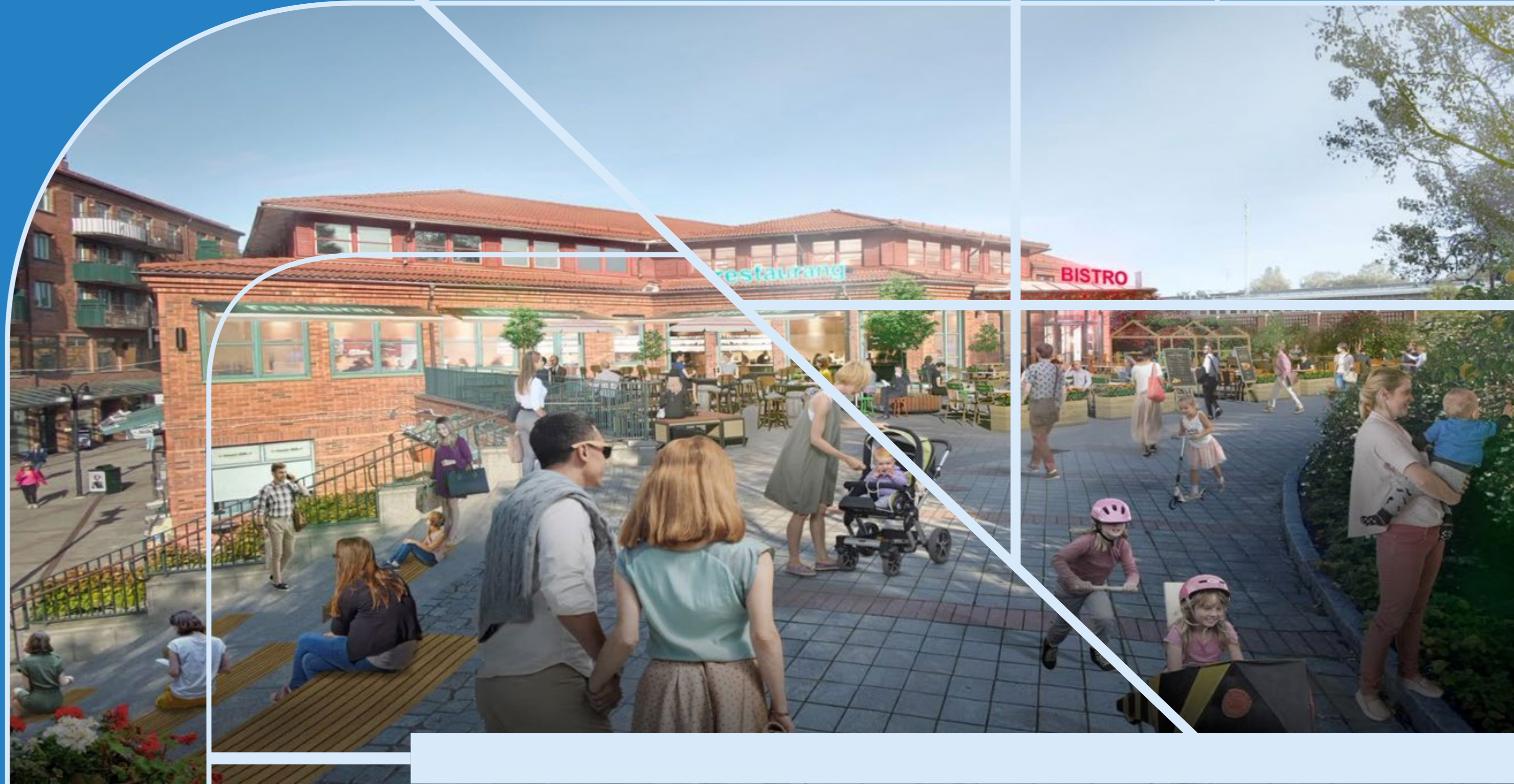


Social Benefit Strategy

Mid-way Report on Progress



25 Targets for 2025:

In 2020 we published our **Social Benefit Strategy** to support our **Net Zero Carbon Pathway**. We set 25 ambitious targets in five priority areas where we identified that we could make the most impact across environmental and social goals. Actions to progress these targets have been implemented across our European portfolio and our corporate business activity.

At the mid-point between 2020 and 2025, we have made strong progress across all priority areas, and we are pleased to publish an update report as at June 2022. This report will focus on a proportion of our targets where we have made some of our biggest impact.

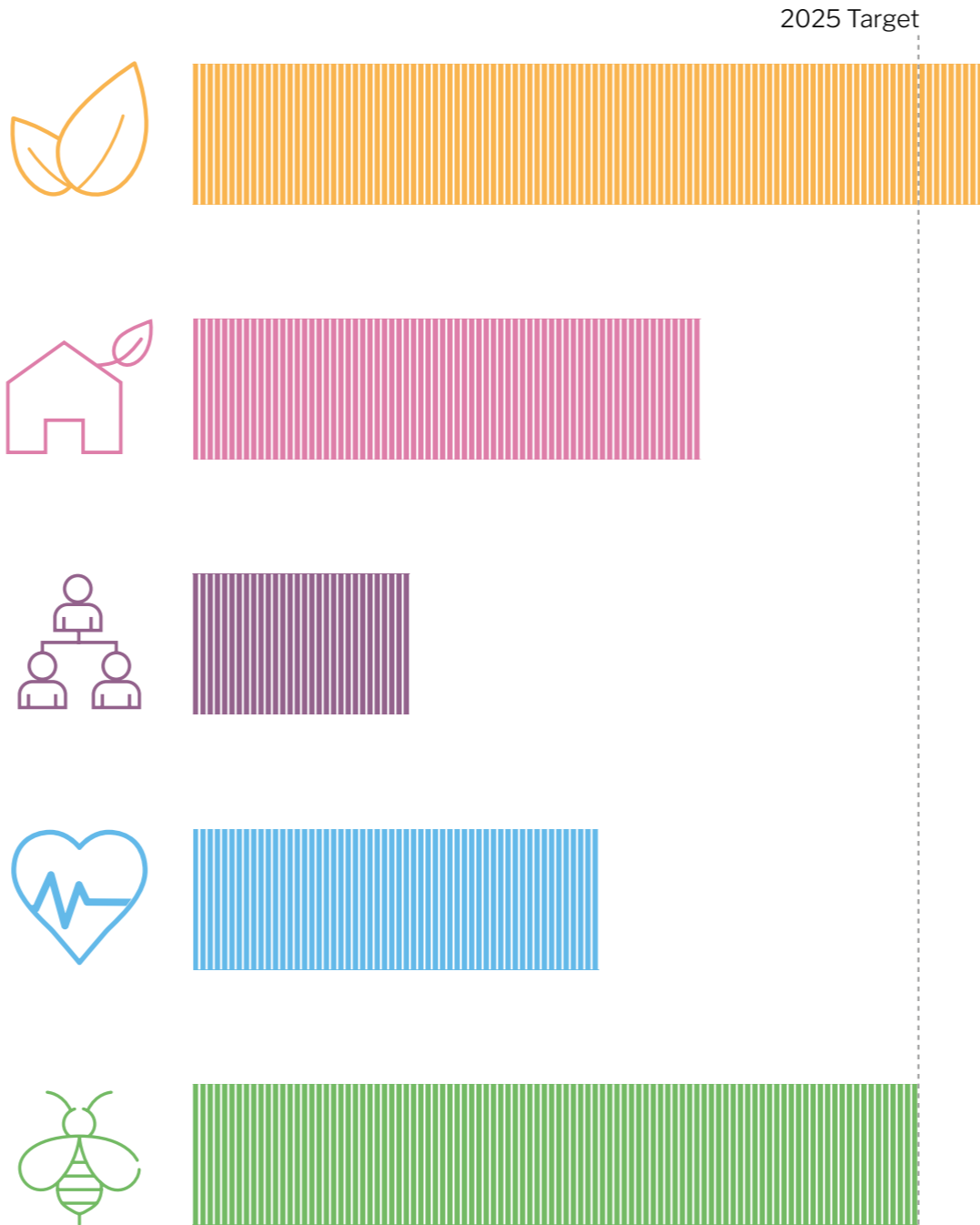
In areas we are exceeding expectations, surpassing the set target already on four out of the 25. In other areas we are comfortably on track, achieving 14% against a 15% reduction target (for 2025) in energy use at our assets. There are some targets where we monitor work in progress but can identify potential to accelerate to be more ambitious.

Since 2020, we have 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 will be phased and during that period we will continue to invest in, and manage, our assets to our usual high standards and with the aim of delivering holistically against our commercial, environmental and social goals. Despite this transition we continue to actively progress towards the targets set within this strategy and our attitude towards combatting climate change does not change.

Sara Lucas
Chief Executive
Grosvenor Property Europe

Simon Evans
Head of Sustainability
Grosvenor Property Europe

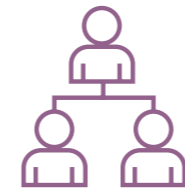


Our targets

To make sufficient progress in our priority areas, we have defined 25 bold targets to achieve by 2025.

25 →

2025



Net zero carbon

- 1. **Reduce energy consumption in our buildings by 15% by 2025.**
- 2. **Reduce embodied carbon emissions from our developments by 25% by 2025.**
- 3. **Reduce carbon emissions from purchased goods and services by 30% by 2025.**

Sustainable buildings

- 4. **30% use of sustainable materials in our projects.**
- 5. 100% waste diverted from landfill.
- 6. 75% operational waste recycled or re-used.
- 7. **90% of construction waste recycled or re-used.**
- 8. **25% reduction in water consumption.**
- 9. Develop a climate resilience strategy and report in line with TCFD.
- 10. **All new developments to achieve BREEAM or LEED.**
- 11. **50% of standing assets to be certified BREEAM or LEED.**

Sustainable businesses

- 12. **40% of suppliers by spend signed up to Partner Charter.**
- 13. Support local businesses by sourcing goods and services locally.
- 14. Up-skill local people through training, mentoring and apprenticeships.

Sustainable communities

- 15. **Increase community engagement.**
- 16. **Support local charities and community organisations.**
- 17. Improve the accessibility and inclusiveness of our places.
- 18. Improve digital inclusion and visibility at our assets.
- 19. Improve access to local amenities and culture at our assets.

Sustainable lifestyles

- 20. **Engage with tenants and customers to promote sustainable lifestyles.**
- 21. Create safe, well integrated places that prioritise sustainable transport.

Health and wellbeing

- 22. **Improve air quality across our portfolio to above benchmark standards.**
- 23. Implement initiatives to promote health and wellbeing.

Nature

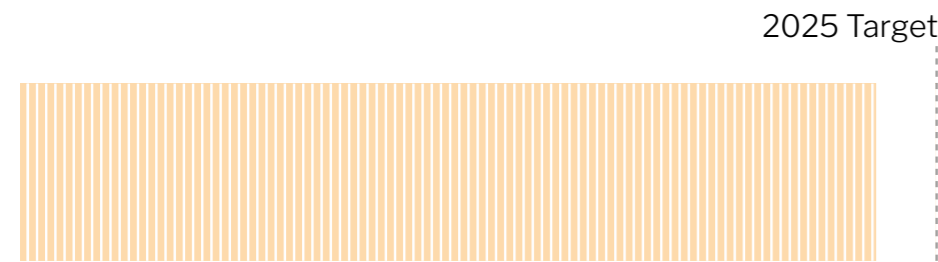
- 24. **Increase biodiversity at all assets by 25%.**
- 25. Community gardening or urban farming initiatives introduced at 25% of our assets.

Targets **highlighted in bold** are reported in detail in this update report.



Net zero carbon

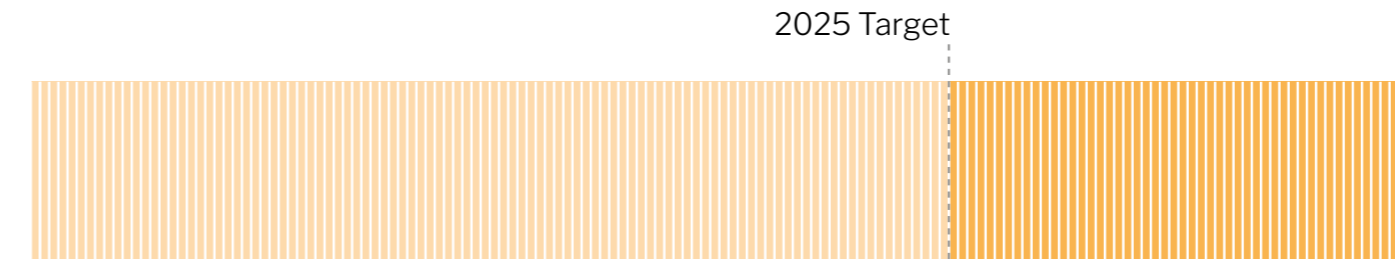
1 Reduce energy consumption in our buildings by 15% by 2025



The impressive progress of a 14% reduction against a 15% reduction target* at our mid-way point is in part due to multiple energy efficiency initiatives at MBOne. After completing efficiency initiatives we have improved EPC ratings from D for Emissions and E for consumption to a B in both categories. Trials of innovative software at SKHLM to improve efficiency and a portfolio wide transition to LED lighting also supported the acceleration of our achievement of this target.

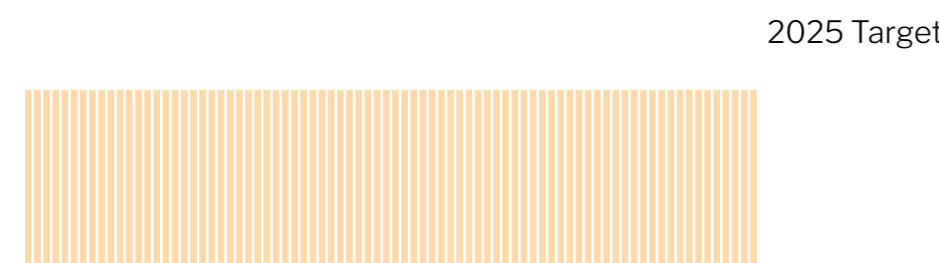
*progress is calculated on an intensity basis across the whole portfolio.

2 Reduce embodied carbon emissions from developments by 25% by 2025



On our recent significant development project at Avenida Americas in Madrid, where we have a full set of accurate data from cradle to cradle, we have achieved a 38% reduction in embodied carbon compared to normal practice. When our development project at Anatole France is complete in 2023, we will go through the same process and report the reduction in embodied carbon in the same manner. We recognise that the progress illustrated here is not representative at portfolio level.

3 Reduce carbon emissions from purchased goods and services by 30% by 2025



In 2021 we published our [Sustainability Partner Charter](#), for suppliers and tenants to sign up, calculate and report their carbon emissions. We provide an online platform for suppliers and tenants to calculate their own footprint, with opportunity to set reduction plans, and enabling us to collect actual Scope 3 emissions.

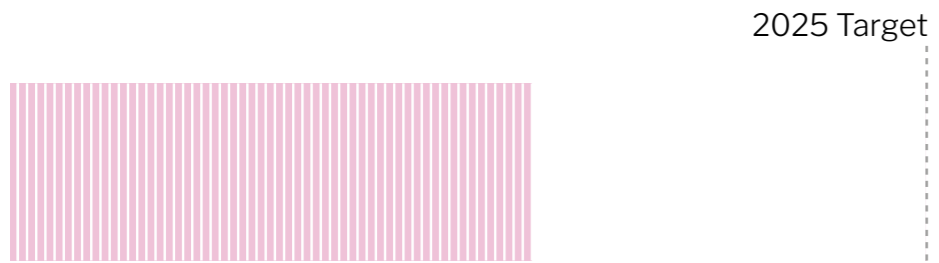
Prior to this rollout, we calculated emissions from purchased good and services through spend reports. We analysed emissions reports for 8 of our top suppliers, which represented approximately 25% of GPE's 2021 spend. This exercise showed an 18.9% overall reduction in purchased goods and services emissions.





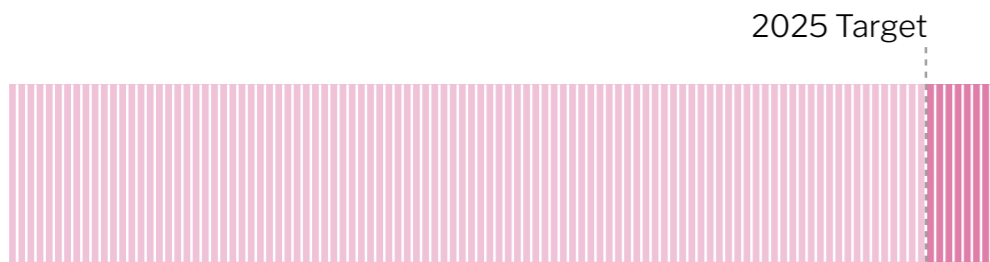
Sustainable buildings

4 30% use of sustainable materials in projects



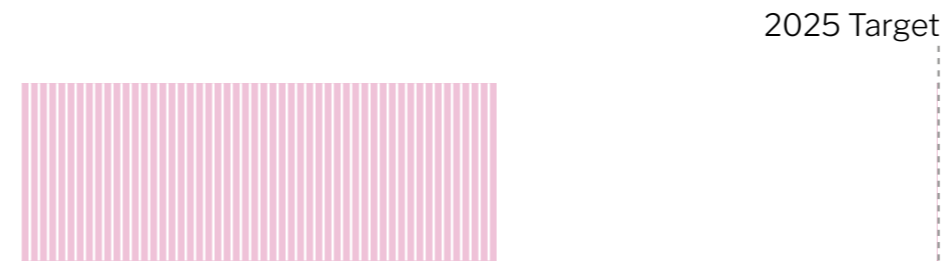
In our developments, the use of sustainable materials helped us to score impressive BREEAM results. In 2021, we completed an office redevelopment in Madrid. One of the key features was a new glazed façade that included internal timber profiling, rather than aluminium, which was sourced from a local timber yard. Conscious choices have been made to use low carbon cement in new construction and at Modesto Lafuente additional points were scored in BREEAM for the responsible purchasing of materials.

7 90% of construction waste recycled or re-used



Between 2020 to June 2022, our projects created 5,065 tonnes of construction waste, of which 96% has been recycled. Across all construction projects only 3.5% has been sent to landfill and 0.5% incinerated for energy recovery. In 2021, we completed our first a fossil fuel free demolition process in Paris to help compensate for the embodied carbon impact of demolition.

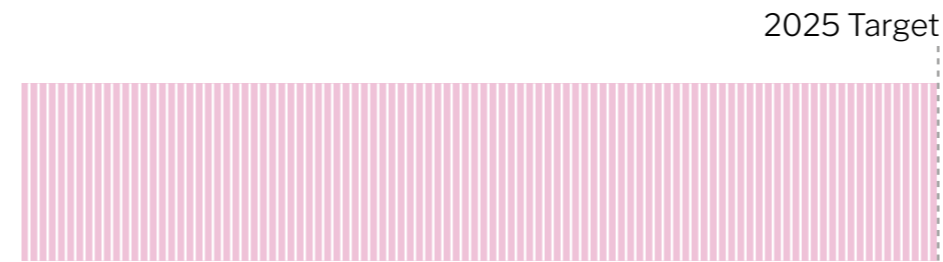
8 25% reduction in water consumption



A reduction of 13%* based on absolute floor area can be attributed in part to the installation of Smartvatten, which automates our water data at our most material asset, located in Sweden. Data automatically feeds into our reporting platform, notifying us of leaks or unusual behaviour on an hourly basis. At one of our office assets in Madrid rainwater is harvested and used throughout the buildings for toilet facilities and watering the planted areas.

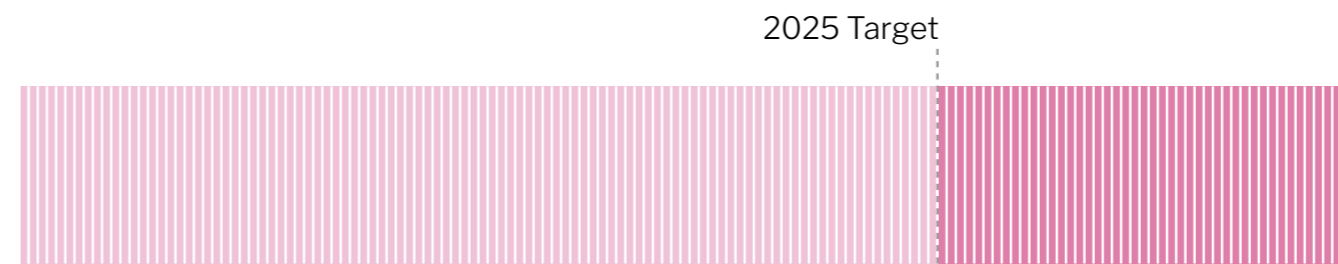
*progress is calculated on an intensity basis across the whole portfolio

10 All new developments to achieve BREEAM or LEED



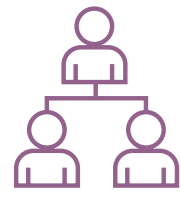
Of the five new developments constructed since the target was set in 2020 all of them have attained BREEAM certification. This is testament to the local team working hard in the design stages to ensure that more sustainable buildings are achieved. In Spain, Modesto Lafuente was awarded best residential development in Madrid in 2020.

11 50% of standing assets to be certified BREEAM or LEED



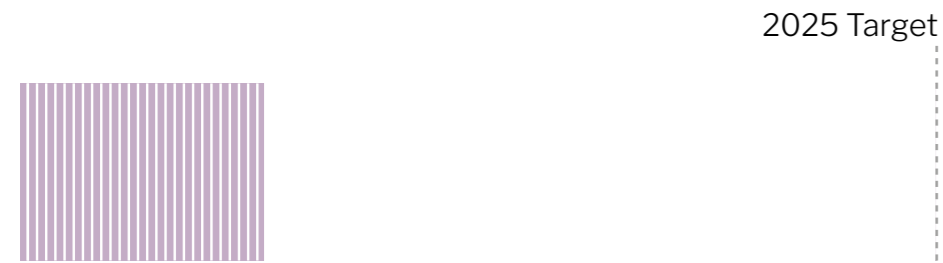
11 out of 15 standing investments have achieved or retained either LEED or BREEAM certification in the reporting period. The maintaining of the 'in-use' certification demonstrates the outstanding operational performance of the portfolio.





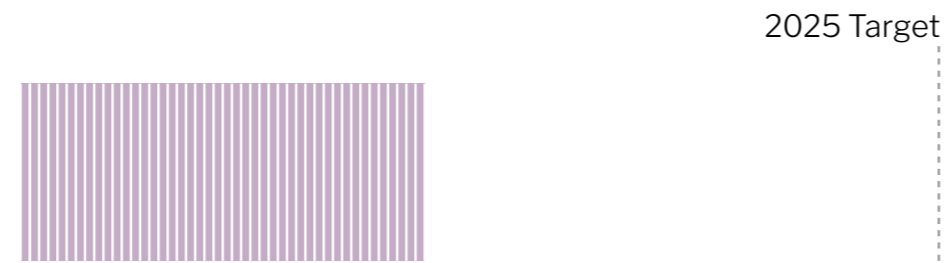
Sustainable businesses and communities

12 40% of suppliers by spend signed up to Partner Charter



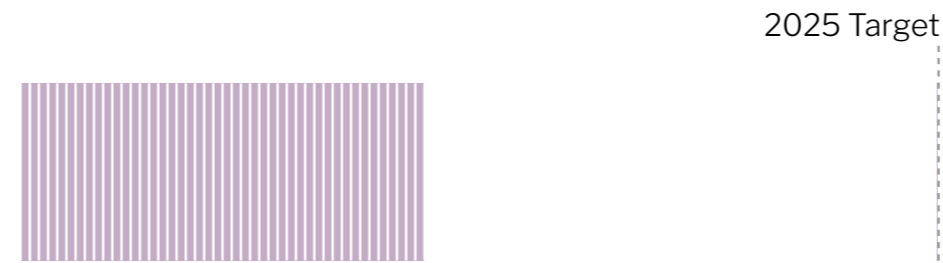
In 2021 we released our [Sustainability Partner Charter](#) to engage partners including suppliers and tenants to join us in our journey to net zero. We have since held workshops to mobilise this project and have helped partners by providing an online platform to calculate and report their carbon footprint. So far 80% of the suppliers we have engaged in this project are signed up to the Sustainability Partner Charter.

15 Increase community engagement



We committed to deliver 25 initiatives by 2025 across the portfolio to improve our level of community engagement. Eleven significant initiatives have been recorded so far. KLUBBEN at one of the Swedish shopping centres facilitates learning activities for children from all backgrounds to gain more understanding about sustainability, recycling, the environment, health and wellbeing. Recently, a running initiative to get children from disadvantaged socio-economic backgrounds active, had it's record year with 1,600 children taking part. It was run in collaboration with Löparakademin, which is a non-profit organisation that works for equal health and social inclusion.

17 Support local charities and community organisations



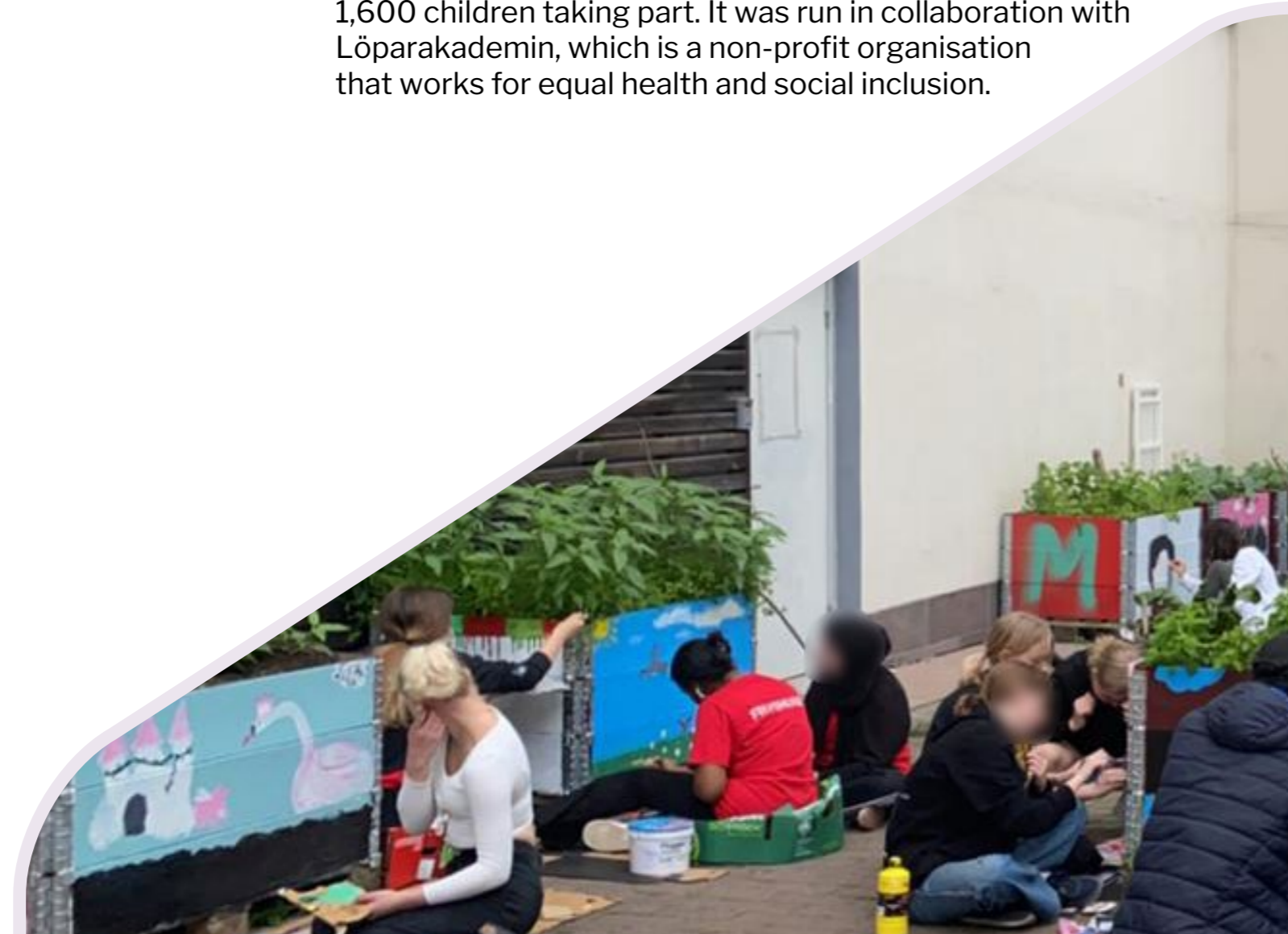
We are on track against this target both at a corporate and asset level. Corporate offices have participated in volunteering days, charity events and supported many community projects. We also hosted charity tenant Sports dans la Ville, in our London office as part of their youth programme.

In Sweden our Skärholmen team are working with a local charity to create a society free of sexual violence supporting education about consent and sexual violence, through workshops, open lectures and online campaigns.

20 Engage with tenants and customers to promote sustainable lifestyles



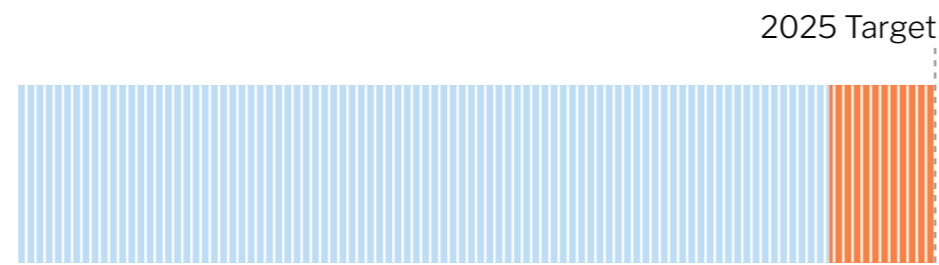
Representatives from each country have been working to define green clauses in lease agreements to promote environmental and social impact. We have also been engaging with tenants to encourage greater recycling and installing EV charging points and bicycle storage to encourage active tenant and customer travel.





Health and wellbeing

22 Improve air quality across our portfolio to above benchmark standards



*progress is shown through a reduction of 11.5%

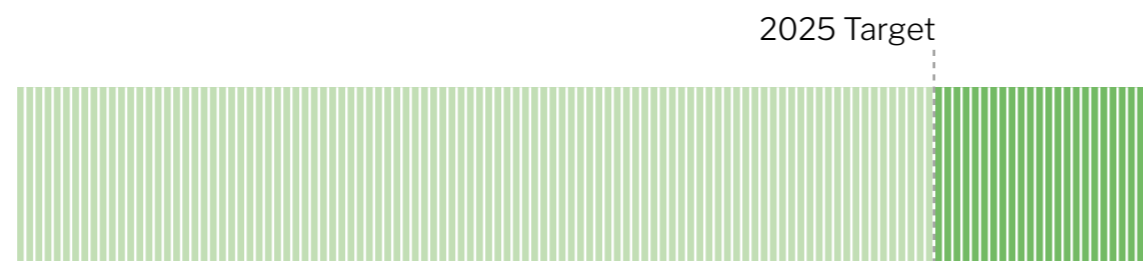
We began to progress against this target by installing air quality monitors in our own corporate offices. The installation project with an external specialist saw us review the WHO standards and establish a proprietary [Grosvenor Air Quality Benchmark](#). Units were installed in early 2022 and whilst a full set of annual data is not yet available, compared against the benchmark set at March 2022 we have seen a reduction in CO₂ levels of 11.5% across all corporate offices. Having data available for employees to visibly see daily, to prompt them to open windows for example, has had a positive impact.





Nature and biodiversity

24 Increase biodiversity at all assets by 25%



Being one of the most challenging metrics to define and targets to measure, we engaged external specialists to help us to measure and report on biodiversity.

In 2021, we undertook a baselining exercise across the whole portfolio and formulated an improvement strategy. The progress reported on this target includes largely progress to date in Madrid as well as some approved works in progress in Sweden. Expert advice showed us that not all properties could be included in the improvement target, so the scope for this target had to adapt.

We measured our target using Biodiversity Net Gain calculation through Defra 2.0 and Urban Greening Factors combined. When the net gain is shown on the assets viable for greening, the improvement was at 46%. Spread across the total portfolio, as the target was intended, we have achieved a 31% increase in biodiversity, exceeding our target.

