



GROSVENOR

Our Pathway to a better future

Executive
Summary

Think
Zero



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In 2019, Grosvenor Britain & Ireland (GBI) signed up to the Better Building Partnership Climate Change Commitment to publish how we would become a net zero carbon business by 2030, one of 25 leading UK property companies. This document summarises our commitment and how we will get there. It spells out what we will do, by when, and how over the next 10 years.



What does net zero actually involve?

Net zero means we need to ensure the amount of carbon we produce is compensated by the amount we remove from the atmosphere, resulting in net zero emissions.

To achieve this, we will drastically reduce our carbon footprint; our buildings will be highly energy efficient and powered from renewable energy sources where possible. We will also minimise the carbon emitted by our development programme and created through the activities of the occupiers in our properties and our supply chain. The residual carbon that cannot be avoided will then be offset through verified offset schemes.

Although this document focuses on our strategy to reach net zero by 2030, that isn't the end. We have already committed to being a **climate positive business** by 2050 and this Pathway will accelerate our journey.

¹For 2019-2030 construction projects make up 23% of our cumulative BAU emissions

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How will we get to net zero?

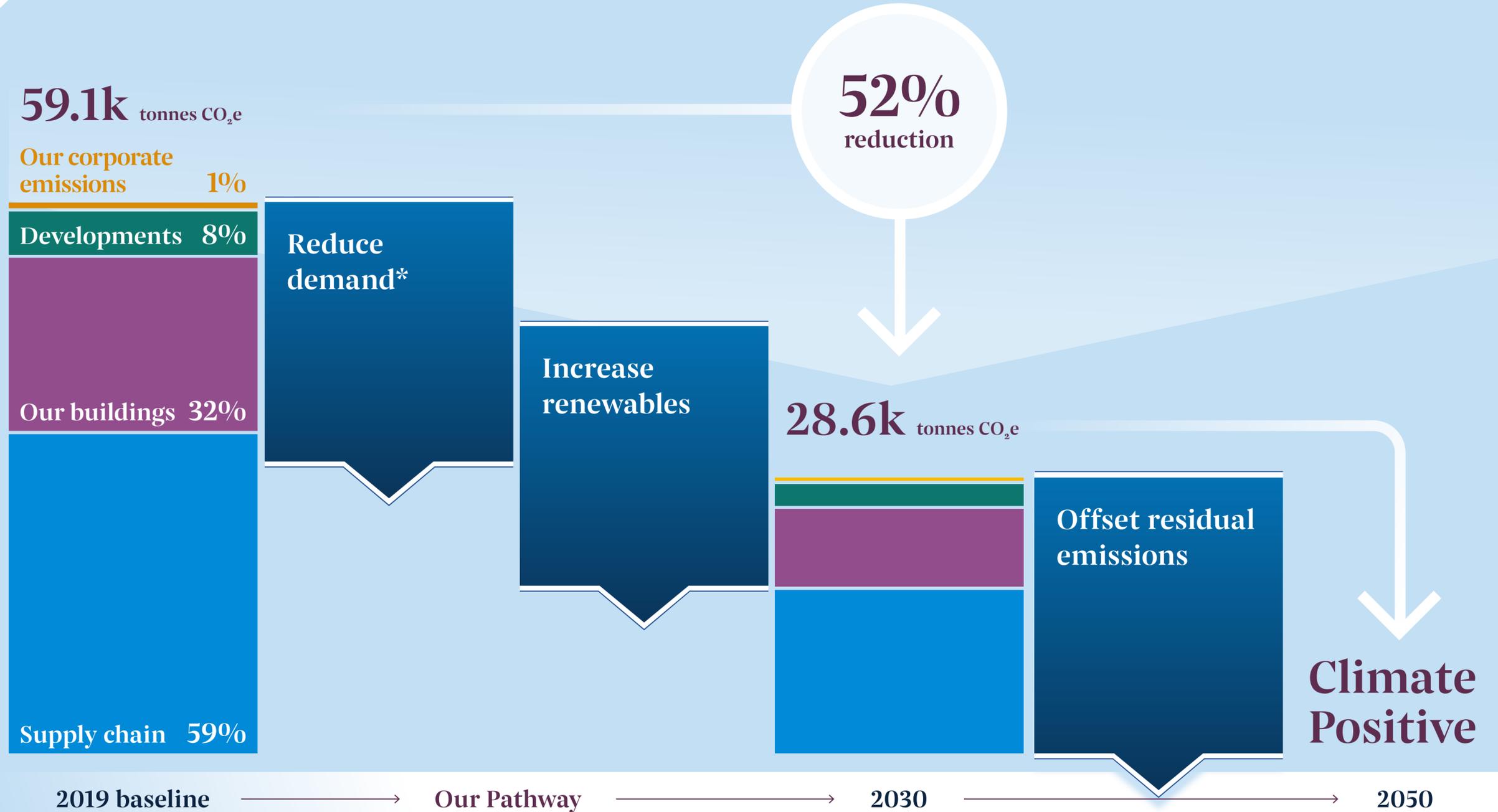
We are committing to a 52% reduction in our total emissions over the next 10 years from our 2019 baseline. We will achieve this by focusing our efforts on the biggest levers:

1. Reducing the carbon emissions **from our supply chain**, which accounts for 59% of our baseline.
2. Reducing the energy use and carbon emissions of **our historic London estate** in Mayfair and Belgravia, which accounts for 32% of our baseline.
3. Reducing the embodied carbon in **our construction projects** to a maximum of 500kgCO₂e/m² from 2025 and developing buildings that are operationally net zero, accounting for 8% of our baseline¹.

In 2019, our emissions were 59,100 tonnes of CO₂. By 2030, they will be no more than 28,600 tonnes, which we will offset to reach net zero.



We have set a bold carbon reduction Pathway for the next ten years that includes our Scope 1,2 and 3 emissions.



*reduce construction impacts and operational energy use



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What is distinctive about our Pathway?

i. Ring-fenced Funding

We are launching a ring-fenced £90m programme to retrofit and future-proof our existing buildings. This includes replacing all the largest gas boilers with electric heating alternatives by 2030. A £25m retrofit programme of our historic properties has already contributed towards a 25% carbon saving since 2013².

ii. Supply Chain Charter

Our charter sets out how we will work with our suppliers to transition to net zero. Our aim is that at least 40% of suppliers by emissions procure their power from renewable sources and have set Science Based Targets by 2030.

iii. Green leases

Our Pathway can only be met in collaboration with our occupiers because ultimately the in-use operation of a building is as important to reaching net zero as the fabric. We are rolling out green leases across our estate which includes procuring 100% renewable energy for our occupiers at highly competitive prices as part of a partnership approach to achieving net zero carbon together.

²Based on Energy Performance Certificate ratings for our retrofitted properties

iv. Environmental Scorecards

Through a Sustainable Development Brief, all our developments now have quantitative targets for energy use intensity, operational carbon and embodied carbon tracked through the design, approval and construction stages. We will use an Environmental Scorecard to approve and track our development projects.

v. Business transformation

We are embedding sustainability in how we operate, reward and structure our business. Supporting our staff to deliver our net zero ambitions is essential to the success of our Pathway. Currently, almost 80% of staff say they feel empowered to deliver GBI's green goals and over 90% feel that we have a genuine commitment to sustainability.

£90m

Net Zero Programme

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What are the principles of this approach?

Honest

there is nothing hidden in this Pathway and there will be transparent annual reporting to ensure we can be held directly accountable.

Collaborative

we recognise that we cannot reach net zero alone. It demands that we work closely with our partners, stakeholders and communities to collectively reduce emissions together.

Long-term

our core focus is on long-term management and stewardship, creating places that are fit for the next century, not just this one.

Innovative

new and creative solutions are essential to help cut energy use and carbon emissions across our portfolio. We won't always get things right, but we are prepared to be bold and try new things, learning the lessons and sharing them with our partners.

Practical

GBI is already delivering on this strategy, applying the tools and targets to our buildings, developments and supply chain.



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What are the challenges?

- Delivering this Pathway is reliant on collaboration with third parties, particularly our occupiers. We need to establish a common interest in achieving net zero together and redefine the occupier - landlord relationship to one based on mutual success.
- Environmental data collection is challenging for many large landlords and supply chain emissions are particularly difficult to track. We are working with our supply chain to improve the data accuracy and transparency across our entire value chain.
- Grosvenor has over 2,500 units mostly within a conservation area including 500 Grade I and II listed buildings and structures. But planning policy and guidance on carbon reduction and energy efficiency for heritage assets is inconsistent. We need to influence the policy debate to enable the practical delivery of these targets.
- Changes in our development and acquisition pipeline will have an impact on our emissions. These will be factored into decision-making and we will continually update our Pathway to ensure it represents our latest pipeline. However, it does mean that our emissions may increase before they reduce by 2030.

And what do we want you to do?

Challenge us.

We want an open and honest conversation, not just to encourage others but also to push ourselves to reduce our emissions as quickly as possible.

Share your own approach.

We have a lot to learn from our peers, suppliers, occupiers and other sectors. Tell us how you and your business are working towards net zero.

Collaborate with us.

We have published several key tools to help reach net zero on our website. Please share ideas about how can we improve them and help others apply these across the sector.



Our targets and tools

“Carbon reduction on this scale isn’t something you can achieve alone. And ultimately it secures our mutual success.”

James Raynor
Chief Executive,
Grosvenor Britain & Ireland

	 Supply chain 59%	 Developments 8%	 Our buildings 32%
Reduce demand*	<p>Target 40% of suppliers by emissions to set a Science Based Target by 2030.</p> <p>Tools Using: Supply Chain Charter</p>	<p>All developments must be low embodied carbon (less than 500kgCO₂e/m² from 2025), achieve Net Zero Carbon Pathway compliant EUI targets and be all-electric.</p> <p>Using: Sustainable Development Brief & whole life carbon assessments</p>	<p>Achieve Net Zero Carbon Pathway compliant EUI targets by 2030 for all property types.</p> <p>Using: £90m Programme & occupier engagement</p>
Increase renewables	<p>Target 40% of suppliers by emissions to procure their energy from renewable sources by 2030.</p> <p>Tools Using: Supply Chain Charter</p>	<p>Maximise renewable energy generation and ensure all developments powered from renewable sources, prioritising those highest in the renewables’ hierarchy.</p> <p>Using: Sustainable Development Brief & Green Leases</p>	<p>75% of occupiers by floorspace to use energy sourced from renewables by 2030.</p> <p>Using: Green Leases</p>
Offset residual emissions	<p>Target Develop a transparent offsetting strategy in 2021. We will offset our emissions only once we have maximised our energy reduction and renewable energy generation.</p> <p>Tools Using: Verified offset schemes</p>		

*reduce construction impacts and operational energy use