.

Declan Hoare
Rural Surveyor, Abbeystead Estate
Grosvenor Rural Estates



Our objectives:

Efficiently use natural resources, restore and enhance the environment

Upland hay meadow expansion

Rural Estates

At Abbeystead Estate, we continued to expand our area of upland hay meadow – enhancing and improving our precious environments – as part of a long-term plan to increase its coverage from 44 acres to 276, which will be the equivalent of 10% of England’s resource, by 2045.

In 2022, a former dairy farm at Far Barn, which was previously used to grow ryegrass silage for cattle feed, had its first full of year of management by the estate.

We established nine acres of hay meadow and 58 acres of wader ground, creating new habitats for rare and red-listed bird species, as well as introducing a zero-input system, which uses no fertilisers or harsh chemicals, laid hedgerows and seeded a more diverse pasture.

This work has already resulted in healthier soils, creating a better environment for invertebrates, and seen 18 pairs of lapwing, a globally threatened wader bird, nest at the site where previously there had been none.



Efforts to restore populations of Atlantic salmon and sea trout in full flow

Rural Estates

A telemetry system for one of the largest fish monitoring exercises in the UK was installed on the Reay Forest Estate in support of Project Laxford, our decade-long study in partnership with the Atlantic Salmon Trust.

The pioneering project aims to better understand the River Laxford catchment and restore populations of Atlantic salmon and sea trout.

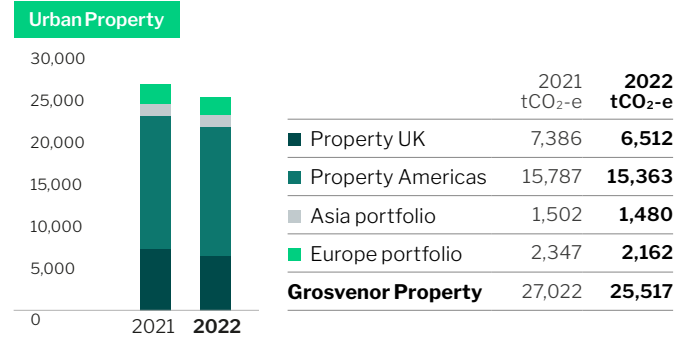
- Between 19 September and 20 October 2022, more than 1,400 salmon were tagged, measured and weighed. This information will help to determine whether shape, size, sex or origin of the fish within the catchment has a bearing on their survival.
- Four Passive Integrated Transponder arrays were introduced, enabling researchers to track the movements of tagged salmon across the whole catchment and provide information about the timing and behaviour of migrations as well as survival rates in both freshwater and marine environments.
- An Adaptive Resolution Imaging Software fish counter, which uses high-definition sonar to record images of passing fish, was deployed in July.
- 14 thermometers to record the water temperature every 15 minutes were installed at strategic locations across the catchment to monitor the impact of temperature on the fish populations.



Our objectives: Efficiently use natural resources, restore and enhance the environment

Carbon emissions tCO₂e

-6%



We are pleased to report a 6% decrease in our like-for-like carbon emissions between 2021 and 2022. This reduction in emissions is particularly positive, given that 2022 was the first full year of 'normal' occupancy since the Covid pandemic, which would naturally have led to higher emissions in the year.

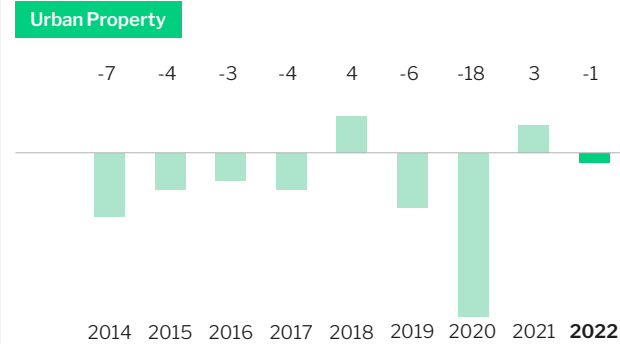
The reduction in emissions shows that our strategies to increase energy efficiency and reduce consumption are working. For example, the replacement of gas boilers with heat pumps across our UK property business have reduced gas consumption by 30%.

Other material assets such as Skärholmen Centrum, Sweden, 70 Grosvenor Street in London and The Rise in Vancouver have performed excellently in 2022 following the implementation of efficiency measures.



Energy consumption %

-1%

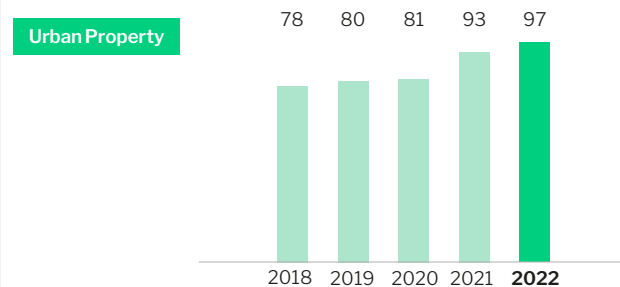


Our like-for-like energy consumption has reduced by 1% in the period, which is pleasing considering the return to full occupancy across our properties.

We hope to continue this trend over the coming years as our net zero carbon pathways are implemented across the business.

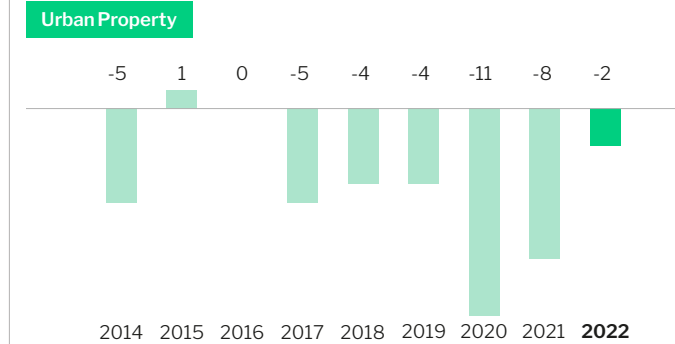
Waste diverted from landfill %

97%



Water consumption %

-2%



Similarly, our like-for-like water consumption has reduced by 2%, further evidencing the success of the water saving initiatives that have been rolled out across the business. Installation of smart meters have been particularly helpful in alerting teams to any leaks or problems, allowing for the swift resolution of issues.

75% of operational waste and 99% of construction waste was diverted from landfill in 2022. 97% is the weighted averaged of these two measurements.

This is an increase from 93% in 2021, which further demonstrates the hard work we are doing across our construction projects especially, to ensure that our work does not have a harmful impact on the planet.



Our objectives:

Make a positive impact within communities

We strive to support economic growth, while upholding fair and equal opportunities for all. We provide inclusive housing, educational and career opportunities to improve social mobility and enhance the wellbeing of our customers and local communities.



Alignment to the UN Sustainable Development Goals:
8 – Decent work and economic growth
10 – Reduced inequalities





Our objectives:

Make a positive impact within communities

Building a diverse and inclusive culture

Championing inclusion

Grosvenor-wide

In 2022, the employee-led groups that make up Grosvenor’s culture network (Pride, Race Equality, Dis(ability) and Understanding Faith) continued to hold events, championing issues that our employees care about and helping to create a working environment where everyone can be everything that they are.

The Pride Network was active in creating inclusive and engaging events throughout the year, with the Colouring outside the Lines initiative bringing together employees, suppliers, and occupiers to shed light on the importance of workplace inclusivity. Through the Westminster Foundation, we supported LGBTQ+ charities including Diversity Role Models, educating over 1,800 young people on LGBTQ+ inclusion through schools within Westminster, central London and Chester.

The Race Equality Network celebrated racial equality throughout the year, with lunch events celebrating Caribbean and South Asian heritage as well as ‘Harlem in Mayfair’, our black history walk which explored Mayfair’s fascinating links to black history. For Black History month, Grosvenor Property UK CEO James Raynor hosted a discussion with Hamza Taouzzale – the first ethnically diverse and youngest Lord Mayor of Westminster – to discuss contemporary issues around race and challenging preconceptions.

Our Dis(ability) network held an afternoon tea event which launched our new Disability Guidance – a practical resource focusing on how to create an accessible and inclusive workplace. James Raynor experienced working out of a wheelchair for a day – getting first-hand experience of the difficulties of navigating even a modern office environment. We also hosted an October Roundtable, discussing a range of topics relevant to people living with a disability in the property sector.

The Understanding Faith Network also had a busy year, celebrating Christian, Jewish and Muslim faiths with themed meals throughout the year for Easter, Passover and Eid al-Fitr. Our employee survey helped us establish a baseline understanding of faith within Grosvenor, and we heard personal stories about Ramadan, Diwali and Christmas from our colleagues.



“I’ve been so proud of the work our four culture network groups achieved in 2022, enabling all of us to champion issues that we care about and drive change. Our aim is to help create a great place to work where everyone can be everything that they are.”

Chantal Henderson
Executive Director, Operations and Executive Sponsor,
UK Culture Networks
Grosvenor Property UK



Our objectives:

Make a positive impact within communities

Supporting community wellbeing



New social impact strategy cements people and planet at centre of UK property business

Urban Property

As long-term investors and community partners, we have a huge role to play in ensuring places have a positive impact on people.

Expanding our sustainability ambitions, Grosvenor Property UK has launched a social impact strategy. Grounded in independent research into societal as well as local needs in the communities we play a part in, 'People Positive' advances how the business focuses and maximises its positive impact through its core activities.

It centres on:

- Improving wellbeing in the places our UK property business creates and manages.
- Helping local economies thrive.
- Maximising the positive impact of our people and partners.

This approach helps teams to understand, measure and maximise their impact, prioritising and directing resources more effectively. It specifically does not monetise our activity – aiming to focus on measurable real-life outcomes rather than attributing a financial value to social impact.



“Our understanding of local communities and their unique needs is key to maximising social impact where it matters most. By listening closely to what people tell us and grounding our response in data, we can effectively prioritise our activity to improve wellbeing for everyone.

Nicola Rochfort
Community Engagement Lead
Grosvenor Property UK

Grosvenor Hart Homes: A new social enterprise

Social Enterprise

In 2022, we established Grosvenor Hart Homes, a new social enterprise. Founded with the ambition of improving outcomes for vulnerable children, young people and their families, the initiative looks to provide high-quality affordable homes alongside tailored wrap-around support services whose success in helping individuals progress is built around the stability that comes from having the certainty of a safe and secure home.

We are working with local authorities to address local housing needs by developing a plan for referring families with children and young people who may be considered vulnerable and requiring support in their transition to adulthood. The model enables access to tailored support services aimed at removing barriers to employment, financial stability, health, mental health, education and wellbeing.

We are currently developing a proof-of-concept, providing a small number of homes in Chester and are working with a range of public, private and third sector organisations to deliver a cohesive set of support services to build lasting solutions. Our ambition is to learn from



our early activities and to develop a scalable business model capable of improving the life chances of many more people.

Grosvenor has a long history of social housing provision both in London and Chester. There are over 700 affordable homes in Mayfair and Belgravia, most of which were provided through the actions of previous generations of the Grosvenor family. This new initiative takes inspiration for its name from Hart Street in Mayfair where some of the first social housing units we created continue to be based.



Our objectives:

Make a positive impact within communities



Promoting traditional skills

Rural Estates

Master craftspeople from the Rural Skills Hub led a two-day training programme building dry stone walls and planting hedgerows at Abbeystead Estate, promoting traditional skills which contribute to enhancing the environment.

The Rural Skills Hub is a Defra-run scheme with experts from the Dry Stone Walling Association and the National Hedgelaying Society providing the programme. While training is available through funding from Defra, the estate hosted and funded the event itself.

The environmental benefit of hedgerows – often described as nature’s highways – and dry stone walls, which provide a habitat that supports a wide range of plants, insects and even small mammals, is widely recognised, but people with the expertise to maintain and install new boundaries are becoming scarcer.

About 20 people took part in the training which will help manage these important traditional assets as well as encourage rural skills and enterprise on the estate.



Working with our suppliers

Suppliers reporting against our supply chain charter

52%

Number of SMEs now on a path to setting a science-based target

38

Urban Property

In our UK property business, 52% of our suppliers report against our supply chain charter, including 45 of our largest suppliers.

38 SMEs (31% of our supply chain) are now on a path to setting a science-based target to reduce their emissions in line with 1.5°C of warming. This has been achieved through our free supplier mentoring scheme which has offered support and advice for SMEs in our supply chain, providing resources and knowledge to empower them to set ambitious emissions reduction targets.



Our objectives:

Make a positive impact within communities

Volunteering hours

2,000

Urban Property

Our UK property business donated 1,195 volunteering hours and over £450,000 in 2022 to Groundwork, supporting local communities to address the climate emergency and improve access to green space for people across Westminster. This has created 25 new jobs for people who were previously unemployed and funded 26 climate-led community projects that will benefit over 25,000 people.

In North America, our three offices have supported 29 charitable organisations across 2022, providing volunteering support and over CAD\$850,000 of charitable donations. To mark Juneteenth, our Washington, D.C. team volunteered with Martha's Table where they bagged and loaded 1,400 bags of groceries for Martha's team to distribute to local children and families in need of nutritious food.

The three offices also held 27 events and 10 awareness campaigns, and over 800 hours of voluntary support were given to mental health initiatives, pride events, racial equality events and Truth & Reconciliation Day.



Students supported

194

Urban Property

Grosvenor has been a partner with the Urban Land Institute's (ULI) UrbanPlan programme since 2015. UrbanPlan is an engaging classroom-based simulation exercise in which students learn about the fundamental forces that affect real estate development in our communities.

In partnership with ULI, our UK property business worked with 165 school pupils, provided 27 students with work experience and supported two higher education students throughout 2022.

Our North American property business is a founding supporter of ULI British Columbia's UrbanPlan programme, and in line with our commitment to deliver social benefit focused on education, we are helping grow the base of UrbanPlan volunteers across our three offices in North America. In 2022, our staff spent more than 100 hours volunteering with UrbanPlan.



Our objectives: Make a positive impact within communities



Introducing inner-city youth to a career in real estate

Urban Property

For the past five years, our San Francisco office has hired a student from the All Stars Project, Inc's Development School for Youth internship programme, which provides exposure to corporate training and workshops for students aged 16-21 from underserved communities.

This summer, Aelaf Atnafu joined us over six weeks, working with our research, investment, finance and office management teams. Shadowing leadership, participating in meetings, events and workshops and new skills training all contributed to Aelaf's experience. A graduate from Oakland Charter High School, Aelaf is planning to attend University of California Santa Barbara where he will major in Economics and Accounting.



“Grosvenor has set the standard for what a company culture should be. Throughout my programme, it's been a collaborative, engaging, and inclusive environment to work in. I've learned how important it is to take into account a company's work culture in accordance with my personal values.

Aelaf Atnafu
All Star Intern, 2022

Raising awareness of careers on our rural estates

Rural Estates

Employees on the Eaton Estate attended a careers fair at a Chester college, organised by the Chester and Warrington Pledge Partnership, which puts employers at the heart of informing and inspiring young people about the

career and progression opportunities locally, helping to raise awareness of the wide range of roles and opportunities which are available. Members of the Grosvenor Rural Estates HR team spoke to teenagers from local high schools, inspiring them to think about working on rural estates, qualifications needed to enter particular career paths as well as apprenticeships and traineeships.





Our objectives:

Make a positive impact within communities

Partnering with Project Destined to mentor underserved youth

Urban Property

We proudly continued our partnership with Project Destined, a social impact investment and education platform that provides apprenticeship-style training to college students from underserved communities seeking careers in the commercial real estate industry.

A number of volunteers from our Washington, D.C. office stepped up to support two semesters this year. Using project-based examples, we mentored, toured and taught students about various components of the real estate process over a 10-week period each semester. 'Team Grosvenor' went on to place third in the Division Championship of the Fall 2022 Internship Program.

The team participated in 40+ hours of project-based real estate education and monthly 'office hours' with Grosvenor employees, who mentored the interns through evaluating and presenting a live deal in a pitch competition format.



“

Through our partnership with Grosvenor, we are playing a role in shaping future leaders from our community, supporting them with such things as mentorship, experience and skills training, all of which are essential to moving the needle on diversity, equity and inclusion in the industry.

Cedric Bobo
Founder
Project Destined



Apprenticeships and internships

20

Grosvenor-wide

In 2022, we had eight apprenticeships in our UK property business and nine across our Rural Estates. Our North American property business supported three internships.



Our objectives:

Make a positive impact within communities



Providing apprenticeship and trainee opportunities

Rural Estates

On our rural estates we provided nine apprenticeship and trainee opportunities during 2022, enabling ambitious and talented people to learn new skills, to gain formal qualifications and to further their careers.

These included traditional and heritage skills like stone masonry and forestry as well as opportunities in farming and agriculture, conservation as well as building surveying and finance roles, with two employees working towards becoming Chartered Global Management Accountants. In addition, we have sponsored employees to do qualifications and provided regular work experience for college and university students on our farms.



“ We are proud to offer apprenticeships and traineeships on our rural estates, supporting future generations of traditional and heritage skills specialists.

Joby Howard
Director of Building Services
Grosvenor Rural Estates

Improving understanding of upland habitats

Rural Estates

More than 350 school children from eight schools neighbouring Abbeystead visited Black Cleugh on the estate for the annual Let’s Learn Moor event, aiming to educate young people about upland habitats, the wildlife which can be found on the moorland and the work by land managers to improve the environment and increase its biodiversity.

Pupils were given the opportunity to experience and learn about the upland working environment from the estate’s

highly skilled teams and tenant farmers as well as teams from the local fire and police services and the Forest of Bowland Area of Outstanding Natural Beauty. The event was supported by a range of regional and national organisations that work to manage Britain’s moorland.

Abbeystead also hosted a series of science-led days in partnership with Countryside Learning, a national charity that connects children, families and teachers with the countryside. The event saw more than 600 school pupils from primary schools across the region learn about sustainability and rivers throughout the year.



Our objectives:

Make a positive impact within communities

Hosting our first open day in the Highlands

Rural Estates

The Reay Forest Estate hosted its first open days in May 2022, giving visitors an insight into modern rural estate management and to inform our communities about how we are working to deliver a lasting commercial, social and environmental benefit.

More than 120 pupils from nearby secondary and primary schools in Kinlochbervie, Gairloch, Ullapool, Durness, Scourie and Lochinver attended a separate school-focused event as well as about 150 members of the public.

With the support of Countryside Learning Scotland, the estate developed 12 activity centres based around the hamlet of Achfary with employees presenting the wide-ranging activities which take place at Reay Forest, including conservation of the estate's many designated habitats, deer management, sustainable forestry activities, rural estate careers and philanthropy through the Westminster Foundation.

In addition, visitors were able to hear from the estate's partner organisations, such as Wildlife Estates Scotland, Countryside Learning Scotland, as well as local businesses.



“

Welcoming our local communities to the estate gave us the chance to show people what a career in the countryside means as well as how we are delivering lasting commercial, social and environmental benefit.

Ben Mardall

Estate Manager, Reay Forest Estate
Grosvenor Rural Estates





Our objectives:

Make a positive impact within communities



Queen's Jubilee planting

Rural Estates

Trees were planted on our Eaton Estate as part of the Queen's Green Canopy (QGC) initiative created to mark Her Majesty's Platinum Jubilee in 2022.

With a focus on planting sustainably, the QGC encouraged planting of trees to create a legacy in honour of the Queen's

leadership of the nation, to benefit future generations. The planting was adjacent to an area known as Jubilee Wood, a permissive access route and part of over 70km of footpaths across the estate, and which was originally planted for the Diamond Jubilee in 2012. The new trees will help capture carbon from the atmosphere, slow the flow of surface water, as well as enhance biodiversity.



Coming together to celebrate our successes

Rural Estates

All our employees on the Eaton Estate came together after two years of disruption caused by the pandemic for a unique event to reconnect with each other, re-engage with the organisation and to celebrate the breadth of our activities.

As part of the day, our people stepped back in time to visit the sensitive refurbishment of a 17th century thatched cottage in Aldford, one of the oldest properties on the Eaton Estate, where they learned how teams from across the rural estates have come together to support its conservation.

Grosvenor's expert craftspeople demonstrated their wide range of traditional skills which have been implemented to restore the Grade 2 listed home, such as lime mortaring, stone masonry and joinery as well as learning about the sensitive and sustainable improvements to the property, including the use of oak timbers sourced from estate woodlands, recycled glass aggregate and hemp lime plaster.



Our objectives:

Support long-term charitable causes

We support the Westminster Foundation, which represents the charitable activities of the Duke of Westminster and Grosvenor businesses. Its focus is to provide long-term sustainable help and inspiration to children and young people early in life through opportunities to thrive, build confidence and raise aspirations.





Our objectives: Support long-term charitable causes



“

At The Felix Project, we are doing all we can to feed the growing numbers of people struggling to put food on their tables, but the cost-of-living crisis means we are seeing a huge rise in both the demand for our services and our operating costs. That is why we are so grateful to places like the Westminster Foundation. Their grant will help source, sort and deliver more food and in turn ensure more Londoners are fed.

Charlotte Hill
CEO
The Felix Project

Creating a £1m cost-of-living crisis emergency fund

Philanthropy

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.

The fund supported thousands of families facing immediate food insecurity with the majority of grants going to food charities and food banks in Westminster, Chester and rural areas hit hard by the cost-of-living crisis.

The first grant went to The Felix Project in London, a food distribution charity providing community groups and schools with quality surplus food, helping to feed disadvantaged children and adults across the capital.

The statistics highlighted the acute need for this support. According to the Mayor’s Fund for London, around one in five adults in London have low or very low food security (1.5 million adults) and 700,000 children in London live in poverty after housing costs, giving it the highest rate of child poverty of any English region.





Our objectives:

Support long-term charitable causes

Supporting young people's mental health in rural communities

Philanthropy

At the beginning of 2022, leading charity UK Youth launched the Thriving Minds funding initiative in direct response to the growing mental health crisis among young people.

The Westminster Foundation pledged £1m to the fund, helping to significantly increase the number of grants to youth organisations based in rural communities. The investment has supported specialist mental health training and capacity building for youth workers as they tackle the increasingly complex mental health needs of young people.

The funding has come at a crucial time. Youth organisations in rural communities have been disproportionately impacted by over a decade of cuts in public spending coupled with the ongoing economic impact of the pandemic. A 2021 report found that the average net expenditure per head on youth services in rural areas has decreased from £108 to just £47, dropping to just £16 for open access youth work and out of school activities.



“

We are thrilled that the Westminster Foundation has made this commitment to the youth sector. This support will provide sustained multi-year funding to even more youth organisations, helping pay for a youth worker's salary, setting up a new service of support or enhancing access to these essential services.

Ndidi Okezie
CEO
UK Youth





Our objectives:

Support long-term charitable causes

“

Jamie’s Farm is delighted to begin such a significant and exciting partnership with the Westminster Foundation – an organisation like us that has land-based roots with a passion for farming. The partnership will also have a huge indirect benefit too, as the Foundation supports us with enhanced evaluation, providing us with deeper knowledge of the impact our residential programmes have on the 2,000 young people that visit us each year, which we can share with the wider education sector.

Jamie Feilden
Founder and Co-CEO
Jamie’s Farm



Farming programme prevents urban young people from social exclusion

Philanthropy

The Westminster Foundation teamed up with Jamie’s Farm to help the charity reach more disadvantaged children and young people at risk of academic or social exclusion.

The partnership reflects the organisations’ shared passion to create positive life chances for vulnerable children and young people by encouraging environments where they feel safe, respected and can display their talents.

Jamie’s Farm operates a unique farming, family and therapy model where, within a residential experience, young people become fully involved on operational farms over five days. This new partnership will build on Jamie’s Farm’s existing programme by supporting six visits annually for disadvantaged pupils from schools/organisations from the Westminster Foundation’s areas of focus including Chester, Westminster and rural Lancashire.



Our objectives:

Support long-term charitable causes



“

This generous funding partnership with the Westminster Foundation will help us to double the number of hours of funded Early Years education for some of London’s children who need it the most. These are the poorest three and four-year olds who are locked out of crucial learning opportunities simply because their parents don’t earn enough.

June O’Sullivan MBE
CEO
London Early Years Foundation

Boosting access to affordable early childhood education

Philanthropy

The Duke of Westminster visited Katherine Bruce Nursery in Queen’s Park, London to discuss a new five-year partnership between the Westminster Foundation and the London Early Years Foundation (LEYF) that will help increase access to high-quality, affordable early childhood education and care.

The partnership, which will see the Westminster Foundation make donations to LEYF totalling £750,000, will provide vulnerable children and their families in Westminster with access to an extra 15 hours of early childhood education and care a week. The funding will support LEYF’s ‘Doubling Down’ programme in their nurseries across the borough.

The Foundation’s funding will support 125 extra children and their families with improved learning and development opportunities, as well as access to more meals during the nursery day, including a healthy hot lunch.





Our objectives:

Support long-term charitable causes

Using the power of boxing to emotionally connect with others

Philanthropy

Rhys Verlander and Dr. Kathy Adcock describe themselves as ‘coaching parents’ for the young people visiting the Rathbone Amateur Boxing Club in central London, which welcomes young people aged 11-18 for mentoring and therapeutic interventions.

In partnership with In Your Corner, they run the Fight Connect programme, expertly blending boxing with clinical psychology to offer young people holistic support and emotional regulation. The Westminster Foundation supports the programme, which lasts

12 weeks and works progressively on young peoples’ non-contact boxing and wellbeing.

Those attending the club come from a range of backgrounds. Some have been in the care of their local authority, while others were involved with social services or youth offending teams. Most have social, emotional or behavioural obstacles, ranging from mental health issues to neurodevelopmental difficulties such as ADHD.

By the end of the programme, the majority of attendees have made substantial gains in their health and wellbeing alongside their boxing and communication skills.



Helping children learn vital financial skills

Philanthropy

Young Enterprise (YE) is a national charity that passionately believes that every young person should have an equal opportunity to learn the vital skills to earn and look after their money.

Thanks to funding from the Westminster Foundation, the charity has started work with 15 additional schools in Westminster, Chester and rural Lancashire, helping over 2,000 young people develop an enterprising mindset.

Learning is practical, delivered through hands-on activities, workshops, and resources. YE delivers a range of financial, enterprise and employability programmes, from day-long workshops to year-long programmes where young people devise and run their own trading company.

The charity is addressing the fact that nearly 5.3 million children and young people in the UK do not receive meaningful financial education and almost half of young people aged 17-23 years believe their education has not prepared them for work.



Our objectives:

Support long-term charitable causes



Supporting the Ukrainian Welcome Centre

Urban Property

The Ukrainian Cathedral in Mayfair became a rallying point for the British Ukrainian community following Russia's invasion of the country. Members of the community fundraised for humanitarian relief for those still in the country, supported UK-based family members and prepared to welcome refugees.

Grosvenor and supply chain partners helped modernise and turn disused rooms in the cathedral into a donation

hub and Welcome Centre. Staff also volunteered to clean and prepare the rooms, sorted donations and offered translation support.

The Welcome Centre has since become the hub for all Ukrainians arriving, settling or living in the UK. For refugees it offers much needed assistance, providing them first with the essentials they left behind and also support with benefits claims, medical, transportation, and housing or employment assistance. The centre also now offers transitional support including art classes, parent and baby support and English lessons.



Opening doors for diverse students to realise a career in property

Urban Property

The real estate industry offers an abundance of entry-level job opportunities but still struggles to recruit and retain diverse candidates. In 2022, we donated CAD\$250,000 via the Westminster Foundation to two of Pension Real Estate Association Foundation's programmes designed to advance industry-wide diversity and inclusion.

The funding will be distributed over five years to two groups. The first is the Real Estate Exchange High School Career Exploration Program, established to address the shortage of African Americans and Latinos working in the industry. The programme helps introduce high school students of colour to careers with high earning potential in commercial real estate. The second is the Urban Alliance Property Management High School Internship Program, created to expose high school seniors to property management career pathways and support their transition to the workforce.



Our objectives: Support long-term charitable causes



Creating an educational award for IBPOC students

Urban Property

Our new five-year partnership with the University of British Columbia's Sauder School of Business helped launch the Grosvenor Award for IBPOC Students in 2022.

Three awards of CAD\$15,000 are made annually to domestic Bachelor of Commerce students studying real estate who are First Nations, Inuit, Metis, or who identify as Black or a Person of Colour. By helping remove financial barriers for students, we hope the award creates new opportunities to increase diversity within the real estate industry.

“Being a full-time student and an active member in my extracurricular activities, I am always struggling to manage my time and provide for myself during the academic year. The support of the Grosvenor Award has given me more flexibility and has allowed me to focus on the aspects of my life I am passionate about: family, friends and academics. Without Grosvenor’s support, I would not have the opportunity I need to succeed to my maximum potential as a student and professional.”

Isaac Hill
2022 Grosvenor IBPOC Award recipient



Building real opportunities in the construction industry

Urban Property

Building Opportunities for Life Today (BOLT) Charitable Foundation’s goal is for young people to discover the construction industry and the many in-demand careers within, access training and education and gain experience and employment to start a career they are passionate about and can be successful in.

BOLT partners with The Hammer Heads Program – an intensive 12-week, in-person programme where participants receive skilled training in different construction trades, academic upgrading, mentorship, resume and exam support. Our donations to BOLT supported six under-resourced young people in 2020, six in 2021 and eight in 2022. All 20 are progressing successfully through their apprenticeships in sustainable and well-rewarded employment meeting the living wage and inclusive of pension and other benefits.





Our objectives:

Support long-term charitable causes

Charity garden open days raise vital funds for local charities

Rural Estates

The Eaton Hall Gardens Charity Open Days raised more than £50,000 in 2022 for three charities whose impact is felt in our local communities.

The three events this year, which was the first full calendar of garden open days since before the pandemic, raised funds which will be shared between the estate's employee-adopted charity Cheshire Young Carers, which delivers respite for young carers, Cheshire Wildlife Trust, which manages nature reserves in the county, and KidsBank, which supports families and their children.



Enabling Chester's largest charity shop

Rural Estates

On the Eaton Estate in Cheshire, we facilitated the opening of Chester's largest charity shop, enabling the organisation behind the facility to support even more people who are homeless in the city as well as refugees. The Share Shop has been operating in Chester since 2016 but recently moved

to new premises at the former Dawson's Music Store on Pepper Street. The new premises includes a soft play area for children as well as a café and a meeting space which can be hired out.

The Share Shop is just one of the charitable organisations on the estate. Others include Bird, based at the Old Coach House in Eccleston, Save The Family, at Cotton Hall Farm, Cotton Edmunds and British Red Cross at St John's Court.





Our boards and committees

Grosvenor’s activities are overseen by three principal boards and committees.

Grosvenor Trustees

Chaired by the Duke of Westminster, the Grosvenor Trustees are responsible for the organisation’s long-term stewardship. Preserving and enhancing its value and reputation, the Trustees are responsible for Grosvenor’s commercial and Family Office & Rural Estates activities, including matters relating to purpose, values, long-term strategy and, ultimately, success. They act as legal owners of a series of UK resident trusts, the beneficiaries of which are both current and future members of the Grosvenor family.

Group Investment Committee

The Group Investment Committee oversees the organisation’s commercial activities and is responsible for capital allocation, strategy and performance.

Group Executive Committee

The Group Executive Committee works to facilitate understanding and support for Grosvenor’s purpose, fostering collaboration and knowledge sharing, developing talent and succession planning, promoting innovation and operational efficiency.

Grosvenor Trustees

Duke of Westminster

Chair of the Trustees

Mark Preston

Executive Trustee & Chief Executive, Grosvenor

William Kendall

Trustee, Grosvenor

Michael McLintock

Chair, Group Investment Committee

Trustee, Grosvenor

Dame Fiona Reynolds DBE

Trustee, Grosvenor

Alex Scott

Trustee, Grosvenor

Group Investment Committee

Michael McLintock

Chair, Group Investment Committee

Trustee, Grosvenor

Duke of Westminster

Chair of the Trustees

Mark Preston

Executive Trustee & Chief Executive, Grosvenor

Jonathon Bond

Chief Investment Officer, Grosvenor

Robert Davis

Chief Financial Officer, Grosvenor

William Kendall

Trustee, Grosvenor

Dame Fiona Reynolds DBE

Trustee, Grosvenor

Alex Scott

Trustee, Grosvenor

Chris Pratt

Independent Adviser

Sir Philip Dilley

Independent Adviser

Group Executive Committee

Mark Preston

Chair, Group Executive Committee

Executive Trustee & Chief Executive, Grosvenor

Jonathon Bond

Chief Investment Officer, Grosvenor

Robert Davis

Chief Financial Officer, Grosvenor

Ian Mair

Group Services Director, Grosvenor

Sara Lucas

Chief Executive, Grosvenor Property Europe

Steve O’Connell

Chief Executive, Grosvenor Property Americas

James Raynor

Chief Executive, Grosvenor Property UK

Chris Taite

Chief Executive, Grosvenor Diversified

Property Investments

Nicholas Dobbs

Head of Grosvenor Family Office & Rural Estates

Anthony James

Managing Partner, Grosvenor Food & AgTech





Our boards and committees

Significant responsibilities are devolved to boards across our urban property and food and agtech businesses.

Grosvenor Property Americas Board

- Sarah Morgan-Silvester**
Non-Executive Chair
- Steve O’Connell**
Chief Executive, Grosvenor Property Americas
- Ellen Hall**
Non-Executive Director
- Colin Shepherd**
Non-Executive Director
- Jonathon Bond**
Non-Executive Director
Chief Investment Officer, Grosvenor
- Robert Davis**
Non-Executive Director
Chief Financial Officer, Grosvenor
- Graham Drexel**
Executive Vice President & Chief Financial Officer, Grosvenor Property Americas
- James Patillo**
Executive Vice President & Chief Development Officer, Grosvenor Property Americas

Grosvenor Property UK Board

- Melanie Gee**
Non-Executive Chair
- James Raynor**
Chief Executive, Grosvenor Property UK
- Dawn Airey**
Non-Executive Director
- Alistair Elliott**
Non-Executive Director
- Sir Stephen Lovegrove KCB**
Non-Executive Director
- Jonathon Bond**
Non-Executive Director
Chief Investment Officer, Grosvenor
- Robert Davis**
Non-Executive Director
Chief Financial Officer, Grosvenor
- Debbie Lee**
Chief Financial Officer, Grosvenor Property UK

Grosvenor Diversified Property Investments Board

- Jonathan Lane**
Non-Executive Chairman
- Chris Taite**
Chief Executive, Grosvenor Diversified Property Investments
- Olivier Piani**
Non-Executive Director
- Jonathon Bond**
Non-Executive Director
Chief Investment Officer, Grosvenor
- Robert Davis**
Non-Executive Director
Chief Financial Officer, Grosvenor
- Tim Budden**
Chief Financial Officer, Grosvenor Diversified Property Investments
- Andy Yates**
Chief Investment Officer, Grosvenor Diversified Property Investments

Grosvenor Food & AgTech Board

- Alex Scott**
Chairman, Grosvenor Food & AgTech
Trustee, Grosvenor
- Anthony James**
Managing Partner, Grosvenor Food & AgTech
- Katrin Burt**
Managing Partner, Grosvenor Food & AgTech
- Monty Bayer**
Managing Partner, Grosvenor Food & AgTech
- Stephan Dolezalek**
Managing Partner, Grosvenor Food & AgTech
- Kevin Lane**
Non-Executive Director
- Dr. Clive Morris**
Non-Executive Director
- William Kendall**
Non-Executive Director
Trustee, Grosvenor
- Mark Preston**
Non-Executive Director, Executive Trustee & Chief Executive, Grosvenor
- Jonathon Bond**
Non-Executive Director, Chief Investment Officer, Grosvenor
- Robert Davis**
Non-Executive Director, Chief Financial Officer, Grosvenor
- Fiona Emmett**
Group Finance Director, Grosvenor Food & AgTech

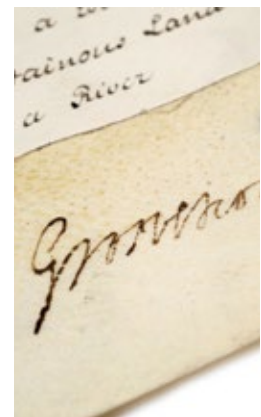


A brief history of Grosvenor

A long history, a proud heritage and an exciting future

1066

Gilbert le Grosveneur comes to England with William the Conqueror.



1634

Sir Richard Grosvenor acquires the freehold of mines and minerals in North Wales, an extremely valuable source of income.



1677

Meadow, marsh and pasture lands to the west of the City of London come into the family following the marriage of Sir Thomas Grosvenor to Mary Davies.



1720s

The Grosvenor family begins to develop the district we know today as Mayfair.



1820s

The development of Pimlico and Belgravia begins, with the latter district quickly becoming one of the capital's most desirable and eclectic residential addresses.

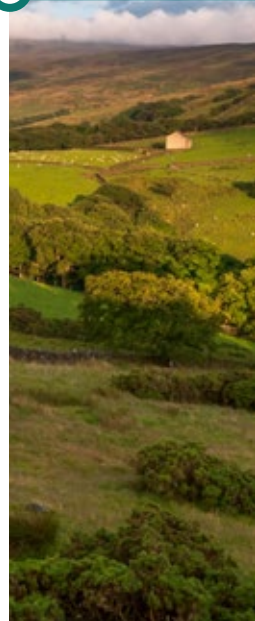
1920s

Acquisition of the Reay Forest Estate in Scotland.



1952

Our holdings in Pimlico are sold in preparation for expected death duties and to fund the organisation's international expansion which began with the acquisition of Annacis Island in Vancouver in 1952, opening as Canada's first industrial park three years later.



1974

The Westminster Foundation is established.

1980

Acquisition of the Abbeystead Estate, Lancashire.

1994

First Grosvenor development in Hong Kong.

1996

Grosvenor begins Continental Europe property investment activity in Paris.

2011

Indirect Investment business – now Grosvenor Diversified Property Investments – is established to invest in third-party managed property ventures.

2012

A new investment arm, Wheatsheaf Group (renamed Grosvenor Food & AgTech in 2022), is established to invest in food and agriculture.

2016

Hugh Richard Louis Grosvenor becomes Duke of Westminster.



2022

A new management structure and simplified governance is established to enable the organisation to better deliver lasting commercial, social and environmental benefit in the 2020s and beyond.



Glossary

Assets under management

The total investment in property assets managed by the Group, including the future costs of committed developments.

Capitalisation rate

The rate of return on a real estate investment property based on the income that the property is expected to generate. It is calculated by dividing the net operating income by the property asset value.

CGI

Computer-generated image.

Co-investment

Where Grosvenor invests equity in joint ventures or fund vehicles alongside third parties.

Development exposure

Indicates the level of committed development activity, expressed as a proportion of total property commitments.

Development pipeline

The development programme, including proposed projects that are not yet committed but are likely to proceed.

Development property

A property that is being developed for future use as an investment property.

EBIDTA

A measure of financial operating performance, presenting earnings before interest, taxes, depreciation and amortisation.

Financial capacity

Wholly-owned unrestricted cash and undrawn committed facilities.

Fitwel

A people-centric real estate certification platform committed to building health for all.

Gearing

Total short- and long-term borrowings, including bank overdrafts, less cash and cash deposits, as a percentage of Shareholders' funds.

Grazier

A person who raises cattle or sheep for market.

Group

Grosvenor Group Limited and its subsidiary undertakings.

Indirect investment

Grosvenor capital invested with third-party specialists who are responsible for the day-to-day management and business plan delivery of the opportunity.

Investment property

A property that is held for the purpose of earning rental income or for capital appreciation or both.

Joint venture

An entity in which Grosvenor invests and which it controls jointly with other investors.

Leadership in Energy Environmental Design (LEED)

A rating system devised by the US Green Building Council to evaluate the environmental performance of a building. Can be used worldwide.

Like-for-like

A portfolio of assets that has been in our management control for two years or more.

London estate

Grosvenor's portfolio of properties in the Mayfair and Belgravia areas of London's West End.

Net zero carbon

Net zero carbon refers to a state in which the amount of carbon going into the atmosphere is balanced by the amount of carbon removed from the atmosphere.

Occupancy rate

The average occupancy by floor area for the relevant year.

Operating Companies (OpCos)

Grosvenor's regional investment and development businesses.

Portfolio companies

Companies in which Grosvenor Food & AgTech holds an economic interest.

Property assets

Investments in property and property-related instruments: comprises investment properties, development properties, trading properties, mezzanine loans and equity investments in property companies.

Proportional

The total of the Group's wholly-owned and its share of jointly-owned property assets or net debt as accounted for on an IFRS basis.

Revenue profit

Profit before tax, excluding profits on the sale of investment properties, gains or losses on other non-current investments, revaluation movements, major refurbishment costs and derivative fair value adjustments.

SBTi

The Science Based Targets initiative drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets.

SBTi FLAG

The SBTi Forest, Land and Agriculture project is focused on the development of methods and guidance to enable companies within the food, agriculture, and forest sectors to set science-based targets that include land-related emissions and removals.

Scope 1 emissions

All direct emissions from owned or controlled sources.

Scope 2 emissions

All indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.

Scope 3 emissions

All other indirect emissions that occur in a company's value chain.

Shareholders' funds

The balance sheet value of the Shareholders' interest in the Group.

Speculative exposure

Projected gross rental income on committed development projects that have not been pre-sold or pre-let; expressed as a percentage of total current gross rental income.

Structured development finance

Lending to property developers that is subordinated to senior lending in return for a profit share in the completed development.

Total return

Revenue profit before financial expenses but after major refurbishments, plus the net gain on revaluation and sale of investment properties and other investments and including fair value adjustments and exchange movements recognised in reserves, as a percentage of average property assets (before current year revaluations) and cash. Joint ventures and associates are treated proportionally for the purposes of this calculation.

Trading property

Property held as a current asset in the balance sheet that is being developed with a view to subsequent resale.

Value-add

Above-market increase in value as a result of active management (e.g. change of use or refurbishment).

Westminster Foundation

An independent organisation representing the charitable activity of the Duke of Westminster and Grosvenor businesses that provides long-term sustainable help and direction to children and young people early in life (aged 0-25).



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