Remuneration
Directors' Remuneration report

"Our focus this year has been on implementing our Shareholder-approved Policy to ensure pay outcomes are appropriately aligned with the delivery of our strategy and Company performance."

Janette Bell
Chair of the Remuneration Committee

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Dear Shareholders,

I am pleased to present on behalf of the Board the Directors' remuneration report for the year ended 30 September 2024. As in previous years, the report has been divided into the following three sections:

1. This Annual Statement, which summarises the remuneration outcomes for the year ended 30 September 2024, the key decisions taken by the Remuneration Committee during the year and how the Directors' Remuneration Policy ('Policy') will be operated in the following financial year;
2. The Policy, which sets out the remuneration policy for Executive and Non-Executive Directors and was approved by Shareholders at the 2023 AGM; and
3. The Annual Report on Remuneration, which discloses how the Policy was implemented in the year ended 30 September 2024 and how the Policy will be operated in the year ending 30 September 2025.

We were delighted to receive strong support from Shareholders for our Directors' Remuneration report with c.97% of shares cast in favour at the 2024 AGM. I set out below a summary of business performance during the year, incentive outcomes for 2024 and our approach for 2025. I confirm that preparations are underway for compliance with the 2024 UK Corporate Governance Code.

Annual Statement

2024 business context

2024 has been another successful year for Grainger. The management team delivered an exceptional operating performance across all areas of the business and have continued to build on our market leadership in the growing BTR sector. This has included strong rental growth and successful delivery and lease up of our new schemes. An exceptional sales performance in the year resulted from strong execution, valuations continuing to demonstrate resilience and returning to growth in the second half of the year, and our balance sheet remaining strong.

Net rental income was up by 14% in the period reflecting the strong delivery and lease up of over 1,200 new homes over the course of the year. Whilst keeping a close eye on customer affordability levels, we delivered 6.3% growth in like-for-like PRS net rental income. Current leasing at our recently opened schemes is exceeding both underwriting and estimated rental values. Occupancy has remained strong at 97.4%. Our measure of customer satisfaction (NPS) has increased by 12% to 48 and colleague engagement has remained high. The NPS increase is a significant improvement through the delivery of our Customer Experience Programme and the successful roll-out of our customer facing technology improvements with our new customer website launch during the year and new customer MyGrainger app capabilities.

An exceptional sales performance of £274m was delivered in the year reflecting the delivery of a stretch plan to provide strong balance sheet liquidity together with investment for the ongoing delivery of our PRS pipeline. Whilst sales profits were down on last year, this was in line with our plan and reflects the impact of having a smaller regulated tenancy portfolio from which to generate sales profits, the ongoing reduction of this non- core element of the business, and a higher proportion of sales from our PRS portfolio both of which were at values broadly in line with vacant possession value and book respectively.

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As a result of this reducing regulated tenancy portfolio, our adjusted earnings were down on last year by 6%, as expected. A continued focus from the team on driving scale efficiencies from our operating model and platform have meant that our gross to net costs have improved by 50bps as we build out clusters, and our EPRA earnings were up by 20%, reflecting the ongoing focus on repositioning the business to a recurring rent model.

Our strong operational performance is coupled with a robust balance sheet, positioning us well in the current market. We have fixed the cost of our debt in the mid 3% range for the next four years. Our asset recycling programme continues at an elevated level in line with our previously reported plans.

We have made strong progress in the launch of, and advancement along, our net zero carbon pathway and we are progressing associated action plans, as well as driving strong community stakeholder engagement at all of our BTR sites across the UK. The team are proud to have achieved the National Equality Standard accreditation this year, one of the leading standards available on ED&I. In line with our approach to support our front-line, onsite colleagues, this year we have extended the provision of increasing annual leave entitlement to recognise long service. This provision is now consistent throughout Grainger.

2024 incentive outcomes

The 2024 annual bonus comprised a combination of PRS net rental income (35%), adjusted earnings (35%), and strategic targets (30%). These measures, consistent with those used in prior years, ensured there remained a continued focus on improving profit and rental income growth whilst focusing on key non-financial deliverables (including ESG) which underpin our strategy.

Stretching targets were set in the context of a period of continued macro uncertainty and continued higher inflation and interest rates. The earnings targets also took into account a smaller profit contribution from our diminishing regulated tenancy portfolio, particularly following an exceptional year of regulated sales in the previous year.

The leadership team put in place an outperformance plan which delivered a 14% growth in net rental income (£110.1m) and Adjusted Earnings of £91.6m, down on last year by 6%, reflecting lower sales profits, as the business repositions itself towards recurring rental income. Both outcomes were above the maximum targets set by the Committee.

This outperformance plan was achieved through the in-house teams' focus on speed of lease up, efficiency of void management, cost savings and increased sales volume into a more challenging market. The resulting outperformance was despite the headwinds of scheme delays by third-party developers, cost inflation and higher interest rates impacting on sales and is considered by the Committee to be an outstanding performance.

The Committee considered whether the financial bonus outcome was a fair representation of Company and management performance during the year and concluded that no adjustment was required. In doing so, the Committee was mindful of the level of customers' affordability, noting that like-for-like rental growth across the portfolio moved broadly in line with national wage inflation and occupancy was at strong levels of 97.4%. In addition, customer satisfaction as measured by NPS improved by 12%.

When combined with performance against the strategic targets, annual bonus was calculated at 99% of the maximum available.

The LTIP award granted to the CEO and CFO in December 2021 will vest on 16 December 2024 based on three equally weighted performance metrics being relative Total Shareholder Return ('TSR'), absolute Total Property Return ('TPR') and Secured PRS Investment targets over the three years ended 30 September 2024.

While the threshold TPR target was not achieved, TSR was between threshold and maximum and the Secured PRS Investment targets were met in full resulting in an overall vesting of 44.7%. the Committee recognises the challenges facing all real estate businesses that have lead to lower returns over the period.

However, given Grainger's strong operational performance and returns generated relative to the sector, the Committee believes the below target vesting outcome reflects performance over the three year period.

The Committee believes these bonus and expected LTIP outcomes are appropriate and reflect the outstanding performance of the business over the relevant performance periods. Therefore, no discretion has been applied to the formulaic outcomes.

Applying the Policy in 2024/25

Details of the Committee's proposed implementation of the Policy in respect of the year ending 30 September 2025 are set out below.

Executive Director base salary levels

Executive Director base salaries will be increased by 3.5% effective 1 January 2025 which is aligned to the workforce average. As announced in the October 2024 Budget, the National Minimum Wage will increase from 1 April 2025. The hourly rate of our lowest paid colleagues will be increased from 1 January 2025 to meet this requirement and is above the 3.5% increase applying to the rest of the workforce.

Annual bonus

Annual bonus potential will remain at 140% of salary for the CEO and CFO. For both Directors, 75% of any bonus earned will be payable in cash and 25% deferred into shares.

70% of the bonus will continue to be based on adjusted earnings and PRS net rental income targets weighted equally. The remaining 30% will be split with 7% based solely on ESG-related targets and 23% will be based on a number of key strategic and operational measures based on business resilience, customer satisfaction, funding and investment. The targets, and the performance against them, will be disclosed in next year's Directors' Remuneration report.

Long Term Incentive Plan

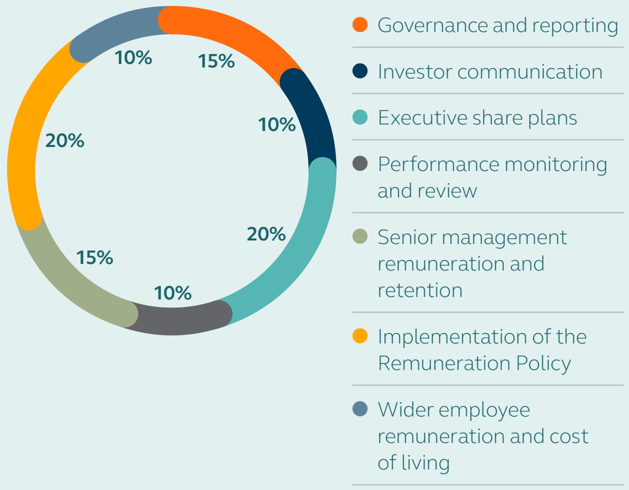
It is expected that LTIP awards will continue to be granted over shares equal in value of up to 200% of salary for the CEO and 175% of salary for the CFO with the next award granted in December 2024. TSR, total property income return and carbon reduction targets will continue to be operated for 30%, 30% and 10% of LTIP awards respectively (as per the December 2023 award). This year, reflecting the importance of measuring the delivery of operational leverage and in driving higher returns, EBITDA margin will be introduced as a new Company KPI. The Committee would like to incentivise margin improvement and therefore has agreed to replace the Secured PRS Investment measure with an EBITDA Margin measure (30% weighting) for the award expected to be granted in December 2024. Further details of the targets are set out the Annual Report on Remuneration.

We look forward to your support on the resolution relating to remuneration at the AGM on 5 February 2025.

Janette Bell
Chair of the Remuneration Committee

20 November 2024

How the Committee spent its time



Committee considerations

Consistent with the six factors set out in Provision 40 of the 2018 UK Corporate Governance Code, when determining Executive Director Remuneration Policy and practices, the Committee has continued to address the following:

Clarity – the current Policy is well understood by our Directors and has been clearly articulated to Shareholders and proxy voting agencies.

Simplicity – the current market standard remuneration structure is simple and well understood. We have purposefully avoided any complex structures which have the potential to deliver unintended outcomes.

Risk – our Policy and approach to target setting seek to discourage inappropriate risk-taking. Measures are a blend of shareholder return, financial and non-financial objectives and the targets are appropriately stretching. Malus and clawback provisions apply.

Predictability – executives' incentive arrangements are subject to individual participation caps.

Proportionality – there is a clear link between individual awards, delivery of strategy and our long-term performance.

Alignment to culture – pay and policies cascade down the organisation and are fully aligned to Grainger's culture.

Remuneration
Directors' Remuneration report continued

Directors' Remuneration Policy

This part of the Directors' remuneration report sets out a summary of the Policy which was approved by Shareholders at the 2023 AGM and took effect from the date of that meeting. The full Shareholder approved Policy can be found in the 2022 Annual Report.

The following table summarises the main elements of the Policy, the key features of each element, their purpose and linkage to our strategy. Details of the remuneration arrangements for the Non-Executive Directors are set out on page 108.

Base salary	
Purpose and link to strategy	To enable the recruitment and retention of individuals of the necessary calibre to execute the Company's business strategy.
Operation	Reviewed annually and typically effective from 1 January. Changes to salary levels will take into account the: • role, experience, responsibilities and personal performance; • average change in total workforce salary; • total organisational salary budgets; and • Company performance and other economic or market conditions. Salaries are benchmarked periodically and are set by reference to companies of a similar size and complexity.
Opportunity	Salaries will be eligible for increases during the three-year period that the Policy operates. During this time, salaries may be increased each year (in percentage of salary terms) and will take into account increases granted to the wider workforce. Increases beyond those granted to the wider workforce (in percentage of salary terms) may be awarded in certain circumstances such as where there is a change in responsibility, experience or a significant increase in the scale of the role and/or size, value and/or complexity of the Company. Where new joiners or recent promotions have been placed on a below market rate of pay initially, a series of increases above those granted to the wider workforce (in percentage of salary terms) may be given over the following few years' subject to individual performance and development in the role.
Framework to assess performance	The Committee considers individual salaries at the appropriate Committee meeting each year after having due regard to the factors noted in operating the Policy.

Benefits	
Purpose and link to strategy	To enable the recruitment and retention of individuals of the necessary calibre to execute the Company's business strategy.
Operation	Executive Directors receive a benefits package which includes a car allowance, private medical insurance, life assurance, ill health income protection, travel insurance and health check-up. Other ancillary benefits (including relocation expenses) may be offered, as required.
Opportunity	There is no maximum as the value of benefits may vary from year-to-year depending on the cost to the Company from third-party providers.
Framework to assess performance	N/A

Pension	
Purpose and link to strategy	To aid recruitment and retention of high-quality executives and enable long-term savings through pension provision.
Operation	The Company may contribute directly into an occupational pension scheme (an Executive Director's personal pension) or pay a salary supplement in lieu of pension. If appropriate, a salary sacrifice arrangement can apply.
Opportunity	10% of salary (workforce aligned).
Framework to assess performance	N/A

Annual bonus	
Purpose and link to strategy	To reward and incentivise the achievement of annual targets linked to the delivery of the Company's strategic priorities for the year.
Operation	Bonus measures and targets are reviewed annually and any payout is determined by the Committee after the end of the financial year, based on performance against targets set for the financial period. Up to 75% of any bonus that becomes payable is normally paid in cash with the remainder deferred into shares for three years. Deferred bonus share awards typically vest subject to continued employment. Individuals may be able to receive a dividend equivalent payment on deferred bonus shares at the time of vesting equal to the value of dividends which would have accrued during the vesting period. The dividend equivalent payment may assume the reinvestment of dividends on a cumulative basis.
Opportunity	140% of salary.
Framework to assess performance	Bonus performance measures are set annually and will be predominantly based on challenging financial targets set in line with the Group's strategic priorities and tailored to each individual role as appropriate, for example, targets relating to adjusted earnings. For a portion of the bonus, strategic and operational and/or ESG objectives may operate. The Committee has the discretion to vary the performance measures used from year to year depending on the economic conditions and strategic priorities at the start of each year. Details of the performance measures used for the current year and targets set for the year under review and performance against them will be provided in the Annual Report on Remuneration. For financial targets, and where practicable in respect of strategic and operational targets, bonus starts to accrue once the threshold target is met (0% payable) rising on a graduated scale to 100% for stretch performance. The Committee may adjust bonus outcomes, based on the application of the bonus formula set at the start of the relevant year, if it considers the quantum to be inconsistent with the performance of the Company, business or individual during the year. For the avoidance of doubt this can be to zero and bonuses may not exceed the maximum levels detailed above. Any use of such discretion would be detailed in the Annual Report on Remuneration. In the event that there was (i) a misstatement of the Company's results; (ii) a miscalculation or an assessment of any performance conditions that was based on incorrect information; (iii) misconduct on behalf of an individual, (iv) the occurrence of an insolvency or administration event; (v) reputational damage; or (vi) serious health and safety events; malus and/or clawback provisions may apply (to the extent to which the Committee considers that the relevant individual was involved (directly or through oversight) in such events) for three years from the date of payment of any bonus or the grant of any deferred bonus share award (which may be extended by the Remuneration Committee for a further two years to allow an investigation to take place).

Long Term Incentive Plan ('LTIP')	
Purpose and link to strategy	To incentivise and reward the delivery of strategic priorities and sustained performance over the longer term. To provide greater alignment with Shareholders' interests.
Operation	The LTIP provides for awards of free shares (i.e. either conditional shares or nil-cost options) normally on an annual basis which are eligible to vest after three years subject to continued service and the achievement of challenging performance conditions. Vested awards are subject to a two-year post-vesting holding period. In exceptional circumstances such as due to regulatory or legal reasons, vested awards may also be settled in cash. Dividend equivalent payments may be made on vested LTIP awards and may assume the reinvestment of dividends, on a cumulative basis.
Opportunity	200% of salary for the Chief Executive; and 175% of basic salary for other Executive Directors.
Framework to assess performance	The Committee may set such performance conditions on LTIP awards as it considers appropriate (whether financial or non-financial (including ESG)). The choice of measures and their weightings will be determined prior to each grant. 25% of awards will vest for threshold performance with full vesting taking place for equalling, or exceeding, the maximum performance targets. No awards vest for performance below threshold. A graduated vesting scale operates between threshold and maximum performance levels. The Committee may adjust LTIP vesting outcomes, based on the result of testing the performance condition, if it considers the quantum to be inconsistent with the performance of the Company, business or individual during the three-year performance period. For the avoidance of doubt, this can be to zero percent. Any use of such discretion would be detailed in the Annual Report on Remuneration. In the event that there was (i) a misstatement of the Company's results; (ii) a miscalculation or an assessment of any performance conditions based on incorrect information; (iii) misconduct on behalf of an individual, (iv) the occurrence of an insolvency or administration event, (v) reputational damage, or (vi) serious health and safety events, malus and/or clawback provisions may apply (to the extent to which the Committee considers that the relevant individual was involved (directly or through oversight) in such events) for three years from an award becoming eligible to vest (which may be extended by the Committee for a further two years to allow an investigation to take place).

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Savings related share schemes	
Purpose and link to strategy	To encourage employees to make a long-term investment in the Company's shares.
Operation	All employees, including the Executive Directors, are eligible to participate on the same terms in the Company's Save As You Earn ('SAYE') scheme and Share Incentive Plan ('SIP'), both of which are approved by HMRC and subject to the limits prescribed.
Opportunity	SAYE: Participants may save up to £500 per month (or such other amount as may be permitted by HMRC from time to time) for three or five-year periods in order to purchase shares at the end of the contractual period at a discount of up to 20% to the market price of the shares at the commencement of the saving period. SIP: Participants can invest up to £150 per month (or such other amount as may be permitted by HMRC from time to time) in shares in the Company, and the Company may then, subject to certain limits, double that investment. The Company may also allocate free shares annually on a percentage of basic pay, subject to a maximum of £3,600 (or such other amount as may be permitted by HMRC from time to time). Dividend payments on SIP shares are reinvested and must be held in trust for three years.
Framework to assess performance	N/A

Shareholding guidelines

Under the shareholding guidelines, Executive Directors are expected to build up over time a shareholding equivalent to 200% of their base salary. Executive Directors are required to retain all the after-tax number of vested LTIP and deferred bonus awards to satisfy the guidelines. In addition, the Committee's general expectation is that the guidelines will be met within five years of its introduction, or when an Executive Director commences employment, although the Committee reserves the right to take into account vesting levels and personal circumstances when assessing progress against the guidelines.

A post cessation shareholding guideline operates. Executive Directors are expected to retain the lower of actual shares held and shares equal to 200% of salary for two years post cessation in respect of shares which vest from grants of deferred bonus and LTIP awards made since the approval of the 2020 Policy at the 2020 AGM. Buyout awards and own shares purchased are excluded from this. See table 8 for details of current Director shareholdings.

Notes to the Policy for Executive Directors

Choice of performance measures and approach to target setting

The annual bonus measures are selected to provide direct alignment with the short-term operational targets of the Company. Care is taken to ensure that the short-term performance measures are always supportive of the long-term objectives. This is especially important in a business which has a long-term investment horizon. The LTIP performance measures are selected to ensure that the Executive Directors are encouraged in, and appropriately rewarded for, delivering against the Company's key long-term strategic goals so as to ensure a clear and transparent alignment of interests between Executive Directors and Shareholders and the generation of long-term sustainable returns. The performance metrics that are used for annual bonus and long-term incentive plans are normally a sub-set of the Group's KPIs.

Discretion

The Committee operates the annual bonus plan, LTIP and all-employee plans according to their respective rules and in accordance with the relevant Listing Rules and HMRC rules consistent with market practice. The Committee retains discretion, within the confines and opportunity detailed above, in a number of respects with the operation and administration of these plans. These include:

- the individual(s) participating in the plans;
- the timing of grant of award and/or payment;
- the size of an award and/or payment;
- the determination of vesting;
- dealing with a change of control (e.g. the timing of testing performance targets) or restructuring;
- determination of a 'good/bad leaver' for incentive plan purposes based on the rules of each plan and the appropriate treatment chosen;
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring and special dividends);
- the annual review of performance conditions for the annual bonus plan and LTIP; and
- the ability to adjust incentive outcomes, based on the result of testing the performance condition, if it considers the quantum to be inconsistent with the performance of the Company, business or individual.

The Committee also retains the ability to adjust the targets, and/or set different measures and alter weightings for the annual bonus plan and to adjust targets for the LTIP if events occur (e.g. material divestment of a Group business) which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy.

Peer group

In assessing Grainger's pay practices, including structure, quantum and performance metrics and remuneration policies, the Committee's primary reference points were the following FTSE 350 Real Estate companies: Assura plc, British Land Company plc, Big Yellow Group PLC, Capital & Regional plc, CLS Holdings plc, Derwent London plc, Great Portland Estates plc, Hammerson plc, Land Securities Group PLC, LondonMetric Property Plc, Safestore Holdings plc, SEGRO plc, Shaftesbury PLC, Sirius Real Estate Limited, The Unite Group plc and Workspace Group PLC.

How the Executive Directors' Remuneration Policy relates to the wider Group

The Policy provides an overview of the structure that operates for the Executive Directors and senior executive population. However, it is highlighted that there are differences in quantum within this determined by the size and scope of individual positions.

The Committee is made aware of pay structures across the Group when setting the Policy for Executive Directors. The key difference is that, overall, the Policy for Executive Directors is more heavily weighted towards variable pay than for other employees.

Base salaries are operated under the same Policy as detailed in the Policy table with any comparator groups used as a reference point. The Committee considers the general basic salary increase for the broader Company (if any) when determining the annual salary review for the Executive Directors.

The LTIP is operated at the most senior tiers of executives, as this arrangement is reserved for those anticipated as having the greatest potential to influence Company-level performance.

However, the Committee believes in wider employee share ownership and promotes this through the operation of the HMRC tax approved all-employee share schemes which are open to all UK employees.

How the views of employees are taken into account

The Committee takes due account of remuneration structures elsewhere in the Group when setting pay for the Executive Directors. For example, consideration is given to the overall salary increase budget and the incentive structures that operate across the Company.

The CEO regularly holds 'all-employee' conference calls to give our people an overview of Company strategy and provide our colleagues with the opportunity to ask any questions. In addition, the CEO and Board members regularly visit offices and meet with our people to gauge overall opinions. Carol Hui, the designated Non-Executive Director for workforce engagement, holds independent roundtable meetings to listen directly to employee views.

The CEO has regular meetings with our people including breakfast meetings with new employees. Annual employee engagement surveys and half year interim annual pulse surveys are carried out, the results of which are presented to the Board by the CPO. The issue of pay ratios, including Executive Director pay, was discussed at our colleague roundtable sessions.

In addition, the Board's Responsible Business Committee provides oversight of the delivery of the Company's ESG strategy and its ED&I plans and reports to the Board.

How the views of Shareholders are taken into account

The Committee considers Shareholder feedback received in relation to the AGM each year and guidance from Shareholder representative bodies more generally. This feedback, plus any additional feedback received during any meetings held with Shareholders from time to time, is then considered as part of the Committee's ongoing review of the Policy (as was the case in relation to the most recent Policy renewal in 2023).

Major Shareholders and the main representative bodies were consulted on the proposed changes to the Remuneration Policy in advance of the 2023 AGM and its future implementation and it was clear that there were strong levels of support for the proposals. No changes were required to the original proposals and this was reflected in the voting outcome.

Approach to recruitment remuneration

When setting the remuneration package for a new Executive Director, the Committee will apply the same principles and implement the Policy as set out in the Policy table.

Base salary will be set at a level appropriate to the role and the experience of the Executive Director being appointed. In certain cases, this may include setting a salary below the market rate but with an agreement on future increases up to the market rate, in line with increased experience and/or responsibilities, subject to good performance, where it is considered appropriate. Pension provision, in percentage of salary terms, will be aligned to the general workforce level.

The maximum level of variable remuneration which may be granted (excluding buyout awards as referred to below) is an annual bonus of 140% of salary and LTIP award of 200% of salary (as per the limits in the Policy table).

In relation to external appointments, the Committee may offer compensation that it considers appropriate to take account of awards and benefits that will or may be forfeited on resignation from a previous position. Such compensation would reflect the performance requirements, timing and such other specific matters as the Committee considers relevant. This may take the form of cash and/or share awards. The Policy is that the maximum payment under any such arrangements (which may be in addition to the normal variable remuneration) should be no more than the Committee considers is required to provide reasonable compensation to the incoming Executive Director. If the Executive Director will be required to relocate in order to take up the position, it is the Company's policy to allow reasonable relocation, travel and subsistence payments. Any such payments will be at the discretion of the Committee.

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In the case of an employee who is promoted to the position of Executive Director, the Policy set out above would apply from the date of promotion but there would be no retrospective application of the Policy in relation to existing incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the employee. These would be disclosed to Shareholders in the following year's Annual Report on Remuneration.

Non-Executive Director appointments will be through letters of appointment. Non-Executive Directors' base fees, including those of the Chair, will be set at a competitive market level, reflecting experience, responsibility and time commitment. Additional fees are payable for the chairing of the Audit, Remuneration and Responsible Business Committees and for the additional responsibilities of the Senior Independent Director and the designated Non-Executive Director for Workforce Engagement.

Directors' service contracts and provision on payment for loss of office

Executive Directors' service contracts are terminable by the Company on up to one year's notice and by the Director on at least six months' notice.

If an Executive Director's employment is to be terminated, the Committee's policy in respect of the contract of employment, in the absence of a breach of the service agreement by the Executive Director, is to agree a termination payment based on the value of base salary and contractual pension amounts and benefits that would have accrued to the Executive Director during the contractual notice period. The policy is that, as is considered appropriate at the time, the departing Executive Director may work, or be placed on garden leave, for all or part of their notice period, or receive a payment in lieu of notice in accordance with the service agreement. The Committee will also seek to apply the principle of mitigation where possible so as to reduce any termination payment to a leaving Executive Director, having had regard to the circumstances.

In addition, the Committee may also make payments in relation to any statutory entitlements, to settle any claim against the Company (e.g. in relation to breach of statutory employment rights or wrongful dismissal) or make a modest provision in respect of legal costs or outplacement fees.

The Company has an enhanced redundancy policy allowing redundancy amounts to be calculated by reference to actual basic weekly salary and the policy may be extended to Executive Directors where relevant.

With regard to annual bonus for a departing Executive Director, if employment ends by reason of redundancy, retirement with the agreement of the Company, ill health or disability or death, or any other reason as determined by the Committee (i.e. the individual is a 'good leaver'), the Executive Director may be considered for a bonus payment. If the termination is for any other reason, any entitlement to bonus would normally lapse. Under any circumstance, it is the Committee's policy to ensure that any bonus payment reflects the departing Executive Director's performance and behaviour towards the Company.

Any bonus payment will normally be delayed until the performance conditions have been determined for the relevant period and be subject to a pro rata reduction for the portion of the relevant bonus year that the individual was employed.

The treatment for share-based incentives granted to an Executive Director will be determined based on the relevant plan rules. The default treatment will be for outstanding awards to lapse on cessation of employment. In relation to awards granted under the Company's long-term incentive plans, in certain prescribed circumstances, such as death, injury or disability, redundancy, transfer or sale of the employing company, retirement with the Company's agreement or other circumstances at the discretion of the Committee (reflecting the circumstances that prevail at the time), 'good leaver' status may be applied.

If treated as a good leaver, awards will be eligible to vest subject to performance conditions, which will be measured over the original performance period (unless the Committee elected to test performance to the date of cessation of employment), and be subject to a pro rata reduction (unless the Committee considered it inappropriate to do so) to reflect the proportion of the vesting period actually served. Where awards vest within two years of cessation, the post-vesting holding period will continue to apply until the second anniversary of cessation. There will be no holding period for awards vesting more than two years after cessation.

Any LTIP awards which vest pre-cessation but which are still subject to the two-year holding period will need to be retained by the individual (either on a post-tax basis or as unexercised awards) post cessation, until the relevant two-year holding period has expired.

With regard to the deferral of annual bonus, deferred share bonus awards will normally lapse on cessation of employment other than where an Executive Director is a 'good leaver' (as detailed above) with awards then vesting on the normal vesting date.

It is the Company's policy to honour pre-existing award commitments in accordance with their terms.

Where the Executive Director participates in one or more of the Company's HMRC approved share plans, awards may vest or be exercisable on or following termination of employment in certain good leaver circumstances, where permissible, in accordance with the rules of the plan and relevant legislation.

External appointments

Executive Directors are permitted to accept external non-executive appointments with the prior approval of the Board. It is normal practice for Executive Directors to retain fees provided for non-executive appointments.

Non-Executive Directors' letters of appointment

The Chair and Non-Executive Directors have letters of appointment for an initial fixed term of three years subject to earlier termination by either party on written notice. In each case, this term can be extended by mutual agreement. Non-Executive Directors have no entitlement to contractual termination payments. The dates of the initial appointments of the Non-Executive Directors are set out in the Annual Report on Remuneration.

Non-Executive Directors' Fees

The policy on Non-Executive Directors' fees is set out below:

Non-Executive Directors	
Purpose and link to strategy	To provide a competitive fee which will attract those high-calibre individuals who, through their experience, can further the interests of the Group through their stewardship and contribution to strategic development.
Operation	The fees for Non-Executive Directors (including the Chair) are typically reviewed every second year or more frequently if required. Fee levels are set by reference to the expected time commitment and responsibility and are periodically benchmarked against relevant market comparators as appropriate, reflecting the size and nature of the role. The Chair and Non-Executive Directors are paid an annual fee which is paid at least monthly in cash and do not participate in any of the Company's incentive arrangements or receive any pension provision. The Non-Executive Directors receive a basic Board fee, with additional fees payable for chairing of the Company's Board Committees and for performing the Senior Independent Director role. All Non-Executive Directors are reimbursed for travel and related business expenses reasonably incurred in performing their duties. The Committee recommends the remuneration of the Chairman to the Board. The Chair's fee is determined by the Committee (during which the Chair has no part in discussions) and recommended by it to the Board. The Non-Executive Directors' fees are determined by the Chair and the Executive Directors.
Opportunity	Fee levels will be eligible for increases during the period that the Remuneration Policy operates to ensure that they continue to appropriately recognise the time commitment of the role, increases to fee levels for Non-Executive Directors in general and fee levels in companies of a similar size and complexity.
Framework to assess performance	N/A

Remuneration
Annual Report on Remuneration

This Annual Report on Remuneration sets out details of how the Company's Policy for Directors was implemented during the financial year ended 30 September 2024. This report has been prepared in accordance with the provisions of the Companies Act 2006 and related Regulations. An advisory resolution to approve this report (and the Annual Statement) will be put to Shareholders at the AGM on 5 February 2025.

1. Single total figure of remuneration for each Director

The remuneration of Directors showing the breakdown between components with comparative figures for 2023 is set out below. This table and the details set out in Notes 1 to 7 on pages 100 to 105 of this report have been audited by KPMG LLP.

2024	Salary and fees[1] £'000	Taxable benefits[2] £'000	Share incentive plan £'000	Annual bonus[3] £'000	LTIP awards[4] £'000	Pension benefits[5] £'000	Total £'000	Total Fixed Remuneration[6] £'000	Total Variable Remuneration[7] £'000
Executive Directors									
Helen Gordon	583	16	2	808	351	58	1,818	659	1,159
Rob Hudson	456	16	2	631	251	46	1,402	519	883
	1,039	32	4	1,439	602	104	3,220	1,178	2,042
Non-Executive Directors[8]									
Mark Clare	193	–	–	–	–	–	193	193	–
Justin Read	75	–	–	–	–	–	75	75	–
Janette Bell	66	–	–	–	–	–	66	66	–
Carol Hui	66	–	–	–	–	–	66	66	–
Michael Brodtman	55	–	–	–	–	–	55	55	–
	455	–	–	–	–	–	455	455	–
Totals	1,494	32	4	1,439	602	104	3,675	1,633	2,042

1. From 1 January 2024, the CEO's salary was increased by 6% (to £591,000) and the CFO's salary was increased by 5% (to £461,066).
2. Taxable benefits comprised of a car allowance and private medical insurance.
3. In line with the Policy, 25% of the bonus is deferred into shares for three years.
4. See Note 5 on page 103 for information in respect of the LTIP awards that are due to vest in December 2024.
5. The amounts shown under pension benefits represent a salary supplement paid to the Directors in lieu of Company pension contributions.
6. Comprises the aggregate of total salary and fees, taxable benefits, share incentive plan awards and pension benefits.
7. Comprises the aggregate of annual bonus and LTIP awards.
8. The fees for Non-Executive Directors reflect payments in relation to any chairmanship roles (as applicable during the year under review or the preceding year and pro-rated where appropriate). See Note 12 on page 108 in relation to the fees as at 1 January 2024 and 1 January 2025.

2023	Salary and fees[1] £'000	Taxable benefits[2] £'000	Share incentive plan £'000	Annual bonus[3] £'000	LTIP awards[4] £'000	Pension benefits[5] £'000	Total £'000	Total Fixed Remuneration[6] £'000	Total Variable Remuneration[7] £'000
Executive Directors									
Helen Gordon	546	16	2	749	309	61	1,683	625	1,058
Rob Hudson	434	16	2	510	238	43	1,243	495	748
	980	32	4	1,259	547	104	2,926	1,120	1,806
Non-Executive Directors[8]									
Mark Clare	183	–	–	–	–	–	183	183	–
Justin Read	72	–	–	–	–	–	72	72	–
Janette Bell	63	–	–	–	–	–	63	63	–
Rob Wilkinson	18	–	–	–	–	–	18	18	–
Carol Hui	63	–	–	–	–	–	63	63	–
Michael Brodtman	40	–	–	–	–	–	40	40	–
	439	–	–	–	–	–	439	439	–
Totals	1,419	32	4	1,259	547	104	3,365	1,559	1,806

1. The CEO's salary increased by 9% and the CFO's salary by 5% from 1 January 2023. At 1 January 2023, Helen Gordon's base salary was £557,500 and Rob Hudson's base salary was £439,110.
2. Taxable benefits comprised of a car allowance and private medical insurance.
3. In line with the Policy, 25% of the bonus is deferred into shares for three years.
4. The vesting values of the LTIP awards in last year's report were estimated as the TSR performance period had not ended and the share price on the vesting date was not known. While the actual vesting percentage was consistent with the estimate disclosed in last year's report, these values have been updated to reflect the share prices on the date of vesting being 261.6p for the CEO's LTIP awards and 270.8p for the CFO's recruitment award and include the value of dividend equivalents. Further details are provided in Note 3.
5. The amounts shown under pension benefits represent a salary supplement paid to the Directors in lieu of Company pension contributions.
6. Comprises the aggregate of total salary and fees, taxable benefits, share incentive plan awards and pension benefits.
7. Comprises the aggregate of annual bonus and LTIP awards.
8. The fees for Non-Executive Directors reflect payments in relation to any chairmanship roles (as applicable during the year under review or the preceding year and pro-rated where appropriate).

2. Annual bonus awards – performance assessment for 2024

In determining the bonus outcomes for 2024, the Committee took into account the Company's financial performance and achievements against key strategic and operational objectives established at the beginning of the year. 70% of the bonus was based on adjusted earnings and PRS NRI performance (with equal weightings) with the remainder based on achievement against strategic objectives. The targets applying to each financial measure and performance against the targets for 2024 are set out in the table below.

Financial performance (70% of the 2024 annual bonus opportunity)

Measure	Weighting	Threshold (0% out-turn)	Target (60% out-turn)	Maximum (100% out-turn)	2024 performance	Out-turn (% of max element)
						Bonus
Adjusted earnings	35%	£68.2m	£75.8m	£83.4m	**£91.6m**	**100%**
PRS NRI	35%	£85.5m	£90m	£94.5m	**£97.7m**	**100%**

The 2024 annual bonus comprised a combination of PRS net rental income (35%), adjusted earnings (35%), and strategic targets (30%). These measures, consistent with those used in prior years, ensured there remained a continued focus on improving profit and rental income growth whilst focusing on key non-financial deliverables (including ESG) which underpin our strategy.

The key components of adjusted earnings are sales from our regulated portfolio and growth in net rental income. As our regulated tenancy portfolio reduces over time (and given the exceptional level of sales in the previous year) the expected contribution from sales in 2024 was forecast to be lower, partly offset by higher net rental income.

Stretching targets were set against this backdrop in the context of a period of continued macro uncertainty, higher inflation and interest rates. The leadership team put in place an outperformance plan which delivered a 14% growth in net rental income (£110.1m) and adjusted earnings of £91.6m, down on last year by 6% reflecting lower expected sales profits. Both outcomes are above the maximum targets set by the Committee.

The outperformance plan was achieved through the in-house teams' focus on speed of lease up, efficiency of void management, cost savings and increased sales volume into a more challenging market. The resulting outperformance was despite the headwinds of scheme delays by third-party developers, cost inflation and higher interest rates impacting on sales, and is considered to be an outstanding performance.

The Committee considered whether the financial bonus outcome was a fair representation of Company and management performance during the year and concluded that no adjustment was required. In doing so, the Committee was mindful of the level of customers' affordability, noting that rental growth across the portfolio moved broadly in line with national wage inflation and occupancy was at strong levels of 97.4%. In addition, customer satisfaction as measured by NPS improved by 12%.

When combined with performance against the strategic targets, annual bonus was calculated at 99% of the maximum available.

Non-financial performance (30% of the 2024 annual bonus opportunity)

In respect of the strategic targets set for the Executive Directors, the targets and Committee's assessment of performance against the targets was as follows.

Objective	Measure	Performance assessment
1. Customer Satisfaction (6%)	Maintain NPS score at +43 = 1%, increase to +47 = 2%	Achieved in full (2%) with NPS score increased to +48, c.12% increase
	Increase customer responses to feedback surveys at 1,650 = 1%, increase to 1,750 = 2%	Achieved in full (2%) with response at 5,878
	Complete 2024 Phase of the Customer Experience Programme	Achieved delivery of the key deliverables in full including the website launch (2%)
2. Business Resilience (6%)	Deliver 50bp improvement on stabilised gross to net	Achieved in full - with 50bp improvement delivered (3%)
	Deliver successful repairs and maintenance supply chain tender including reorganisation to drive efficiencies	Achieved in part - new supplier appointed, but the contract is still bedding in. Efficiencies in the customer service team delivered and customer satisfaction has improved (1%)
3. Funding and Investment (8%)	Prepare sales plan to deliver £150m to £250m (for between 0.5% and 8% pro-rata) of sales to achieve balance sheet resilience	Achieved in full – delivered £274m of sales (8%)

Remuneration
Annual Report on Remuneration continued

Objective	Measure	Performance assessment
4. Community, Environment, Governance and People (inc. Health and Safety) (10%)	Implement Fire Safety remediation work plan 2024 to achieve progress across all schemes measured as a % of completion versus the full plan	Achieved in full (2%)
	Retain and improve safety climate survey	Achieved in full. A further upgrade ahead of all industry and Real Estate (2%)
	D&I – Complete required actions in line with plan and resubmission of assessment for National Equality Standard by end of year	Achieved in full. Delivered and NES accreditation achieved (2%)
	Introduce Wellbeing Programme in all BTR sites and Grainger offices for customers and colleagues	Achieved in full (2%)
	Using Community Blue Print, each BTR scheme to engage with three stakeholder groups	Achieved in full (2%)

Pursuant to the above assessment the Committee determined that 29% of the maximum 30% of this part of the bonus would be payable and was appropriate in the circumstances.

When combined with performance against the strategic targets, annual bonus was calculated at 99% of the maximum available.

It is the Committee's approach to view the performance in the round at the end of the year. The Committee determined a total bonus of 99% of the maximum bonus opportunity is representative of outstanding performance during the year.

	Bonus opportunity	2024 bonus payable (out of 100% maximum)	Bonus earned – payable in cash	Bonus earned – deferred in shares for three years[1]
Helen Gordon	140% of salary	**99%**	**£605,639**	**£201,880**
Rob Hudson	140% of salary	**99%**	**£473,572**	**£157,857**

1. The deferred bonus share awards will be granted after the announcement of annual results.

3. LTIP awards performance assessment for 2024

LTIP awards vesting in December 2024

The LTIP award granted to Helen Gordon and Rob Hudson on 15 December 2021 are due to vest on 16 December 2024. These awards are based on a relative TSR condition, a TPR condition and a Secured PRS condition, each weighted equally and measured over a three-year period. Performance against the targets can be summarised as follows:

Measure	Weighting	Threshold (25% vesting)	Maximum (100% vesting)	Actual performance	Out-turn (% of max element)
Relative TSR[1]	**33.3%**	**Median ranking**	**Upper quintile ranking**	**TSR of -16.7% places Grainger between median and upper quintile**	**34.2%**
TPR (annual average growth)[2]	**33.3%**	**5% p.a.**	**8% p.a.**	**3.4% p.a.**	**0%**
Secured PRS[3]	**33.3%**	**£650m**	**£750m**	**£817m**	**100.0%**
Total vesting	**100%**				**44.7%**

1. Versus a bespoke group of real estate peers The TSR peer group comprises Assura, Big Yellow Group, CLS Holdings, Derwent London, Great Portland Estates, Hammerson, LondonMetric Property, Primary Health Properties, Safestore, SEGRO, Shaftesbury Capital, Sirius Real Estate, Tritax Big Box REIT, Tritax Eurobox, UNITE Group and Workspace Group.
2. The average TPR over three-year period was 3.4% (2022: 7.5%, 2023 0.4%, 2024 2.3%). This resulted in performance below the threshold target.
3. The Secured PRS Investment metric is effectively a measure of the value of the Company's pipeline of future development opportunities and provides a clear focus on driving growth in the long-term . The metric and targets were agreed at the time of grant on a cumulative threshold target of £650m and a maximum target of £750m for the three-year period ended 30 September 2024. The actual value of investment secured during the period was £817m and was made up of:
   - £252m in FY22 (Exmouth Junction, Exeter; Redcliff Quarter, Bristol; and West Way Square, Oxford)
   - £427m in FY23 (Merrick Place, Southall; Southall (TfL, 51% share); Montford Place (TfL, 51% share); Arnos Grove (TfL, 51% share); and Nine Elms (TfL, 51% share)
   - £138m in FY24 (Guildford Station; Hale Wharf 2, London; The Astley, Manchester)

   The Committee evaluated the quality of investments in determining the PRS Investment vesting outcome. Firstly, the Committee considered the extent to which there was any material unapproved variation from the basis upon which any individual scheme was initially approved. Secondly, a post-investment review for stabilised assets was undertaken with regular monitoring of schemes to ensure that investments remained of sufficient quality in light of market conditions.

The vesting of the LTIP awards granted on 16 December 2021 is 44.7% of the total award. The estimated vesting value of these awards shown in the single figure table are as follows:

Executive Director	Shares granted	Number of shares expected to lapse	Number of shares expected to vest	Estimated value of shares vesting[1] £'000	Face value of shares expected to vest[2] £'000	Impact of share price at vesting[3] £'000
Helen Gordon	**325,665**	**180,028**	**145,637**	**351**	**445**	**93**
Rob Hudson	**233,045**	**128,827**	**104,218**	**251**	**318**	**67**

1. Based on the average three-month share price to 30 September 2024 of 241p.
2. Based on the prevailing share price at the relevant grant date.
3. The difference between the value of the shares under awards vesting and the value of the shares at grant.

Vested awards are subject to a two-year post vesting holding period.

LTIP and recruitment awards vested in December 2023 and February 2024

The awards made to Helen Gordon in December 2020 vested on 10 December 2023 and were based 50% on relative TSR (estimated), 25% on TPR and 25% on Secured PRS Investment. A tranche of Rob Hudson's recruitment award was based on the same measures and targets and vested on 1 February 2024.

Consistent with the estimate disclosed in last year's report, Grainger's TSR ranked below median which resulted in 0% of this part of the award vesting. TPR performance resulted in 27% of this part of the award vesting and the Secured PRS Investment measure was achieved in full. In aggregate, 31.7% of the December 2020 LTIP award vested in line with the estimate set out in last year's report. The value of these awards shown in the revised 2022 single figure table included in this Annual Report and Accounts is based on the share price at the date of relevant vesting dates (10 December 2023 (261.6p) and 1 February 2024 (270.8p)) and also includes the value of dividend equivalents on vested awards.

4. Share awards granted during the year

The following LTIP and DBSP awards were granted to the CEO and CFO in the year ended 30 September 2024:

	LTIP share awards (11 December 2023)		DBSP share awards (11 December 2023)	
	Number	Face value £'000	Number	Face value £'000
Helen Gordon	**423,954**	**1,115**	70,844	187
Rob Hudson	**292,183**	**768**	48,257	128

The face value of LTIP share awards for Helen Gordon (200% of salary) and Rob Hudson (175% of salary) is based on a price of 263p, being the average share price for the five business days immediately preceding the award being made on 12 December 2023. The awards will vest three years after grant and a two-year holding period will apply.

The awards will be eligible to vest three years after grant, dependent upon continued employment and satisfying performance criteria. As explained in last year's report, four measures apply, a relative TSR condition measured against a group of real estate companies (30% of awards), a Total Property Income Return condition (30% of awards), a Secured PRS Investment condition (30% of awards) and an ESG condition (10% of awards).

The relative TSR performance condition requires Grainger's three-year relative TSR performance versus the comparator group to be at least at median for 25% of this part of the award to vest, with vesting then increasing on a straight-line basis to 100% for upper quartile performance.

As explained in last year's report, Total Property Income Return continued to be used in place of TPR due to the uncertainty affecting capital values at the time the awards were granted. The targets are based on annual average like-for-like rental growth over the three-year performance period. For this part of the award, threshold (25% vesting) has been set at 3.5% annual average growth, and the maximum target at 5.0% annual average growth.

The targets for the Secured PRS Investment condition were agreed during a period of significant uncertainty which was expected to impact the potential for raising equity to finance new acquisitions and increase the cost of raising debt to grow Secured PRS Investment. The targets were set assuming funding solely from our ongoing asset recycling programme, operational cash flow generation and with LTV in mind. The targets were also set on the proviso that should the equity markets reopen, and we generate proceeds from debt or equity in the period, the related investments will either be excluded from the assessment of performance against the original targets, or the target range would be increased to reflect the funding to ensure the targets remain at least as stretching as the original ones.

The ESG targets were based on: (i) Operational carbon (5% weighting) whereby 25% of this part of the award will vest for a 6% reduction in operational carbon per m^2 for the PRS portfolio by 2026 (includes building-related emissions for Scopes 1, 2 and 3) increasing pro-rata to 100% vesting for a 12% reduction; and (ii) Embodied carbon (5% weighting) whereby 25% of this part of the award will vest for a 6% reduction in embodied carbon for direct development projects in design by 2026 increasing pro-rata to 100% vesting for a 12% reduction.

In relation to the Secured PRS Investment measure attached to the 11 December 2022 LTIP awards, two years of the three-year performance period have completed and performance is on track for vesting at the upper end of the target range.

The deferred bonus share plan ('DBSP') awards relate to a 25% deferral of the FY2023 annual bonus into Company shares and is based on a price of 264.33p, being the average share price for the three business days immediately preceding the award being made on 11 December 2023. The awards will be eligible to vest after three years subject to continued employment.

5. Payments for loss of office and to past Directors

No payments for loss of office or payments to past Directors were made in the year ended 30 September 2024.

Remuneration
Annual Report on Remuneration continued

6. Directors’ shareholdings and share interests

Past share awards

		Awards granted	Maximum award Number	Awards vested Number	Awards lapsed Number	Maximum outstanding awards at 30 Sep 2023 Number	Market price at date of vesting (p)	Vesting date
Helen Gordon	LTIP shares[2]	10-Dec-20	350,496	111,266	239,230	**–**	261.6	9-Dec-23
	LTIP shares	16-Dec-21	325,665	–	–	**325,665**	–	15-Dec-24
	LTIP shares	12-Dec-22	417,297	–	–	**417,297**	–	11-Dec-25
	LTIP shares[1]	12-Dec-23	423,954	–	–	**423,954**	–	11-Dec-26
	DBSP	10-Dec-19	16,429	16,429	–	**–**	247.0	9-Dec-22
	DBSP	10-Dec-20	43,397	43,397	–	**–**	261.6	9-Dec-23
	DBSP	16-Dec-21	38,238	–	–	**38,238**	–	15-Dec-24
	DBSP	12-Dec-22	71,609	–	–	**71,609**	–	11-Dec-25
	DBSP	11-Dec-23	70,844	–	–	**70,844**	–	10-Dec-26
Rob Hudson	LTIP shares[2,3]	11-Oct-21	271,987	86,343	185,644	**–**	260.8	01-Feb-24
	LTIP shares	16-Dec-21	233,045	–	–	**233,045**	–	15-Dec-24
	LTIP shares	12-Dec-22	298,616	–	–	**298,616**	–	11-Dec-25
	LTIP shares[1]	12-Dec-23	292,183	–	–	**292,183**	–	10-Dec-26
	DBSP	16-Dec-21	2,233	–	–	**2,233**	–	15-Dec-24
	DBSP	12-Dec-22	50,197	–	–	**50,197**	–	11-Dec-25
	DBSP	11-Dec-23	48,257	–	–	**48,257**	–	10-Dec-26

1. Details of the December 2023 LTIP awards are set out in Note 4 (Share awards granted during the year) above.
2. LTIP and DBSP share options vested but are unexercised at the date of this report. These will remain capable of exercise in accordance with the scheme rules.
3. Recruitment awards granted in respect of awards forfeited by Rob Hudson on leaving his previous employer. Full details of the grants are set out in the September 2021 Directors’ Remuneration report.

All-employee share options under SAYE

			Granted in year		Lapsed during year	Exercised during year							
		Share options at 1 Oct 2023	Number	Grant price (p)	Number	Number	Exercise price (p)	Market price on exercise (p)	Gains on exercise of share options (£)	Share options at 30 Sep 2024	Exercise price (p)	Earliest exercise date	Latest exercise date
Helen Gordon	SAYE	8,866	–	203.0	–	–	–	–	–	**8,866**	203.0	01-Sep-26	01-Mar-27
Rob Hudson	SAYE	14,778	–	203.0	–	–	–	–	–	**14,778**	203.0	01-Sep-28	01-Mar-29

The closing trade share price on 30 September 2024 was 245.5p. The highest trade share price during the year was 274.8p and the lowest was 220.2p.

All-employee share awards under the SIP

	Ordinary shares of 5p each	
	30 Sept 2023 shares	**30 Sept 2024[1] shares**
Executive Directors		
Helen Gordon	10,342	**11,786**
Rob Hudson	1,478	**2,922**

1. Since 30 September 2024, Helen Gordon and Rob Hudson acquired shares in the Company through the Grainger Employee Share Incentive Scheme (272 ordinary 5p shares each).

Shareholding at 30 September 2024

Directors' share interests and shareholding requirements are set out below. In order that their interests are aligned with those of Shareholders, Executive Directors are expected to build up and maintain a personal shareholding equal to 200% of basic salary in the Company. The table below sets out the Directors' interests in shares.

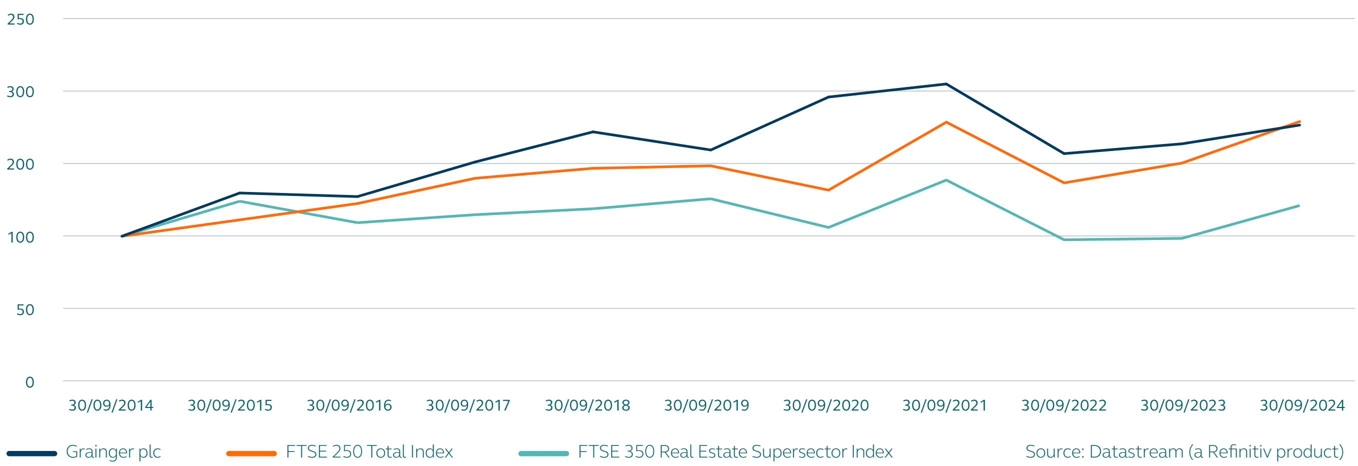
	Owned shares at 30 Sep 2024[1]	Vested but unexercised share awards	Unvested share awards	Total interests held at 30 Sep 2024[2]	Total interests held at 30 Sep 2023	Shareholding as % of basic salary[3]
Executive Directors						
Helen Gordon	**606,544**	445,323	1,347,607	**2,399,474**	2,150,000	350.1
Rob Hudson	**115,822**	333,020	925,531	**1,374,373**	1,232,000	155.7
Non-Executive Directors						
Mark Clare	**161,333**	–	–	**161,333**	161,333	N/A
Justin Read	**20,534**	–	–	**20,534**	20,534	N/A
Janette Bell	**1,636**	–	–	**1,636**	1,636	N/A
Carol Hui	**5,000**	–	–	**5,000**	5,000	N/A
Michael Brodtman	**20,164**	–	–	**20,164**	20,164	N/A

1. Owned shares include shares as shown on the Company's Register, beneficially owned shares including shares held in a nominee account and shares held in the SIP trust.
2. The total interests include beneficially owned shares, shares held in the SIP trust, include Owned shares, vested but unexercised shares and unvested share awards.
3. The value of shares held (calculated as at 30 September 2024 when the share price was 245.5p) includes Owned shares, vested but unexercised share awards (on a post-tax basis) and those purchased under the SIP. If unvested DBSP awards (which vest subject to continued employment only) and the December 2021 LTIP due to vest in December 2024 for which performance has already been tested) were to be included, the value of shares held (on a post-tax basis) would rise to 422% of basic salary in the case of Helen Gordon and 213.5% in the case of Rob Hudson. The shareholding as % of basic salary is calculated using the total interests as at the year-end date and does not include SAYE related options which have not been exercised.

7. Performance graph

Total Shareholder Return

This graph shows the percentage change by 30 September 2024 of £100 invested in Grainger plc on 30 September 2014 compared with the value of £100 invested separately in both the FTSE 250 Index and the FTSE 350 Real Estate Supersector Index. These indices have been chosen as Grainger is a constituent in each.



8. Chief Executive single figure

		Chief Executive single figure of total remuneration £'000	Annual variable element award rates against maximum opportunity %	Long-term incentive vesting rates against maximum opportunity %
2024	Helen Gordon[1]	1,818	99	45
2023	Helen Gordon[2]	1,683	98	32
2022	Helen Gordon	2,022	98	83
2021	Helen Gordon	1,631	67	48
2020	Helen Gordon	1,688	70	67
2019	Helen Gordon	1,185	27	36
2018	Helen Gordon	1,174	72	8
2017	Helen Gordon	985	61	N/A
2016[3]	Helen Gordon (from 4 January 2016)	882	73	N/A
2016	Andrew Cunningham (to 4 January 2016)	376	–	–
2015	Andrew Cunningham	2,185	–	98

1. The total remuneration and long-term incentive vesting figures for 2024 are estimated.
2. The total remuneration for 2023 was restated following the update to the 2023 singe figure table.
3. Helen Gordon's single figure of total remuneration includes a period when she was Chief Executive designate, during which Andrew Cunningham was Chief Executive. Accordingly, there is an element of double counting in her single figure of total remuneration for 2016.

Remuneration
Annual Report on Remuneration continued

9. Percentage change in remuneration of Directors and employees

The annual percentage change in remuneration over the last five years, excluding LTIP and pension contributions, for the Chief Executive, Chief Financial Officer, Non-Executive Directors and for the average of all other employees in the Group was as follows:

	Executive Directors			Non-Executive Directors							Employee
	Helen Gordon	Vanessa Simms[1]	Rob Hudson[2]	Mark Clare	Andrew Carr-Locke[3]	Justin Read[3]	Janette Bell[3]	Rob Wilkinson[4]	Carol Hui[5]	Michael Brodtman[6]	
Percentage change 2019-2020											
Base salary	2.5%	2.5%	–	2.5%	2.5%	2.5%	2.5%	2.5%	N/A	N/A	2.8%
Taxable benefits	0.1%	0.1%	–	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.8%
Annual bonus	162.3%	(100.0)%	–	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13.7%
Percentage change 2020-21											
Base salary	1.5%	1.5%	–	1.5%	1.5%	1.5%	1.5%	1.5%	N/A	N/A	2.0%
Taxable benefits	(0.2)%	(43.1)%	–	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(0.7)%
Annual bonus	(3.6)%	–	–	N/A	N/A	N/A	N/A	N/A	N/A	N/A	33.3%
Percentage change 2021-2022											
Base salary	2.0%	–	2.0%	2.0%	–	16.4%	10.8%	2.0%	N/A	N/A	2.5%
Taxable benefits	(0.2)%	–	(0.4)%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(0.8)%
Annual bonus	50.2%	–	50.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.6%
Percentage change 2022-2023											
Base salary	9.0%	–	5.0%	6.0%	N/A	6.0%	6.0%	6.0%	6.0%	N/A	5.3%
Taxable benefits	(0.4)%	–	(0.9)%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(1.7)%
Annual bonus	6.8%	–	3.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.6%
Percentage change 2023-2024											
Base salary	6%	–	5.0%	5.0%	N/A	5.0%	5.0%	N/A	5.0%	5.0%	5.2%
Taxable benefits	0.53%	–	5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(9.8)%
Annual bonus	7.9%	–	23.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.1%

1. No bonus was payable to Vanessa Simms due to her resignation in October 2020.
2. Rob Hudson joined Grainger on 31 August 2021. The growth rates for base salary, taxable benefits and annual bonus have been annualised to reflect changes on a like-for-like basis.
3. Andrew Carr-Locke stepped down from the Board in February 2022. Justin Read was appointed Senior Independent Director and Chair of the Audit Committee, and Janette Bell has taken over as Chair of the Remuneration Committee.
4. Rob Wilkinson stepped down from the Board in February 2023.
5. Carol Hui was appointed to the Board on 1 October 2021 and Chair of the Responsible Business Committee.
6. Michael Brodtman joined the Board on 1 January 2023.

10. Chief Executive pay ratio

The table below compares the 2024 single total figure of remuneration for the CEO as shown in Note 1 on page 100 with the Group's employees paid at the 25th, 50th and 75th percentiles:

Financial year	Method	25th percentile	50th percentile (median)	75th percentile
2024	**A**	**56:1 Total pay and benefits £32,299 Salary £25,542**	**37:1 Total pay and benefits £48,831 Salary £39,425**	**22:1 Total pay and benefits £83,331 Salary £66,779**
2023	A	51:1 Total pay and benefits £31,830 Salary £26,882	33:1 Total pay and benefits £49,900 Salary £44,447	19:1 Total pay and benefits £85,792 Salary £63,495
2022	A	60:1 Total pay and benefits £31,831 Salary £25,241	40:1 Total pay and benefits £47,521 Salary £38,500	23:1 Total pay and benefits £81,690 Salary £72,116
2021	A	48:1 Total pay and benefits £32,711 Salary £25,000	33:1 Total pay and benefits £48,540 Salary £42,923	20:1 Total pay and benefits £80,586 Salary £64,720
2020	A	58:1 Total pay and benefits £29,968 Salary £27,708	39:1 Total pay and benefits £44,748 Salary £37,898	23:1 Total pay and benefits £76,196 Salary £63,338

Our calculations were made on 15 November 2024 using Option A as the most statistically accurate method.

In undertaking our calculations, no adjustments were made to the figures other than determining the FTE remuneration for all employees within the Group over the financial year. No non-salary employee remuneration components have been omitted. Joiners, leavers, employees on a period of statutory leave (such as maternity, paternity and shared parental leave) and long-term absences during the financial year were excluded.

Total FTE remuneration was calculated on the same basis as the CEO single figure table and includes annual base salary, taxable benefits (private medical insurance, car allowance), matching shares under our Share Incentive Plan, annual bonus for performance delivered in the financial year and paid in December 2024, employer pension contributions, and taxable share plans.

The Committee considers that the median CEO pay ratio is consistent with the pay, reward and progression policies available to our employees. We operate an in-house service model, directly employing colleagues for onsite roles in our growing portfolio of developments and our employee population at this level will continue to increase as we resource appropriately. It is therefore difficult to compare our ratios with those in the property industry who do not operate under a similar model.

11. Relative importance of spend on pay

The difference in actual expenditure between 2023 and 2024 on remuneration for all employees, in comparison to profit before tax and distributions to Shareholders by way of dividend, is set out in the charts below. Profit before tax is considered to be an appropriate financial metric as it is not impacted by changes in tax rates which are outside of the direct control of the Company.

Profit before tax

£40.6m

+48%
(2023: £27.4m)

Dividend

£55.8m

+14%
(2023: £49.1m)

Total employee pay

£32.1m

+8%
(2023: £29.6m)

12. Statement of implementation of Remuneration Policy for 2025

Base salary

Executive Director base salaries will be increased by 3.5% effective 1 January 2025, aligned with the increase for the general workforce.

Pension

A workforce aligned 10% of salary pension contribution will continue to be payable to the CEO and CFO.

Annual bonus

Annual bonus potential will continue to be capped at 140% of salary. The table below sets out the performance measures and their respective weightings for 2025:

Metric	Weighting	Rationale and description
PRS NRI	35%	Rental income from PRS after property operating expenses incentivises management to focus on growing income and reducing cost.
Adjusted earnings	35%	Incentivises operational success in achieving rental growth, income from sales and reduction in operational and finance costs relative to a challenging budget. The targets for FY25 are challenging and take into account our reducing size of our regulated tenancy portfolio and the impact of scheme deliveries.
Strategic and Operational objectives	23%	Specific objectives relating to Customer Satisfaction, Business Resilience and Funding and Investment will apply. Due to matters of commercial sensitivity it would not be in the interests of the Company to disclose the precise operational targets for the annual bonus at the date of production of this report. Details of the objectives and the performance achieved will be disclosed retrospectively in the 2025 Annual Report.
ESG	7%	Incentivises delivery of Grainger's corporate strategy and commitments in respect of Community, Environment, Governance and People (including Health and Safety).

In line with our Policy, 25% of any bonus earned will be delivered as a deferred bonus share award which will vest after three years.

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Annual Report on Remuneration continued

LTIP

It is intended that the LTIP awards to be made to the Executive Directors in the year ending 30 September 2025 will be at the levels detailed below and subject to a two-year holding period:

- Chief Executive: 200% of salary
- Chief Financial Officer: 175% of salary

The 2025 LTIP maintained the TSR performance criteria, slightly adjusting the TPIR income range reflecting a moderating, but above long-term average, expectation for rental growth as wage inflation in the UK moderates and being mindful of preserving customer affordability. Given the focus on delivering operational platform effectiveness as the business scales, the secured investment criteria has been replaced with an EBITDA margin improvement target representing a significant uplift from current levels of 54%.

The performance measures to apply for the next LTIP grant are expected to be as follows:

Metric	Weighting	Targets		
Relative TSR (versus a bespoke group of real estate peers)	30%	Performance level	Ranking	Vesting (of this part of an award)
		Below threshold	Below median	0%
		Threshold	Median	25%
		Maximum	Upper quartile	100%
Total Property Income Return[1]	30%	TPIR is based on a sliding scale of annual average like-for-like rental growth over the three-year performance period.		
		Performance level	TPIR	Vesting (of this part of an award)
		Below threshold	Below 2.5%	0%
		Threshold	2.5%	25%
		Maximum	4.5%	100%
EBITDA Margin[2]	30%	Based on the EBITDA Margin delivered in FY27.		
		Performance level	EBITDA Margin	Vesting (of this part of an award)
		Below threshold	Below 56%	0%
		Threshold	56%	25%
		Maximum	58%	100%
ESG - Carbon[3]	10%	Operational carbon (5% weighting) - achieve a 8% (threshold) to 14% (max) reduction in operational carbon per m² for the PRS portfolio by 2027 (includes building-related emissions for Scopes 1, 2 and 3) as compared with the 2023 baseline.		
		Embodied carbon (5% weighting) - achieve a 8% (threshold) to 14% (max) reduction in embodied carbon for direct development projects in design by 2027.		

1. Given the uncertainty affecting capital values in the short term and the difficulty in setting a robust three-year TPR target range, the Committee has agreed to continue with a three-year TPIR measure.
2. EBITDA Margin is defined as earnings before interest, depreciation, amortisation and tax, excluding liquidated and ascertained damages, divided by Revenue
3. The Operational and Embodied carbon targets include a number of assumptions, including in respect of Government policy and progress in decarbonisation of the grid. To the extent that the underlying assumptions change materially, the Committee reserves the flexibility to revisit the performance metrics, weightings and targets to ensure that they remain appropriately challenging and relevant to Grainger's transition to Net Zero.

The Committee will retain the right to reduce overall pay outcomes if it considers the variable pay result does not reflect broader Company performance over the relevant performance periods.

Non-Executive Directors' fees

The Non-Executive Directors' ('NED') fee levels will be increased in line with the typical employee population increase by 3.5% with effect from 1 January 2025. Mark Clare joined Grainger in February 2017 and during his tenure the Company's scale and reach has broadened significantly, reflecting this, and his level of time commitment and experience, his fee will increase to £230,000 from 1 January 2025. Current fee levels and those which will apply from 1 January 2025 are as follows:

	1 January 2025	1 January 2024
Basic Non-Executive Director fee	**£57,455**	£55,512
Additional fee for chairing Board committee	**£11,614**	£11,221
Additional fee for Senior Independent Director duties	**£9,779**	£9,448
Chairman's fee	**£230,000**	£194,881

13. Directors' service agreements and letters of appointment

Executive Directors	Contract commencement date	Notice period
Helen Gordon	3 November 2015	12 months
Rob Hudson	31 August 2021	6 months

Non-Executive Directors	Date of initial appointment	
Mark Clare	13 February 2017	3 months
Justin Read	13 February 2017	3 months
Janette Bell	7 February 2019	3 months
Carol Hui	1 October 2021	3 months
Michael Brodtman	1 January 2023	3 months

14. Details of the Remuneration Committee, advisers to the Committee and their fees

The Remuneration Committee currently comprises the Company Chair and four independent Non-Executive Directors. Details of the Directors who were members of the Committee during the year are as follows:

Committee member	Member since	Meetings attended	Meetings eligible to attend
Janette Bell (Committee Chair)	May 2019	**4**	4
Justin Read	May 2017	**4**	4
Mark Clare	May 2017	**4**	4
Carol Hui	November 2021	**4**	4
Michael Brodtman	January 2023	**4**	4

The Company Secretary, the CPO and other members of the senior management team may be invited to attend Committee meetings as appropriate. No Directors are involved in deciding their own remuneration.

FIT Remuneration Consultants LLP were appointed by the Remuneration Committee to provide advice on executive remuneration matters. Total fees paid or payable (as applicable) to FIT for services to the Committee during the 2024 financial year were £48,000 (2023: £64,833). FIT also provides share plan implementation services and related technical support. FIT are signatories to the Remuneration Consultants' Group Code of Conduct and any advice provided is governed by that code. The Committee reviews the adviser relationship periodically and remains satisfied that the advice it receives from its advisers is independent and objective.

15. Statement of voting at general meeting

The votes received from Shareholders in respect of the Directors' remuneration report for the year ended 30 September 2023 (2024 AGM) and the current Policy (2023 AGM) are set out below.

	Directors' Remuneration report (2024)		Remuneration Policy (2023)	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For	575,308,382	96.81	599,740,550	95.06
Against	18,987,579	3.19	31,191,167	4.94
Total votes cast (for and against)	**594,295,961**	**100**	**630,931,717**	**100**
Votes withheld	24,062,221		3,667	

NB Votes withheld are not counted.

Janette Bell
Chair of the Remuneration Committee

20 November 2024