



Responsible Investment Strategy

Grosvenor Diversified Property Investments

2022



Overview

Our business is focused on delivering lasting commercial, social and environmental benefit through responsible investing.

Our shared values of trust, integrity, and respect are reflected in the way we conduct business across Grosvenor - and we hold similarly high standards for our partners.

We have clear social and environmental ambitions for our business:

- 1 advocating for the efficient use of natural resources,
- 2 ensuring our activities restore and/or enhance the environment, improving land, property and places,
- 3 making a positive impact within communities.

In this document, we outline our approach to responsible investing and articulate the standards we expect of ourselves and the network with which we engage.

As a third party managed business, our ability to deliver sustainable societal benefit through responsible investing is centred on both our choice of partners, with whom we commit our capital, and our position of influence with them.

We believe in helping to raise international standards through long-term, continuous improvement. By working with our partner network and supply chain we will ensure our capital has a lasting positive impact.



Our Responsible Investment Strategy

Societal benefit

To only invest where our business can demonstrate a positive impact on society through the improvement of the assets in which we invest and in our partners' engagement with their stakeholders and communities.

Environmental ambition

To increasingly assess, measure and monitor our impact on the environment and our use of natural resources; and seek not only to reduce our negative impact, but also increase our positive impact over time.

Integrity, trust and respect

To operate and govern to the highest standards of responsible and ethical conduct; be accountable for our actions, and to hold our partners and stakeholders to account.

To treat our people, and those with whom the business engages, fairly; expecting our supply chain to apply equivalent standards.



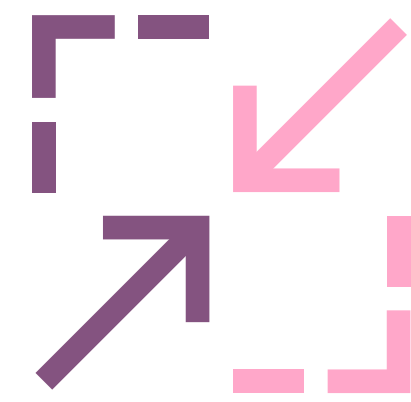
Responsible investment in practice

Delivering social and environmental benefit: it is how we do business

Our approach is embedded into our day-to-day business operations. It helps us to achieve and be consistent with industry best-practice related to environmental, social and governance ('ESG') matters.

We have separated our ability to deliver social and environmental benefit into three segments:

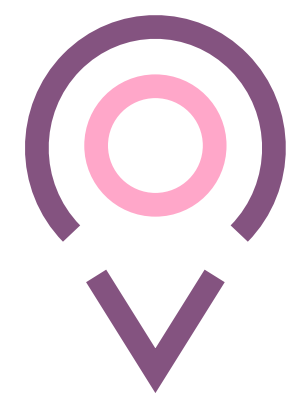
- 1 Policy and strategy;
- 2 Governance, knowledge and resourcing;
- 3 Asset management.



Policy and strategy



Governance, knowledge and resourcing



Asset management





Responsible investment in practice

Our approach

The three categories represent common areas of influence for our businesses, either in the capacity as limited partner or as an influential third-party capital provider. Here, we outline our strategic approach for each component.

Policy and strategy

We invest in strategies which meet societal needs, responding to evolving customer and tenant requirements. We do this through the selection and oversight of high-quality specialist partners.

Each new investment must demonstrate social benefit, environmental ambition, and integrity of governance and approach.

We only back managers who will actively engage with us on these matters throughout our ownership and who will commit to a continuous improvement mindset.

We require all new partners to commit to achieve operational net zero carbon by 2030.

We will continue to influence existing partners to help improve standards as well as meeting prevailing local market best practice.

Governance, knowledge and resourcing

We strive to operate to the highest standards of responsible and ethical conduct; we are accountable for our actions, and we hold our partners to the same standards.

Every new investment is subject to a rigorous due diligence process, including compliance with applicable Grosvenor policies and best practice guidelines.

Every new investment commitment requires the approval of the Grosvenor Diversified Property Investments Board, helping to ensure consistency with strategy.

Every investment vehicle has a robust and effective legal, governance and tax structure which is underpinned by comprehensive due diligence undertakings.

We hold our partners to account on their obligations by regularly confirming compliance and ensuring that any potential shortfalls are identified and addressed.

We actively share best practices in the context of responsible investment, within our team, within Grosvenor and with our partners.

Asset management

We seek to make every asset within our portfolio more sustainable through our ownership.

We actively encourage our partners to pursue initiatives that enhance the environmental performance and societal benefit of our assets, leveraging our global network.

We monitor the performance of our assets by engaging with our partners to provide transparent and timely information related to environmental and social initiatives that have been included in the business plan.



Responsible investment in practice

Working with our partner network

The fundamental principle applied to all partnerships is one of continual improvement in our partners' ability to demonstrably deliver social benefit during our investment with them and beyond. Our aim is to set effective and realistic goals for each of our partners.

We acknowledge that a geographically diverse portfolio of investments and partners will have material differences in terms of local governance, market environmental standards, societal needs and available resource. However, we do require as a minimum our third-party managers to comply with certain regulatory provisions under English law (because of the extra-territorial effect of certain legislation) and to provide corresponding undertakings, especially where we are the majority equity provider.

Some partners are relatively early stage, young companies which have yet to develop policies consistent with institutional standards in these areas. Using our collective experience and resources, we target year on year improvements to their ESG practices. Where larger institutional investors fall short, we seek to help them fill the gaps.

The typical term of each of our investments means that we have a shorter period in which to promote and encourage ESG practices with investees within our ownership cycle. However, we believe that we can instigate long-term positive, practical, and behavioural changes to deliver social and environmental benefit across our partnership network. This is both the primary challenge and the biggest opportunity.



GROSVENOR