

# Net

# Zero

Grosvenor  
European Property Portfolio  
Our pathway update  
2023



# Foreword

In 2020, Grosvenor made a commitment to halve the carbon impact of our European property portfolio by 2030, and our business has made substantial progress. We have improved efficiency within our buildings and enhanced transparency in reporting, proactively striving to cut carbon by 50% whilst actively engaging both suppliers and employees.

Cut  
carbon  
by  
**50%**

We are pleased to publish a report on our progress during 2023, the fourth reporting year of our net zero carbon pathway across our whole portfolio. We focus on the four areas that we defined in our strategy; energy use in buildings, developments, purchased goods and services and 'other' emissions, including employee commuting and corporate related emissions.

In the past year we have optimised energy use in our largest shopping centre asset, Skarholmen in Sweden, implementing improvements to the HVAC system with monitoring and automation. We have instructed Normative to continue our supplier engagement and we have successfully reported to GRESB for the eighth year

Two years ago, Grosvenor made a strategic decision to modify our European investment approach and going forward, instead of investing directly, we will be investing indirectly in Continental Europe through third-party managed joint ventures and funds.

The move from direct to indirect investments has been phased and we continue to invest in and manage our existing European assets to our usual high standards and in their best long-term interest.

We are committed to decarbonising Grosvenor's European property assets and ensuring that the places we have invested in provide long-term social benefit for the community. During 2024, we will do this through continuing to collaborate with our tenants and suppliers on areas we can have the greatest impact on combatting climate change.

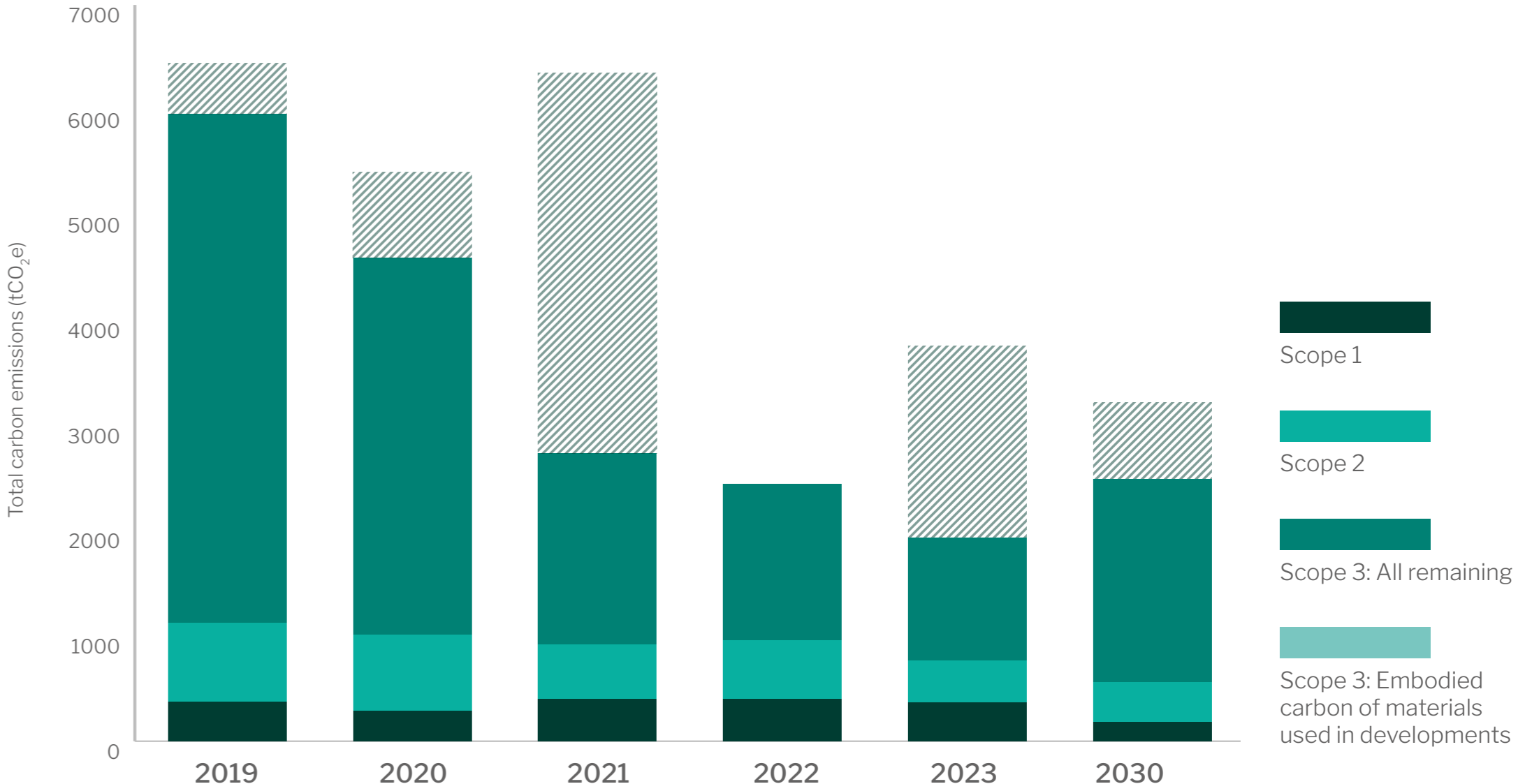
We will particularly engage with tenants to ensure an aligned strategy to secure lasting success. We will continually improve the processes in place to collect high quality data across Scopes 1, 2 and 3, to achieve transparent reporting of our pathway to reducing emissions and improving our real estate investments for the long-term.

**Sara Lucas**  
on behalf of  
Grosvenor Property Europe

# Our pathway update 2023

In 2023, the fourth reporting year on our pathway, we reduced our total carbon footprint by 42%, a reduction of 2,446 tonnes of CO<sub>2</sub> against the 2019 baseline.

There were two developments completed in 2023, and are now reported on, which significantly contribute to the emissions this year from the embodied carbon impact of the materials used in these developments. This is responsible for a net increase in emissions compared to last year.



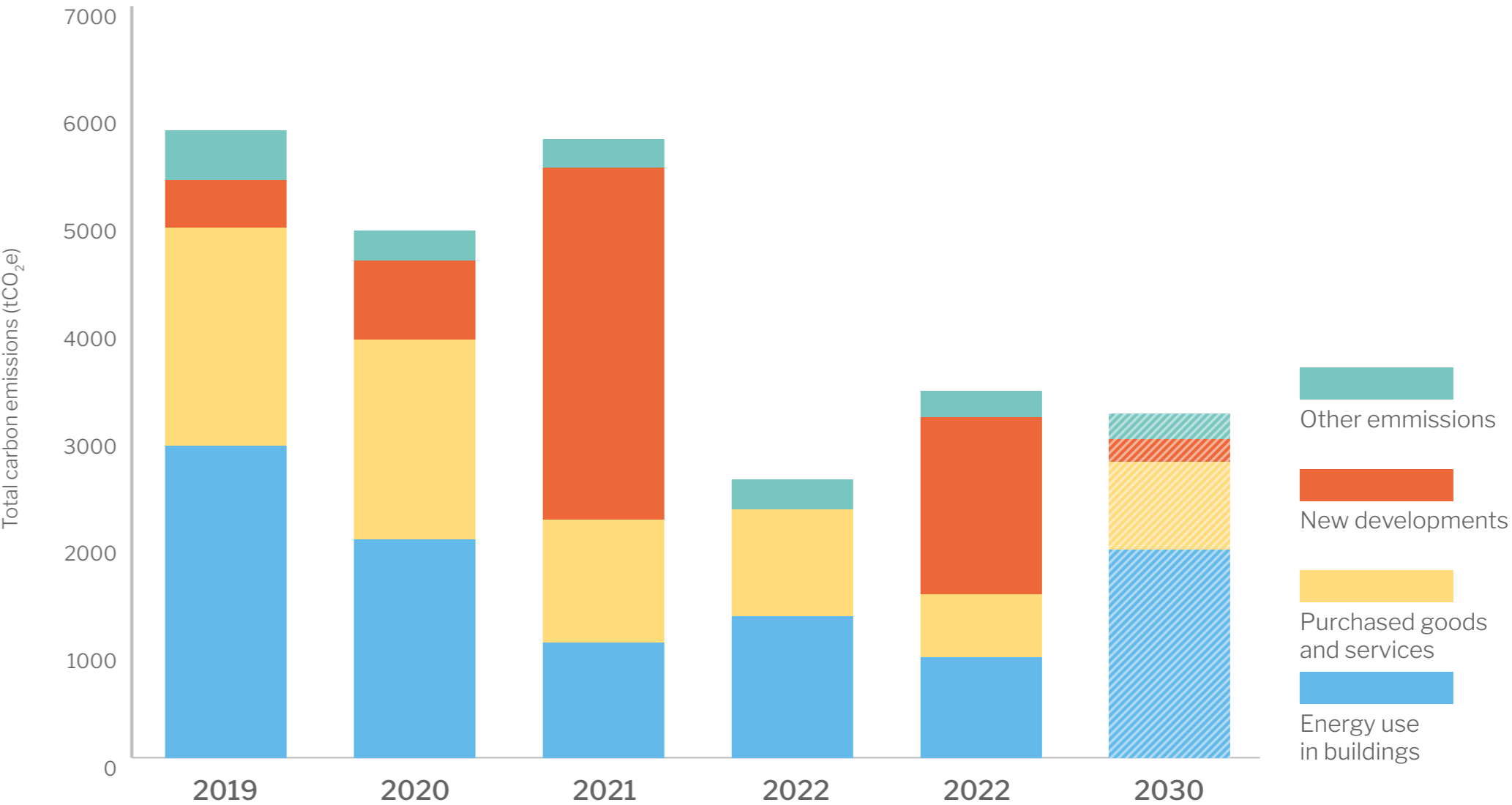
Scope 1 and 2 emissions have both decreased during 2023, due to combination of gas and electricity consumption in standing assets as well as the disposal of two small gas consuming assets from the portfolio as part of the business strategy change.

Our Scope 3 emissions from energy use by tenants has significantly decreased in 2023. The majority of this coming from a 37% reduction in emissions from like for like assets and a further 60tCO<sub>2</sub>e reduction from disposals. In the Swedish shopping centre, Skarholmen, the building management system had been altered to suit tenant demand and preference.

In the bar chart, embodied carbon of materials used in developments has been separated to clearly show the progress in the other Scope 3 categories. The completion of Skarholmen Building V and Anatole France, is responsible for the increase in 2023 where specially selected building materials were used to create a lower impact on emissions.

# Continuing our journey to net zero...

Our three main goals are to reduce building energy use by a third, embodied carbon intensity of our developments by 50%, and carbon intensity of purchased products and services by 60% to achieve our targeted 50% reduction in overall emissions. Four key aspects form the foundation of our strategy:



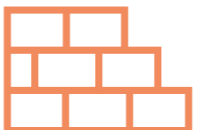
## 1. Energy use in buildings

We will reduce energy consumption by 1/3 to align with industry-leading net zero carbon building performance definitions.



## 2. Purchased goods and services

We will reduce our carbon emissions per unit of spend by 60% through decarbonisation of our suppliers and low carbon refurbishments.



## 3. New developments

We will aim to reduce embodied carbon per square metre in our developments by 50% compared with typical benchmarks and practice today. We will build to highly energy-efficient performance standards consistent with net zero carbon benchmarks.



## 4. Other emissions

Covering areas such as business travel, employee commuting, water and waste, we will include these emissions within our overall 50% reduction target.



# Our pathway focus areas

Against our 2019 baseline, our energy use in buildings shows an absolute reduction of 68%. We have reported this here for consistency with the methodology in our strategy and the approach we have taken in reporting 2020, 2021 and 2022 data.

To be transparent, we can also report that on an intensity basis there has been a decrease of 20% this year against the baseline. This is due largely to the Swedish assets and the implementation of new technologies in the shopping centres. We recognise the disposal of assets without a balance of acquisitions, which is an outcome of our strategy change, distorts the absolute emissions.

From 2019

-68%

## Energy use in buildings

In 2023 Grosvenor commissioned the energy optimisation project to introduce Sally R, a software-based ventilation optimization solution with a target to significantly reduce energy consumption while maintaining high levels of air quality for the Centrum tenants and visitors.

The system continuously adjusts the heating, cooling, and ventilation performance, using only the required amount of energy and nothing more.

The wholecentrum went live in October, and until the end of the year, Sally R has saved:

- 41% Electrical energy across the HVAC system.
- 25% Energy reduction from the heating through the air system.

# SALLY R

forstå  
PROJECTS





# Our pathway focus areas

From 2019

-71%

Third-party  
procured services  
and services

## Purchased goods and services

In 2023, there has been a significant reduction in emissions from purchased goods and services from the 2019 baseline. The business structure and portfolio change from 2022 can largely attribute for this change. There has been a partner change to Normative, enabling greater supplier engagement and capturing of supplier data. We have reported once again on an absolute basis like in previous years.

This year, we trialed Normative at Lidingo to actively engage tenants in our ongoing task to capture client data, and we look to role this out at Skärholmen to gain further traction.

## Normative

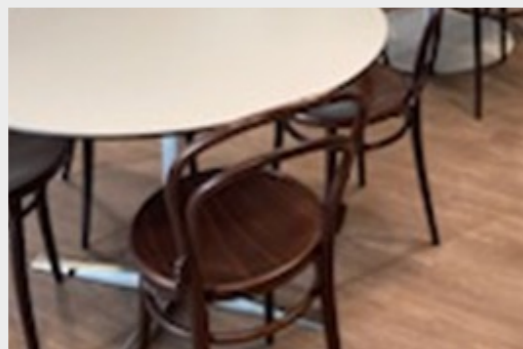
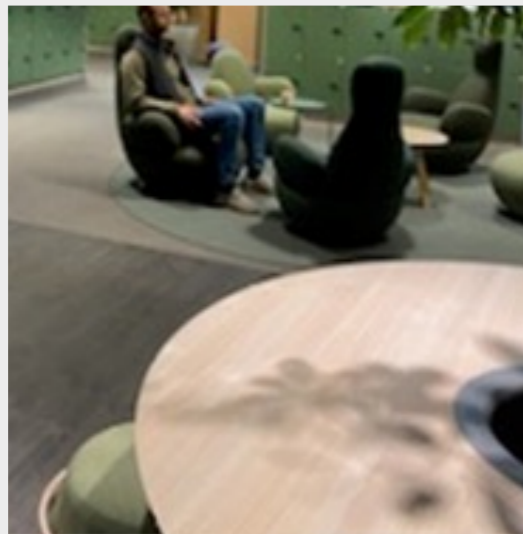




# Our pathway focus areas

Anatole, France

Building V  
SKHLM,  
March 2023



From 2019



Absolute Emmissions



## New developments

Embodied carbon emissions are accounted for at project completion and therefore annual reporting will always be impacted by fluctuations in the timing of major developments. There is a large increase this year due to two completions, which contrasts to 2022 where no completions occurred.

The redevelopment of Building V at Skarholmen was completed in 2023, accounting for part of the increase in emissions for new developments for this year.

Anatole France was also completed during the second half of 2023. After previously being reported in its demolition phase, the construction phase has now been analysed for the embodied carbon impact of the project. The new building provides circa 2,500sqm of office accommodation arranged on 6 upper floors including 3 terraces.

There is also additional ongoing refurbishment work of Building U at Skarholmen, will provide a new purpose designed Police station around 11,000 sqm to meet the modern Policing requirement. These associated emissions will be included in 2024's reported emissions.





# Our pathway focus areas

-49%

## Other emissions

In 2023, we reduced our 'Other emissions' by 49% against our 2019 baseline. Business travel rates have declined substantially this year as the business has undergone structural change.

Employee commuting emissions have decreased in 2023 compared to 2022. There was a significant reduction in number of employees at each of the offices driving this change. In our Paris office, individual contribution to reducing emissions has become more prevalent, with a larger proportion of employees either cycling or walking to the office rather than using cars or public transport.

In 2022, we highlighted the charitable work we do with one of our Paris tenants, Sports dans la ville. On our journey to reducing business travel emissions, and in continuation of engagement and connection, we have now conducted English spoken lessons remotely. These were led by different members of the team. We also participated with SDLV's charity tennis event at Roland Garros, by entering our own Grosvenor Europe Team.

We are also pleased to support again in 2023 the Fondation Apprentis d'Auteuil with our charity committee sponsoring the construction of Marcel Callo College.

